

BUDGET ADVISORY COMMITTEE

DRAFT OPERATING BUDGET PLAN FOR 2014-15

REPORT LI
February 25, 2014

The Budget Advisory Committee (BAC) was established by the President in 1992 to advise on budgetary matters. The BAC members do not serve as representatives of particular interests but are chosen for their knowledge and individual expertise. The current membership of the Committee includes: - Carolyn Watters (Chair), Vice-President, Academic & Provost – Rita Caldwell, Director, College of Pharmacy – Josh Leon, Dean of Engineering – Ian Nason, Acting Vice-President, Finance & Administration – Michael Fournier, Department of Classics, Margie Publicover, Director of Finance, Faculty of Computer Science – John Hutton (Student Member) and Becky Richter (Student Member). The Committee's resource persons are: Susan Robertson, Acting Assistant Vice-President (Financial Services), Mary Jane Jennings, Director of Institutional Analysis and Research, and Linda Penny, Director, Budgets and Financial Analysis. The Committee employs an open and consultative approach to budget discussions at the University. To date, the BAC has issued fifty reports related to the University's operating budget.

Table of Contents

	<u>Page</u>
EXECUTIVE SUMMARY	i
I INTRODUCTION	1
II THE BAC APPROACH TO THE BUDGET PROCESS (2014-15)	3
III BACKGROUND ON THE OPERATING BUDGET PLAN FOR 2014-15	5
IV PRELIMINARY BALANCED BUDGET PLAN	9
V 2014-15 BUDGET MODEL	15
VI BUDGET DISCUSSIONS FOR FUTURE YEARS	16
VII FEEDBACK ON PRELIMINARY 2014-15 BUDGET PLAN	17
 APPENDICES	
A NOTES TO THE BUDGET MODEL	18
B DESCRIPTION OF ERBA FORMULA	21
C SUMMARY OF ENROLMENT RELATED BUDGET ALLOCATIONS 2003-04 TO 2013-14	23
D BUDGET ITEMS NORMALLY EXEMPT FROM BUDGET REDUCTION	24
E 2013-14 SURVEY OF TUITION FEES WITH COMPARATOR UNIVERSITIES	25
F TUITION FEE SETTING POLICY	30
G PROPOSED TUITION AND FACILITIES RENEWAL FEES FOR 2014-15	31

EXECUTIVE SUMMARY

The Budget Advisory Committee (BAC) has developed a draft Operating Budget Plan that balances revenues and expenditures for 2014-15. This year the BAC followed a new process in which the committee first met with a wide range of stakeholders to better understand the challenges and opportunities facing the University budget now and in the near future.

The budget planning process is constrained by many factors including a Board requirement that the operating budget be balanced. There are also economic factors that are not easily controlled. The most significant constraints are the grant from the provincial government and tuition as well as fixed increases in expenses and compensation. The provincial government has announced a 1% increase in the university system operating grant from the government and our enrolment projections indicate a slight increase again this year. While this is welcome news, this increase in revenue does not cover cost increases.

The challenge of the BAC has been to develop a balanced budget that takes into account the challenges Faculties and service units are now facing following a 10% cut over the past three years from the government.

The draft Operating Budget Plan outlined in this report takes a multi-faceted approach.

- Cost savings, revenue generation and further operating efficiencies are sought through cuts in all Faculties and service units, although at different rates.
- All tuitions are raised by 3%, as allowed by the current MOU, with additional increases in Medicine (2%) and Dentistry (6%) to be applied to new students entering those programs in the fall of 2014.
- Surplus funds that have resulted from additional enrolment in the past year and funds saved for the purpose of pension stability will be used again this year.
- The Strategic Initiative Fund will be restored to its 2013-2014 level, to be used primarily on non-permanent initiatives.

The purpose of this report is to first inform the University community of the direction that the BAC is taking to develop a balanced budget and second to encourage feedback from all members of the University community as input to preparation of the final budget proposal for the President. Written feedback should be sent to Linda Penny in Financial Services or to Linda.Penny@dal.ca.

**Dalhousie University
Budget Advisory Committee**

Draft Operating Budget Plan for 2014-15

I INTRODUCTION

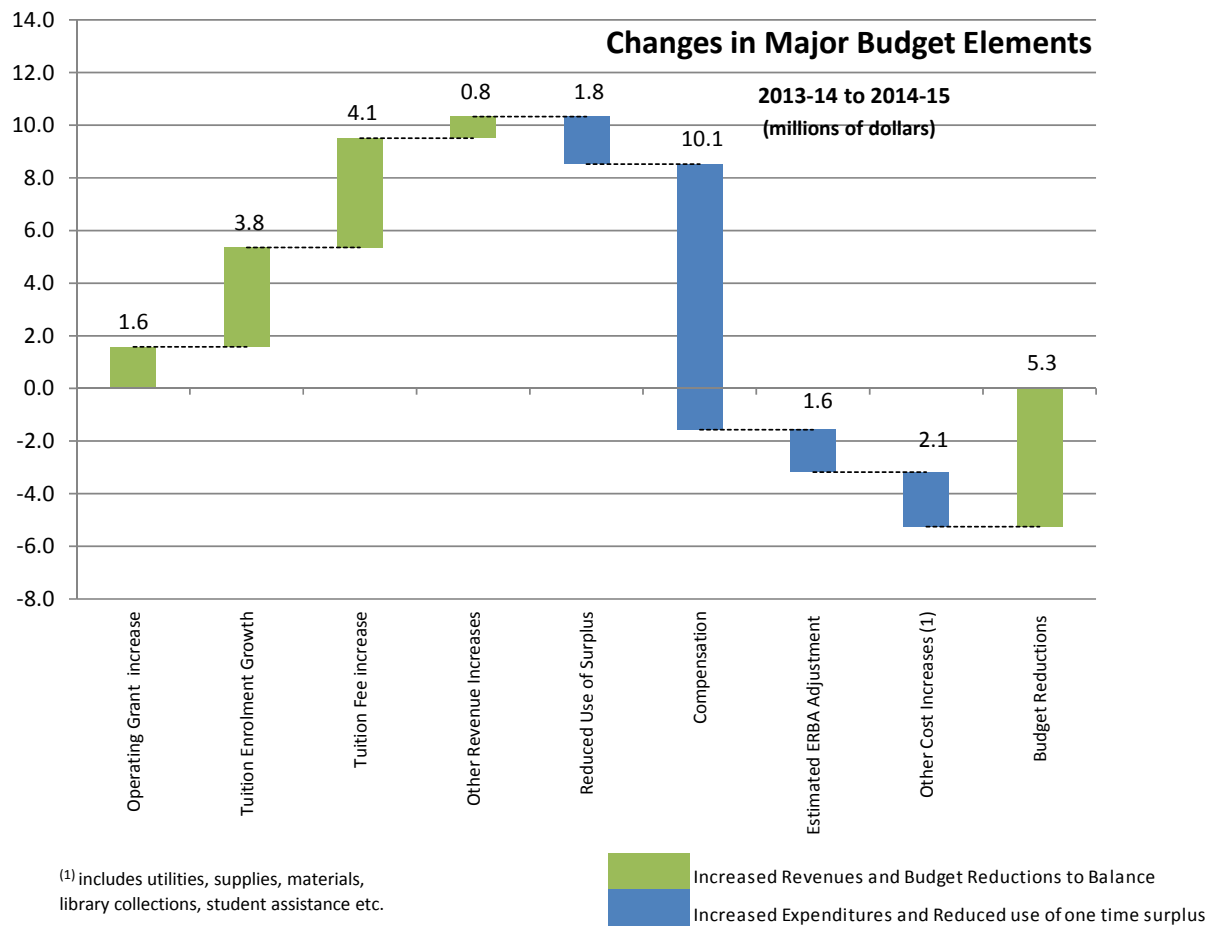
The information and discussion contained in this report reflects the financial activities of Dalhousie excluding the Agricultural campus. The operation of the Agricultural campus is funded under separate agreement with the Province of Nova Scotia and its 2014-15 budget will be considered separately.

The purpose of this report is to inform members of the University community on the development of the 2014-15 Operating Budget Plan. This year the Budget Advisory Committee (BAC) has undertaken a new process and approach to the development of a recommended balanced budget plan for 2014-15. Input was sought through campus consultations before issuing its first report and the outcome is included in Section II. This report is issued in draft to allow continued feedback throughout the budget process. There will be opportunities to provide feedback through consultation sessions and interested parties are also encouraged to submit written feedback.

The outlook for the operating budget is influenced by the following factors:

- The Province has recently announced a 1% increase in operating grants for the Nova Scotia University System which is welcome news after three years of budget reductions totaling 10%.
- Over the last three years Faculties & service units have reduced budgets as a consequence of the reduction in government funding.
- There remains a need to provide for annual salary adjustments and further employer contributions to the pension plan as well as inflationary cost pressures in other expenditure areas.
- These pressures will need to be managed within a government-mandated tuition cap of 3% for most programs and with cautious optimism on the University's ability to increase enrolment in the face of a local declining demographic market.

The following chart shows the changes in the major elements of the budget from 2013-14 to 2014-15. It includes known changes and assumptions (Section III) as well as the recommendations to arrive at a balanced budget plan for 2014-15 (Section IV). A more detailed preliminary balanced budget model has been included on page 15 of this report (notes to the model are included in Appendix A).



