



Our Ref. 111344

December 15, 2017

Ms. Dianne Teslak  
Vice-President, Finance and Corporate Services  
College of the Rockies  
2700 College Way  
Cranbrook BC V1C 5L7

Dear Ms. Teslak:

I am writing to provide you with information regarding College of the Rockies's operating grant and student full-time equivalent (FTE) target for 2017/18, and the associated accountabilities, roles and expectations.

On September 11, 2017, the government tabled *Budget 2017 Update*, the updated three-year Budget and Fiscal Plan, which takes key first steps to improve affordability, build better services for everyone, and invests in a strong, innovative economy that creates jobs and works for all British Columbians. Integrating with these priorities is government's commitment to reconciliation and implementing the Calls to Action of the Truth and Reconciliation Commission and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

### **2017/18 Operating Grant and FTEs**

Attachment 1 provides details pertaining to your institution's operating grant and student FTE targets for fiscal 2017/18.

Your institution's operating grant allocation includes funding for collective agreements ratified under the Economic Stability Mandate (ESM).

#### *One-time Health Program Funding - Short Duration and Pilot Health Education*

A Call for Proposals for one-time short-duration and pilot health education program spaces in 2017/18 was provided under separate cover in November 2016. The decisions made on those proposals have been reflected in your institution's budget allocation and student FTE targets.

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### Teacher Education

Included within the College of the Rockies' 2017/18 operating grant is \$802,390 for the East Kootenay Teacher Education program, offered in collaboration with the University of Victoria.

### Developmental Program FTEs — Adult Basic Education (ABE), English Language Learner (ELL) and Adult Special Education programs

Student FTE targets for developmental programs remain unchanged for 2017/18. The Ministry of Advanced Education, Skills and Training (the Ministry) recognizes that, given the new tuition-free environment for ABE and ELL, institutions' program delivery is again in a period of transition. The future of the developmental program targets was one of the important issues discussed at engagement sessions with post-secondary partners in the fall of 2017/18. Institutions will be advised when a review of the targets for developmental programs is planned.

### **Skills Gap Plans**

The 2017/18 Skills Gap Plan funding and student FTE targets are outlined in Attachment 1. Performance against the "Total Skills Gap Plan FTE" targets will be assessed using your institutions' final 2017/18 FTE reports, due in spring 2018. Additional direction on the future of the Skills Gap Plan process for 2018/19 will be communicated at a later date.

Please ensure that your institution's Institutional Research Director is provided copies of correspondence from the Ministry that includes student FTE targets. This communication will help ensure accurate FTE reporting that is aligned with funding.

### **Financial Oversight and Accountabilities**

Good financial management helps ensure that institutions are able to achieve their operational and fiscal objectives; gain the respect and confidence of funding agencies and other stakeholders; and create a position of long-term financial sustainability. The post-secondary sector receives significant funding from government, and as such, is accountable to taxpayers for the effective and efficient use these resources. This includes ensuring that expenditures throughout the organization are reasonable, appropriate and directly support the core mandate of the institution. The following information is provided to guide and inform institutions' financial planning.

Post-secondary institutions are required to meet or exceed their financial targets, and are responsible for the effective and efficient use of taxpayer investments to ensure a high quality, accessible post-secondary education system in British Columbia. The financial accountabilities of institutions are outlined in legislation (the *College and Institute Act*, the *University Act*, the *Royal Roads University Act*, the *Thompson Rivers University Act* and the *Budget Transparency and Accountability Act [BTAA]*); and are grounded in prudent, transparent fiscal management.

### Balanced Financial Results

Legislation requires that an institution must be in an annual balanced or surplus financial position, including amortization expenses but excluding new endowment contributions. In addition, capital projects must be managed within approved project budgets. The starting point to achieve these results is an annual balanced budget, including both operating results and the funding requirements of capital projects.

### Financial Reporting

The BTAA sets out that all government reporting entities will provide quarterly financial reports, including year-to-date actuals and four-year forecasts. These reports are consolidated and publicized by specified dates. In order to support these timeframes, the Ministry of Finance establishes quarterly reporting dates, and institutions are expected to provide all reports on time, ensure that all known financial changes are reflected, and that forecasts reflect best-available estimates of year-end operating and capital results.

The accuracy of forecasting is of primary importance and material changes to operating results or to capital project schedules and/or provincial cash flows should be brought to the Ministry's attention immediately.

For the Budget 2017 Update, institutions' first-quarter projections for the current fiscal year were used to establish the Budget and Fiscal Plan targets. Institutions' financial outcomes are monitored against these figures throughout the following year.

### Deficits

Under extraordinary circumstances, institutions may seek an exception to the annual balanced budget requirement and request approval from the Minister of Finance and the Minister of Advanced Education, Skills and Training to operate in a deficit position. Requests for deficit approval **must** be provided to the Ministry of Advanced Education, Skills and Training by the end of the second quarter and include an explanation of key deficit drivers; actions taken to mitigate the deficit; a plan to return to a balanced position and the associated timeframe; and an outline of any extraordinary implications for students. Regardless of the circumstances, an institution should not assume that a request to operate in a periodic deficit will be approved.

