



Dalhousie University

2022-23 Operating Budget

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Table of Contents

Introduction	1
Key Components of the 2022-23 Operating Budget	2
2022-23 Recommended Operating Budget – Summary	6
2022-23 Recommended Operating Budget – Responsibility Centre Detail	7
Appendix A – Supplementary Budget Information for Expenditure Areas & Responsibility Centres with an Endowment Supported Component	9
Appendix B – Enrolment Related Budget Allocations (ERBA)	10

INTRODUCTION

The Operating Budget funds the day-to-day operations of the University, allowing for delivery on the University mission and strategic priorities, reflecting approximately 70% of all University financial activity (research and other funds account for the other 30%).

The Budget Advisory Committee (BAC) makes recommendations to the President to inform the annual operating budget. The committee released BAC LXII, An Operating Budget Plan for 2022-23 in March (following a draft in January, which allowed for feedback from the campus community). The high-level recommendations in the Operating Budget Plan are the basis for the development of the 2022-23 budget in this report.

The following budget synopsis provides a breakdown of the major revenue sources and expenditure components for the 2022-23 budget compared with previous years.

Budget Revenue and Expenditures Three Year Comparison						
(in thousands of dollars)						
	2022-23		2021-22		2020-21	
	\$	%	\$	%	\$	%
<u>REVENUES</u>						
Provincial Government Grants	228,984	44.3%	225,787	45.9%	221,110	46.9%
Tuition	236,094	45.7%	220,894	44.9%	206,230	43.8%
Other	51,650	10.0%	44,933	9.1%	43,696	9.3%
	516,728	100.0%	491,614	100.0%	471,036	100.0%
<u>EXPENDITURES</u>						
Faculty and Unit Budgets	374,163	72.4%	355,726	72.0%	341,293	71.0%
Student Assistance ⁽¹⁾	40,805	7.9%	40,652	8.2%	39,830	8.3%
Campus Renewal	43,626	8.4%	38,653	7.8%	34,458	7.2%
Energy, Water, Taxes and Insurance	25,532	4.9%	23,232	4.7%	21,340	4.4%
Library Acquisitions	9,848	1.9%	9,084	1.8%	9,064	1.9%
IT Network Infrastructure	3,825	0.7%	3,750	0.8%	3,750	0.8%
Third Century Promise Initiatives and Other Essential Priorities	9,513	1.8%	6,251	1.3%	6,000	1.2%
Equipment, Endowment Management	7,416	1.4%	6,666	1.3%	6,066	1.3%
Revenue losses and extraordinary costs due to COVID	2,000	0.4%	10,100	2.0%	19,000	4.0%
	516,728	100.0%	494,114	100.0%	480,801	100.0%
Surplus (Shortfall)	-		(2,500)		(9,765)	
Prior Years Reserves	-		2,500		9,765	
Surplus (Shortfall) after Use of Prior Years Reserves	-		-		-	

(1) Includes central student assistance programs in Registrar's office, Graduate Studies and the NS Bursary and Grad Scholarship programs. Also includes endowments for scholarships managed by Faculties totalling \$6.9 million in 2022-23 (\$5.9 million in 2021-22, and \$5.9 million in 2020-21).

KEY COMPONENTS OF THE 2022-23 OPERATING BUDGET

This section reviews key Revenues and Expenditures comprising the 2022-23 recommended Operating Budget. The summary budget and the responsibility centre detail by Faculty and Unit are found on pages 6 to 8.

REVENUES

1. Government Grants

- a) Operating Grants – The Department of Labour and Advanced Education has indicated that the operating grant will increase by 2.0 million (1.0%) to \$201.6 million in 2022-23.

Scholarships and Bursary Program Grants – The budget includes grant funding to support provincial government-sponsored student assistance programs. The Nova Scotia Student Bursary program provides an automatic bursary to all Nova Scotia Students attending Nova Scotia universities and the Nova Scotia Graduate Scholarship program supports scholarships for Masters and PhD students. These revenues are directly offset by expenditures on Scholarships and Bursaries.