In order to develop budget plan recommendations for 2014-15, the BAC must consider all the major factors which will impact the University's operating revenues and expenditures. Section III is a discussion of these factors. Section IV includes preliminary budget recommendations to achieve the balanced budget plan. The BAC report includes recommendations related to the budget process for consideration in developing operating budget plans in 2015-16 and beyond.

II THE BAC APPROACH TO THE BUDGET PROCESS (2014-15)

The BAC has attempted to engage the Faculties, service units and students at an earlier stage of budget planning for 2014-15. Faculties and service units were requested to respond to specific questions to help inform the Committee about current budget pressures, measures to deal with such pressures and their ability to increase revenues and/or decrease expenditures in the future.

Deans were invited to present to the BAC throughout November and December to better inform the Committee on each Faculty's financial challenges and opportunities. Other service units provided the Committee with written responses. Presentations were also made by the Student Union, the Library, Student Services, and the Assistant Vice President of Facilities Management for facilities renewal and capital planning matters. Discussion and presentations were also made on enrolment, investments, and pensions.

While there are some factors that seem to impact all Faculties and service units it is clear that budget reductions and ERBA changes impact these areas differently over time.

Faculty and Service Unit Discussion:

- Teaching space is viewed as a limiting factor in increasing enrolment.
- Many Faculties and service units indicated that it will be difficult to absorb significant reductions in 2014-15.
- In some Faculties, compensation costs can exceed 95% of Faculty operating budgets thereby limiting flexibility in absorbing reductions.
- ERBA allocations work well in Faculties experiencing increasing enrolments. In periods of declining enrolment, reductions in base budget funding can be sharp and difficult to manage.
- Some professional Faculties such as Medicine are affected by their reliance on direct Government funding.
- The ability of service units to generate new revenue is limited.
- Many Faculties and service units are using one-time carry-forward funds to balance in 2013-14.
- Staff reductions (through retirements and resignations wherever possible) are often being used to meet targets where there are limited discretionary budget resources.
- Some service units provide support to Faculties and students and, hence, reductions in some areas may have wide reaching impacts.
- Demands on service units are often directly related to increased enrolment.

Student Discussion Highlights:

A meeting with the Student Union executive identified several priorities for students.

- Need for more mental health support services
- Concern for rising tuition fees
- Support for student academic success
- Need for more career and leadership development
- Continued concern about access to education generally
- The need for additional Academic and support services for international students

The BAC found the meetings and the written submissions very helpful in understanding the issues, challenges and opportunities facing all areas of the campus and this information was used to inform the budget model contained in this report. The discussions also identified areas for further review that will inform the work of the BAC and the University community in the longer term. The recommendations on these longer term budget considerations are contained throughout this report.

Recommendation: The work of the BAC continue throughout the year to allow for more integrated financial planning and exploration of emerging budget issues.

III BACKGROUND ON THE OPERATING BUDGET PLAN

This section provides background on the significant components of the University operating budget including estimates and assumptions for specific revenue and expenditure lines for 2014-15. Readers wanting more detail are directed to Appendix A which provides detailed notes on each line in the budget model on page 15.

REVENUES

1. Provincial Operating Grants

The government grant is the largest revenue source representing 51.4% (\$174.0 million) of University operating revenues.

The Province of Nova Scotia has announced a 1% increase in operating grants to universities for 2014-15. While there has been no confirmation of Dalhousie's grant for the coming year, a one percent adjustment in Dalhousie's grant would be \$1.6 million. Although an increase is welcome news after three years of funding reductions totaling 10% (\$17.6 million), the increase is not sufficient to meet cost escalation.

Nova Scotia universities have a Memorandum of Understanding (MOU) with the Province that provides for confirmation of the grant for the university system by December 31 for the next fiscal year. The continued uncertainty around future funding arrangements makes planning beyond 2014-15 extremely difficult. The MOU also states that the Province commits to "increasing operating grants by a funding stability mechanism in order to ensure stability and predictability" and recent correspondence from the Province reaffirms this commitment. The agreement states that a new formula to allocate the provincial grant among universities will be developed and work is underway in conjunction with the Province to achieve this.

2. Tuition Revenue

Tuition revenues are the second most significant source of revenue to the operating budget at 37% (\$126.0 million). The BAC notes that in a scenario where the grant increase is just 1%, tuition revenues become critical to address inflationary cost pressures. Tuition revenues are determined by both student enrolment and tuition fee rates.

a) Tuition Fee Rates:

The Provincial MOU limits tuition fee increases to a maximum of 3% in 2014-15 except for programs in Law, Medicine and Dentistry and the differential fee for international students. Given increasing costs and a 1% increase in grant revenue, the preliminary budget model in this report includes a 3% tuition increase for all students (international and Canadian) in all programs. The 3% fee increase is estimated to generate \$3.6 million in additional revenue in 2014-15.

Recommendation: Apply a 3% tuition increase to all programs. Note that fees for students in the MSc Occupational Therapy and Physiotherapy programs will be frozen at 2006-07 levels.

Recommendations on additional tuition fee increases are included in Section IV of this report.

b) Enrolment:

The second factor determining tuition revenues is enrolment. The following table shows Dalhousie's total, international and first-year undergraduate enrolments for the past five years.

	Head Count Enrolments*		
	Total Enrolment	International Enrolment	New Undergraduate Students from High School
2009-10	15,999	1,422	2,131
2010-11	16,693	1,757	2,307
2011-12	17,226	2,091	2,269
2012-13	17,331	2,313	2,178
2013-14	17,466	2,540	2,282

* Includes full-time and part-time students and does not include Faculty of Agriculture

The 2013-14 operating budget did not assume an increase in tuition revenue from enrolment increases. The increased enrolment experienced in 2013-14 generates increased tuition revenue of \$3.5 million. This adjustment has been built into the base budget for 2014-15.

There has been much discussion about the downward demographic trends both locally and nationally for high school graduating classes. To date the University has been able to maintain enrolments through recruiting efforts and in particular by increasing the number of students coming from abroad.

On another positive note, the intake of new-from-high school undergraduate students has increased. This is important as new from high school students contribute to tuition revenue for three or more years as these students continue their studies.

The Budget Advisory Committee has had preliminary discussions on enrolment levels for the coming year. The Committee is cautiously optimistic based on early applications that enrolments will grow in 2014-15. At this stage of budget planning the Committee has allowed for an increase in enrolment of 50 students in the fall of 2014 which would increase tuition revenue by \$265,000 in 2014-15 (based on domestic tuition fees).

3. Facilities Renewal Fee

The student fee for Facilities Renewal generates \$2.7 million and this funding is one means by which the University is able to fund upgrades to University facilities. It is important to continue to grow this investment and therefore the BAC is recommending an inflationary increase in the facilities renewal fee of 3% (generating \$82,000) for 2014-15.

Recommendation: Apply a 3% increase in the auxiliary fee for facilities renewal from \$79.50 to \$81.90 per term. The Facilities Renewal expenditure budget to be increased by the corresponding amount.

EXPENDITURES

1. Faculty and Staff Compensation

Collective agreements for most unions expire by July 2014. Estimated increases of \$7.4 million in salary and benefit costs (including pension contributions at current rates) have been provided for in the 2014-15 fiscal year budget. This amount includes a provision for step and cost of living increases as well as the annualization of previous year increases.

The University must have an actuarial valuation of the pension plan prepared no later than March 31st, 2014. A preliminary estimate of the pension plan liabilities by the University's actuary indicates the need to provide for an increase in employer contributions of \$5.7 million as a result of improved life expectancy. The plan has experienced strong investment performance in the current year which will help mitigate the impact of the extraordinary growth in liabilities by approximately \$3.0 million.

The net of these two items is a \$2.7 million increase in the pension shortfall contributions in 2014-15. It should be noted that these are estimated amounts as the valuation has not yet been completed and there may be other items impacting on the assets and liabilities of the pension plan.

2. Adjusting Faculty Budgets for Enrolment Changes

During the fall meetings with Deans, the BAC heard significant feedback about the Enrolment Related Budget Allocation (ERBA) model. ERBA is a formula that the University uses to allocate funding to Faculties based on enrolment changes in the preceding year. The formula is intended to distribute approximately 60% of the tuition revenue to Faculty budgets as a result of enrolment changes. Appendix B is a brief description of the ERBA formula.

In the last three years some Faculties have benefited from increased budget allocations of \$6.4 million through ERBA (Appendix C). These additional resources assist Faculties with the costs associated with teaching more students but are also a means by which they are able to cope with annual budget reductions.

It is important to note that when enrolments are declining, ERBA calculations result in reductions that are also passed along to Faculties. The BAC has heard concern about the impact of such reductions and suggests that ERBA be reviewed to determine if it still meets University goals or should be restructured. The preliminary assessment of an ERBA adjustment for 2014-15 based on 2013-14 enrolment increases is \$1.6 million.

Recommendation: The BAC recommends that the ERBA mechanism and the principles that guide it be reviewed.

The current budget framework allows Faculties to capture most of the revenues from full cost recovery programs that are exempt from ERBA. This ability impacts Faculties differentially as some Faculties have markets which will allow them to launch such programs while others do not. There are also central university supports to consider for all programs whether they are ERBA exempt or not.

Recommendation: The BAC recommends that the model of ERBA exempt tuitions, including the impact on both Faculty and central budgets be reviewed.

