

**Presentation to B.C Legislative
Committee on Finance and Government Services**

September 17, 2008 Prince George

Good evening. My name is John Bowman. I am the President of the College of New Caledonia and with me is Bruce Sutherland, the Chair of the CNC Board of Governors.

To begin, we want thank you for coming to Prince George, and on behalf of CNC we appreciate this opportunity to share with you our thoughts regarding provincial funding for post-secondary education, and the college system in particular.

I think it is fair to say that 2008 has been an “interesting” year for post-secondary education in British Columbia. For example, we have seen the creation of five “new” universities, and the continuing expansion of college programming in trades, health sciences and the allocation of significant additional provincial funding to better meet the needs of Aboriginal learners.

However, on a less positive note, the post-secondary education system also experienced a significant 2.6 percent reduction to provincial base funding to colleges and universities. For CNC, the impact was a reduction of \$686,000, which on top of unavoidable cost increases totaling \$1.2 million, greatly exacerbated our difficulties in achieving a balanced operating budget for the 2008/09 year.

Unfortunately, in order to cope with ever higher costs and reduced revenues, our college – like others - was forced to suspend some instructional programs and reduce services. We are continuing to work to mitigate some of those impacts, even as we begin the process of developing the budget and program and service delivery plans for next year, 2009/10.

It is important to realize that reducing an institution’s expenditures - in the short term - is an expensive undertaking. It can take 2 to 3 years before the full budgetary savings from suspending an instructional program and reducing staffing are realized. This is because our “fiscal” year and “academic” (or “school”) year do not align. The former begins April 1 and the latter not until August 1.

In addition, the one-time costs associated with severance payments and/or early retirement incentives are almost as much as the costs of continuing a program or service for another year. For example in order to reduce our annual operating budget by \$1.2 million for 2008/09, our severance payments totaled nearly \$1.0 million. These costs have virtually exhausted our “rainy day fund” and as a result our overall financial situation is very tenuous.

If the discretionary provincial funding our College receives in 2009/10 does not increase, we are going to face a budget shortfall again next spring and the College will have no options except to discontinue more instructional programs and services for students. That will be a very regrettable situation.

So that is the bad news. . . However, on occasions like this I think it is important to not dwell only on the difficulties, but also to look ahead with optimism, to stress the positives and to work towards an exciting vision for the future.

Our provincial college system's fundamentals are very strong. Colleges like CNC are making a huge difference in the lives of individuals and in the communities we serve – the regional colleges truly are the institutions of opportunity for the vast majority of British Columbians.

Indeed, back in June the Minister of Advanced Education, Murray Coell wrote to the College Board Chairs to “*express appreciation for the vital role that community colleges play in the public post-secondary education system and to reaffirm the mandate of the College sector.*”

The Minister's letter goes on to state that the “*contributions of the community college's are particularly crucial in the context of current and future skills shortages. Colleges and institutes are the primary supplier of skilled workers for our economy. An estimated 42 percent of skills shortages are in occupations that require college training.*” (end quote)

I know that the Minister's letter was certainly well received at our college and at others.

The past year has also seen the introduction of “Government Letters of Expectations” (or GLE's for short) between the Minister and each of the institutional Boards. Amongst other things, the GLE outlines the government's goals and programming priorities for the college sector. The GLE for 2008/09 states:

In 2004, government announced a plan to expand the size of the post-secondary education system. The goal was to ensure that any student with a 75 percent grade point average in high school has access to a university. (end quote)

This goal led to substantial additional funding being provided to the university sector in the past few years, which enabled those institutions to increase their number of seats available in first and second year courses. Unfortunately, this occurred at a time when student demand for university level programs was beginning to slacken. Funding for these additional seats both enabled and required the universities to lower their GPA admission requirements.

Regrettably, this expansion in the university sector, combined with a strengthening provincial economy from 2004 to 2008, and low unemployment levels had a negative impact on community college enrolments in first and second year academic programs. At the College of New Caledonia we have watched our student registrations in university transfer programs decrease by 38% from 2003/04 to 2007/08. This loss of university transfer students resulted in a reduction in tuition revenues of nearly \$500,000 over the course of four years. Obviously this has been a major problem for our small college.

