



2003 Advanced Education budget background

The 2003-04 budget for Advanced Education sets out government's plan for the following three years and continues the pattern of decline began in the 2002-03 budget.

The qualified good news for CIEA locals is that there appears to be a bit more money for colleges, university colleges and institutes in the coming year. Internal savings of close to \$9 million within the Advanced Education budget have been reallocated to the "Educational Institutions and Organizations" line, which provides operating grants to institutions. In the three-year plan tabled in 2002, the amount that was estimated for this area was \$1,391,876 and but that amount has been revised upward in the 2003 plan to \$1,400,805.

CIEA has been informed that Minister of Advanced Education Shirley Bond has committed to ensure that every college, institute and university college will have at least the same level of operating grant in 2003-04 that they did in 2002-03. There will likely be some additional FTE requirements accompanying the added funding. This means, however, that operating grants will not decline as indicated in the 2002 budget letters. Detailed information about the new institutional grant levels and FTE expectations will be available in the budget letters, which are still a few weeks away.

The other positive news in the budget is that revised expenditure for the 2002-03 year saw the overall Ministry of Advanced Education spending come in under expected levels, freeing up funds for expanded research programs in colleges and universities. The reallocation of \$23 million within the MAE and other ministries' 2002-03 budgets made room for \$18 million additional funding for research, which will assist in funding the new \$7.5 million Regional Innovation Chairs program. The Regional Innovation Chairs program, announced on February 11, 2003, is intended to support new social and economic development opportunities in the BC college, university-college and institute sector. The Chairs will receive some of their funding from the Ministry of Children and Family Development. More details on the program are expected in the coming weeks.

Compensation

The budget documents include a short section on compensation and Minister Collins was quizzed on the issue of a "wage freeze" by the media on budget day. In keeping with what Collins has been saying for the past year, the budget document says the following:

From March 31, 2003 through March 31, 2006 virtually all public sector collective agreements expire. The Working Agreement with the British Columbia Medical Association also expires during this period. The government's current bargaining mandate is 0-0-0 for the 2003-04 to 2005-06 period. Public sector employers may address legitimate skills shortages through market adjustment increases; however the government has not provided incremental funding to employers for market adjustment increases. (Budget and Fiscal Plan, 2003/04 to 2005/06, page 32)

Revised three-year plan

In keeping with the three-year plan approach, government tabled a service plan outlining funding and student growth expectations for the three-year period from 2003-04 to 2005-06. The new service plan envisions that the public post-secondary system will see an 8% increase in student spaces with a funding decline of 1.35 %.

The most significant growth area will be in student financial assistance programs – which says something about where government expects costs for students to go. Grants to educational institutions and organizations will decrease from \$1.4 billion in 2003-04 to \$1.38 billion in 2005-06. Industry training and apprenticeship funding will see a slight increase from \$71.2 million in 2002-03 to \$73.7 in 2003-04 and then to \$74.4 for 2004-05 and 2005-06. In terms of student FTE growth targets, the plan seeks an increase from a baseline of 154,991 spaces in 2001-02 to 167,346 (both including ELTT) by 2005-06.

Revised Ministry of Advanced Education Service Plan 2003-04 to 2005-06

Funding	2002-03 Restated Estimates	2003-04 Estimates	2004-05 Plan	2005-06 Plan
Educational Institutions and Organizations	1,407,232	1,400,805	1,378,870	1,388,290
Industry Training and Apprenticeship	71,250	73,781	74,481	74,181
Student Financial Assistance Programs	156,756	165,429	182,225	188,995
Debt Service Costs and Amortization of Prepaid Capital Advances	239,100	236,500	243,120	256,730
Executive and Support Services	24,669	22,492	20,311	20,811
Totals	1,899,007	1,899,007	1,899,007	1,929,007

FTEs	2002-03	2003-04	2004-05	2005-06
Expanded BC public system capacity	154991	160848	164065	167346

The 36-page service plan includes a set of performance measures and targets that are close to those put out in the proposed accountability framework earlier this year for comment. The concerns that CIEA and the Standing Committee on Evaluation and Accountability identified in submissions to government do not appear to have been addressed. The Ministry articulates a priority for developmental programs

(ABE/ESL/ASE) to be maintained, although the baseline is not identified. Utilization of space on a year round basis is also included in the performance measures.

Also of note is that the Ministry of Human Resources estimates that spending on employment programs (which houses many of the previous skills development programs managed through Advanced Education) will remain at its 2002-03 level of \$110,108 million for the next three years.