



Our Ref. 111344

December 15, 2017

Mr. Andrew Simpson  
Vice-President Finance and Operations  
University of British Columbia  
7th Floor, Walter C. Koerner Library  
Vancouver BC V6T 1Z2

Dear Mr. Simpson:

I am writing to provide you with information regarding University of British Columbia'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 University of British Columbia's 2017/18 operating grant is \$350,000 for delivery of the West Kootenay Teacher Education Program.

### 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 Expenses

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

[Treasury Board Directive](#) 2/17, 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,

A handwritten signature in black ink, appearing to read "Kevin Brewster". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kevin Brewster  
Assistant Deputy Minister

Attachment

pc: Dr. Santa Ono, President & Vice-Chancellor  
University of British Columbia

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 February 07, 2018  
University of British Columbia  
Fiscal 2017/18 Operating Grant and Student FTE Targets

	2017/18					
	FTEs			Operating Grant		
	Targeted	Base	Total	Targeted	Base	Total
<b>AEST 2017/18 Budget</b>	<b>9,269</b>	<b>33,155</b>	<b>42,424</b>	<b>\$190,814,857</b>	<b>\$422,214,404</b>	<b>\$613,029,261</b>
Fiscal 2016/17	8,179	34,239	42,418	\$174,999,857	\$420,121,943	\$595,121,800
<i>Year over Year Change</i>	1,090	(1,084)	6	\$15,815,000	\$2,092,461	\$17,907,461

<b>Details of Change from Prior Year</b>						
Speech Language Pathology		6	6		\$214,980	\$214,980
Skills Gap Plan	1,090	(1,090)		\$15,815,000	(\$15,815,000)	
Economic Stability Mandate					\$17,692,481	\$17,692,481
<b>Subtotal of Change from Prior Year</b>	<b>1,090</b>	<b>(1,084)</b>	<b>6</b>	<b>\$15,815,000</b>	<b>\$2,092,461</b>	<b>\$17,907,461</b>

<b>FTE Targets by Campus</b>	
UBC - Point Grey	35,453
UBC - Okanagan	6,971
<b>Total Student FTE Target</b>	<b>42,424</b>

<b>Graduate and Undergraduate FTE Targets</b>		<b>CIP Code</b>	
Undergraduate	Multiple		36,475
Graduate	Multiple		5,949
<b>Total Student FTE Target</b>			<b>42,424</b>

UBC - Point Grey Targeted Program FTE Details	CIP Code	Target Funded FTES			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	51.3801	100		100	183	283
Masters in Nursing	51.3801	82		82		82
Nurse Practitioner	51.3805	30		30		30
<b>Subtotal</b>		212		212	183	395
<b>Allied Health</b>						
Other Graduate Level Health Sciences	51.0000				688	688
Audiology	51.0202	4		4	20	24
Speech Pathology	51.0203	14		14	58	72
Dental Hygiene	51.0602				25	25
Medical Lab	51.1005	34		34	12	46
Pharmacy	51.2001	264		264	632	896
Occupational Therapy	51.2306	24		24	72	96
Physiotherapy	51.2308	88		88	72	160
Midwifery Internationally Educated	51.3401				8	8
Midwifery	51.3401	55		55	25	80
<b>Subtotal</b>		483		483	1,612	2,095
<b>Total Health</b>		<b>695</b>		<b>695</b>	<b>1,795</b>	<b>2,490</b>
<b>Medical School</b>	51.1201	640		640	512	1,152
<b>Total Medical</b>		<b>640</b>		<b>640</b>	<b>512</b>	<b>1,152</b>
Other Programs continued on following page						