The GLE goes on to indicate:

Government now wishes to redirect its focus from general growth to targeted growth in high priority areas, as follows:

- *Health programs;*
- *Skilled trades programs;*
- *Graduate programs;*
- *Programming for Aboriginal students*
- *Adult basic education, adult special education and English language training programs; and,*
- *Other program areas in high demand to support the labour market*

There is some good news here for - and from - the colleges' perspective. In three of the first four priority areas, significant targeted funding has been provided to colleges over the last couple of

years, and progress is being made. CNC has been able to grow our student enrolments by more than 8% percent over the past two years in precisely these high priority program areas.

It is the last priority category – “*other program areas in high demand to support the labour market*” that I would like to focus attention on for the remainder of our presentation.

The GLE states that:

The increased focus on labour market demand reflects the seriousness of the labour shortages that exist in some locations and occupations.

In addressing this challenge, institutions will need to refocus existing financial resources towards these priority areas.

For the three small northern colleges, “refocusing existing financial resources” is simply not an option. Our existing resources have been substantially eroded by increasing costs and reduced revenues over the past several years. We don’t offer much that is not captured under the headings of “high priority” areas. It has been many years since we have been in the business of providing “low priority” programs – namely those that are not in high demand by students or by employers.

With regard to “*other program areas in high demand to support the labour market*” our current reality in Northern British Columbia is that:

- There exists a serious demand-supply imbalance for technicians, technologists and engineers. Employers need and want them – but we aren’t training them in the North.
- These are jobs that require the specialized training and accreditation that provincial colleges can provide.
- The North has underutilized human and community capacity that can be developed for these technical careers: namely Aboriginal people, workers in transition, and women, in particular.

Northern industry and education systems have experience in building human resource and training capacity through previous collaborations to develop and expand the supply of health sciences, construction and industrial trades workers in the North.

This can be done for other technical education needs, as well:

Our strategy needs to include:

1. Aggressive and unrelenting promotion of careers in the technical fields;
2. Thorough, planned preparation and transition of youth, Aboriginal people, transitioning workers, and women - into the required science and technical education pathways;
3. Strategic, planned and well-resourced post-secondary education opportunities across the North, delivered through the three colleges and UNBC.

To be successful this will require:

1. Industry, school district and post-secondary institution collaboration (in Northern B.C. we have achieved this through a number of avenues, most recently through the Northern Post-secondary Education Council (NPSC) and our recently established “Technical Education Consortium”)

2. Post-secondary program and service planning strategies that adopt a “pan-Northern” focus and incorporate the use of educational technology to support access and flexibility for learners, and that integrate and link secondary school students directly to college programs, as we do currently with the trades programs we deliver in partnership with school districts through the Career Technical Centre model.
3. Relevant research upon which to make educational service and program decisions based on labour market needs in the North, and,
4. Support from the provincial government, by . . .
 - a. Recognizing the need for technical training in the North, for the North,
 - b. Supporting the collaborative ventures already underway in the North, and
 - c. Providing the required funding resources for program and service implementation as a collaboration of industry, community and educational institutions.

CNC in collaboration with our post-secondary education and community partners is proposing a major five year initiative under the leadership of our northern B.C. **Technical Education Consortium**. Our plan is to expand the delivery of technical training in the following areas:

- Medical Radiography
- Information Technology
- Engineering Technology
- Mining Technician
- Transportation and Logistics, and other areas.

Over the next five years we are proposing the creation of 274 new technical training student spaces at total estimated cost to the province of approximately \$2.9 million annually, plus one-time funding requirements of \$5.9 million for equipment and other facilities related infrastructure.

So in closing, we have just two recommendations specific to the 2009/10 provincial budget and in support of post-secondary education and training in the North.

1. Recognize the impact of government policy decisions have had on the provincial community colleges - in particular the goal of providing university access to high school graduates with a 75% GPA – and the 2.6 percent reduction to 2007/08 base grants – these policies have severely impacted on college enrolments and tuition revenues – we therefore request that the government allocate one-time funding to offset the labour adjustment costs incurred by post-secondary institutions which have greatly impacted the financial health of small colleges like CNC.
2. Support our Northern **Technical Education Consortium** plan for expanded technical training in the region - including the addition of 274 student spaces in key program areas over the next five years – this is a modest \$8.8 million investment in addressing the current and future skills shortages in occupations that are in high demand by the labour market.

Thank you for your time and attention.

We would be pleased to try to answer any questions you may have.