

BUDGET ADVISORY COMMITTEE

OPERATING BUDGET PLAN FOR 2016-17

REPORT LIII



March 28, 2016

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), Provost and Vice-President, Academic – Josh Leon, Dean of Engineering – Ian Nason, Vice-President, Finance & Administration – Diana Ginn, Professor of Law – Michael Fournier, Department of Classics – Margie Publicover, Director of Finance, Faculty of Computer Sciences – Kelsey Keddy (Student Member) and Jeremy Porter (Student Member). The Committee's resource persons are: Susan Robertson, Acting Assistant Vice-President, Financial Services – Don Fiander, Senior Institutional Analyst, Dalhousie Analytics – Susan Spence Wach, Vice-Provost, Planning, Academic & Provost, 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-two reports related to the University's operating budget.

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Budget Advisory Committee (BAC) High Level Summary of the Budget Plan for 2016-17

The Budget Advisory Committee advises the President on operating budget matters, consulting broadly with the Dalhousie community to develop and finalize its recommendations to the President. In the development of the budget plan for 2016-17 the BAC is guided by four principles: the budget must be balanced; recommendations on the budget plan are transparent; the operating budget is driven by Dalhousie's mission; and the budget must support the University's strategic priorities.

Overview of Revenue and Expenditures:

Dalhousie Government grants are projected to increase by \$2.3 million (1% adjustment on the basic grant and \$435,000 for graduate scholarship assistance) in 2016-17. Expenditures are projected to increase by \$14.9 million. This increase includes compensation adjustments, inflationary costs, student assistance and recommended increases in facilities renewal expenditures, information technology network capacity and infrastructure and Faculty of Arts and Social Science Special Response funding.

The recommended measures to balance the budget are varied but ultimately lead to a balance of revenues and expenditures. The BAC is recommending a 3% tuition increase across all programs and in addition, market adjustments in three undergraduate programs that will be phased in over three years to 2018-19. The BAC is also recommending a 2.5% (\$7.1 million) budget reduction to Faculties and service units and the use of \$1.5 million in reserve funds to balance the budget.

The following chart provides an overview of revenues and expenditures for 2016-17 (Appendix A is the detailed budget model including a line-by-line description.)

Overview of Projected Budget Revenue and Expenditures for 2016-17 and 2015-16

	\$ Millions		
	2015-16 Budget	2016-17 Budget	Increase (Decrease)
REVENUES			
N.S. Government Grants			
- Labour and Advanced Education	191.1	193.2	2.1
- Agriculture	19.8	20.0	0.2
Tuition	147.7	153.0	5.3
Other	37.3	37.8	0.5
Use of Reserve Funds	1.8	1.5	(0.3)
	397.7	405.5	7.8
EXPENDITURES			
Faculties and Service Units	311.2	315.5	4.3 Note 1
Faculty of Arts and Social Science Special Response funding	-	0.5	0.5
Student Assistance	31.9	32.5	0.6
Energy, Water, Taxes and Insurance	22.4	22.6	0.2
Facilities/Campus Renewal	25.9	27.0	1.1
Strategic Initiatives	2.0	2.6	0.6 Note 2
Information Technology - Network Capacity and Infrastructure	-	0.5	0.5
Other Costs	4.3	4.3	-
	397.7	405.5	7.8

Note 1

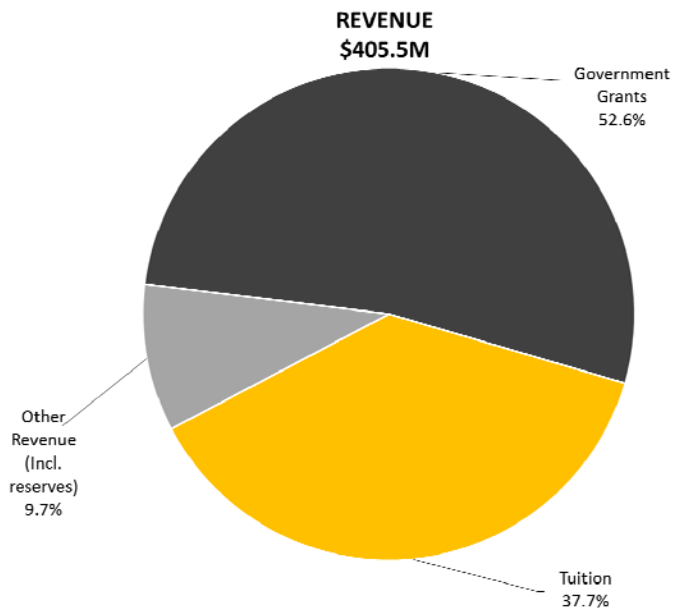
The budget reduction of \$7.1 million is included in the Faculty and service unit line.

Note 2

\$0.7 million has been distributed to Faculties and Units as base funding in 2015-16 and is being replenished to \$2.6 million in 2016-17.

Revenue & Expenditures – 2016-17 Budget

Components of Budget 2016-17 Projection

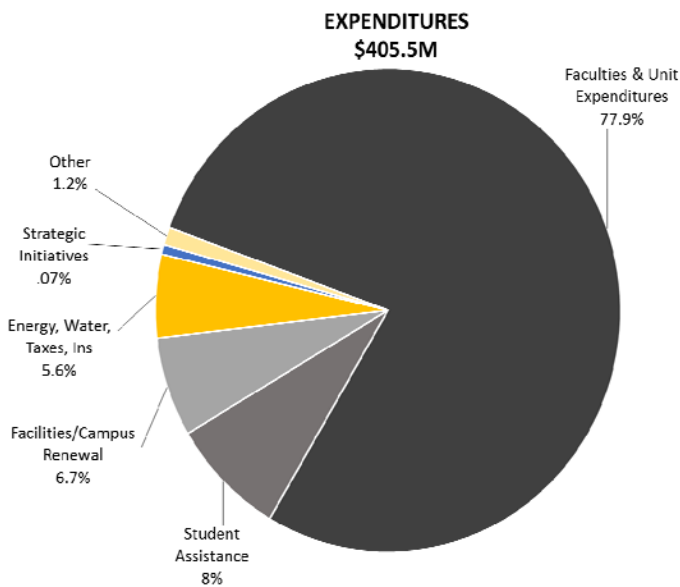


Changes & Recommendations

REVENUE is projected to increase by \$7.8 million in 2016-17 after recommended changes to tuition fees.

	<u>\$M</u>
Provincial Government Grant Increase [1%]	1.9
NS Graduate Scholarships Program Grant	0.4
Tuition and Student fee Increases:	
All Programs [3%]	4.7
Market Adjustments for undergraduate classes taught by :	
Engineering [3.3%]	0.6
Pharmacy [4%]	
Faculty of Agriculture [5.8%]	
Facilities Renewal increase [3%]	0.1
Endowment	0.9
Operating Interest Income	(0.5)
Use of Reserve Funds (Reduced from \$1.8M in 15-16 to \$1.5M in 16-17)	<u>(0.3)</u>
Total Change	<u>7.8</u>

EXPENDITURES are projected to increase by \$7.8 million in 2016-17 after a budget reduction of 2.5% (\$7.1M) to all Faculties and Units:



	<u>\$M</u>
Faculty & Units:	
Compensation Costs	10.1
Non salary increase [1%] & Other Adjustments	1.0
Market Adjustment benefit to Faculties	0.3
Less: budget reduction of 2.5% to Faculties/units	<u>(7.1)</u>
Subtotal – Faculty & Units	<u>4.3</u>

Faculty of Arts and Social Sciences	
Special Response funding	0.5
Student Assistance	0.6
Energy	0.2
Strategic Initiatives	0.6
Increases in:	
Facilities/Campus Renewal	1.1
Network Infrastructure	<u>0.5</u>

Total Change **7.8**

= Balanced Budget

I INTRODUCTION

The Budget Advisory Committee (BAC) released a preliminary report on the Operating Budget Plan for 2016-17 in February. This report is now issued in final form with additional context and revisions subsequent to feedback received from the campus community on the draft report. This year, for the first time, the budget for the Agricultural Campus (Campus operations and Faculty of Agriculture) has been considered as part of this report.

Using Dalhousie's Strategic Directions 2014-18 as a reference, the University's budget planning must be guided by and support the University's mission of teaching, research and service as accomplished through Faculties and support units. The University is working to ensure that Faculty plans are linked to the operating budget and inform capital planning to ensure alignment of University strategic priorities with its resources. This process will enable the University to develop improved longer term academic and financial planning.

The chart in Appendix B outlines the Budget Process for 2016-17.

II CONSULTATION

This Fall, before the draft BAC LIII was released, the BAC consulted with a wide range of stakeholders to discuss the major factors influencing the budget for 2016-17. This information gathering process included meetings with individual Deans, University Librarian, Vice Presidents, the Student Union and other student groups.

The draft BAC report was issued in February requesting feedback from the campus community. Students were sent an information package that included:

- A letter with the link to the draft BAC LIII report.
- Detailed schedules of changes recommended to student fees for 2016-17.
- Dates and locations of student consultation sessions.

The Financial Services website was updated to contain detailed information on the budget and recommendations as well as a “budget calculator” to allow the community to balance the budget using the factors over which there is some discretion.

A survey was sent to all students requesting responses to the following questions:

- Where do you feel Dalhousie should focus its resources?
- Describe your main concerns in relation to the budget.
- What do you think is currently working well?
- What parts of the budget process do you understand the most (and least)?

Student sessions were held at the Agricultural, Carleton, Sexton and Studley campuses and approximately 270 students attended in person. The session at the Studley campus was live streamed. The BAC also received a number of emails with comments and suggestions.

A summary of the responses to the survey and the other feedback received during the consultation process is attached in Appendix C. The major themes identified by students during these consultations included:

- Concern with increasing tuition fees.
- Priorities that include teaching and student services.
- Concern with space and course offerings on the Sexton campus
- Access to essential services such as mental health supports and counsellors.

The BAC has since met several times to discuss and consider the comments and suggestions put forward during these consultations, resulting in this final report. Based on the feedback received through the process, additional modeling was done specifically related to the market adjustments to tuition fees.

It was also clear that a more detailed explanation of university financial reporting would be helpful to the community. A high level description of University financial activities is included in Appendix D.

III DEVELOPMENT OF RECOMMENDATIONS FOR THE OPERATING BUDGET

The development of the operating budget plan for 2016-17 was guided by the following principles:

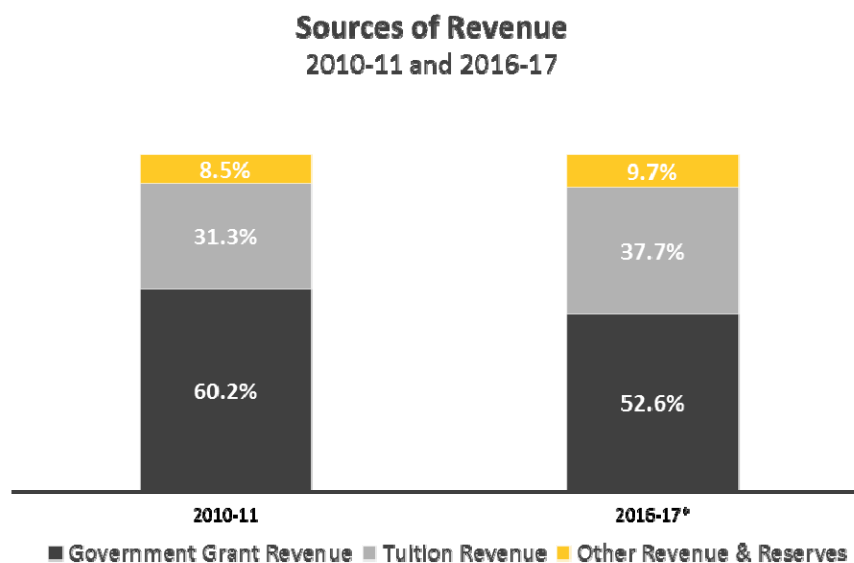
- A balanced budget for the University is required.
- Recommendations on the budget plan are transparent.
- The operating budget is driven by Dalhousie’s mission.
- The operating budget should support University strategic priorities.

This section of the report provides background on the significant components of the University operating budget including estimates and assumptions on specific revenue and expenditure lines for 2016-17. A detailed balanced budget model and explanatory notes are in Appendix A. Appendix A also includes a supplementary breakdown of the model for Halifax and the Agricultural Campus. The Agricultural Campus continues to be funded under a separate MOU with the Province.

The BAC has considered operating revenue sources, expenditure increases and strategic investments for 2016-17. Key measures to balance are tuition revenue, use of reserve funds and Faculty and unit budget reductions. The following section is a discussion of each component.

REVENUES

The two major revenue sources in the budget are the Provincial Government grants and tuition which make up 90.3% of the University revenues. In 2010-11 the Provincial Government grant peaked at 60.2% of total operating revenue with tuition making up 31.3%. During the period 2011-12 to 2013-14 the grant decreased by 10%. Since then there has been a 1% annual increase. The Provincial Government grant is now 52.6% of total revenue with tuition at 37.7%. Note that other revenue, mainly endowment, has increased over this period providing important support for student assistance and other academic program costs.



