



Our Ref. 113098
File No. 66710-20 - 2018/19 Budget

July 4, 2018

Mr. Peter Smailes
Interim Vice-President, Finance and Operations
University of British Columbia
7th Floor, Walter C. Koerner Library
1958 Main Mall
Vancouver BC V6T 1Z2

Dear Mr. Smailes:

I am writing to provide you with information regarding University of British Columbia's operating grant and student full-time equivalent (FTE) target for 2018/19, and the associated accountabilities, roles and expectations.

2018/19 Operating Grant and FTEs

Attachment 1 provides details pertaining to your institution's operating grant and student FTE targets for fiscal 2018/19.

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

Teacher Education

Included within the University of British Columbia's 2018/19 operating grant is \$350,000 for delivery of the West Kootenay Teacher Education Program.

Included within the University of British Columbia's 2018/19 operating grant is \$48,320,000 restricted for the operation of the Medical Expansion Program. This amount is calculated at \$75,000 for each of the 640 target medical school FTEs.

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

Student FTE targets for developmental programs remain unchanged for 2018/19. While the invoicing process for ABE and ELL tuition compensation continues through 2018/19, Ministry of Advanced Education, Skills and Training staff are gathering data to develop a longer-term funding model for these programs. Developmental program targets may be adjusted for future years based on this data and on discussions with institutions about student demand and capacity to deliver ABE, ELL and ASE. 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.

Skills Gap Plans

For 2018/19, the Ministry has maintained the Skills Gap Plan (SGP) targets as per your institution's 2017/18 plan. The 2018/19 SGP funding and student FTE targets are outlined in Attachment 1. Your institution may update its 2018/19 plan during January 2019. Performance against the "Total Skills Gap Plan FTE" targets will be assessed using your institutions' final 2018/19 FTE reports, due in spring 2019. Additional direction on the future of the Skills Gap Plan process 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. 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.

Institutions' third-quarter projections for the following fiscal year are 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 2018/19, 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.

Executive and Management Compensation

B.C.'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 Economic Stability Mandate, excluded and executive compensation increases are funded from within existing employer budget allocations.

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 2018/19 Routine Capital and Carbon Neutral Program will be sent under separate cover. Should you have any questions in the interim please contact Everett Vossen, Manager, Capital Asset Management at Everett.Vossen@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 B.C.'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, B.C.'s public post-secondary institutions have an unprecedented opportunity to address the housing needs of B.C.'s students. Further details on how institutions can participate in the loan program will be forthcoming.

Administrative Service Delivery Transformation

Institutions play a key role in achieving administrative efficiencies, reducing costs, mitigating risks and sharing best practices across the sector through the Administrative Service Delivery Transformation (ASDT) initiative. ASDT offers tangible benefits for a wide range of joint procurement agreements for administrative and facility-based supplies and services, and shared information technology services led by BCNET. 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.

The increased alignment and integration of sector Enterprise Resource Planning (ERP) solutions with the support of the BCNET ERP Office continues to be a priority in order to improve cost management, reduce overall risk and enhance service delivery to students. 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.

Central Deposit Program

The Central Deposit Program (CDP) was launched in February 2013 to address concerns raised by the Auditor General regarding excess liquidity 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 (778) 698-9751 or James.Postans@gov.bc.ca

Sincerely,



Kevin Brewster
Assistant Deputy Minister



James Postans
Executive Director
Post-Secondary Finance Branch

Attachments

pc: Distribution List Follows

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

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

Mr. Jeff Vasey, 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

Attachment 1
As at June 27, 2018
University of British Columbia
Fiscal 2018/19 Operating Grant and Student FTE Targets

	2018/19					
	FTEs			Operating Grant		
	Targeted	Base	Total	Targeted	Base	Total
AEST 2018/19 Budget	9,269	33,282	42,551	\$190,814,857	\$443,797,252	\$634,612,109
Fiscal 2017/18	9,269	33,155	42,424	\$190,814,857	\$422,319,678	\$613,134,535
<i>Year over Year Change</i>		127	127		\$21,477,574	\$21,477,574

