

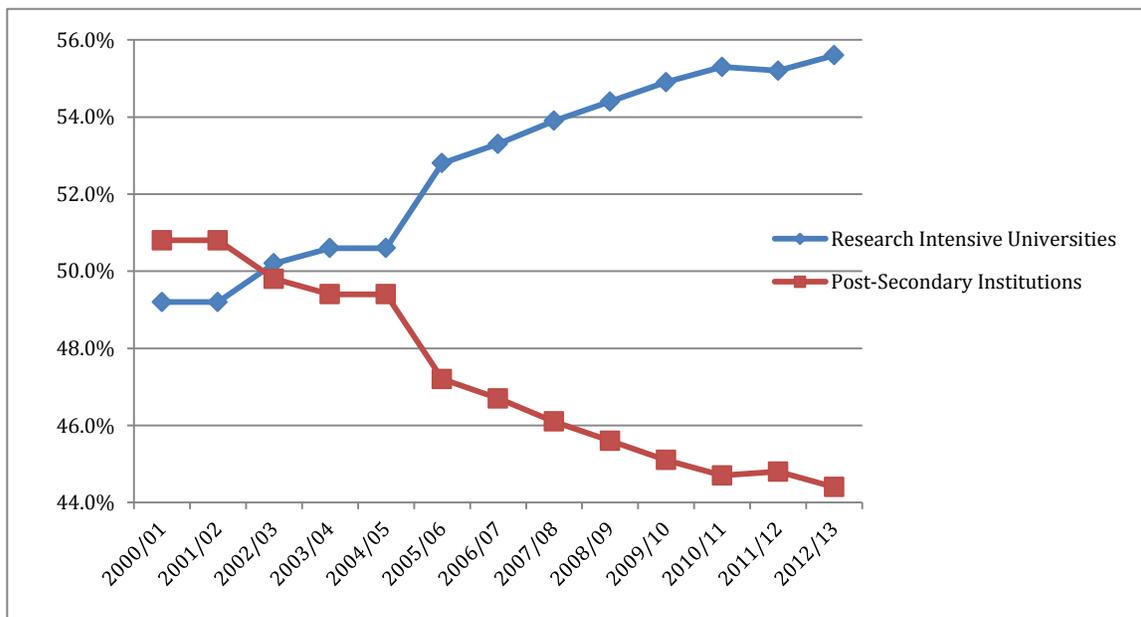
## BC Colleges: Recent Funding History

### Introduction

British Columbia is facing an unprecedented labour market challenge with a million job openings projected to 2020. 78% of those jobs will require post-secondary education and the majority of those require precisely the type of education and training provided by British Columbia’s eleven public colleges. The evidence is clear that colleges provide job ready graduates and are an affordable post-secondary education choice for both students and taxpayers. However, while the need for college programs is greater than ever, the public investment in colleges has not kept pace with other provincial educational investments.

### Share of Grant

In 2000/01, British Columbia’s research-intensive universities, UBC, SFU, UVic and UNBC, received 49.2% of the provincial operating grant for post-secondary education. Since 2001 the provincial government made a number of major investments in research universities including major expansions to medical programs and electrical engineering programs, new campuses for UBC and SFU, 2,500 new graduate student spaces and adjustments to their operating grants based on the inflationary adjustment review known as the Perrin Report. The research-intensive universities are excellent institutions, but as the following chart illustrates, the impact of those decisions resulted in a dramatic shift in the distribution of provincial operating funds to four institutions at the expense of twenty-one colleges, teaching universities and institutes.

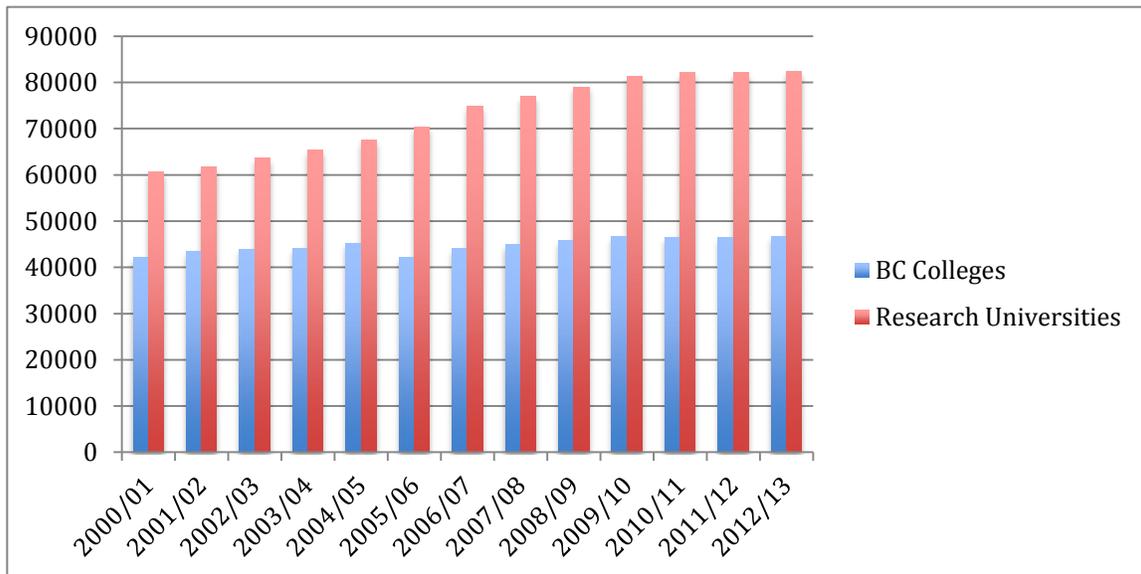


BC’s eleven colleges were particularly disadvantaged by the provincial funding shift away from the training and education they provide dropping from 23.8% of provincial funding in 2000/01 to 20.8% of available funding by 2012/13. If BC Colleges had retained its share of provincial funding through the last dozen years, there would be