UBC - Point Grey Targeted Program FTE Details (continued)	CIP Code	Target Funded FTES			Base Funded Target	Total FTE Target
		Blueprint Baseline	Total Skills Gap Plan	Total Target Funded		
<b>Other Skills Gap Plan Programs</b>						
Bachelor of Science - Major in Enviro. Sciences	0301		94	94		94
Bachelor of Science Forestry	0305		10	10		10
Bachelor of Science in Wood Products Processing	0305		10	10		10
Bachelor Urban Forestry	0305		10	10		10
Master of Community and Regional Planning	0403		20	20		20
Master of Urban Design	0403		5	5		5
Bachelor of Arts Major in First Nation Studies	0502		58	58		58
Doctor of Philosophy in Computer Science	1106		28	28		28
Bachelor of Computer Science	1107		246	246		246
Master of Science, Major in Computer Science	1107		48	48		48
Bachelor of Applied Science in Integrated Engineering	1401		60	60		60
Bachelor of Applied Science in Mining Engineering	1401		75	75		75
Doctor of Philosophy Biomedical Engineering	1405		25	25		25
Master of Applied Science in Chemical and Biological Engineering	1407		20	20		20
Doctor of Philosophy Chemical & Bio. Engineering	1407		25	25		25
Master of Applied Science in Civil Engineering	1408		75	75		75
Bachelor of Applied Science in Civil Engineering	1408		330	330		330
Doctor of Philosophy Civil Engineering	1408		30	30		30
Bachelor of Applied Science in Civil Engineering	1408		70	70		70
Bachelor of Applied Science in Computer Engineering	1409		365	365		365
Bachelor of Applied Science in Electrical Engineering	1410		380	380		380
Master of Applied Science in Electrical Engineering	1410		85	85		85
Bachelor of Applied Science in Enviro. Engineering	1414		50	50		50
Master of Applied Science in Materials Engineering	1418		20	20		20
Bachelor of Applied Science in Mechanical Engineering	1419		235	235		235
Master of Applied Science in Mechanical Engineering	1419		40	40		40
Master of Applied Science in Mining Engineering	1421		24	24		24
Master of Engineering in Naval Architecture and Marine Engineering	1422		5	5		5
Bachelor of Applied Science in Geological Engineering	1439		90	90		90
Masters of Engineering Leadership	1499		35	35		35
Bachelor of Arts - Major in Computer Science	1511		40	40		40
Bachelor of Science in Food Nutrition and Health	1905		20	20		20
Bachelor of Science, Major in Nutritional Science	1905		3	3		3
Bachelor of Arts Major in English Emphasis Language	2301		9	9		9
Bachelor of Arts Major in Creative Writing	2313		25	25		25
Bachelor of Science - Major in Biology	2601		132	132		132
Bachelor of Science Biochemistry	2602		85	85		85
Bachelor of Science Biophysics	2602		15	15		15
Bachelor of Kinesiology	3105		25	25		25
Master of Science - In Chemistry	4005		33	33		33
Bachelor of Arts Major in Psychology	4201		195	195		195
Doctor of Philosophy Psychology	4201		50	50		50
Bachelor of Social Work - No spec	4407		80	80		80
Master of Social Work	4407		20	20		20
Doctor of Philosophy Social Work	4407		10	10		10
Bachelor of International Economics	4506		142	142		142
Bachelor of Arts Major in Economics	4506		154	154		154
Master of Arts Economics	4506		30	30		30
Doctor of Philosophy in Economics	4506		20	20		20
Bachelor of Arts Major in Geography	4507		94	94		94
Bachelor of Arts Major in Political Science	4510		51	51		51
Master of Public Policy and Global Affairs	4510		10	10		10
Master of Arts Political Science	4510		10	10		10
Doctor of Philosophy Political Science	4510		30	30		30
Bachelor of Arts Major in Sociology	4511		70	70		70
Bachelor of Media Studies	5007		50	50		50
Master of Health Leadership and Policy Seniors Care	5122		5	5		5
Bachelor of Commerce Marketing Option	5201		120	120		120
Bachelor of Commerce Finance and International Business Option	5201		235	235		235
Bachelor of Commerce - Transportation and Logistics Option	5202		65	65		65
Master of Business Administration Business Innovation	5202		5	5		5
Bachelor of Commerce General Business Mgmt. Option	5203		15	15		15
Bachelor of Commerce Accounting and Finance Option	5208		210	210		210
Bachelor of Commerce - Organizational Behaviour & Human Resources Option	5210		30	30		30
Bachelor of Commerce Marketing & Intl. Business	5211					
Bachelor of Commerce Business & Computer Science	5299		80	80		80
AVED Graduate Balance	Multiple	1,326		1,326	2,626	3,952
<b>Total UBC Point Grey Skills Gap Plan FTE Target</b>		<b>1,326</b>	<b>4,736</b>	<b>6,062</b>	<b>2,626</b>	<b>8,688</b>
AVED Undergraduate Balance	Multiple				23,123	23,123
<b>Total UBC Point Grey FTE Targets</b>		<b>2,661</b>	<b>4,736</b>	<b>7,397</b>	<b>28,056</b>	<b>35,453</b>



UBC - Okanagan Program FTE Details	CIP Code	Target Funded FTES			Base Funded Target	Total FTE Target
		Blueprint Baseline	Total Skills Gap Plan	Total Target Funded		
<b>Computer Science, Electrical and Computer Engineering</b>						
Bachelor of Science in Comp Science	11.07					
<b>TOTAL</b>						
<b>RNs, PNs and HCAs</b>						
Masters in Nursing	51.3801	45		45		45
Bachelor of Science in Nursing	51.3801	287		287	229	516
<b>Total Health</b>		<b>332</b>		<b>332</b>	<b>229</b>	<b>561</b>
<b>Aboriginal Spaces</b>						
UBC-O/En'owkin Centre Aboriginal Access Program (ECE/Health)	Multiple	18		18		18
<b>Total Aboriginal</b>		<b>18</b>		<b>18</b>		<b>18</b>
<b>Other Skills Gap Plan Programs</b>						
Bachelor of Science - Major in Earth & Enviro. Sciences	0301		84	84		84
Bachelor of Media Studies	0901		10	10		10
Bachelor of Science, Major Computer Science	1107		63	63		63
Bachelor of Applied Science - In Civil Engineering	1408		144	144		144
Doctor of Philosophy - In Civil Engineering	1408		35	35		35
Bachelor of Science, Major Data Science	1110		10	10		10
Bachelor of Applied Science - In Mechanical Engineering	1419		143	143		143
Bachelor of Arts - Major in English	2301		33	33		33
Bachelor of Science - Major in Biology	2601		99	99		99
Bachelor of Science - Major in Mathematics	2701		30	30		30
Bachelor of Human Kinetics - No Spec	3105		172	172		172
Bachelor of Arts - Major in Psychology	4201		209	209		209
Bachelor of Science - Major in Psychology	4201		68	68		68
Master of Social Work - No Spec	4407		57	57		57
Bachelor of Arts - Major in Economics	4506		35	35		35
Bachelor of Arts - Major in Geography	4507		19	19		19
Bachelor of Arts - Major in Sociology	4511		22	22		22
Bachelor of Fine Arts - Major in Visual Arts	5007		35	35		35
Bachelor of Management - No Spec	5202		254	254		254
<b>Total UBC Okanagan Skills Gap Plan FTE Target</b>			<b>1,522</b>	<b>1,522</b>		<b>1,522</b>
AVED Undergraduate Balance	Multiple				4,870	4,870
<b>Total UBC Okanagan FTE Targets</b>		<b>350</b>	<b>1,522</b>	<b>1,872</b>	<b>5,099</b>	<b>6,971</b>
<b>Total UBC FTE Target</b>		<b>3,011</b>	<b>6,258</b>	<b>9,269</b>	<b>33,155</b>	<b>42,424</b>