

In Support of the 2016-2020 Strategic Planning Process | November 2014

Geography, Population and Demographics

With 159,000 residents in its region, NIC serves the largest population of all of the rural colleges. This population, however, resides in many small communities spread across 80,000 km² on northern Vancouver Island and central parts of the B.C. mainland coast. Once primarily a distance education institution, NIC now operates four campuses in Campbell River, Comox Valley, Port Alberni, and Mount Waddington, and a learning centre in Ucluelet. The College is distinguished by its commitment to serving its diverse and widely dispersed population through pathway programming, technology-enabled distance learning, and in-community programming.

The First Nations and Traditional Territories of the North Island College Region



NIC is honoured to acknowledge operations within the traditional territories of 35 First Nations inclusive of the Nuuchah-nulth, Kwakwaka'wakw and Coast Salish traditions, many of whom live in remote areas only accessible by water or air. Aboriginal people account for 12% of the NIC region's population, which is significantly higher than the provincial average of 5%.

Population projections suggest a slow and steady 4% growth in population for the North Island College region between 2015 and 2020, less than the provincial growth rate of 7%. Like the rest of the province, the population in the NIC region is aging with those 65+ growing as a proportion of the total population from 20% to 23%. Youth (17 years-old and under) are expected to remain stable at about a fifth of the population while the proportion of 18-24 year-olds, who traditionally make up the almost half of NIC's credit headcount enrolment, is expected to shrink very slightly from 8% to 7%.

High school graduation rates and post-secondary completion rates in NIC's catchment area have historically been low. The most current data indicate that 26% of 18 year olds do not graduate high school and 41% of 25-64 year olds have no post-secondary credentials. Income data from the 2011 National Household Survey shows that the average family income in the NIC region (\$72,299) is substantially lower than the provincial average of \$91,967.

Labour Market Projections

Provincial Projections

The Government of B.C. projects approximately one million job openings will occur in the province between 2012 and 2022. Around two-thirds will be replacement of retiring works and about one-third will be new jobs created due to economic expansion. Anticipated investment and activity in the province's Liquid Natural Gas (LNG) sector is projected to account for up to 100,000 jobs. It is projected that 78% of the one million or so jobs will demand post-secondary education. Currently, approximately 70% of the B.C. labour force has some post-secondary education.

2012-2022 B.C. Labour Market Outlook Highlights, 2022 Projections

TOTAL JOB OPENINGS	1 MILLION
Openings due to confirmed or planned economic activities	985,100
» Retirements	669,800 (68%)
» Economic Growth	315,400 (32%)
Additional LNG job openings	Up to 100,000
Job openings requiring post-secondary training	763,400 (78%)
SUPPLY NEEDS	
▶ New entrants	425,320 (45%)
▶ Net in-migration	300,820 (32%)
▶ Other mobility	216,750 (23%)

Labour demand is expected to grow faster than supply in B.C. through 2022. Demand is projected to exceed supply beginning in 2019 when an overall shortage of workers will emerge and continue to grow annually to 2022. Over the 10-year period, demand for workers is expected to out-grow the labour force by 42,250 workers.

Regional Projections

Strong labour market demand is predicted for the Vancouver Island / Coastal development region¹ with approximately 147,000 job openings by 2022 (over 113,000 replacements and almost 34,000 new openings). The relatively large proportion of replacements (i.e., compared with 68% for the province) is reflective of the region's older age profile. Projections indicate that Trades in the region will contribute over 14,000 job openings by 2020 (over 1,400 new jobs and over 13,000 replacements).

The five occupations forecasted to expand the fastest in the region are health-related (the Health Care and Social Assistance industry is the top growth industry in the region):

- Optometrists, chiropractors and other health diagnosing and treating professionals (2.3 per cent per year on average);
- Professional occupations in nursing (2.3 per cent);
- Therapy and assessment professionals (2.2 per cent);
- Managers in health care (2.2 per cent); and
- Assisting occupations in support of health services (2.2 per cent).

