

A New University in an Underrepresented Region: A Case Study of University of British Columbia, Okanagan Campus, Canada

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Introduction

This paper analyzes the establishment in 2005 and subsequent evolution of a new university campus in the interior region of British Columbia, Canada, until then under-served with regard to university provision and with one of the lowest rates of participation of its population in post-secondary education in the province of British Columbia (BC). The paper considers the founding vision of the campus, situated in the city of Kelowna, represented by the original Memorandum of Understanding (MoU) between the University of British Columbia (UBC) and the Government of BC in relation to its subsequent evolution to today.

To anticipate the results, we find that almost none of the original vision for the campus has been realized, and it has evolved in a way fundamentally opposed to the Government's expressed intention. This is largely due to the fact that universities are autonomous institutions in Canada largely free of political influence and hence need only follow their own goals rather than those of the Government and/or electorate. It might also be that the Government's stated vision was political posturing and it fully intended to leave the evolution of the campus entirely to the University and not hold it to account to the MoU. That the campus was left to UBC, one of the world's top 40 universities in international ranking, and top 20 public universities, to develop as a second, smaller campus in Kelowna than its much larger main campus in Vancouver, a 4-hour drive away, has had important implications for its subsequent development away from the original expressed goals. The paper discusses issues of academic planning, accountability and oversight in the provision of this local public good by the Government funders/taxpayers.

Founding Principles of UBC Okanagan

The founding and original vision of the university campus was part of a Government of BC initiative begun in 2004 to expand the number of public university places in the province given that the interior and other regions had low rates of participation in university education relative to other Canadian regions and provinces. It involved establishing many new public universities in BC out of existing colleges and university colleges, to add to the already-existing public universities of UBC, the University of Victoria, Simon Fraser University, Royal Roads University and the University of Northern British Columbia.

In all of the other cases of new public universities, 2005-2010 (Vancouver Island University, Kwantlen Polytechnic University, Capilano University, University of the Fraser Valley, Thompson Rivers University, and Emily Carr University of Art and Design) , the universities were built on existing college or university college institutions to create comprehensive teaching-oriented regional universities; in the case of UBC Okanagan campus (UBCO), the existing institution Okanagan University College (OUC) was split into two new entities, the university functions being taken over by UBC as its second campus creating UBC Okanagan (UBCO) and the college functions separated off to a new college institution (Okanagan College, OC), the two new institutions (or rather one new institution and one new campus of an existing institution) to exist separately; UBCO with a research-intensive academic discipline mandate, and regional/national/international focus, and the new college, OC, with a largely vocational and trades applied college mandate, and a local/regional focus.

The new universities and campuses, including UBCO, were predominantly in regions of the province underserved by university places for students. The takeover by UBC of the university functions of the existing institution OUC was however unique in being something of a hostile takeover; faculty, students and staff of OUC were sent an email on the morning of March 17, 2004 announcing the takeover from the email address of the OUC President but she actually was no longer in office; the email was on her account but under the signature of the Deputy Minister for Advanced Education, a Government civil servant.¹ There had been a public campaign to upgrade OUC to full regional university status (as Okanagan University – OU) for many years, and that was what the local institution and region was expecting, but in 2002 a subcommittee of the BC Progress Board, a political advisory body, the subcommittee chaired by the then President of UBC, had recommended that the Government “extend the mandate of an existing provincial university [e.g. UBC] to Kelowna” to expand university access to the Okanagan region, with Kelowna as its central city, in that way.² The Chair of the Board of Governors of OUC as of January 2004 turned out to be, probably not coincidentally, a strong supporter of this idea.

Because there were to be two new and separate entities replacing the existing institution, there was a Memorandum of Understanding (MoU) signed between the Government (Ministry of Advanced Education) and UBC on how the 2 new entities (UBCO and OC) would interact. The new college (OC) was not a signatory to this as it did not yet exist as a legal entity; UBC was the only remaining legal institution involved. A MoU differs from a Memorandum of Agreement inasmuch as stated in the opening paragraph of the MoU: “The MoU is not intended to create binding legal obligations between parties.”³ It is worth quoting from the MoU in some detail:

“The mandate of UBC Okanagan will be to address the learning, laddering and research needs of the Southern Interior. One of its principle [sic] missions will include the responsibility to work with colleges and other educational institutions to provide educational opportunities throughout the Southern Interior.”⁴

Laddering means the ability for students to move fairly seamlessly from 1-and 2-year certificate and diploma programs at colleges to 4-year degree programs either at a university or within a college (colleges in BC do offer some 4-year degrees). Listed under key principles to guide UBC’s expansion to its Okanagan campus were:

“Partnerships with Okanagan College to expand university-level programming at the college’s regional campuses and to ensure effective laddering of courses from college to university. Expanded offerings will be provided through face to face delivery, the use of on-line learning and video conferencing and working collaboratively on Continuing Education offerings to provide more choice for traditional students and life-long learners: [with a goal of] Cost-Effectiveness in the...rationalization of services.”⁵

¹ Later hired by UBC in 2015 as its Vice President, External Relations and Communications.

² *Kelowna Daily Courier*, March 19, 2004

³ Memorandum of Understanding (MoU) 2004, 7 pages, p.2

⁴ MoU 2004, p.2

⁵ MoU 2004, p. 3

Under programming it is stated:

“In addition to a range of academic programs, UBC Okanagan is expected to include First Nations and continuing education programs. Initially, graduate programs will be combined with those at the [Vancouver] campus to ensure quality.”⁶

Under key linkages to Okanagan College it is stated:

“One of UBC’s principal mandates will be working with the new Okanagan College [OC] to provide educational opportunities. Specific linkages could include: Developing a plan in partnership with OC to deliver a broad set of first and second year university-transfer courses at the main satellite campuses...with the college delivering some of the courses and UBC delivering others; Expansion of the offerings at the satellite campuses through the use of on-line and mixed mode courses; Development of new lab-based science courses at college campuses with labs scheduled in clusters at the Okanagan campus; UBC Continuing Studies will work with the college and local communities to identify learning needs and interests and develop programs to meet those needs.”⁷

Envisioned therefore was the full laddering of certificate (1-year) diploma (2-year) and degree (4-year) undergraduate programs across the two institutions. For example, perhaps, say, one Computer Science 100 course offered in partnership across the two institutions could have students following all of any 1-year certificate programs in computer-science-related subjects at the College, the College’s 2-year Diploma in Computer Information Systems, the College’s 4-year Bachelor of Computer Information Systems Degree, and the University’s BSc and BA programs, including its BA and BSc Majors in Computer Science, in an efficient and cost-effective use of scarce resources across the two institutions. The interim transition team leader and College Administrator (and later President) of the new College was quoted as stating at the time regarding the new OC and UBCO linkage: “We could be doing some pioneering work, leading the way in post-secondary education in Canada.”⁸

Further, in October 2004 the creation was announced of a \$15m endowment to create a School of Arts and Sciences within UBCO with “a level of academic excellence and an undergraduate learning environment that is unique in British Columbia,” an “exceptional undergraduate learning environment that private universities like Princeton and the University of Chicago have been able to create,” and a “Learning Centre Interface Program” to “provide the means for the innovative programs, creative people, and new teaching approaches developed at the School of Arts and Sciences to be accessible throughout the Province” and to “make it possible for innovations in learning from the...Learning Centre [on the Vancouver campus] to be transferred into the classrooms of the School of Arts and Sciences.”⁹

That is:

⁶ MoU 2004, p. 4

⁷ MoU 2004, p. 4-5

⁸ *Kelowna Capital News*, June 27, 2004

⁹ UBC promotional brochure, October 2004

“The School of Arts and Sciences at UBC Okanagan will provide a Princeton-quality undergraduate education whose innovations in learning, exceptional learning resources, and enriched programming will be shared through the Learning Centre Interface program and accessed by people in BC and around the world.”¹⁰

The School of Arts and Sciences at UBCO would seek to “be a liberal arts and sciences school in the finest tradition, producing leaders with the insight for tomorrow” and “achieve national recognition as an exemplary learning environment.”¹¹ Envisaged were small classes taught by exceptional professors with tutorials, experiential learning, and innovative teaching methods, among other things. It was thought that with the small scale of the UBC Okanagan campus relative to its Vancouver counterpart, the School of Arts and Sciences at UBCO could be used as a site for experimentation with pilot projects in student liberal arts learning, the most successful of which could then be transferred across the province and around the world. The UBC Okanagan campus seemed to provide a winning combination of brand (the world-class UBC) and place (the beautiful Okanagan Valley) for such a venture. United States private Ivy League institutions such as Princeton, Chicago and, say, Dartmouth College, are of course liberal arts institutions where students and faculty are both of exceptionally high quality and there are very low student-to-faculty ratios (e.g. Dartmouth College’s 6,000 students and 1,000 faculty).¹²

In October 2004 it was further announced that a part-time MBA program would be offered at UBCO through the Vancouver campus’s School of Business.¹³ At the same time, it was announced that the idea of an undergraduate business program at UBCO, originally not in the UBCO plan due to the fact that such a program would be in direct competition with the new OC’s existing 2-year diploma program and 4-year Bachelor degree program in Business Administration (which were kept by OC rather than being transferred to UBCO) would in fact now be explored. Also it was announced that a substantial portion of the UBC [Vancouver] Faculty of Agricultural Science would relocate to UBCO. Later in February 2005 it was announced that full engineering programs would be offered by UBCO through the UBC [Vancouver] Faculty of Applied Science. A proposal then under discussion was that graduates of the new OC’s 2-year diploma programs in Engineering Technology would be able to ladder into the third-year of the Engineering programs at either UBC campuses.

Enrolment

As already discussed, in 2004 a decision had to be made by the Provincial Government to either upgrade the existing university college in the Okanagan region (OUC) to full university status, as it did in all of the other cases of new universities in BC that evolved 2005-10 from existing colleges and university colleges,

¹⁰ UBC promotional brochure, October 2004

¹¹ Founding Principles I.K. Barber School of Arts and Sciences. Remarkably, to date (2016) this School has yet to produce a strategic academic plan.

¹² “David Blanchflower on degree trends that follow the money”, *Times Higher Education Supplement*, 28 August 2014

¹³ Apparently the UBC School of Business in Vancouver was in fact opposed to this, and hence an agreement was made that UBCO would not in fact introduce an MBA program that would compete with the existing one on the Vancouver campus.

or split the existing institution (OUC) into two having UBC (or another existing BC university) take over its university functions and a new college continuing its college functions. It considered a proposal from OUC to upgrade itself to full university status as Okanagan University (OU), or as, say, “The University of Southern British Columbia”, and a proposal from UBC to take over the university functions of OUC and convert (downgrade) OUC to just college functions as the new Okanagan College – OC.¹⁴

The Government decided to accept the UBC proposal for a variety of reasons. One was that UBC would be expected to provide some of its own resources e.g. fundraised endowment and capital funds, for the building of new research space and student residences at the existing university-program campus of OUC in the city of Kelowna. The primary reason given however was that OUC in recent years had not met its enrolment targets set by the Government (it managed only 92% of its target in 2002-03 and 97% in 2003-04¹⁵), and UBC in Vancouver had generally exceeded its enrolment targets, so it was argued that UBC would, especially given the excess demand for its programs in Vancouver, be better able to meet the ambitious enrolment targets set for the new university campus, including 900 new student spaces set for its first year of operation, 2005-06, over the existing approximately 3,000 in 2004-05 at the OUC campus in Kelowna being replaced by UBCO.

A fundamental premise of opening the new UBC campus in Kelowna as well as establishing the new OC was to expand university and college opportunities for local students in a region where the transition of the local school-leaving population to post-secondary education was one of the lowest for any region in the province. As a Government press release at the time stated: “The new UBC Okanagan and Okanagan College will improve access to post-secondary education for local students.”¹⁶ The Chair of the Board of Governors of OUC at the time of the takeover (and immediately appointed to the UBCO advisory committee) was quoted as saying: “The new UBC Okanagan campus will be developed by the people in this region, for the people in this region.”¹⁷ A student leader at OUC however had remarked that she “fears that the new spaces will be filled by Lower Mainland [i.e. out-of-region] students not accepted to the [UBC] Vancouver campus.”¹⁸ There were certainly many mixed signals on this matter on the establishment of the campus in 2005, as the whether the new UBCO wanted to cater more to local students or to out-of-region students, the latter to address, in a prime location (Kelowna) the overflow of applicants that could not be accommodated on the Vancouver campus.¹⁹

Given the UBC track record, the enrolment targets for the new UBCO set by the Government were ambitious. They included the aforementioned 900 new student spaces over the existing approximately 3,000 in 2004-05, set for 2005-06. These targets were set to grow by an approximately 900 additional students per year, to reach a final target of 7,500 by 2009-10, with about 7,000 undergraduate and 500 graduate students, one half of the latter PhD students²⁰. Once at that level and as stated in UBC

¹⁴ It was clear that UBC was not interested in taking over any campuses in other parts of BC; Kelowna is a prime location which was much sought after by UBC for its second campus.

