



President's Newsletter

NOVEMBER 21, 2016

BUDGET 2017/18 UPDATE

Dear Colleagues,

This newsletter has been prepared to communicate information regarding the fiscal and planning context within the provincial post-secondary sector, as well as an overview of the development of the 2017/18 budget for North Island College (NIC).

Context

In BC, public post-secondary education institutions are required by law to submit balanced budgets each year to the provincial government. The government also requires institutions to provide regular detailed financial monitoring reports to ensure revenues and expenditures are balanced and aligned with the budget submitted. The College's [2015/16 Audited Financial Statements](#) and [2016/17 College Budget](#) are available for review.

Ensuring the College can continue to provide access for students and serve regional communities with high quality, relevant and responsive programs and services depends on efficient and effective use of resources. Sound financial management provides the basis for planning, organizational stability and certainty for students, communities and NIC employees.

The provincial government annually conveys its key issues and policy directives to post-secondary institutions through a mandate letter. Our draft 2017/18 Mandate Letter requires the College to consider several provincial priorities: the Taxpayer Accountability Principles of strengthening accountability and promoting cost control; the BC Skills for Jobs Blueprint; the Aboriginal Post-Secondary Education and Training Policy Framework; the International Education Strategy;

and the financial targets set out in the Provincial Budget when allocating institutional resources. Additional accountabilities will be communicated to NIC through the annual Ministry Funding letter for 2017/18.

Budget 2017/18

A key consideration in building Budget 2017/18 will be our multi-year strategic plan (Plan 2020) and the Multi-Year Program Planning (MYPP) processes. Financial decisions will be linked to the emerging strategies of Plan 2020 to ensure we can implement the strategic and multi-year program plans.

Currently, the budget development process for 2017/18 has identified an estimated \$163,000 shortfall. In addressing this shortfall, we will not lose sight of our Mission, Vision and Values as a Community College ensuring that local students have access to College programming close to home. We will continue to balance this operating philosophy with the budget realities we face.

The Province has signaled through our 2016/17 Budget letter that we should not expect any operating grant increases in 2017/18. Meanwhile, variable cost increases on classroom consumables, hydro rate increases and other unavoidable cost increases and inflationary items put pressure on the College budget. One-time funding from the Province tends to be initiative-specific and is not available to

balance the overall budget. Moreover, the College is expected to fund ancillary services such as parking lot maintenance, through additional fees. We will continue to work hard to keep affordability for students top of mind when addressing these budget challenges.

Some of the most significant impacts to the 2017/18 budget are as follows:

- Adult Upgrading tuition was introduced in 2015/16, and this has had a negative impact on enrolments. NIC's budget reduction that the Ministry made as part of this policy decision exceeds the tuition revenue being received for Adult Upgrading programs. Further research is needed to determine if the Adult Upgrading enrolment trends will continue. The Ministry provided one-time funding to lessen the impact described above, but that funding is not expected to continue in 2017/18;
- The Learner Resources Fee that was added in 2016/17 is being used to support new learner supports such as the Learning Commons (e.g. peer tutoring, student technical services, and writing support). The revenue collected from this fee will not be used to solve the budget shortfall;
- The implementation of pay parking on September 1, 2016 creates a new source of revenue. This funding will be used to pay for the costs of parking lot and roadway maintenance as well as cycling and transit infrastructure. It is currently not being anticipated as a source of funding to address the College's budget shortfall for 2017/18;
- The NIC – Emily Carr University of Art and Design Bachelor of Fine Arts degree partnership is scheduled to end in June 2017. The College received \$288,000 and 40 FTEs (Full Time Equivalents) of ongoing funding in 2016/17 from the Ministry. This is the first new ongoing program funding that NIC has received in many

years. It will continue to be used in 2017/18 to fund key educational programs and services critical to the region; and

- International Education enrolment growth slowed in 2016/17 as the College worked to ensure we have a solid foundation to sustain the significant growth seen in previous years. In 2017/18, we are planning for modest growth in the number of international students, and that has been factored into the first draft of the budget.

In summary, I am confident that we can address the College's 2017/18 budget shortfall while at the same time, fulfilling our mandate as a Community College by providing students in the region with high quality, affordable programs close to home.

Please do not hesitate to contact me should you have any questions or comments regarding any of this information.

Thank you,



John Bowman
President

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