¹ The Vancouver Island / Coastal development region aggregates the NIC college region with the South-Central Coast and South Island, including Victoria and Nanaimo.

The table below shows expected job openings to 2022 for occupational groups with the highest number of job openings.

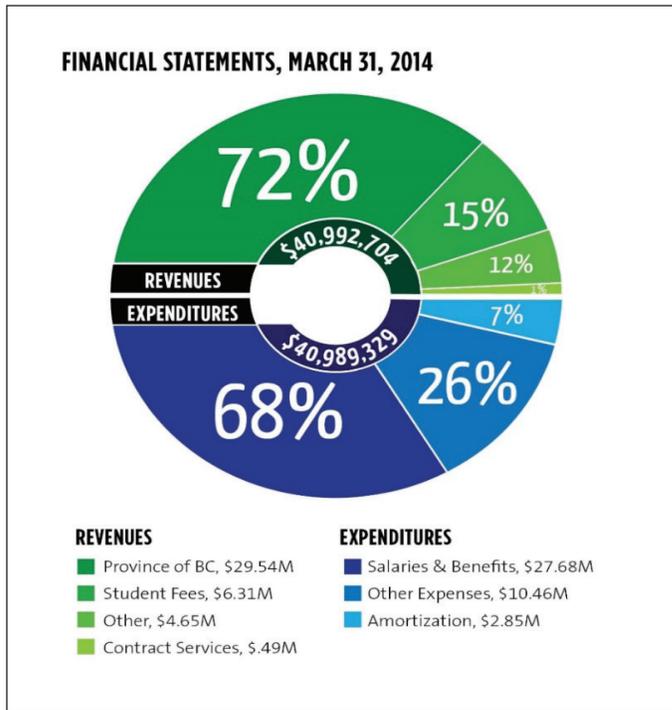
Job Openings by Skill Level, Occupation, Type, and Wage, Vancouver Island / Coast Development Region, 2022 Projections*

Skill Level	NOC	Occupational Group	Expansion	Replacement	Total Job Openings	Wage (Median)
A	301	Professional occupations in nursing	2,280	3,220	5,500	\$36.50
	062	Retail and wholesale trade managers	990	3,940	4,930	\$25.00
	403	Secondary and elementary school teachers and educational counsellors	830	3,250	4,080	\$33.00
B	421	Paraprofessional occupations in legal, social, community and education services	2,130	2,800	4,930	\$20.70
	122	Administrative and regulatory occupations	820	4,000	4,820	\$23.10
	124	Office administrative assistants – general, legal and medical	650	2,700	3,350	\$21.60
C	642	Retail salespersons	1,740	4,070	5,810	\$14.00
	141	General office workers	1,470	3,650	5,120	\$18.00
	341	Assisting occupations in support of health services	2,070	2,690	4,760	\$21.00
D	673	Cleaners	840	3,730	4,570	\$17.00
	661	Cashiers	750	1,150	1,900	\$11.80
	671	Food counter attendants, kitchen helpers and related support occupations	860	540	1,400	\$11.00

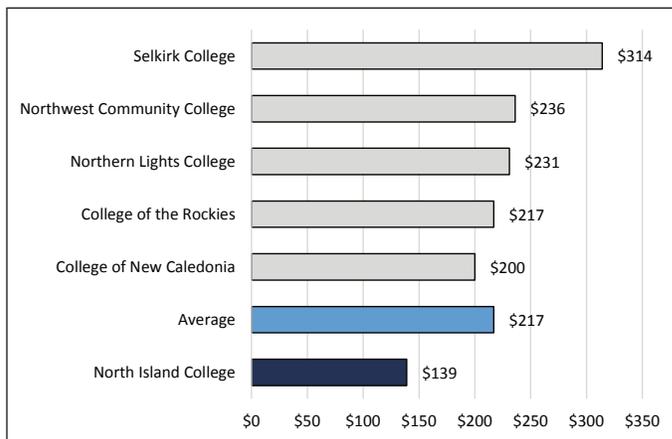
* Skill Level A Requires University Degree; Skill Level B Requires College Education or Apprenticeship Training; Skill Level C Requires High School and/or Occupation-Specific Training; Skill Level D Requires Less than High School.

