



## News Release

*For release on January 29, 2010*

### **CNC's funding to be cut by more than \$1 million**

The College of New Caledonia is going to have significant financial challenges to resolve, board members heard Friday as more than \$1 million in provincial funding cuts are expected for the next year.

Advanced Education and Labour Market Development Minister Moira Stilwell stated in a letter to the college that its Annual Capital Allowance (ACA) will be reduced in 2010/11 to \$374,697, which is \$603,938 less than the amount provided in 2009/10 and \$1.1 million less than the 2008/09 allocation. ACA funding is used for the costs associated with facilities maintenance, repair, replacement and upgrading of building systems, such as lighting and heating.

CNC's operating grant funding for 2010/11 will also be about \$500,000 less than in 2009/10, due to the removal of funding for 96 Trades/Skills FTEs and 16 Health FTEs that have been provided on a "one-time basis" for the past three years.

"It's too early to give details on what college programs and services may be affected," said CNC President John Bowman. "However, we are not anticipating major cross college reductions. The budget planning is still in progress and we won't be able to finalize our plans until after March 2, when the provincial budget is released."

CNC is expecting to receive \$28.5 million in operating grants from the Ministry of Advanced Education in 2010/11, down from \$29.1 million in 2009/10. The \$568,550 reduction will mean the loss of funding for 112 full-time equivalent (FTE) students in 2010/11. Additional, as yet undermined funding will also be provided to CNC through the Industry Training Authority (ITA) for apprenticeship and foundation trades programs in the coming year.

"Fortunately, the college received a significant increase in provincial funding in 2009/10, and that, combined with increased student enrolments and higher total tuition revenues as well as prudent fiscal management, have contributed to the college's relatively positive financial position for 2009/10."

The college has identified \$10 million worth of facilities projects and infrastructure improvements that need to be completed over the next three years at its six campuses, most of which will now have to be postponed.

"Unfortunately, the loss of such a large amount of the already inadequate ACA funding will have a negative impact on our operations," Bowman said. "Many needed improvements, repairs and upgrades will have to be postponed this year and next. "

Bowman added the college's fiscal challenges will be far greater in 2011/12 and 2012/13 if funding continues along the same path, which will mean some significant decisions will likely be required to maintain the college's financial stability over that time period.

"Clearly, we will be facing unprecedented and very serious challenges over the coming three years as we attempt to preserve and enhance student access to programs and services, while maintaining high-quality physical environments for learning and working," Bowman said.

"It's within this context that we will need to review service and administration plans and needs for the next three years with a view to achieve significant cost reductions for 2011/12 and beyond," Bowman said in his report to the board.

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***More information:***

John Bowman  
President  
250-562-5825

Andrea Johnson  
CNC Writer/editor  
250-562-2131 ext 5643  
Cell 250-961-0067