¹⁵ OUC Memorandum, May 6, 2004

¹⁶ Press Release, March 21, 2004

¹⁷ Government of BC News Release, March 17, 2004.

¹⁸ *Kelowna Capital News* March 18, 2004

¹⁹ The new campus might have been better named UBC Kelowna, as that city is its only location of operation.

²⁰ MoU p. 6

promotional material in 2011: “The planners of UBC’s Okanagan campus made a key decision; the student body will never exceed 7,500.”²¹

Here we consider total enrolment, undergraduate and graduate, and the geographical origins of students, 2005-6 to 2016-17. Chart 1 below depicts UBC’s record in meeting its enrolment targets for UBCO since 2005. Targets were set (and funded) by the Government on the basis of “Full-Time Equivalent (FTE)” domestic i.e. Canadian citizenship and permanent resident (landed immigrant) students, inclusive of undergraduate and graduate students. Competitive admissions standards for UBCO were set much lower (about 65-70% secondary school grade average) than the main campus of UBC in Vancouver, a top 40 in the world university (about 80-90%), but above the standards of the prior OUC (which had open access at about a 60% secondary school grade average).

There was a major shortfall in the first year, enrolment reaching only approximately 3,000 FTE domestic students (about the same as in the university programs of the previous university college campus in 2004-05), approximately 25% below the targeted and funded amount of 3,900.²² This was due to a severe shortfall in newly admitted domestic students in September 2005. In 2004-05, UBC Okanagan had been unable to get its publicity machine working. Chart 2 below shows that only approximately 650 new-to-UBC domestic students arrived in 2005-06, not enough to increase overall enrolment past the 3,000 mark. It was difficult to recover quickly from this rather poor start, but new-to-UBC domestic students admitted did rise substantially in 2006-07, once publicity and communications had been appropriately ramped up, and continued to rise to 2011-12 (see Chart 2). However, subsequent growth in total enrolment was slower than growth in Government targets so the campus fell increasingly below its targets up to 2009-10 (see Chart 1). The campus finally caught up to the targets by the 2012-13 academic year (see Chart 1), as the targets did not grow 2009-10 to 2012-13, and after admitting very large numbers of new-to-UBC domestic students in 2011-12 (see Chart 2).²³

The key to why the campus did not meet its targets to 2012-13 was the poor initial enrolment in 2005-06, and the campus has fallen, since 2012-13, 5% or so below targets in subsequent years. A severe and somewhat inexplicable decline in new-to-UBC domestic students set in under a new campus Principal and Provost after 2011-12 until 2014-15 (Chart 2), a decline the campus is only now beginning to slowly recover from in 2015-16 and 2016-17.

²¹ UBC *Viewbook*, 2011 p. 20. However in 2013 the campus Principal was quoted in the student newspaper (*Phoenix*, March 23, 2013) as predicting a student body of around 9,000 within 4-5 years, and the *UBC Okanagan Campus Plan* of September 2015 (developed fall 2013 to summer 2015) notes on its p. 15: “The Campus Plan provides for a potential doubling of the 2012 campus population” so that would be 15,000 or so students within 25 years or so.

²² The then campus Principal was quoted as saying at the time that UBCO will not lose funding because of the shortfall as Provincial funds are granted on the basis of FTE averages over a 3-year period. *Kelowna Capital News*, October 14, 2005. There is no evidence that funding from the Government has ever been cut to UBCO due to its shortfalls in enrolment.

²³ International students are free to be enrolled by UBC on top of these domestic targets, entirely at the discretion of the University, but are unfunded by the Government (international students pay approximately five times the domestic student tuition fees to cover this fact). International student enrolment is discussed later in this paper.

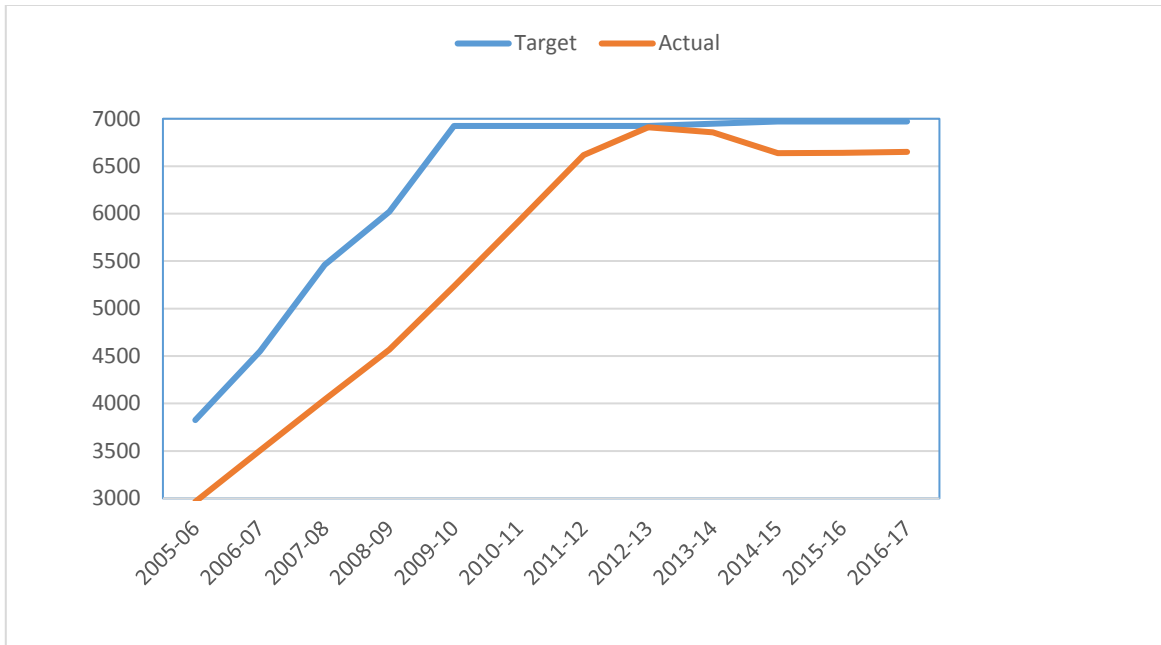


Chart 1: Target and Actual FTE Domestic Student Enrolment at UBC Okanagan, 2005-06 to 2016-17
 Source: UBC Report of Enrolment, various years. Note: In 2004-05, OUC enrolled 2,969 FTE students in its degree programs at the campus taken over by UBCO, about the same as UBCO in 2005-06.²⁴

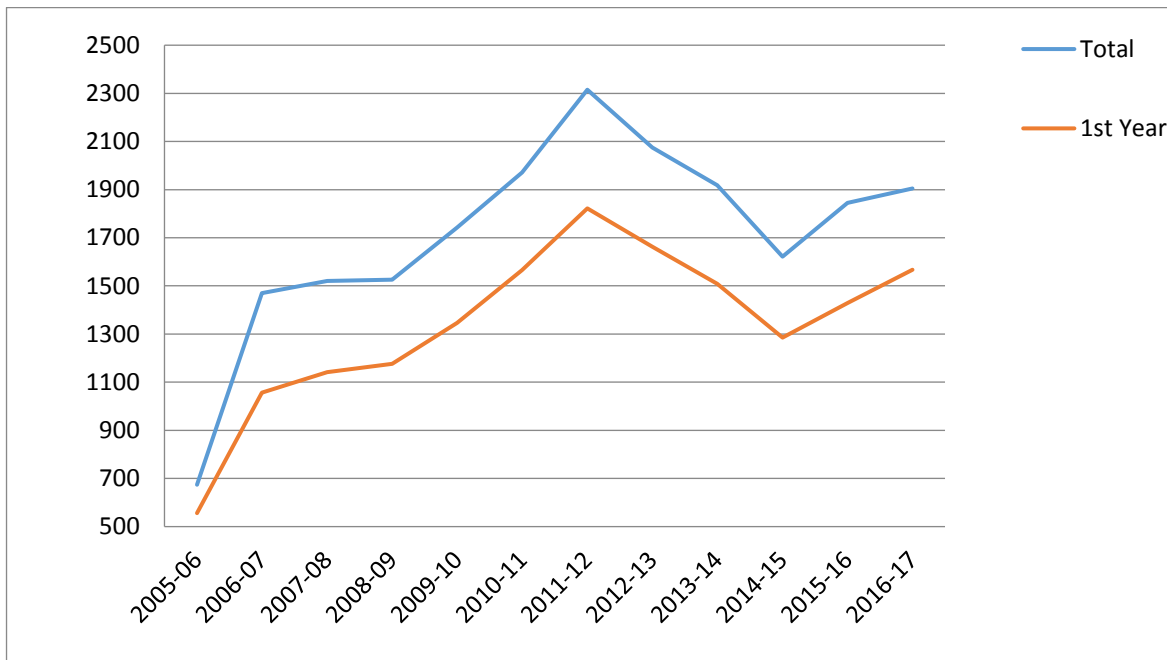


Chart 2: Domestic New-to-UBC Students, UBC Okanagan, 2005-06 to 2016-17
 Source: UBC Report of Enrolment, various years

²⁴ KPMG, OUC 2004-05 Audited FTEs by Campus, May 2005

Regarding the geographical origin of the students at the new UBCO campus, data can be gleaned from the geographical point of origin of the application of admitted new-to-UBC direct entry students (which is not necessarily where the student is originally from), and the university has published these data, albeit in various abbreviated and changing formats over the years, a summary of which is provided in Chart 3 below.

As mentioned above a primary goal of the campus in Government press releases in 2004 was to provide new places for local students, and increase the transition to university education of the local school-leaving population. However, this Government goal has largely been at odds with the UBC goal of attracting out-of-region and out-of-province domestic students to the campus (some of which are unable to gain admittance at the Vancouver campus due to excess demand and hence high competitive admissions standards) as well as high-fee-paying international students, both to increase its national and international reputation and to increase its revenues. The campus was developed out of the previous university-college campus that had been providing baccalaureate degree programming to largely local students (over 80% of its total enrolment) since 1989. As it has turned out, an analysis of the data reveals that UBCO is admitting fewer local students in baccalaureate degree programs today than the former university-college OUC admitted in its last year of operation in 2004-05. For example, in 2015-16, more UBCO students came from the rest of Canada outside of BC than from the local region; moreover, more students came from outside of Canada than from the local region, and about the same number came from Metro Vancouver as from the local region.

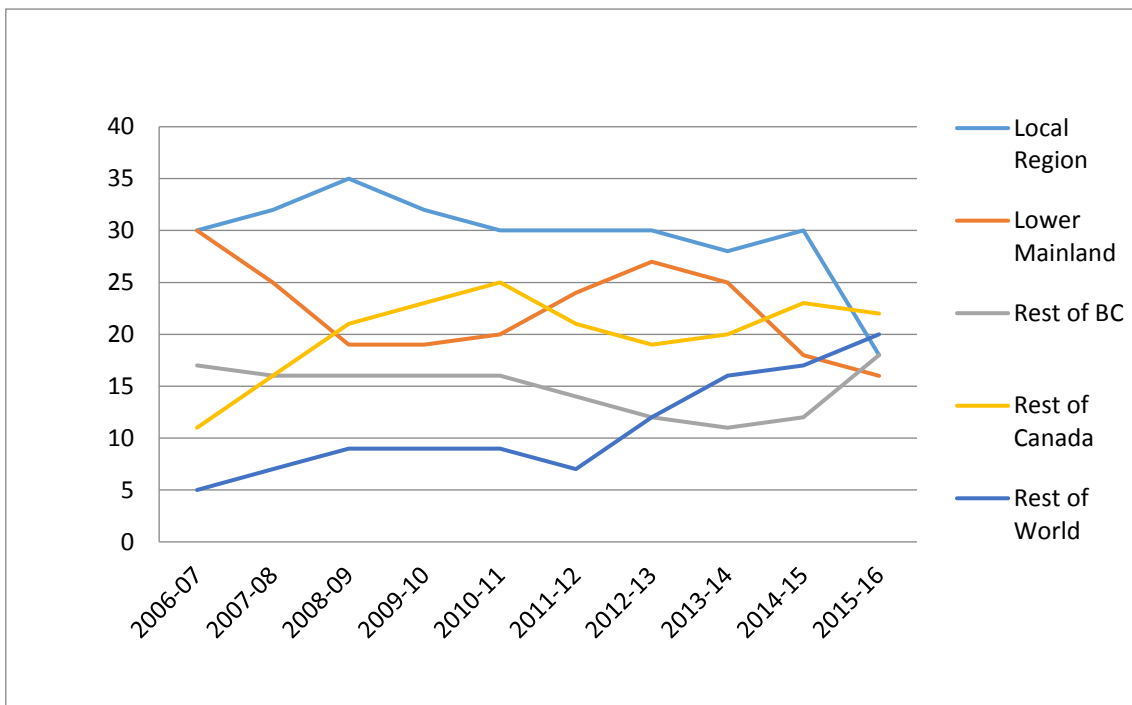


Chart 3: Geographic Origin of Direct-Entry new Students to UBCO, Percent, 2006-07-to 2015-16
 Source: UBC Report of Enrolment, various years Note: From 2010-11 “Lower Mainland” should be relabelled “Metro Vancouver”