Labour market demand and student employability are key drivers of program and service delivery at NIC and, consequently, NIC's educational and training offerings are well-aligned with projected regional and provincial occupational demand (at all skill levels). NIC offers bachelor's degree, diploma, certificate and short certificate programs in areas such as *nursing and health, business and tourism, university studies, vocational education and training, trades and apprenticeships, and fine arts and design*, combined with a significant range of quick response, sector-specific industry training programs and access pathway programs. Additionally, Island Health has committed \$2.75M over 10 years to NIC for the development of health and human service education programs. NIC is working closely with Island Health to consider regional occupational forecasts that identify priority directions. With the construction of a new hospital co-located with NIC's Comox Valley campus and a new hospital in Campbell River, NIC is positioned to become a leader in rural and remote health care.

Financial Standing at end of Fiscal Year, March 31, 2014



B.C. Provincial Funding Per Capita to Rural Colleges (Regional Population), 2013/14



Revenue, Expenditures and Funding

In 2013/14, 72% of NIC's revenue came from the provincial government and 15% came from tuition and student fees. The College's operating grant from the Ministry of Advanced Education (AVED) was \$21.8 million to fund 2,198 student full-time equivalents (FTEs) and the Industry Training Authority (ITA) provided \$2.83 million to fund 724 trades, technology and apprenticeship seats. Just over two-thirds of NIC's expenditures in 2013/14 were directed toward salaries and benefits.

A review of 2012/13 audited financial statements for B.C. public post-secondary institutions revealed that NIC's dependence on provincial government funding was second only to Northwest Community College. Government grants represented 77% of NIC's total revenues in 2012/13 and, as mentioned above, 72% of revenues in 2013/14.

A comparison of government base grants provided to the province's rural colleges in 2013/14 revealed that NIC received the lowest funding per capita. Serving the largest regional population of all B.C.'s rural colleges, NIC's funding per capita was \$139. This was \$78 less than the provincial rural college average of \$217 and, when multiplied by the region's 159,000 people, equates to a \$12.4M shortfall.

Student Enrolment and Demographics

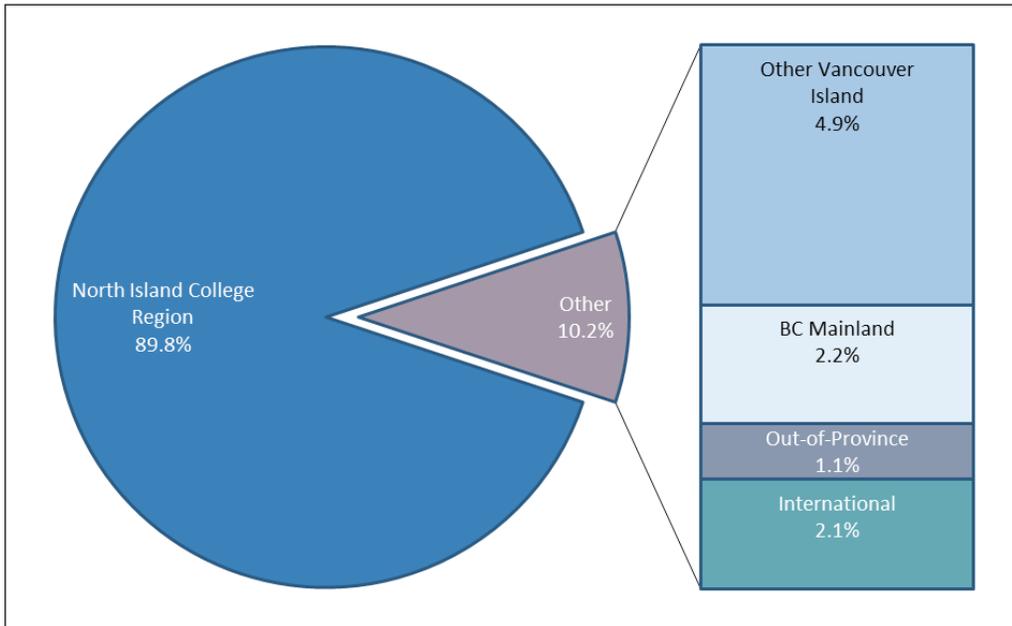
9,110 students took courses at NIC in the 2013/14 fiscal year, with 4,685 students enrolled in at least one credit courses and 4,425 students who only enrolled in non-credit, short-duration continuing education courses. 1,200 students of self-declared Aboriginal ancestry took courses at NIC, making up 13% of the College's student population. NIC hosted over 200 international students from over 30 countries in 2013/14.

