

Post-Secondary Funding Formula Review

Okanagan College Submission to Dr. Don Wright, July 2022

Introduction

Okanagan College is grateful to the Government of British Columbia, the Ministry of Advanced Education and Skills Training, and Dr. Don Wright for undertaking a review of the post-secondary base operating grant framework. This review comes at a time when inflationary pressures are the most recent challenge to post-secondary institutions, and we welcome the opportunity to participate.

In the pages that follow, we have done our best to outline the experience, perspective and insights of Okanagan College in light of our role within B.C.'s post-secondary system. Okanagan College is a willing contributor and collaborator with the government in its efforts to establish a future-oriented funding model that serves all British Columbians.

It is important to note that this review is focused on the base operational grant provided by the Ministry of Advanced Education and Skills Training (AEST). However, we understand that an assessment of and potential changes to the base grant will have significant interconnected effects on other college revenues (e.g., targeted funding, trades funding, tuition). Further to this point, we have included notes related to these interconnected revenues in the discussion below.

Inspire – Okanagan College's strategic plan

In 2021, the Okanagan College community and members of our surrounding communities engaged in dialogue and provided input to shape [Inspire, OC's new strategic plan](#). In January 2022, the Inspire plan launched. It is an action-focused plan, that when achieved, will redefine what it means to be a college in B.C.

In short, Okanagan College is embracing what it means to be **the next generation of higher learning**, as an **inclusive, welcoming** institution that strives to deliver increased **equitable access** to post-secondary education for all British Columbians.

inspire



Our Inspire plan prioritizes learning from “K to gray,” with a vision of engaging elementary students in educational opportunities that lead to a lifelong partnership between students and the OC, and meaningful impact in communities. We empower individuals and communities to strengthen and sustain the social, economic, environmental, and cultural resiliency of the region today and for future generations through the creation and sharing of knowledge.

Okanagan College is deliberately pursuing a student-first culture, commitment to continuous improvement, and future-oriented planning (see the [OC Inspire Roadmap](#)), so that we can remove barriers and make post-secondary more accessible to all British Columbians. In doing so, we will contribute to a stronger, more sustainable and successful province for all.

None of this work can be done alone, especially in our rural and expansive B.C. geography. OC partners collaboratively with other institutions, organizations, employers, governments, and businesses to solve problems and seize opportunities. Our relationships, innovation experience and ability to bridge the gap between fundamental research and innovation is what *Inspires* success.



Overview

Okanagan College by the numbers

First established in 1963, Okanagan College (OC) serves rural communities across an area almost the size of Switzerland, approximately 38,000 square kilometres, in the Similkameen, Okanagan, and Shuswap. The region stretches from Osoyoos and the U.S. border to the south, Princeton to the west, and Revelstoke to the north.

In 2021, the census population of the region was approximately 449,000 people, an increase of over 10 per cent since 2016, compared to just seven per cent growth nationally.

Population density (2021 Census):

Vancouver Island – 10.3 people/km²
Lower Mainland – 84.1 people/km²
Okanagan region – 6.4 people/km²

In 2021, 68 per cent of students attending OC came from the Okanagan region, while 16 per cent were international. The College's largest campus in Kelowna served 64 per cent of students, while the average age of students across all OC campuses was 26 years old.

"We transform lives and communities."

OC's Mission statement and the aspiration of *Inspire*

Engagement Questions

1. What are the most important contributions your institution makes to the economic, social, and environmental health of British Columbia?

Inclusive and Equitable Access. Colleges that serve large geographies and several smaller, rural communities have multiple campuses and centres, and OC is no different. With a multi-campus/multi-modal learning delivery model, OC creates inclusive, equitable and more broadly universal access to higher education. This goal is included within Inspire and is consistent with the United Nation's Sustainable Development Goal #4.¹

Since 2005, the College's Full-Time Equivalent (FTE) number has increased by 48 per cent, from 5,582 to 8,264 in 2021/22. The 2021/22 FTE value is down from a high of 9,244 in 2018/19, primarily because of the diminished enrolments through the COVID pandemic. With the exception of the 2020/21 pandemic year, this significant growth curve has resulted in the college exceeding enrolment targets annually since 2005.

¹ UN Sustainable Development [Goal #4](#). Accessed July 10, 2022.

Regional learning opportunities. Most of the geographically dispersed population in the region is within 50 kilometres from one of Okanagan College's nine on-campus locations in Revelstoke, Salmon Arm, Salmon Arm industrial park, Vernon, Vernon airport, Kelowna, Kelowna airport, Penticton, and Oliver/Osoyoos.

The population within reach of these nine centers, varies from larger centers with high student demand like Kelowna (population 181,380), through to rural centers with lower student demand like Salmon Arm (population 16,065), and Oliver/Osoyoos (population 10,567).

Okanagan College offers both synchronous online and asynchronous distance education learning environments, decreasing barriers for students who are unable to travel to another community for classes, or who prefer alternative learning formats.

In total, 68 per cent of Okanagan College students come from the region and upon receiving their education, the vast majority choose to stay in B.C. where they are now more qualified and in demand in our labour market.

Flexible programming and access for diverse learning populations. Unlike other post-secondary institutions, OC students are older (average age is 26) and the split between full-time (54 per cent) and part-time students (46 per cent) is balanced. In 2021/22, this translated into 16,000 individual students across all OC campuses, a number that was down from 21,000 pre-pandemic in 2018/19. By student headcount, Okanagan College is the tenth largest post-secondary institution in B.C., including the research universities.

Because part-time learners require the same resources as full-time learners to recruit and educate, OC tracks headcount as well as FTE. Fewer tuition dollars are received per part-time learner, which increases financial pressures on the College to a greater degree than if there were more full-time students.

Program diversity and alignment. Over its nearly sixty-year history, Okanagan College has developed comprehensive programming across a range of credentials (e.g., certificates, diplomas, undergraduate degrees, and post-baccalaureate diplomas) in adult upgrading, skilled trades, arts, business, science, technology, health and social development. Complementing the College's credentials is a series of continuing studies and professional development programs. While only a proxy measure of effectiveness, the College's programs align to 32/38 of the top areas of growth described in the BC Labour Market Outlook (LMO) for the Thompson-Okanagan region.²

In today's economy, OC is uniquely positioned to contribute to several areas of opportunity in B.C.:

- **Trades:** OC is the second-largest post-secondary institution in the province for trades, graduating 11 per cent of all skilled trades professionals in B.C. annually, and 25 per cent of those graduating from Colleges.
- **Health care:** The new Health Sciences Centre at OC opened in 2021 and offers students a modern learning environment equipped with the latest education technology.
- **School of Business:** OC's business graduates are sought after by employers, and students value the small class sizes, relevant instruction and connections to key players in the regional economy.
- **Culinary and Pastry Arts, Wine and Beverage Arts, Tourism:** Working closely with leading industry professionals, OC is supporting the continued growth of B.C.'s hospitality sector.
- **Sustainable Building Technology:** Students work hands-on with sustainable materials and learn about renewable energy, regenerative design, lean construction, and green retrofits.
- **Science and Technology:** Accessible programs in Computer Information Systems, Data Science and Engineering are among those available to students from across the region
- **Arts:** Programs include offerings for students to develop an understanding of critical issues locally and globally, and to develop skills and problem-solving experience transferrable in a range of careers.