	(in thousands of dollars)	
	2021-22	2022-23
Nova Scotia Bursary	8,190	8,190
Nova Scotia Graduate Scholarships	3,000	3,000
	11,190	11,190

- b) Program Specific Grants and Facilities/Space Grants – The University receives several program-specific grants as well as a \$1.0 million grant that supports space costs. The Faculty of Medicine will receive additional funding of \$1.2 million related to MD enrolment expansion in 2022-23.

	(in thousands of dollars)	
	2021-22	2022-23
Health (Nursing, Occupational Therapy, Physiotherapy)	6,218	6,218
Medicine	7,700	8,900
Other	80	80
	13,998	15,198

2. Federal Research Support Fund Grant

Universities receive an annual grant from the Federal Government to contribute to the costs incurred to support federally funded research (i.e. NSERC, SSRC, and CIHR). The grant provides funding support for a portion of costs that are embedded in the various areas of the operating budget. For example, the grant supports utility costs for research space on University campuses which are included in the University budget for Energy, Water, Taxes, and Insurance. Dalhousie's share of this federal grant is estimated at \$6.7 million for 2022-23.

3. Investment Income

- a) Endowment – The University's 1400+ endowments support Faculty and Unit budgets through allocations for student assistance, academic chairs and salaries, and research based on the terms established by the donors. Endowment revenues increased by \$5.8 million over 2021-22, as strong investment returns resulted in a large increase in the average market value of

the endowments, which combined with a higher CPI allows for a significant increase in endowment spending.

Spending allocations are determined based on the University's Endowment Spending Policy and have increased based on the inflation allotment, capital growth, and new gifts. Appendix A provides a further breakdown of the endowment allocations by Faculty and spending category.

- b) Operating – University cashflows are invested to generate income that supports the operating budget. The 2022-23 budget includes \$3.6 million based on current forecasts of cashflow and forecasted higher returns on investments under the University's Expendable Funds Policy.

4. Tuition Revenues

The tuition revenue budget for 2022-23 is \$236.1 million, an increase of \$15.2 million over the 2021-22 budget. This includes the general tuition fee increase of 3% for all programs and the implementation of the fourth and final year of a multi-year international fee increase of \$1,473.

Enrolment forecasts for 2022-23 are based on Fall 2021 enrolment, and result in a small increase in tuition revenue for the Fall 2022 term. However, student enrolment in summer classes is not expected to be maintained at recent levels. When considering all terms, the budget plan assumes no change in tuition revenue related to enrolment for 2022-23 compared to 2021-22.

5. Facilities Renewal Fee

For 2022-23, the Facilities Renewal student fee revenue is projected to increase by \$317,000 and will further support Facilities Renewal projects on Campus (see 1b General Operating Expenditures). The total increase results from a 3.0% fee increase and increased enrolment in 2021-22.

EXPENDITURES

1. General Operating Expenditure

a) Scholarships, Bursaries, and Student Assistance:

Overall, for 2022-23, student assistance is increasing by \$153,000 over 2021-22. The 2022-23 budget allows for a \$1.0 million base increase in student assistance, as well as a base funding increase for First Nations and Indigenous Black (FNIB) renewable scholarships of \$50,000 in 2022-23. University endowments will provide a further \$2.6 million (refer to Appendix A) in support for students in 2022-23, for a total of \$15.9 million in endowment supported student assistance.

The Provincial programs providing direct support for students are expected to provide the same levels of support (totaling \$11.2 million) as in 2021-22 (see Revenue section 1a).

b) Campus Renewal:

Campus Renewal (Annual) – The BAC recommended a \$4.0 million increase in funding for facilities renewal following from a 2020-21 recommendation to increase Campus Renewal

funding by \$4.0 million per year for four years, a 2% inflationary increase of \$0.60 million, plus an enrolment-related increase in student fee support of \$0.2 million.