The median age of NIC students in credit courses in 2013/14 was 26 and 60% were female. Almost half of students enrolled in credit courses (44%) in 2013/14 were in the 18-24 age group and 61% were under the age of 30. Students who only enrolled in non-credit courses had a median age of 40 with equal numbers of males and females. The age and sex characteristics of course takers at NIC have been relatively stable over the past five years.

Nearly all (90%) of NIC students are residents of the College's catchment area: the North Island and Central Coast. Half of the remaining students come from other parts of Vancouver Island. A growing international student population is adding cultural diversity at NIC.

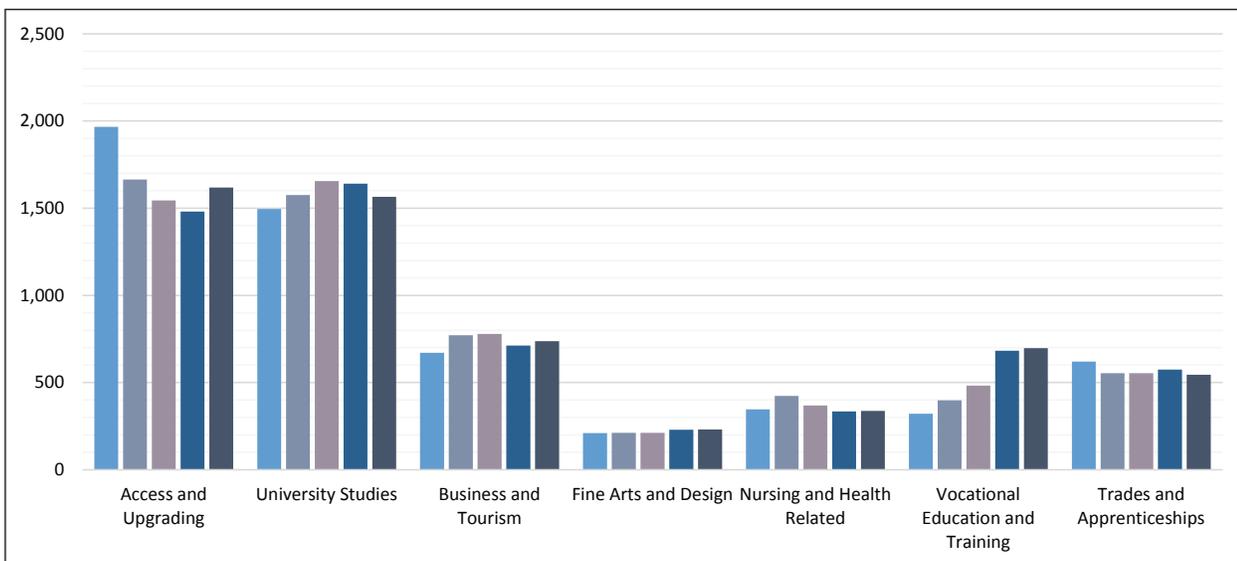
(See chart on facing page.)