*2016-17 includes the Agricultural Campus

1. Provincial Operating Grants

The Provincial Government has not yet confirmed the provincial operating grants for Nova Scotia Universities for 2016-17. The BAC model includes a 1% (\$1.9 million) increase in the operating grants for 2016-17. The model also includes an increase of \$435,000 in the Nova Scotia Graduate Scholarship Program Grant which goes directly to graduate students. Discussion with Government on funding arrangements for 2015-16 and beyond are continuing. The BAC stresses the importance for the University to continue to explore opportunities for revenue growth through government and other partners.

2. Tuition Fee Revenue

Tuition revenue is the second most significant source of revenue next to the operating budget at 37.7% (\$153.0 million) in 2016-17. With the assumed Provincial operating grant increase of 1%, tuition revenue remains critical to address inflationary cost pressures and is influenced by both student enrolment and tuition fee rates.

An important source of support for Nova Scotia students is the Nova Scotia Bursary which continues as a means of reducing tuition costs for all Nova Scotia students studying at a university in the Province. The current bursary of \$1,283 for full time students is deducted automatically from a Nova Scotia student's tuition and reimbursed to the university by the Province. The Province has not indicated that there will be any changes to this program in 2016-17.

a) Tuition Fee Rates:

The proposed tuition fee schedule for 2016-17 is included in Appendix E. Consultations on tuition fees have been completed and the recommended fees will be presented to the Board of Governors for approval in April.

Each year the BAC reviews and compares tuition fees (including international differential fees) of universities across Canada and within the Atlantic Provinces. These detailed comparisons are included in Appendix F of this report.

i. General Fee Increase – All Programs:

We are advised that the new MOU with the Province will allow a general tuition increase of 3% in 2016-17. The dominant share of operating revenue is the provincial operating grant which is increasing by an estimated 1%. The budget plan for 2016-17 includes a 3% general tuition increase for all students (International and Canadian) and market adjustments for three programs (see (iii) below).

Recommendation: In 2016-17 it is recommended that a 3% tuition increase be implemented for all programs (including the international differential fee). MSc Occupational Therapy and Physiotherapy programs will remain at the 2006-07 levels.

ii. Prior Year Adjustments

In April 2013 a multi-year fee increase was approved for Medicine and Dentistry programs beginning with students entering in 2014-15. The additional 2% increase applied to the tuition of students entering the Medicine Program and the 6% increase for students entering the Dentistry program continues for 2016-17. These fee changes are included in the tuition fee schedule appended to this report. (Appendix E)

iii. Tuition Fee Market Adjustments:

Market Adjustment Update:

The annual fee consultation process was undertaken throughout the University (see Appendix C) with a major focus on the market adjustments for Engineering, Agriculture and Pharmacy. The BAC would like to acknowledge the feedback from all students including written proposals and presentations from the students in the Faculty of Agriculture and School of Pharmacy. The BAC held subsequent meetings to discuss the feedback resulting in additional comments and clarifications included throughout this report that resulted in the following revisions to the market adjustments:

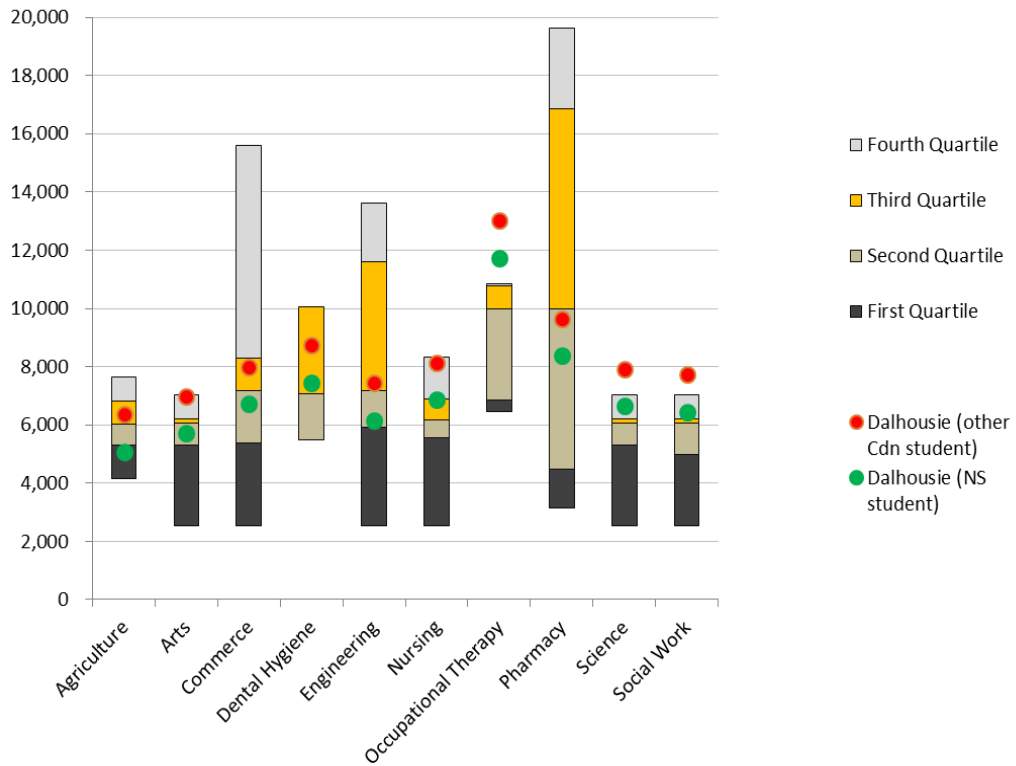
- Market adjustment for Engineering courses: Reduced to 9.9% over three years (3.3% per year) from the draft report recommendation of 15%.
- Market adjustment for Pharmacy courses: Reduced to 12% over three years (4% per year) from the draft report recommendation of 15%.
- Market adjustment for undergraduate classes in the Faculty of Agriculture: Reduced to 17.4% over three years (5.8% per year) from 18.9%. In addition, there will be a bursary for undergraduate Agriculture students enrolled in 2015-16 and continuing in 2016-17 to reduce the financial pressure from the market adjustment on students already in this program.

In order to maintain a balanced budget position, funding for Facilities Renewal and Strategic Initiatives have been reduced to make up the difference in tuition fee revenue.

A further explanation of the rationale for these revisions is reflected in this section.

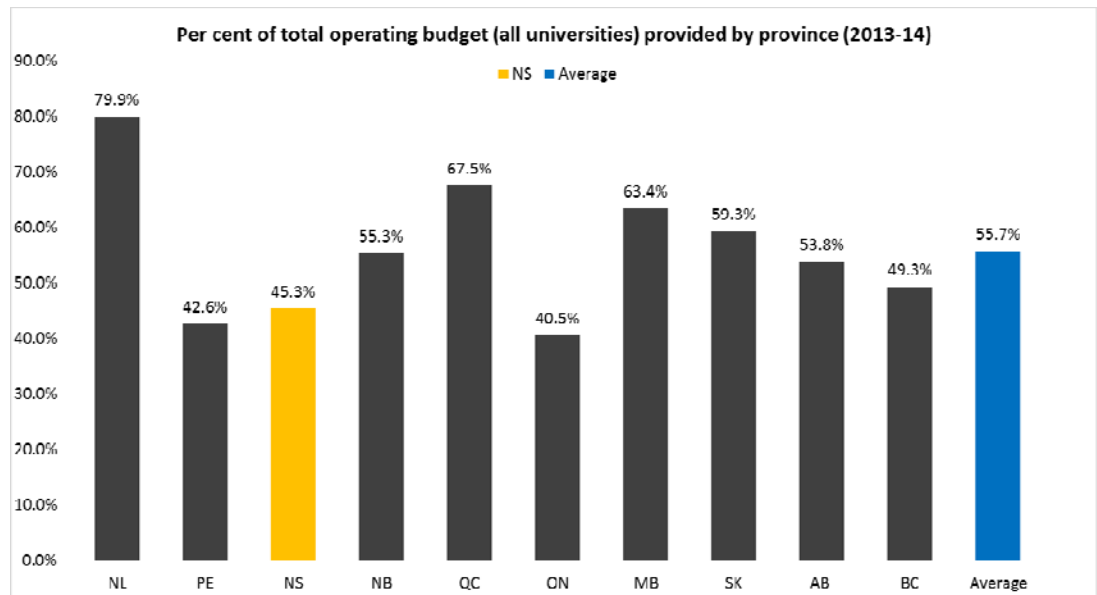
Tuition fees have been restricted by the Memorandum of Understanding (MOU) with the Province since 2005-06. In late April, 2015, the Province announced that universities would be allowed to make adjustments to tuition for specific programs where tuition rates are lower than those charged for similar programs elsewhere. The period to make adjustments is time limited and all increases must be phased in by 2018-19.

The following chart compares tuition fee rates for a broad selection of programs nationally by quartile. (The first quartile includes schools in the lowest 25% of fees and the fourth quartile includes fees for schools that have the highest 25% of fees.) When Dalhousie tuition is plotted against national data, most undergraduate programs are in the top quartile or above. Dalhousie is represented on the chart by the coloured dots (green represents tuition for Nova Scotia students (after the bursary of \$1,283) and red for other Canadian students.)



Note: Programs for Pharmacy includes Bachelors as well as PharmD programs across the country.

The provincial government provides 45.3% of operating funding to Nova Scotia universities (based on all NS universities combined). As shown in the following chart, this percentage is among the lowest in the country. Consequently, it has been necessary to set higher tuition rates.



Source: Canadian Association of University Business Officers (CAUBO) Financial Information of Universities and Colleges 2013-14, Statistics Canada.

Under the government provision for market adjustments, the BAC has reviewed fee levels for similar programs in Engineering (Halifax), Pharmacy and Agriculture. Tuition for Nova Scotia students in these programs are all below the national average. These undergraduate programs will be adjusted to be more in line with the fees for similar programs offered at comparator universities. The costs to run Engineering, Pharmacy and Agriculture are high due to the infrastructure required for teaching.

Consideration was given to fees charged by other universities offering similar programs but also other programs at Dalhousie in the case of Agriculture. Based on this comparison market adjustments have been recommended. Both the quality of our program offerings and demand for the programs support the measured adjustment in fees.

To lessen the impact to students currently enrolled in these programs, the increases proposed will be implemented over the maximum allowable period of three years. The BAC also considered the proposals and points raised during the consultation process and is recommending market adjustments as follows:

Undergraduate Engineering Classes:

The BAC reviewed the comparators for undergraduate Engineering programs and refined the list to exclude universities with fees that were outliers (at either end of the spectrum) and also York University where the program is not considered to be directly comparable. On this basis, tuition fees for each undergraduate course taught by Engineering is recommended to increase by 9.9% over three years. (3.3% per year or \$26.20 per half credit.)

Undergraduate Pharmacy Classes:

The BAC has recommended an increase to the undergraduate classes taught in the College of Pharmacy to bring it in line with BSc (Pharmacy) programs elsewhere (excluding PharmD programs). On this basis, tuition fees for each undergraduate course taught by Pharmacy is recommended to increase by 12% over three years. (4% per year or \$33.50 per half credit.)

Undergraduate Classes in the Faculty of Agriculture:

When reviewing comparators for Faculty of Agriculture programs, the BAC focused on Guelph as the primary external comparator and an average of Arts and Science courses at Dalhousie. On this basis, tuition fees for each undergraduate course taught by the Faculty of Agriculture is recommended to increase by 17.4% over three years (5.8% per year or \$36.90 per half credit.). This increase will result in a fee that is also similar to other BSc programs in Nova Scotia.

In addition, an automatic bursary of \$15.00 per half credit will be provided over the next three years to undergraduate Agriculture students enrolled in 2015-16 and continuing in 2016-17. This will bring the impact of the market adjustment to 3.4% for students currently enrolled, similar to the increase in Engineering and Pharmacy.

The following table shows the annual increase in the fee for each 3 credit hour course taught by Engineering and Pharmacy and on the Agricultural campus.

Increase for each 3 credit hour course taught by:

	Current	%	(Increase in dollars)		
	Rate	Increase	2016-17	2017-18	2018-19
Engineering	793.20	3.3%	26.20	26.20	26.20
Pharmacy	838.20	4.0%	33.50	33.50	33.50
Agricultural Campus	636.60	5.8%	36.90	36.90	36.90

Students in Engineering and Pharmacy programs take courses taught by other Faculties and the tuition for these courses will not increase beyond 3%. As a result the impact to the student of the increase in the per-course rate for Pharmacy and Engineering courses varies by program year.

The BAC acknowledges that it is important for students in these programs to benefit from the fee increases and recommends that 60% of the increased revenue from the market adjustments for Engineering (\$217,000) and Pharmacy (\$59,000) be allocated to these respective Faculties during the phase-in period. The full amount of the market increase in Agriculture goes to support the Agricultural Campus budget (\$170,000) which continues to be funded separately through grants, tuition and other revenue.