The mixed motives are clear in many statements from university officials and publications which reveal that UBC was more interested in out-of-region students than local students. In a newspaper story on the poor enrolment figures for the first year of operation in 2005-06, a university official pointed out that although the overall figures were poor, a positive sign was that 40% of newly-admitted students were from outside of the Okanagan region.²⁵ The 2008 *Enrolment Report* for UBC praised the University in being “successful in diversifying new student enrolment, with significant gains in the number of out-of-province and out-of-country students entering UBC Okanagan.”²⁶ The Okanagan campus *Viewbook* for 2008 noted with pride that: “About 70% of UBC Okanagan students come from outside the central Okanagan.”²⁷ Promotional material for the School of Arts and Sciences at UBCO in 2010 notes: “With 70% of our students arriving from outside the central Okanagan.... [we are] a place the meet interesting people.”²⁸ The 2012 UBC *Viewbook* states proudly “11.9% of Vancouver students and 21.9% of Okanagan students are from other Canadian provinces and territories”²⁹ A document produced by UBCO in 2013, a review of the campus undertaken for an Association of Universities and Colleges of Canada (AUCC) accreditation process, notes that the campus’s student recruitment and advising goal, provided by UBC, is to “grow annual new student intake of out-of-province domestic students [e.g. from Alberta] to 30% of total enrolment.”³⁰ This would then be much greater than new student intake from the local region, which in 2016-17 is about 18% of total new-intake enrolment.

So essentially all 4,500 of the new university spaces provided by UBCO since 2005, over and above the 3,000 that already existing at the original university-college institution, and were largely (80% or so) held by local students, have gone to students from outside the local region, and that UBCO has probably reduced access and the transition to university-level education for local students, rather than increased it, as was the stated intention of the Government. Two fundamental reasons for this are that UBCO admissions standards are much higher than they were for the previous university-college OUC, and that UBC has as its primary interest its international reputation and international reach, rather than servicing only local students, taken often to be a sign of a not “world-class” university, and also an interest in meeting the unmet demand for admission to programs on its Vancouver campus. The Okanagan is perhaps a region that needed, and would have been better served by, a local, indigenous university, as what occurred with all of the other new universities created 2005-10, rather than by a small overflow campus of a large internationally-ranked university.

Budgetary Analysis

This section considers the budgetary revenues and expenditures, operating and capital, of the new university campus. On announcing the new campus, the Government committed \$80m in capital funding plus access for UBC to BC Capital Development (BCKDF) Funds, as well of “start-up” operational

²⁵ *Kelowna Capital News*, October 14, 2005.

²⁶ *Enrolment Report 2008*, p. 4

²⁷ *Okanagan Viewbook 2008* p. 8

²⁸ Promotional brochure: *What is your next step?* 2010

²⁹ UBC *Viewbook*, 2012 p. 7. An out-of-province market that the UBCO campus taps into more than the Vancouver campus, due to its closer proximity to the border, is the adjacent Province of Alberta.

³⁰ *UBC’s Okanagan Campus*, p. 39

and funding “in advance of the arrival of the additional students.”³¹ As regular funding on the operations side, the Government committed to funding the operational requirements of teaching the existing 3,000 students at \$21m (as the existing institution teaching this number of students in 2004-05 was so funded, at around \$7,000 per student) and \$45m in addition (around \$10,000 per FTE new student) for the operational requirements of accommodating the 4,500 additional students targeted for UBCO by 2009-10, reaching an operational funding of \$66m by that date.³² Since 2005, about \$450m has been invested in new capital (mainly new buildings), and operating funds (government grants and tuition fees) have grown to around \$125m per year in 2016-17.

A word of caution regarding UBC budgetary reporting is in order; they are a model of opacity, obfuscation and lack of transparency and accountability. Over time since 2005, less and less information has been given in the presentations to governing bodies such as Senate, as the University plumbs lower and lower depths of opacity and unaccountability. The presentation to Senate of the 2016-17 budget is a good example. It is hard to decipher from any of the document publicly presented as to what is going on with the budget.

One point is clear once one sorts through the forest and thickets of information designed to confuse and obscure: The University on its UBCO campus has consistently underspent its revenue on operations, and diverted large operating surpluses to capital project funding. Chart 3 below depicts the revenue sources for the campus; the \$10,000 per target FTE student grant from the Government,³³ the tuition fees recouped from domestic Canadian students (about \$500 per course, \$5,000 per year for a full-time 10-course load student), the tuition fees recouped from international students (about \$2,500 per course, \$25,000 per year for a full-time 10-course load student – by far the highest international student tuition fees in the Province), and other minor revenues (e.g. parking fees and fines). The Government grant grew over time to 2009-10 in line with the domestic student enrolment targets, and like the targets since then has been fixed. Domestic and international student fees have grown continuously in line with the courses taken and paid for by registered students per year and with domestic and international student fee increases.

Chart 5 presents total operating revenues per registered student (headcount of undergraduate and graduate students, both domestic and international). This chart rises sharply as funding in increased must faster than student enrolment, 2005-06 to 2009-10, then falls sharply as enrolment caught up with funding 2009-10 to 2012-13. It began to rise again after 2012-13 as international student fee revenue rose sharply (both more international students and higher fees per student). All in all, funding per student to the campus then has been extremely ample and generous.

³¹ MoU p. 6. \$10.4m was provided as one-time start-up operational funding.

³² MoU p. 6. UBCO was funded at a much higher level for its new undergraduate degree students than the existing OUC had been funded for its undergraduate degree students, perhaps reflecting the much higher salaries for UBC faculty than for OUC faculty at the time, and the increased research as well as teaching mandate of the new campus. It turned out however that UBCO faculty are not paid at the level of their Vancouver campus counterparts.

³³ This is a generous amount; the other new universities established 2005-10 tended to be funded via government grant at only around \$7,000 per FTE domestic student.

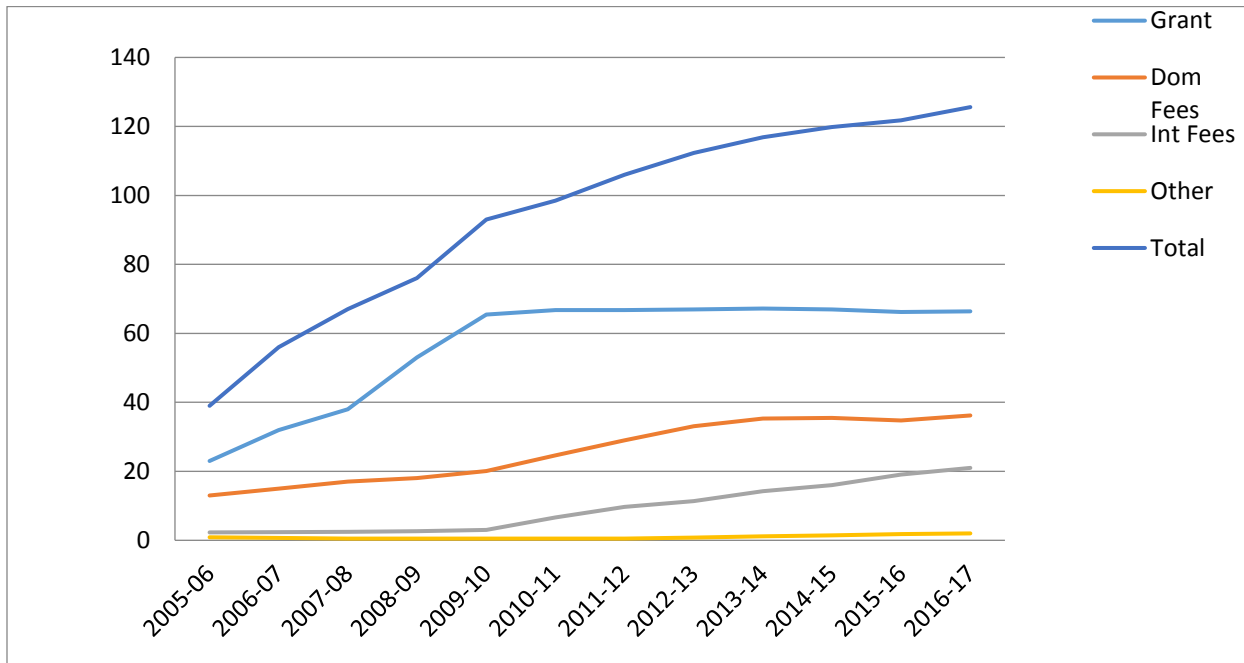


Chart 4: Operating Revenues/Income UBCO, \$m 2005-06-to 2016-17 Source: UBC

Budgetary documents

Where the major difficulties in deciphering the budget are on the expenditures side, since the budget is a statement of spending goals only but is unaudited with respect to actual expenditure. Basically, it is unclear where, when, how or if any or all of the revenues are actually spent, and on what and whom. All revenues have been held by the central administration, for unaudited expenditure as the administration sees fit, with no transparency or accountability as to actual expenditure. Interpreting an analysis of the UBC budget commissioned by the UBC Faculty Association (UBCFA), the Association concluded:

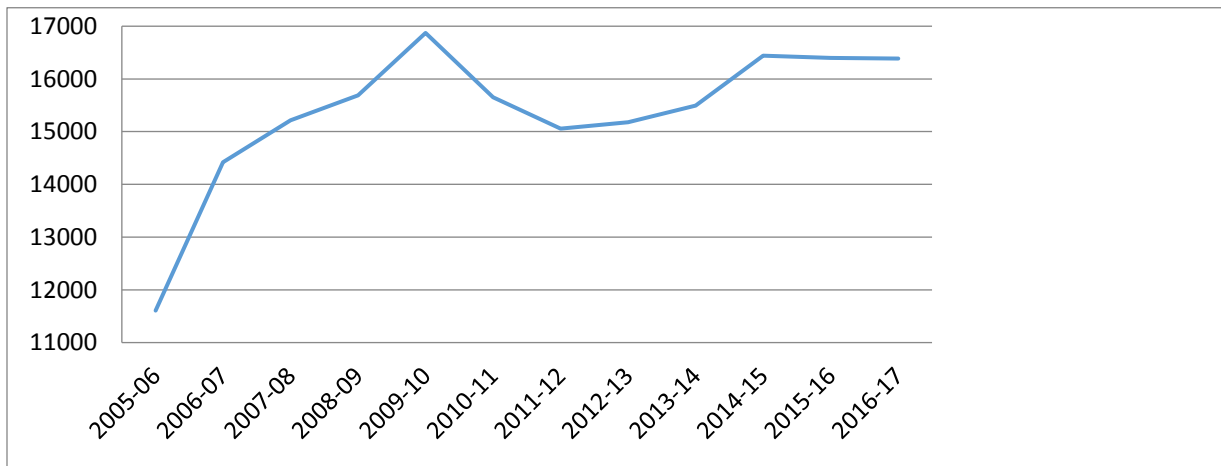


Chart 5: Operating Revenues per Undergraduate Student, UBC Okanagan, 2005-06 to 2016-17

Source: UBC Budgetary documents and UBC Report of Enrolment, various years

“Over recent years UBC has diverted a large percentage of operating funds to capital. In 2013 alone, UBC spent about 13% of unrestricted revenues on capital expenditure, the highest percentage of any university in BC.”³⁴

This large excess of revenues over expenditures in the University’s “General Purpose Operating Funds” over the last decade or so has been UBC-wide, but was especially true at UBCO, which has had an uninterrupted history of large operating budget surpluses. As noted in Chart 1 above, the UBCO campus took around 8 years to meet its funded student targets, but was able in the interim to use government grant revenue based on targeted rather than actual students, and expected high faculty salary costs. This grant revenue was not cut because of the shortfall in enrolled students or because of lower than expected faculty salary costs, so UBCO was able to transfer large operating surpluses to capital projects. The campus was being funded at a very generous level for more students than it was teaching, and for higher faculty salary costs than it was experiencing (due to both lower pay for UBCO faculty than faculty in Vancouver, and persistent UBCO faculty hiring shortfalls) and was hence able to add this generous surplus funding to additional start-up capital funding. Grant and tuition revenue was unrestricted as to what it could be actually spent on; basically it could be spent for any purpose, including capital projects, consistent with the overall mission of the University.