² BC's Labour Market Outlook: [2021 Edition](#). Accessed July 10, 2022.

Internationalization. We understand and appreciate the importance of internationalization on the higher education learning environment as well as the regional diversification of population created by education-for-immigration learning pathways. To this end, OC has placed greater emphasis on recruitment of international students since 2015, growing the College's international student population from 6 per cent to 13 percent of the student population.

Alumni in community. Since 1963, over 88,000 diplomas, degrees and certificates have been awarded to students who have completed studies at Okanagan College. OC's Alumni Association includes nearly 50,000 graduates, of whom 77 per cent have stayed in B.C.'s southern interior region and are contributing to the social, economic, and cultural fabric of the communities they call home. Over 80% of Okanagan College students are employed following graduation, with four out of every five graduates working in a field related to their studies.³ Consistent with the social impact as outlined in the post-secondary accountability framework,⁴ alumni of Okanagan College contribute to communities in unmeasurable ways, stretching beyond economic benefit. They are leaders, innovators, volunteers, business owners, health care workers, skilled professionals, coaches, , advocates, coaches, mentors, family members and so much more. So much of what they give strengthens our entire region and province.

Sustainable building. In addition to offering education opportunities in sustainable building and related fields, the College is a leader and influencer in sustainable building projects. Without exception, capital projects of the past several years at the College have held to the high standards set out in LEAD, WELL, Passive House and the Living Building Challenge, including OC's Pattison Centre of Excellence (Penticton), Trades Training Centre (Vernon), and the Health and Social Development building and Trades Training House (Kelowna).

OC's has reduced overall greenhouse gas (GHG) emissions campus wide by 33 per cent since 2007. During the same period, the College added 45 per cent new space. On a per square meter allocation, the College has reduced its emissions by 61 per cent: the equivalent of removing 1104 cars from the road.

Wraparound supports. As a small community in and of itself, Okanagan College has created an environment that provides supports to learners supplemental to their educational experience. These supports often complement and reduce the strain on the local community's resources (e.g., mental health supports available at OC lessen the demand for mental health supports in community). OC works in partnership with other agencies and organizations to support students, including working with Interior Health through the COVID-19 pandemic to promote and support public health measures and the provincial vaccination efforts.

Direct economic contribution. OC's overall 2021/22 operating budget was \$119M, of which overall compensation and benefits expenses were \$90.75M. The College employs over 1,100 people and compensation is expected to be closer to \$95.6M in 2022/23. The College's materials and supplies expenses line, which the College aims to spend locally, was \$20.6M in 2021/22 and is forecasted to be \$26.6M in 2022/23.

2. What is your institution doing to promote Reconciliation with Indigenous People and First Nations?

OC Commitment to Reconciliation: The College has the honor of learning from, working with, and listening to multiple Interior region First Nations as the College creates its own story. These Nations include: the Okanagan Indian Band, Westbank First Nation, Penticton Indian Band, Osoyoos Indian Band, Lower and Upper Similkameen Indian Bands, Spltasin First Nation, Neskonlith Indian Band, Adams Lake Indian Band, and the Little Shuswap First Nation. The College also works in partnership with the Shuswap Nation Tribal Council and the Okanagan Nation Alliance.

³ BC Student outcomes [data viewer](#). Accessed July 7, 2022.

⁴ BC Post-Secondary [Accountability Framework](#). Accessed July 10, 2022.

We have only taken initial steps in our journey at OC toward reconciliation. However, our commitment to continuing the work is genuine. OC’s strategic plan, Inspire, is founded on core responsibilities, the first of which is to incorporate and weave Indigenous world views into all aspects of College life, including our learning and research environments, our physical, cultural, social, and spiritual spaces on campuses, and our structures, policies, and practices.

Key to this work is partnership with and learning from the communities where we are situated; as together we strive for meaningful change related to the full Truth and Reconciliation Commission 2015 Report, with specific focus on Calls to Action 7, 10iii, 10iv, and 11. OC is a signatory of the Colleges and Institutes Canada Indigenous Protocol.

According to the British Columbia Assembly of First Nations⁵, First Nations peoples represent 3.43 per cent of the Thompson Okanagan population. OC is proud to be the B.C. college chosen by most often by Indigenous students (1,480 learners), more than any other college in the province.⁶ The Indigenous student body at Okanagan College represents approximately 9 per cent of our student body.

Visible and tangible actions. Across all campus locations, OC continues to make visible the presence of written and spoken Indigenous languages, as well as the incorporation of Indigenous gardens, artwork and student spaces. These actions are intentional and done in partnership with First Nations, to create culturally welcoming and safe spaces.

Within the learning environment itself, College instructional staff have taken strides toward decolonizing and Indigenous curriculum and introducing Indigenous specific programming in a variety of credit, trades foundations, and continuing studies programming.⁷

OC’s Board of Governors includes Indigenous representation, and as a whole the Board recently initiated a process to introduce Indigenous principles and values into its governance decision-making procedures.

Similarly, at the June 2022 meeting of Education Council, the Council voted to add a permanent ex-officio Indigenous representative. This role will be occupied by the Associate Director of Indigenous OC, a new position currently in recruitment. The Associate Director of Indigenous OC will serve as a senior advisor to the President and the senior executive and provide leadership and support to the College’s commitments.

We respectfully acknowledge that our nine campus locations are located on the traditional, ancestral, and unceded territories of the Silyx-Okanagan (Oliver/Osoyoos, Penticton, Kelowna, Vernon, and Revelstoke), the Secwepemc (Salmon Arm and Revelstoke), the Ktunaxa (Revelstoke), and the Sinixt (Revelstoke) peoples.

**Truth and Reconciliation Commission:
Calls to Action (as referenced)**

- 7.** We call upon the federal government to develop with Aboriginal groups a joint strategy to eliminate educational and employment gaps between Aboriginal and non-Aboriginal Canadians.
- 10.** We call on the federal government to draft new Aboriginal education legislation with the full participation and informed consent of Aboriginal peoples. The new legislation would include a commitment to sufficient funding and would incorporate the following principles:
 - iii. Developing culturally appropriate curricula.
 - iv. Protecting the right to Aboriginal languages, including the teaching of Aboriginal languages as credit courses.
- 11.** We call upon the federal government to provide adequate funding to end the backlog of First Nations students seeking a post-secondary education.

⁵ British Columbia [Assembly of First Nations](#). Accessed July 4, 2022.
⁶ Post-Secondary [Central Data Warehouse](#). Accessed July 4, 2022.
⁷ A full list of initiatives, programs, and priorities relating to Indigenous OC is available upon request.