3. Operating Costs – New Buildings

In 2014-15 there will be additional costs of utilities, cleaning and maintenance for the LeMarchant Mixed Use building which will open in 2014-15 and for the Oceans Sciences building which was opened early in 2013-14. The additional costs to operate this new campus space in 2014-15 are estimated at \$850,000 and are included in the budget plan. This increase includes the costs related to the two floors in the LeMarchant Mixed Use building that will contain services for students. The remaining costs related to the five floors of the building are not included as they are supported by residence operations.

It should be noted that the \$850,000 includes an addition to the Facilities Renewal budget to support the long term maintenance renewal of the buildings of \$428,000 (see Section IV (5)).

IV PRELIMINARY BALANCED BUDGET PLAN FOR 2014-15

Without adjustments there would be a shortfall for next year of \$10.1 million. This section includes a discussion of measures the BAC is recommending to achieve a preliminary balanced Operating Budget Plan for 2014-15.

1. Base Budget Reductions

The expenditures budget for the University consists of Faculty and service units and general operating expenditures. In 2013-14 a reduction of 3.5% was applied to all Faculties and service units due to the severity of the shortfall in the budget as a result of the large reduction in government funding. There were a number of budget items that have been normally exempt from reduction. A list of these items is included in Appendix D.

The following issues were taken into consideration by the BAC in the decision to apply a different level of reduction to Faculties and to service units in 2014-15:

- Service units may not have the means to generate significant revenues
- Faculties may have capacity to generate revenues
- Reductions to some service units can negatively impact other sectors of the University
- Faculties have a greater potential for savings than service Units when faculty members retire and new faculty members are hired.
- ERBA is an important means by which Faculties have been able to deal with budget reductions. For 2014-15 estimated the additional budget adjustment to Faculties from ERBA is \$1.6 million. The BAC acknowledges that the impact of ERBA will vary by Faculty.

Based on the consultations, the BAC recognizes that the impact of budget reductions is not the same for Faculties and service units. The Committee also had discussions about further differentiation in the level of budget reductions and believes more work is necessary to investigate the policy and implications of such an approach.

The recommended reduction for 2014-15 is 2.5% for Faculties and 1.25% for service units.

Recommendation: For the 2014-15 budget year a 2.5% reduction will be applied to all Faculties and a 1.25% reduction to all service units.

The following recommendations are made to inform future budget discussions. BAC would not lead these initiatives but the outcome of such reviews would inform future BAC reports and recommendations.

Recommendations:

- **Examine the impact of faculty member retirements on Faculty budget planning**
- **Review criteria for assessing budget reductions**
- **Examine differentiation between Faculties, service units and budget lines normally exempted from reductions.**

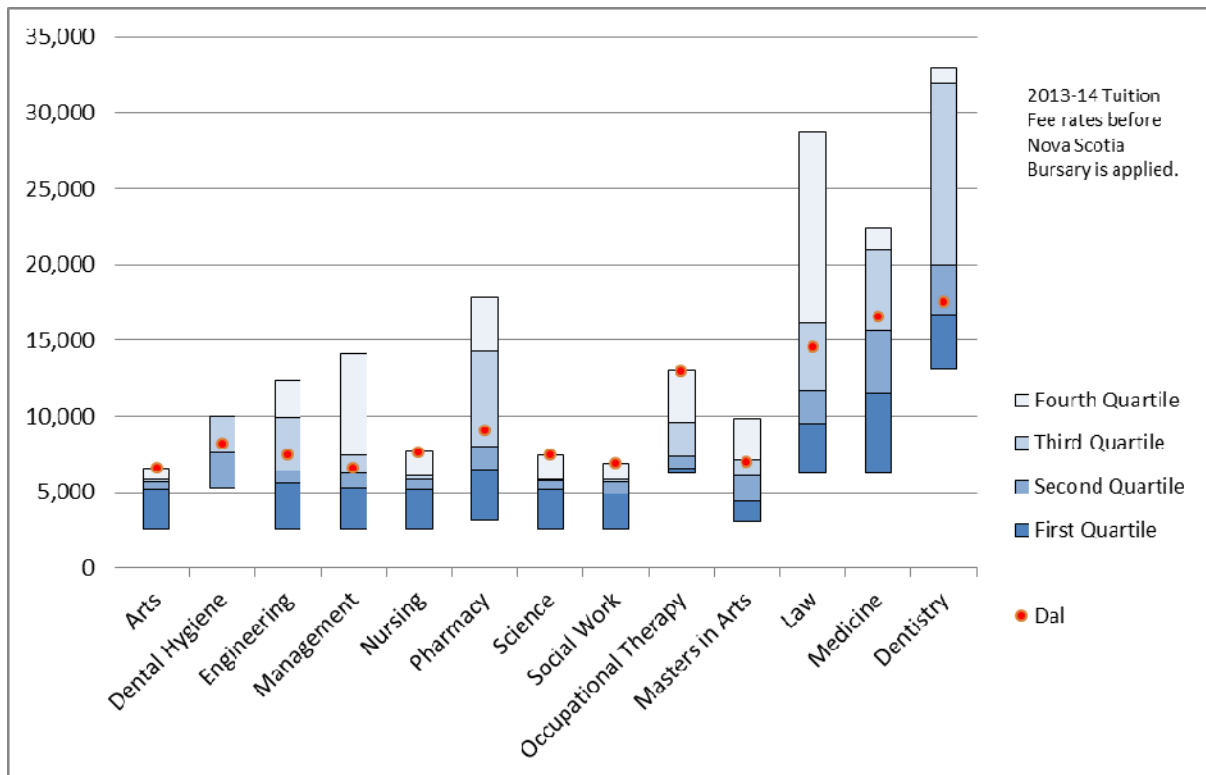
2. Further Tuition Revenue Increases

While the Memorandum of Understanding limits general tuition fee increases to 3.0% for most programs, it does allow for greater increases in specified programs (Law, Medicine, and Dentistry) and for international students.

The Province has placed this restriction on annual tuition increases since 2005-06. There are a few situations where the tuition for a course or program is now significantly lower than courses or programs at other universities in Canada. We are continuing to work with the Province to determine if tuitions can be adjusted in these instances. The following discussion outlines tuition increases only in areas allowed by the current MOU.

The BAC continues to monitor fee levels at other universities in a range of programs and detailed comparative fee information is contained in Appendix E. In 2012-13 the BAC reviewed and updated the criteria for setting tuition fees. This policy has recently been approved by the Board of Governors and is attached as Appendix F.

The following graph shows how Dalhousie fees compare with others nationally. (It is important to recall that Nova Scotia Students receive an automatic bursary of \$1,283 which is applied directly against their tuition fees. The graph below shows Dalhousie fees before the \$1,283 bursary is deducted.) Dalhousie tuition for most undergraduate programs are in the top quartile and many are at the very top. Given the quality of our offerings, a reasonable expectation would be that all programs reach at least the middle of the 3rd quartile. This leaves Dentistry and Medicine as outliers.



In order to address the disparity in these tuitions and fees, the BAC proposes a four year implementation plan for Medicine and Dentistry. In previous years when additional increases were considered for these programs the BAC heard concerns that students had difficulty planning for additional increases when they were notified following the commencement of their programs. **Therefore, the BAC is recommending that the additional increase would apply only to students entering the program in the fall of 2014 and thereafter.**

The BAC is recommending an additional annual increase of 2% be applied to the tuition of students entering the Medicine program in each of the next four years. This additional increase of approximately \$340 each year will increase Medicine tuition to near the middle of the third quartile.

The BAC is recommending an additional annual increase of 6% be applied to the tuition, but not the auxiliary fees, of students entering the Dentistry program in each of the next four years. This additional increase of approximately \$1,100 each year will increase Dentistry tuition to just below the middle of the third quartile. As compared with most programs, Dentistry students pay significant auxiliary fees in addition to tuition and the BAC has taken these fees into account in making its recommendation. Appendix E includes information on these fees for Dalhousie and other Dental schools. Even with the proposed tuition fee increases, the total program fees for Dalhousie will continue to fall below the third quartile when comparing total fees.

Recommendation:

- **Apply an additional 2% per year increase (i.e. in addition to the 3% general increase) to Medicine each year for a four year period. This increase will apply to new students entering the program. A review of fee levels will be done in the third year.**
- **Apply an additional 6% per year increase (i.e. in addition to the 3% general increase) to Dentistry tuition only each year for a four year period. This increase will apply to new students entering the program. A review of fee levels will be done in the third year.**

The BAC has also reviewed information on fees paid by international students and finds that the Dalhousie fee is generally lower (comparative information is included in Appendix E). In 2004-05 the BAC completed a review of international fees and concluded that international fees should be increased over a multi-year period. (BAC XXX report) This did not occur because the Province of Nova Scotia froze all fees for a three year period. The BAC believes that the discussion in the BAC XXX report should be reviewed before changes are suggested. The BAC is not recommending any increase in international fees beyond the 3% general increase in 2014-15.

Recommendation: The BAC will undertake to review tuition as it relates to international fees to inform recommendations for future years.

The proposed tuition fee schedule for 2014-15 is included as Appendix G. Consultation on tuition fees are scheduled in March in advance of the presentation of the recommended fees to the Board of Governors for approval in April.

3. Non-Salary Expenditures

Non-Salary Expenditures include University expenditures for all costs that are not related to compensation within Faculty and service unit budgets. These costs include teaching supplies and materials and contracted services. In previous years this component of the budget has been increased by 2% as a proxy for inflationary increases in non-salary costs. The Consumer Price Index (CPI) indicates a 1% increase. As a measure to balance the non-salary increase will be held to 1%.