Details of Change from Prior Year						
2018/19 one-time health		15	15			
Technology-related Programming Expansion		100	100		\$1,450,000	\$1,450,000
Early Childhood Education Program Expansion		12	12			
Economic Stability Mandate					\$20,027,574	\$20,027,574
Subtotal of Change from Prior Year		127	127		\$21,477,574	\$21,477,574

FTE Targets by Campus	
UBC - Point Grey	35,580
UBC - Okanagan	6,971
Total Student FTE Target	42,551

Graduate and Undergraduate FTE Targets (all campuses)			
	FUNS Code	CIP Code	
Undergraduate	UNGR	Multiple	36,587
Graduate	GRAD	Multiple	5,964
Total Student FTE Target			42,551

UBC - Point Grey Targeted Program FTE Details	FUNS Code	CIP Code	2017/18 FTES				2018/19 FTE Targets	
			Target Funded FTES		Base Funded Target	Total FTE Target	New	Total FTE Target
			Baseline	Total Skills Gap Plan				
Health								
RNs, PNs and HCAs								
Bachelor of Science in Nursing	NURS	51.3801	100		100	183	283	283
Masters in Nursing	NURS	51.3801	82		82		82	82
Nurse Practitioner	NURS	51.3805	30		30		30	30
Masters of Nursing Nurse Practitioner	HLOT	51.3805						15
Subtotal			212		212	183	395	410
Allied Health								
Other Graduate Level Health Sciences	HLTH	51.0000				688	688	688
Audiology	HLTH	51.0202	4		4	20	24	24
Speech Pathology	HLTH	51.0203	14		14	58	72	72
Dental Hygiene	HLTH	51.0602				25	25	25
Medical Lab	HLTH	51.1005	34		34	12	46	46
Pharmacy	HLTH	51.2001	264		264	632	896	896
Occupational Therapy	HLTH	51.2306	24		24	72	96	96
Physiotherapy	HLTH	51.2308	88		88	72	160	160
Midwifery Internationally Educated	HLTH	51.3401				8	8	8
Midwifery	HLTH	51.3401	55		55	25	80	80
Total Health			695		695	1,795	2,490	2,505
Medical School	MEDI	51.1201	640		640	512	1,152	1,152
Total Medical			640		640	512	1,152	1,152
Technology-Related Program Expansion*								
Bachelor of Science in Computer Science	TECX	1107						20
Bachelor of Engineering in Biomedical Engineering	TECX	1405						80
Total Technology-Related Program Expansion								100
Early Childhood Education Program Expansion*								
ECE Basic Certificate	AVED**	1907						12
Total Early Childhood Education Program Expansion								12
Other Skills Gap Plan Programs								
Bachelor of Science - Major in Enviro. Sciences	AVED	0301		94	94		94	94
Bachelor of Science Forestry	AVED	0305		10	10		10	10
Bachelor of Science in Wood Products Processing	AVED	0305		10	10		10	10
Bachelor Urban Forestry	AVED	0305		10	10		10	10
Master of Community and Regional Planning	GRAD	0403		20	20		20	20
Master of Urban Design	GRAD	0403		5	5		5	5
Bachelor of Arts Major in First Nation Studies	AVED	0502		58	58		58	58
Doctor of Philosophy in Computer Science	GRAD	1106		28	28		28	28
Bachelor of Computer Science	AVED	1107		246	246		246	246
Master of Science in Computer Science	GRAD	1107		48	48		48	48
Bachelor of Applied Science in Integrated Engineering	AVED	1401		60	60		60	60
Bachelor of Applied Science in Mining Engineering	AVED	1401		75	75		75	75
Doctor of Philosophy Biomedical Engineering	GRAD	1405		25	25		25	25
Master of Applied Science in Chemical and Biological Engineering	GRAD	1407		20	20		20	20
Doctor of Philosophy Chemical & Bio. Engineering	GRAD	1407		25	25		25	25
Master of Applied Science in Civil Engineering	GRAD	1408		75	75		75	75
Bachelor of Applied Science in Civil Engineering	AVED	1408		400	400		400	400
Doctor of Philosophy Civil Engineering	GRAD	1408		30	30		30	30