Market adjustments referenced below are in addition to the 3% general increase recommended in 2016-17.

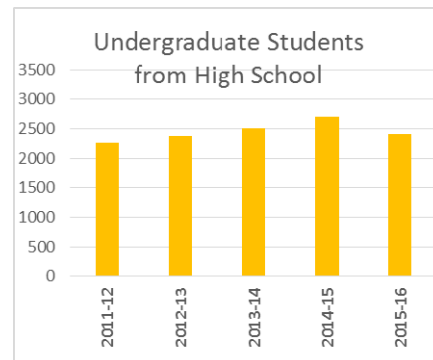
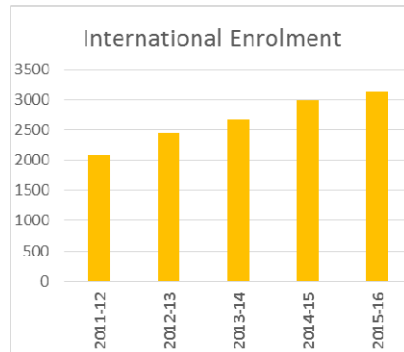
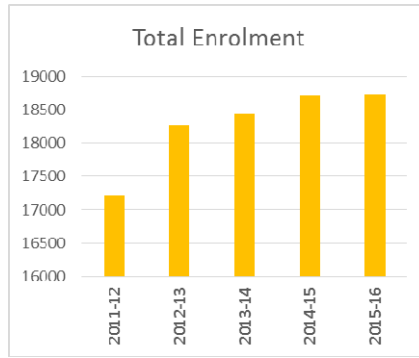
Recommendation:

- **Apply a 9.9% fee increase to undergraduate courses taught by the Faculty of Engineering over a three year period. This increase will be implemented by applying a 3.3% increase to Engineering course fees each year for the next three years commencing in 2016-17. Sixty percent of the increase in tuition revenue will be earmarked for priority investments in this Faculty over the phase-in period.**
- **Apply a 12% fee increase to undergraduate courses taught by the School of Pharmacy over a three year period. This increase will be implemented by applying a 4% increase to Pharmacy course fees each year for the next three years commencing in 2016-17. Sixty percent of the increase in tuition revenue will be earmarked for priority investments in this Faculty over the phase-in period.**
- **Apply a 17.4% fee increase to courses taught on the Agricultural Campus over a three year period. This increase will be implemented by applying a 5.8% increase to tuition for undergraduate programs in the Faculty of Agriculture each year for the next three years commencing in 2016-17. The full amount of the increase will be allocated to the Agricultural Campus/Faculty budget.**

As it does each year, the BAC will continue to monitor comparative tuition fee levels and program demand for all programs.

b) **Enrolment:**

Enrolment levels are a key factor in projecting annual tuition revenue. The following graphs show Dalhousie's total, international and first-year undergraduate enrolments for the past five years:



*Includes the Faculty of Agriculture beginning in 2012-13.

- The intake of new-from-high school undergraduate students declined in 2015-16 after several years of significant growth.
- While new-from-high-school enrolment in 2014 was higher than anticipated, there was an overall 10% decline in 2015.
- The impact of this decline continues in subsequent years as students continue through their studies.
- The percentage of international students has been increasing over the last number of years.

Each year the BAC reviews enrolment projections which take into account the progression of current students through their programs and graduation as well as the size of the incoming class. The BAC reviewed enrolment forecasts with three scenarios for the incoming class (3.5% increase, a 3.5% decrease and no change over Fall 2015 intake). These models demonstrate a very narrow band of change in overall projected enrolment within a range of $\pm 0.7\%$ (after removing the effect of the modified nursing program which will be managed separately). As a result, the Committee assumed enrolment remains flat in 2016-17.

Recommendation: If enrolment declines in 2016-17, additional reserve funds will be used to maintain a balanced budget rather than the application of mid-year budget reductions to Faculties and service units.

3. Investment Income

a) Endowment Income:

Income from Endowment investments is recognized to meet expenditures from the University's 1350 individual endowments according to the University's spending policy for Endowments. In 2016-17 endowment income will provide increased support of \$908,000 for program support costs such as student assistance, academic chairs and salaries, library and research costs.

b) Operating Income:

The operating budget is supported by operating interest income earned on short term investments of university cash flows. Operating interest income is projected to decline by \$500,000 based on a reduction in interest rates that occurred in July, 2015.

4. Facilities Renewal Fee

The student fee for facilities renewal generates \$3.1 million and is used to fund priority maintenance projects to University facilities. Given the importance of facilities renewal, the BAC is recommending an inflationary increase in this student fee for facilities renewal of 3% (generating \$91,000) for 2016-17. A more detailed explanation of the importance of University investment in renewal of facilities is found in the expenditure section on page 15. In addition, Appendix G provides the definitions and approval process for Ancillary and Auxiliary fees.

Recommendation: Apply a 3% increase in the auxiliary fee for Facilities Renewal from \$84.35 to \$86.85 per term.

5. University Reserve Funding

The University has accumulated reserve funding which is a “one time” source of funding for extraordinary budget pressures (for risk management purposes). Over the last three years it has been used to mitigate the impact of the 10% cut in government funding (2012-13 to 2014-15). At the end of 2015-16 the balance is expected to be \$7.3M (1.8% of the operating budget).

During the consultation process it was suggested that more reserve funds be used to offset the recommended increase in tuition fees in order to balance the budget. Given the one time nature of reserve funds, the use of such funds is not a solution for ongoing base budget requirements as an even larger budget gap will result when the reserve funding is diminished. With the continued limitation on tuition fee adjustments, the only option to balance the budget would be to apply a significant budget reduction to Faculties and support units once reserves are depleted.

Over the last two years the BAC has recommended that the use of reserve funds as a means of balancing the operating budget be reduced each year. The BAC is making the same recommendation this year.

Recommendation:

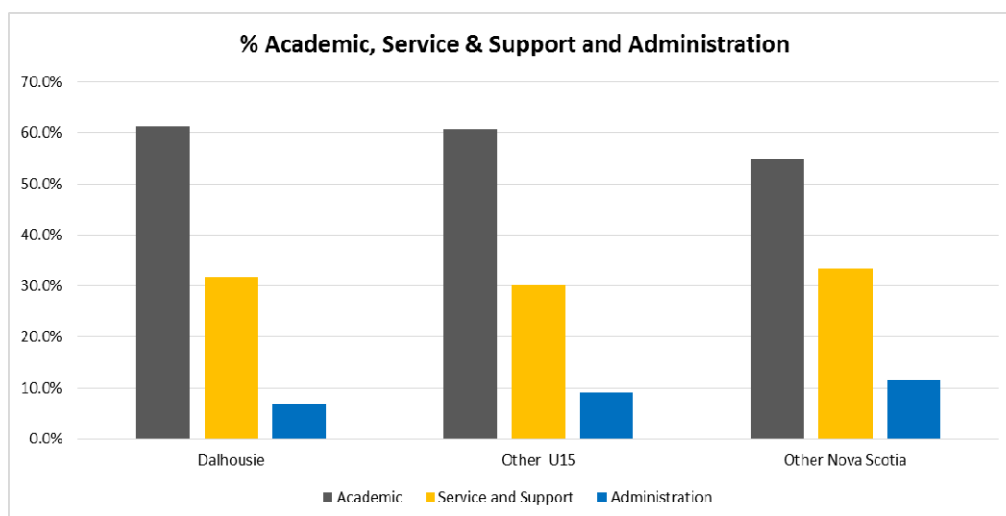
- **The BAC recommends that \$1.5 million in reserve funds be used in order to close the budget gap in 2016-17.**
- **The BAC recommends that the use of reserve funds continue to be scaled back.**

As a result of this recommendation, it is projected that 2016-2017 reserves will be reduced to \$5.8 million. The BAC is mindful of the need to maintain some level of reserve funding for unforeseen needs in future years and will continue to monitor the use of reserve going forward.

EXPENDITURES

Total university expenditures for 2016-17 are projected to be \$405.5 million, a net increase of \$7.8 million over 2015-16. The following graph shows a comparison of how Dalhousie allocates operating resources compared to U15 comparators and other Nova Scotia universities.

The University spends approximately 61% of its budget in academic areas (Faculties, including Graduate Studies and Continuing Education), 32% on service and support areas and 7% on administration. The distribution is comparable to the average of other U15 institutions while the University spends more on academic areas than other Nova Scotia institutions.



Source: Canadian Association of University Business Officers (CAUBO) Financial Information of Universities and Colleges 2013-14, Statistics Canada.

While there has been some movement in these percentages over time, this change has been purposeful. The comparison of Dalhousie spending with other universities has been discussed in many BAC reports since 2003-04. BAC Report XLI released in 2010-11 elaborates on the issue identified in previous reports where Dalhousie's percentage of spending in Academic areas was significantly higher than the U15 average reported by CAUBO and consequently lower in areas such as student services and facilities maintenance. Another contributing factor has been the transfer of certain responsibilities to support units, e.g., audiovisual services, recruitment and class scheduling.

1. Faculty and Staff Compensation

Compensation represents \$294.1 million (74.0% of budgeted expenditures). As a result, overall expenditure increases in the University budget are largely driven by negotiated settlements.

A provision for compensation adjustment based on negotiated settlements of \$10.1 million (salary, pension and benefit costs) has been included in the 2016-17 fiscal year budget. This includes an allowance for cost of living and progression increases as well as the annualization of previous year increases.

2. Adjusting Faculty Budgets for Enrolment Changes

The Enrolment Related Budget Allocation (ERBA) formula is used to allocate to Faculties approximately 60% of tuition revenue resulting from changes in enrolment. The 2016-17 estimated distribution to Faculties of \$200,000 is based on the difference in enrolment between 2014-15 and 2015-16.

The \$200,000 estimate reflects the net effect of enrolment growth in some Faculties and declines in others. See Appendix H for a history of ERBA adjustments by Faculty.

The fundamental principle of ERBA is to provide a mechanism to reallocate the University’s resources recognizing that the cost of delivery of a program relates to the number of students in a program. ERBA has been reviewed three times since it was introduced in 1989-90 and there have been a variety of changes made to the allocation methodology over the years. However, the fundamental principle as stated has not changed.

While ERBA is an effective allocation mechanism that encourages further growth, some argue that the mechanism becomes a blunt instrument in a period of low or slow growth or of outright decline. Tuition revenues supporting the overall University budget are directly reduced by declining enrolment and the resulting negative ERBA adjustment to particular Faculties is challenging in an environment where much of the budget is permanently committed to salaries.

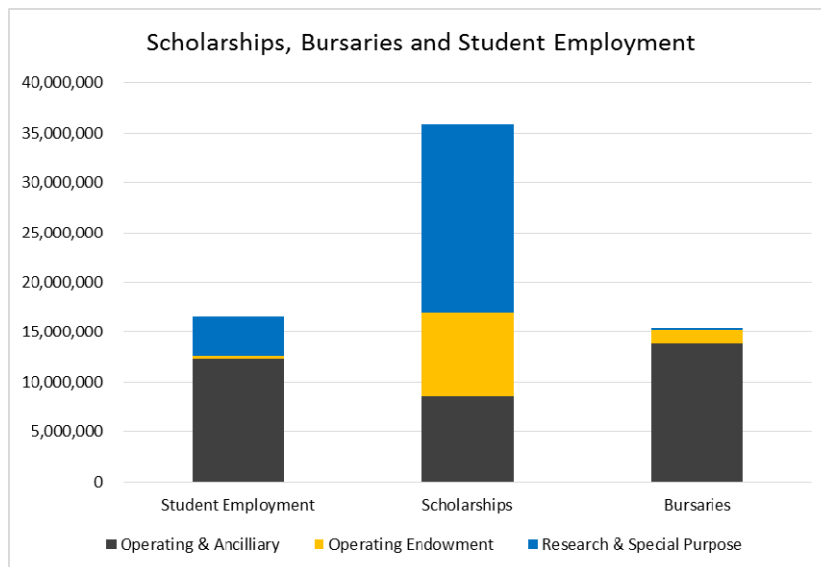
Appendix I includes a summary of the key elements of the ERBA mechanism.

3. Scholarships and Bursaries

The University currently spends \$51.3 million on scholarships and bursaries across all University funds and an additional \$16.6 million on student employment. Of these amounts, the University operating budget provides \$22.5 million for scholarships and bursaries (this includes the Nova Scotia Student Bursary Program) and \$12.3 million to employ students.

The scholarship allocation process has been recently revised to reflect the importance of a needs based methodology rather than the strict interpretation of high school grades.

Endowment support has been important in increasing support for students by providing \$2.5 million in additional funding since 2009-10. The University recognizes the importance of increased student support and the work of the Advancement office to increase donor funding. Below is a graph that shows the funding provided in 2014-15 for Scholarships, Bursaries and Student Employment totaling \$67.9 million across all funds.



