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Subject: Budget Messaging for Post Secondary

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AVED: Ministry of Advanced Education
Key Budget Messages

Post secondary budget overview for 2008/2009:

Provincial funding has significantly increased access to post-secondary institutions throughout the province, increasing enrolment opportunities so that students with a B average in high school now have ready access to BC universities.

1. Although access has improved, the overall number of students in the post-secondary system has increased less than previously forecast. This provides an opportunity for the province to work with post-secondary institutions to reassess current funding against program demands.
2. Therefore, Budget 2008 takes a renewed focus on available resources inside the post-secondary system and redirects funds previously approved for seat growth to areas of high labour market demand. Funding for general seat growth continues, though different than that indicated in the '07 budget information.
3. In addition, there is:
 - New funding for Negotiating Framework increases.
 1. New funding for College Pension Plan increases.
 2. New funding for priority seat growth - health programs, skilled trades, graduate student spaces, and Aboriginal access.

All post secondary institutions are receiving increases in their operating budgets for 2008/2009.

Key Considerations in the budget allocation process:

- * The 2003 Throne Speech commitment of "B or better" for university entrance has largely been met.
- * General seat expansion has led to under utilization in many areas. Of 11,800 additional seats funded from fiscal 2004/05 up to 2006/07 only 3,510 have been filled.

Government's expectations for the post secondary sector:

- * We are looking to fiscal 2008/09 as a year of transition.
- * Institutions will need to refocus existing financial resources. It will mean shifting some resources from certain programs toward priority areas. We recognize this is a difficult task but one of necessity in order to effectively respond to this challenge.
- * The sector will need to strive for efficiencies through increased collaboration and cooperation - again, recognizing that collectively we have made some good progress on collaboration but we need to be doing more.

Going forward:

- * Government has been looking at how institutions are funded. Specifically it has looked at improving accountability and clarifying expectations with existing base funding.
- * In order to move forward collectively in addressing government's direction, we are revisiting our current

way of doing business: for example, reviewing existing performance measures and looking to an output based approach - e.g. outcomes such as graduation rates, enrolment data, giving proper recognition for delivery of apprenticeship programs.

Government Letters of Expectation:

- * The existing Budget and Accountability Letter is being replaced with a Government Letter of Expectation (GLE), modelled after that used by the Ministry of Health and the Crown Agencies Secretariat.
- * This letter will be an agreement between the Minister of Advanced Education and each Board Chair.
- * The agreement is intended to increase accountability by clarifying roles and expectations and strengthening institutional alignment with government's system-wide goals.
- * In the coming weeks, a draft of the Government Letter of Expectation will be shared with institutions.

Meeting the challenge:

- * In order to move ahead to meet the budget challenges the sector is facing, post-secondary institutions will need to undertake a planning exercise to:
 - * Develop a revised seat profile showing:
 - Protection and expansion of government priority seats; and
 - Changes/re-profiling of seats in response to labour market demands and student demand.
 - * Identify collaboration initiatives that will result in efficiencies through reduction in the overlap, and duplication, of programs and services.
 - * The revised seat profiles and collaboration initiatives undertaken will enable AVED to outline how the sector plans to respond to the labour market challenge.
 - * This information will be needed in late April/early May. The ministry will consult on timelines.

Next Steps

- * Ministry staff will meet with institutions to provide detailed budget briefings.
- * The Minister of Advanced Education will meet with Board Chairs to explain new directions in post secondary education.

For more information, contact:

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