3. What is your institution doing to promote equitable access for people who come from disadvantaged socio-economic circumstances?

Dedicated comprehensive access programming and in-reach to all programs. Okanagan College supports equal opportunity to access education through comprehensive access programming. This includes the following, each of which support significant participation rates by disadvantaged peoples:

- English as a Second Language
- Adult Special Education
- Adult Basic Education

In addition, OC also supports equal opportunity to access through efforts reaching into all programs and service areas. As an example, the OC Volunteer Literacy Tutoring Program is comprised of teams of instructors at each College centre. The instructors pair volunteers with low-literacy members of our communities, so that they can find greater success in their lives, both educationally and outside of the school environment.

Additionally, the College community contributes to an emergency bursary fund for students through Foundation fundraising, and through internal OC collaborations, innovations in our registration and admissions processes are supporting the development of processes so students are admitted to their intended programs wherever possible through integrated pathways, beginning at the level appropriate to their educational abilities.

4. What are your major challenges in enhancing the contribution your institution makes to the economic, social, and environmental health of British Columbia?

Economic

Doing more with less – overall operating budget. Okanagan College’s current 2022/23 operating budget is approximately \$130M, up from \$80M in 2006/07 – a growth of 62.5 per cent in nominal terms. During the same time, the College’s student population has grown by 48 per cent.⁸ The compounded Consumer Price Index (CPI) during this period is 28 per cent.⁹ Taking both growth and inflation into consideration, Okanagan College’s 2022/23 operating budget should be closer to \$151M, placing the College in a current realized annual structural operating deficit of approximately \$21M relative to growth and inflation.

The Higher Education Price Index (HEPI) is a more representative expression of the inflationary pressures faced by higher education. The compounded HEPI during this period is 46.7 per cent.¹⁰ Using the compounded HEPI value, Okanagan College’s 2022/23 operating budget should be closer to \$173M, resulting in a current realized annual structural deficit of \$43M relative to growth and inflation.

Base funding vs. One-time funding. OC’s overall operating grant is made up of four primary components: base funding, targeted annual ongoing funding, targeted one-time funding, and Industry Training Authority (ITA) funding. Between fiscal year 2009/10 and 2021/22, the overall operating grant including all lines of funding for Okanagan College has grown from \$55.2M to \$67.1M.¹¹

⁸ 2006/07 Fiscal year represents the first complete fiscal year of Okanagan College following the dissolution of Okanagan University College into Okanagan College and UBCO.

⁹ Government of British Columbia [annual consumer price index](#). Statistics Canada Table 18-10-0005-01. Accessed July 5, 2022.

¹⁰ [Higher Education Price Index](#) excluding 2021 value. Accessed July 5, 2022.

¹¹ The time period of 2009/10 through 2021/22 has been used because it is during this period that the College is able to differentiate between base funding and one-time funding.

A particular challenge occurs when differentiating between base funding, targeted ongoing funding, and targeted one-time funding (ITA funding will be addressed shortly). Although Okanagan College acknowledges the variety of reasons to increase funding through one-time and targeted investments, targeted one-time funding has grown from \$0.99M (1.8% of the overall operating grant) to \$5.9M (8.8% of the overall operating grant). While this targeted one-time funding has helped establish new and expanded programs, it does not address the full spectrum of secondary and tertiary costs associated with running programs. Additionally, it does not address ongoing inflationary costs which are even more significant to multi-site colleges serving smaller, more rural communities where the cost per learner is higher.

If targeted ongoing and targeted one-time funding were excluded, Okanagan College's base funding has grown from \$44.1M in 2009/10 to \$51.1M in 2021/22. Much of this change has been the result of increases to the base grant due to negotiated collective agreements.

Assuming the same compound CPI inflation noted above¹², an inflation corrected base grant of approximately \$53.4M would be expected in 2021/22. If a compound HEPI were used over the same period¹³, an inflation corrected base fund of approximately \$56M would be expected. As a result, the base grant for Okanagan College has lagged inflation, regardless of the index used. This has required OC to rely on other sources of revenue and/or adjust services for students.

Where one-time, time-limited, or targeted funding limits stranded funding exposure, it creates an inherent counter risk borne by the College: stranded human resources. In a targeted funding model, the grant provider identifies priorities and seeks to fund the start-up or the early-stage development work of that priority. If the initiative is successful, the "pilot" may be rolled into base funding for ongoing support, thereby *socializing* the potential positive impact of public investment.

When the pilot is unsuccessful or is no longer considered a priority, funding is likely withdrawn, allowing the money to be reallocated. In these withdraw scenarios, the institution may not be able to release the human resources or supplies and services related to the start-up and scale up of pilot initiatives, *privatizing* the financial risk to the College. When the realistic time-to-market for a targeted program exceeds the time available for funding to pilot and sustain a targeted program, the institution assumes even greater risk in applying for and accepting targeted program funding.

Grant dependency vs. tuition dependency. With an overall operating grant of \$55.2M in 2009/10, Okanagan College's grant dependency ratio¹⁴ was 60.1% per cent. By 2021/22, this value had dropped to 56 per cent, with an overall operating grant of \$67.1M.

When one-time funding is separated out, this ratio changes from 48 per cent in 2009/10 to 43 per cent in 2021/22. During the same period, Okanagan College's tuition dependency ratio¹⁵ has grown from 22 per cent to 33 per cent.

The domestic tuition regulation limits tuition increases to an annual two per cent. Although international tuition is not currently restricted, Okanagan College has aimed to be consistent in its application of increases for international students, and in the past three years has increased international tuition an average of two to three per cent per year.

With neither the base funding nor tuition keeping pace with inflationary pressures on a per capita basis, the College is forced to run on a shrinking revenue model year over year.

¹² Compounded Consumer Price Index between 2010 and 2022 was 21%.

¹³ Compounded Higher Education Price Index between 2010 and 2021 was 27%.

¹⁴ Overall operating grant value / overall operating budget.

¹⁵ Overall tuition revenue / overall operating budget.



Trades funding. Okanagan College is the second largest trades training provider in British Columbia, next to BCIT. The College delivers 11 per cent of all skilled trades seats in the province and 25 per cent of the seats delivered through B.C. colleges. Apprentice and foundational trades programs are delivered in the Vernon, Kelowna, and Penticton campuses as well as at the Kelowna and Vernon airports and the Salmon Arm industrial park. Additionally, programs are also offered through remote delivery sites in community.

The annual Industry Training Authority (ITA) grant for Okanagan College has increased from \$7.6M in 2009/10 to \$8.4M in 2021/22. Of note, “funding bands” for ITA programs have not changed in 15 years. The growth in the College’s ITA grant has been the result of one-time funding for contracts and exams.

Using the same compounded CPI and HEPI rates noted above, inflation corrected funding would more likely be \$9.8M and \$11.1M, respectively in 2021/22. The actual ongoing ITA grant in 2021/22 was \$7.2M for a realized annual structural deficit of at least \$2.6M.