Recommendation: The Non-Salary budget increase to be held to 1%.

4. Non Space Equipment

Non Space Equipment is a central pool of funding which is allocated to Faculties and service units to support teaching and equipment purchases. This funding was originally tied to a specific government grant to ensure universities were supporting equipment requirements. Over time, the cost of computers has declined resulting in less pressure in this area. Reductions to this line have been minimal while government grant funding has been reduced by 10% within the last three years.

Recommendations:

- **The 2014-15 non space budget be reduced by 10% or \$245,000**
- **The process and allocation of this fund be reviewed.**

5. Facilities Renewal Investment

Identifying additional resources to renew Dalhousie's facilities has been an area of focus in the annual budget process over the last decade. In 2006 the Board's Long Term Financial Planning Committee recommended that the facilities renewal budget be increased annually by no less than \$1.0 million to address the significant deficits in the University's physical infrastructure. By 2013-14 the base budget for Facilities Renewal had grown to \$15.4 million, a \$13.1 million increase since 2003.

This represents solid progress towards the target spend of \$30 million p.a. (\$30 million represents 2% of replacement value of facilities, a standard suggested for public entities like Dalhousie.) In 2013-14 the BAC found it necessary to forgo the annual \$1.0 million increase in order to help balance the operating budget. The BAC is recommending that a \$500,000 increase be made to Facilities Renewal for the 2014-15 budget.

Recommendation: The annual Facilities Renewal budget to be scaled back from \$1 million to \$500,000.

In addition to annual increases for existing buildings, each time a new building is commissioned base funding is added to the Facilities Renewal budget for the long term maintenance and renewal of the building (i.e. \$428,000 in 2014-15, see Section III Expenditures (3)). Increases in the student fee for Facilities Renewal are added directly to this budget line (\$82,000 - see Section III Revenues (3)). The total recommended increase to

the Facilities Renewal budget is then \$500,000 plus \$428,000 and \$82,000 or \$1.01 million for 2014-15.

6. Strategic Initiatives

Since the 2003-04 budget year the University has allocated a total of \$35.3 million to a wide range of institutional priorities through the Strategic Initiatives program. In each year of the program the approved Strategic Initiatives budget has included both base budget amounts and one-time amounts to be distributed to Faculties, service unit budgets and central budget lines (e.g. student assistance, Facilities Renewal) for various initiatives.

The 10% decrease in government funding in the last three years and the resulting high budget reductions to Faculties and service units has resulted in the level of Strategic Initiatives funding be scaled back in recent years.

For the last five years the BAC has recommended that the Strategic Initiatives program emphasize non-permanent expenditures as a measure to maintain flexibility in the budget given the uncertainty around government funding enrolment levels. This means funds that were allocated to one-time initiatives could be redeployed in subsequent years as required for new initiatives. The following table shows the total funding available and the portion allocated to fund non-permanent costs in each of the last 5 years.

	Total Funding Available for Strategic Initiatives	Non Permanent Initiatives Funded	Percentage of Non- Permanent Funds
	(000's of dollars)		
2009-10	7,705	4,246	55%
2010-11	9,288	4,798	52%
2011-12	7,204	4,738	66%
2012-13	4,738	3,380	71%
2013-14	2,038	1,633	80%

\$1.63 million in funding was allocated to one-time use in 2013-14 and therefore remains available for 2014-15. The BAC believes it is important for the University to make resources available to invest in emerging priorities that will align with the President's strategic directions and priorities through 2018. In 2014-15, the BAC is recommending that \$367,000 be added to bring the base amount up to \$2 million.

Recommendations:

- **The Strategic Initiatives budget be restored to the 2013-14 level of \$2.0 million.**
- **This funding to be allocated primarily to one time initiatives in 2014-15 to preserve the base budget.**
- **Clarify the criteria for the use of Strategic Initiative funds.**
- **Review the process for selecting Strategic Initiatives.**

7. Surplus Funds

The University has accumulated operating surpluses, largely as a result of revenue associated with enrolment increases. In 2013-14 \$6.0 million was allocated to balance the budget on a one-time basis. Due to increased enrolment in excess of the budget in 2013-14 only \$3 million was needed.

The accumulated surplus earmarked for use in the budget in 2014-15 is \$4.2 million on a one-time only basis. Given the one-time nature of the surplus, the problem is only deferred until 2015-16 and beyond. Consequently the long term use of surplus funds is not feasible. Without increased revenue to supplement the budget beyond 2014-15, the University will be left with no option other than to apply larger budget reductions at that time to address the shortfall. Further discussions on use of surplus funds can be found in Section VI.

Recommendation: Apply \$4.2 million of surplus funds to balance the budget in 2014-15.

Recommendation: The BAC recommends that the use of one-time funding to balance the budget be scaled back over the next three years recognizing that the use of one-time funds is not sustainable in the long term.

Dalhousie University
Preliminary Operating Budget Revenue and Expenditure Model

Assumptions		2014-15			
Government Grant Change				1%	
Tuition Revenue					
Fee Increase (Per current MOU)				3%	
Additional Fee Increase - Entering Medicine Students				2%	
Additional Fee Increase - Entering Dental Students				6%	
Enrolment Change			50 students		
Facilities Renewal fee Increase				3.0%	
Base Budget Reduction:					
Faculties				2.50%	
Service Units				1.25%	
Nova Scotia Bursary				No change	
Compensation (per agreements and estimates)				Provision allowed	
Library Acquisitions				2.0%	
Non Salary Inflationary Increase				1.0%	
Energy Water Taxes and Insurance increase				5.0%	

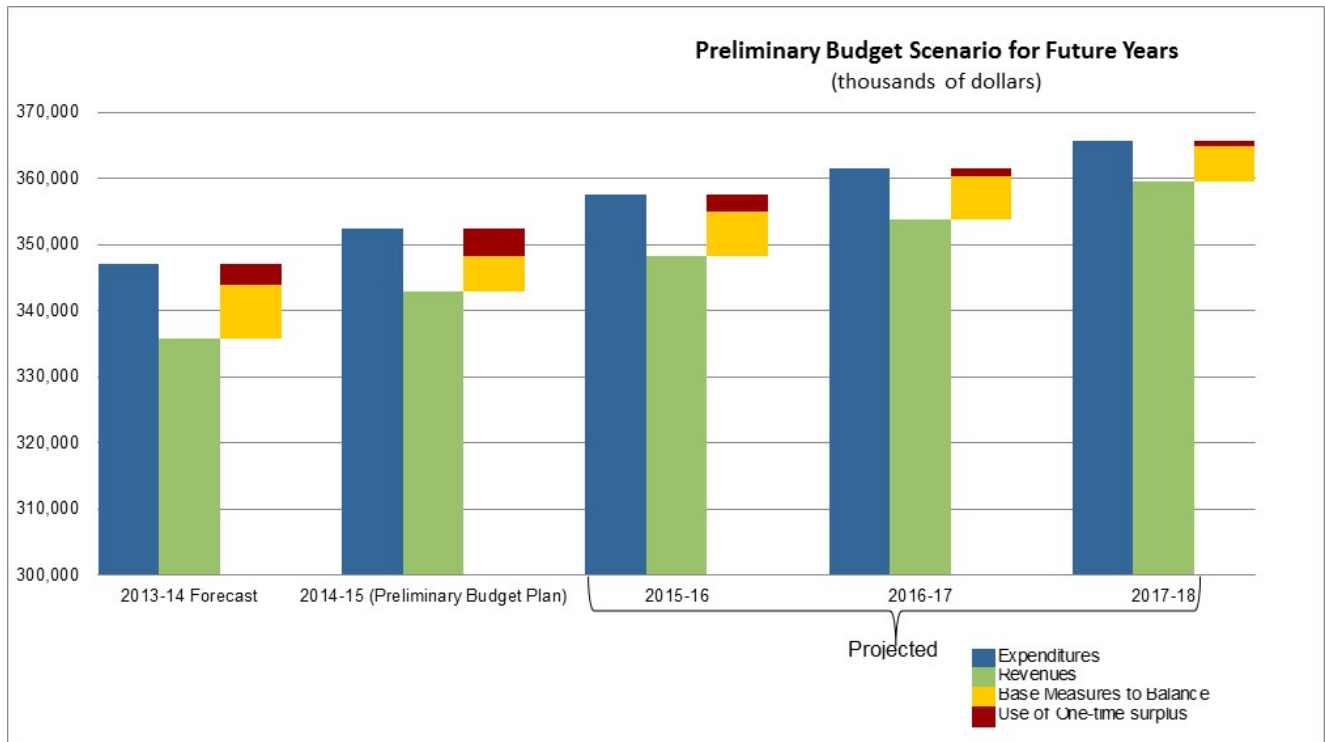
	Column 1	Column 2	Column 3	Column 4
	2013-14	Change	2014-15	
	Adjusted Base		Preliminary	Percent
	Budget		Outlook	Change
REVENUES - INCREASE(DECREASE)				
1. Government Funding				
a) Operating Grant	158,353	1,584	159,937	1.0%
b) Grant to support Nova Scotia Student Bursary	9,540		9,540	-
c) Facilities/Space Grant	1,000		1,000	-
d) Other Government Grants - Enrolment Expansion	5,113		5,113	-
Total Government Funding	174,006	1,584	175,589	0.9%
2. Tuition revenues	125,951		125,951	
a) Enrolment Changes:				
i) 2013-14 Enrolment changes		3,500	3,500	
i) 2014-15 Estimated Enrolment changes		265	265	
b) Fee increase		3,600	3,600	
c) Annualization of prior years fee increases		500	500	
e) Medicine & Dentistry - entering students only		60	60	
Total Tuition Revenue	125,951	7,925	133,876	5.8%
3. Endowment Income	21,306	-	21,306	0.0%
4. Operating Interest Income	2,450	600	3,050	0
5. Facilities Renewal Fee	2,740	82	2,822	3.0%
6. Indirect Costs of Research Funding	6,275	35	6,310	0.0
7. One time use of prior year surplus	6,000	(1,800)	4,200	-30.0%
TOTAL REVENUES - INCREASE (DECREASE)	338,728	8,426	347,154	2.5%
EXPENDITURES - INCREASE (DECREASE)				
8. Faculty and Unit Budget Allocations				
a) Compensation*				
i) Salary and Benefit Costs	243,639	7,400	251,039	3.0%
ii) Pension Shortfall Contribution	7,000	2,700	9,700	38.6%
b) Non-Salary*	34,006	(460)	33,546	-1.4%
c) Faculty/Unit Revenue	(27,219)	(100)	(27,319)	0.4%
d) Budget Unit Adjustments				
i) ERBA adjustment (preliminary estimate)	-	1,600	1,600	
ii) Base budget reduction	-	(5,250)	(5,250)	
Total Faculty and Unit Budget Allocations	257,426	5,890	263,316	2.3%
9. Student Assistance				
a) Operating Support	10,054		10,054	0.0%
b) Nova Scotia Student Bursary (see line 1(b) - offset by revenue)	9,540		9,540	0.0%
c) Endowment Support	9,393		9,393	0.0%
10. Library Acquisitions	6,495	125	6,620	1.9%
11. Operating costs - new Buildings	-	850	850	
12. Energy, Water, Taxes and Insurance	17,146	857	18,003	5.0%
13. Non Space Equipment	2,458	(245)	2,213	-10.0%
14. Strategic Initiatives	1,633	367	2,000	22.5%
15. Facilities Renewal	15,410	582	15,992	3.8%
16. Campus Renewal - Long term debt/rent	7,573	-	7,573	0.0%
17. Contingency	1,600		1,600	0.0%
TOTAL EXPENDITURES - INCREASE (DECREASE)	338,728	8,426	347,154	2.5%
SURPLUS (SHORTFALL)	0	(0)	(0)	