NIC Student Region of Origin, 2013/14



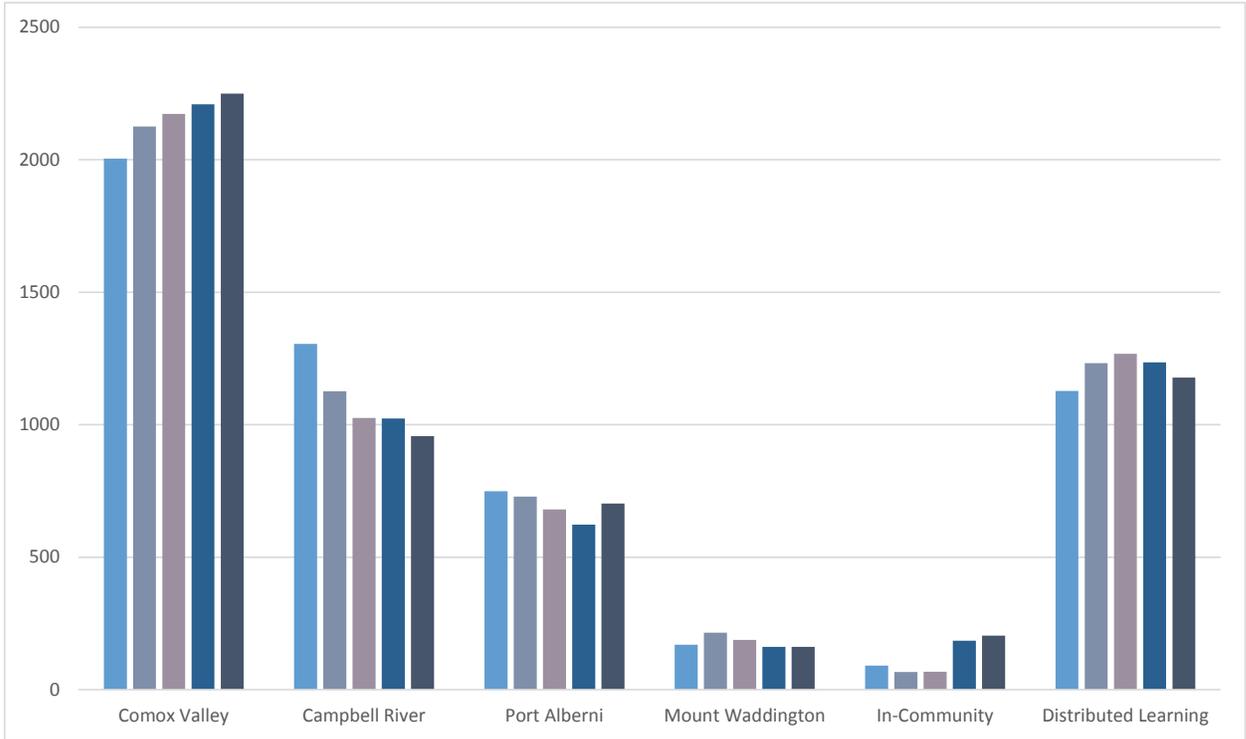
The table below shows student headcount in credit courses for the past five years, broken out by major program area. *Vocational education and training* student headcount more than doubled over the period. *Fine arts and design* enrolment grew by 10%. *Access and upgrading* enrolment declined by 25% between 2009/10 and 2012/13 to recover modestly in 2013/14. Student headcount in *trades and apprenticeship* declined by 12%. *Nursing and health related* enrolment peaked in 2010/11 while *university studies* enrolment and *business and tourism* enrolment both peaked in 2011/12.