As a result, trades funding no longer covers indirect institutional costs and, in some cases, does not cover the direct instructional costs of the program. Based on a recent costing analysis, 38 per cent of the trades foundation programs are break-even for direct delivery costs when the class is 100 per cent full and being taught by an instructor at the top level of the pay scale. In comparison, 96 per cent of apprentice programs are above break-even for direct delivery costs under the same context.

As a result, OC often needs to balance the demands for additional programming to meet needs of industry, against having the non-trades base grant supplement the operating expenses of a trades-based program.

Freedom to operate. Under legislation, Okanagan College is required to balance its budget annually. This requirement includes non-cash adjustments such as amortization and actuarial calculations of future employee benefit obligations. Under these conditions, OC generates a \$2.6M surplus to its equity and cash reserves in a “balanced budget.”

While supporting the overall financial health of the College, these resources cannot be easily accessed outside of capital purchases. As a result, the College has difficulty unlocking reserves for strategically important purposes, such as innovation.

Limited innovation resources. At the heart of transformation is innovation. Innovation, however, is far more difficult without resources or incentive.

Historically, Okanagan College has balanced its budget through savings in supplies and services, and limited investments in areas like risk management, privacy, and some aspects of information technology (e.g., ERP and Digital Learning). However, we are taking deliberate steps away from this “cut to find” approach, toward the full implementation of an integrated and aligned resource planning model. An intended outcome of the new model is to have more substantial and strategic funds available to support innovation and transformation, as outlined in our Inspire strategic plan.

However, the College faces operational risks given our current model operates in a significant annual structural deficit scenario; the pressure to continue to “cut to find” is high, limiting and prohibiting a shift to a more strategic and transformative approach to resource planning. While we know that the College must identify and invest the appropriate financial, human, capital, and technological resources required to bring innovation to life, we also know that without support from government to change our approach, we are at risk of continuing to generate the same outcomes.

The cost of talent, talent acquisition, and talent retention. Salaries and benefits make up nearly 75 per cent of OC investments. For unionized staff, salary increases are primarily driven by collective agreements at the provincial level. Like other areas of the province, cost-of-living and particularly the cost and availability of housing in the region is a significant pressure to recruiting and retaining talent at the College.

Compensation-based challenges are complex, with not all forces suggesting a common outcome. For example, OC is experiencing wage compression in certain areas, particularly as minimum wage has risen more quickly than the lower end of support staff scales. Wage compression is also occurring at the top end of scales for excluded staff, following several years of salary freezes and limitations on performance-based increases. Additionally, to be competitive, OC is finding it necessary in recent years to hire new instructors and professors above the mid-point of salary scales, rather than replacing outgoing (retired) professors with employees who are more developmental. This is also adding upward pressure to salaries College-wide.

OC and other post-secondary institutions will continue to face escalating cost pressures related to compensation and benefits in a revenue constrained environment. Over 90 per cent of OC's revenue, on the other hand, is either regulated or controlled, leaving the College itself with limited ability to respond.

Operational

Increased burden of responsibility. As noted, all else being equal, Okanagan College continues to do more with less because of the combined effects of inflation and growth over time. Complicating the operational risk associated with this approach is that not all else is equal.

OC's revenue is derived from four primary sources: government funding, tuition, philanthropy, and ancillary services. The first three sources come with an expectation that the College will fulfill a series of priorities identified by the funder.

The provincial government is in a legislative relationship with the College through AEST as stated in the Colleges and Institutes Act (the Act) and realized through Mandate letters, legislation, and policy directives. The provincial government also has multiple indirect relationships with B.C. colleges through other Ministries, and their legislation and policy directives (e.g., AccessBC Act, Public Health Act).

Students have a consumer relationship with the College, stemming from their tuition investment to OC and realized individually, and through expectations set forth by student leadership.

Together, these two funding sources (the provincial government and students) and their associated agency relationships represent 89 per cent of the College's revenue. In some cases, priorities among principal relationship holders overlap. In others, they are complementary and additive.

Regrettably, once added, relatively few expectations are ever removed. That is, when a new priority is introduced, a previous priority is not removed or abandoned. As a result, the burden of responsibility undertaken by colleges to meet the expectations of their agency relationships naturally increases over time and is near to or already has exceeded reasonable expectations in many cases.

Urgent supplanting the important. A natural extension of changing and cumulative priorities is that urgent priorities may supplant important priorities.

Strategic and operational leaders need to balance day-to-day operations, new priorities stemming from the agency relationships, priorities outlined in mandate letters, and the priorities outlined in the College's strategic plan.

It could be suggested that just three percent of OC employees hold much of the responsibility for new, strategic, and mandate initiatives (based on the size of OC's Leadership Council of approximately 30 - 35 individuals, compared to all 1,100 employees). Non-leadership staff are also engaged in this work, but often to a lesser degree and less frequently, given their support of day-to-day operations.

Social / Cultural

Parity of esteem and redefining the value of college education. In his 1962 report, University of B.C. President Dr. John B. MacDonald highlighted that all education should be considered important.¹⁶ In his account, he highlighted an age-old inherent bias of medical/doctoral and research-intensive universities: the belief that education is a ladder that must be climbed. Namely, the belief that all education is important, but only less than the “best” students should attend technical, vocational, or otherwise un-university academic education.

While Okanagan College appreciates that not all learning experiences align directly to employment opportunities (nor should they), the demand for skilled professionals and workers reflected in today’s LMO, and particularly those tied to a skilled trade or college certificate/diploma, the citizenry of B.C. faces a future risk if the ‘parity of esteem’ is not introduced and embraced. We are at a point in history in this province in which Dr. MacDonald’s utopia must become the reality: all forms of education must be deemed and viewed to be equally important and worthwhile – a true parity of esteem.

5. What are the most significant contributions your institution makes in collaboration with other parts of BC’s PSE system?

Partnerships and collaboration to put students first. Okanagan College works collaboratively with many other post secondary institutions in B.C., as well as school districts, and various other entities such as the British Columbia Council on Admissions and Transfer (BCCAT), BCNET Shared Services, EducationPlannerBC, etc.

For example, Okanagan College has several partnership programs, including the Aircraft Maintenance Technician program with Northern Lights College, the BSN partnership with the University of British Columbia Okanagan, and several engineering bridge programs.

In addition to these partnerships, there are numerous transfer agreements in place, both as sending and receiving, between Okanagan College and other publicly funded post-secondary institutions. These agreements reduce costs throughout the system, allowing students to access learning without incurring additional financial burden by relocating for an entire program.

Since the inception of dual credit opportunities, Okanagan College has worked productively with all school districts in the region to create numerous opportunities for high school students to access postsecondary education sooner to enhance their learning journey and reduce costs.

6. What stands in the way of you collaborating more with the rest of B.C.’s post-secondary system?

Incentives (time and resources). OC leaders and staff are focused on the College’s important work to deliver day-to-day education experiences and services, identify and meet strategic objectives, and deliver on mandate expectations.