* Net of recoveries

VI BUDGET DISCUSSION FOR FUTURE YEARS

While a new Memorandum of Understanding is being developed with government funding is only confirmed three months before the start of each fiscal year and with a continued cap on tuition increases, it is difficult to develop a multi-year budget plan.

In the absence of information on future key revenue sources such as the government grants, the following graph is intended to provide a high level projection based on current assumptions. The graph depicts a scenario showing the impact of a 1% annual increase in government grant, a 3% increase in tuition revenues as well as projected costs. The model does not assume any change in enrolment nor does it include any further changes in the employer cost of pension.



The following are key points from the graph:

- Base adjustments to provide a balance could include increasing revenues, cost savings (cuts) and future operating efficiencies. These base adjustments will moderate slightly 2017-18.
- While the requirement to use the surplus funds to balance is declining, this model uses virtually all available surplus funds.

VII FEEDBACK ON PRELIMINARY DRAFT 2014-15 BUDGET PLAN

The BAC is interested in feedback on the following questions:

- Are there other alternatives to increase revenues or decrease expenditures beside those contained in this report?
- Are there particular areas that should be considered for strategic investment given the necessary budget reductions?
- Suggestions of other ways to balance the budget?

BAC invites comments on these and other budget matters from all members of the University community. The BAC will be meeting with campus constituents but also welcomes written feedback on the report. Written feedback should be sent to Linda Penny in Financial Services or at Linda.Penny@dal.ca on or before March 17, 2014.

Notes to Budget Model (page 15)

These notes have been prepared to provide the reader with background in understanding the nature of the revenues and expenditures included in each of the lines and the preliminary estimates and assumptions on changes for the 2014-15 budget year.

Revenues

Government Funding (line 1)

Line 1 includes the provincial operating grant from the Province of Nova Scotia, as well as program expansion and targeted grants.

Line 1 also includes the grant supporting the Nova Scotia Bursary Program (\$9.5 million on line 1b)). The estimate of the funding for the program and the offsetting expenditure (line 9b)) is based on current program structure and enrolment levels.

The province has recently announced a 1% increase in operating grants for the Nova Scotia University System. The model assumes that Dalhousie's operating grant will be increased by \$1.6 million (1%) in 2014-15.

Tuition Revenues (line 2)

Tuition revenue line includes international differential fees. Changes in tuition revenues are generated by enrolment changes and fee rate changes:

(a) Enrolment

The model includes revenue from higher than budgeted enrolment in 2013-14 of \$3.5 million (line 2(a) i)). It also assumes a modest increase of 50 Canadian students in 2014-15.

(b) Fee rates

The model (line 2b) assumes annual increases in tuition fees of \$3.6 million (3%) as provided for in the current Memorandum of Understanding (MOU) with the Province of Nova Scotia. The budget model also includes a further 2% increase in tuition from students entering the Medicine program in the fall of 2014 and an additional 6% increase for new students entering into Dentistry.

Investment Income (Line 3 and 4)

Once finalized, Line 3 will include the investment income required to support expenditures against the University's approximately 1,300 established endowments. For information the 2013-14 endowment expenditures are included in the budget lines as follows:

Compensation Costs - Line 8 a)	5,756
Student Assistance - Line 9 c)	9,393
Library Acquisitions - Line 10	230
	<hr/> 15,379
Non-Salary - Line 8 b)	
Endowment Management Expense	3,000
General and Research Support	2,927
	<hr/> 5,927
	<hr/> 21,306

Line 4 includes operating interest income based on current interest rates and cash flow projections. Operating interest income is assumed to increase by \$600,000 in 14-15 based on current cash flow and interest rates.

Student Fee for Facilities Renewal (Line 5)

The student fee for Facilities Renewal is assumed to increase by 3% as provided for in the MOU. A corresponding increase in Facilities Renewal Expenditure is included on line 15.

Indirect Costs of Research Grant (Line 6)

This line includes the federal grant received from the Federal Government to support the Indirect Costs of Research. For 2014-15, the University estimates that the operating budget includes approximately \$38.5 million in costs such as lighting and heating for research space, salaries for staff that provide technical or administrative research support, training costs for workplace health and safety, and the administrative costs associated with industry liaison activities. Funding for the program in 2014-15 has not been confirmed. At this stage in planning the projection is based on the 2013-14 amount.

Expenditures**Faculty and Service Unit Budget Allocations (Line 8)**

This section includes the components of the budget allocations to Faculty and Service Units.

Compensation (line 8(a)): The budget model includes the estimated costs of progression increases (CDIs, steps, etc.), scale and benefit increases for all employee groups. Most collective agreements will expire in July 2014.

The University is required to file an actuarial valuation of the pension plan with the superintendent of pensions no later than March 31, 2014. This model includes a \$5.7 million increase in the Pension Shortfall Contribution based on a recent actuarial estimate of the funding requirements for the plan in 2014-15.

This increase has been offset by improved investment performance of \$3.0 million resulting in a net shortfall of \$2.7 million.

(This budget line is shown net of direct salary and benefit recoveries)

Non-Salary Expenditures (Line 8(b)):

This line includes University expenditures for all costs that are not related to compensation within Faculty and unit budgets. Costs include program supplies, materials and contracted services. The budget model includes an inflationary increase of 1% for most components of the non-salary budget except where indicated below. Also netted in this line is an adjustment of \$700,000 as the supplement from Operating to Endowment which is no longer required. (This budget line is shown net of direct cost recoveries)

Faculty and Service Unit Revenues (Line 8(c)):

This line includes other revenue sources that are managed by Faculties and other budget units. Such revenues would include revenue from full cost recovery programs and services provided to external parties. This revenue is projected to increase by \$100,000 due to growth in application fee revenues.

Budget Unit Adjustments (Line 8(d)):

The following items are adjustments that will be made to Faculty and Service unit budgets once the final budget plan for 2014-15 is established.

ERBA (line 8(d)(i)): This is a preliminary estimate of additional budget allocations to Faculties in 2014-15 as a result of enrolment changes in 2013-14 over 2012-13.

Base budget Reduction (line 8(d)(ii)):

This model includes a base budget reduction of \$5.3M. A 2.5% reduction has been

applied to faculties and a 1.25% reduction applied to other service units. This is necessary to reach a balance of operating revenues and expenditures.

Student Assistance (Line 9)

Lines 9 a) and c) in the model are operating and Endowment student assistance expenditures totaling \$19.4 million. There has been no assumption made on changes to this line in 2014-15.

Line 9 b) includes \$9.5 million in assistance to students that is provided through the Nova Scotia Bursary program. The model makes no assumption about change in the current program structure or bursary amounts. (\$1,283 for full time Nova Scotia Students and \$261 for other Canadian students) This program is fully funded through a grant from the Province of Nova Scotia (line 1b)).

Library Acquisitions (Line 10)

This line includes the costs of library acquisitions including electronic media. The budget model assumes a 2% increase for inflation in 2014/15.