Campus Renewal (Long Term) – Campus Renewal (Long Term) includes debt service costs and rental of university space and will increase by \$130,000 (2%) over 2021-22.

c) Energy, Water, Taxes, and Insurance:

The budgeted cost for Energy, Water, Taxes, and Insurance for 2022-23 is \$25.5 million and is based on estimated consumption and projected pricing for utilities. The increase of \$2.3 million over 2021-22 is primarily based on an increase in the forecast pricing of natural gas and a return to normal occupancy levels of buildings post-pandemic. This budget also supports annual payments to retire the cost of sustainability projects. The energy savings associated with sustainability projects will ultimately benefit the operating budget once project costs are retired.

d) Endowment Management Expense:

In 2022-23, the endowment management expense is projected to be \$4.9 million. The largest component of the endowment management expense is investment management fees which are estimated based on a forward-looking projection of market values and new gifts.

e) Third Century Promise Initiatives and Other Essential Priorities:

BAC recommendations provided for an allocation of \$9.0 million for Strategic Initiatives in 2022-23. Delayed spending on base initiatives approved in 2021-22 increased this allocation to \$9.5 million as the funds required to support the initiatives must be retained to fund the spending in 2022-23.

f) Equipment and Furniture:

This funding is provided to Faculties and Units for teaching and other equipment purchases and will increase by 2% for a total of \$2.5 million in 2022-23.

g) Pandemic Revenue Losses / Expenditures:

The 2022-23 budget includes \$2.0 million to address ongoing revenue impacts and continued additional costs related to the pandemic such as enhanced Health & Safety protocols.

2. Responsibility Centre and Ancillary Expenditures

72.4% of the university budget allocated to Deans and leaders of major Service and Support units to manage. A breakdown of these Faculty and Unit allocations for 2022-23 is included on pages 7 and 8 of this report.

The other significant budget adjustments are summarized below:

a) Faculty/Unit Budgets

Faculty and other service unit budgets include the following adjustments:

- i) **Enrolment Based Budget Adjustment (ERBA):** The ERBA formula allocates approximately 60% of the incremental tuition revenue based on changes in enrolment to Faculty budgets. The ERBA estimate for Faculty budgets in 2022-23 is a net overall increase of \$3.8 million based on 2021-22 enrolment changes over

2020-21. Adjustments will be made to Faculty budgets once the final ERBA figure is calculated. Appendix B summarizes the ERBA budget allocations from 2002-03 to 2022-23.

- ii) **Non-Salary Increase:** An inflationary increase of 2.0% has been provided for non-salary costs such as teaching supplies and equipment as well as for the library acquisitions budget.
- iii) **Endowment:** The budget includes endowment program supports for student assistance, academic chairs and salaries, library, and research. Appendix A provides a breakdown of the budget for Faculties and Units with both Endowment and Operating supported components.
- iv) Other adjustments include a BAC recommended increase of \$0.5 million to support classroom technology to create consistent and reliable classroom technology and supports.
- v) The Faculty of Medicine budget allocation has been increased by \$1.2 million related to expanded MD enrolments funded from an increase in government grants.
- vi) Faculties and Units are required to address a 1.5% gap between funding allocated and expenditure increases.

b) Provision for Cost Fluctuations

The budget includes an annual allocation for contingency items (\$2.6 million) set at 0.5% of total revenues, an estimate for scale and progression increases (steps, CDIs, etc.) and related pension and benefit increases for all employee groups in 2022-23, as well as a provision for the annualization of 2021-22 salary adjustments.

Agreements with most employee groups will expire on June 30, 2022. Once salary increases are determined and employee salary rates are adjusted, Faculty and Unit budgets will be increased to cover the cost.

Funding has also been set aside to cover the increased contribution required for the Pension Plan, as determined based on a valuation of the financial position of the plan by an actuarial consultant, as required by the Nova Scotia Pension Benefits Act. The valuation as of January 31, 2020, requires an increase in employer payments to fund the Pension Plan, phased in over five years as required by provincial pension regulation.

c) Ancillaries

The ancillary budget includes the Bookstore, University Housing and Conference Services, Residence Life, Food Services, Dalplex, and Arts Centre facilities. These units are expected to cover their costs, including maintenance, from the revenues generated.