While there exists motivation to collaborate across the post-secondary education system, often the opportunities to cooperate are those viewed as “easy wins” or additive efforts (e.g., joint procurement).

Initiatives that have the potential to transform and significantly increase OC’s broader positive community impacts (e.g., system level curriculum commons) do not typically result in the creation of new, additional

¹⁶ Madonald, 1962 – ubc.ca

resources. In fact, they often require reallocating OC's already stretched existing resources. This represents an unintentional, but real, barrier to collaboration.

Maturing data analytics environment. Higher education institutions and the system overall may be described as data-heavy and analytics-light. Although progress continues toward a mature data analytics environment, the absence of a system level data analytics framework limits our ability to compare and use data that is seamless between institutions. An example is the various ways in which institutions engage in costing models of delivery. The variability in these models creates differentiated approaches to targeted and non-targeted seats.

Coopetition. The post-secondary education system in British Columbia is set up in a "coopetition" or "collaboration between business competitors" model. The system is organized with the intention and mandate to cooperate, as evidenced through the significant range and number of province-wide collaborations (e.g., BCCAT, colleges response to COVID, block transfer agreements.).

At a systems level, however, incentives are created for institutions to compete against each other (e.g., applications for targeted one-time funding). As a result, there is a continued presence of a coopetition motivation among and between institutions that creates a healthy decision filter regarding opportunities for cooperation. In some cases, it can be more advantageous to compete rather than to cooperate.

Inequities in resources and context. Delivering and expanding access to learners throughout B.C. is arguably more expensive and requires more human and capital resources in rural regions than it does in urban centres. Yet colleges such as OC often have limited alternative sources of funding and can face more challenges to invest in new partnerships or approaches even where collaboration can reduce expenses.

Similarly, with a region as expansive as the Okanagan, there are more local partners (e.g. municipal and First Nation governments, RCMP detachments, school districts, etc.) to include and engage, even for the launch or rollout of "simple" new tools, such as the Respect, Educate, Empower Survivors (REES) online reporting tool implemented earlier this year.

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?

Economic

Rural and remote programming needs. The difference in the needs of rural communities vs. urban settings will continue to be felt by OC and other colleges serving rural populations. As noted in the questions above, rural colleges are not compensated for the additional costs incurred to operate multiple campuses where there are naturally smaller student populations. An additional relevant trend and pressure relates to labour market demand.

Like urban environments, rural and remote settings require both community building programming (e.g., teachers, social workers, skilled trades) and future aligned programming (e.g., cyber security). The challenge for rural and remote settings is that there is not a sufficient population base or labour market demand for colleges to afford to offer a full complement of these programs on a continual basis. Moreover, the scope of practice for someone in a rural or remote setting is likely to be different than that of an urban setting.

As an example, in an urban setting building construction and maintenance is performed by a variety of skilled trades professionals including carpenters, plumbers, electricians, gas fitters, and HVACR professionals. In a smaller community, it may be one or two individuals who are responsible for this full range of skills. Yet, our current programming is designed to require those one or two individuals to be fully competent in each aspect of multiple skilled trades.

Growth and recession cycles. The combination of current economic growth and near 40-year high inflation has brought the impact of economic cycles into strong focus for post-secondary institutions. While economic cycles are not new, dramatic swings like the present day will continue to place strong downward pressure on purchasing power, talent acquisition and retention, and student enrolment demand.

In the event of a recessionary cycle, PSE institutions have historically faced an upward pressure on student enrollment. Despite the potential for an upward pressure in talent acquisition and retention during recessionary cycles, an associated risk emerges relative to compensation limitations in event of stagflation or continued inflationary cycles during a recessionary period. Regardless, institutions will either face pressure to smooth growth and contraction curves within their current operational processes or modify their operational process to enable rapid growth and contraction scalability to mirror the economic cycles.

Credential risk and sector competition. A fundamental outcome of post secondaries is the recognition of learning, most often expressed in the awarding of a credential. Despite the value of the credential, it appears that in some domains, the credential itself is under threat, as employers are lessening their requirements or the need for a credential at all¹⁷. In the place of formal higher education credentials, employers are turning to generic learning or micro-learning experiences as conditions of employment.¹⁸

With an increased emphasis on rapid time-to-market skills programming, deconstructive learning environments (e.g., microcredentials, badging), and technological disruptions in learning, there is increased competitive pressure by both public and private sector providers in the traditional realm of BC public higher education.

With widescale availability of competitively priced and digitally accessible credentials, students face greater options for where they place their investments (tuition). Colleges, in turn, need to and can adapt to this new market dynamic as programming and service offerings are considered.

Compensation and talent retention. Post-secondary institutions are not immune to pressures facing the economy more broadly. A significant proportion of the workforce is approaching retirement, leaving a gap in talent. Given the current compensation structure, it will become even more difficult to recruit, especially in high-price regions such as the Okanagan. With university professors being among the highest turnover jobs according to the B.C. LMO, this pressure is likely to be acute for instructional staff.

Demographic

Population changes. With population growth, the post-secondary sector will see greater demand overall (not necessarily on a per capita basis). Under current conditions, this may force a rise in entry requirements to some programs. For institutions such as OC, this means it will be more difficult and require more support and resources to continue increasing access to higher education for all British Columbians.

In Canada, higher population numbers will be driven strongly by immigration rather than birth rate. This brings a greater emphasis on credential recognition, credential transfer, and programming that provides upskilling and upgrading options to new Canadians in a timely and effective manner.

An overall aging population may impact the nature of post-secondary programming as the needs of the local market adapt. For example, the Open University of Japan offers courses on aging gracefully.

Assuming no rapid shifts in the average age of mortality, we may witness a drop in the average age of the population over time. Given the leveling effect of age categories following the boomer generation, this drop will likely not be significant in changing the demographics of higher education.

¹⁷ Counter, 2018; Connley, 2018

¹⁸ Harvey, 2018; Lewington, 2019

Following the boomer wave and the echo (currently in their late 20s), population statistics tell us to expect fewer people graduating high school and entering post-secondary education, even with immigration factored into the equation. This may not signal a drop in overall enrolment, assuming we can stay innovative in programming to non-traditional markets and demographics.

Social

Reconciliation. Continued progress toward reconciliation with Indigenous communities will remain a significant influence on higher education. With recognition of regional differences among communities, a heterogeneous approach will be necessary for continued meaningful progress.

Equity, diversity, and inclusion. With increasingly greater recognition of the elements that make up diversity and the associated drive to create inclusive and equitable access, we are increasingly aware of the diversity within the learner population. With increased diversity comes fewer opportunities to create economies of scale in program and service offerings: one-size does not fit all. As a result, in mitigating social inequities, post-secondary institutions again face rising cost pressures to deliver culturally safe, accessible, inclusive and equitable learning experiences.

Industry pressure for renaissance graduates. When it comes to talent acquisition in North America, enterprises tend to believe in a strategy of “buying talent” as compared to “building talent.” That is, society generally looks to post-secondary to produce graduates that are “work ready” rather than considering themselves a key participant in the development of talent pipelines.