Operating Costs New Buildings (Line 11)

Costs of operating University buildings are included in the other lines in this budget model. This line represents the estimated additional cost of utilities, cleaning and maintenance for the LeMarchant mixed use and the Ocean Science building in 2014-15.

Utilities, Taxes and Insurance (Line 12)

Line 12 includes estimated costs for natural gas, electricity, water, tax and insurance and projects funded over time by energy savings. The cost on this line is estimated to increase by 5% in 2014-15.

Non Space Equipment (Line 13)

Line 13 is a central pool of funding which is allocated to Faculties and Service units to support teaching and equipment purchases. This line has been reduced by 10% or \$245,000.

Strategic Initiatives (Line 14)

This pool of funding is allocated to Faculties and other budget units by the President's office to support new initiatives. The funding on this line is funding that was allocated to non permanent (e.g. one-time) items in 2013-14 and therefore continues to be available in 2014-15. The budget model also includes an increase of \$367,000 to restore it to the 2013-14 level.

Facilities Renewal (Line 15)

The budget model assumes a \$500,000 annual increase in the budget for Facilities Renewal. The increases in the student fee (line 5) for Facilities Renewal of \$82,000 is also included in this budget line. Once the approved budget is finalized in June, \$428,000 related to an increased allowance for Facilities Renewal for new buildings (line 11) will be allocated to this line bringing the total increase in Facilities Renewal to \$1.0 million in 2014-15.

Campus Renewal – Long term (Line 16)

This line includes the costs of debt service and rental requirements for University space. The budget model assumes no change in these costs in 2014-15.

Contingency (Line 18)

This line is the annual allocation for contingency items. The budget is currently set at less than 0.5% of the total operating budget.

Enrolment Related Budget Allocations (ERBA)

Background

The current mechanism by which Dalhousie University links program enrolments and class registrations to the annual budget allocations of the Faculties is called ERBA (Enrolment Related Budget Allocations).

In April of each year the Office of Institutional Analysis and Research does the necessary calculations according to the formula to arrive at an ERBA increase or decrease for each faculty. The University Budget Office includes the adjustment in the annual budget allocation calculation for each Faculty. The ERBA mechanism was developed around three objectives:

- To provide Faculties with a financial incentive and to increase enrolments, and thereby their resources, in a time of government fiscal constraint, by introducing new programs (within available resources, including the added fee revenue) and by attracting and retaining more students in existing programs.
- To provide additional resources to Faculties with increased student numbers. Conversely, to reduce the resources of Faculties where enrolment have declined so that the budget of other Faculties are safeguarded from the resulting institutional revenue loss.
- To replace ad hoc mechanisms for resourcing new programs with a more predictable arrangement that could be more easily and efficiently administered.

Introduced in the 1989/90 fiscal year it was reviewed by the Budget Advisory Committee (BAC) in 1994, 2001 and again in 2009. Modifications to the formula have been made after both reviews. What follows is a summary of the principal features of the current formula.

Principal Features Current Formula

- ERBA calculations use a “proxy” value for tuition and average class and headcount enrolment figures. As a result it cannot be expected to distribute the exact dollar value of the change in tuition to the University resulting from enrolment changes.
- A Faculty’s ERBA adjustment for a given fiscal year is based on changes in its “enrolment units” in the preceding academic year. For instance, 2013-14 ERBA adjustments were based on enrolment and class registrations changes from 2011-12 to 2012-13.
- Enrolment units are calculated as the sum of
 - (i) full time equivalent (FTE) enrolments in graduate programs offered by the Faculty
 - (ii) 25% of FTE undergraduate enrolments in the Faculty, and
 - (iii) 75% of the FTE of undergraduate class registrations taught within the Faculty.

(note that the percentages in (ii) and (iii) were changed from 50%/50% in 2010-11 based on the most recent ERBA review)

Enrolment unit calculations are based on enrolment data at August 1, December 1 and March 1.

- ERBA is calculated at the Faculty level. ERBA allocations are not disaggregated to the level of schools and departments.

- For undergraduate classes cross-listed across Faculties, the Faculty (or Faculties) which pay the instructor is credited with the undergraduate class registrations.
- Enrolment in College of Continuing Education, the DDS program in the Faculty of Dentistry, the MD and residency programs in the Faculty of Medicine, certain distance education classes, and all premium fee programs (e.g. the MBA, Financial Services) are not included in ERBA.
- The annual budget adjustments are permanent changes to the budget envelope of the Faculties. They are calculated by multiplying the change in enrolment units (positive or negative) by the Faculty ERBA value.
- The ERBA value is intended to be a proxy for tuition of a full-time student. The ERBA value for each Faculty is based on tuition fees for the various programs offered by the Faculty. The ERBA values have been adjusted annually by the fee increased approved by the Board of Governors. These values were reviewed compared to actual tuition fees as part of the 2002 and 2009 ERBA reviews.
- Faculties receive 60% of the ERBA value (ie. approximately 60% of tuition). The 60% is intended to reflect the portion of the total University budget that is allocated to Faculties.

Dalhousie University
Summary of Enrolment Related Budget Allocations 2003-04 to 2013-14
('000's)

Faculty	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Cumulative Distributions 2003-04 to 2013-14
Architecture and Planning	172	136	119	49	(97)	57	28	8	(55)	53	(33)	437
Arts and Social Sciences	1,081	997	111	6	(134)	(660)	(255)	322	235	(63)	(719)	921
Computer Science	78	(242)	(398)	(349)	(122)	35	27	(19)	297	183	294	(216)
Dentistry	8	(3)	7	(1)	6	1	(4)	56	(64)	(35)	27	(2)
Engineering	487	8	52	62	24	-	30	623	813	114	233	2,446
Graduate Studies	-	36	43	27	19	(10)	30	(4)	(32)	(48)	(35)	26
Health Professions	374	199	192	75	502	157	88	173	566	939	361	3,626
Law	22	26	87	17	(128)	4	75	35	119	(156)	133	234
Management	189	251	527	(92)	94	83	64	154	394	64	21	1,749
Medicine	189	29	28	(9)	(135)	11	(14)	119	154	73	(11)	434
Science	907	706	(65)	(312)	(354)	(119)	(17)	604	1,201	734	170	3,455
College of Sustainability	-	-	-	-	-	-	-	329	177	64	(21)	549
Reserve for International ERBA	-	-	-	-	-	-	-	-	-	-	247	247
	3,507	2,143	703	(527)	(325)	(441)	52	2,400	3,805	1,922	667	13,906

ITEMS NORMALLY EXEMPT FROM BUDGET REDUCTIONS:

- Central operating budget for Student Assistance
- Contingency funding
- Endowment expenditures (supported by Endowment revenue)
- Energy, Water, Taxes and Insurance
- Campus Renewal
- Faculty related costs (DFA travel, PDA, Sabbatical leave grants, etc)
- Library Acquisitions
- Non-Space Equipment
- Nova Scotia Bursary Program (supported by grant)
- Strategic Initiatives Funding

TUITION FEE SURVEYS (2013-14)

APPENDIX E
(page 1 of 5)

Undergraduate Arts Tuition Fees - Atlantic Universities (2013-14)

University	Tuition and Auxillary fees Less Provincial Bursary ⁽¹⁾		Approved Tuition Fee
	Nova Scotian Students (\$1,283 bursary)	Other Canadian Students (\$261 bursary)	
Mt. Allison	7,821	7,821	7,245
Acadia	7,273	8,295	7,270
UNB	6,612	6,612	6,007
St. Francis Xavier	6,402	7,424	6,780
Kings	6,613	7,635	6,588
UPEI	6,374	6,374	5,360
Dalhousie	6,264	7,286	6,588
Moncton	6,155	6,155	5,292
St. Thomas	6,094	6,094	5,379
Mount Saint Vincent	5,710	6,732	6,065
Saint Mary's	5,811	6,833	6,200
CBU	5,391	6,413	6,190
Memorial	3,064	3,064	2,550

(1) In addition to the Approved Tuition Fee (see grey box to right) students pay mandatory auxillary fees including fees such as Dental and Health Plans, Campus Renewal, recreation, bus passes etc.). For students at Nova Scotia universities tuition costs are reduced by an automatic bursary of \$1,283 (\$261 for other Canadian students) from the provincial government.