The most direct evidence for this, once one cuts through the thickets of misinformation, are the budget presentations of 2010-11 and 2011-12. For 2011-12, UBCO is described as having a “structurally balanced” operating budget.³⁵ However it is clear in the document that there was an at least \$15m surplus. This was not described as a surplus, but as a “structurally balanced budget with a fiscal operating contingency.” The surplus funds were transferred to fund capital projects due to what is described as a “fundraising deficit on major capital projects.”³⁶ The 2013 report for the UBC Faculty Association cited above found that UBC uses large amounts of operating funds to finance capital assets, with the percentage of capital assets so “internally-funded” at around 30% in perhaps “new buildings that are more vanity projects than essential to the University mission.”³⁷ This report finds recent levels of capital asset acquisition to be extremely high and financed with an unusually high proportion of unrestricted operating funds. Since 2007-8 UBC has been unable to borrow, so as to not add to the Provincial debt, but it has been able to use its “internal bank”, moving working capital, i.e. faculty and departmental operating revenue for teaching students, to long-term capital projects. Moreover, the operating budgets of the Faculties and central supply units already contain a wide variety of capital expenditures (anything under \$2.5m).

A reading of the budget statements gives some additional information, entirely unclear in the published figures. The UBC Budget Statement for 2009-10 for UBCO notes the “budget includes a contingency of \$3.3m plus unallocated budget of \$4.7m...further contingency allocation [is] expected including capital

³⁴ UBCFA statement based on Janet and Cameron Morrill, *University of British Columbia Finances: Report on Ability to Pay* Commissioned by the UBC Faculty Association, Feb 2013, 7p.

³⁵ PPT Budget Presentation to Senate and Board of Governors, p. 15

³⁶ At UBC funding for capital projects comes from Federal and Provincial funding, donations or “internally financed.”

³⁷ Janet and Cameron Morrill, *University of British Columbia Finances: Report on Ability to Pay* Commissioned by the UBC Faculty Association, Feb 2013, p. 6-7.

contingency.”³⁸ The 2010-11 UBCO budget presentation notes that “fundraising targets were not met for completed capital projects; additional debt servicing funding through operating funds.”³⁹ The 2013-14 statement for UBCO notes \$7.8m in “one-time funding from the 2012-13 contingency (\$3.5m) and recovery of projected unit surpluses.”⁴⁰ The 2014-15 budget notes a \$7m operating surplus. Then 2016-17 budget summary notes: “operating expenditures includes ongoing capital costs and internal loans for capital projects” also: “Consistent with the Vancouver campus., the deficits being budgeted for the Okanagan Faculties, in the current year, represent the use of operating surpluses set aside for capital projects.”⁴¹ More opaquely it is stated: “When UBC acquires tangible assets, the spending appears as a surplus in the statement of operations in the year of acquisition (although the cash is spent).”⁴² I take this to mean in plain English: The surplus on operations is spent on acquiring tangible capital assets.

So it is clear UBCO has not been spending all of its generous grant and tuition revenue on teaching students and paying faculty salaries since 2005 to date, but has spent a large percentage of it on building buildings. The 10-year finance plan posted on the UBC President’s website at one time noted the financing of capital projects via “donations, grants and reserves” and “excess operating capacity” the latter I take as a euphemism for excess operating funds i.e. operating funds (government per student grants and tuition fees) that are not spent on teaching students but on building buildings. The MoU had no provision for UBCO to adequately fund Faculties and departments and no targets for faculty hiring and class sizes, just targets on student enrolment. Hence, class sizes and student-to-faculty ratios have expanded to very large, in contradiction of the founding vision of the university campus, which was to be for a high quality of undergraduate education with small class sizes and an intimate learning environment for students. For example, the Okanagan campus *Viewbook* for 2008 notes that: “Class sizes are kept deliberately small and taught by highly-skilled professors.”⁴³ This has not in fact been the case; class sizes have grown to be large (and the University has plans to build a new 400-seat lecture theatre at UBCO to accommodate them, to add to the two existing 300-seat theatres, plus other large classrooms) with many of these classes taught by relatively cheap and less-skilled non-permanent and non-research faculty. One might have expected more accountability with the Government as to the use of its generous taxpayer-paid funding to UBCO. There appears to be many issues of public budgetary accountability and transparency in the development of the UBCO campus by UBC.

Academic Planning and Program Mix

This section considers enrolment by program and academic planning, or rather the lack of the latter at the new campus, something highlighted by an external development review of the campus undertaken by the then UBC President in 2011. The campus after failing to meet its initial enrolment target in 2005-06 was in a race to catch-up to the growing enrolment targets 2006-13 (to a final target of 7,500 students by 2009-10) and was happy to admit students from anywhere and into any program that could

³⁸ UBC Budget Statement 2009-10 p. 15

³⁹ PPT Budget Presentation to Senate and Board of Governors p. 16

⁴⁰ PPT Budget Presentation to Senate and Board of Governors p. 4

⁴¹ PPT Budget Presentation to Senate and Board of Governors p. 21

⁴² PPT Budget Presentation to Senate and Board of Governors p. 24

⁴³ *UBC Okanagan Viewbook* 2008 p .2

be expanded fast enough to accommodate them. This left academic planning as a free-for-all with those programs most focussed on expansion being the ones expanded the most. For example, domestic student new-to-UBC admissions reached very high levels in 2011-12, focused mainly on the Bachelor of Arts program, which was relatively easy to expand, and which was twice as large as any other program by 2011-12 or so. Chart 6 depicts growth in undergraduate enrolment by program, and Chart 7 growth in graduate student enrolment by program.

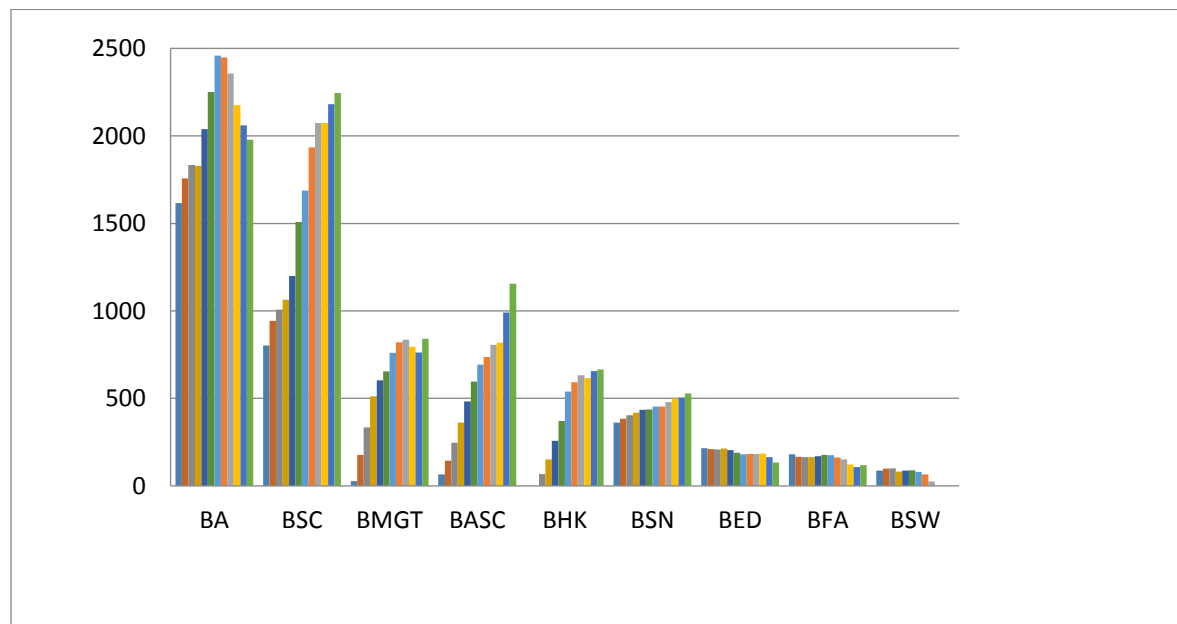


Chart 6: Total Undergraduate Student Enrolment Growth by Program, UBCO, 2005-06 to 2016-17

Source: UBC Report of Enrolment, various years. Note: In 2004-05, OUC enrolled (at the campus taken over by UBCO) 1,691 FTE students in its BA program, 475 in its BSc, 356 in its BSN, 167 in its BED, 221 in its BFA, and 91 in its BSW, for a total of 2,969 FTE students.

Before describing what has occurred as far as program development is concerned, it is useful to point out what was expected to occur (e.g. as documented in the MoU that UBC signed with the Government) but did not in fact occur. The MoU states: “[Research] opportunities will be created through the relocation of a portion of the UBC Faculty of Agriculture to the Okanagan”⁴⁴ given the region is a primary agricultural region of the province, and at least part of the viticulture program, given the Okanagan is the major wine-growing region of the Province. Neither of this occurred; the expected Bachelor of Science in Agriculture was a stillborn venture at UBCO.⁴⁵ Also, no Continuing Education or Distance Education developed at UBCO. The former was mentioned in the MoU three times as a primary goal of UBCO in the region, on-line courses (Distance Education), twice. The MoU stated that graduate programs at UBCO would be combined, initially, with those at the [Vancouver] campus to ensure quality.⁴⁶ This did not occur; none of the graduate programs that developed at UBCO had any Vancouver

⁴⁴ MoU 2004, p. 5

⁴⁵ I assume this was because none of the members of the Faculty of Agriculture or viticulture programs in Vancouver wished to move to the BC Interior region.

⁴⁶ MoU 2004, p. 4.

linkage. No part-time MBA program developed⁴⁷, as was announced in 2004, and there has been no evidence at all of the School of Arts and Sciences taking part in transferring and making accessible new and innovative teaching approaches throughout the Province and having innovations in learning from the Learning Centre on the Vancouver campus transferred into the classrooms of the School of Arts and Sciences.⁴⁸ There is also no sign of the School of Arts and Sciences at UBCO having an impact on undergraduate liberal arts teaching either across BC, Canada or the World, as contemplated. In fact, the School is yet to develop and produce a strategic academic plan.

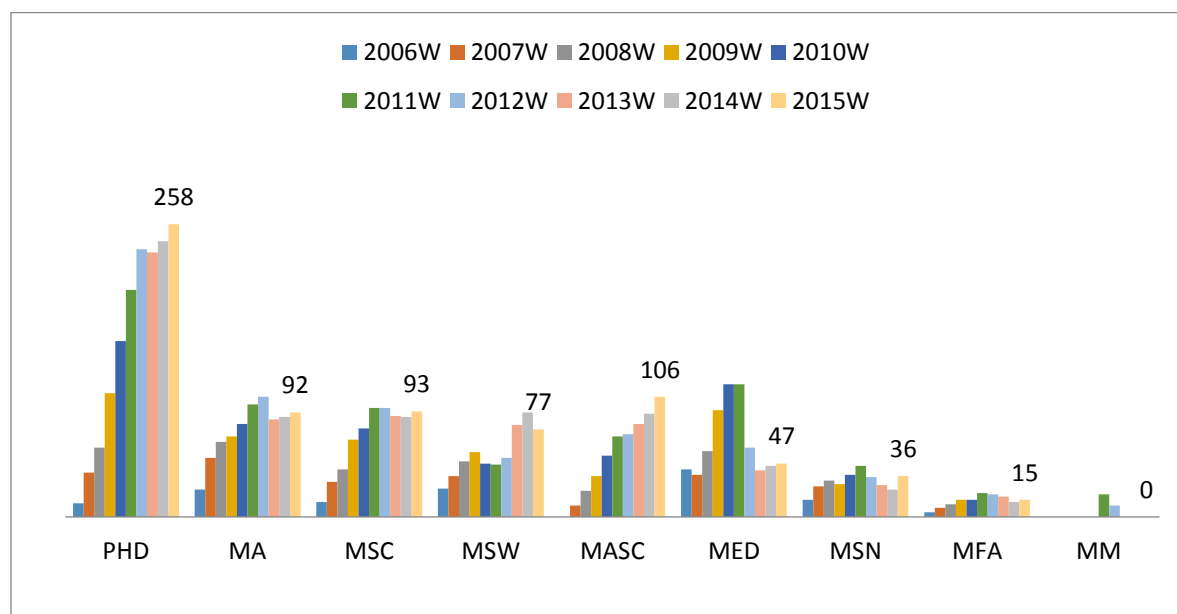


Chart 7: Total Graduate Student Enrolment Growth by Program, UBCO, 2005-06 to 2016-17 Source: UBC Report of Enrolment, various years

Moreover, there has been virtually no linkages and partnerships with Okanagan College (OC) in the development of UBCO, and vice versa, as contemplated in the MoU. Courses and programs at the two institutions have developed in almost total isolation from each other, with virtually no explicit laddering of programs or coordination of courses offerings e.g. science and arts courses, etc. On establishing OC it did of course preserve, in keeping with the BC post-secondary student transfer system, its first and second year arts and science courses for University Transfer (to any university, not just UBCO) in its local and regional campuses, but that is about as far as any informal cooperation has gone. None of the specific UBCO-OC initiatives in this area outlined in the MoU have occurred. There is no relatively seamless laddering, for example, for engineering or computer science courses and programs. The formal agreement between OC and UBCO in allowing some Nursing students to take their first year of the 4-year UBCO Bachelor of Science in Nursing (BSN) at OC is the exception that provides the rule. In another area where laddering was promising, the UBCO Bachelor of Social Work program, with entry at year 3,

⁴⁷ Rumour has it that the founding Dean of the Faculty of Management at UBCO resigned 6 months into a 5-year term as a result of the agreement with the School of Business on the Vancouver campus that the UBCO campus would not compete with it in introducing an MBA program.