4. Energy, Water, Taxes and Insurance

The Energy, Water, Taxes and Insurance line is projected to increase by \$223,000 (1%) overall in 2016-17. This increase includes natural gas pricing based on a forecast of market conditions. Natural gas prices

tend to be volatile based on various factors (e.g., weather, supply, etc). The cost of all utilities is also impacted by usage which has been estimated using normal consumption experience.

In 2015-16 the University has saved or avoided utility costs of \$1.5 million dollars as a result of sustainability initiatives that have been undertaken since 2009-10. Overall the University has invested, with support from partners, in 20 sustainability-related projects related to transportation demand management, energy, water, food operations, and the natural environment. These projects have wide-ranging impacts from improved air quality, energy and water ecological and financial savings/costs avoided, and facilities renewal.

5. Facilities

i. Renewal of Facilities:

The Board's Long Term Financial Planning Committee recommended in November 2006 that the facilities renewal budget be increased annually to address the significant deficits in the state of the University's physical infrastructure. The University now operates 150 buildings on the Halifax and Truro Campuses totaling 5.4 million square feet with a replacement value of almost \$1.5 billion. The maintenance of these assets is important to support student space for learning, living, and leisure and for research.

The BAC continues to be concerned about the condition of University facilities. There are exceptionally high needs for investment in infrastructure renewal due to the age of some buildings and insufficient spending on building maintenance in the past. Approximately 18% of Dalhousie's campus was built prior to 1951. This was a building era of durable construction; however, these buildings are now aging and in need of repair. Another 55% was constructed between 1951 and the mid 1970's. When repairs are not completed on a timely basis this can lead to structural and environmental deterioration thereby adding to the cost of the repair.

An investment of 2% (\$30 million per annum) of replacement value per year is a standard suggested for public entities like Dalhousie. The University has continued to increase the Facilities Renewal budget and has made significant progress toward the recommended spending level. The budget for Facilities Renewal in 2015-16 is \$19.2 million (\$20.9 million including other sources of funds such as cost sharing and rebates). For the last three years base increases of \$500,000 (excluding new building costs) have been added to the Facilities Renewal budget for the Halifax Campuses.

Recommendation: A \$1.0 million increase in Facilities Renewal expenditures for the Halifax Campuses in the 2016-17 budget.

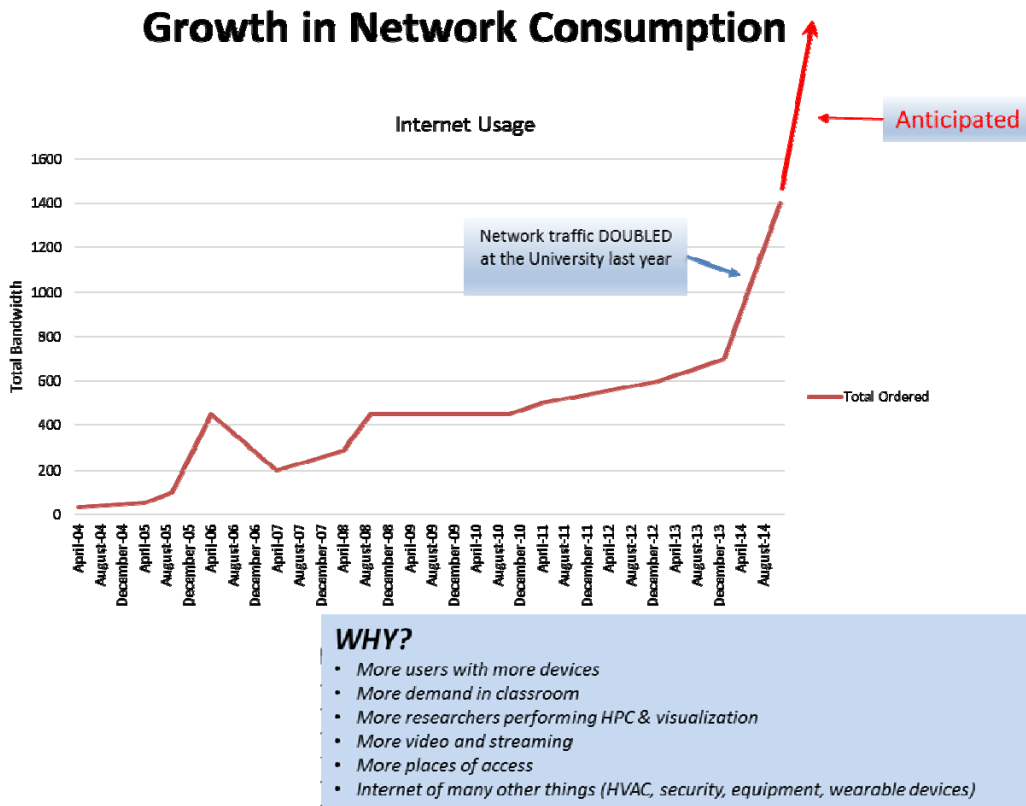
ii. New Space:

The University also recognizes the importance of improving student spaces for study and access to services. Three new student spaces have recently been completed and opened: the Wallace McCain Learning Centre, Collaborative Health Education Building and the LeMarchant Mixed Use Facility.

New facilities projects are advanced through a planning process that includes the Provost Committee, the Board's Capital Projects and Facilities Committee and stakeholders. Proposals for new projects include a description of the scope, cost and how the project is to be funded as well as any ongoing operating costs. Sources of funding for the projects including any financing is governed by University policy and monitored by the Operations Committee of the Board.

6. Information Technology - Network Capacity and Infrastructure

The following graph demonstrates the growth in network consumption over time:



This has led to significant and growing challenges with technology infrastructure as follows:

- A University network assessment indicated significant risk of exposure due to outages and a need for modern network security tools. The network is in a non-standard environment and difficult to support. There is a growing need to be better prepared and able to respond to increases in both adoption and utilization of devices.
- There is significant growth in the number of electronic devices at the University leading to network traffic doubling in the last year alone. At the current rate of growth, without additional investment, the University will reach its network capacity in 2017.
- The trend of increasing demand impacts all aspects of information technology including the rapid and steady growth of systems, data storage and research clusters

Recommendation: An investment of \$500,000 added as a new line in the University operating budget targeted for network capacity and infrastructure requirements.

7. Faculty of Arts and Social Science Special Response Funding

The arts, humanities, and social sciences are core to Dalhousie as a regional and U15 university. The Faculty of Arts and Social Science (FASS) is in a difficult financial situation precipitated by a decline in enrolment in each of the last four years. In particular the Fall 2015 entering class (new from high school) was 22.8% lower than the previous year. These declines in enrolment are not unique to Dalhousie and are being experienced by Faculties of Arts and Social Sciences across North America. The overall enrolment in FASS has declined by 18% over the past four years. Given the continued enrolment decline the financial outlook for the Faculty suggests significant fiscal challenges going forward.

The BAC has been advised that in response to the declining enrolment, the Faculty has taken steps to mitigate the budget shortfall. Virtually all of the Faculty budget is comprised of compensation expenditures and this has resulted in a budget shortfall and leaves the Faculty with no funds to support new initiatives. Continued Faculty planning efforts will be required, and the University needs to support such efforts to enable the Faculty to move toward a balanced budget. The Faculty should lead in the development of such initiatives.

Based on these extraordinary circumstances, the BAC reviewed a number of options and is recommending special response funding of \$500,000 be allocated in the 2016-17 budget to allow FASS to develop and implement initiatives that lead to a balanced budget.

Recommendation: \$500,000 be allocated in the 2016-17 budget to create special response funding for FASS. The plan for the use of these funds must be developed in FASS, under the leadership of the Dean, and approved by the Provost Committee prior to allocating the funding.

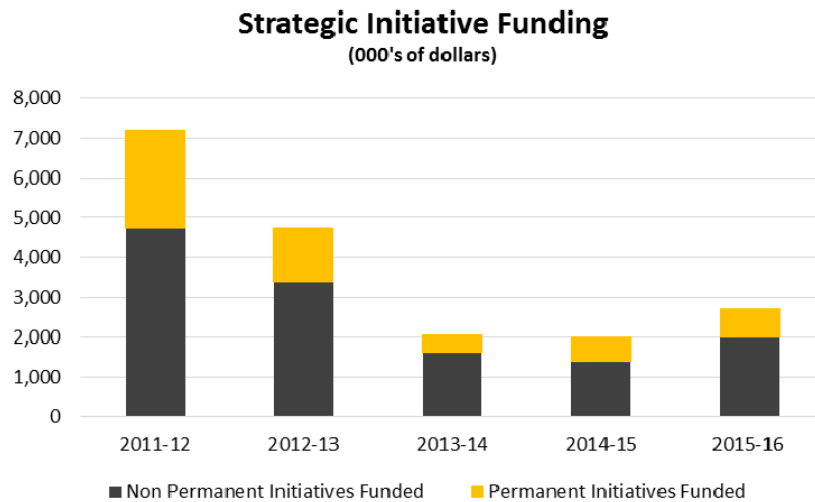
8. Strategic Initiatives Fund

The Strategic Initiatives Fund in the Operating Budget is for use in supporting *The Strategic Directions* at the University that will advance the priorities of teaching and learning, research, and infrastructure. The BAC continues to support the need to maintain funding to address emerging and transformational priorities. The amount available each year is dependent on the resources available within the budget for that year.

For the past number of years the BAC has recommended the Strategic Initiatives program fund largely non-permanent expenditures in order to preserve the base budget for subsequent years given the uncertainty in areas such as government funding, enrolment levels and increasing costs. Funds allocated to one-time initiatives are then available to be used in subsequent years to support new initiatives. Funds allocated to ongoing costs (such as salaries) become part of Faculty or service unit budgets and therefore reduce funds available for subsequent years that must be replenished.

The Provost Committee reviews annually the broad strategic goals for the fund in a multiyear context and works with individual groups to provide feedback on proposals, to select proposals for funding that are aligned with those goals and to review the progress of all funded initiatives annually. The Provost Committee is mindful of the mix of one time versus permanent base initiatives to ensure multi-year sustainability of the fund.

The following graph shows the total funding available and the portion allocated to fund non-permanent costs in each of the last 5 years:



In the 2015-16 budget plan, the BAC recommended that this funding be maintained or increased over time.

Recommendations:

- **Maintain the Strategic Initiatives fund budget at \$2.6 million in 2016-17 and over the period of the current Strategic Directions.**
- **The majority of funds be used for multi-year initiatives that align with strategic priorities.**

9. **Faculty and Unit Budgets:**

This budget plan includes estimated expenditure increases of \$14.9 million. Major components of the increase include compensation (\$10.1 million), infrastructure (\$1.0 million), student assistance (\$0.6 million), Faculty of Arts and Social Sciences Special Response Funding (\$0.5 million) and network infrastructure technology (\$0.5 million). Dalhousie’s revenues are projected to increase in 2016-17 by \$7.8 million, from \$397.7 million to \$405.5 million. This leaves a gap of \$7.1 million in excess of University revenues.

Given the recommendations to invest in strategic priorities such as infrastructure and technology, as well as decreasing our reliance on one time reserve funds, a 2.5% reduction to Faculties and service units is recommended to achieve a balanced budget.

The BAC recognizes Faculties and units have explored opportunities for revenue generation and/or cost recovery as a regular means to balance the budget and achieve their objectives. In order to meet continued budget reductions they will need to continue to do so. For instance, some Faculties generate revenues from full cost recovery programs.

Although Faculties and service units must absorb a reduction of \$7.1 million, once they receive compensation and other increases the net overall increase to their budgets is \$4.3 million. Appendix J shows the growth in Faculty budgets over the past three years.

As in previous years a number of budget items are exempt from reduction and a list of these items is included in Appendix K.

Recommendation: A 2.5% reduction be applied to all Faculties and service units.

IV BUDGET DISCUSSION FOR FUTURE YEARS

The following are key considerations that have been modelled in developing a broad framework for a three year budget outlook for the University:

- The Provincial Government has not yet confirmed the Provincial Operating Grants for Nova Scotia Universities for 2016-17 and new Memoranda of Understanding (MOU) are currently being developed for both the Halifax and Truro Campuses. Government funding represents 52.5% of the University's revenue and has been assumed to increase by 1%.
- Reserve Funds have been used for the past three years to balance the budget. Given the one-time nature of this funding it is important to continue to decrease the reliance on these funds to balance the budget.
- Flat enrolment has been modelled but demographic trends indicate a decline in new from high school students which challenges the University to maintain enrolment.
- With assumed tuition increases at the MOU level of 3%, considerable budget reductions will continue to be necessary to achieve a balanced budget over this period.

