September 25, 2020

Ms. Kayoko Takeuchi  
Vice President, Administration Services and CFO  
Douglas College  
700 Royal Ave  
New Westminster BC  V3L 5B2

Dear Ms. Takeuchi:

I am writing to provide you with information regarding your institution’s operating grant and student full-time equivalent (FTE) target for 2020/21, and the associated accountabilities, roles and expectations.

2020/21 Operating Grant and FTEs

Attachment 1 provides details pertaining to your institution’s operating grant and student FTE targets for fiscal 2020/21. The Ministry recognizes the challenge of meeting enrolment targets during the COVID-19 pandemic and supports any operational changes that your institution must implement to comply with the directions of the Provincial Health Officer.

Attachment 2 summarizes funding under the Sustainable Services Negotiating Mandate (SSNM) including new allocations which will be provided in the next available electronic funds transfer.

Developmental Program FTEs, Adult Basic Education (ABE), English Language Learning (ELL) and Adult Special Education (ASE) programs

Student FTE targets for tuition-free Adult Basic Education (ABE) and English Language Learning (ELL) programs have been revised in consultation with your institution. Funding in addition to the amounts your institution will continue to allocate from your base operating grant for the delivery of these programs. The Ministry’s expectation is that all institutions that provide instruction in these programs will meet or exceed their revised FTE targets. Early in 2021, the Ministry and institutions will examine interim FTE reports and FTE forecasts to determine...
whether any adjustment to FTE targets, and associated funding, is warranted for the next fiscal year. A reminder that ASE programs are no longer included in your institution’s developmental FTE target; however, the Ministry expects delivery of these programs will be maintained or increased. Providing more opportunities for adult learners supports government priorities of improving access and affordability so that all British Columbians can participate in a strong economy.

Financial Oversight and Accountabilities

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.

Post-Secondary institutions are responsible for the effective and efficient use of taxpayer investments to ensure a high quality, accessible Post-Secondary education system in British Columbia. Faced with this year’s unprecedented challenges, BC’s Public Post-Secondary Institutions continue to prioritize their mandates in the context of the health, safety and wellbeing of their students, faculty, staff and broader communities. Good financial management helps ensure that fiscal objectives continue to garner the respect and confidence of funding agencies and other stakeholders during these times, through reasonable and appropriate expenditures that support the core mandate of the institution. The following information is provided to guide and inform institutions’ financial planning.

Fiscal Year Forecasts and Financial Reporting

The BTAA sets out that all government reporting entities will provide quarterly financial reports of actual results, including year-to-date actuals and four-year forecasts. These reports are consolidated and publicized by specified dates. To support these timeframes, the Ministry of Finance establishes quarterly reporting dates, and institutions are expected to provide all reports on time.

Forecasts reflect best-available estimates of year-end operating and capital results. As such, the accuracy of forecasting is of primary importance to institutional financial health and sectoral sustainability. Institutions’ third-quarter projections for the following fiscal year are used to establish the Budget and Fiscal Plan targets. Financial outcomes are monitored against these figures throughout the following year, and institutional reporting on variances from these projections are essential to informing individual institutional financial strategy and sectoral results.

Material changes to operating results or to capital project schedules and/or provincial cash flows from forecasts should be brought to the Ministry’s attention immediately. Where changes may involve an exception to the balanced budget requirement, institutions are expected to adhere to the protocols and timelines outlined in the Deficits section.
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 with the associated timeframe, and an outline of any extraordinary implications for students. Please note that a request to operate in a periodic deficit does not necessarily predicate approval of the same, as this determination is made by the Minister of Finance.

Tuition Limit
Institutions are expected to comply with Government’s tuition limit policy. For 2020/21, 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 non-degree programs for determination as to whether the program is new for the purposes of establishing new tuition and mandatory fee 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, and
- the proposed tuition and mandatory fees.

In completing the review, consideration is given to the comparability of the proposed fees to fees for similar programs. Institutions are encouraged to propose fees that are in line with similar programs or provide a rationale if that is not the case.

Substantially revised degree programs must be submitted to the Degree Quality Assessment Board to determine whether the changes are of sufficient magnitude to be classed as a new degree. If the Board determines the program is not a new degree, the 2% tuition limit policy continues to apply.

