



President's Newsletter

MARCH 22, 2016

2016/17 BUDGET UPDATE

Dear Colleagues,

We are very close to completing work on a proposed balanced budget for the 2016/17 fiscal year which will be presented to the Board of Governors for approval on March 31, 2016.

I would like to invite you to attend Budget Town Hall Forums to learn more about the proposed budget and to have opportunities to ask questions. The Forums will take place as follows:

2016 Budget Town Hall Forums

Monday, March 21 | 12 – 1 pm

Port Alberni Campus, CEN 211

Wednesday, March 23 | 12 – 1 pm

Comox Valley Campus, Komoux Hall Boardroom
(with ITV to Mount Waddington)

Thursday, March 24 | 12 – 1 pm

Campbell River Campus, C227

In addition, further context can be found in my last [President's Newsletter dated November 20, 2015](#) which provided substantial background information regarding the provincial government's post-secondary education funding and policy directions as well as NIC's fiscal realities and challenges.

The annual development of the college budget involves a great deal of time and energy on the part of many people at NIC. I extend a big "Thank You" to everyone involved with the college budget process. Your efforts have enabled us to create a financial plan for the next fiscal year that will support the delivery of much-needed, high-quality instructional programs and services across the college region.

Sincerely,

John Bowman

President

john.bowman@nic.bc.ca

The following pages provide key highlights on three areas regarding:

1. Provincial Government Budget, 2016/17
2. College Planning and Development Processes
3. Overview of Changes to the 2016/17 College Budget – Revenues and Expenditures

Provincial Government Budget 2016/17

On February 16, 2016 the B.C. government tabled the *Province's 2016/17 budget* in the Legislature. You may also wish to review the text of the *Minister of Finance's Budget Speech*.

The provincial budget plan presented for the next fiscal year does not contain any further reductions to the Ministry of Advanced Education base grants to post-secondary institutions. This is the first budget in more than three years that has not included a reduction in our base operating grant or in which we have had to make other budget adjustments to self-fund employee salary/benefit cost increases negotiated through collective bargaining processes.

College Planning and Budget Development Process

While developing the 2016/17 budget, we have also been looking to future years to prepare for new developments and possible changes. The new college strategic plan, *NIC Plan2020* approved by the Board of Governors in June 2015, renews and establishes NIC's strategic priorities and goals, and will serve as a guide for annual planning until 2020.

In addition, the Multi-year Program Planning (MYPP) process is identifying new programming needs and opportunities that will require either one-time or on-going funding to develop and deliver on them in the coming years.

Overview of Changes to 2016/17 Budget

The College has been carefully reviewing actual and forecast revenues and expenditures across the institution in order to identify potential savings and opportunities for increased revenues, to achieve a balanced budget for the next fiscal year.

Balancing the College budget is never a simple or easy task, however this year it has been possible to include some positive new initiatives that will benefit

students, our communities and the College over a long term.

In November 2015, the Board of Governors approved implementation of a new Learner Resources Fee (\$5.00 per credit) that will enable the College to expand and enhance services for students. The revenue from the Learner Resources Fee (\$250,000) will be used to provide ongoing and increased supports for Peer Tutoring, "Write Away," Learning Commons, Counselling, the Student Leadership Program, Health and Wellness, and Campus Life activities.

Revenues

The budget includes a net increase of approximately \$1.7 million in revenue from a number of sources. The following are the largest components of the increased revenues that are being budgeted.

Base Operating Grant – The base operating grant from the Ministry is unchanged from last year at \$20.7 million. However, there have been some adjustments to overall provincial funding (totaling approximately \$800,000) that reflect the impact of additional funding for negotiated employee salary/benefit increases; a net change in budgets for one-time funding and the second year impact of the reduction in Adult Upgrading funding (which is offset by tuition, consistent with the 2015/16 budget).

Aboriginal Services Plan (ASP) – This year, the base amount of \$200,000 has been increased by \$130,000 primarily from carry forward and additional 2016/17 funding that will be used to deliver an Early Childhood Education program in Ahousaht.

Student Aid – An increase of \$166,000 has been budgeted to reflect the Adult Upgrading Grant (AUG) funding that many students are accessing to cover tuition fees established in 2015.

Provincial Contracts – The budget provides for a decrease of approximately \$800,000 in provincial contract training funding for one-time employment related skills training programs delivered through Continuing Education and Industry Training.

Revenues *(continued)*

Federal Government Contracts – The total revenue from the federal government includes a decrease of approximately \$50,000 for the English as a Second Language program contract (LINC) and an increase in the Industrial Research Chair (IRC) grant funding simply due to timing of expenditures.

Domestic Student Fees – Student tuition and fees for base funded programs are budgeted to increase by \$550,000, which is comprised of the following components: \$250,000 from the new Learner Resources Fee; \$75,000 from a 2% base funded tuition increase; \$60,000 to reflect actual Access for Students with Disabilities (ASD) tuition implemented last year but not previously budgeted; and, a \$147,000 allocation to tuition from one-time funding received from the provincial government in 2014/15.

International Student Fees – An increase of \$305,000 is budgeted to reflect the general tuition fee rate increase (approximately 6% for academic programs) approved by the Board of Governors in November, 2015. The budget does not project an increase in International Education student enrolment for 2016/17.

Expenditures

The budget includes a net increase of approximately \$1.7 million in expenditures across several categories and functions.

Salaries, benefits and other personnel costs – This is single largest category of operating expenditures within the budget (78%) and crosses all functional areas of the College. The net change to this category is approximately \$1.36 million and is comprised of many elements, the most significant of which are: negotiated employee salary/benefit cost increases for base-funded areas; contractual employee salary step increases for base-funded areas; International Education activity; one-time and year-end program funded expenditures; student services and program supports funded by the Learner Resources Fee.

Continuing Education and Training (CET) –

The budgeted decrease in provincial contract revenues to support programs delivered through CET has required the College to make significant reductions to the budgeted expenditures for related salaries, benefits and personnel costs; general fees and services; and supplies and general expenses. Regrettably, these changes have also resulted in reductions in work and necessitated layoffs that have impacted 1.3 FTE regular support staff employee positions and three individuals.

Community Fundraising Campaign – Staffing and other additional costs have been budgeted that are associated with the planning, development and implementation of a community fundraising campaign (\$159,000) which we expect will begin its “quiet phase” in 2016/17.

Other

In 2013, the College began the process to conclude the Bachelor of Fine Arts program partnership with Emily Carr University of Applied Design (ECUAD). For 2016/17, NIC and ECUAD have jointly requested that the funding (40 FTE, \$288,000) the Ministry provided to ECUAD, be provided to NIC on an ongoing basis. A year one plan to support program delivery across several areas has been submitted to the Ministry, and we are currently awaiting confirmation. As a result the revenue and costs associated with these are not yet included in the budget.

In June 2016, the College will be implementing pay parking at the Comox Valley campus. As the pay parking system will be new for the College and it will begin operation part way through the fiscal year, the 2016/17 budget includes conservative placeholder estimates for both revenue and related expenditures associated with parking. Our experience with pay parking in 2016/17 will help to inform and refine the budget for future fiscal years.