

Section 8

Update on the implementation of
recommendations from:

**Government's Post-secondary Expansion –
25,000 Seats by 2010 –**

December 2006



October 2008

Response from the Ministry of Advanced Education



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MEMORANDUM

September 24, 2008

To: Malcolm Gaston
Assistant Auditor General
Office of the Auditor General of British Columbia
8 Bastion Square
Victoria BC V8V 1X4

Our Ref. 72548

**Re: Follow-up of our Report on Government's Post-Secondary Expansion
25,000 seats by 2010**

Thank you for your letter of September 5, 2008, clarifying that you intend to publish the Status Report for all follow-up exercises, and offering the opportunity to submit an amended report.

In order to meet your publication deadline, I have provided a revised Status Report from the Ministry that incorporates information provided by institutions. We should discuss the need for further institutional details that could potentially be published in subsequent Office of the Auditor General follow-up reports.

If you have any questions, please contact John Fuller, Director, Operating Unit, at (250) 387-6142, or Joe Thompson, Executive Director, Funding and Analysis Branch, at (250) 387-8820.

Robin Ciceri
Deputy Minister
Ministry of Advanced Education and Labour Market Development

Enclosure

pc: Distribution List Follows

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Section 8

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Mr. John Fuller
Director, Operating Unit
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I. General comments about progress since the report release:

- In May 2007, the Ministry made a presentation to the Public Accounts Committee on the progress made in relation to the Office of the Auditor General's (OAG) recommendations regarding government's post-secondary expansion. The committee endorsed the direction the Ministry was taking in regards to OAG's recommendations.
- Having reached the goal of ensuring anyone with a "B" or better average can gain entrance to university programs, the Province is refocusing investment from general system growth to high priority areas such as:
 - Health and Medical programs,
 - Skills programs,
 - Graduate programs; and,
 - Aboriginal Access.
- This refocusing has challenged institutions to shift some resources from programs with lower student demand to higher student and employer demand. However, no institution will receive less operating grant funding in 2008/09 than they received in 2007/08.
- Significant investments in the post-secondary sector since 2004 have resulted in improved access to education:
 - Regional program expansion throughout the province; and,
 - Increased diversity of program offerings and student choices such as more classes and new courses and programs.
- The Ministry has implemented government letters of expectations (GLE) with all post-secondary institutions in 2008/09.
 - These letters are intended to be an agreement of the accountabilities, roles and responsibilities between the Ministry and each institution; and,
 - The letters are modeled after the GLE which is used by the Ministry of Health and the Regional Health Authorities.

II. Self Assessed Monitoring Report Summary

Recommendation	Status
1 Manage Risks	I
2 Respond to Enrolment	I
3 Fund transparently	I
4 Cost programs	N/A
5 Plan for succession	I
6 Report targets and actuals	I

I – Recommendation has been fully or substantially implemented
 P – Recommendation has been partially implemented
 AA – Alternative action has been undertaken, general intent of alternative action will address OAG finding
 NA – No substantial action has been taken to address this recommendation

III. Status Report – Actions Taken and Results

Government’s Post-secondary Expansion

Recommendation 1: The ministry and institutions should each introduce or strengthen formal risk identification and management practices across their organizations in order to support the successful achievement of results.			
Respondent	Actions Taken Since Report Issued	Results of Actions	Self-Assessed Progress ¹
Ministry	<ul style="list-style-type: none"> ➢ Implemented Government Letters of Expectation; these state that monitoring service delivery performance is key in maximizing efficiency and effectiveness of service delivery. Ministry and PSI will monitor on a regular basis. Output and results are the focus with contingency plans developed based on risk assessment. ➢ Institutions have implemented risk management plans that include enrolment issues. Strategies to ensure that risks are mitigated have been identified and have been or will be implemented. 	<ul style="list-style-type: none"> ➢ Government expectations and accountabilities of both government and institutions are more clearly defined and agreed to. ➢ The risk management processes are helping ensure that the strategic risks of the institutions are identified, assessed and reduced to acceptable levels. 	I
Recommendation 2: The ministry should lead and collaborate with all of British Columbia’s public post-secondary institutions to develop a coordinated response for remediating combined risk factors that contribute to softening post-secondary student enrolments.			
Respondent	Actions Taken Since Report Issued	Results of Actions	Self-Assessed Progress
Ministry	<ul style="list-style-type: none"> ➢ Significant reallocation of planned growth based on performance in both 07/08 and 08/09. E.g. Aboriginal, Health and Grad seats were allocated after working with PSIs on their ability to deliver these seats. ➢ ALMD is currently working with institutions to gather 	<ul style="list-style-type: none"> ➢ ALMD now has more flexibility in allocating growth dollars, and more data to determine which institutions have the ability to deliver growth FTEs in priority programs. ➢ FTE utilization results were used to inform budget and FTE reallocations for fiscals 2007/08 and 2008/09 resulting in 	I