With the demographic and technological trends noted above as a backdrop, higher education will face continued pressure to create renaissance graduates. Specifically, graduates who have the necessary soft and transferable skills for leadership roles, as well as employees who have the required technical skills to transition to the workforce. The reasonability of this request diminishes when time-to-market is added to the mix. More specifically, the expectation of society is that these high performing graduates can and should be created in less time than before. As a result, post secondaries are being asked to include more learning outcomes in less learning time.

Technological

Information as a commodity. The digital revolution has added complexity to creating knowledge through education for both the learner and educator, due to the exponential speed at which information is created, adapted, combined, shared, and accessed. At risk are many of the core traditions of higher education. For example, the tradition of creating and curating knowledge through research, teaching, and awarding of credentials has changed through the commoditization of information, the ease of access, and personalized search algorithms. Learners can self-initiate and self-curate their own learning outcomes and journey.

Disruption and integration. The shift in use of technology across all industries will place pressures on the learning outcomes for entry to practice credentials, as well as the learning outcomes and demand pressures on continuous life-long and life-wide learning.

A specific risk to post-secondary in this regard is that business cycles are measured in weeks and months, while post-secondary cycles tend to be measured in years. Without adaptations to internal processes to close the gap in cycle lengths, public post-secondary institutions will become less competitive in the marketplace.

Bridging built and digital learning environments. The assumption that a physical classroom would always exist was exposed in March 2020. As millions of learners were displaced from in-person learning, post-secondary institutions rapidly adopted online approaches to teaching and learning.

Needing to make the shift within days, institutions introduced makeshift solutions to connect instructors and students. In many cases, these responses were described as “emergency responses.” They often relied on the

adoption of approaches to teaching and learning that did not require students and teachers to be in the same physical location and time, but at the same time lacked the usual quality of teaching and learning expected, mostly due to a lack of time and resources that would be required for a more robust solution.¹⁹

Now, with more than two years of experience, there is wider recognition of the importance to bridge the physical learning and support environments with the digital approaches. Often termed hybrid or hyflex, the fundamental principle underlying the bridge is that students should be able to transition in and out of the alternative spaces seamlessly and on their own terms.

Regional

Talent gap and skills gap. The Okanagan region (including Shuswap and Similkameen) is facing a talent gap and skills mismatch relative to the needs of the current and evolving economy. This challenge has two parts: an available labour shortfall or “talent gap,” and a misalignment of the knowledge, skills, abilities, and other attributes of the available workers or “skills mismatch.”

Worsening available labour shortfall. With respect to the volume of available labour, the population of the region is 448,865 (2021 Census) and is comprised of 270,130 citizens (60.2 per cent) who are of working age (15 to 65 years old, 2021 Census). In B.C., 74.7 per cent of the working age population is both participating and employed (regionally, this translates to 201,805 people).

Current population estimates indicate that natural and locally driven growth in the region’s working population is unlikely. Based on 2021 population values, the local population that will enter the workforce in the next ten years is significantly less than the local population set to exit the workforce over the same time.

Between 2016 and 2021, the population growth rate in the valley (10.7 per cent) exceeds both Canadian (7 per cent) and provincial (9 per cent) growth rates, reflecting anticipated net migration to the region. Although those arriving in the Okanagan include people in the 25 to 54 age demographic²⁰, it is projected that there will still be more people leaving the workforce than those who are able to enter it.

Under-skilled region. The 2021 B.C. Labour Market Outlook (LMO) estimates more than one million job openings between 2021 and 2031. Furthermore, over 80 per cent of those job openings will require post-secondary education. The LMO also the top 38 occupations by education in the Thompson-Okanagan Region and identifies 33,430 anticipated total openings in the region. The jobs that are expected to see the largest growth before 2031 are disproportionately weighted toward trades certificates, program certificates, and diplomas.

Table 1. Anticipated demand for credentials versus current population educational attainment in the valley.

	Trades		Certificate/Diploma		Degree	
Anticipated Demand (2021-2031)	5,650	17%	18,770	56%	9,010	27%
Penticton		12.5%		25.3%		18.2%
Kelowna		11.6%		26.9%		21.2%
Vernon		12.6%		25.7%		18.4%
Salmon Arm		12.5%		25.9%		19%

¹⁹ Bozkurt, et al., 2020, Hodges et al., 2020, Stracke et al., 2022

²⁰ Chartered Accountants of BC. [BC Checkup 2021](#). Accessed July 10, 2022.

The difference between the anticipated demand for skilled workers before 2031 in the Thompson-Okanagan Region and the current educational attainment of the local population centres can be found in Table 1 (above) and is most pronounced for certificates and diplomas.

When trades certificates are viewed in combination with certificate and diplomas, nearly 73 per cent of job openings before 2031 will require a College education, although less than 40 per cent of the regional population currently has these credentials²¹. As a result, the number of jobs requiring a skilled trade, certificate, or diploma will exceed the number of people with those credentials.

Misalignment of program enrollment. The Okanagan region is facing a scenario in which there are not only fewer people participating in the labour force per capita than other areas, but among those who are participating, there is projected to be shortfall of people with a certificate, diploma, or skilled trades credential. A seemingly reasonable solution would be to focus on college credentials for those currently enrolled in higher education. As can be seen in Table 2, however, there is a misalignment of enrollments in the Thompson-Okanagan Region currently as compared to anticipated demand.

Table 2. Relative numbers and proportions of enrolments versus anticipated job openings in the Thompson-Okanagan region.²²

	Trades		Certificate/Diploma		Degree	
Anticipated Demand (2021-2031)	5,650	17%	18,770	56%	9,010	27%
2020/21 Enrolment	5,860	11.6%	13,140	26%	31,547	62%

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

Rethinking our approach to universal equal access. Currently, the post-secondary system’s ability to increase access to higher education is limited by physical classroom space and the availability of instructors. If we hold the number of instructors constant, the two primary levers to expand access are:

- 1) to increase the ratio of students to instructors, i.e., larger class sizes; or
 - 2) offer additional classes, i.e., more sections per instructor.
- Neither of these levers are scalable because both have natural limits defined by the availability and capacity of an instructor.

Access, defined: Access to post-secondary: includes access to apply and enter post-secondary, access to be able to participate in post-secondary and access to complete and graduate from post-secondary.

These limits are often defined through “workload” models.

If we hold class size and sections per instructor constant, the primary level to increase access is to increase the number instructors. However, this lever is also limited in scalability because of the natural limits on the availability of instructional talent in the labour market and the inflationary nature of the investment made in talent through salary and benefits over time.

²¹ Recognize that % of population is not the same measure as percent of job openings in real numbers. Percentage comparisons are provided for purpose of proportionality not real numbers.

²² It is recognized that UBCO and TRU both offer certificates and diplomas and that TRU offers skilled trades programming. Concomitantly, it is recognized that Okanagan College offers degree programming as a rough comparative offset. Program by program enrolments would be required to determine exact enrolment misalignment.

