

All Employee Email

February 20th, 2012

Dear Selkirk College Employees,

Good morning. This message is an update on the budget development for the next fiscal year 2012/2013.

Firstly, as we enter the last six weeks of our current fiscal year, I thank each of you for your work and attention to achieving our goals this past year. I appreciate everyone's attention to our on going need to be aware of budget challenges and for undertaking our work for students as efficiently and effectively as possible. Many of you continue to come forward with great ideas and ways to save money in our operations without impacting the learning environment. I also appreciate the commitment many of you have made to do things differently, make do with less support, staffing, supplies, or resources. As a result of your efforts we project that we will finish the 2011/2012 fiscal year at the end of March within budget.

As you know, Selkirk College undertakes a budgeting process every year that begins in November and engages supervisors, school chairs, department heads, and managers to build their budgets based on what they determine their needs to be to deliver their programs or services for the next year. The budgets are then presented and combined in a two-day session in late January. The goal is to develop a "status quo" budget that matches anticipated revenue from Government grants, tuition and ancillary services with projected costs of conducting our business and filling identified priority needs and capacity gaps. The difference between the revenue and costs must be zero for us to go forward into the 2012/2013 budget year with approval from Government and our Board of Governors.

What we determined at our budget session with supervisors at the end of January was that expenses were projected to exceed revenue by \$502,000. The source of this anticipated deficit is due primarily to the following: increases to salaries from negotiated wage increments in collective agreements that we are committed to honouring, other inflationary costs of operation, and the impact of the removal of the remaining \$250,000 of the \$432,000 operating grant for the Tenth Street campus. While we hope to offset the impact of the loss of operating monies for the Tenth Street campus through revenue from the operation of the Tenth Street student residence, it will not be sufficient. We also continue to do our best to maintain facilities with an ongoing reduction in annual capital allowance (ACA) grants. My thanks in particular to our excellent maintenance staff for functioning so effectively in this environment.

An annual challenge of this amount is not new to Selkirk College. Government operating grants to colleges have remained unchanged for a number of years as has Government's policy on tuition which has been limited to a 2% increase each year for almost a decade. Our focus

continues to be on students, quality teaching and relevant programming, superior service to students and each other, and to our community. So many of you have made great suggestions and undertaken a number of difficult adjustments to accommodate new approaches that save us money in recent years, and for that I am always grateful.

Since our budget presentations on January 25 and 26, Management Committee, working with their respective schools and departments, has been working hard to develop strategies to address the projected shortfall. But, over the past few weeks this task has been made more difficult by recent direction from the Ministry of Advanced Education for colleges to find savings over and above our structural challenges. Although the provincial budget will be announced on February 21st, Government has directed Selkirk College and the other institutions in the Post Secondary system to find and propose further savings to align with Government directions and priorities. We calculate that with the inclusion of their criteria to achieve these additional savings, the projected deficit is pushed closer to \$1 million. We are obligated to provide Government with real and feasible savings plans within the coming weeks. This has made our budget process much more difficult and complex, but I am resolved to work with Management Committee and employees to develop the best possible strategy going forward that results in a sustainable, vital, and forward looking community college.

I have met with Education Council and Joint Labour/Management to apprise them of as much detail as possible at this time. I will be meeting with Deans and Chairs Committee and Operations Committee this week to provide an update. I will be updating the Board of Governors at our regular meeting on February 28th.

Though there are still some unclear aspects of what is being asked of us by Government, I am committed to providing regular updates to employees as information unfolds. In the meantime, Management Committee members continue to work with their schools and departments to review budgets, expenditure plans, and requests to develop options that will help address the immediate challenge at hand while not limiting our longer term plans and aspirations.

Thank you again for all your many contributions to our college, and as always I look forward to our work together.

Angus Graeme
President