



Connection

BUDGET
UPDATE

A newsletter for the BCIT Community

May 9, 1986

GOVERNMENT GRANT FALLS SHORT OF BCIT'S REQUESTS - BUDGET CUTS ANNOUNCED

President Murray met with senior staff yesterday to detail cuts to the education area that have been made as a result of the 1986/87 budget shortfall. When announcing the cuts President Murray emphasized that they were made to funds requested for the 1986/87 fiscal year and were not necessarily reductions to 1985/86 budgets. The announcement followed discussions Murray held recently with the Deputy Minister of Education, Grant Fisher, and a meeting of the Board of Governors. A detailed breakdown of the cuts follows.

A meeting with all staff on Wednesday and Thursday last week had already revealed the extent of budget reductions necessary in the administrative areas.

Numbers of layoffs involved have not yet been determined.

Murray also announced that the Avionics program will not continue beyond December, 1986 because of inadequate facilities. He indicated, though, that once the space problems are solved, the program will be offered again, possibly under a different format. New facilities at Sea Island are a very high priority for BCIT as they will provide the opportunity to redesign all aviation programs.

In justifying the cancellation of the four Maple Ridge programs Murray said these were already being offered at Burnaby and that once the number of students were reduced to a smaller number they would be transferred. He observed that the provincial funding system to institutions did not allow for funds for facility operation and maintenance; therefore, as trade numbers decline consolidation to make optimum use of space was necessary.

Murray also indicated that he would be meeting with Michael Stepler, president of the Staff Society, to ask that the Educational Leave Fund be placed on hold for another year. He stressed that this would be the last year the request would be made and guaranteed that the Institute would provide funds for 1987/88.

\$1.4m is anticipated from the Excellence in Education Fund to bring the 1986/87 budget up to last year's level, but if this doesn't materialize, Murray said the Institute would have to find the money elsewhere. Part of the additional \$1.9m request from the Fund is earmarked specifically for much needed capital equipment.

GOVERNMENT GRANT FALLS SHORT OF BCIT's REQUESTS - continued

Murray also reported the cancellation of TRAC, a pre-entry program for trades students. Intake will cease this month but the program will be revised and reopened as early as January, 1987. The Electrical technology's HITRAC program is also being redesigned and there will be limited summer intake this year.

Individual department budget figures will appear on June Opex statements.

In conclusion, Murray said while cuts have been necessary to bring this year's budget into line, they also represent a redefinition of the Institute. Changing TRAC and HITRAC, he said, were not budgetary decisions but decisions to ensure academic quality. "We are not looking at cuts now that will result in further cuts next year. We have tried to create a budget that will set a standard of excellence that we mean to continue," he said.

A DESCRIPTION OF THE 1986/87 BUDGET DEFICIT

A detailed review of all cost centre budget submissions for the 1986/87 fiscal year indicates that the projected deficit is \$4,287,628. This deficit has been determined as follows:

Submitted Budgets		\$73,140,923
Additional Requirements:		
5% Staff Society Increase	\$1,292,000	
New Programs	458,000	
Computer Resources	150,000	
Severance Deficit	1,100,000	
Support General Parity	350,000	
Other	100,000	
		<u>\$3,450,000</u>
Total Funds Required		\$76,590,923
Available Revenue		\$72,303,295
Potential Shortfall		<u>\$4,287,628</u>

The available revenue of \$72,303,295 is based on a government operating grant for the 1986/87 fiscal year of \$51,994,000. The interim approved government grant for 1986/87 for BCIT is \$50,708,900 which includes \$751,000 for Special CEIC Purchases and \$227,700 for Temporary Apprentices Courses.

PROPOSED REDUCTION PLAN

The following are recommendations for cuts in the initial budget submission:

<u>ITEM NO.</u>	<u>AREA</u>	<u>DESCRIPTION</u>	<u>REDUCTION AMOUNT</u>
1.	Institute	Reduce Support Parity from \$350,000 to \$300,000.	\$50,000
2.	Institute Severance	Carry over part of severance to 1987/88 fiscal year. In our initial submission, it was indicated that if the grant was only \$51,994,000 then severance would have to be paid over two fiscal years.	\$300,000
3.	Institute New Programs	Start non-destructive testing and bio-engineering for first year cost of \$280,000.	\$173,000
4.	Institute Continuing Education And Industry Service (CEIS)	The budget includes \$230,000 for the Specialty Nursing Programs which have been transferred to BCIT. CEIS programs (mainly engineering technology) would have to be cost-recoverable. When there are insufficient students to warrant proceeding with a course, the remaining students will have the choice of making up the shortfall in funding.	\$175,000
5.	President's Office	General reduction in all submitted budgets.	\$63,900
6.	Institute	Reductions in the following: - Calendar \$100,000 - UBC Building \$300,000 - Unallocated exp. \$50,000	\$450,000
7.	Finance	Residence reserve fund for replacement and maintenance reduced by \$50,000. Other reductions in Finance \$30,000.	\$80,000
8.	Administration	General Reduction of \$75,000	\$75,000
9.	Student	Reduction of \$110,000 with no cuts to counseling and an increase in financial aid. Department Alumni Grant will be \$85,000.	\$110,000

TOTAL \$1,476,900
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BUDGET REDUCTIONS - EDUCATION

86/87 Budget Reduction

School of Management

Cancel Broadcast Engineering \$ 50,000.

Reduction in number of students in
School of Management 200,000.

Maple Ridge

Cancel Welding 205,788.
Drafting 50,987.
Carpentry 59,890.
Diesel Mechanic 39,500.

School of Health Sciences

Reduction in Teleconference Centre Activity 68,500.

School of Construction & Natural Resources

Reduction Forestry 90,000.
Building 47,000.
Welding 100,000.
Plumbing 60,000.
Drafting 100,000.*

*Consolidation of drafting programs in Schools of
Computing and Electro/Mechanical Studies and
Construction and Natural Resources Studies.

86/87 Budget Reduction

School of Academic and Vocational Studies

TRAC and general reduction 300,000.

School of Computing & Electrical/Mechanical

Aviation hangar rental \$100,000.
Computer Resources 125,000.
HITRAC Level 4 Budgets 150,000.
Other savings 50,000.

Total \$1,796,665.