

President's Newsletter

JANUARY 2018

Dear NIC Colleagues,

This newsletter has been prepared to provide an overview of the development of the 2018/19 budget for North Island College (NIC).

Context

The British Columbia provincial government context has changed significantly since the 2017/18 budget was approved by the College Board last April. A new government was elected in May, and since taking office, has made some decisions that directly impacted post-secondary education. I will address those changes more specifically later in this newsletter.

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 2016/17 Audited Financial Statements](#) and [2017/18 College Budget](#) are available for review.

NIC received our 2017/18 Budget Letter from the government on December 15. The province's 2017/18 budget process was completed late this year as a result of the Spring election and change of government. The late timing of the budget process for 2017/18 resulted in what was essentially a "status quo" provincial funding budget for the College.

Other provincial government documents that set out key context and are important in the budget building exercise are the [Minister's Mandate Letter](#) and the [College Mandate Letter](#). These require the College to consider several provincial priorities, some of which have become key items the College is considering in preparing the 2018/19 budget.

Some of the key priorities in the Minister's Mandate Letter that impact NIC are:

- providing greater access to Adult Basic Education (ABE) and English-language training;
- improving the education success for former youth in care;
- expanding BC's technology-related post-secondary programs; and
- developing more degree and certificate programs to increase the number of skilled workers in BC's forestry sector.

Budget 2018/19

A key consideration in building Budget 2018/19 will continue to be NIC's multi-year strategic plan (Plan 2020) and the Multi-Year Program Planning (MYPP) processes. Financial decisions will be linked to the priorities and goals of [Plan 2020](#) to ensure we can implement the strategic and multi-year program plans.

Significant growth in international students attending NIC has occurred in 2017/18 which will have a positive impact on the College's 2018/19 budget. It will ensure that the College can fund the estimated \$250,000 unfunded cost pressures identified during the budget process. In recent fiscal years, the College has needed to fund annual budget shortfalls caused by inflation and other cost pressures by making budget reductions. It will not be necessary to make budget reductions in Budget 2018/19, and that is good news for the College. Growth in international student enrolments however, brings a number of operational challenges and increased student and faculty support needs that

will have to be addressed next in Budget 2019/20 and in future years.

Other Impacts to Budget 2018/19

Other impacts to the NIC budget are summarized below:

- The Ministry reinstated a tuition-free policy for domestic students accessing ABE and English language programs effective the academic year beginning September 1, 2017. NIC supports this policy decision, and would like to see all of the funding returned that was cut in 2015/16. However, it appears the approach will be to only fund tuition replacement lost to the College from this transition. Because NIC took an approach of charging a lower tuition rate for these programs to lessen the impact for students, the College may not receive full reimbursement of the funding lost in 2015/16.
- Effective January 1, 2018, the current rates for Medical Services Plan (MSP) premiums will be reduced by 50% for all British Columbians. At NIC, the College pays these premium costs for most employees. It is unclear at this point if NIC will benefit fully from these savings. NIC has seen the cost of employee benefits increase over the years, so to see some savings in this area that can help pay for the inflationary impacts of employee benefit costs would be welcome news.
- The elimination of pay parking in September 2017 will have a budgetary impact in 2018/19. NIC will be returning to a model where there is no specific-source funding for parking lot and roadway maintenance costs.

In summary, Budget 2018/19 is the first time in many years that the College does not project to have a budget shortfall to solve. That is positive news for the College that will help us continue serving the educational needs of our region.

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

Thank you,



John Bowman
President

john.bowman@nic.bc.ca