



Our Ref. 98861

AMENDMENT

February 11, 2015

Mr. Ian Burgess
Comptroller and Senior Budget Officer
University of British Columbia
6328 Memorial Rd
Vancouver BC V6T 1Z2

Dear Mr. Burgess:

On behalf of the Honourable Andrew Wilkinson, Minister of Advanced Education, I am writing to provide you with information regarding University of British Columbia's final operating grant and student full-time equivalent (FTE) target for 2014/15, in support of the accountabilities, roles and expectations for your institution as outlined in the 2014/15 Government Letter of Expectations and Addendum to the Government Letter of Expectations.

The 2014/15 operating grant reflects adjustments for sector-wide administrative efficiencies as outlined in *Budget 2013*, as well as the targeted funding and FTEs reflected in your institution's 2014/15 Skills Gap Plan submission (which have been approved by the Labour Market Priorities Board). The following table reflects these changes and splits the operating grant and FTE targets between those that have received targeted-funding and base-funding. Details of the FTE values are included in Attachment 1.

	Targeted	Base	Total
Operating Grant	\$ 116,852,857	\$ 467,019,561	\$ 583,872,418
FTEs	4,038	38,337	42,375

Institutions are asked to conduct their operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by Government; including adhering to the procurement and travel practices as outlined in Governments' Core Policy and Procedures Manual (CPPM). The CPPM can be accessed at <http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/CPMtoc.htm>.

Further details of the institution's funding and program commitments follow.

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English as a Second Language

The Ministry's 2014/15 budget contains a reduction of \$17.117 million resulting from the cancellation of Annex A of the Canada-BC Immigration Agreement. Interim reductions for 2014/15 have been implemented and 2015/16 reductions are under review.

Institutions delivering ESL and Adult Basic Education (ABE) programming were contacted on December 10, 2014, and advised that effective January 1, 2015, tuition may be charged for ESL and ABE programs, to a maximum of \$1,600 per full-time semester (20-25 contact hours per week, 12-14 weeks per semester). Institutions were requested to submit a work plan detailing their intentions regarding ABE and ESL program delivery by January 30, 2015. The Ministry is now reviewing these work plans.

One-time/Short Duration Program Funding

A Call for Proposals for new, one-time short-duration health program spaces in 2014/15, was provided out under separate cover on May 15, 2014. The decisions made on those proposals have been reflected in your budget and budget letter targets.

The one-time skills funding that is part of the \$6.6 million announced in the *B.C.'s Skills for Jobs Blueprint (Blueprint)* has been communicated separately and is not included in your budget letter targets.

Administrative Service Delivery Transformation

Institutions have played a lead role in achieving administrative efficiencies, reducing costs, sharing best practices, and enhancing the quality of services across the sector through the Administrative Service Delivery Transformation (ASDT) initiative.

The launch of a Joint Procurement Consortium in May 2014, was a significant accomplishment, with all 25 public post-secondary institutions participating. As noted in the Consortium Memorandum of Understanding, institutions are expected to consider the use of a joint procurement contract first unless there are contractual barriers or negative implications.

Over \$10.5 million in cost reductions and administrative efficiencies were realized in fiscal 2013/14. The Ministry would like to thank the members of the ASDT Steering Committee, as well as institutional representatives on the ASDT project teams, for their leadership and commitment to sector collaboration.

The Ministry remains 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. For more information on the ASDT initiative, please visit: http://www.aved.gov.bc.ca/administrative_service_delivery/welcome.htm.

Developmental FTEs

Developmental FTE targets currently remain unchanged; however, the Ministry recognizes that 2015/16 is a year of transition for these programs and some institutions may be unable to meet their developmental program targets.

B.C.'s Skills for Jobs Blueprint

The *Blueprint* outlines government's plan to re-engineer education and training so that British Columbians will have the skills needed to fill the one million job openings anticipated in the province by 2022. Details of the *Blueprint* may be found at:

http://www.workbc.ca/WorkBC/media/WorkBC/Documents/Docs/Booklet_BCBlueprint_web_140428.pdf.

The *Blueprint* outlines a plan to increase targeted funding in the sector to ensure that that post-secondary education and training is better matched to jobs in demand. As a result, in 2014/15, the amount of targeted funding within sector-wide operating grants has increased by \$40 million, to almost \$230 million. This targeted funding will increase to almost \$320 million in 2015/16, \$410 million in 2016/17, and almost \$460 million by 2017/18.

In support of the *Blueprint*, all public post-secondary institutions will develop annual Skills Gap Plans which highlight areas of their programming that directly align with labour market priorities such as the top-60 jobs in demand (as detailed in the *British Columbia 2022 Labour Market Outlook* at <http://www.workbc.ca/WorkBC/media/WorkBC/Documents/Docs/BC-LM-Outlook-2012-2022.pdf>), health human resource needs as identified by the Ministry of Health, regional or specialized labour market needs, as well as programs for Aboriginal persons and persons with disabilities.