Assumptions	2016-17
Government Grant Change	1.0%
Tuition Revenue	
General Fee Increase (Per current MOU)	3.0%
Facilities Renewal fee Increase	3.0%
Base Budget Reduction:	
Faculties	2.50%
Service Units	2.50%
Nova Scotia Bursary	No change assumed
Compensation (per agreements and estimates)	Provision allowed
Library Acquisitions	2.0%
Non Salary Inflationary Increase	1.0%
Energy Water Taxes and Insurance increase	1.0%

Overall Budget Model
(See Halifax Model on page 24
and Truro Model on page 25)

	2015-16 Approved Budget	Change	2016-17 Projection
REVENUES - INCREASE (DECREASE)			
1. Government Funding			
a) Operating Grant: Agriculture	19,759	198	19,957
b) Operating Grant: Labour & Advanced Education	168,057	1,681	169,738
c) Nova Scotia Student Bursary Grant	8,607	-	8,607
d) Nova Scotia Graduate Scholarships Program Grant	2,213	435	2,648
e) Facilities/Space Grant	1,000	-	1,000
f) Other Government Grants - Enrolment Expansion	11,297	-	11,297
Total Government Funding	210,933	2,314	213,247
2. Tuition revenues	147,734		147,734
a) Enrolment Changes:			
i) 2015-16 Enrolment Impact	-	(230)	(230)
b) Fee increases	-	4,894	4,894
c) Market Adjustments	-	630	630
Total Tuition Revenue	147,734	5,294	153,028
3. Endowment Income	23,921	908	24,829
4. Operating Interest Income	3,250	(500)	2,750
5. Facilities Renewal Fee	3,048	91	3,139
6. Federal Research Support Fund Grant	6,979	-	6,979
7. Use of Reserve Funds	1,846	(346)	1,500
TOTAL REVENUES - INCREASE (DECREASE)	397,711	7,762	405,472
EXPENDITURES - INCREASE (DECREASE)			
8. Faculty and Unit Budget Allocations			
a) Compensation*			
i) Salary and Benefit Costs	294,081	10,069	304,150
b) Non-Salary*	43,112	651	43,763
c) Faculty/Unit Revenue	(33,355)	-	(33,355)
d) Budget Unit Adjustments	-	-	-
i) ERBA adjustment (preliminary estimate)	-	200	200
ii) Base budget reduction	-	(7,106)	(7,106)
e) Library Acquisitions	7,405	146	7,551
f) Market Adjustment Faculty Support	-	276	276
Total Faculty and Unit Budget Allocations	311,244	4,236	315,480
9. Faculty of Arts and Social Sciences Special Response Funding	-	500	500
10 Student Assistance			
a) Operating Support	10,341	-	10,341
b) Endowment Support	10,718	142	10,860
c) Nova Scotia Student Bursary (see line 1c)	8,607	-	8,607
d) Nova Scotia Graduate Scholarships Program Grant (see line 1d)	2,213	435	2,648
Total Student Assistance	31,879	577	32,456
11 Energy, Water, Taxes and Insurance	22,357	223	22,580
12 Non Space Equipment	2,372	-	2,372
13 Strategic Initiatives	2,000	638	2,638
14. Facilities Renewal	19,172	1,019	20,191
15 Campus Renewal - Long term debt/rent	6,787	68	6,855
16. Information Technology - Network Capacity and Infrastructure	-	500	500
17 Contingency	1,900	-	1,900
TOTAL EXPENDITURES - INCREASE (DECREASE)	397,711	7,762	405,472
SURPLUS (SHORTFALL)	-	-	-

* Net of recoveries

** Excludes one time Agricultural Campus Transition funding and expenditures.

Notes to Budget Model

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 2016-17 budget year.

REVENUES

Government Funding (Line 1)

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

The Province has not yet confirmed an increase in operating grants for the Nova Scotia University System. At this time, the model assumes that Dalhousie's operating grant will be increased by \$1.9 million (1%) in 2016-17, consistent with the increase received last year.

Line 1 also includes the grant supporting the Nova Scotia Bursary Program (\$8.6 million on line 1c). The estimate of the funding for the program and the offsetting expenditure (line 10c) is based on current program structure and enrolment levels. Also included in this section is the Nova Scotia Graduate Scholarship Program (\$2.6 million on line 1d). The offsetting expenditure budget is shown on line 10d.

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 assumes no change in enrolment over from 2015-16 to 2016-17. There is a decline on the Agricultural Campus of \$230,000 resulting from lower than budgeted enrolment in 2015-16.

(b) Fee rates

The model (line 2b) assumes annual increases in tuition fees of \$4.9 million as provided for in the current Memorandum of Understanding (MOU) with the Province of Nova Scotia. Line 2c assumes \$630,000 for increase tuition revenue related to market adjustments in Engineering, Pharmacy and Agriculture.

Investment Income (Line 3 and 4)

Line 3 includes the investment income required to support expenditures against the University's approximately 1,300 established endowments. For information, the 2015-16 & 2016-17 endowment expenditures are included in the budget lines as follows:

	<u>15-16</u>	<u>16-17</u>
Compensation Costs - Line 8 a)	6,222	6,727
Student Assistance - Line 10	10,691	10,825
Library Acquisitons - Line 8 e)	<u>226</u>	<u>228</u>
	17,139	17,780
Non-Salary - Line 8 b)		
Endowment management Expense	2,752	2,800
General & Research Support	<u>4,029</u>	<u>4,249</u>
	6,781	7,049
Total	<u>23,920</u>	<u>24,829</u>

Line 4 includes operating interest income based on current interest rates and cash flow projections. Operating interest income is assumed to decrease by \$500,000 in 2016-17 based on current cash flow and interest rates.

Student Fee for Facilities Renewal (Line 5)

The student fee for Facilities Renewal is recommended to increase by 3% as provided for in the MOU.

Federal Research Support Fund Grant (Line 6)

This line includes the grant received from the Federal Government to support the indirect costs of research. It is currently estimated that the operating budget includes \$43.4 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 2016-17 has not been confirmed. At this stage in planning the projection is based on the 2015-16 amount.

Reserve Funds (Line 7)

This line includes one-time reserve funds used to balance the budget. It is recommended that the use of reserve funding in 2016-17 be reduced by \$346,000 from 2015-16. The total amount of reserve funding budgeted for use in 2016-17 is \$1.5 million.

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. (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 a general inflationary increase of 1% for most components of the non-salary budget except where indicated below. The model also includes increased endowment allocations resulting in an overall increase of 1.5%. (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. No increase is projected in this line.

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 2016-17 is established.

ERBA (Line 8(d)(i)): This is a preliminary estimate of additional budget allocations to Faculties in 2016-17 as a result of enrolment changes in 2015-16 over 2014-15.

Base Budget Reduction (Line 8(d)(ii)): This model includes a base budget reduction of \$7.1 million. A 2.5% reduction has been applied to Faculties and service units. This is necessary to reach a balance of operating revenues and expenditures.

Library Acquisitions (Line 8(e))

This line includes the costs of library acquisitions including electronic media. The budget model assumes a 2% increase in 2016/17.

Market Adjustments (Line 8(f))

This line includes \$276,000 which represents 60% of the increased tuition revenue from the market adjustments recommended for Engineering and Pharmacy (see line 2c). This funding will be allocated to these faculties for priority investments to benefit students in these programs.

Faculty of Arts and Social Sciences (FASS) Special Response Funding (Line 9)

This line includes \$500,000 in special response funding for FASS to support Faculty planning efforts to enable the Faculty to move toward a balanced budget.

Student Assistance (Line 10)

Lines 10 a) and b) in the model are operating and endowment student assistance expenditures totaling \$21.2 million. Endowment supported scholarships will increase by \$142,000 in 2016-17. Line 9c) and 9d) in the model are student

assistance programs that are fully funded through grants from the Province (line 1c) and 1d). The model makes no assumption about change in the current program structure for the Nova Scotia Bursary Program in 2016-17 (\$1,283 for full time Nova Scotia Students). The Nova Scotia Graduate Scholarship program is expected to increase by \$435,000 in 2016-17.

Utilities, Taxes and Insurance (Line 11)

Line 11 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 1% in 2016-17 mainly due to the price of Natural Gas.

Non Space Equipment (Line 12)

Line 12 is a central pool of funding which is allocated to Faculties and Service units to support teaching and equipment purchases. No change has been made to this line.

Strategic Initiatives (Line 13)

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 2015-16 and therefore continues to be available in 2016-17. The budget model includes a total increase of \$0.6 million to replenish the funds provided for permanent base initiatives in order to continue to move forward on the University's Strategic Directions.

Facilities Renewal (Line 14)

The budget model assumes a \$1.0 million increase in the budget for Facilities Renewal.

Campus Renewal – Long term (Line 15)

This line includes the costs of debt service and rental requirements for University space. The budget model assumes an increase in the cost of leased space in 2016-17.

Contingency (Line 16)

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

Assumptions	2016-17
Government Grant Change	1.0%
Tuition Revenue	
General Fee Increase (Per current MOU)	3.0%
Enrolment Change	No change assumed
Facilities Renewal fee Increase	3.0%
Base Budget Reduction:	
Faculties	2.50%
Service Units	2.50%
Nova Scotia Bursary	No change assumed
Compensation (per agreements and estimates)	Provision allowed
Library Acquisitions	2.0%
Non Salary Inflationary Increase	1.0%
Energy Water Taxes and Insurance increase	1.0%

Halifax Budget Model

(See Overall Budget Model
on page 20)

	2015-16 Approved Budget	Change	2016-17 Projection
REVENUES - INCREASE(DECREASE)			
1. Government Funding			
a) Operating Grant: Labour & Advanced Education	161,536	1,615	163,151
b) Grant to support Nova Scotia Student Bursary	8,036		8,036
c) Nova Scotia Graduate Scholarships Program Grant	2,213	435	2,648
d) Facilities/Space Grant	1,000		1,000
e) Other Government Grants - Enrolment Expansion	11,297		11,297
Total Government Funding	184,082	2,050	186,132
2. Tuition revenues	142,523		142,523
a) General fee increases		4,744	4,744
b) Market Adjustments		460	460
Total Tuition Revenue	142,523	5,204	147,727
3. Endowment Income	23,729	910	24,639
4. Operating Interest Income	3,250	(500)	2,750
5. Facilities Renewal Fee	2,907	87	2,994
6. Federal Research Support Fund Grant	6,861		6,861
7. Use of Reserve Funds	1,846	(346)	1,500
TOTAL REVENUES - INCREASE (DECREASE)	365,198	7,406	372,603
EXPENDITURES - INCREASE (DECREASE)			
8. Faculty and Unit Budget Allocations			
a) Compensation*			
i) Salary and Benefit Costs	270,112	9,199	279,311
b) Non-Salary*	35,422	548	35,970
c) Faculty/Unit Revenue	(27,858)		(27,858)
d) Budget Unit Adjustments			0
i) ERBA adjustment (preliminary estimate)		200	200
ii) Base budget reduction		(6,438)	(6,438)
e) Library Acquisitions	7,016	138	7,154
f) Market Adjustment Faculty Support		276	276
Total Faculty and Unit Budget Allocations	284,692	3,922	288,614
9. Faculty of Arts and Social Sciences Special Fund		500	500
10. Student Assistance			
a) Operating Support	10,054		10,054
b) Endowment Support	10,526	144	10,670
c) Nova Scotia Student Bursary (see line 1b)	8,036		8,036
d) Nova Scotia Graduate Scholarships Program Grant (see line 1c)	2,213	435	2,648
Total Student Assistance	30,829	579	31,408
11. Energy, Water, Taxes and Insurance	19,835	198	20,033
12. Non Space Equipment	2,213		2,213
13. Strategic Initiatives	2,000	638	2,638
14. Facilities Renewal	17,242	1,000	18,242
15. Campus Renewal - Long term debt/rent	6,787	68	6,855
16. Information Technology - Network Capacity and Infrastructure		500	500
17. Contingency	1,600		1,600
TOTAL EXPENDITURES - INCREASE (DECREASE)	365,198	7,406	372,603
SURPLUS (SHORTFALL)	-	-	-

* Net of recoveries

Dalhousie University
Preliminary Operating Budget Revenue and Expenditure Model

<u>Assumptions</u>	2016-17
Operating Grant Labour and Advanced Education	1.0%
Operating Grant Department of Agriculture	1.0%
Tuition Revenue	
Fee Increase	3.0%
Facilities Renewal fee increase	3.0%
Base Budget Reduction	2.50%
Nova Scotia Bursary	No change assumed
Campus Renewal	1.0%
Compensation (per agreements and estimates)	Provision allowed
Library Acquisitions	2.0%
Non Salary Inflationary Increase	1.0%
Energy Water Taxes and Insurance change	1.0%

Truro Budget Model
(See Overall Budget Model
on page 20)