### Tuition Limit

Institutions are expected to comply with Government's tuition limit policy. For 2017/18, the 2% limit on tuition and mandatory fee increases for existing programs and services continues to apply. Institutions are required to consult with the Ministry and students before implementing any new fees for new services, and must submit a written request to the Ministry to review substantially revised programs for determination as to whether the program is new for the purposes of establishing new tuition rates. The request must outline the revisions and how they

lead to new or changed objectives, goals, learning competencies and outcomes for the program and students.

#### *Tuition Waiver for Former Youth in Care*

Government implemented the Provincial Tuition Waiver for Former Children and Youth in Care Program September 1, 2017. Institutions are expected to waive tuition, fees and deposits for eligible persons. Tuition and fees to be waived are defined as all tuition and mandatory fees, including student society fees, charged to the student that are required to be paid in order for the student to successfully complete the program/courses they are enrolled in. The Ministry will reimburse institutions for these costs. For more information or if you have any questions please contact Tony Nelson, Director, Tuition Waiver Program, at [tuitionwaiver@gov.bc.ca](mailto:tuitionwaiver@gov.bc.ca)

#### *Executive and Management Compensation*

B.C.'s public sector employers are now making compensation decisions based on a common compensation philosophy and shared benchmarking criteria that will lead to more consistent and sustainable compensation decisions for excluded and executive employees. One of the guiding principles of the common compensation philosophy is the promotion of a performance-based culture where compensation decisions are based on merit rather than an entitlement to an increase.

Since July 2015, excluded management staff, including executives have been receiving modest increases to base salary in keeping with those provided to unionized employees across the public sector. In keeping with the modest wage increases that 100% of unionized employees are now receiving after having settled under the Economic Stability Mandate, the process for public sector employers to propose modest adjustments for both excluded and executive compensation remains the same as the direction given in 2016. While not a general wage increase, this process to provide modest adjustments for these employees remains in place and continues to be funded from the employers' existing budgets.

#### *Board Remuneration and Expenses*

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

Please ensure that board remuneration rates, where applicable, comply with Order in Council 180/95, and that remuneration is publicly disclosed on the institution's website as required by Treasury Board Directives and the Public Sector Employers' Council Secretariat, and included in the institution's annual Statement of Financial Information as required under the *Financial Information Act*.

[Treasury Board Directive 2/17](#), section 7, provides guidance on business travel and expense reimbursements for appointed board members.

### **Capital and Real Estate**

Direction relating to 2017/18 Routine Capital and Carbon Neutral Program will be sent under separate cover. Should you have any questions in the interim please contact James Postans, Executive Director, Post-Secondary Finance at [James.Postans@gov.bc.ca](mailto:James.Postans@gov.bc.ca).

### **Administrative Service Delivery Transformation**

Institutions play a lead role in achieving administrative efficiencies, containing or reducing costs, mitigating risk, sharing best practices, and enhancing the range and quality of services across the sector through the Administrative Service Delivery Transformation ([ASDT](#)) initiative.

ASDT provides tangible benefits through the joint procurement of natural gas, shared information technology services led by BCNET, cash deposits into the provincial Central Deposit Program, reduced merchant fees, and a new purchasing card program. New sector agreements expanded benefits in a variety of areas including travel management services, fire extinguisher testing, elevator maintenance, exam booklet printing, multi-function devices, and the joint procurement of welding, electrical and automotive trades training equipment.

Beginning in April 2016, the sector's collaborative procurement service was transitioned to BCNET for a two-year pilot as BCNETSource, leveraging BCNET's operations, governance and independent legal status for managing procurement processes and contracts on behalf of the sector. Institutions are expected to consider the use of joint procurement contracts first to fully leverage their value and derive maximum benefits, unless there are unique specification requirements or contractual commitments.

In April 2016, an Enterprise Resource Planning (ERP) Strategy was endorsed by the Sector. The Strategy articulates a vision of risk mitigation, cost containment and service improvement. ERP Service Renewal has recently transitioned from the Ministry ASDT Collaboration Office to BCNET. An ERP Office has been established within BCNET to provide support to institutions and promote adoption of the Sector ERP Strategy.

The Ministry is committed to working with public post-secondary institutions to find administrative efficiencies through collaboration and shared services, while protecting and maximizing investments in students' education.

## Central Deposit Program

The Central Deposit Program (CDP) was launched in February 2013 to address concerns raised by the Auditor General regarding excess liquidity (generated by the receipt of prepaid or

restricted revenues that will incur associated expenditures at a later date) in schools, universities, colleges and hospitals. The CDP delivers competitive rates and lower deposit risk while reducing debt costs for taxpayers and positively contributing to government's ability to fund programs such as health and education into the future.