The 2014/15 Skills Gap Plans have been approved by the Labour Market Priorities Board and the resultant targeted funding and FTEs are included in your institutions' targets, outlined in Attachment 1. Performance against these targets will be assessed in your institutions' final FTE report, due in the Spring 2015. Institutions not achieving Skills Gap Plan targets will have funding redirected.

The results of the 2014/15 Skills Gap Plans, as well as instructions for implementing 2015/16, were communicated on December 19, 2014. The 2015/16 Skills Gap Plans are due to the Ministry by February 16, 2015.

The Ministry has, and will continue to work collaboratively with a sector working group to implement this initiative, and would like to thank the members of this group for their work to date, and their ongoing commitment.

Quarterly Projections and Financial Reporting

Government remains committed to balancing the budget and managing the taxpayer-supported debt to GDP ratio that supports a triple-A credit rating. Part of the Province's 2014/15 Budget and Fiscal Plan was developed using assumptions and figures provided in institutions' 2013/14 third quarter forecast projections for the following fiscal years. To ensure the province's budget commitments are achieved, institutions' financial results are monitored against these 2013/14 projections.

Quarterly forecast submissions should be progressively more accurate and reflect realistic year-end results for both operating and capital projects (including cashflow forecasts for provincially and self-funded capital projects). The accuracy of forecasting is of primary importance and material changes to operating results or to capital project schedules and/or provincial cashflows should be brought to the Ministry's attention immediately.

Under extraordinary circumstances, institutions may face financial statement deficits. As noted in earlier correspondence, all projected 2014/15 deficits were to be brought to the Ministry's attention by October 2014. Identified deficits are now moving through the approval process; and no further deficit requests will be considered this year. All institutions should develop mitigation strategies to ensure that your budget and government's bottom line are not compromised.

Capital and Real Estate

Approval letters for 2014/15 Routine Capital and Carbon Neutral Capital Program projects have been issued to your institution. If any of these funds cannot be used for the intended purpose and/or by March 31, 2015, please contact Catherine Nickerson, Director, Capital Asset Management, as soon as possible.

The capital planning process supports quality decision making to advance or reject a proposed project, and ensures that the right strategic decisions are being made in a structured, efficient manner. Each phase of the capital planning process requires specific tasks and activities to be undertaken and corresponding approvals from the institution, Ministry, and/or Ministry of Finance. During the planning phase, the level of due diligence increases with each deliverable to ensure that the project scope, cost, schedule, and risk profile are sufficiently accurate.

Institutions, in conjunction with the Ministry, will utilize a risk screen tool to assess the risk of capital projects. Specific project approval and oversight requirements, including Project Boards, will be determined based on the risk rating. All priority investment projects require a procurement options analysis and may be audited.

After project approval, progress reporting is required to ensure that design, construction, and project close out proceeds in accordance with the terms and conditions of the project approval letter.

The Ministry has implemented a capital cost sharing policy and it is expected that capital projects will be cost shared with institutions. Ministry staff will discuss mutually appropriate cost sharing levels with institutions on a project by project basis.

Please ensure that all capital asset procurement is in accordance with the *Capital Asset Management Framework* developed by the Government for public sector bodies, which can be found at: <http://www.fin.gov.bc.ca/tbs/camf.htm>. Specifically, procurement must be fair, open, competitive, transparent, and must effectively manage, budget and schedule risk. Where your institution is considering a facility acquisition, either by ownership or lease, the government prefers such facilities be located along existing transit routes or, in the case of Metro Vancouver, along major transportation infrastructure.

All institutions are expected to maintain an inventory for real property in conjunction with the Ministry's Capital Asset Management System. The Ministry has provided information regarding the inventory submission process and will provide updates to the institutions regarding ongoing data maintenance.

As announced in Budget 2012, government is undertaking the Release of Assets for Economic Generation (RAEG) initiative to dispose of properties surplus to its needs and no longer of financial or strategic ownership benefit. Successful and timely implementation of property sales is an important component of government's fiscal plan. Institutions are encouraged to continue to facilitate these sales within the timelines previously discussed, as well as identify any additional surplus properties through the RAEG program. Your institution may require Ministerial approval for acquisitions and all institutions are required to identify surplus properties to the Ministry and obtain Ministerial approval for dispositions.

For more information on capital planning, acquisitions and dispositions, please visit the Ministry web site: <http://www.aved.gov.bc.ca/cppm/documents/carg-2014/carg.pdf>.

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 the SUCH sector. CDP delivers lower deposit risk and competitive, if not superior, deposit rates, while reducing debt costs for taxpayers and positively contributing to government's ability to fund programs such as health and education into the future.

A number of CDP information sessions have been held with the post-secondary sector over the last year, and 12 institutions have signed agreements and/or deposited funds. Feedback in the sector has been positive and the Ministry is encouraging all institutions to participate. For further information on the CDP, please contact Ms. Jean Hope, Acting Executive Director, Banking and Cash Management Branch, at (250)387-7120 or Jean.Hope@gov.bc.ca.