Survey of Tuition fees for Entering Students at Selected Canadian Universities
2013-14 Academic Year

	Dalhousie				Victoria	British Columbia	Alberta	Calgary	Saskatchewan	Manitoba	McMaster	Western	Windsor	Toronto	York	Queen's	Waterloo	Ottawa	McGill	New Brunswick	Memorial
	Nova Scotia Students (net of \$1,283 bursary)	Dal Rank (# 1 is highest)	Canadian Students (net of \$261 bursary)	Dal Rank (# 1 is highest)																	
UNDERGRADUATE																					
Arts	5,305	13	6,327	2	5,058	4,794	5,269	5,333	5,280	3,125	5,793	5,801	5,724	5,865	5,864	5,877	5,878	5,665	6,235	6,007	2,550
Dental Hygiene	6,967		7,969		--	5,274	9,969	--	--		--	--	--	--	--	--	--	--	--	--	--
Engineering	6,213		7,215		6,369	5,593	5,620	5,333	6,330	3,950	9,665	10,705	8,280	12,363	5,864	10,861	12,107	7,188	6,235	7,007	2,550
Management	5,364		6,366		5,058	7,104	5,269	5,333	7,305	4,188	8,145	--	7,630	5,865	7,520	14,141	--	6,566	6,235	6,107	2,550
Nursing	6,411		7,413		5,058	5,154	7,026	5,333	6,000	3,813	5,793	5,801	5,724	7,489	5,864	5,877	--	5,835	6,235	6,007	2,550
Pharmacy	7,836		8,838		--	8,011	9,888	--	7,464	6,183	--	--	--	15,743	--	--	--	17,830	--	--	3,145
Science	6,213		7,215		5,058	4,794	5,269	5,333	5,535	3,689	5,793	5,801	5,724	5,865	5,864	5,877	5,878	5,835	6,235	6,007	2,550
Social Work	5,658		6,660		5,058	4,794	--	5,333	--	3,938	5,793	--	5,724	--	5,864	--	5,878	5,835	6,235	--	2,550
GRADUATE																					
Occupational Therapy	11,754		12,756		--	6,573	6,499	--	--	6,245	9,044	6,641	--	9,217	--	10,021	--	8,086	--	--	--
Masters in Arts	5,712		6,714		5,253	4,436	3,708	5,538	3,585	4,351	7,008	9,834	7,666	7,160	4,785	6,258	7,164	7,859	6,235	6,084	3,030

Footnotes:

Note: Amounts in table do not include auxillary fees.

(1) The tuition for students in 2nd year and higher increases in Management and Engineering programs.

(2) In Year one and two of a Nursing degree, students are required to complete 48 credits and usually enroll in an Arts or Science Undergrad Program. Years three and four, students are enrolled in the Nursing Program and are required to complete 81 credits to graduate. The tuition shown for Nursing is the average cost of the four years.

(3) The tuition for students in 2nd year and higher increases in Management program.

(4) Social Work and Occupational Therapy are offered only in French.

(5) Includes a \$1,000 Engineering Program Fee, BBA include \$100 Prog Fee.

(6) Pharmacy at Toronto and Waterloo is a new Pharm D Program and are not directly comparable with the Dalhousie program which is a BSc as the rates are significantly higher.

Comparison of Law, Medicine and Dentistry Tuition Fees for 2013-14
for Entering Canadian Students

	Law 2013-14	Medicine 2013-14	Dentistry 2013-14
Dalhousie⁽¹⁾:			
Nova Scotia students (fee reduced by \$1,283 for NS Bursary)	13,345	15,317	16,247
Dalhousie rank (1 is the highest fee)	7 th of 15	7 th of 13	7 th of 8
Other Canadian students (fee reduced by \$261 for NS Bursary)	14,367	16,339	17,269
Dalhousie rank (1 is the highest fee)	7 th of 15	7 th of 13	6 th of 8
Victoria⁽⁸⁾	8,852	n/a	n/a
UBC	11,224	16,403	16,403
Alberta⁽²⁾	10,121	11,925	19,985
Calgary⁽³⁾	12,193	11,148	n/a
Saskatchewan	9,900	14,930	32,960
Manitoba⁽⁴⁾	9,093	7,912	19,230
McMaster⁽³⁾	n/a	19,073	n/a
Western	17,554	21,703	30,770
Windsor	15,284	n/a	n/a
Toronto⁽⁵⁾	28,791	20,132	32,301
York	21,592	n/a	n/a
Queens	16,125	22,324	n/a
Ottawa	15,296	22,188	n/a
McGill⁽⁶⁾	6,235	13,093	13,093
UNB⁽⁷⁾	9,557	n/a	n/a
Memorial⁽⁸⁾	n/a	6,250	n/a
Average (excl. Dal)	13,701	15,590	23,535

The BAC has endeavored to gather information on tuition fees for professional programs at comparator universities. Internal policies and budgeting practices will vary by university and it is not possible to provide a comprehensive enumeration of all such policies and practices.

(1) Law fee includes auxiliary fee of \$1300. These fees are retained by the Faculty.

(2) There are program differential fees included for Law (\$4,500) and Medicine (\$4,500). Dentistry fee includes a Clinical fee and a Clinical Operations fee.

(3) Medicine is a three year program, fee shown is total fee for three years divided by four. Fees posted for 13/14 include all supplementary fees. Actual increase would be 6%.

(4) The Law tuition rate includes a \$4431 surcharge.

(5) Tuition for Dentistry includes library and laboratory supplies and services.

(6) Fees shown are for out of province students.

(7) Law includes a supplemental fee of \$3,550.

(8) Law includes Law Soc Fee and Career Dev office Fee

2013/14 Fee Comparison Total Program Fee Dentistry

Is this item included in the quoted fees from these Canadian Dentistry Programs?

	Dalhousie	McGill	Western ON	Toronto	Manitoba	Saskatchewan	Alberta	UBC
Total Mandatory Expenses								
Dalhousie Total								
Includes	4-year total	4-year total	4-year total	4-year total	4-year total	4-year total	4-year total	4-year total
<i>*See notes/questions below</i>	127,405	59,833 [1]	150,355	151,985	121,704	156,557	143,440 [2]	224,240
Computer, Maintenance, Staff Support (mandatory laptop, didactic & clinic information system)	YES	NO	NO	NO *	NO *	NO	NO	NO
VitalSource Electronic Textbook Library and Software (no other texts/manuals required; includes clinic information system -AxiUm)	YES	NO	NO	NO	YES *	NO	YES	NO
Two Electronic Drug Databases	YES	NO	NO	NO	YES/NO (library link)	NO	YES	NO
All Dental Laboratory Fees (appliances for patients/preclinical teeth/cases)	YES	YES	YES	YES	YES	YES	YES	YES
Pre-Clinical Equipment (lockers, articulator, bp cuff)	YES	YES	YES	YES	YES	YES	YES	YES
Preclinical Supplies (including magnification loupes, clinic jackets and laundry) (phantom head teeth, course manuals, article copies)	YES	YES	YES *	YES	YES *	YES *	YES *	YES
Clinic Equipment (all patient care sterilized items, handpieces)	YES	YES	YES	YES *	YES	YES	YES	YES
Clinic Supplies (including student/patient voice-mail/ e-mail interface)	YES	NO	YES	YES	NO	NO	YES	YES
What costs are in place in addition to published mandatory fees? (see *)	does not include NDEB fee \$1,850.00		textbooks (\$1700.00+/ year) magnification loupes & light (optional - \$1200.00)	mandatory lap- top computer books and supplies (approx. \$2000.00/year) optional magnification loupes & light (appx. \$1200.) additional pre- clinic/clinic experiences for students who purchase supplies Opt out for refund: laundry models, phan.heads	must purchase clinic jacket laptop optional* (computers at clinic workstations and 24-hr. computer lab; all textbooks are electronic; most purchase a computer)	laptop requested each student pays \$300-\$400 for additional practice teeth additional pre- clinic/clinic experiences for students who purchase supplies	laptop requested optional magnification loupes & light (appx. \$1200.)	magnification loupes & light (appx. \$1200.) includes textbook (estimate) includes NDEB fee \$1,850.00


[1] McGill is affiliated with a hospital, therefore, the dental school clinic costs are subsidized by the provincial health care system.

McGill total for non Quebec residents is \$90,634.90

[2] Alberta fees include 2013/14 tuition and 2014/15 equipment and instrument rental

International Tuition Fees at Selected Universities (2013-14)
(fee shown is for entering student in an Arts Program)

		Tuition Fees			Differential Fees	
		Canadian Students	International Students	Differential	Dalhousie	Dalhousie
					Rank (#1 is the highest out of 14)	Rank with NS Universities (#1 is the highest out of 18)
Dalhousie University	1					
Undergrad		6,588	14,790	8,202	11	11
Graduate - Masters		6,975	12,645	5,670	9	11
Graduate - PhD		7,320	12,990	5,670	9	
University of British Columbia	2					
Undergrad		4,794	23,300	18,506		
Graduate - Masters		4,436	7,794	3,358		
Graduate - PhD		4,436	7,794	3,358		
University of Alberta						
Undergrad		5,269	18,710	13,441		
Graduate - Masters		3,708	7,574	3,866		
Graduate - PhD		3,708	7,574	3,866		
University of Calgary						
Undergrad		5,333	18,158	12,825		
Graduate - Masters		5,538	12,570	7,032		
Graduate - PhD		5,538	12,570	7,032		
University of Manitoba						
Undergrad		3,125	10,938	7,813		
Graduate - Masters		4,351	8,703	4,352		
Graduate - PhD		4,351	8,703	4,352		
McMaster University						
Undergrad		5,793	21,200	15,407		
Graduate - Masters		7,008	16,761	9,753		
Graduate - PhD		7,008	16,761	9,753		
University of Western Ontario						
Undergrad		5,801	19,562	13,761		
Graduate - Masters		6,641	15,973	9,332		
Graduate - PhD		6,641	15,973	9,332		
University of Toronto						
Undergrad		5,865	32,075	26,210		
Graduate - Masters		7,160	17,730	10,570		
Graduate - PhD		7,160	17,730	10,570		
Queen's University						
Undergrad		5,877	24,696	18,819		
Graduate - Masters		6,258	12,366	6,108		
Graduate - PhD		6,258	12,366	6,108		
Waterloo University						
Undergrad		5,878	20,020	14,142		
Graduate - Masters		7,026	17,178	10,152		
Graduate - PhD		7,026	17,178	10,152		
University of Ottawa						
Undergrad		5,665	20,290	14,625		
Graduate - Masters		7,859	17,974	10,115		
Graduate - PhD		7,074	16,334	9,260		
McGill University						
Undergrad		6,235	14,949	8,714		
Graduate - Masters		6,235	14,949	8,714		
Graduate - PhD		2,224	13,424	11,200		
University of New Brunswick						
Undergrad		6,007	13,282	7,275		
Graduate - Masters		6,084	10,296	4,212		
Graduate - PhD		6,084	10,296	4,212		
Memorial University						
Undergrad		2,550	8,800	6,250		
Graduate - Masters		3,030	\$3,936	906		
Graduate - PhD		2,049	\$2,661	612		

 DALHOUSIE UNIVERSITY <i>Inspiring Minds</i> TUITION POLICY	<i>Policy Sponsor:</i> Board of Governors	<i>Approval Date:</i> February 11, 2014
	<i>Responsible Unit:</i> President's Office	<i>Revisions:</i>

This policy applies to tuition fees for all regular programs of study at Dalhousie including differential fees assessed to international students. This policy will be applied in accordance with limits that may be imposed by Government. Tuition for premium and full cost recovery fee programs are not covered by this policy and are determined through consultation between the respective Dean and the Vice- President Academic and Provost.