⁴⁸ UBC promotional brochure, October 2004 referred to earlier in the paper.

opportunities were lost when UBCO closed down in Bachelor of Social Work program in 2012 to focus only on a Masters of Social Work. So here in the social work area opportunities have been reduced, not enhanced. There has been no attention to cost-effectiveness in the sharing of courses and programs; there is in fact large-scale cost ineffectiveness and duplication of 1st and 2nd year courses, and multiple sections of courses, across the two institutions.

A gilt-edged opportunity for UBCO and the new college to cooperate cost-effectively and ladder was lost within weeks of the announcement that UBC would take over the university functions of OUC. It was decided that UBCO would include some fine and creative arts programming, and the existing programming at OUC was a 2-year Diploma of Fine Arts and a 4-year Bachelor of Fine Arts (BFA). The diploma was by far the largest program. However, in order that the Department of Fine Arts would not be split between the College and the University, and ladder between them, the department moved quickly in April 2004 to discontinue the 2-year diploma program and only offer the 4-year degree. This was a regressive step for fine arts programming in the region and left the new college with no such programming, unusual for a regional college in BC. Access therefore to fine arts programming for local students was therefore reduced with the move, with UBCO having higher entrance standards for the Bachelor of Fine Arts program than what existed at OUC for both the diploma and the degree. Fine Arts enrolment has in the last 12 years or so continuously declined at UBCO to about half of what it was in 2005-06 (see Chart 6). Concerns about this regressive move were sent to the Public Administrator charged in 2004 with distributing existing programs to UBCO and the new OC, but were ignored. In consequence, the region was largely stripped of its accessible and ladder-able public post-secondary programming in the creative and visual arts.

A further problem was created later in 2004 and early 2005 when the new Faculties for UBCO were being established. Fine and creative arts was proposed as a Faculty encompassing the existing BFA degree as well as the development of new programs in music, theatre and film, and a Faculty of Arts and Sciences was proposed along the lines of the \$15m endowment given for that purpose. However, largely due to the personalities and aspirations of the two new proposed Deans at the time for these two Faculties, both the very large English department (all degree students at UBCO have to take first-year English courses) and the Modern languages departments (French, Spanish, German, Japanese – all BA students at UBCO must demonstrate a proficiency in a second language) lobbied to move to the proposed fine and creative arts Faculty, and thus the Arts were split between two Faculties and the Faculty of Arts and Science evolved to encompass only a subset of the arts and humanities, missing the largest department, English. The new Faculty of Critical and Creative Studies (as it was named) also later developed new programs in art history, creative writing and cultural studies. There have been recent attempts to amalgamate the two Faculties into one but to no avail; it is difficult to get a Faculty to abolish itself once established. This then undermined the purpose of the \$15m endowment (“to create an undergraduate arts and sciences education in the finest tradition”) and hence also the goals of the new university campus.⁴⁹

⁴⁹ As already noted above, a strategic academic plan for the Faculty of Arts and Sciences, now fully 12 years after its announcement and establishment, has yet to be produced.

The goals of the new campus were expressed by the interim Principal of UBCO in promotional material for incoming and prospective students in 2005:

“Welcome to UBC Okanagan, one of the most exciting educational innovations in Canadian academic history. UBC Okanagan will offer a liberal arts undergraduate experience unlike that of any other institution in Canada.”⁵⁰

Well, that certainly has never happened. The development review of the campus undertaken for the UBC President in 2011 noted:

The profile of the emerging institution is now quite markedly different from the initial vision of UBC Okanagan as a largely undergraduate liberal arts campus. UBC Okanagan has taken on a shape and identity that is substantially different from the founding vision. ...Rapid growth, campus ambitions and the province’s involvement has resulted in the presence of professional faculties/programs and graduate expansion which has led to an inevitable, and one has to assume one-way, move away from the liberal arts campus concept to a more comprehensive campus.”⁵¹

As can be seen from Chart 6, new professional and vocation programs developed and expanded uninhibited in Engineering (Bachelor of Applied Science, BASC), Bachelor of Human Kinetics (BHK) and Bachelor of Management (BMGT), to add to the existing Bachelor of Education (BED) and Bachelor of Science in Nursing (BSN) programs, and changing the make-up of the campus away from the liberal arts.⁵² There has in fact been minimal attention paid to developing the liberal arts, humanities and social sciences disciplines. The current Principal of the campus is quoted in a recent Senate meeting as referring to “a Government direction to stop teaching BAs” presumably to increase focus on the STEM (Science, Technology, Engineering, Mathematics) and applied vocation fields such as business, health and engineering rather than the liberal arts, humanities and social sciences that make up the focus of the best undergraduate liberal arts colleges and universities in North America. For example, for 2015-16, target enrolments in the BA, BSc, BFA and BED programs were all reduced, and target enrolments in the BASC, also known as Engineering, BMGT, BHK and BSN all increased.⁵³ UBCO has increasingly evolved into a vocational, professional and polytechnic applied science university campus rather than an undergraduate liberal arts campus “in the finest tradition.”

However it is not entirely clear if this was more by plan or by accident. The Development Review of 2011 noted “an absence of substantive and viable academic planning” on the campus and, “as a consequence of the pressures to grow enrolment in a short time frame, the lack of coordinated enrolment management.”⁵⁴ The Review called for academic planning with respect to the number and size of faculties and departments, strategic enrolment management at the campus level, and external reviews of all academic programs, none of which had been undertaken to that time. The document produced by

⁵⁰ *UBC Okanagan FYI 2005* p. 1

⁵¹ *Development Review of UBC Okanagan campus*, June 15, 2011 p. 7, p. 11

⁵² Bachelor of Social Work (BSN) was discontinued in 2012-13

⁵³ *UBC Annual Report on Admissions Forecasts 2015-16*

⁵⁴ *Development Review of UBC Okanagan campus*, June 15, 2011 p. 11

UBCO in 2013 to attain academic accreditation with AUCC already mentioned above also promised: “A review of the academic growth and program priorities for the Okanagan campus is being undertaken over the coming year.”⁵⁵ No such review ever appeared.

I think it is reasonable to postulate that the vision for the campus has completely changed from liberal arts to professional programs largely by default, but that there has also been some deliberate but out-of-view planning in recent years by the administration to downsize the arts, humanities and social sciences and further expand the science and professional programs. Many decisions have lacked rationality and adherence to the initial vision for the campus. It was only after domestic student enrolment targets were reached in 2012-13 that there has been any attention to optimal program mix, and that attention since student enrolment targets had been met has been to downsize some now deemed over-expanded programs (the liberal arts e.g. BA) to allow room for continued growth in the other science and professional programs that are now a higher priority (e.g. the BSc, BASC, BHK, and BMGT). Part of this was to accommodate overflow demand for the Vancouver campus programs e.g. in science, engineering and commerce. Given that the overall domestic student enrolment target had been met in 2012-13, the only way that the combined domestic student enrolment in the BSc, BASC, BHK, BSN and BMGT could keep expanding after that year (which it duly did) was for domestic student enrolment in the BA to keep declining (which it duly did). The Bachelor of Management program (BMGT) at UBCO has developed and expanded to almost entirely duplicate the competing Bachelor of Business Administration (BBA) at the College, OC. No viable Masters of Business Administration (MBA) or Master of Management (MM) program has yet been developed.⁵⁶

To 2012-13 then, the development of the campus proceeded as a largely uncoordinated, random and self-fulfilling prophesy, expressing UBC’s interests in growing the campus as quickly as possible for tuition revenue and government grant purposes and to address unmet excess demand on the Vancouver campus, but with little attention to ideal program mix for the Okanagan region. As the 2011 development Review concluded:

“UBCO has the potential to be a very special place, enhancing the reputation of UBC as a whole and contributing in a synergistic way to the position of UBC provincially, national and internationally.”⁵⁷

In other words, UBC’s revenue interests and interests in complementing its Vancouver campus were assumed by the reviewers to be foremost, rather than the interests of, say, the region or the students.

Since 2012-13 however, the downsizing of the liberal arts and the continued growth of the science and professional programs has been a conscious plan, expressed by the campus administration to reflect the

⁵⁵ *UBC’s Okanagan Campus*, 2013, p. 11.

⁵⁶ A Master of Management (MM) program modelled on the existing one at UBC’s School of Business in Vancouver was offered for 2 years 2010-11 and 2011-12 but then abandoned; a new MM program was developed in 2014 but has so far failed to attract sufficient students for it to be yet offered. That no MBA has been allowed at UBCO has been a major failure of UBC in meeting the educational and professional development needs of the local region.

⁵⁷ ⁵⁷ *Development Review of UBC Okanagan campus*, June 15, 2011 p. 14

interests of not just UBC but also of the students and of the region. As a recent one-page article in the UBC Alumni magazine summarizing UBCO's first ten years quotes the current Principal of the campus:

"Program offerings in the Okanagan reflect the needs of the rapidly developing communities in our region. We are excited about opportunities for growth in high demand areas such as management, engineering and health-related professional programs, which will ensure we are best able to serve the needs of Okanagan communities while providing a world-class education for our students."⁵⁸

In the entire article there is no mention of the liberal arts, humanities or social sciences, or of the new College OC and its relationship to UBCO. The initial goals for the campus as liberal arts in the finest tradition and the MoU with the Government involving close and synergistic linkages to OC are a forgotten and distant memory. To take one liberal arts discipline for example, that of History, there are fewer students taking a history course at the campus in 2016 than there were in 2005, despite an almost tripling of the number of students on campus. There are also 30% fewer history courses being offered in 2016 than in 2005. Similar observations can be made of modern and ancient languages, both regarding courses and students, and for the combined disciplines of economics, history, philosophy, political science and sociology, there are fewer sections of courses offered in 2016 than in 2005 or 2006.⁵⁹

Other statements suggest the goals of the campus have shifted once more in the most recent years, away from liberal arts versus polytechnic and goals such as research or educating students per se to "encouraging rapid economic development and health" in the region so that UBCO can become "a driver of innovation and economic development in the region." The *Aspire* academic "visioning" process in 2014 resulted in such goals and purposes of the campus as encouraging "faster innovation and entrepreneurial approaches to sustainable social and economic development that have local relevance and global impact" and for UBCO to:

"[B]e an exemplar of well-being for healthy people and environments. As we contribute to the economic, social and cultural wellbeing and health of our region, we can be extending those contributions far beyond, and vice versa. [The campus can have a] transformational impact in the region and should be a catalyst for cultural, economic and social development and a "living lab for health and wellbeing as "UBCO is growing and diversifying the regional economy."⁶⁰

This is a long way from the original goals of the university campus of being a liberal arts and sciences school in the finest tradition like Princeton University, the University of Chicago or Dartmouth College. I doubt if such institutions have the economic development, health and wellbeing of their local regions,

⁵⁸ "Ten Years in the Okanagan" *UBC Trek Alumni* magazine, 2015

⁵⁹ This is of concern in light of a statement such as the following (Andrew Moore, "The job of the liberal arts is not just arts", *University Affairs* Nov. 2016, p. 45: "The liberal arts produce public goods. They produce the civil rights movement, feminism and marriage equality. We should not be so foolish to pretend that any of the social and political progress we have made as humans would have been possible without the arguments that are first debated and tested in liberal arts classrooms."

⁶⁰ *UBC Okanagan Aspire Final report*, 2014.

towns or cities as their primary mission, rather than the broad liberal arts teaching and research of its students and faculty.

International Student Strategy

This section undertakes analysis of the implications of the campus's drive to increase the number of its international students, who pay five times the domestic rate for tuition, by far the highest tuition rates for international students in the province, and are hence a profit centre for the University. In using the internationally-recognized brand of UBC and the attractive place of Kelowna, the official line of the University is that international students do not take away places for domestic students. A more careful analysis, one the University campus has not done, reveals that in fact they do in programs and courses especially popular with international students. There is of course no displacement in total but there is of course between and within programs and within courses within programs (i.e. only one pint can be fitted into a one-pint bottle).