	2015-16 Approved Budget	Change	2016-17 Projection
REVENUES - INCREASE(DECREASE)			
1. Government Funding			
a) Operating Grant: Department of Agriculture	19,759	198	19,957
b) Operating Grant: Labour and Advanced Education	6,521	66	6,587
c) Nova Scotia Student Bursary Grant	571		571
Total Government Funding	26,851	264	27,115
2. Tuition revenues	5,211		5,211
a) 2015-16 Enrolment Impact		(230)	(230)
b) General fee increase	-	150	150
c) Market Adjustments		170	170
Total Tuition Revenue	5,211	90	5,301
3. Endowment Income	192	(2)	190
4 Facilities Renewal Fee	141	4	145
5 Federal Research Support Grant	118		118
TOTAL REVENUES - INCREASE (DECREASE)	32,513	356	32,869
EXPENDITURES - INCREASE (DECREASE)			
6 Faculty and Unit Budget Allocations			
a) Compensation*			
i) Salary and Benefit Costs	23,969	870	24,839
b) Non-Salary (net of recoveries)	7,690	103	7,793
c) Faculty/Unit Revenue	(5,497)		(5,497)
d) Budget Unit Adjustments			
i) Base budget reduction	-	(667)	(667)
e) Library Acquisitions	389	8	397
Total Faculty and Unit Budget Allocations	26,552	313	26,880
7 Student Assistance			
a) Operating Support	287		287
b) Endowment Support	192	(2)	190
c) Nova Scotia Student Bursary (see line 1c)	571		571
Total Student Assistance	1,050	(2)	1,048
8 Energy, Water, Taxes and Insurance	2,522	25	2,547
9 Non Space Equipment	159		159
10 Facilities Renewal	1,930	19	1,949
11 Contingency	300		300
TOTAL EXPENDITURES - INCREASE (DECREASE)	32,513	356	32,884
SURPLUS (SHORTFALL)	-	-	-

* Net of recoveries

** Excludes one time Agricultural Campus Transition funding and expenditures.

2016-17 Budget Process Timetable

	Date	Activities	Responsibility
PLANNING AND ANALYSIS	September	BAC commences discussion of 2016-17 budget. Questions sent out to Faculties and Units	BAC Deans and Unit Heads
	October/November	BAC discussions continue including: <ul style="list-style-type: none"> • Invite Deans/Student Groups and selected units to present to the Committee. 	BAC/Deans/Unit Managers
	November/December	BAC work continues including: <ul style="list-style-type: none"> • Completion of meetings with Deans/Student Groups and selected Units. • Preparation of draft report to be completed by the end of December. 	BAC
DEVELOPMENT OF RECOMMENDATIONS, CONSULTATION AND INPUT	January	Review draft report with the President prior to release Release Draft 2016-17 Operating Budget Plan including: <ul style="list-style-type: none"> • Proposed recommendations that will be the basis of the development of the 2016-17 budget • Proposed tuition fee schedule Budget Office sends preliminary unit budget detail (does not yet include BAC recommendations) to Faculties and units to <u>begin</u> preparation for the 16-17 budget.	BAC BAC Deans/Unit Managers

	Date	Activities	Responsibility
APPROVAL	January/February	BAC considers input received from the campus community	BAC
		University holds budget, tuition and fee consultation sessions with Students and the Campus Community	BAC/Student Campus
		Review draft of final report with the President prior to release	BAC
	March*	Issue Final Report – An Operating Budget Plan for 2016-17 <ul style="list-style-type: none"> • Report presented to the Operations Committee (March 30th) • Report presented to the Senate Committee • Tuition Fee recommendations to the Board for approval in April 	BAC
	April/May	Unit budget allocations determined and communicated to Deans and others	Budget Office
	June	Budget Units refine detailed budgets	Deans/Unit Managers
		Recommended Operating Budget for 2016-17 presented via the Operations Committee (June 8 th) to the Board for approval	President's Office
		Detailed budget finalized	Budget Office

Note: The BAC may at the request of the President or on its own initiative prepare additional reports on budget related matters.

* Required to meet tuition fee consultation guidelines

BAC Summary of Student Concerns:

1. Tuition Increases:

Students are concerned about increasing debt load and the potential impact of tuition increases on accessibility, especially for marginalized students and others needing assistance.

2. Increased Student Spaces

The importance of increasing student spaces on campus was noted, especially for students living off campus. Three new student spaces providing space for studying and access to services, recently opened: McCain, CHEB, and LeMarchant for international students and health services.

3. Financial Aid

There was a consistent call for increased student support, specifically increases in need-based support. The Report has been updated (page 14) to provide additional information on financial aid.

4. Value Received

Concerns were raised about the value received for tuition paid. The BAC notes that Dalhousie continues to have one of the lowest student:faculty ratios in the U15. Students continue to have some difficulties in finding the appropriate services available for them and in getting access to those services, including timely and access to appropriate counsellors. While recent data indicate that income, especially over time, for graduates with Bachelor degrees is growing, there is concern that the quality of the employment also be considered.

5. Transparency

Students expressed concern about understanding the Operating Budget and transparency. The following notes provide additional clarity:

- i. Appendix D has been added to provide a high level description of university activities to assist in explaining the difference between the operating budget (used to run the University on a day to day basis) and all University funds as presented in the Financial Statements.
- ii. Individual Deans or AVPs are accountable to manage their budget allocation and for the transparent use of those funds.
- iii. New building funding: The Report has been updated (page 15) to provide information on the process for approval and funding of capital projects.

5. Lobbying

a. Recognition of:

- i. the financial situation in the Province of Nova Scotia
- ii. the competing needs of the universities in NS
- iii. economic importance of the education sector in the province

- b. The senior administration meets regularly with the NS government to discuss the MOUs and potential initiatives and the student leaders also meet regularly with the NS government.
 - c. Students would appreciate more opportunities for the students and the senior administration to combine lobbying efforts.
6. Increasing Revenue Streams and Decreasing Expenses
- Concern has been raised about the need to have a budget that is more sustainable. The Report has been updated (page 15) to include information on energy saving initiatives. As noted in the Report (page 18), Faculties and units will need to continue to identify opportunities to increase other revenue streams including:
- i. Attract more students, includes ESL, mature learners, new programs
 - ii. Develop cost recovery programs, executive programs, international partnerships, etc.
 - iii. Faculties and units will need to continue to identify opportunities to decrease costs.

Student Consultations: Report on 2016-17 Budget, Tuition and Fees

March 22, 2016

As per Board policy document, *Tuition and Fee Consultation Procedures*, adopted in 2011, following is a report on student information and consultation sessions held during the development and following release of the draft BAC LIII report.

PHASE I – BUDGET PLANNING AND ANALYSIS

During the budget planning and analysis phase (September – December 2015) the Budget Advisory Committee (BAC) consulted with a range of stakeholders to discuss the major factors influencing the budget for 2016-17. This information gathering process included meetings with individual Deans, Librarian, Vice Presidents, the Student Union and other student groups.

PHASE II – CONSULTATION AND IMPACT

Prior to release of the draft BAC report a survey was distributed to all Dalhousie students seeking information on their familiarity of the budget process and seeking input to a series of questions. Attachment 1 is a summary of the responses.

Following release of BAC LIII report, four student sessions were held:

- February 23, 4:00-5:00 p.m., Agricultural Campus, with particular emphasis on the Agriculture tuition reset. Approximately 150 students attended.
- February 25, 12:30-1:30 p.m., Carleton Campus, with particular emphasis on the Pharmacy tuition reset. Approximately 35 students attended.
- February 29, 5:30-6:30 p.m., Sexton Campus, with particular emphasis on the Engineering tuition reset. Approximately 55 students attended.
- March 2, 4:00-5:00 p.m., Studley Campus – general session hosted by the DSU for all students. Approximately 30 students attended in person. This session was also live streamed and recorded and will be posted to the DSU website.

In addition to the consultation sessions, students were provided with an email address (BAC@dal.ca) to which they could submit questions/comments.

The following methods were used to promote the student sessions:

- A new Dalhousie Budget microsite was created at dal.ca/budget. In addition to presenting the budget summary in a simple, easy-to-scan format, it also highlighted the consultation sessions.
- All Dalhousie students received direct emails about the tuition and fee consultations (February 4 and reminder/update on February 18) including links to the draft report, tuition/fee recommendations, and the budget microsite. All faculty/staff received an email with a link to the draft report and the budget site on February 4.
- Dal News published a student-friendly “BACgrounder” overview on February 4 plus an additional article highlighting details of the proposed tuition adjustments and links to information about the upcoming consultations. These items led the February 4 edition of the Dal News Weekly, which is emailed to all students, faculty and staff.
- Reminders for the student consultation sessions were also included in subsequent editions of the Dal

News Weekly on Feb. 18 and Feb. 25., and in various editions of Today@Dal, which reaches 2,800 faculty and staff. (All Dal News articles were also included in Today@Dal.)

- Ongoing social-media promotion on the university's primary Twitter account (@dalnews, 14,800 followers) leading up to each of the four consultation sessions as well as posts from each session. Other Dal social media accounts were encouraged to share the updates as appropriate. These posts generated 70,938 total impressions and nearly 800 interactions.
- @dalnews also "livetweeted" the general budget consultations, sharing highlights and key themes from the budget. These 30+ posts averaged more than 1,200 impressions each.
- All consultation sessions were listed on the Dalhousie Events Calendar, which receives 4,500 views monthly.
- Information was supplied to the DSU to use to help promote the sessions.
- Outreach to Faculty communicators in Agriculture, Health Professions and Engineering to encourage them to use their communications channels to reach students in those programs impacted by the proposed tuition adjustment.
- Following the completion of consultations, Dal News published an update article sharing what was discussed and encouraging further feedback from students.

In addition to attending the sessions, students, faculty and staff submitted several emails to BAC@dal.ca which were shared with the Budget Advisory Committee.

Student feedback from these sessions focused on the following themes:

- Impact of rising tuition fees on recruitment and retention given declining enrolments
- Students would like a voice in determining how the monies flowing back to the Faculties from the tuition resets will be used
- Students would like to see scholarships and bursaries supplemented to assist more students in financial need
- Salary costs/annual salary increases – need to ensure negotiated employment contracts are financially sound
- The university should be taking steps to reduce costs and identify alternative revenue streams
- Specific to Pharmacy, the difference between BSc and Pharm D programs should be considered when comparing tuition at comparator institutions
- When comparing tuition fees, level of service to students should also be taken into consideration

Students also provided specific feedback and ideas for cost savings and revenue generation which have been forward to BAC for consideration.

Synthesis of the BAC Student Survey

The following information was drawn from the BAC Student Survey. The survey was created and distributed via email directly to students in early February to help inform the student consultations administered by the BAC.

Question 1: What faculty are you in?

- Faculty of Agriculture: 4.51%
- Faculty of Architecture and Planning: 2.55%
- Faculty of Arts and Social Sciences: 13.33%
- Faculty of Computer Science: 2.75%
- Faculty of Dentistry: 0.39%
- Faculty of Engineering: 17.84%
- Faculty of Graduate Studies: 5.49%
- Faculty of Health Professions: 16.47%
- Faculty of Law: 3.73%
- Faculty of Management: 8.82%
- Faculty of Medicine: 3.92%
- Faculty of Science: 20.2%
- There were 510 completed responses

Question 2: Graduate or Undergraduate Student?

- 75.49% undergraduate, 21.96% graduate, and 2.55% unanswered.

Question 3: Are you responding as an individual? Or as a society? If society, how many students does this represent?

- 98.24% individual, 1.76% representative of a society

Question 4: Where do you feel Dalhousie should focus its resources? Please list your top 3 choices.

- The top choice: academic programming, classroom/student/lab space, followed closely by student services
- The second choice: equally academic programming and classroom/student/lab space, followed closely by student services
- The third choice: student services followed closely by academic programming, classroom/student/lab space, and information technology infrastructure
- Comments included: student financial assistance, lower tuition

Question 5: Describe your main concerns as a student in relation to the budget.

- Some common themes included:
 - Increasing tuition and fees with no corresponding increase in services offered

- The need for more student financial assistance
- The need for more student study space
- Mental health and wellness services need to be increased
- Student space improvements needed, including in classrooms, labs
- Support needed for students to find employment

Question 6: From a budget perspective, what do you think is currently working well at Dal?

- New space for students and infrastructure
- Campus looks great
- Student services
- Student financial support, although more is needed
- Student group/society funding
- Public transit pass, access to fitness facility

Question 7: Rate your understanding of the overall operating budget and budget development process on a scale of 1-5 (5 being the greatest amount of understanding, 1 being the least).

- 21% rated themselves a 1
- 25% rated themselves a 2
- 29% rated themselves a 3
- 18% a 4
- 3% a 5

Question 8: What parts of the budget process would you say you understand the most about? Please select all that apply.

- The most clearly understood section was the final approval, followed by consultation, then development and recommendations, with planning and analysis being the least understood.

Question 9: What parts of the budget process do you understand the least? Please select all that apply.

- Planning and analysis, and development and recommendations were the least understood areas, followed by consultation and input, with approval following behind very closely

Question 10: Are there any sections of the operating budget, which you feel need to be further explained, or are confusing to you? Please select all that apply.