1. Tuition fees for current and new programs will be set taking into account the following factors:

- The cost to deliver the program.
- Costs related to maintenance of high program quality.
- The proportion of the individual student tuition fees to the overall cost of delivering that program of study.
- The fees charged for similar programs at other Canadian universities.
- The demand for the program and the impact of existing fees on enrolment.
- Inflationary cost increases to the cost of delivery of programs.
- Limits to tuition and/or increases set by the Provincial government.

2. The University will monitor the impact of tuition levels on the recruitment and retention of students.

3. Where proposed changes in tuition fees to specific programs are deemed significant, consideration will be given to implementing such changes over a multi-year period and will be done in a transparent manner.

4. Students shall be made aware of potential tuition increases over their anticipated period of study at the beginning of their program.

5. The Budget Advisory Committee will continue to consult broadly on any proposed tuition fee increases prior to Board consideration.

Dalhousie University
Proposed Tuition and Facilities Renewal Fees for 2014-2015

Schedule 1
 (page 1 of 3)

Fees listed in Sections I to IV apply to students on the Halifax Campuses. Fee listed in section V apply to students on the Agricultural Campus.

*** NOTICE TO READER:** The Province of Nova Scotia has extended the Nova Scotia Bursary Program for the 2014-2015 year. The examples below show the impact of the bursary for Nova Scotia students and for Other Canadian students enrolled for a full course load. Bursary amounts will be prorated for students taking less than a full course load.

EXAMPLE:

	Nova Scotia student \$	Other Canadian student \$
Undergraduate Arts Student		
Tuition	6,786	6,786
Bursary	(1,283)	(261)
Tuition net of bursary	5,503	6,525

PLEASE NOTE: The fee rates listed below are before the bursary is applied.

	2013-2014		2014-2015	
	Approved		Proposed	
	Fees (see note * above)		Fees (see note * above)	
	Program	Per Billing Hour	Program	Per Billing Hour
	\$	\$	\$	\$
I UNDERGRADUATE (Halifax Campuses)				
Architecture, Community Design		229.50		236.40
Arts and Social Sciences		219.60		226.20
Computer Science (incl. Informatics)		249.20		256.70
Dentistry				
Dentistry - Year 1	17,530.00		19,108.00	
Dentistry- Years 2,3,4	17,530.00		18,060.00	
Dental Hygiene (Diploma)	8,230.00		8,478.00	
Dental Hygiene (Degree)		277.60		286.00
Engineering		249.20		256.70
Health Professions				
Health Services Administration		249.20		256.70
Health Science, Nursing and Kinesiology		255.80		263.50
Pharmacy		263.40		271.30
Recreation & Health Promotion		255.80		263.50
Social Work		242.70		250.00
Law	13,377.00		13,780.00	
Management				
Commerce Co-Op		251.40		259.00
Management & Public Administration		220.90		227.60
Medicine				
MD - Year 1	16,600.00		17,430.00	
MD - Years, 2,3,4	16,600.00		17,100.00	
Post-Graduates	2,730.00		2,812.00	
Science		249.20		256.70

Dalhousie University
Proposed Tuition and Facilities Renewal Fees for 2014-2015

Schedule 1
 (page 2 of 3)

* PLEASE SEE NOTICE TO READER (PAGE 1) ABOUT THE PROVINCIAL BURSARY PROGRAM IMPACT ON NET FEES PAID BY THE STUDENT. The fee rates listed below are before the bursary is applied.

	2013-2014		2014-2015	
	Approved		Proposed	
	Fees (see note * above)	Per	Fees (see note * above)	Per
	Program	Billing Hour	Program	Billing Hour
	\$	\$	\$	\$
II GRADUATE (Halifax Campuses)				
Masters				
Architecture and Planning				
Architecture		264.50		272.40
Post Professional	7,929.00		8,166.00	
Environmental Design Studies	7,929.00		8,166.00	
Planning		277.60		286.00
Planning Studies	7,929.00		8,166.00	
Arts and Social Sciences	6,975.00		7,185.00	
Computer Science	7,929.00		8,166.00	
Dentistry - MD/MSc (Oral and Maxillofacial), MSc Prosthodontics, Periodontics	18,030.00		18,572.00	
Engineering, Applied Science	7,929.00		8,166.00	
Electronic Commerce	8,790.00		9,054.00	
Health Informatics	8,790.00		9,054.00	
Health Professions				
Applied Health Services Research	7,077.00		7,290.00	
Clinical Vision Science	8,592.00		8,850.00	
Health Promotion, Leisure Studies	7,929.00		8,166.00	
Health Administration		266.70		274.70
Human Communication Disorders, MSc Audiology				
MSc Speech Language, Pathology				
Years 1&2	9,957.00		10,257.00	
Year 3	8,250.00		8,498.00	
Kinesiology and Nursing	8,592.00		8,850.00	
Pharmaceutical Sciences	9,954.00		10,254.00	
Occupational Therapy (Post Professional), Physiotherapy (Rehabilitation Research)	9,954.00		10,254.00	
Occupational Therapy & Physiotherapy ¹	13,017.00		13,017.00	
Social Work		256.90		264.60
Law	9,774.00		10,068.00	
Management				
MBA Corporate Residency	20,770.00		21,395.00	
Environmental Studies	7,056.00		7,269.00	
Library and Information Studies		292.90		301.70
Public Administration		232.80		239.80
Resource and Environmental Management		232.80		239.80
Medicine				
Community Health & Epidemiology	8,592.00		8,850.00	
Medicine - Except Community Health & Epidemiology	7,929.00		8,166.00	
Science	7,929.00		8,166.00	
Marine Management	7,056.00		7,269.00	

¹ Fees for these programs are frozen for 2014-15

Dalhousie University
Proposed Tuition and Facilities Renewal Fees for 2014-2015

Schedule 1
(page 3 of 3)

* PLEASE SEE NOTICE TO READER (PAGE 1) ABOUT THE PROVINCIAL BURSARY PROGRAM IMPACT ON NET FEES PAID BY THE STUDENT. The fee rates listed below are before the bursary is applied.

	2013-2014		2014-2015	
	Approved		Proposed	
	Fees (see note * above)	Per Billing Hour	Fees (see note * above)	Per Billing Hour
	Program	\$	Program	\$
II GRADUATE (Halifax Campuses) cont'd				
Doctorate				
Arts and Social Sciences		7,320.00		7,539.00
Computer Science		8,286.00		8,535.00
Engineering, Applied Science		8,286.00		8,535.00
Law		10,113.00		10,416.00
Medicine		8,286.00		8,535.00
Nursing		8,946.00		9,216.00
Science		8,286.00		8,535.00
Other				
Qualifying, Visiting or Special Graduate Students		264.30		272.20
Continuing Fee		2,169.00		2,235.00
III INTERNATIONAL STUDENT DIFFERENTIAL FEE (Halifax Campuses)				
All Programs (except Graduate- thesis based)		8,202.00		8,448.00
Graduate -thesis based		5,670.00		5,841.00
IV FACILITIES RENEWAL FEE				
Full-time (per term)		79.50		81.90
Part-time (per term)		26.50		27.30
	Program	Per Course ²	Program	Per Course ²
	\$	\$	\$	\$
V FACULTY OF AGRICULTURE (Agricultural Campus)				
UNDERGRADUATE				
Degree		600.00		618.00
Technical		370.00		381.00
Animal Health		497.00		512.00
Veterinary Technology		497.00		512.00
GRADUATE				
Degree		7,929.00		8,166.00
OTHER				
Continuing		2,169.00		2,235.00
Qualifying, Visiting or Special Graduate Students		766.00		789.00
INTERNATIONAL STUDENT DIFFERENTIAL FEE				
UNDERGRADUATE				
Degree		600.00		618.00
Technical		370.00		381.00
Animal Health		497.00		512.00
Veterinary Technology		497.00		512.00
GRADUATE				
Degree		5,670.00		5,841.00
Continuing		5,670.00		5,841.00
Qualifying, Visiting or Special Graduate Students		766.00		789.00

² Degree courses in the Faculty of Agriculture are assessed at a per course rate, based on a 3 hour course, rather than by billing hour