The following are some official UBC statements on the general issue of international students and the fees they pay. In August 2013 the then VP and AVP Enrolment and Academic Facilities for UBC, stated: "International students do not displace Canadian students at UBC. To the contrary, more students on campus means UBC can hire additional faculty and offer broader choices of courses and research for all of our students."⁶¹ A story in February 2013 reported: "UBC leaders are clear on this point: international students do not displace domestic students... international students pay the full cost of their education to add more spaces..."⁶² The UBCO DVC was quoted in a story in November 2012 as follows: "Foreign students do not reduce the number of spaces available for Canadians at UBCO ...in fact, the opposite is true, International students help fund positions for Canadians that wouldn't otherwise exist."⁶³ The UBCO *Enrolment Report* for 2014 boldly states: "International students do not displace domestic students."⁶⁴ The constant repetition of this mantra is as far as the University takes its analysis of the effects of international students on domestic students, and appears to have no interest in taking the analysis any further, at least in public.

However, it is clear that it does not take the analysis of potential displacement far enough. While it is obviously true that no matter how many international students the campus takes in, its domestic student targets and domestic student enrolment in the aggregate are entirely unaffected, neither reduced or increased (contrary to what some of the statements in the previous paragraph claim) it is not true that there is no displacement of domestic students from courses and programs that are popular with international students, into other courses and programs that are not as popular with international students, within the aggregate targets.

⁶¹ Letter to *Vancouver Sun* August 22, 2013

⁶² *UBC Reports* Feb 2013 p. 4. Obviously this cannot be true that international students add more spaces for domestic students; domestic student targets are set by the Government.

⁶³ *Kelowna Daily Courier*, November 15, 2012. Again, this cannot be true; international students do not increase the number of seats open to domestic students at UBCO.

⁶⁴ *UBCO Enrolment Report 2014*, p. 3

Chart 8 depicts international student enrolment at UBCO 2005-06 to 2016-17, and Chart 9 domestic student enrolment (Canadian citizenship and Canadian permanent resident).⁶⁵ The enrolment of international students is significant in only four programs: the BA, BSC, and BMGT and (to a lesser extent) the BASC (Engineering) – although the latter has significantly increased its international student intake only in the last two years. As international student numbers have grown in the BA, BSC and BMGT in most recent years, the number of domestic students in these programs has declined or been static.

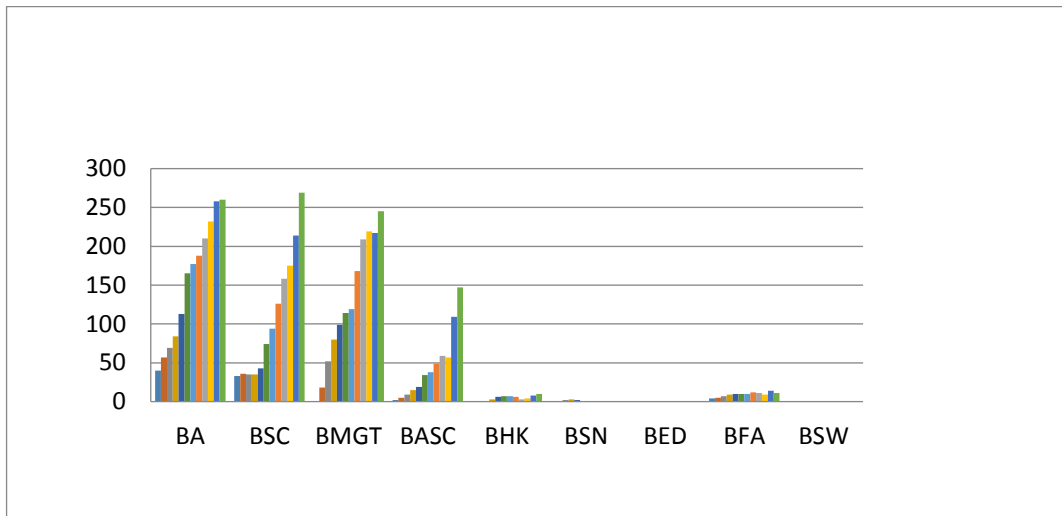


Chart 8: Undergraduate Degree Programs International Students UBCO 2005-06 to 2016-17

Source: UBC Report of Enrolment, various years

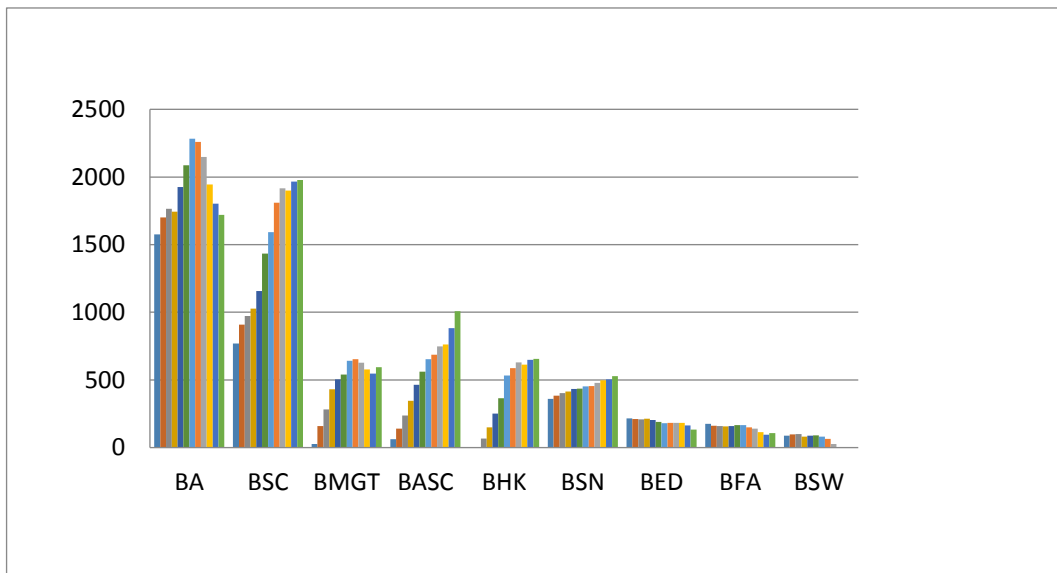


Chart 9: Undergraduate Degree Programs Domestic Students UBCO 2005-06 to 2016-17 Source:

UBC Report of Enrolment, various years

⁶⁵ Charts 8 and 9 combine to the totals in Chart 1 above.

Chart 10 depicts total enrolment of undergraduate international and domestic students, 2005-06 to 2016-17, and Chart 11 total enrolment of international students, undergraduate and graduate.⁶⁶

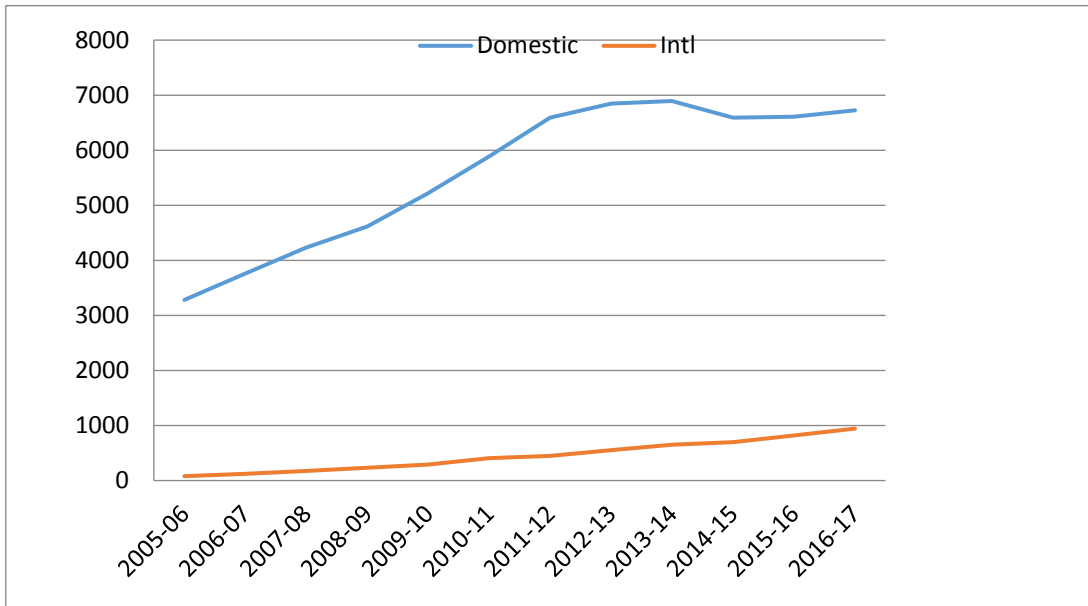


Chart 10: Total Undergraduate Domestic and International Students UBCO 2005-06 to 2016-17

Source: UBC Report of Enrolment, various years

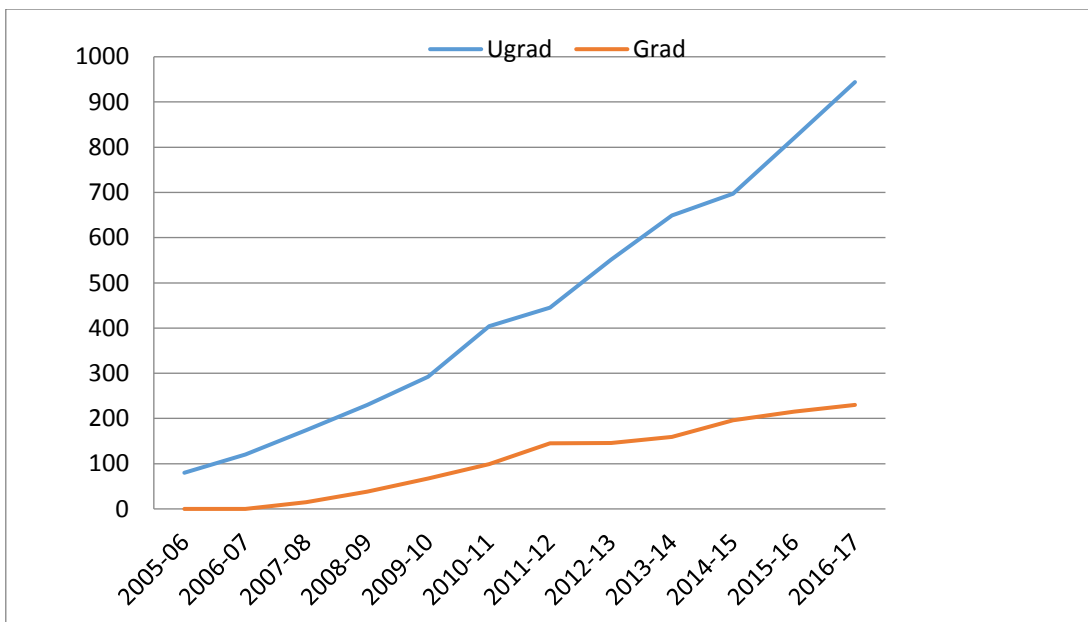


Chart 11: International Students, Undergraduate and Graduate, UBC Okanagan, 2005-06 to 2016-17

Source: UBC Report of Enrolment, various years

⁶⁶ OUC had about 120 international students in its degree programs in its last year of operation, 2004-05, about 80 of them on the campus taken over by UBCO.

Within the BA and BSc, international students tend to crowd into certain majors and programs, as Table 1 below shows, and into certain courses within programs. Programs with more than 20 major students and a large percentage (greater than 10%) of international students in the total students declared as majors in these programs are, for the BA, Economics (38%), International Relations (15%) Politics, Philosophy and Economics (14%) and Philosophy (11%) and for the BSc, again Economics (25%) Mathematics (11%) and Computer Science (11%). Programs such as International Relations, Political Science and Philosophy have had no net new teaching faculty hiring since 2007 and a declining number of courses, sections and student seats offered over the past number of years, and Economics relatively little, despite the growing number of international students in these courses and programs. Many courses are full to capacity (especially in International Relations and Political Science across the board and in certain economics courses) so it would be entirely reasonable to recognize that some domestic students have been hence displaced from these courses and programs due to the growing number of international students at UBCO.

The problem is especially acute for Economics, my own program. In the current term, one of my course is at 60 student capacity, the majority of whom are international students. For next term, my two courses are full at 60 and 40 room capacity each, with at least half of the students registered in each international students, and with many domestic students on the waiting lists to get into these courses. So for these courses, domestic students are blocked from them while international students are enrolled in them. This has been the case in my courses at UBCO for many years now. So international students definitely do displace domestic students. Given the large number of international students who want to take economics courses, the capacities for domestic students in many of these courses are actually less than they were when the courses were last offered by the previous institution OUC, before 2005.