Bachelor of Applied Science in Computer Engineering	AVED	1409		365	365		365	365
Bachelor of Applied Science in Electrical Engineering	AVED	1410		380	380		380	380
Master of Applied Science in Electrical Engineering	GRAD	1410		85	85		85	85
Bachelor of Applied Science in Enviro. Engineering	AVED	1414		50	50		50	50
Master of Applied Science in Materials Engineering	GRAD	1418		20	20		20	20
Bachelor of Applied Science in Mechanical Engineering	AVED	1419		235	235		235	235
Master of Applied Science in Mechanical Engineering	GRAD	1419		40	40		40	40
Master of Applied Science in Mining Engineering	GRAD	1421		24	24		24	24
Master of Engineering in Naval Architecture and Marine Engineering	GRAD	1422		5	5		5	5
Bachelor of Applied Science in Geological Engineering	AVED	1439		90	90		90	90
Masters of Engineering Leadership	GRAD	1499		35	35		35	35
Bachelor of Arts - Major in Computer Science	AVED	1511		40	40		40	40
Bachelor of Science in Food Nutrition and Health	AVED	1905		20	20		20	20
Bachelor of Science in Food Nutrition and Health - Nutritional Science Major	AVED	1905		3	3		3	3
Bachelor of Arts Major in English Emphasis	AVED	2301		9	9		9	9
Bachelor of Arts Major in Creative Writing	AVED	2313		25	25		25	25
Bachelor of Science - Major in Biology	AVED	2601		132	132		132	132
Bachelor of Science Biochemistry	AVED	2602		85	85		85	85
Bachelor of Science Biophysics	AVED	2602		15	15		15	15
Bachelor of Kinesiology	AVED	3105		25	25		25	25
Master of Science - In Chemistry	GRAD	4005		33	33		33	33
Bachelor of Arts Major in Psychology	AVED	4201		195	195		195	195
Doctor of Philosophy Psychology	GRAD	4201		50	50		50	50
Bachelor of Social Work - No spec	AVED	4407		80	80		80	80
Master of Social Work	GRAD	4407		20	20		20	20
Doctor of Philosophy Social Work	GRAD	4407		10	10		10	10
Bachelor of International Economics	AVED	4506		142	142		142	142
Bachelor of Arts Major in Economics	AVED	4506		154	154		154	154
Master of Arts Economics	GRAD	4506		30	30		30	30
Doctor of Philosophy in Economics	GRAD	4506		20	20		20	20
Bachelor of Arts Major in Geography	AVED	4507		94	94		94	94
Bachelor of Arts Major in Political Science	AVED	4510		51	51		51	51
Master of Public Policy and Global Affairs	GRAD	4510		10	10		10	10
Master of Arts Political Science	GRAD	4510		10	10		10	10
Doctor of Philosophy Political Science	GRAD	4510		30	30		30	30
Bachelor of Arts Major in Sociology	AVED	4511		70	70		70	70
Bachelor of Media Studies	AVED	5007		50	50		50	50
Master of Health Leadership and Policy Seniors Care	GRAD	5122		5	5		5	5
Bachelor of Commerce Marketing Option	AVED	5201		120	120		120	120
Bachelor of Commerce Finance and International Business Option	AVED	5201		235	235		235	235
Bachelor of Commerce - Transportation and Logistics Option	AVED	5202		65	65		65	65
Master of Business Administration Business Innovation	GRAD	5202		5	5		5	5
Bachelor of Commerce General Business Mgmt. Option	AVED	5203		15	15		15	15
Bachelor of Commerce Accounting and Finance Option	AVED	5208		210	210		210	210
Bachelor of Commerce - Organizational Behaviour & Human Resources Option	AVED	5210		30	30		30	30
Bachelor of Commerce Business & Computer Science	AVED	5299		80	80		80	80
AVED Graduate Balance	GRAD	Multiple	1,326		1,326	2,626	3,952	3,952
Total UBC Point Grey Skills Gap Plan FTE Target			1,326	4,736	6,062	2,626	8,688	8,688
AVED Undergraduate Balance	AVED	Multiple				23,123	23,123	23,123
Total UBC Point Grey FTE Targets			2,661	4,736	7,397	28,056	35,453	35,580