Thank you for your continuing cooperation in working with the Ministry and other system partners in providing students with an accessible, affordable, high quality and relevant post-secondary education.

Sincerely,



Kevin Brewster
Assistant Deputy Minister

Attachment

pc: Distribution List follows

pc: Professor Arvind Gupta, President and Vice-Chancellor
University of British Columbia

Sandra Carroll, Deputy Minister
Ministry of Advanced Education

Claire Avison, Assistant Deputy Minister
Sector Strategy and Quality Assurance Division
Ministry of Advanced Education

Bobbi Plecas, Assistant Deputy Minister
Institutions and Programs Division
Ministry of Advanced Education

Jean Hope, Acting Executive Director
Banking/Cash Management Branch
Ministry of Finance

Attachment 1 – FTE Program Level Targets

University of British Columbia – Vancouver

Program Name	Target Funded FTEs			Base Funded	Total FTE Target
	Skills Gap Plan Baseline	14/15 Skills Gap Plan	Total Target Funded		
Bachelor of Science in Nursing	100		100	183	283
Nurse Practitioner	30		30		30
Masters in Nursing	82		82		82
Midwifery	55		55	10	65
Medical Laboratory Science	34		34	20	54
Physiotherapy	88		88	72	160
Occupational Therapy	24		24	72	96
Dental Hygiene			-	25	25
Pharmacy	264		264	632	896
Speech Pathology	14		14	32	46
Audiology	4		4	20	24
Other Graduate Level Health Sciences			-	688	688
Medical Program - Physicians	640		640	512	1,152
Bachelor of Applied Science in Civil Engineering		65	65		65
Bachelor of Applied Science in Mechanical Engineering		40	40		40
Bachelor of Applied Science in Computer Engineering		65	65		65
Bachelor of Applied Science in Integrated Engineering		40	40		40
Bachelor of Applied Science in Electrical Engineering		65	65		65
Bachelor of Applied Science in Mining Engineering		30	30		30
Bachelor of Science Major in Food, Nutrition and Health		20	20		20
Bachelor of Science Forestry		10	10		10
Bachelor of Commerce Marketing Option		60	60		60
Bachelor of Commerce Accounting and Finance Option		65	65		65
Bachelor of Commerce General Business Management Option		5	5		5
Bachelor of Commerce Finance and International Business Option		60	60		60
Bachelor of Commerce - Organizational Behaviour & Human Resources Option		10	10		10
Bachelor of Commerce - Transportation and Logistics Option		10	10		10
Bachelor of International Economics		42	42		42
Bachelor of Arts Major in Creative Writing		10	10		10
Bachelor of Arts Major in Economics		34	34		34
Bachelor of Arts Major in English Emphasis Language		9	9		9
Bachelor of Arts Major in Geography		14	14		14
Bachelor of Arts Major in Political Science		26	26		26
Bachelor of Arts Major in Sociology		25	25		25
Bachelor of Arts Major in Psychology		30	30		30
Bachelor of Arts Major in First Nation Studies		4	4		4
Bachelor of Science - Major in Biology		30	30		30
Bachelor of Computer Science		26	26		26
Bachelor of Science - Major in Environmental Sciences		29	29		29
AVED Undergraduate Balance Not Targeted			-	26,252	26,252
Master of Science - In Chemistry		20	20		20
AVED Graduate Balance	1,326		1,326	3,381	4,707
Total	2,661	844	3,505	31,899	35,404

Attachment 1 – FTE Program Level Targets

University of British Columbia – Okanagan

Program Name	Target Funded FTEs			Base Funded	Total FTE Target
	Skills Gap Plan Baseline	14/15 Skills Gap Plan	Total Target Funded		
Masters in Nursing	45		45		45
Bachelor of Science in Nursing	287		287	229	516
Aboriginal Spaces - En'owkin Centre (ECE/Health)	18		18		18
Bachelor of Arts, Major in Psychology		25	25		25
Bachelor of Arts, Major in Economics		6	6		6
Bachelor of Arts, Major in English		8	8		8
Bachelor of Arts, Major in Geography		4	4		4
Bachelor of Science, Major in Biology		16	16		16
Bachelor of Science, Major in Earth & Environmental Sciences		12	12		12
Bachelor of Science, Major in Psychology		10	10		10
Master of Science - In Chemistry		8	8		8
Bachelor of Science, Major in Computer Science		4	4		4
Bachelor of Science, Major in Mathematics		4	4		4
Bachelor of Applied Science, In Civil Engineering		16	16		16
Bachelor of Applied Science, In Mechanical Engineering		15	15		15
Doctor of Philosophy, In Civil Engineering		4	4		4
Bachelor of Human Kinetics, No Spec		19	19		19
Master of Social Work, No Spec		6	6		6
Bachelor of Management, No Spec		26	26		26
AVED Undergraduate Balance Not Targeted			-	6,209	6,209
Total	350	183	533	6,438	6,971