DALHOUSIE UNIVERSITY
2022-23 RECOMMENDED OPERATING BUDGET- SUMMARY
(thousands of dollars)

	2021-22 Adjusted Budget	2021-22 Forecast Actual	2022-23 Recommended Budget
<u>REVENUE</u>			
Provincial Government Grants			
Operating	178,397	178,397	180,394
Scholarship and Bursary Program Grants	11,190	11,190	11,190
Program Specific Grants	35,200	35,200	36,400
Facilities/Space	1,000	1,000	1,000
	225,787	225,787	228,984
Federal Research Support Fund Grant	6,716	6,716	6,716
Investment			
Endowment	31,317	31,317	37,117
Operating (net of bank and finance charges)	3,000	3,600	3,600
Tuition Fees	220,894	223,494	236,094
Facilities Renewal Fee	3,900	4,000	4,217
TOTAL REVENUE	491,614	494,914	516,728
<u>GENERAL OPERATING EXPENDITURES</u>			
Scholarships, Bursaries and Student Assistance			
Operating	16,185	18,435	13,735
Scholarship and Bursary Program	11,190	11,190	11,190
Endowment	7,505	7,350	8,976
Campus Renewal			
Annual Facilities Maintenance	32,158	32,258	37,001
Long Term	6,495	6,495	6,625
Energy, Water, Taxes, Insurance (net of recoveries)	23,232	23,232	25,532
Endowment Management Expense	4,200	4,200	4,900
Third Century Promise Initiatives and Essential Priorities	4,051	4,556	9,513
Equipment and Furniture Allocation	2,466	2,466	2,516
TOTAL GENERAL OPERATING EXPENDITURES	107,482	110,182	119,988
<u>RESPONSIBILITY CENTRE EXPENDITURES</u>			
Academic	278,348	278,804	284,358
Academic Support	18,396	18,761	18,007
Administration	38,360	37,420	37,841
General	1,622	1,532	1,547
Facilities Management	26,412	26,412	24,961
Student Services	8,288	8,294	7,887
Provision for Cost Fluctuations	9,753	9,753	21,827
TOTAL RESPONSIBILITY CENTRE EXPENDITURES	381,179	380,976	396,428
TOTAL OPERATING EXPENDITURES	488,661	491,158	516,416
NET ANCILLARY EXPENDITURES	5,453	5,006	312
TOTAL EXPENDITURES	494,114	496,164	516,728
SURPLUS (SHORTFALL)	(2,500)	(1,250)	-
USE OF PRIOR YEARS RESERVES ⁽¹⁾	2,500	2,500	-
SURPLUS (SHORTFALL) FOR THE YEAR AFTER USE OF PRIOR YEARS RESERVES	-	1,250	-

(1) The 2021-22 budget included the use of \$2.5 million in Student Assistance carryforward funds to support students in 2021-22). The \$2.5 million will be expended in 2021-22 and is no longer available.

DALHOUSIE UNIVERSITY
2022-23 RECOMMENDED OPERATING BUDGET - CONTINUITY
(thousands of dollars)

