



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

4:20 pm September 20, 2011 Prince George

Good morning. My name is Bob Murray, I am currently one of the Vice-Chairs of the Board of Governors for the College of New Caledonia and with me is Randall Heidt, Director of Communication and Development for CNC. 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 2012/13 provincial budget and government policy and funding for the post-secondary education system.

We would like to briefly provide you with information regarding three topics.

1. First, we will comment on the important roles that our college plays in economic and community development across the North and Central Interior region;
2. Second, we will identify the priority budgetary and policy issues that are of concern to CNC, as well as to our ten sister colleges, and
3. Finally, we will offer a few recommendations for consideration in the development of the 2012/13 provincial budget.

We have kept our prepared remarks brief, in order to leave time for your questions regarding the points we will raise.

**Important Roles of CNC and Other Colleges**

CNC and British Columbia's ten other regional colleges are educating and training the workforce of today and tomorrow. Our colleges prepare people to work in literally hundreds of occupations such as nurses, welders, construction trades, business people, and technologists, to mention just a few. Any government policy emphasis on jobs for British Columbians must include an emphasis on BC's Colleges.

Colleges develop and offer programs that reflect and anticipate changing social, economic and labour-market realities. In fact, B.C.'s colleges are the largest providers of highly skilled, job-ready graduates for employers in the province.

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

CNC has campuses in six communities – Prince George, Quesnel, Mackenzie, Vanderhoof, Fort St. James and Burns Lake. We support and strengthen these communities by providing affordable access to higher education and skills training – close to home.

Our College currently provides about 50 different programs leading to a certificate, diploma or degree. CNC is the largest of the six “rural” colleges in B.C. In 2011/12, we enrolled a total of about 4,000 full-time equivalent students or approximately 10,000 individual learners.

At our institution we are justifiably proud of our progress over the past several years:

- responding quickly and comprehensively to the economic recession by reallocating resources to programs and communities where needs were greatest;
- Assisting hundreds of displaced workers to upgrade and retrain for new employment;
- Growing and diversifying our smaller campuses to serve 87 percent more students since 2005;
- Increasing the enrolment and participation of Aboriginal learners by 33 percent in regular credit programs since 2005, and by over 80 percent in all program and service areas;
- Increasing the number of trades apprenticeship and foundation level training student spaces delivered;
- Increasing health-related training provided within the region including expanded Registered Nursing, Practical Nurse, and Health Care Assistant training; and,
- Graduating the first students from the new Medical Laboratory Technology program, and this year we have enrolled the first class of students in a new Medical Radiography Technology program.

Our college is working closely with industry, First Nations and other educational institutions in addressing labour market requirements in the Central Interior and across the North. Two of the many collaborative and partnership initiatives we are leading currently include:

- Introduction of a Northern Civil Engineering Technology program in cooperation with Camosun College, Northern Lights College, Northwest Community College and UNBC (which urgently requires funding); and,
- Implementation of a new cost-recovery Aviation Business program in partnership with the University of the Fraser Valley, a local flight school in Vanderhoof and other community partners.

Time does not permit us to go in to details, however we feel it is important for this Committee and government to recognize the extensive collaboration and partnerships that exist among colleges, other educational institutions, as well as business and community organizations.

## **Priority Budget and Policy Issues**

### **1. The Skills Gap and College Capacity**

As we all know, Canada is facing a looming skills gap, and as the baby boomers begin to retire in droves, we will need to recruit more workers, including those from traditionally under-represented groups and arm them with advanced skills for employment.

As more people turn to colleges for training or re-training, our college faces both physical and financial capacity challenges that limits our ability to serve our communities.

### **2. Aboriginal Education**

Aboriginal citizens make up a large a growing segment of our regional population (13% of and 18,000 individuals in 2006). The 21 First Nations communities in our college catchment area need and want to increase participation and successful completion of post-secondary education and training programs. The largest proportion of these potential students will be interested in the programs and services offered by the college system.

I am sure that we will all agree, it is critical that many more Aboriginal learners succeed in post-secondary education and contribute to the economic and social health of their communities and the province as a whole.

### **3. Annual Capital Allowance**

In 2009, CNC received a major capital funding commitment totaling nearly \$30 million under the “Knowledge Infrastructure Program” for the construction of a new Technical Education Centre here in Prince George and for the completion of the Phase II expansion of our campus in Quesnel. These new and expanded facilities will greatly enhance our capacity to deliver high priority programming.

However, the majority of our college’s 600,000 square feet of facilities which were constructed in the 1970’s and 80’s, and are now -- 30 to 40 years later -- reaching the stage where significant maintenance and improvements are needed. During the past year we updated our inventory of repairs, upgrades and energy conservation projects that we believe will be required over the next five years. We estimate that the total cost for those projects is approximately \$10,000,000.

Now, to be realistic, we don’t expect that we will have \$10.0M available to complete all of these projects given that our annual capital allowance funding for this year is only \$374,000! However, we are concerned that our aging facilities may become a fiscal crisis if we are not able to invest in preventative maintenance and renewal of critical building systems.

#### **4. Accounting Policies and Standards**

Changes in government administrative and accounting policies that limit the use of prior years' surplus funds, are restricting institutions' abilities to respond effectively to the changing requirements of students and communities.

At a time when there is an increased need for flexibility and nimbleness, government administrative requirements and changes to accounting policies and standards are restrictive and may have a dramatic impact on our institutions' future ability to respond effectively to changing education and training requirements within our communities.

We are concerned that the unintended consequences of these changes will be to discourage entrepreneurship by institutions, as well as to foster a "spend it, our lose it" mindset which would clearly run counter to prudent fiscal management and not be in the best interests of students, communities and the achievement of the government's priorities.

#### **Recommendations**

The College of New Caledonia and our sister colleges recognize the difficult fiscal circumstances facing the province and the significant challenges government will face over the next few years.

However, growing the investment in provincial colleges for 2012/13 and beyond will be critical for the province to have the highly skilled workforce to meet both current and future economic and labour market needs. BC's colleges play a vital role in providing advanced skills and education for BC's knowledge-based economy.

We therefore urge this Committee and the Provincial Government to:

- continue to preserve and enhance operating funding provided to the BC College system in the 2012/13 budget;
- address the administrative and accounting policy issues that may negatively impact post-secondary education institutions' abilities to provide the education programs and services required for students;
- to start to restore the Annual Capital Allowance (ACA) back to pre-2009 levels; and,
- finally, to make a renewed funding commitment to support increased educational access and success for Aboriginal people.

Thank you for your time and attention.

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