This would not be a problem if the academic program (e.g. economics) that has the international students in its courses automatically got a portion of the international student tuition fees so generated, so that this money could be put into hiring more faculty and putting on more courses and seats. This is what occurs on the UBC Vancouver campus. But at UBCO individual academic programs and units in the School of Arts and Sciences see none of the international student tuition fees and know nothing about what they are spent on, so the necessary adjustments cannot be made.

The UBCO campus is planning to continue to increase the number of international undergraduate students from the current 950 or so (12% of total students) to around 1,750 (20% of total students).⁶⁷ This will displace more domestic students from programs and courses in the arts and sciences popular with international students, such as in economics, until the funding mechanisms, international student fee allocations and hence in consequence expenditures on additional faculty and courses change at the program and department level.

⁶⁷ The Principal was quoted in a 2012 *Canadian Press* article as saying: "International students make up about 8% of our total student enrolment, and our goal is to increase that to 20% by 2017." 1750 would be 20% of 8750 (7000 domestic undergraduates and 1750 international).

Table 1: Declared BA and BSc Major Students, UBC Okanagan 2013-14

	Total	Female	Male	International	% International
Bachelor of Arts					
Psychology	648	493	155	27	4.2
English	109	89	20	3	2.8
Economics	108	28	80	41	38.0
Anthropology	98	64	34	4	4.1
History	94	48	46	0	0.0
Geography	72	39	33	2	2.8
International Relations	65	43	22	10	15.4
General Arts	48	29	19	3	6.3
Sociology	44	31	13	3	6.8
Political Science	40	22	18	2	5.0
Philosophy	27	7	20	3	11.1
Philosophy-Politics-Economics	21	9	12	3	14.3
French	20	17	3	1	5.0
Creative Writing	20	16	4	1	5.0
Computer Science	18	5	13	1	5.6
Cultural Studies	16	14	2	1	6.3
Art History	14	12	2	2	14.3
Indigenous Studies	13	11	2	0	0.0
Mathematics	12	6	6	5	41.7
Spanish	10	10	0	0	0.0
French and Spanish	10	9	1	0	0.0
Latin American Studies	4	3	1	1	25.0
Gender and Women's Studies	3	3	0	0	0.0
Earth and Environmental Science	2	1	1	0	0.0
Total	1470	1009	461	113	7.7
Bachelor of Science					
Biology	441	268	173	18	4.1
Biochemistry	281	140	141	14	5.0
Earth and Environmental Science	144	67	77	4	2.8
Psychology	139	94	45	6	4.3
Chemistry	104	37	67	3	2.9
Mathematics & Statistics	95	43	52	10	10.5
Computer Science	84	5	79	9	10.7
Physics	82	18	64	7	8.5
Zoology	67	55	12	1	1.5
General Science	66	30	36	1	1.5
Economics	48	13	35	12	25.0
Environmental Chemistry	19	8	11	1	5.3
Freshwater Science	13	6	7	0	0.0
Total	1583	784	799	86	5.4

Source: UBC Student Information System (SISC)

Attracting more international students to UBCO has of course large financial, cultural, intellectual, and societal payoffs to the University and region.⁶⁸ However, UBCO and in particular the Faculty of Arts and Sciences needs to do a better job of identifying which classes international students are taking and adjusting the number of these classes accordingly, using at least some of the international student tuition fees to do so, so that no domestic students will be disadvantaged or displaced from their preferred programs and courses by the growing number of international students at UBCO.⁶⁹

Governance Issues

This section addresses some issues of academic governance at the campus as it has evolved over the last 12 years. The first issue was highlighted, as already noted above, in the development review of the campus undertaken for the UBC President in 2011, in that review's noting of "the absence of systematized external reviews of academic programs" at the campus.⁷⁰ Reviews can be of Faculties, units and departments, and of specific programs e.g. a specific Bachelor's degree. At the time of this developmental review in 2011 the review team was concerned that no external reviews of any academic unit at any level (e.g. department, unit) or any academic program had ever been undertaken at UBCO. At the Faculty level, despite the 2013 review of UBCO undertaken for the AUCC accreditation process stating: "Faculties are subjected to external reviews approximately every 5-6 years"⁷¹ to date, late 2016, only one external academic review has ever been undertaken of any Faculty at UBCO⁷². This is in spite of the quite experimental composition and administrative structure of most of the Faculties, and in spite of the Faculty Council of the Faculty of Arts and Science (by far the largest Faculty on the campus) voting in large majority to have such a review if its Faculty undertaken in 2014, a request that was turned down by the campus administrators. At the unit and department level, there has been a few sporadic reviews since 2013, at the program level, none so far.⁷³

A second academic governance issue has been the massive failure of the shared governance model at the campus. There has been an autocratic, top-down, hierarchical management culture of "command and control" from the senior administration at UBCO (a culture actually acknowledged by the UBCO DVC in a "Town Hall" in 2012). This has led to a disengaged workforce, poor labour relations and poor morale on the campus especially for regular faculty members, who in general feel a lack of pride in the university and lack of involvement in decision-making.⁷⁴ Until quite recently (2014 or so) all budget was

⁶⁸ In *UBC Reports* on February 2013, the then Provost of UBCO is quoted as saying: "In Kelowna and the Okanagan Valley, it is widely acknowledged that the presence of people from around the world is a good thing for the culture and economy of the region."

⁶⁹ I was Head of Economics for a number of years and in none of those years was it suggested to me by anyone in the UBCO senior administration that economics needed additional resources due to all of the international students in its programs and courses.

⁷⁰ *Development Review of UBC Okanagan campus*, June 15, 2011 p. 12

⁷¹ *UBC's Okanagan Campus*, 2013, p. 19

⁷² An external review of the Faculty of Education was undertaken in UBCO's first year, 2005-06; "carried out in accordance with normal UBC practice, as mandated by its Board of Governors in the University's Policies and Procedures Handbook" (*Review of the Faculty of Education, Report of the Review Committee*, Jan 2006, p. 1). No subsequent review of any Faculty at UBCO was undertaken in the next 10-11 years to late 2016.

⁷³ An external review of the BA program was initiated late in 2016.

⁷⁴ Not so much staff and administrators; see *Workforce Experiences* surveys of 2008, 2011 and 2014.

held centrally, and distributed to the academic units at the whim of the DVC and Provost. A new budgetary mechanism now devolves a major portion of government grant revenue for domestic students to the Faculty where the program the student is enrolled in is housed, and 50% of domestic and 40% of international tuition fees down to the Faculty in which the course the student pays the fee for is offered. But this mechanism does not go far enough especially in the largest Faculty, that of Arts and Sciences, where now a large portion of the budget is held centrally by the Dean, to be distributed to the academic units at his or her whim.⁷⁵ This fails to empower the individual academic units, and fails to take this power away from the central senior administration. For example in the Faculty of Arts and Sciences, the Faculty Council only looks at curriculum, and has no input into budgetary allocation matters, or matters of academic and strategic planning, and the minutes of the meetings of the “Leadership Team” that runs the Faculty are not even made available to faculty members, staff or students. The administrators of the Faculty have never engaged with the Faculty Council or with the Faculty community of staff, students and faculty in developing a strategic academic plan.

A third failing of academic governance on the campus has been the growing average class sizes and the growing use of less-skilled and lower-paid term and non-permanent faculty to teach the undergraduate curriculum. As already noted above, the official line as noted in the Okanagan campus *Viewbook* for 2008 is that: “Class sizes are kept deliberately small and taught by highly-skilled professors.”⁷⁶ Envisaged for UBCO were small classes taught by exceptional permanent professors, tutorials, experiential learning, innovative teaching methods, and enriched learning experiences. For example, the UBCO 2011 *Viewbook* states: “UBCO promises at least two enriched educational experiences to every undergraduate student.”⁷⁷ The UBCO Strategic Research Plan 2009-2014 states the vision of the campus as: “UBC Okanagan will be a centre for research, teaching and learning that is distinct in Canada and of sufficient quality to attract the best faculty and students from around the world.”⁷⁸

As we know the best students and faculty in the world tend to be at places of the quality of Oxford, Cambridge and the United States Ivy League universities and liberal arts colleges such as Dartmouth. However, first-year, many second-year and even some third-year undergraduate courses at UBCO are taught with class sizes at the 200-300 level with no tutorial support in many subjects⁷⁹, and the average first-year student in their first and second terms faces five courses each term of 200 plus size each. Moreover, courses are increasingly taught by relatively inexpensive to the University non-research and non-permanent faculty. For example, in the UBCO Bachelor of Management (BMGT) program in 2016-17, almost 70% of all courses (more than two-thirds) are being taught by non-research, non-permanent,

⁷⁵ This is unlike in say the Faculty of Arts or the Faculty of Science in Vancouver, where the budget devolves down to the specific departments teaching the courses and programs, e.g. economics or mathematics.

⁷⁶ *UBC Okanagan Viewbook*, 2008 p. 3

⁷⁷ *UBC Okanagan campus Viewbook*, 2011 p. 8

⁷⁸ *UBCO Strategic Research Plan 2009-2014*, p. 2. This statement is also repeated in an October 2014 document, *Growing UBC Okanagan: Developing the culture of The University of British Columbia*, p. 7.

⁷⁹ In many of these courses, the same course taught at the Vancouver campus have an additional one-hour tutorial per week, so the resources put into undergraduate instruction are actually more at the large Vancouver campus than on the Okanagan campus in many subjects.

non-tenured and non-tenure-track, temporary and sessional faculty. At UBCO, regular faculty have been unable to take ownership of academic standards and academic governance in its first 12 years.⁸⁰

A recent incident has however found the senior administration running into the requirements of the BC *University Act* that under the shared governance norms of university management invests power in the legislative Faculty Councils to make important decisions regarding their Faculties, not in the executive senior administration. The Provost and DVC in 2015 supported an initiative to explore a merger of the Faculty of Creative and Critical Studies and the Faculty of Arts and Sciences into one larger all-encompassing Faculty of Arts and Sciences, including all of the Arts, instead of having the Arts split between the two Faculties.⁸¹ This might have had something to do with the new budgetary mechanism, which devolves government grant revenue down to the Faculty in which a student's program is housed; for the BA program, this is housed in the two Faculties, so I suspect it is difficult to decide how that revenue should get split between the two, especially for first and second-year students who have yet to declare their major subject.⁸² Moreover, a new degree program was introduced in 2016, a Bachelor of Media Studies (largely a combination of computer science and visual arts of particular use in the computer gaming industry), and this might have provided another reason to seek a merger of the two Faculties. However it was found that Humpty Dumpty couldn't be put back together again; the two Faculties had evolved independently over the last 12 years and a proposal to take forward for further development the idea of a merger was heavily defeated in both Faculty Councils.⁸³

Student Outcomes

This final section considers student outcomes within a limited socio-economic analysis of the regional population. Has the campus since 2005 increased the percentage of the regional population with a university degree and/or expanded the skills level of the local population? Has it increased the transition of local high-school graduates to post-secondary education?

Chart 12 depicts the percentage of the regional population aged 25-54 who are post-secondary graduates in each of the every 5-year Census years of 1996, 2001, 2006 and 2011 in relation to figure for all of BC.⁸⁴ The Southern Interior regions are still below the BC average, and the gap has not significantly closed since 2006, nor has the trend increase for the regions been any faster 2006-11 than it was for 1996-2006, before UBCO was in existence. The 2012 Economic Profile of the Central Okanagan notes that in 2006, 13% of the total population over 15 (16,980 persons) had a university certificate, diploma or degree (the corresponding figure for BC overall was 19%) and the 2015 Economic Profile of the

⁸⁰ UBC has just appointed a new President who is urging faculty at UBC to take on such ownership.

⁸¹ This would have corrected the decision to split the Arts across two Faculties which had been the original mistake made in 2005.

⁸² Once the major is declared, the revenue can then be easily assigned to one or other of the Faculties housing the major; the problem still remains for assigning the BA General Studies students however to one or other Faculty.

⁸³ However at the time of writing it appears that the Faculty of Education has recently through its Faculty Council been persuaded to by the senior administration to vote itself out of existence, to be absorbed by the Faculty of Education on the Vancouver campus.

⁸⁴ Census data for 2016 on education will not be released by Statistics Canada until November 2017.