Executive and Management Compensation
British Columbia’s public sector employers are now making compensation decisions based on a common compensation philosophy with shared core principles and benchmarking criteria that will over time lead to greater consistency for excluded and executive employees across the public sector. This approach ensures that compensation decisions are based primarily on employee performance and merit rather than an entitlement to a salary increase.

While unionized employees have received modest wage increases through negotiated settlements funded under the 2019 Sustainable Service Negotiating Mandate, excluded and executive compensation increases are funded from within existing employer budget allocations.
For executive level compensation, the Minister of Finance announced a freeze on executive level on August 31, 2020. The employers whose compensation plans fall under the Public Sector Employers' Act are required to amend their compensation plans to reflect a freeze on the executive level compensation for the 2020/21 performance year.

**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. The remuneration is to be publicly disclosed on the institution or Ministry’s website as required by Treasury Board Directives and directed by the Appointee Remuneration Committee. The remuneration should also be included in the institution’s annual Statement of Financial Information as required under the Financial Information Act.

**Treasury Board Directive 2/20**, section 7, provides guidance on business travel and expense reimbursements for appointed board members.

**Capital and Real Estate**

Direction relating to 2020/21 Routine Capital and Carbon Neutral Capital Programs has been sent under separate cover. Should you have any questions, please contact Alison Prince, Director, Capital Asset Management at Alison.Prince@gov.bc.ca.

Instructions have also been sent under separate cover regarding the 5-Year Capital Plan submissions for the period 2021/22 to 2025/26. Please direct any questions about these submissions to Alison Prince, Director responsible for colleges and institutes, at Alison.Prince@gov.bc.ca, or Deborah Gogela, Director responsible for universities, at Deborah.Gogela@gov.bc.ca.

**Student Housing Program**

*Budget 2018* included a new public post-secondary financing program, providing access to up to $450 million in government loans and grants to help British Columbia’s public universities, institutes and colleges finance new student housing projects over the next 10 years. Participating institutions will be expected to contribute to project costs, with government loans being fully repaid over time through student housing rental income.

By working together and leveraging the knowledge, experience and capacity across the sector, BC’s public post-secondary institutions have an unprecedented opportunity to address the housing needs of BC’s students. For details on how institutions can participate in the loan
program, please contact Alison Prince, Director responsible for colleges and institutes, at Alison.Prince@gov.bc.ca, and Deborah Gogela, Director responsible for universities, at Deborah.Gogela@gov.bc.ca.

**Administrative Services Collaborative**

The Administrative Services Collaborative (ASC) initiative is a collaboration between the Ministry, all 25 public post-secondary institutions and BCNET to optimize administrative support services.

ASC has partnered with BCNET to offer a wide range of joint procurement agreements for services and supplies (e.g. facilities, finance, travel, hardware and software). Institutions are encouraged to work with BCNET to take advantage of these opportunities and increase their percentage spend through joint procurement agreements. Institutions are expected to consider the use of joint procurement contracts, unless there are unique circumstances such as existing contractual commitments.

**Cybersecurity**

Two projects are currently being funded to support post-secondary institutions in their efforts to create capacity and implement processes and technology solutions to improve their security and resilience.

The first is intended to support the implementation of a Security Incident and Event Management Solution. This will eliminate the need for institutions to implement and setup processes to monitor activities individually.

The second will support the establishment of a standardized baseline assessment of all PSIs to develop individualized cybersecurity risk mitigation plans as well as incident response plans. These plans will be utilized to support the creation of four geographically dispersed cybersecurity incident response teams to respond to Post-Secondary Institution cybersecurity incidents.

**Central Deposit Program**

The Central Deposit Program (CDP) was launched in February 2013, as a key initiative to address concerns raised by the Auditor General regarding excess liquidity and idle working capital balances in schools, universities, colleges and hospitals.

Today, the CDP continues to deliver lower deposit risk and competitive, if not superior, deposit rates, while reducing debt costs for taxpayers. The Ministry continues to encourage institutions to participate in the CDP.
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. Phil Hancyk, Executive Director, Post-Secondary Finance Branch, at (236) 478-3268 or Phil.Hancyk@gov.bc.ca.

