



News Release

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College announces plan to resolve projected budget deficit

The College of New Caledonia has begun implementing a plan to achieve a balanced operating budget for the 2008/09 fiscal year. Today CNC President John Bowman announced decisions that the College has made to eliminate a projected \$1.1 million deficit and to assist in achieving a balanced operating budget for the 2008/09 fiscal year that begins on April 1.

In making these difficult decisions, the College's goal has been to balance the needs of students, local communities, and provincial taxpayers.

"As a publicly funded institution, CNC is committed to making the best possible use of the resources it receives, and that means seeking to achieve the maximum benefits and results for the communities and students that we serve," said Bowman. "This has been the overarching consideration for the College in making the difficult decisions necessary to balance our spending plan with the revenues we expect to receive next year."

These decisions are as follows:

1. Suspension of programs for new student intakes in the fall of 2008:
 - Forest Resource Technology (2-year diploma);
 - Adult Special Education (Job Education and Training/JET, Target, Open Doors);
 - Business – The Next Generation;
 - Hospitality Operations and Administration (2-year diploma program); and,
 - Northern Outdoor Recreation and Eco-tourism (Valemount).

Students currently enrolled in the first year of two-year programs (Forestry, Hospitality) will be able to complete the second year of their programs in 2008/09.
2. Reductions to the total numbers of classes offered in University Transfer program subject areas that have low student enrolments.
3. Suspension of the intercollegiate athletics program and withdrawal from the BC Colleges Athletics Association (BCCAA) men's and women's volleyball and badminton competitions.
4. Reorganization of the college administrative structure and removal of two full-time administrative positions from the 2008/09 budget.

In total, these decisions will result in savings of \$1.1 million in 2008/09 and a further \$800,000 in additional savings in the 2009/10 budget year. The budgetary effects are spread over two years because the College's "fiscal year" (April 1 to March 31) does not align with the "academic year" (August 1 to July 31), faculty layoffs do not occur until July 31, and the full savings resulting from the suspension of two-year programs does not occur until after the second year is completed.

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As a result of these decisions, the College has notified 14 instructors, 7 operational staff and 2 administrative employees that their positions will not be included in the budget for next year. In addition, two instructors have indicated they will take early retirement to enable two of their colleagues with less seniority to remain employed. There will also be some reductions to part-time instructors working at the College; however, the total number has not yet been determined.

As in the past when CNC has needed to make budget reductions, all areas of the College operations were examined for savings and efficiencies. However, as this is the third occasion in the past seven years that the College has faced a major budgetary shortfall it has become progressively more difficult for CNC to limit the negative impacts on programs and services.

In January of this year, CNC employed a total of 591 full and part-time employees across the college region (285 faculty, 262 operational staff, and 44 administrative and excluded support personnel). The program suspensions are expected to result in a net loss of approximately 130 full-time equivalent (FTE) student enrolments across the College, or 3.5 percent of the projected CNC total actual FTE enrolment of 3,695 FTEs for 2007/08.

“We are confident that these necessary but regrettable decisions will place CNC on a stable financial foundation for the next two years,” said John Bowman, “and that the College will be well-positioned to continue responding to the many diverse and changing needs for education and training in the Central Interior region.”

In 2007/08, the College received additional targeted funding from the provincial government totalling \$1.2 million to expand trades training and another \$1.1 million to begin delivery of the new Medical Laboratory Technology program.

Bowman points out, “It is important to note that despite the College’s current budgetary challenges, overall, CNC is growing. This year student full-time equivalent enrollments have increased by more than 10 percent, and the growth is projected to continue next year, particularly in trades and technical training, health-related programs, and at our regional campuses.”

The 2008/09 college budget will be finalized at the next regular meeting of the College Board to be held on April 18 in Prince George.

Additional information is provided in the Backgrounder that follows.

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