

President's Newsletter

APRIL 2, 2019

Dear Colleagues,

I am very pleased to inform you that we have completed work on a draft budget for the 2019/20 fiscal year. It will be presented to the Board of Governors for final approval on April 26, 2019. Please plan to attend one of the upcoming Campus Town Hall meetings to learn more about the proposed budget. The Town Halls will take place as follows:

Campus Town Hall Meetings

Wednesday, April 3 | 12 - 1 pm
Campbell River Campus, CWG 227

Thursday, April 4 | 12 - 1 pm
Comox Valley Campus, Stan Hagen Theatre

Monday, April 8 | 3 - 4 pm
Port Alberni Campus, CEN 211
(rescheduled date)

This newsletter provides key highlights in the following areas:

1. Budget 2019/20 review and analysis
2. Plan20-25 update
3. College Values Week Thoughtexchange

Further context can be found in the [February 2019 President's Newsletter](#), which provided background information on the provincial budget and its implications for NIC. It has taken a great deal of work to build the 2019/20 budget and I want to thank those who provided input. Your efforts enable us to create a financial plan that supports the delivery of high quality instructional programs and services throughout the North Island.

Sincerely,



John Bowman
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2019/20 Budget Update

Provincial Government Budget

On February 19, 2019, the Province released [Budget 2019](#). It included a few items that affect all BC post secondary institutions, including:

- Elimination of the interest on the BC portion of student loans, a budget item estimated at \$318 million;
- Approximately \$5 million to fund the elimination of tuition for Adult Basic Education programs. This brings the Ministry of Advanced Education Skills and Training (AEST) budget to approximately \$18 million. This policy change was made in September 2017, but AEST requested a funding lift to adequately fund this program;
- An additional \$5 million over three years to train and graduate more health care professionals; and
- An additional \$5 million in fiscal 2021/22 to support technology programming.

Key Considerations for 2019/20

As identified above, the provincial budget included funding announcements that affects the post-secondary system. Some of these changes have been built into NIC's draft budget, while others will be built in once funding is committed. These include mandated wage increases, base grant funding for Adult Basic Education, the implementation of the Employer Health Tax and elimination of MSP premiums.

More specifically, we expect:

Revenue:

- An overall increase approximately \$1.6 million in provincial revenue from 2018/19, including \$599,671 for initiatives in support of the provincial mandate;
- Increases in international and domestic tuition, which together make up more than 25% of the revenue;
- Rising routine capital funding, used to repair existing NIC buildings and infrastructure across the region, to almost \$1.5 million in 2019/20 from \$1.4 million in 2018/2019; and

Expenditures:

- A \$2.8 million increase in salaries and benefits, which typically makes up the largest portion of NIC's expenses.

Five-Year Trends

In the past five years, two major changes have affected NIC's revenue. Provincial funding has declined from 67% of our total revenues in 2014/15 to just 63% for this year and international tuition now makes up more than 13% of NIC's total revenue. The decline in provincial funding affects BC's broader post-secondary sector, which historically has received some of Canada's lowest funding per full-time student.

We have addressed these challenges by:

- Applying for additional funding for targeted programs, which speaks to areas of need but can make planning difficult. See 'New Program funding announced' below for a few of this year's successful applicants; and
- Supporting increasing numbers of international students and balancing enrolment by expanding programs to additional campuses.

Please see the [February 2019 newsletter](#) for the latest news on student housing and other upcoming capital projects.

Table 1. NIC Revenue Summary, 2019/20 compared to 2014/15

| | 19/20 Fiscal Year (DRAFT) | | 18/19 Fiscal Year | | 14/15 Fiscal Year | |
|----------------------------------|---------------------------|-------------|---------------------|-------------|---------------------|-------------|
| | Budget | % of Total | Budget | % of Total | Actuals | % of Total |
| Province of BC Revenue | \$31,591,843 | 63.18% | \$29,901,991 | 62.6% | \$27,944,965 | 66.76% |
| International Tuition and Fees | 6,614,091 | 13.23% | 6,191,840 | 12.96% | 2,700,955 | 6.45% |
| Domestic Tuition and Fees | 6,105,757 | 12.21% | 5,848,855 | 12.24% | 4,916,393 | 11.75% |
| Sales of Goods and Services | 1,418,000 | 2.84% | 1,412,500 | 2.96% | 1,354,599 | 3.24% |
| Investment Income | 613,350 | 1.23% | 613,350 | 1.28% | 1,488,338 | 3.55% |
| Deferred Capital Contributions | 2,263,015 | 4.53% | 2,025,872 | 4.24% | 1,839,202 | 4.39% |
| Federal Grants, Contracts, Other | 1,392,819 | 2.78% | 1,774,958 | 3.72% | 1,614,167 | 3.86% |
| Total | \$49,998,875 | 100% | \$47,769,366 | 100% | \$41,858,619 | 100% |

New Targeted Program Funding 2019/2020

At the end of March, NIC learned it will receive nearly \$1.4 million in additional one-time program funding. This funding and related expenditures will be built into the Board-approved budget and are not included above.

This includes:

- \$868,700 in Labour Market Development funds to support high demand occupational training programs across the region;
- \$345,000 to support other health program priorities across the region; and
- \$176,500 for student supports in a range of service areas.

I want to thank the many people at NIC for their dedication in writing successful proposals. We are grateful for these funds, and we look forward to sharing more details on the programs at our Campus Town Hall meetings on April 3, 4 and 8.

College Plan20-25 Update

The strategic planning process is well underway with several initiatives in progress.

College Values Week

April 1 - 5 is College Values Week, an opportunity for all NIC faculty, staff and administrators to participate in Thoughtexchange, an online forum regarding our core values and guiding principles. The interactive process is the first step in defining our college values, which will be a foundation of College Plan20-25.

The College Plan20-25 Committee will use the values words contributed through Thoughtexchange to develop a draft set of organizational values that will be shared for further review and feedback from employees, students and the community.

The Thoughtexchange continues all week, closing April 9. The results will be posted on the myNIC portal by April 15.

To participate now, visit

<https://my.thoughtexchange.com/#617229215/hub>

myNIC Portal Site Now Available

The College Plan20-25 strategic planning is now available on the [myNIC portal](#), where you can learn more about the process and the work of more than 50 colleagues on the Committee.

As of this week, the site also includes the first draft of the newest Environmental Scan and the first Critical Insights Analysis papers from Plan2020's strategic priorities.

In April and May, the subcommittees of the College Plan20-25 Committee will focus on reviewing these key documents and gathering feedback on our college values (guiding principles). At the end of May and June, we will be working with our community partners throughout the regions to gather more input.

The next College Plan Committee meeting will be held April 9. Anyone interested in joining the committee should contact christiana.wiens@nic.bc.ca.