UNIVERSITY OPERATING BUDGET: Balancing Priorities

Preliminary Report Recommendations 2017-2018
Budget Advisory Committee

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Budget Advisory Committee
Process to date

**Fall:**
Small meeting consultations…
  Town Halls, Survey
  Priority discussions

**January/February:**
Recommendations
Draft Budget Report

**March:**
Campus Budget Sessions,
Discussions, Feedback
BAC principles:

1. The operating budget must be balanced and financially sustainable.
2. Recommendations are transparent.
3. Recommendations are driven by Dalhousie’s mission.
4. Recommendations support the University’s strategic priorities.
Additional Considerations This Year

1. a multi-year (3 year) view
2. balance spending (Academic/Support/Admin)
3. earlier consultation with faculty/staff/students
4. align recommendations with strategic priorities
5. decrease reliance on reserve funds
6. mitigate impact of tuition on students in need
Overall Use of Funds

Dal spends larger % on **academics** than peers:

- **Dal:** 62.2%
- **U15 avg:** 60.7%
- **NS avg:** 54.8%

Dal spends smaller % on **administration** than peers:

- **Dal:** 6.6%
- **U15 avg:** 9.5%
- **NS avg:** 11.8%

Source: Canadian Association of University Business Officers (CAUBO) Financial Information 2014-15 (most recent data available)
Revenue Sources

Over 90% of revenue comes from just two sources.

- Tuition: 38.4%
- Government Grants: 52.1%
- Other Revenue (Incl. reserves): 9.5%
Categories of Expenditures

- Compensation for faculty and staff: 74%
- Facilities/Campus Renewal: 6.8%
- Student Assistance: 8%
- Utilities: 5.3%
- Other (Strategic Initiatives, IT, etc.): 5.9%
### Priorities: students, faculty and staff
(survey/town halls - 1,300 participants)

<table>
<thead>
<tr>
<th>Students</th>
<th>Faculty and staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities (improvements to student space)</td>
<td>Faculty renewal / Teaching support</td>
</tr>
<tr>
<td>Services for students (particularly physical and mental health)</td>
<td>Improve facilities</td>
</tr>
<tr>
<td>Student financial assistance</td>
<td>Research support</td>
</tr>
<tr>
<td>Technology infrastructure, experiential learning programs, innovation</td>
<td>Student financial assistance</td>
</tr>
<tr>
<td>Tuition (limit/lower increases)</td>
<td>Technology infrastructure</td>
</tr>
</tbody>
</table>
Priority Recommendations

• Increase:
  - Student financial aid
  - Network infrastructure
  - Deferred maintenance

• Maintain strategic initiatives

• Total: $2.5M
Operating Budget Challenge: Balance

Expenditure pressures increasing by 3.5%
- Compensation adjustments
- Library materials
- Priorities: student assistance, facilities/networks, strategic initiatives

Revenue sources do not keep pace
- Operating grant + other revenue increases 0.9%

Revenues and Expenditures must balance

Budget gap = $10.6M without a tuition increase or Faculty/unit budget reductions
Tactics to Balance

- Increase Enrolment
- Use reserves
- Increase Tuition fees
- Increase Faculty Revenue
- No new network Infrastructure
- No new $ deferred maintenance
- No new Student Assistance
- Faculty/unit Budget reductions

BAC 2017-18
<table>
<thead>
<tr>
<th>Hypothetical balancing options:</th>
<th>Comment:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Budget reductions of 3.8% to all Faculties and service units</td>
<td>Little ability to absorb budget reductions. Severe impact on quality, hiring, etc.</td>
</tr>
<tr>
<td>• 6.9% in tuition fee increases</td>
<td>Want to moderate tuition fee increases. Increases capped at 3% in most programs.</td>
</tr>
<tr>
<td>• Use of reserve funds ($7.5M available)</td>
<td>One-time only.</td>
</tr>
<tr>
<td></td>
<td>Not available for extraordinary need.</td>
</tr>
<tr>
<td>• Reduce funds available to support Strategic Initiatives</td>
<td>Removes flexibility to innovate and address strategic priorities.</td>
</tr>
<tr>
<td>• Reduce investment in infrastructure (IT and facilities)</td>
<td>High risk of IT and physical infrastructure failure and degradation of service.</td>
</tr>
<tr>
<td>• No increase in student assistance</td>
<td>Limits assistance for students in need.</td>
</tr>
<tr>
<td></td>
<td>Limits potential for recruiting.</td>
</tr>
</tbody>
</table>

+ Combinations of the above
BAC 2017-18 Recommendations:

- **Faculty & support unit budget adjustments**
  - 0.6% reduction in budget adjustment to 1.9%

- **Tuition**
  - 3% increase to all programs (incl. international differential)

- **Student Financial Assistance**
  - $0.4 M in new student assistance funding

- **Facilities (improvements to student spaces)**
  - $1.0 M increase in facilities renewal budget