Sincerely,

Mr. Kevin Brewster  
Assistant Deputy Minister

Attachments

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

Dr. Kathy Denton, President  
Douglas College

Ms. Nicola Lemmer, Assistant Deputy Minister  
Post-Secondary Policy and Programs  
and Division Responsible for Learner Supports  
Ministry of Advanced Education, Skills and Training

Mr. Tony Loughran, Executive Lead  
Governance, Legislation and Corporate Planning Division  
Ministry of Advanced Education, Skills and Training

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

Ms. Wendy Grondzil, Director  
Post-Secondary Finance Branch  
Ministry of Advanced Education, Skills and Training

AEST.FinancialReporting@gov.bc.ca
### Douglas College

#### 2020/21 Operating Grant and Student FTE Targets

<table>
<thead>
<tr>
<th>FTE</th>
<th>Operating Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/20 (as at 2020/21 Interim Budget)</td>
<td>$60,979,774</td>
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<tr>
<td>Sustainable Services Negotiating Mandate 2019/20 (new)</td>
<td>$1,833,000</td>
</tr>
<tr>
<td><strong>2019/20 Restated</strong></td>
<td><strong>$62,812,774</strong></td>
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</table>

**2020/21 Adjustments**
- Economic Stability Mandate: 14,790
- Sustainable Services Negotiating Mandate (new): 2,015,000
- Health Programs One-time: 16
- Technology Expansion: 20

| Year over Year Change | $2,229,790 |

#### 2020/21 Targeted Program FTE Details

<table>
<thead>
<tr>
<th>FUNS Code</th>
<th>CIP Code</th>
<th>Change</th>
<th>Total FTE Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health RNs, PNs and HCAs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor of Science in Nursing (1 + 3 year)</td>
<td>NURS 51.3801</td>
<td>384</td>
<td></td>
</tr>
<tr>
<td>Psychiatric Nursing</td>
<td>NURS 51.3810</td>
<td>224</td>
<td></td>
</tr>
<tr>
<td>Psychiatric Nursing (degree completion online)</td>
<td>NURS 51.3810</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Health Care Assistant - Coquitlam (one-time)</td>
<td>HLOT 51.3902</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Health Care Assistant</td>
<td>NRCA 51.3902</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Allied Health</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Foundations</td>
<td>HLTH 51.1199</td>
<td>128</td>
<td></td>
</tr>
<tr>
<td>Allied Health</td>
<td>HLTH 51.0000</td>
<td>226</td>
<td></td>
</tr>
<tr>
<td><strong>Total Health</strong></td>
<td></td>
<td>16</td>
<td><strong>1,052</strong></td>
</tr>
</tbody>
</table>

- Technology-Related Program Expansion*
  - Computing Science Diploma | AVED 1107 | 20 | 40 |
  - **Total Technology-Related Program Expansion** | | 20 | **40** |

- Developmental |
  - Developmental | DEV | Multiple | 22 | 177 |
  - **Total Developmental** | | 22 | **177** |

- Aboriginal Spaces |
  - Aboriginal Spaces - Child and Youth Care Stream | ABAC 1907 | 13 |
  - **Total Aboriginal** | | - | **13** |
  - AVED all other programs | AVED | Multiple | -22 | 7,128 |
  - **Total FTE Targets** | | 36 | **8,410** |

*Where applicable AEST will be monitoring enrolment growth over previous activity supported through base funding.

#### 2020/21 One-time Funding (not included in Operating Grant payments)

| Our Ref: 118675 ABE/ELL Tuition Compensation Allocation (previously paid) | $504,613 |

See also Total Payment per Attachment 2
## Payment Reconciliation*

<table>
<thead>
<tr>
<th>New Payment per this letter</th>
<th>Retro 2019/20**</th>
<th>Incremental</th>
<th>New 2020/21</th>
</tr>
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<tbody>
<tr>
<td>New SSNM eligible</td>
<td>$ 1,833,000</td>
<td>$ 2,015,000</td>
<td>$ 3,848,000</td>
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</table>

*Retro 2019/20** reflects one time payment funded via transfer from Ministry of Finance.
**Incremental in April 2020 operating grant.

**Reflected in the tracking adjustments for the 2019/20 restated and 2020/21 Operating Grant.**

| Total Payment (Retro 2019/20 + New 2020/21) | $ 5,681,000 |

*Ministry reconciliation information: Total one time payment below funded via transfer from Ministry of Finance.