



BACKGROUND

2008 BC Budget

Lost in all of the media focus on Finance Minister Carol Taylor's so-called green budget are two important facts. The first is in the Fiscal Plan in which the Ministry of Finance details assumptions that underpin the budget. In this section, the Ministry is required to itemize the risks to their growth and revenue projections. Two of the five "medium term risks" relate to BC's growing skills shortage. The Ministry is concerned that the skills shortage will begin to have an impact on inflation. Moreover, the Ministry is concerned that the current shortage will get worse, a development that would undermine economic growth.

The second fact is found in the Ministry of Advanced Education's Service Plan. In that document the Ministry details its plans for supporting post-secondary education and public post-secondary institutions. It also details its estimate of enrolment in public post-secondary institutions. The tables below summarize some of the key numbers from that plan.

The disturbing fact is that Ministry of Advanced Education funding, on a per-student basis, is projected to decline from the level recorded in 2007/08. By the end of the Ministry's current three year plan, per-student funding will drop by almost two percent. At a time when the Ministry of Finance is highlighting a problem — a skills shortage — that threatens BC's economic prospects, the ministry tasked with the responsibility for increasing our capacity to deal with that problem is planning to provide less support and funding over the next three years of its service plan.

How that funding shortfall will be shared across the public system varies. Universities will maintain a slight surplus over the next three years. Colleges, University Colleges and Institutes will see rising deficits over this same period. The shortfall outside the university sector is projected to reach \$14 million in 2008/09 and rise to approximately \$30 million by 2010/11.

**Colleges, University College and Institutes:
Revenue, Expenses and Surplus/(Deficit)**

Year	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue*	\$1,378,000	\$1,417,000	\$1,422,000	\$1,462,000	\$1,467,000
Expenditures*	\$1,310,000	\$1,392,000	\$1,436,000	\$1,478,000	\$1,497,000
Surplus/(Deficit)*	\$68,000	\$25,000	(\$14,000)	(\$16,000)	(\$30,000)

**Universities:
Revenue, Expenses and Surplus/(Deficit)**

Year	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue*	\$2,751,000	\$2,908,000	\$3,070,000	\$3,194,000	\$3,263,000
Expenditures*	\$2,593,000	\$2,831,000	\$2,965,000	\$3,113,000	\$3,213,000
Surplus/(Deficit)*	\$158,000	\$77,000	\$105,000	\$81,000	\$50,000

Ministry of Advanced Education Operating Grants to Post-Secondary Institutions

Year	2006/07	2007/08	2008/09	2009/10	2010/11
Total Operating Grants*	\$1,575,617	\$1,707,437	\$1,776,024	\$1,865,138	\$1,859,591
Total Student FTE	177,246	186,700	200,642	206,668	207,325
Per Student Funding	\$8,889/FTE	\$9,145/FTE	\$8,851/FTE	\$9,024/FTE	\$8,969/FTE

* = \$ (000)

For more information: www.fpse.ca