NIC Student Headcount in Credit Courses by Program Area, 2009/10 – 2013/14



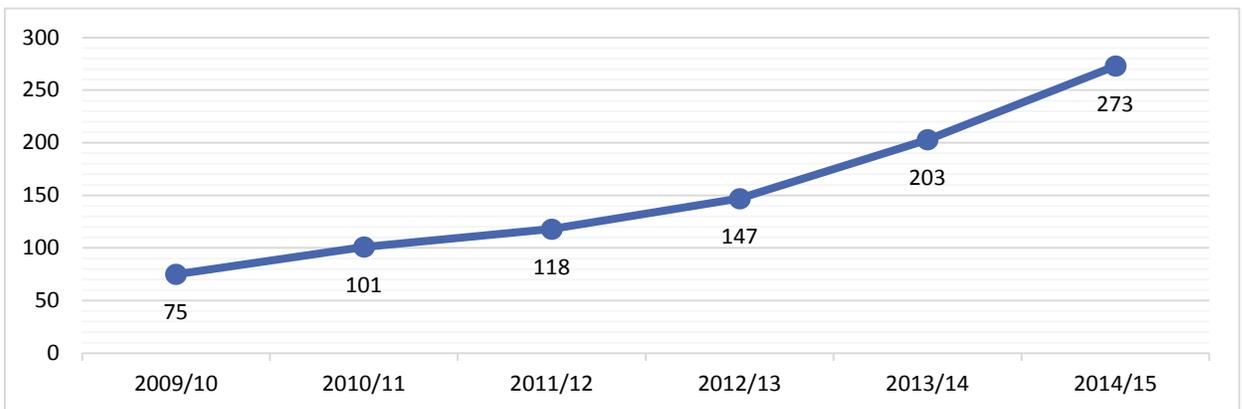
Enrolment trends for NIC campuses between 2009/10 and 2013/14 are shown in the table below. Student headcount in credit courses at Comox Valley increased by 12% with consistent year-over-year growth. In-community credit enrolment more than doubled over the period. Enrolment at Campbell River declined sharply by 27%, largely impacted by relocation of programs and conversion to online delivery. Port Alberni declined by 17% between 2009/10 and 2012/13 to recover substantially in 2013/14. Mount Waddington peaked in 2009/10 and enrolment in Distributed Learning (including distance, online and interactive television delivery courses) peaked in 2011/12.

NIC Student Headcount in Credit Courses by Location, 2009/10 – 2013/14



International student headcount enrolment in credit courses at NIC more than tripled between 2009/10 and 2014/15. International student enrolment has been concentrated in three main program areas for the past six years: *business and tourism*, *university studies*, and *English as a second language*.

NIC International Student Headcount in Credit Courses, 2009/10 – 2014/15



Planning and Operational Context

Key factors from NIC's current internal and external environments that influence the College's ability to achieve its mission are summarized below. These are characterized primarily by degrees of control and certainty for the College: internal factors are those which NIC controls or influences through planning and operations, while external factors are largely, or sometimes entirely, determined by outside forces and conditions to which NIC must adjust as new challenges and opportunities arise.

Internal Factors

- **In-Community delivery model** - NIC is meeting the needs of rural and remote communities through a regional delivery model that centres on in-community program delivery.
- **Community and industry relevance** - As a rural college, NIC has embraced its role as a community capacity-builder and—through partnership and collaboration with First Nations, community and industry—works to grow local economic and social development. In 2013/14, more than 90 training programs were delivered across the region in response to industry needs and over 400 remote learners were served across the North Island and Central Coast regions, extending as far north as Bella Coola and Bella Bella.
- **Aboriginal education** - 13% of NIC's student population is of self-declared Aboriginal ancestry, which exceeds the proportion of Aboriginal people (12%) living in the College's service area. Aboriginal peoples are one of the fastest growing segments in Canada's population.
- **International education** - International student headcount enrolment in credit courses at NIC almost tripled between 2009/10 and 2013/14. Revenue generated by international education has allowed NIC to offer an additional 48 sections of academic programming for domestic students between 2010/11 and 2013/14. International education has the potential to generate further significant enrolment and revenue growth for NIC.
- **Distributed learning** - NIC has been an innovator for more than 40 years in providing distributed learning to meet the needs of learners living in small, remote communities. Blended learning, high definition interactive television (ITV), and NIC's Remote Web-Based Science Lab (RWSL) integrate rapidly evolving online tools and educational technologies to provide students with flexible, distance access to courses, labs and programs.
- **Educational partnerships** - NIC is among the most active post-secondary institutions in B.C. seeking collaborations and partnerships with secondary and other post-secondary institutions. Our partnerships include regional, provincial, national and international agreements. The College is currently pursuing a range of domestic and international partnerships that will further strengthen our ability to attract and support students.
- **High school transitions** - NIC has captured an increasing share of Grade 12 students over the past five years, with 60% of graduates who attend a post-secondary institution immediately after high school choosing NIC in 2012/13, compared with 49% in 2008/09.
- **Student satisfaction** - NIC program quality is given high ratings by former students surveyed each year by B.C. Student Outcomes. The College outperforms rural college and provincial averages on student satisfaction with education, assessment of quality of instruction, assessment of skill development, and assessment of usefulness of knowledge and skills in performing job (despite having the lowest per capita base funding of all of B.C.'s rural colleges).
- **Full-time equivalent enrolments (FTEs)** - NIC generated the second highest number of FTEs in the history of the institution in 2013/14 (the highest was in 2010/11). The College has set a "new bar" over the past five fiscal years by generating an average of 2,600 FTEs per year versus 2,200 FTEs per year for the previous five-year period.
- **Applied research** - Applied research at NIC advances industry engagement, obtains external funding, provides students with applied learning opportunities in the field, informs new program development, and attracts highly qualified faculty. NIC has been eligible for grants from the National Science and Engineering Research Council (NSERC) since 2011 and Social Sciences and Humanities Research Council of Canada (SSHRC) since 2012.
- **Pending retirements** - Well over half of all NIC employees are 50 or older; around 85% are over the age of 40. Faculty are the oldest group, accounting for two-thirds of all employees over the age of 60.

