



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

July 4, 2018

Ms. Gayle Gorrill
Vice-President, Finance and Operations
University of Victoria
3800 Finnerty Rd
PO Box 1700 Stn CSC
Victoria BC V8W 2Y2

Dear Ms. Gorrill:

I am writing to provide you with information regarding University of Victoria'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.

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.

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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

pc: Professor Jamie Cassels, President and Vice-Chancellor
University of Victoria

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 Victoria
Fiscal 2018/19 Operating Grant and Student FTE Targets

	2018/19					
	FTEs			Operating Grant		
	Targeted	Base	Total	Targeted	Base	Total
AEST 2018/19 Budget	2,533	13,385	15,918	\$40,692,800	\$146,537,325	\$187,230,125
Fiscal 2017/18	2,533	13,330	15,863	\$40,692,800	\$140,618,053	\$181,310,853
Year over Year Change		55	55		\$5,919,272	\$5,919,272

Details of Change from Prior Year						
2018/19 one-time health		5	5			
Technology-related Programming Expansion		50	50		\$725,000	\$725,000
Economic Stability Mandate					\$5,194,272	\$5,194,272
Subtotal of Change from Prior Year		55	55		\$5,919,272	\$5,919,272

Graduate and Undergraduate FTE Targets (all campuses)	FUNS Code	CIP Code	
Undergraduate	UNGR	Multiple	13,608
Graduate	GRAD	Multiple	2,310
Total Student FTE Target			15,918

UVIC 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				
Health									
RNs, PNs and HCAs									
Bachelor of Science in Nursing	NURS	51.3801	213		213	367	580	580	
MSN - Nurse Practitioner	NURS	51.3805	30		30		30	30	
Masters of Nursing Nurse Practitioner	HLOT	51.3805					5	5	
Masters of Science in Nursing	NURS	51.3801	34		34		34	34	
Allied Health									
Other Graduate Level Health Sciences	HLTH	51.0000	33		33	28	61	61	
Total Health			310		310	395	705	5	710
Aboriginal Spaces									
First Nations Governance, Administration and Management	ABAC	Multiple	4		4		4	4	
DSTC Indigenous Language Courses	ABAC	Multiple	5		5		5	5	
Total Aboriginal			9		9		9		9
Technology-Related Program Expansion*									
Bachelor of Science, Computer Science	TECX	1107					15	15	
Bachelor of Engineering, Electrical and Computer Engineering	TECX	1407					5	5	
Bachelor of Engineering, Software Engineering	TECX	1409					5	5	
Bachelor of Engineering, Civil Engineering	TECX	1408					10	10	
Bachelor of Engineering, Mechanical Engineering	TECX	1419					10	10	
Bachelor of Engineering, Biomedical Engineering	TECX	1405					5	5	
Total Technology-Related Program Expansion							50	50	
Skills Gap Plan Identified Programs									
Bachelor of Science, Computer Science	AVED	1107		191	191		191	191	
Masters of Science, Computer Science	GRAD	1107		35	35		35	35	
Bachelor of Engineering, Biomedical Engineering	AVED	1405		58	58		58	58	
Bachelor of Engineering, Civil Engineering	AVED	1408		130	130		130	130	
Masters of Engineering, or Masters of Science	GRAD	1419		56	56		56	56	
Bachelor of Engineering, Electrical Engineering	AVED	1410		111	111		111	111	
Masters of Engineering, Electrical Engineering	GRAD	1410		71	71		71	71	
Bachelor of Engineering, Mechanical Engineering	AVED	1419		110	110		110	110	
Bachelor of Software Engineering	AVED	1499		104	104		104	104	
Bachelor of Child and Youth Care	AVED	1907		10	10		10	10	
Juris Doctor	AVED	2201		30	30		30	30	
Masters of Science and PhD, Neuroscience	GRAD	2615		12	12		12	12	
Bachelor of Arts or Bachelor of Science, Psychology	AVED	4201		97	97		97	97	
Bachelor of Social Work	AVED	4407		84	84		84	84	
Bachelor of Arts or Bachelor of Science, Economics	AVED	4506		75	75		75	75	
Master of Arts, Economics	GRAD	4506		10	10		10	10	
Masters of Health Information Science	GRAD	5100		10	10		10	10	
Master of Public Health	GRAD	5100		30	30		30	30	
Bachelor of Commerce	AVED	5201		321	321		321	321	
Masters of Bus. Admin. Or Masters of Global Business	GRAD	5202		131	131		131	131	
AVED Graduate Balance	GRAD	Multiple	538		538	1,287	1,825	1,825	
Total UVIC Skills Gap Plan FTE Target			538	1,676	2,214	1,287	3,501		3,501
AVED Undergraduate Balance	AVED	Multiple				11,648	11,648		11,648
Total FTE Targets			857	1,676	2,533	13,330	15,863	55	15,918

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

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