- Tuition revenue, how Faculties/units set their budgets and how budget cuts are applied generated the most responses, respectively
- Government funding, ERBA, and other revenues generated a moderate amount of responses
- Other expenditure items generated few responses

Question 11: Other Comments

- Increase transparency and communication, and clearer communication
- Do not increase tuition and fees; tuition and fees need to be controlled

UNIVERSITY FUNDS

The University organizes the finances related to its activities in five financial buckets called funds. These funds are described below. Three funds make up the Operating Budget - these are the Operating, Endowment and Ancillary funds. This report deals specifically with those funds which make up the day to day revenue and expenditures for the University.

There are two other categories of funds, Capital and Restricted funds. Restricted funds types include Research and Special Purpose accounts. These funds are supported by revenues that are restricted for the purposes designated by the contributors/sponsors and cannot be used to support general University operations. The largest contributions in this category come from the Federal government granting councils who provide grants to faculty members.

The University is required to account for costs of the University property (capital assets) by expensing a portion of their value each year over their useful life. These activities are shown in the capital fund no matter which of the other funds paid for them. The following are several examples:

- improvements to buildings that extend their useful life but paid for by the Facilities Renewal Portion of the Operating Budget
- purchase of Scientific equipment on a Research account
- library acquisitions paid for by funds available to the Library through Operating and Endowment funds.



Operating Fund

The day-to-day revenue and expenditures required to operate the University, so that it can carry out the Academic mission. Government grant, tuition revenue and other general revenue come in to the budget to cover operating expenditures.



Ancillary Fund

Ancillary units provide services to the University community but are not directly related to the core functions of teaching and research. The ancillary operations include Housing, the Bookstore, Food Services, the Rebecca Cohn Arts Centre and Dalplex. As a group, Ancillary units are expected to be self-sustaining.



Endowment Fund

University operations are supplemented by the University's 1357 endowment funds. Endowments support student bursaries and scholarships, research, library materials and services and academic chairs and salaries. The funds must be spent according to the terms of the individual endowments as established by donors.

Assets

Capital Fund

Accounts for funds received and expended on property, plant and equipment. The Capital Fund consists of restricted contributions resulting from capital asset funding arrangements with external parties, contributed capital assets and government grants restricted for the purpose of acquiring capital assets.



Research and Special Purpose Funds

Research & Special Purpose expenditures are supported by revenues which are restricted for the purposes designated by the funders and sponsors and cannot be used to support operations. Currently 3070 research grants and contract accounts are managed by individual faculty members.

Dalhousie University
Proposed Tuition and Facilities Renewal Fees for 2016-2017
 (Effective April 1, 2016 unless otherwise noted)

*** NOTICE TO READER:** The Province of Nova Scotia has not yet confirmed any change to the Nova Scotia Bursary Program for 2016-2017 year. Dalhousie has assumed continuation of the program at the 2015-16 rates. The program provides Nova Scotia students with an automatic bursary applied directly to reduce tuition costs. The example below shows the impact of the bursary for Nova Scotia 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 \$
Undergraduate Arts Student	
Tuition	7,200
Bursary (2015-16 rates)	(1,283)
Tuition net of bursary	5,917

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

	2015-2016 Approved		2016-2017 Proposed	
	Fees (see note * above)		Fees (see note * above)	
	Program	Per Billing Hour	Program	Per Billing Hour
	\$	\$	\$	\$
I UNDERGRADUATE				
Architecture, Community Design		243.50		250.80
Arts and Social Sciences		233.00		240.00
Computer Science (incl. Informatics)		264.40		272.30
Dentistry				
Dentistry - Cohort entering 2013	18,600		19,158	
Dentistry - Cohorts entering after 2013	20,826		22,700	
Dental Hygiene (Diploma)	8,732		8,994	
Dental Hygiene (Degree)		294.60		303.40
Engineering		264.40		281.00
Health Professions				
Health Services Administration		264.40		272.30
Health Science and Kinesiology		271.40		279.50
Nursing - Cohorts entering before 2016 ¹		271.40		279.50
Nursing - 2016 Cohort (newly modified program) ¹		N/A		293.10
Pharmacy		279.40		299.00
Recreation & Health Promotion		271.40		279.50
Social Work		257.50		265.20
Law	14,193		14,620	
Management				
Commerce Co-Op		266.80		274.80
Management & Public Administration		234.40		241.40
Medicine				
MD - Cohort entering 2013	17,616		18,144	
MD - Cohorts entering after 2013	18,300		19,215	
Post-Graduates	2,895		2,982	
Science		264.40		272.30

¹ In the fall of 2016, new students to the nursing program will be admitted to a modified program and this has required a restructuring of fees (auxiliary and tuition). Two streams will allow options of a three calendar year program (8 terms) or a two calendar year program (6 terms) for students with advanced standing. The current program which is offered over four years (8 terms and 4 intercessions) will be discontinued.

Students in the modified 8 term program will pay the same total fees (tuition and auxiliary) for their program as the current 8 term program. Students in the 6 term program will pay approximately 75% of the cost of the 8 term program. Dalhousie has worked with the Province of Nova Scotia and other Nova Scotia Universities on nursing program modifications to be responsive to human resource planning in the health care sector and to benefit students through greater program flexibility and earlier completion of the program. Students already in the program will not be affected by these changes.

* 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.

	2015-2016		2016-2017	
	Fees (see note * above)	Per Billing Hour	Fees (see note * above)	Per Billing Hour
Program			Program	
II GRADUATE (Halifax Campuses)				
Masters				
Architecture and Planning				
Architecture		280.60		289.00
Post Professional	8,412		8,664	
Environmental Design Studies	8,412		8,664	
Planning		294.60		303.40
Planning Studies	8,412		8,664	
Arts and Social Sciences	7,401		7,623	
Computer Science	8,412		8,664	
Dentistry - MD/MSc (Oral and Maxillofacial)				
MD/MSc - Cohort entering 2013	19,128		19,701	
MD/MSc - Cohorts entering after 2013	21,420		23,349	
MSc Periodontics	19,131		19,704	
Engineering, Applied Science	8,412		8,664	
Electronic Commerce	9,327		9,606	
Health Informatics	9,327		9,606	
Health Professions				
Applied Health Services Research	7,509		7,734	
Clinical Vision Science	9,117		9,390	
Health Promotion, Leisure Studies	8,412		8,664	
Health Administration		282.90		291.30
Human Communication Disorders, MSc Audiology				
MSc Speech Language, Pathology				
Years 1&2	10,566		10,881	
Year 3	8,754		9,015	
Kinesiology and Nursing	9,117		9,390	
Pharmaceutical Sciences	10,563		10,878	
Occupational Therapy (Post Professional), Physiotherapy (Rehabilitation Research)	10,563		10,878	
Occupational Therapy & Physiotherapy ¹	13,017		13,017	
Social Work		272.50		280.60
Law	10,371		10,682	
Management				
MBA Corporate Residency	22,038		22,700	
Environmental Studies	7,488		7,713	
Library and Information Studies		310.80		320.10
Public Administration		247.00		254.40
Resource and Environmental Management		247.00		254.40
Medicine				
Community Health & Epidemiology	9,117		9,390	
Medicine - Except Community Health & Epidemiology	8,412		8,664	
Science	8,412		8,664	
Marine Management	7,488		7,713	

¹ Fees for these programs are frozen for 2016-17

* 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.

	2015-2016		2016-2017	
	Approved Fees (see note * above)	Per Billing Hour	Proposed Fees (see note * above)	Per Billing Hour
II GRADUATE (Halifax Campuses) cont'd				
Doctorate				
Arts and Social Sciences	7,764		7,995	
Computer Science	8,790		9,054	
Engineering, Applied Science	8,790		9,054	
Law	10,728		11,049	
Health	8,790		9,054	
Medicine	8,790		9,054	
Nursing	9,492		9,777	
Science	8,790		9,054	
Other				
Qualifying, Visiting or Special Graduate Students		280.40		288.80
Continuing Fee	2,301		2,370	
III INTERNATIONAL STUDENT DIFFERENTIAL FEE (Halifax Campuses)				
All Programs (except Graduate- thesis based)	8,703		8,964	
Graduate -thesis based	6,015		6,195	
IV FACILITIES RENEWAL FEE				
Full-time (per term)	84.35		86.85	
Part-time (per term)	28.10		28.90	
V FACULTY OF AGRICULTURE				
UNDERGRADUATE				
Degree ¹		212.20		230.80
Technical ²		196.20		202.00
Animal Health ²		263.70		271.60
Veterinary Technology ²		263.70		271.60
GRADUATE				
Degree	8,412		8,664	
OTHER				
Qualifying, Visiting or Special Graduate Students		270.70		278.80
Continuing	2,301		2,370	
INTERNATIONAL STUDENT DIFFERENTIAL FEE				
UNDERGRADUATE				
Degree		212.20		218.50
Technical		196.20		202.10
Animal Health		263.70		271.60
Veterinary Technology		263.70		271.60
GRADUATE				
Degree	6,015		6,195	
OTHER				
Qualifying, Visiting or Special Graduate Students		270.70		278.80
Continuing	2,301		2,370	

¹ Undergraduate degree courses in the Faculty of Agriculture are assessed at a billing hour rate, based on 3 billing hours per course

² Undergraduate courses in Technical, Animal Health and Veterinary Technology are assessed at a billing hour rate, based on 2 hours per course

TUITION FEE SURVEYS (2015-16)

Undergraduate Arts Tuition Fees - Atlantic Universities (2015-16)

University	Tuition and Auxiliary fees Less Provincial Bursary ⁽¹⁾		Approved Tuition Fee
	Nova Scotian Students (\$1,283 bursary)	Other Canadian Students	
Mt. Allison	8,335	8,335	7,465
Acadia	7,722	9,005	7,713
UNB	7,036	7,036	6,187
St. Francis Xavier	7,058	8,341	7,195
Kings	7,044	8,327	6,990
UPEI	6,718	6,718	5,690
Dalhousie	6,747	8,030	6,990
Moncton	6,299	6,299	5,604
St. Thomas	6,652	6,652	5,914
Mount Saint Vincent	6,092	7,375	6,436
Saint Mary's	6,412	7,695	6,470
CBU	5,979	7,262	6,570
Memorial	3,071	3,071	2,550

¹ In addition to the Approved Tuition Fee (see grey box to right) students pay mandatory auxiliary 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 from the provincial government.

**Survey of Tuition fees for Entering Students at Selected Canadian Universities
2015-16 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	Dal Rank (#1 is highest)	Canadian Students	Dal Rank (#1 is highest)																	
	(net of \$1,283 bursary)																				
UNDERGRADUATE																					
(6) Agriculture	5,083	8	6,366	3	--	5,321	5,321	--	5,871	4,142	--	--	--	--	--	--	--	--	7,031	--	--
Arts	5,707	12	6,990	2	5,262	4,988	5,321	5,386	5,790	3,260	6,145	6,154	6,014	6,220	6,221	6,053	6,234	6,191	7,031	6,187	2,550
Dental Hygiene	7,449	2	8,732	2	--	5,487	10,067	--	--	7,067	--	--	--	--	--	--	--	--	--	--	--
Engineering	7,442	9	8,725	8	6,485	6,152	5,676	5,386	7,830	4,121	11,947	11,802	9,128	13,620	6,221	11,404	13,410	9,043	7,031	7,187	2,550
Commerce	6,721	10	8,004	5	7,174	7,391	5,321	5,386	7,757	4,370	8,980	--	8,412	6,220	8,300	15,590	--	7,240	7,031	6,287	2,550
Nursing	6,859	5	8,142	2	5,262	7,981	7,094	5,386	6,488	3,994	6,145	6,154	6,014	8,340	6,221	6,053	--	6,191	7,031	6,187	2,550
Pharmacy	8,370	6	9,653	5	--	16,677	9,987	--	9,011	4,482	--	--	--	16,850	--		19,612	--	--	--	3,145
Science	6,649	2	7,932	1	5,262	4,988	5,321	5,386	5,944	3,849	6,145	6,154	6,072	6,220	6,221	6,053	6,234	6,191	7,031	6,187	2,550
Social Work	6,442	2	7,725	1	5,262	4,988	--	5,386	--	4,109	6,145	--	6,072	--	6,221	--	6,234	6,191	7,031	--	2,550
GRADUATE																					
Occupational Therapy	11,734	1	13,017	1	--	6,839	6,449	--	--	--	9,971	10,841	--	10,150	--	10,779	--	8,915	--	--	--
Masters in Arts	6,118	10	7,401	3	5,465	4,615	3,745	5,594	3,804	4,540	7,008	6,827	7,743	7,060	4,785	6,414	7,308	8,189	7,031	6,187	3,030
Footnotes:						(1) (4) (5)							(2) (4)			(4)	(2)		(3)		

Note: Amounts in table do not include auxillary fees. These fees are compiled using publically available information on university websites.

(1) University of British Columbia 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.

(2) University of Ottawa the Social Work and Occupational Therapy programs are offered only in French.

(3) University of New Brunswick tuition Includes a \$1,000 Engineering Program Fee and a \$100 Management Program Fee.

(4) Pharmacy at Toronto, Waterloo and UBC is the Pharm D Program. Other programs shown including Dalhousie are BSc programs.

