



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

5:05 pm October 14, 2009 Prince George (Ramada Hotel)

Good afternoon. 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 to thank the Committee for coming to Prince George.

We appreciate this opportunity to share with you our thoughts regarding the 2010/11 budget and government funding and policy for the post-secondary education system

During the next few minutes we would like to do three things. . .

1. highlight some of the important roles that our institution and the other regional colleges play in economic and community development across the province,
2. acknowledge the provincial government's increased funding support in 2009 for our institution and the College system as a whole, and
3. offer a couple of recommendations.

We will keep our prepared remarks brief, in order to leave as much time as possible for your questions and discussion of the points we raise.

Important Roles of Colleges

CNC and British Columbia's ten other regional colleges educate and prepare the workforce of today and tomorrow. We train people to work as nurses, educators, welders, builders, business people, technologists and for literally hundreds of other occupations.

With campuses in more than 50 communities, B.C.'s colleges support students to meet their learning and career goals, from trades and technical to university transfer and applied degrees. Colleges support and strengthen every BC community by providing job-ready graduates and valuable, affordable access to higher education and skills training – close to home.

Colleges develop and offer programs that reflect and anticipate changing social, economic and labour-market realities. In business, health care, trades, and technologies, BC Colleges connect with employers and policy makers to provide the programs and career opportunities our citizens need now and in the future. In fact, our colleges are the largest provider of highly skilled, job-ready graduates for employers in British Columbia.

Colleges play a key role in the economic strength of the province by providing communities with a well-educated, highly skilled workforce. Currently 42% of the skill shortages occurring across all sectors are in occupations that require a college education.

Colleges are also quick to react to emerging needs in the labour market, and are already preparing skilled workers to help power the province's economic recovery. In fact, this year more than 300,000 students are enrolled in BC's Colleges, gaining the credentials and skills employers want.

Graduates from BC's Colleges are healthier and experience higher employment rates, earn more every year and pay more taxes, than those without a college education or training. A recent independent study of Colleges' economic impact showed that for every tax dollar invested in these institutions, British Columbians realized a \$3.80 return on investment.

Colleges and their past graduates contribute \$7.7 billion to the provincial economy. That makes our college system one of the best investments we can make – one that pays dividends in healthier and more prosperous citizens and communities across the province.

By adapting to the needs of local communities BC Colleges continue to be at the forefront of the economic recovery. The development of grass roots programs to effectively meet the needs of the new and changing workforce ensures BC Colleges will be a strong catalyst for the Province's economic recovery.

The speed and timing of the economic recovery of the Province will depend upon all regions having a well educated and highly skilled workforce.

Our college is working closely with industry, communities and regions in addressing labour market requirements in the Central Interior and across the North in partnership with UNBC, Northwest Community College and Northern Lights College.

The College of New Caledonia and our sister colleges recognize the difficult economic circumstances facing the Province and the significant challenges government has faced in producing a restated Budget for 2009.

The government has made some difficult budget decisions and the College of New Caledonia appreciates the commitment the government continues to demonstrate to post-secondary education in BC.

Provincial Funding for Colleges

The College of New Caledonia has celebrated our 40th Anniversary this year, and 2009 has been a banner year for our institution.

In April, the provincial and federal governments announced funding for CNC under the “Knowledge Infrastructure Program” totaling nearly \$30 Million for the construction of a new Technical Education Centre Building here in Prince George (at a cost of \$19.6 million) and for the completion of the Phase II expansion of the North Cariboo Community Campus in Quesnel (for \$9.8 million).

These new and expanded facilities will greatly enhance CNC’s capacity to deliver high priority programming.

For the 2009/10 fiscal year, the operating grant funding provided to CNC by the Ministry of Advanced Education increased by a total of \$1.6 million (or + 5.8%) and the funding received from the ITA has been increased by \$764,000 (+18%) to enable additional apprenticeship and trades foundations classes to be delivered.

So year over year, CNC has benefited from an increase in provincial funding support totaling approximately \$2.4 million. These additional resources have been greatly needed and are being put to very good use.

This year we have experienced a dramatic increase in application levels for most programming areas. In September, our Prince George Campus recorded an 11.4 percent increase in student headcount enrolments

In 2009/10, CNC’s full-time equivalent enrolments for the year will grow by 12-15 percent and will exceed 4,000 FTE across all campuses for the first time in our history.

We want to note, that while there have been some provincial funding reductions in certain areas (most significantly in the Annual Capital Allowance funds for building maintenance and small facilities projects), the overall base operating funding level set in the February budget has been preserved in the September Update.

We are happy that the provincial government has recognized the importance of continuing to provide stable investment in the base operations of colleges in 2009/10.

We recognize the constraints that the government faces given the economic downturn.

Over the next year, CNC looks forward to working closely with local and provincial stakeholders to ensure that the important education and training role we play in this region continues to be recognized and that the necessary programs and services are available to residents in the Central Interior and North of the province.

Recommendations

1. Maintaining the investment in provincial colleges for 2010/11 and beyond will be critical for the Province to have the highly skilled workforce to meet both current and future economic and labour needs.

We therefore urge this Committee and the Provincial Government to continue to preserve and enhance funding provided to the BC College system in the 2010/11 budget. Any reductions to colleges' funding will have a negative impact on access to programs and services and our ability to support the economic recovery.

2. We recommend that a review of the provincial government's "Tuition Limit Policy" be completed by March 1, 2010 in order that it may allow for greater equity across the province - among and within types of institutions and by program types.

The extent to which smaller rural institutions are heavily dependent on provincial funding for a majority of their operating revenues should also be reflected in a revised tuition limit policy.

For example, provincial funding from the Ministry of Advanced Education and ITA accounted for fully 72 percent of CNC's total revenues in 2008/09, as compared to 66 percent for Okanagan College, 57 percent for Kwantlen Polytechnic University, and 54 percent for UNBC.

The proportions of total revenue for these four institutions derived from student tuition and fees were 16, 23, 27, and 21 percent respectively.

These numbers are important because they will predict the relative financial challenges that will be experienced by these institutions when each of these two largest categories of college revenues (provincial funding and student fees) does not increase to offset annual cost increases that institutions experience due to a variety of factors.

Thank you for your time and attention.

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