Okanagan Valley notes that in 2011, 14.3% of the total population over 25 (19,019 persons) had a university certificate, diploma or degree (the corresponding figure for BC overall was 22.2%).⁸⁵

A 2014 report from the Central Okanagan Economic Development Commission (COEDC) notes that “the region has a low level of transition from Grade 12 [secondary-school graduation] to BC post-secondary education. 66% of 2009-10 graduates in the Central Okanagan have gone on to post-secondary education, relative to 76% province wide.”⁸⁶ Chart 12 shows the percentage of high-school graduates in each region who have entered post-secondary education either in the year of graduation or within a year later. The rate of transition did take a jump in the Okanagan region for the classes of 2005-6 and 2006-7 and this may have been the effect of UBCO. However since then the rate has stayed fairly stable for later high-school graduates. The rates for the Southern Interior regions remain of course well below those for Metro Vancouver and other more urbanized areas.

A recent publication of the COEDC notes: “While the region is successful in enticing young people to study in the area, students tend to move away once they have graduated.”⁸⁷ However, in direct contradiction, a rather remarkable statement came from the then UBC President at a Kelowna Chamber of Commerce event in late 2014. He is quoted as saying in a local newspaper story that “while 28% of UBCO’s students are from the Okanagan, 25% are from Metro Vancouver, 20% are from other parts of Canada, [16% are from other parts of BC] and 11% are international students, a whopping 70% of its graduates choose to stay in Kelowna or the surrounding communities after they finish their studies.”⁸⁸ And the Premier of BC at a speech in September 2016 at UBCO noted that “60% of UBCO graduates stay in the Okanagan.” I have found two different sources for these figures, surprising as they are, given that less than 30% of UBCO students are from the Okanagan (and the latest figures for new undergraduate direct-entry students is that only 18% are from the Okanagan region).⁸⁹

One source, a very unreliable one, is from a report written for the COEDC in December 2013.⁹⁰ The methodological problems with this report are legion. It was a survey of only 234 graduates from UBCO and OC (only 79 from UBCO and 154 from OC) and 107 recent alumni (46 from UBCO and 58 from OC) mainly in or from the business and management programs. An extremely small sample (341 out of a population of 23,000 graduates and alumni, and only 125 of those from UBCO) and an extreme selection bias given these were largely the network of supporters of the survey from the Okanagan Young Professionals Collective. Over 80% of the students and alumni who responded to the survey were from the Okanagan, 12% from outside the Okanagan, and 6% international students. Of the total

⁸⁵ Central Okanagan Economic Development Commission, *Economic Profile of the Central Okanagan 2012*, p. 18, and Okanagan Valley Economic Development Society, *Okanagan Valley Economic Profile 2015*, p. 78

⁸⁶ Central Okanagan Economic Development Commission, *Human Resource Strategy and Implementation Plan* December 2014, p. 1. The report was quoting from BC Ministry of Education Student Transitions to BC Post-Secondary Education 2012-13.

⁸⁷ Central Okanagan Economic Development Commission, *Human Resource Strategy and Implementation Plan* December 2014, p. 11

⁸⁸ *Kelowna Capital News* “UBC president praises connection between Kelowna and university” Nov 14, 2014

⁸⁹ *UBC Annual Report on Enrolment 2015: Okanagan Campus*, December 2015 p. 7 Figure 10.

⁹⁰ Central Okanagan Economic Development Commission/Okanagan Young Professionals Collective, *Is the Grass Greener Outside the Okanagan Valley?* December 2013. 30p.

respondents, 63% said they wanted to stay in the Okanagan, which could be the source of the President of UBC saying that 70% of graduates from UBCO stay in the Okanagan (albeit a very odd interpretation of the data). Noted later in the report are figures showing of the 234 graduates who responded to the survey (as opposed to alumni) , almost all in fact left the Okanagan, only 14 stayed, and only 2 of those for employment. Over 90% of alumni and over 80% of graduates said there were limited or no options for employment for them in the Okanagan, and over 85% thought there were no growth and advancement opportunities for them in the Okanagan.

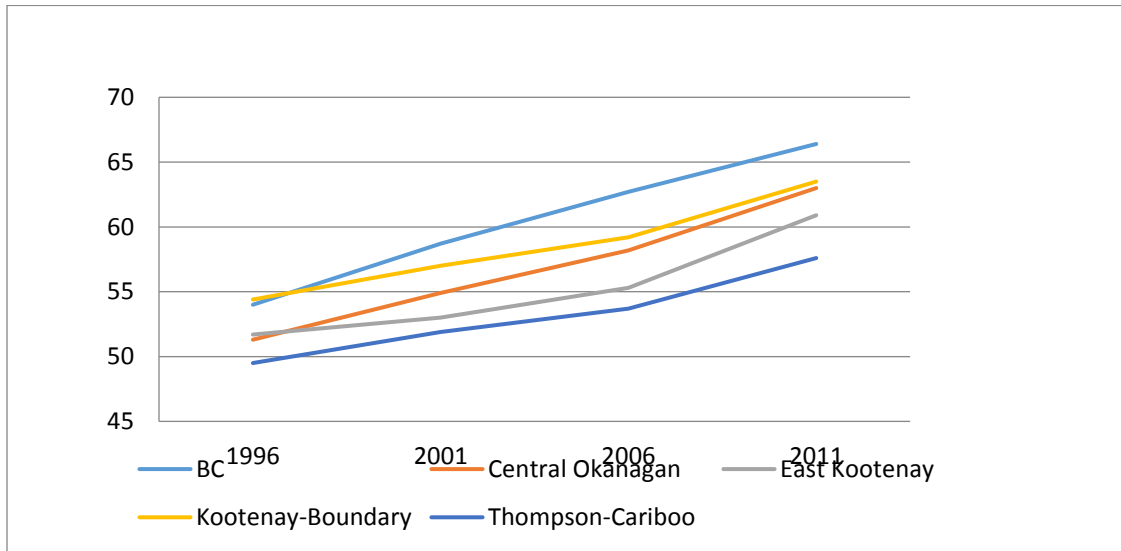


Chart 12 Post-Secondary Graduates as a Percentage of Population Aged 25-54

Source: Statistics Canada

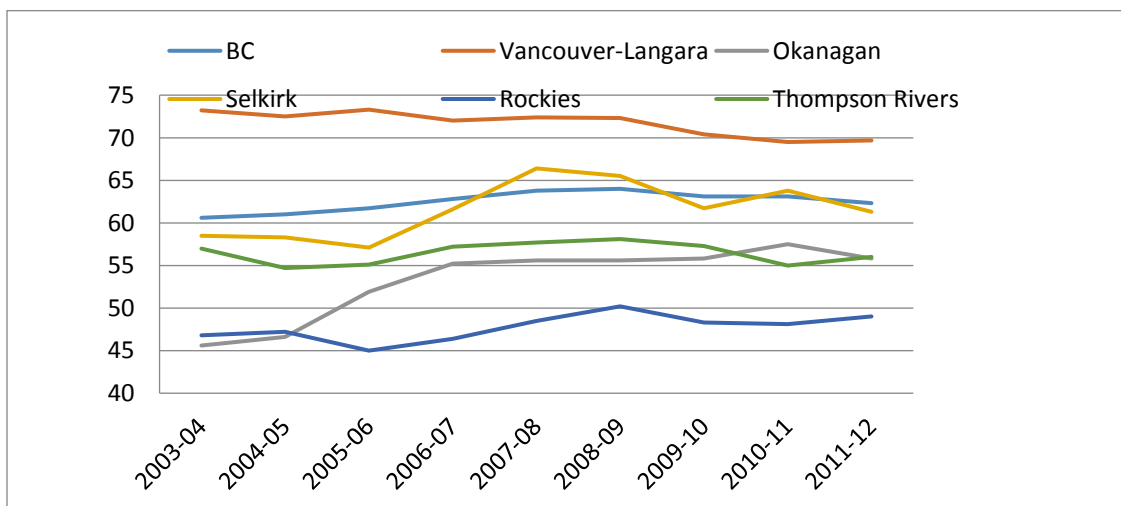


Chart 13 Transition Rates to Post-Secondary Education of High School Graduates with 1-year of graduation, by year of graduation 2003-04 to 2011-12

Source: BC Ministry of Advanced Education, Student Transitions Project, Regional Student Transition Matrices

Another source, perhaps more reliable, but still with major problems, is the BC Student Outcomes surveys under the auspices of the Research Universities' Council of BC and carried out by BC Stats. A 2015 report states that 60% of graduates from UBCO are living and working in the Southern Interior 2 years after they graduated from UBCO.⁹¹ However, no surveys for UBCO (only for UBC overall, and for OC) were done for 2008-12 graduates. The only survey of UBCO graduates is a 2015 survey of 2013 graduates, to see where they were 2 years after graduation. 1,002 of these graduates were contacted and 451 completed the survey. Of those, 199 were still in the BC Southern Interior, so that is only 44%. 224 of the 451 had taken further education since their Bachelor's graduation, so it is unclear if they are living and working, or still studying in the region. So the 60% being repeated is I think somewhat suspect; it is somewhat of an unbelievable figure if one only stops to think about it. For the College OC, the 2015 survey of 2013 graduates, to see where they were 2 years later, was completed by 102 of the 187 Bachelor's degree graduates contacted (predominantly the College's Bachelors of Business Administration graduates, most of these students being from the Okanagan) and of the 102 respondents, 44 were still in the Southern Interior, or 43%.

Conclusion

What policy lessons are presented by this case study and what implications are there for public administration and organization, public choice, transparency and democracy, and program management and budgets? Could the experience of the campus development have been better to meet the policy goals and what sort of public administrative mechanisms could have resulted in a better outcome? Or is the main policy lesson that the Government has been quite happy, despite the high treasury cost, to leave the development of the campus entirely in the hands of UBC, in preservation of university autonomy, no matter what the outcome?

Does UBCO meet the learning, laddering and research needs of the Southern Interior? Does it provide educational opportunities throughout the Southern Interior? Is it doing pioneering work, in partnership with OC, leading the way for post-secondary education in Canada? Has it put special emphasis on First Nations and Continuing Education programming? Does it have Distance Education on-line programming? Does the School of Arts and Sciences have a level of academic excellence and undergraduate learning environment unique in BC? Is it like Princeton University? Does it pay particular attention to catering to the needs of local students? Does it offer a liberal arts undergraduate experience unlike that of any other institution in Canada? The answer to all of these questions would have to be, well, no.

In one sense for UBCO it was almost impossible to fail, given the winning combination of brand (UBC) and place (Kelowna), no matter what academic decisions were made. All that had to be done is put in place programs that could grow quickly, given the excess demand for similar programs on the Vancouver campus, like Arts, Sciences, Engineering, Management, and Health fields, which is what happened. Does UBCO have the correct program mix? Some Faculties can be considered as major failures, in particular the Faculty of Management, which has failed to establish an adequate permanent research faculty

⁹¹ Research Universities' Council of BC *Putting Degrees to Work: Second Annual Report, a Comprehensive Survey of Student Outcomes 2008-2012*, December 2015.

complement, and increasingly relies on part-time contingent faculty teaching many courses at inconvenient times for students, such as in the evenings and on Saturday evenings and Sunday mornings. Obviously UBC was not going to pass up the cash machine of an undergraduate business program, especially given the massive unmet demand for its Bachelor of Commerce program on the Vancouver campus, but another undergraduate business program largely duplicative of the already existing one in the region was arguably not needed regionally and would not have occurred had OUC been kept as one and allowed to develop and expand, as an independent new university, its existing program. Moreover, due to UBCO's subordinate relationship to the Vancouver campus, UBC has failed to provide an MBA program to the region, something that the region obviously needs and that UBC is uniquely placed to provide. Another problem has been the Faculty of Education, which was recklessly expanded in faculty numbers under one senior administration team of Principal and Provost only to be then downsized and curtailed by their successors, to the extent that it will now cease to be an independent Faculty of UBCO but will instead be transferred to be administered by the Faculty of Education on the Vancouver campus. Other serious mistakes have also been made, such as splitting the arts between two Faculties, and closing down regionally-important programs such as the Bachelor of Social Work and the Diploma in Fine Arts.⁹²

Obviously the rhetoric and hyperbole was unnecessarily over-the-top such as "being of sufficient quality to attract the best students and faculty in the world." Just an aspiration to be a successful regional university campus might have been sufficient and would have led to fewer disappointments at not living up to over-inflated expectations. The lack of serious attention to the liberal arts and poor linkages with Okanagan College, all in violation of the MoU with the Government, are the biggest failures. As already noted above, the Okanagan is perhaps a region that needed, and would have been better served by a local, indigenous regional university rather than by a small overflow campus of a large internationally-ranked university, intent in the main only on increasing its size, reach and revenues. It will be interesting to see what the future holds for the campus.

⁹² Also a Provost left abruptly and under unexplained circumstances in 2013, less than 2 years into a 5-year term. Another failure was the Okanagan Sustainability Institute, began in 2006 with a full-time Director hired in 2007, but closed down in 2015, after producing little by way of tangible results.