(5) University of British Columbia offers Agriculture programs but does not have a Faculty of Agriculture.

(6) Other comparators for the Faculty of Agriculture include Laval (\$7,638); Guelph (\$6,199) and Trent (\$6,221). The University of Laval and McGill rates are for Canadian students from outside Quebec.

**Comparison of Law, Medicine and Dentistry Tuition Fees for 2015-16
for Entering Canadian Students**

	Law 2015-16	Medicine 2015-16	Dentistry 2015-16
Dalhousie			
Nova Scotia students (fee reduced by \$1,283 for NS Bursary)	14,160	17,017	19,543
Dalhousie rank (1 is the highest fee)	7 th of 15	7 th of 13	6 th of 8
Other Canadian students	15,443	18,300	20,826
Dalhousie rank (1 is the highest fee)	7 th of 15	6 th of 13	4 th of 8
Victoria ⁽¹⁾	9,208	n/a	n/a
UBC	11,667	17,066	17,066
Alberta ⁽²⁾	10,221	12,044	20,184
Calgary	12,315	11,259	n/a
Saskatchewan	12,255	15,840	32,960
Manitoba ⁽⁴⁾	9,488	8,256	20,066
McMaster ⁽³⁾	n/a	20,251	n/a
Western	19,342	23,927	33,923
Windsor	16,851	n/a	n/a
Toronto	31,740	22,180	35,600
York	23,806	n/a	n/a
Queens	17,524	24,261	n/a
Ottawa	16,864	24,463	n/a
McGill ⁽⁵⁾	7,031	14,764	14,998
UNB ⁽⁶⁾	9,837	n/a	n/a
Memorial	n/a	6,250	n/a
Average (excl. Dal)	<u><u>14,868</u></u>	<u><u>16,713</u></u>	<u><u>24,971</u></u> (7)

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) The University of Victoria Law fee includes auxiliary fee of \$1,250. These fees are retained by the Faculty.

(2) The University of Alberta has program differential fees included for Law (\$4,546), Medicine (\$4,546) and the Dentistry fee includes a Clinical fee and a Clinical Operations fee.

(3) McMaster University Medicine is a three year program, fee shown is total fee for three years divided by four.

(4) The University of Manitoba Law tuition rate includes a \$4,623.30 surcharge.

(5) McGill University fees shown are for out of province students.

(6) UNB Law includes a supplemental fee of \$3,650.

(7) Additional detail on Dentistry fees can be found in Appendix F, Page 42

2015/2016 Fee Comparison
Prepared by the Faculty of Dentistry

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

	Dalhousie	McGill	Western	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>	\$138,648.44	\$95,427.02 [1]	\$171,554.96	\$180,467.84	\$130,599.00	\$158,094.71	\$149,543.88	\$231,350.00
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	some/most *	YES	YES	YES	YES	YES	YES
Preclinical Supplies (including magnification loupes, clinic jackets and laundry) (phantom head teeth, course manuals, article copies)	YES	some/most *	YES *	YES	YES	YES *	YES *	YES
Clinic Equipment (all patient care sterilized items, handpieces)	YES	some/most *	YES	YES *	YES	YES	YES	YES
Clinic Supplies (including student/patient voice-mail/ e-mail interface)	YES	some/most *	YES	YES	YES	NO	YES	YES
What costs are in place in addition to published mandatory fees? (see *)	does not include NDEB fee	laptop required (not included in fees) ("some/most" -- note on website that there may be additional costs for clinic/pre-clinical equipment/supplies)	includes textbooks (\$1700.00+/year est. in 2013) magnification loupes & light (optional - \$1200.00)	does not include mandatory laptop computer does not include books & 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	laptop required* (computers at clinic workstations and 24-hr. computer lab; all textbooks are electronic; most purchase a computer)	includes textbooks laptop requested each student pays \$300-\$400 for additional practice teeth additional pre-clinic/clinic experiences for students who purchase supplies	laptop required optional magnification loupes & light (appx. \$1200.)	includes textbook (estimate \$5600) includes NDEB fee \$1,850.00

[1] Includes \$5000.00 fee for new clinic
McGill total for non Quebec residents is \$110,858.08

International Tuition Fees at Selected Universities (2015-16)
(fee shown is for entering student in an Arts Program)

	Tuition Fees			Dalhousie
	Canadian Students	International Students	Differential	Rank ⁽¹⁾ (#1 is the highest out of 14)
Dalhousie University				
Undergrad	\$6,990	\$15,693	\$8,703	11
Graduate - Masters	\$7,401	\$13,416	\$6,015	7
Graduate - PhD	\$7,764	\$13,779	\$6,015	7
University of British Columbia				
Undergrad	\$4,998	\$26,399	\$21,401	
Graduate - Masters	\$4,615	\$8,108	\$3,493	
Graduate - PhD	\$4,615	\$8,108	\$3,493	
University of Alberta				
Undergrad	\$5,321	\$20,706	\$15,385	
Graduate - Masters	\$3,745	\$7,817	\$4,072	
Graduate - PhD	\$3,745	\$7,817	\$4,072	
University of Calgary				
Undergrad	\$5,386	\$18,338	\$12,952	
Graduate - Masters	\$5,394	\$12,696	\$7,302	
Graduate - PhD	\$5,394	\$12,696	\$7,302	
University of Manitoba				
Undergrad	\$3,260	\$12,460	\$9,200	
Graduate - Masters	\$4,540	\$9,989	\$5,448	
Graduate - PhD	\$4,540	\$9,989	\$5,448	
McMaster University				
Undergrad	\$6,145	\$23,819	\$17,674	
Graduate - Masters	\$7,008	\$18,832	\$11,824	
Graduate - PhD	\$7,008	\$18,832	\$11,824	
Western University				
Undergrad	\$6,154	\$22,817	\$16,663	
Graduate - Masters	\$6,827	\$17,276	\$10,449	
Graduate - PhD	\$6,827	\$17,276	\$10,449	
University of Toronto				
Undergrad	\$6,220	\$38,460	\$32,240	
Graduate - Masters	\$7,060	\$26,970	\$19,910	
Graduate - PhD	\$7,060	\$19,550	\$12,490	
Queen's University				
Undergrad	\$6,204	\$30,428	\$24,224	
Graduate - Masters	\$6,414	\$12,927	\$6,513	
Graduate - PhD	\$6,414	\$12,927	\$6,513	
Waterloo University				
Undergrad	\$6,234	\$22,780	\$16,546	
Graduate - Masters	\$7,308	\$18,774	\$11,466	
Graduate - PhD	\$7,308	\$18,588	\$11,280	
University of Ottawa				
Undergrad	\$6,191	\$23,882	\$17,692	
Graduate - Masters	\$8,189	\$19,260	\$11,071	
Graduate - PhD	\$7,074	\$16,334	\$9,260	
McGill University				
Undergrad	\$7,031	\$15,707	\$8,677	
Graduate - Masters	\$7,031	\$15,707	\$8,677	
Graduate - PhD	\$2,294	\$14,099	\$11,805	
University of New Brunswick				
Undergrad	\$6,187	\$13,905	\$7,718	
Graduate - Masters	\$6,264	\$10,731	\$4,467	
Graduate - PhD	\$6,264	\$10,731	\$4,467	
Memorial University				
Undergrad	\$2,550	\$8,800	\$6,250	
Graduate - Masters	\$3,030	\$3,936	\$906	
Graduate - PhD	\$8,196	\$10,644	\$2,448	

(1) The rank is based on the total international student fee.

Ancillary and Auxiliary Fees – Definition and Approval Process

Ancillary fees are mandatory fees for non-academic services and include student service fees, food services, residence accommodations and student association fees.

Auxiliary fees are mandatory fees for academic services and cover additional costs required for supplies, equipment, labs, field trips, or other items that students must pay in order to enroll in or complete a program or course. These additional costs are not covered by the approved tuition for the course.

Requested changes in these fees are considered by the Board of Governors in April each year along with tuition fee increases. With the exception of the Facilities Renewal fee, recommendations on these fees are not discussed within this report as they are set based on recommendations from Faculties and units on the cost of providing the services or supports. Proposed adjustments to tuition, ancillary and auxiliary fees are included in the package of information provided to students as part of the annual student consultation process

Dalhousie University
Summary of Enrolment Related Budget Allocations 2004-05 to 2015-16
('000's)

Faculty	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Cumulative Distributions 2004-05 to 2015-16
Architecture and Planning	136	119	49	(97)	57	28	8	(55)	53	(33)	59	(4)	320
Arts and Social Sciences	997	111	6	(134)	(660)	(255)	322	235	(63)	(719)	(541)	(411)	(1,112)
Computer Science	(242)	(398)	(349)	(122)	35	27	(19)	297	183	294	172	224	102
Dentistry	(3)	7	(1)	6	1	(4)	56	(64)	(35)	27	(23)	31	(2)
Engineering	8	52	62	24	-	30	623	813	114	233	139	585	2,683
Graduate Studies	36	43	27	19	(10)	30	(4)	(32)	(48)	(35)	14	8	48
Health Professions	199	192	75	502	157	88	173	566	939	361	44	(88)	3,208
Law	26	87	17	(128)	4	75	35	119	(156)	133	(107)	4	109
Management	251	527	(92)	94	83	64	154	394	64	21	47	100	1,707
Medicine	29	28	(9)	(135)	11	(14)	119	154	73	(11)	116	(135)	226
Science	706	(65)	(312)	(354)	(119)	(17)	604	1,201	734	170	428	1,150	4,126
College of Sustainability	-	-	-	-	-	-	329	177	64	(21)	(49)	(53)	447
	2,143	703	(527)	(325)	(441)	52	2,400	3,805	1,922	420	299	1,411	11,862

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. The following is a summary of the principal features of the current formula:

Principal Features of the 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 revenue to the University that results 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.
- 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.

- **Enrolment units** are 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 which pays 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.

DALHOUSIE UNIVERSITY
3 YEAR HISTORY OF OPERATING BUDGET BY FACULTY AND UNIT
(\$ 000's omitted)

Consolidated

	Final Budget	Final Budget	Final Budget	
	2012-13	2013-14	2014-15	Increase over 2 years
<u>ACADEMIC</u>				
Faculty of Agriculture	15,695	16,554	16,400	
Architecture and Planning	4,365	4,441	4,538	
Arts and Social Sciences	20,385	20,167	20,384	
Computer Science	5,993	6,377	6,648	
Dentistry	9,347	9,520	9,726	
Engineering	17,683	18,023	18,612	
Graduate Studies	1,868	1,999	2,014	
Health Professions (1)	24,850	28,518	29,121	
Law	10,289	10,627	11,080	
Management	12,228	12,421	12,718	
Medicine (1)	40,643	44,381	45,597	
Science	31,867	32,901	33,808	
University Library	14,324	14,380	15,194	
College of Continuing Education	932	1,107	1,152	
College of Sustainability	1,290	1,281	1,260	
Centres, Institutes & Special Projects	1,627	1,798	2,382	
Engineering & Computer Science Career Services	621	647	680	
Faculty Related Costs (eg.Travel, Leave Grants, PDA.)	2,309	2,496	2,440	
Kings' Transfer	(3,327)	(3,327)	(3,327)	
Academic Initiatives	777	756	622	
TOTAL ACADEMIC	213,766	225,067	231,049	8.1%
<u>ACADEMIC SUPPORT</u>				
IT Initiatives				
Art Gallery	154	168	161	
Centre for Learning and Teaching	1,206	1,235	1,373	
Information Technology Services	11,705	11,706	11,811	
Printing Centre	37	46	46	
TOTAL ACADEMIC SUPPORT	13,102	13,155	13,391	2.2%
<u>ADMINISTRATION</u>				
Application Fees	(1,212)	(1,235)	(1,465)	
Communications & Marketing	2,890	2,739	2,699	
Environmental Health and Safety Office	1,180	1,167	1,076	
External Relations	5,920	5,989	6,421	
Financial Services	4,836	4,917	5,063	
Human Resources	3,438	3,424	3,525	
Institutional Analysis and Research	609	707	784	
Inter-University Services	82	92	95	
President's Office	3,652	3,829	3,954	
Registrar & Admissions	5,818	5,818	5,983	
Research Services	1,883	1,877	1,869	
University Secretariat/ Internal Audit	796	796	958	
TOTAL ADMINISTRATION	29,892	30,120	30,962	3.6%
<u>GENERAL</u>				
	2,166	1,735	1,828	-15.6%
<u>FACILITIES MANAGEMENT</u>				
	19,027	20,034	20,847	9.6%
<u>STUDENT SERVICES</u>				
Awards Office & Student Services Centre -Sexton	423	421	450	
Student Services	5,768	5,641	5,887	
Student Health	93	94	116	
Varsity, Intramurals & Clubs	1,028	1,032	1,058	
TOTAL STUDENT SERVICES	7,312	7,188	7,511	2.7%

(1) Medicine and Health Professions increases relate to enrolment expansions supported by the Province of Nova Scotia.

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