UBC - Okanagan Program FTE Details	FUNS Code	CIP Code	2017/18 FTEs				2018/19 FTE Targets		
			Target Funded FTEs			Base Funded Target	Total FTE Target	New	Total FTE Target
			Baseline	Total Skills Gap Plan	Total Target Funded				
RNs, PNs and HCAs									
Masters in Nursing	NURS	51.3801	45		45		45	45	
Bachelor of Science in Nursing	NURS	51.3801	287		287	229	516	516	
Total Health			332		332	229	561	561	
Aboriginal Spaces									
UBC-O/En'owkin Centre Aboriginal Access Program (ECE/Health)	ABAC	Multiple	18		18		18	18	
Total Aboriginal			18		18		18	18	
Other Skills Gap Plan Programs									
Bachelor of Science - Major in Earth & Enviro. Sciences	AVED	0301		84	84		84	84	
Bachelor of Media Studies	AVED	0901		10	10		10	10	
Bachelor of Science, Major Computer Science	AVED	1107		63	63		63	63	
Bachelor of Applied Science - In Civil Engineering	AVED	1408		144	144		144	144	
Doctor of Philosophy - In Civil Engineering	GRAD	1408		35	35		35	35	
Bachelor of Science, Major Data Science	AVED	1110		10	10		10	10	
Bachelor of Applied Science - In Mechanical Engineering	AVED	1419		143	143		143	143	
Bachelor of Arts - Major in English	AVED	2301		33	33		33	33	
Bachelor of Science - Major in Biology	AVED	2601		99	99		99	99	
Bachelor of Science - Major in Mathematics	AVED	2701		30	30		30	30	
Bachelor of Human Kinetics - No Spec	AVED	3105		172	172		172	172	
Bachelor of Arts - Major in Psychology	AVED	4201		209	209		209	209	
Bachelor of Science - Major in Psychology	AVED	4201		68	68		68	68	
Master of Social Work - No Spec	GRAD	4407		57	57		57	57	
Bachelor of Arts - Major in Economics	AVED	4506		35	35		35	35	
Bachelor of Arts - Major in Geography	AVED	4507		19	19		19	19	
Bachelor of Arts - Major in Sociology	AVED	4511		22	22		22	22	
Bachelor of Fine Arts - Major in Visual Arts	AVED	5007		35	35		35	35	
Bachelor of Management - No Spec	AVED	5202		254	254		254	254	
Total UBC Okanagan Skills Gap Plan FTE Target				1,522	1,522		1,522	1,522	
AVED Undergraduate Balance	AVED	Multiple				4,870	4,870	4,870	
Total UBC Okanagan FTE Targets			350	1,522	1,872	5,099	6,971	6,971	
Total UBC FTE Target			3,011	6,258	9,269	33,155	42,424	42,551	

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

**A separate FUNS code may be introduced to measure Early Childhood program expansion.

Glossary of terms in the program FTE details table

2017/18 FTE Targets

Baseline	Reflects targets linked to targeted funding increases from 2001/02 through 2013/14 prior to the implementation of Skills Gap Plans (formerly <i>Blueprint</i> Baseline). Linked to Targeted Funding within the Operating Grant.
Total Skills Gap Plan	Skills Gap Plans show shifts and alignments of programs to support high demand occupations. These FTE targets are for programs which were identified in institutions' Skills Gap Plans as of 2017/18. Linked to Targeted Funding within the Operating Grant.
Total Target Funded	Baseline + Total Skills Gap Plan. Linked to Targeted Funding within the Operating Grant.
Base Funded Target	These are the FTEs the institutions delivers using base (non-targeted) funding.
Total FTE Target	Total Target Funded + Base Funded Target

2018/19 FTE Targets

New	2018/19 expansion and one-time health programs.
Total FTE Target	2017/18 Total + New