Thank you for your cooperation in working with the Ministry and other system partners to provide students with an accessible, affordable, high quality and relevant post-secondary education. If you have any questions, or would like to discuss contents of this letter, please contact Mr. James Postans, Executive Director, Post-Secondary Finance Branch, at (250) 356-0151 or [James.Postans@gov.bc.ca](mailto:James.Postans@gov.bc.ca)

Sincerely,



Kevin Brewster  
Assistant Deputy Minister

Attachment

pc: Mr. David Walls, President and CEO  
College of the Rockies

Ms. Shannon Baskerville, Deputy Minister  
Ministry of Advanced Education, Skills and Training

Mr. Tony Loughran, A/Assistant Deputy Minister  
Sector Strategy and Quality Assurance Division  
Ministry of Advanced Education, Skills and Training

Mr. Jeff Vasey, Assistant Deputy Minister  
Institutions and Programs Division  
Ministry of Advanced Education, Skills and Training

Mr. James Postans, Executive Director  
Post-Secondary Finance Branch  
Ministry of Advanced Education, Skills and Training

**Attachment 1**  
**As at December 14, 2017**  
**College of the Rockies**  
**Fiscal 2017/18 Operating Grant and Student FTE Targets**

	<b>2017/18</b>					
	<b>FTEs</b>			<b>Operating Grant</b>		
	<b>Targeted</b>	<b>Base</b>	<b>Total</b>	<b>Targeted</b>	<b>Base</b>	<b>Total</b>
<b>AEST 2017/18 Budget</b>	<b>346</b>	<b>1,392</b>	<b>1,738</b>	<b>\$3,357,180</b>	<b>\$13,966,438</b>	<b>\$17,323,618</b>
Fiscal 2016/17	295	1,443	1,738	\$2,894,269	\$14,125,960	\$17,020,229
<i>Year over Year Change</i>	51	(51)		\$462,911	(\$159,522)	\$303,389
<b>Details of Change from Prior Year</b>						
Skills Gap Plan	51	(51)		\$462,911	(\$462,911)	
Remove 2016/17 one-time health*		(16)	(16)			
2017/18 one-time health		16				
Economic Stability Mandate					\$303,389	\$303,389
<b>Subtotal of Change from Prior Year</b>	<b>51</b>	<b>(51)</b>		<b>\$462,911</b>	<b>(\$159,522)</b>	<b>\$303,389</b>

\* The March 31, 2016 funding letter (Our Ref: 101848) provided details related to funding, student FTEs, and associated accountabilities.

COTR Program FTE Details	FUNS Code	CIP Code	<b>Target Funded FTES</b>			Base Funded Target	Total FTE Target
			Blueprint Baseline	Total Skills Gap Plan	Total Target Funded		
<b>Health</b>							
<b>RNs, PNs and HCAs</b>							
Bachelor of Science in Nursing	NURS	51.3801	46	10	56	12	68
Licensed Practical Nurse	NLPN	51.3901	29	15	44	6	50
Health Care Assistant	NRCA	51.3902	2	10	12	32	44
Health Care Assistant - Invermere (one-time)	HLOT	51.3902				16	16
<b>Subtotal</b>			<b>77</b>	<b>35</b>	<b>112</b>	<b>66</b>	<b>178</b>
<b>Allied Health</b>							
Certified Dental Assisting	HLTH	51.0600		15	15	7	22
<b>Subtotal</b>				<b>15</b>	<b>15</b>	<b>7</b>	<b>22</b>
<b>Total Health</b>			<b>77</b>	<b>50</b>	<b>127</b>	<b>73</b>	<b>200</b>
<b>Developmental</b>							
Developmental	DEV	Multiple				213	213
<b>Total Developmental</b>						<b>213</b>	<b>213</b>
<b>Other Skills Gap Plan Programs</b>							
Education Assistant Certificate	AVED	1315		21	21		21
Early Childhood Educator Certificate	AVED	1907		20	20		20
Early Childhood Educator Diploma	AVED	1907		10	10		10
Adventure Tourism Business Operations Certificate	AVED	3101		15	15		15
Adventure Tourism Business Operations Diploma	AVED	3101		9	9		9
Mountain Adventure Skills Training	AVED	3101		12	12		12
Kinesiology Certificate	AVED	3105		8	8		8
Kinesiology Exercise Science Diploma	AVED	3105		3	3		3
Human Service Worker Certificate	AVED	4400		20	20		20
Human Service Worker Diploma	AVED	4400		4	4		4
Business Administration Certificate	AVED	5202		22	22		22
Business Administration Management Diploma	AVED	5202		4	4		4
Business Administration Accounting Diploma	AVED	5202		4	4		4
Business Management Certificate, Diploma, Degree	AVED	5202		10	10		10
Office Administration Certificate	AVED	5204		49	49		49
Tourism Management Certificate	AVED	5209		8	8		8
<b>Total COTR Skills Gap Plan FTE Target</b>				<b>219</b>	<b>219</b>		<b>219</b>
AVED Undergraduate Balance	AVED	Multiple				1,106	1,106
<b>Total FTEs</b>			<b>77</b>	<b>269</b>	<b>346</b>	<b>1,392</b>	<b>1,738</b>