Planning and Operational Context *(continued)*

External Factors

- **Geography** - The College serves a vast and diverse region made up of more than 35 First Nations, five regional districts, and six school districts spread over 80,000 km² of B.C.'s coast. Each of the many small communities in NIC's service area has important social, labour market, and educational needs that are not revealed through standard data sources such as Statistics Canada and BC Stats. The College must depend on its relationships with local stakeholders to identify the needs of residents, businesses, and organizations who sustain coastal communities.
- **Funding** - NIC receives 72% of its revenue from the provincial government, making it the second-most vulnerable public post-secondary institution in B.C. to flat or reduced government funding. NIC also receives less per capita in base government funding (based on regional population) than any other rural B.C. college - a \$12.4M shortfall in 2013/14. The provincial government's base funding model does not provide the flexibility required to support labour-market focused, quick-response training needed for local communities. Targeted one-time funding initiatives from the government have uncertain mid- to long-term availability, making it difficult to sustain programs that have been developed and launched.
- **Shifting government mandates** - *B.C.'s Skills for Jobs Blueprint* is a four-year plan that requires the province's public post-secondary institutions to increasingly align programming with targeted occupations. Since there will be no additional money to grow program and service capacity, or to offset inflationary pressures, institutions will be required to shift available non-targeted government base-funds into targeted programs.
- **Labour market outlook** - The Vancouver Island / Coastal development region expects to see over 147,000 job openings by 2022; the five occupations forecasted to expand the fastest are health-related. Trades are expected to contribute over 14,000 job openings by 2020.
- **High school graduation rates** - Almost 26% of 18 year olds across the region do not graduate from high school. There are substantial differences in high school graduation rates between the region's school districts: approximately 20% in Comox Valley and Campbell River versus an average of 37% in Alberni and Vancouver Island North.
- **Post-secondary completion rates** - The percentage of 25-64 year olds in the region with no post-secondary credential is 41% compared with 35% provincially.
- **Aging regional population** - Between 2015 and 2020, it is expected there will be 11.5% fewer 18-24 year olds in the region; by 2020, 23% of the region's population is expected to be 65+ (versus 19% provincially).
- **Tuition** - NIC has the lowest tuition on Vancouver Island and the Ministry of Advanced Education has limited tuition fee increases to 2% annually (approximately the rate of inflation) since 2005. As a result, similar programs at different institutions can have widely varying tuitions and there is no opportunity to make adjustments even though faculty costs are based on a provincial common grid. Tuition fees make up 15% of NIC's revenue.