



2014 BC Budget Backgrounder

Overview

BC's 2014 fiscal plan for post-secondary education shows continued pressures on program funding, trends that will put increasing pressures on the operating budgets of every post-secondary institution in BC. While BC's Finance Minister, Mike de Jong, tried to deflect criticism of his 2014 budget by describing it as boring, the reality for post-secondary education will be anything but boring. Over the next three years the total operating grant transferred to post-secondary institutions will drop by almost \$50 million. Moreover, total enrolments across the system are also projected to decline from approximately 206,000 students currently to 201,000 by 2016.

The government's flat line approach to budgeting is not confined to post-secondary education. Other sectors, including health care, K-12 education as well as direct government services all face ever tightening program expenditures over the next three years.

Included in the Ministry of Advanced Education's three year Service Plan is a detailed list of mandate priorities that will be part of the Letter of Expectations that each institution receives in the coming months. Several of those priorities indicate that further pressures will be placed on post-secondary institutions. Included in those priorities are:

- *In concert with the Boards of B.C.'s colleges and universities, set targets for post-secondary graduates that will enable our province to match the skills we need with the skills we are graduating*
- *Continue to minimize overheads within our publicly funded universities and, where possible, consolidate functions across different post-secondary institutions.*
- *Include the requirement for post-secondary Boards to undertake an institution-wide core review of their programming to ensure student seats are being filled.*

Affordability continues to be a major challenge for BC post-secondary students. Tuition fee revenues are projected to rise by over \$100 million over the next three years. The projected drop in total enrolment across the

system points to the affordability and access crunch that comes with ever-rising tuition fees.

Another difficult trend included in the Ministry's three year Service Plan is the steady and dramatic rise in the number of international students enrolled in BC's public post-secondary institutions. The Ministry estimates that currently about 100,000 international students are enrolled in BC colleges, universities and institutes. By 2016, that number is projected to increase to over 140,000 students. What is not clear in the Service Plan is how that increase will work its way into other projections that show total enrolments declining from 206,000 currently to 201,000 by 2016.

Summary of Key Budget Measures for Post-Secondary Education

Total Operating Grants, 2013/2014:	\$1.864 (Billion)
Total Operating Grants, 2015/2016:	\$1.821 (Billion)
Total Student FTEs, 2013/2014:	206,504
Total Student FTEs, 2015/2016:	201,226
Tuition Fee Revenues, 2013/14:	\$1,427 (Billion)
Tuition Fee Revenues, 2015/16	\$1,544 (Billion)