¹ I – Recommendation has been fully or substantially implemented

P – Recommendation has been partially implemented

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NA – No substantial action has been taken to address this recommendation

	<p>information on enrolments – projections for 08/09 and 09/10, by institution. This information will be used to determine seat expansions for 09/10.</p> <ul style="list-style-type: none"> ➤ Strengthened monitoring tools around FTE utilization – Data e.g. Data Warehouse information; Fall interim FTE reports and other tools. ➤ Annual budget and accountability meetings with each and every institution. ➤ Colleges have developed recruitment strategies to deal with softening demand in their regions. 	<p>changes to expansion plans with an increased focus on priority programs to address labour and skills shortages.</p>	
<p>Recommendation 3: The ministry should fund public post-secondary institutions transparently, showing clearly how much funding is being provided to meet the 25,000 seat expansion plan and how much is covering inflationary pressures.</p>			
<p>Respondent Ministry</p>	<p>Actions Taken Since Report Issued</p> <ul style="list-style-type: none"> ➤ ALMD provided greater detail in the 2007/08 and 2008/09 budget letters (GLE) on the derivation of operating grants. This included system-wide summaries of allocations of operating grants, FTEs and capital information. ➤ In 2008/09 the ministry targeted 1,810 FTEs for government priorities through an Access Fund. The Access Fund FTEs and funding allocations are clearly identified in institutional GLEs. ➤ Indicated the amount of funding specifically earmarked for collective agreement increases. 	<p>Results of Actions</p> <ul style="list-style-type: none"> ➤ Increased transparency by providing the sector with system wide summaries of operating grants, FTEs and capital information. 	<p>Self-Assessed Progress I</p>
<p>Recommendation 4: The ministry should establish a process to determine, and periodically review, the actual cost of delivering programs by institution, and then use this information to better inform its block funding decisions.</p>			
<p>Respondent Ministry</p>	<p>Actions Taken Since Report Issued</p> <ul style="list-style-type: none"> ➤ Acquiring the in-depth program cost and student demand projections centrally about the thousands of programs at institutions is inconsistent with the relative roles of the ministry and post secondary institutions. The accountability 	<p>Results of Actions</p> <ul style="list-style-type: none"> • n/a 	<p>Self-Assessed Progress N/A</p>

	<p>framework employed by the ministry in its role of sector management focuses on outputs and outcomes.</p> <ul style="list-style-type: none"> ➤ Inputs in terms of funding allocations to institutions are more appropriately determined through a modified block funding model. ➤ Modified block funding balances the public policy goal of ensuring a small number of high priority programs are delivered, with institutional flexibility and autonomy. 		
<p>Recommendation 5: All institutions should develop human resource succession plans so that resource needs for the future are better identified and managed.</p>			
<p>Respondent Ministry</p>	<p>Actions Taken Since Report Issued</p> <ul style="list-style-type: none"> ➤ The following actions have been taken: <ol style="list-style-type: none"> 1. There have been increased efforts by institutions to recruit and retain quality faculty. 2. BC College Presidents report that all public colleges have succession management plans. 3. Universities have developed faculty renewal plans and human resource strategies that address recruitment and retention challenges. 	<p>Results of Actions</p> <ul style="list-style-type: none"> ➤ Actions taken contribute to better identification of resource needs and allow institutions to better respond to changes in the workforce. 	<p>Self-Assessed Progress I</p>
<p>Recommendation 6: The ministry should require that institutions present, in their service plan reports, growth targets and actual results over time and explain variances.</p>			
<p>Respondent Ministry</p>	<p>Actions Taken Since Report Issued</p> <ul style="list-style-type: none"> ➤ Beginning in 2007/08, institutions now prepare a combined Service Plan/Service Plan Report, which includes results for the previous year and targets for the upcoming three years. In prior years, these reports were separate documents. 	<p>Results of Actions</p> <ul style="list-style-type: none"> ➤ Institutions have now submitted these combined service plans for 2007/08. ➤ In addition, institutions have been asked to provide enrolment projections for 2008/09 and 2009/10 at a slightly more detailed level. This will assist ALMD in determining capacity levels as well as existing and projected student and labour market needs. 	<p>Self-Assessed Progress I</p>