	2021-22 Adjusted Budget	Budget Reduction	ERBA	Endowment Change	Non Salary & Other Adjustments	2022-23 Recommended Budget
ACADEMIC						
Agriculture	18,846	(280)	(124)	(1)	58	18,499
Architecture and Planning	4,993	(73)	166	21	5	5,112
Arts and Social Sciences	20,878	(285)	1,635	311	-	22,539
Computer Science	12,245	(180)	1,117	53	39	13,274
Dentistry	10,758	(157)	(34)	62	43	10,672
Engineering	22,851	(327)	(517)	208	29	22,244
Graduate Studies	2,452	(28)	30	1	3	2,458
Health	33,185	(478)	752	148	64	33,671
Law	12,886	(136)	(78)	593	30	13,295
Management	15,057	(213)	475	112	-	15,431
Medicine	53,861	(702)	579	1,418	1,401 ⁽¹⁾	56,557
Science	40,988	(568)	(319)	567	44	40,712
University Library	20,088	(173)	-	39	1,226 ⁽¹⁾	21,180
Open Learning and Career Development	1,271	(8)	-	12	3	1,278
College of Sustainability	1,553	(23)	118	2	2	1,652
Centres, Institutes & Special Projects	2,695	(14)	-	6	-	2,687
International Support to Faculties and Units	702	-	-	-	(151) ⁽¹⁾	551
Cooperative Education Office	918	(14)	-	-	3	907
Faculty Related Costs (eg. Travel, Leave Grants, PDA)	2,800	-	-	-	-	2,800
Kings' Transfer	(2,177)	-	-	-	-	(2,177)
Academic Initiatives	998	-	-	-	18	1,016
Adjustment for one time Net Revenue Losses (COVID)	500	-	-	-	(500) ⁽²⁾	-
Academic	278,348	(3,659)	3,800	3,552	2,317	284,358
ACADEMIC SUPPORT						
Art Gallery	228	(2)	-	4	-	230
Centre for Learning and Teaching	1,386	(21)	-	-	2	1,367
IT Infrastructure	3,750	-	-	-	75	3,825
Information Technology Services	12,757	(182)	-	-	35	12,610
Printing Centre	275	-	-	-	(300) ⁽²⁾	(25)
Academic Support	18,396	(205)	-	4	(188)	18,007
ADMINISTRATION						
Application Fees	(1,757)	-	-	-	-	(1,757)
Advancement	7,262	(109)	-	-	14	7,167
Communications and Marketing	3,800	(49)	-	-	12	3,763
Environmental Health and Safety Office	1,606	(24)	-	-	5	1,587
Financial Services	5,320	(80)	-	-	1	5,241
Human Resources	3,813	(57)	-	-	7	3,763
Planning and Analytics	1,472	(22)	-	-	-	1,450
President's Office /Provost's Office	2,378	(35)	-	-	-	2,343
Registrar & Admissions	6,940	(104)	-	-	22	6,858
Research Services	2,851	(43)	-	-	-	2,808
University Services ⁽³⁾	4,675	(66)	-	-	9	4,618
Administration	38,360	(589)	-	-	70	37,841

(1) Other adjustments in this column include the following:

- (a) increase in the Library Academic Technology budget of \$500,000 and \$540,000 reclassification for acquisition support related to US exchange fluctuations.
- (b) increase in the Faculty of Medicine budget for planned enrolment expansion funded through increased government grant from the province (see 1b on page 2)
- (c) transfer from international support to faculties and units to student support services for international student advisors.

(2) Other adjustments also include the change in year over year estimated losses from reduced revenue and extraordinary costs as noted (see page 4)

(3) University Services includes University Secretariat, Internal Audit, University Legal Counsel, Government and Global Relations Office, Equity Diversity & Inclusion Office, and Inter-University Services.

DALHOUSIE UNIVERSITY
2022-23 RECOMMENDED OPERATING BUDGET - CONTINUITY
(thousands of dollars)

	2021-22 Adjusted Budget	Budget Reduction	Endowment Change	Non Salary & Other Adjustments	2022-23 Recommended Budget
<u>GENERAL</u>	1,622	(23)		(52) ⁽²⁾	1,547
<u>FACILITIES MANAGEMENT</u>	26,412	(325)		(1,126) ⁽²⁾	24,961
<u>STUDENT SERVICES</u>					
Awards Office & Student Services Centre -Sexton	58	(1)	-	-	57
Student Support Services (including Vice-Provost Student Affairs)	5,040	(76)	-	167 ⁽¹⁾	5,131
Student Wellness (including Counselling)	1,599	(22)	-	-	1,577
Recreation and Athletics	1,091	(14)	32	13	1,122
Adjustment for one time Net Revenue Losses (COVID)	500			(500) ⁽²⁾	-
Student Services	8,288	(113)	32	(320)	7,887
<u>ANCILLARIES</u>					
Dalhousie Arts Centre	380	-	-	-	380
Dalplex	181	-	-	-	181
Food Services	(43)	-	-	4	(39)
Residence Life	1,758	-	-	-	1,758
University Bookstore	(104)	-	-	2	(102)
University Housing	(1,919)	-	43	10	(1,866)
Adjustment for one time Net Revenue Losses (COVID)	5,200	-	-	(5,200) ⁽²⁾	-
Total Ancillaries	5,453	-	43	(5,184)	312

(1) Includes transfer from international support to faculties and units to student support services for international student advisors.