The current model, however, rests on the following: that learning happens primarily in the presence of an instructor, and that quality improves as the instructor to student ratio approaches one to one. This line of argument when extended, suggests that universal access to higher education for all British Columbians is pragmatically unachievable.

Perhaps now is the time to challenge the underlying constructs that are preventing us from achieving universal equal access to higher education in BC, as we work together to make it the reality rather than a possibility for future learners. This is a generational opportunity that will require thoughtfulness, innovation, courage, and the participation, collaboration, and dedication of many.

Recognize the heterogeneity of learners. An assumption in the design of post-secondary learning is that learners begin their education from a common state of readiness, capability, capacity, and baseline knowledge. While potentially true for institutions with highly competitive entry requirements, it is more likely to be false for institutions, like colleges, that already support a broader access model.

A complementary premise that must be challenged is that all learners are seeking a similar outcome from their education. The post-secondary system needs to recognize that an individual's personal learning goals may be as unique as the individual.

In dismissing the assumption of homogeneity of learners, institutions face new challenges related to rapidly and sustainably assessing where an individual is in their personal learning journey (their current knowledge), and the learner's capacity, capability, and readiness to learn at entry. Just like the labour market is demanding adapted programming to suit its needs, so to are students requiring more agile and flexible approaches to their own evolving skills, abilities, and goals.

Balance economic, social, and individual mandates. The deliverables outlined in the post-secondary accountability framework²³ are often in tension:

- From an economic perspective, educational opportunities are meant to create labour market outcomes and an economic return on investment.
- From a social perspective, the framework includes defined social objectives (i.e., lasting reconciliation with Indigenous peoples and expanding access to vulnerable and underrepresented groups).
- From an individual perspective, the framework speaks to individual learning objectives.

These priorities invite contradiction that institutions must address in fulfilling their mandate. It is often a reality that achieving one deliverable comes at the potential harm or expense of another. As a result, the current framework holds the system of post-secondary education accountable to outcomes it may not be able to secure, regardless of available time, staffing and resources. However, it is important to note that this challenge does not negate efforts by Okanagan College to make positive change, nor does it dilute our commitments and responsibilities as articulated in the Inspire strategic plan.

Balance provincial and regional demands. If provincial policies establish the basic background social conditions that make educational justice possible, then regional educational institutions play out those policies. However, regional institutions do not only uphold the consequences of provincial policy; institutions have reasons to establish their own policies, and they too must stand up to the principles of educational justice. Compelled by just provincial legislation, individual educational institutions have regional obligations and commitments to

²³ 2020/21 [Accountability Framework](#). Accessed July 9, 2022.

maintain relevancy within the communities they support.²⁴ Accepting this, regional institutions need to have room to create their own unique mandates, and to be supported in this work.

For example, local programming may reflect the specific interests of the students themselves and the unique characteristics of the region: whether they be economic, ecological, cultural, or otherwise. Programming should also engage the interests of the student population and the broader community.

Enhancing on- and off-line digital solutions. Most of post-secondary institutions in B.C. have taken to developing their own online learning environments. These environments, which expanded rapidly through COVID, tend to create a digital mirror of the in-person learning experience. The breadth and sophistication of online learning technologies, however, has grown exponentially toward next-generation online and offline digital learning environments available beyond provincial and national borders. The individualized and typically homegrown systems developed to date in B.C. will have difficulty competing in the international marketplace.

Referred to as the OPM (Online Program Management) Market, EdTech companies have successfully unbundled the learning experience. Today, the OPM market is dominated by over 80 private EdTech companies like 2U, Corsera, and EdX whom sell services to over 500 universities globally.²⁵

The majority of OPM companies support a specialized element of the learning experience (e.g., learning management systems). An emergent trend, however, is toward the creation of full-suite OPM providers owned by a single or a consortium (e.g., Cintana) of institutions.

In a nationally and internationally competitive scenario, it is imperative that trust and investment be invested in a made-in-B.C. Learning Experience Platform (LXP) solution. In addition to providing the opportunity for B.C. to engage in a \$7.8B global marketplace, it would serve as the foundation of exporting B.C. education more globally. The future potential of such a venture from an economic and social perspective is significant.

Centers of Excellence. As noted throughout this submission, post-secondary institutions in B.C. are incentivized to be “as many things” for “as many people” as possible given resource constraints. As a result, the system can be at risk of replicating efforts on the identification, development, launch, and renewal of initiatives, projects, priorities, and programs.

Given the application of public funds to much of what is accomplished within the post-secondary system, an alternative would be to establish a network of “centers of excellence.” Through this network, the resources created by centers could be shared among and between institutions.

Authentic and meaningful collaboration. Recognizing that the above noted system level initiatives are potentially transformative, a framework should be considered to incentivize and support truly collaborative significant transformations at the system, sector, and institutional level.

9. How does your institution need to evolve in response to those trends?

Okanagan College’s [Inspire plan – implementation roadmap](#) identifies a series of OC responses to the above noted trends. This roadmap identifies a series of deliverables for the College that build on each other toward achieving the ambitions set forth in the Inspire plan. The examples noted below are not an exhaustive list of achievements but serve to demonstrate how the College plans to adapt and evolve to meet the trends noted above.

²⁴ This commitment to regional interests is drafted into the *College and Institute Act* and teaching universities within the *University Act*. Notably the legislation does not obligate regionality merely in terms of labour-market training, but in research, program development, and service jurisdiction.

²⁵ HolonIQ(2019). [OPM, meet OPX. New models and the \\$3.5B+ global online higher education services market](#). Accessed October 16, 2019.

Adapting our learning model, including curriculum design, architecture, and delivery. In the early years of transformation, OC will redefine its learning model to empower the College to meet the ambition stated in the introduction. By focusing on what learning experiences will be beyond 2030, the College will reimagine details of where, how, when, and why students learn and how they will be supported through their learning experience.

Adaptive program and credential mix. With a backdrop of an assessment of the OC's current credential mix, we will create an agile course, program and credential identification, creation, renewal, and retirement process that will meet the current and emergent needs of students and communities in the region.

Adapting the administrative, academic, and digital infrastructure decision making frameworks. A review, and where appropriate, a renewal of the administrative and academic decision-making structures and processes to empower OC to identify, make, and implement quality decisions at a speed more aligned to the needs of the communities we serve. ("Speed of business.")

Designing and implementing the physical and digital learning and working environment to support the College's learning and working ecosystems. A review of Okanagan College's built and digital environment to identify and outline how (a) current and future learning experiences will be delivered in both physical and digital environments and what steps need to be taken to achieve the future conceptualization of the learning ecosystem, and (b) current and future digital and physical infrastructure may be formulated to empower College employees to achieve the goals of the College and themselves.

Designing a sustainable regional, rural, and remote program delivery model. The development of a long-term sustainable approach to delivering learning and student service supports to learners throughout the region consistent with the commitment of creating inclusive and equitable access for all in urban, rural, and remote locations.