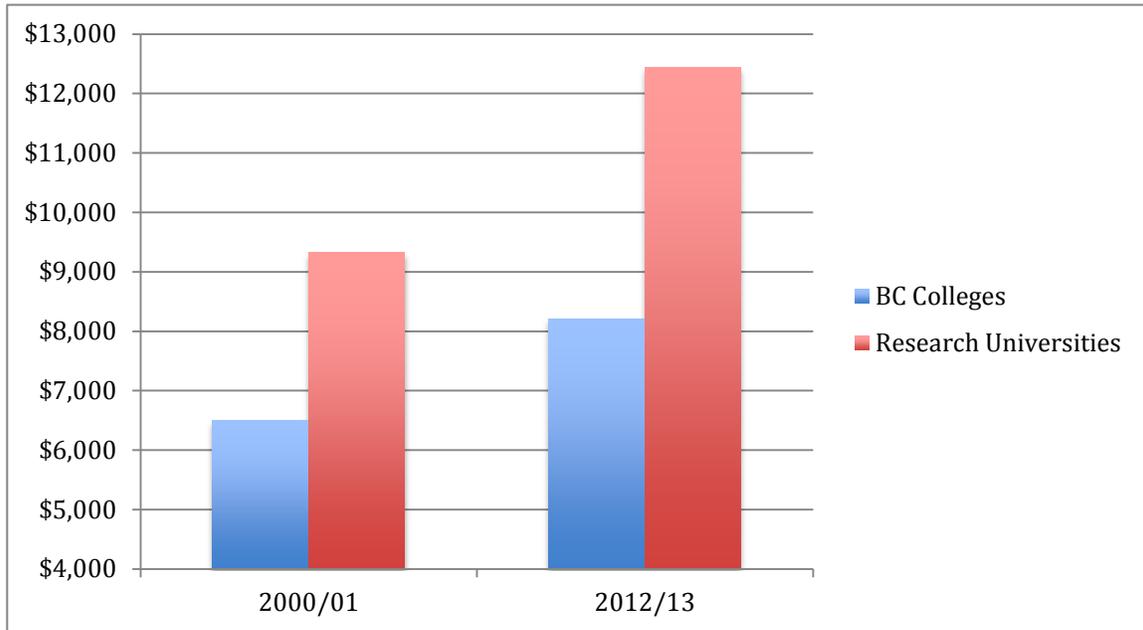
approximately 5,000 additional college graduates now working and meeting critical labour market needs throughout the province.

### Enrolment growth and funding

Since 1983, British Columbia's funding for post-secondary education has been driven by funding formulas based on funded FTE enrolment. The Ministry sets both the number of funded FTE students for each institution and the dollars per FTE for those students. Population growth, labour market projections and FTE utilization rates are key factors determining the number of funded students at an institution. Many colleges serve large geographic areas that are sparsely populated so are disadvantaged with respect to FTE utilization rate targets that are more easily achieved in Vancouver and Victoria. The following chart demonstrates that enrolment growth since 2000/01 has been focused on the four research-intensive universities where 21,657 FTE spaces have been added compared to 4,522 FTE spaces at the eleven colleges. A more balanced approach to enrolment growth would have put British Columbia in a better position to address its skills shortages.



The emphasis on university enrolment over college enrolment contributed to the post-secondary funding shift, but the change in dollars per FTE enrolment was more significant and less explainable. Relative program costs and economy of scale factors were once a thoroughly analyzed and important driver of dollars per FTE, but since a "block funding" approach was introduced in 2002/03, the dollars per FTE for new programs have been negotiated on an ad hoc basis with inconsistent results and application across different institutions. The gap in dollars per FTE between research universities and colleges grew by 50% over 12 years from \$2,800 to \$4,200 for each FTE student space. Faculty at research universities spend much less time in the classroom than college faculty so there is historically a gap in provincial grant per student, but the widening gap does not appear to be based on any analysis that concluded the research universities were underfunded compared to colleges.



### Comparisons with the K-12 system

The province has also provided larger per student funding for the K-12 education system than it has for colleges. In information released for 2013/14 budget, the province notes that since 2000/01 the operating grant funding to school districts has risen from \$3.74 billion to \$4.725 billion, an increase of 26.2% while at the same time enrolment has declined by 9.4%. The average per pupil funding in schools has increased from \$6,261 to \$8,603 since 2000/01 while the college per student funding has gone from \$6,497 to \$8,211. Again, there appears to be no evidence why per student funding for schools has surpassed per student funding for the increasingly complex, high-level and labour market demand programs at colleges.

### Conclusion

The Government of British Columbia has made significant investments in both K-12 and post-secondary education since 2001. However, it is clear that the programs provided by colleges, teaching universities and institutes will be increasingly important to our prosperity and require a higher priority in future education funding considerations. How can we accomplish this? The Government of Canada has clearly recognized the importance of skills training at colleges in the 2013/14 federal budget and the significant investments it proposes will require a matching commitment from the provincial government. Therefore, we are calling on the provincial government to adjust its advanced education funding strategy to make colleges, teaching universities and institutes a priority investment in order to build regional capacity, address the skills gap and maximize the amount of federal funding that will be invested in British Columbia.