- **Technology Infrastructure**
  - $0.6 M allocated for priority IT network infrastructure

- **Strategic Initiatives (projects in academics, research, etc.)**
  - $0.5 M to stabilize funding level
## Addressing Priorities: longer view

<table>
<thead>
<tr>
<th>Goal</th>
<th>Tactic</th>
<th>3 year target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offset impact of tuition increases</td>
<td>Increase student financial aid</td>
<td>Continue to add each year</td>
</tr>
<tr>
<td>Faculty renewal</td>
<td>Reduce Faculty &amp; unit adjustment to 1.9%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Support teaching and research</td>
<td>Strategic Initiative Fund</td>
<td>Maintain</td>
</tr>
<tr>
<td>Technology infrastructure</td>
<td>Support renewal of network infrastructure</td>
<td>Establish stable funding</td>
</tr>
<tr>
<td>Improve facilities</td>
<td>Funding of facilities renewal</td>
<td>Plan to stabilize the draw from operating budget</td>
</tr>
<tr>
<td>Reduce use of reserve funds</td>
<td>Balance without using reserve funds</td>
<td>Use reserve funds for unexpected needs</td>
</tr>
</tbody>
</table>
## Alignment with Strategic Priorities

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Strategic Priority</th>
<th>Priority</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 year Planning</td>
<td>5.3</td>
<td></td>
<td>Multiyear, integrated budget</td>
</tr>
<tr>
<td>Use of reserve funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FASS fund Student assistance</td>
<td>1.1</td>
<td></td>
<td>Retention</td>
</tr>
<tr>
<td></td>
<td>1.2</td>
<td></td>
<td>Recruitment</td>
</tr>
<tr>
<td>Facilities Maintenance</td>
<td>2.5</td>
<td></td>
<td>Research facilities</td>
</tr>
<tr>
<td></td>
<td>5.6</td>
<td></td>
<td>Teaching spaces</td>
</tr>
<tr>
<td>Network Infrastructure</td>
<td>1.5</td>
<td></td>
<td>Teaching &amp; pedagogy</td>
</tr>
<tr>
<td></td>
<td>5.6</td>
<td></td>
<td>Teaching spaces</td>
</tr>
<tr>
<td>Strategic Initiatives</td>
<td>1…</td>
<td></td>
<td>Teaching and learning</td>
</tr>
<tr>
<td></td>
<td>2…</td>
<td></td>
<td>Research</td>
</tr>
<tr>
<td></td>
<td>3.1</td>
<td></td>
<td>Innovation/Entrepreneurship</td>
</tr>
<tr>
<td></td>
<td>4.5</td>
<td></td>
<td>External investment</td>
</tr>
<tr>
<td></td>
<td>5.2</td>
<td></td>
<td>Diversity &amp; inclusiveness</td>
</tr>
<tr>
<td></td>
<td>5.6</td>
<td></td>
<td>Teaching/research space</td>
</tr>
<tr>
<td>Reduce Faculty budget adjustment</td>
<td>2.2</td>
<td></td>
<td>Attract/retain professors</td>
</tr>
</tbody>
</table>
Budget Advisory Committee
Next Steps

March:
Campus Budget Sessions/Discussions:
March 1, 6 pm, DSU Council Chambers, SUB; https://www.youtube.com/user/DSU1866
March 2, 12 noon, MA120, Morroy Bldg (I Bldg), 5275 Morris St., Sexton/Carleton Campus
March 2, 4 pm, University Hall, Macdonald Building, Studley Campus
March 8, 4:30 pm, Riverview Room, Agricultural Campus

Feedback:
BAC@dal.ca before March 15

April:
Revisions to budget plan
Revised report shared with Dal community and the President
Tuition and fees sent to Board for approval

June:
Final budget plan goes to Board for approval
Budget calculator

BAC Budget Calculator for Revenue and Expense Variables in 2017-2018 Budget Report

Use the slide bars below to adjust the variables found in the linked budget report. The budget must be balanced.

http://www.dal.ca/dept/financial-services/budget.html

To reset, select the “Reset” button in the above icon bar.

Revenue

- Tuition Increase: $5.3 million
- Faculty & Unit Cut: $5.3 million
- Fixed Revenue: $3.7 million

Adjusted Revenue: $14.3M

Expense

- Facilities Renewal: $1.0M
- Student Assistance: $0.4M
- Network Infrastructure: $0.6M
- Strategic Initiatives: $0.6M

Fixed Expenses: $11.7M

Adjusted Expenses: $14.3M

Budget Balanced: $0.0 million

Idea and/or screen shots (Download -> Image) of your budget can be sent to BAC@dal.ca
Your questions
Your comments

Email your comments:
BAC@dal.ca before March 15

Learn more about the budget and use the budget calculator:
dal.ca/budget