College process and procedure continuous improvement framework. Building on the reimaged policy and procedure framework and policy and procedure renewal plan, development of a framework and approach to ensure that the standard and emergent operating procedures of Okanagan College are regularly reviewed and renewed for effectiveness, efficiency, and alignment with the College's goals. This deliverable will enable the College to critically assess its current underlying operational model.

10. Considering the above, what modifications to the funding formula would you recommend?

The potential for reset. Although the funding review is focused on the base operating grant of the institutions, it provides an opportunity to move beyond fine-tuning and consider a significant "reset" of the system for the Ministry of AEST and provincial government, and the institutions themselves.

The current approach to percentage increases (or decreases) to base grants and tuition structures has amplified inequities between institutions in their ability to create proportionately similar revenue streams. The absence of inflationary adjustments in ITA funding has compounded this effect for colleges.

Changes to a funding model, regardless of the time to implementation, will have dramatic impacts on institutions as base grants are highly intertwined with other sources of funding.

For implementation to be successful, it is critical that institutions are actively engaged in the next steps of this process, identifying interconnected elements, in particular noting regional attributes (e.g. rural impacts as compared to urban), and ensuring the future sustainability of each institution, sector, and the system overall.

Aligned to mission and vision. The funding model should be aligned with the mission and vision of the system and its sectors (i.e., colleges, teaching universities, and research universities). The alignment should account for the social, economic, and positive externalities that are intended and expected by the system and its sectors on behalf of the citizens of British Columbia.

Clarity regarding alignment must move beyond a layer of simple labels. For example, consider the spectrum related to access. At an inclusive and equitable end, the system's mission may be to provide access to post-secondary education to every adult in British Columbia who wants to participate. If this is the direction, policies must be neutral in treatment, supporting a broad range of reasons people choose to pursue higher education.

At a more exclusive and discriminatory end, the system's mission may be to make available training in technical skills required to enter the workforce to those graduating high school, with the objective of meeting labour market demand. If this is the direction, provincial policy could become much more confined and prescriptive.

Aligned to inflationary pressures. As noted throughout the discussion on financial limitations, a key challenge faced by colleges is that funding envelopes do not keep pace with inflationary pressures. As a result, institutions end up in operational scenarios that involve realized negative growth in their operating grants year over year.

Multi-year and strategic. To be effective and sustainable over time, institutions need to be able to implement strategic, long-term institutional planning. For this, operational and capital funding should provide space for Colleges in particular to pursue transformative change. This would necessitate three elements:

- First, longer term funding horizons. In the current model, funding allocations are made annually with an additional three-year forecast. Institutions, however, are often planning in 5- and 10-year horizons. Any effort to elongate the predictability of funding would support sustainable long-term planning.
- Secondly, a corollary to this is the need for seed funding for future innovation. As noted, the current grant is directed primarily at operating what is occurring today with very little room for investment in what needs to happen tomorrow. Any efforts to find ways to incentivize and facilitate institutional innovation would lead to more sustainable and future-ready institutions.
- A third element is a reduction in the reliance on one-time or time-limited funding.

Rationalization of provincial and regional needs. The current policy framework separates provincial needs from regional needs, on occasion positioning the two in opposition to each other. While regional institutional mandates speak to meeting the needs of the regional communities, the accountability framework addresses priorities at a provincial level.

A future funding model could support the alignment of priorities through a multi-level approach. In doing so, a funding model may create consistent expectations between institutions, yet be adaptable to the specifics of the region the institution is serving.

For example, building meaningful reconciliation with Indigenous communities is different for institutions serving multiple and geographically diverse communities, than for those institutions serving one of two communities.

Similarly, creating access proportional to population density becomes more cost prohibitive as density decreases, yet the expectation of access remains constant regardless of density. Alternatively, funding that facilitates flexible, resilient regional institutions with a dynamic program offering that supports deep access is likely supported differently than funding for targeted provincial responsiveness overall.

Clarity of agency and consumer relationships. The relationship between the provincial government and the institutions is one of agent to principal (either legislative or implied). The relationship between the learner and the institutions is one of consumer to supplier.

That said, one may argue that the consumer relationship between the student and the institution is a by-product of the government's non-zero tuition policy. To improve transparency, a future funding model should clearly define the accountability expectations in relation to operating funding, but only proportional to the grant dependency ratio of the institution (i.e., the higher the dependency of the institution on the operating grant, the higher the accountability expectations placed on the institution).

Assuming the continuance of a non-zero and regulated tuition policy in BC, further clarity should be provided regarding accountability expectations in relation to tuition, again, proportional to the tuition dependency ration of the institution.

Incentivizing industry investment. Regardless of their type (i.e., for-profit vs. not-for-profit) or their ownership structure (i.e., private, public, or crown), organizations have come to rely on the post-secondary sector for the development of baseline talent in support of corporate goals and objectives. With few exceptions (i.e., apprenticeship, COOP, and WIL), employers have effectively outsourced the development of baseline talent pipelines to the Government of BC via the post-secondary sector. Unlike the provincial government and students, however, employers invest relatively little into the post-secondary sector.

Subsidizing social good. As described in the post-secondary accountability framework and institutional mandate letters, institutions are expected to support progress toward the social good of society.

Arguably, few other environments have the potential forward impact for social good than that of post-secondary.

Although widely acknowledged that progress toward social good is difficult to measure, it nevertheless requires investment. Without acknowledgement of this expectation placed on higher education through proper resourcing, resources will inevitably be drawn from the core of higher education (i.e., knowledge creation and knowledge sharing) to subsidize activities aimed primarily at the creation of social good.

Cautionary use of metrics. The post-secondary accountability framework seeks to tie the input of funding to outcomes such as employment. While metrics are important to assess the return on investment for base grants and tuition, it is important not to narrow this relationship too far so as to create unintended consequences.

Consideration could be given to measures of process between investment and outcome. In doing so, the system may create space for Indigenous peoples, underrepresented groups, and equally, all participants to pursue an education for reasons that benefit themselves, their communities, and society more broadly because it supports self-determination in addition to outcomes.

Incentivize meaningful collaboration and innovation. It has been noted throughout this submission that resources for meaningful collaboration and innovation are scarce in colleges because of ongoing operational pressures in finite resource environments.

A future model may seek to accommodate the need for investment in meaningful collaboration and innovation, modeled more closely to private equity investment in which there are expectations related to a return relative to the investment, rather than the current approach of one-time pilot project funding.

Conclusion

Once again, Okanagan College is grateful for the opportunity to participate in this phase of the Funding Formula Review and appreciates the valuable discussion and questions that have occurred to date in the process. Should there be any areas where further clarification is required, please do not hesitate to reach out.

OC remains a committed partner with the provincial government and across the post-secondary education sector. We welcome continued collaboration in future phases of this review, as well as in broader efforts to support the B.C. economy, labour market, environment and communities, by increasing access to higher learning for *all* British Columbians.