(2) Other adjustments also include the change in year over year estimated losses from reduced revenue and extraordinary costs as noted (see page 4)

DALHOUSIE UNIVERSITY
Supplementary Budget Information for Expenditure Areas
and Responsibility Centres with an Endowment Supported Component
(thousands of dollars)

	2021-22 Adjusted Budget			2022-23 Recommended Budget		
	Operating	Endowment	Total	Operating	Endowment	Total
<u>General</u>						
Student Assistance	16,185	7,415	23,600	13,735	8,976	22,711
Endowment Management Expense	-	4,200	4,200	-	4,900	4,900
<u>Responsibility Centres</u>						
Agriculture	18,513	333	18,846	18,330	169	18,499
Architecture and Planning	4,892	101	4,993	4,990	122	5,112
Arts and Social Sciences	19,076	1,802	20,878	20,352	2,187	22,539
Computer Science	11,981	264	12,245	12,958	316	13,274
Dentistry	10,494	264	10,758	10,346	326	10,672
Engineering	21,810	1,041	22,851	20,920	1,324	22,244
Graduate Studies	1,897	555	2,452	1,902	556	2,458
Health	32,472	713	33,185	32,772	899	33,671
Law	9,862	3,024	12,886	9,678	3,617	13,295
Management	14,194	863	15,057	14,456	975	15,431
Medicine	47,188	6,675	53,863	48,539	8,018	56,557
Science	37,796	3,192	40,988	36,989	3,723	40,712
University Library	19,841	247	20,088	20,894	286	21,180
Open Learning and Career Development	1,201	70	1,271	1,196	82	1,278
College of Sustainability	1,546	7	1,553	1,644	8	1,652
Centres, Institutes & Special Projects	2,658	37	2,695	2,647	40	2,687
Art Gallery	157	71	228	155	75	230
Centre for Learning and Teaching	1,385	1	1,386	1,366	1	1,367
Recreation and Athletics	908	183	1,091	907	215	1,122
University Housing	(2,178)	259	(1,919)	(2,168)	302	(1,866)
	271,878	31,317	303,195	272,608	37,117	309,725

Breakdown of Endowment Budget by Category of Spending			
	2021-22	2022-23	Increase
Student Assistance:			
Graduate Studies and Registrar	7,415	8,976	1,561
Faculty administered	5,862	6,901	1,039
	13,277	15,877	2,600
Academic Chairs	5,291	6,378	1,087
Faculty Salary Support	2,729	3,055	326
General and Research Support	5,543	6,587	1,044
Library Acquisitions	277	320	43
Endowment Management Expense	4,200	4,900	700
	31,317	37,117	5,800

Dalhousie University
Enrolment Related Budget Allocations (ERBA)
(thousands of dollars)

ERBA 2002-03 to 2022-23

	2002-03 to									Cumulative Distributions 2002-03 to
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 ⁽²⁾	2022-23
Agriculture ⁽¹⁾						157	60	(204)	(124)	(111)
Architecture and Planning	546	(4)	4	(49)	(94)	98	26	82	166	775
Arts and Social Sciences	1,505	(410)	(729)	(894)	(293)	(143)	(230)	390	1,635	831
Computer Science	239	224	195	495	780	1,135	1,514	558	1,117	6,257
Dentistry	3	31	(34)	(28)	(5)	32	(2)	19	(34)	(18)
Engineering	2,979	584	445	341	202	46	5	229	(517)	4,314
Graduate Studies	40	8	42	(17)	(15)	(3)	(5)	(36)	30	44
Health	4,529	(88)	146	293	554	(177)	(179)	559	752	6,389
Law	114	4	(163)	22	206	13	25	306	(78)	449
Management	2,020	100	(174)	90	91	(179)	238	453	475	3,114
Medicine	579	(135)	357	29	57	(12)	38	(99)	579	1,393
Science	4,478	1,150	(166)	(602)	(375)	170	531	2,221	(319)	7,088
College of Sustainability	500	(53)	(30)	(36)	(34)	113	119	135	118	832
	17,532	1,411	(107)	(356)	1,074	1,250	2,140	4,613	3,800	31,357

(1) 2019-20 is the first year that an adjustment has been made to the Faculty of Agriculture through ERBA. Prior to 2019-20, the Faculty of Agriculture operated under a separate budget model that considered enrolment.

(2) 2022-23 ERBA is an estimate. Final calculations will be completed after the March 1, 2022 enrolment statistics are finalized.