



UNIVERSITY OF
KING'S
COLLEGE • HALIFAX

2021/2022 OPERATING BUDGET

- Approved June 24, 2021

Introduction:

This document describes the University of King's College (King's) 2021/22 operating budget. The development of a budget for King's is a collective effort requiring contributions from and consultations with many different people, committees, programs, departments, forums and processes. The preparation of the operating budget is the responsibility of the President and the Bursar with the advice of the Budget Advisory Committee (BAC) and support of the Director of Finance.

The BAC is the primary vehicle through which the Bursar and the President, and therefore the Finance, Audit & Risk Committee (FAR) and the Board of Governors through them, receive advice from the community on the budget. The role of the BAC is to provide advice on the overall design of the budget and on all of its major elements and choices. The BAC is to give advice on issues or options or budgetary strategy brought to it by the administration or by others, and to identify and provide input on approaches, strategies, options or choices that it identifies through its own deliberations. All proposed choices of significance relating to both expenditures and revenues are to be presented to the BAC in a way that enables the BAC to provide informed advice on the choices and alternative choices or courses of action. It is critical that the BAC be provided with the information, analysis and explanation on the issues on which its advice is sought - or on which it decides to provide advice - that will allow the BAC the time it requires to fully explore the issues and to formulate its considered advice. Another critical role for the BAC is to scrutinize and to provide its advice on the rationale for and the defensibility of the budget submissions received from academic programs and administrative departments. The BAC also plays a critical role in recommending changes to student academic, auxiliary and ancillary fees based on analysis and information provided by the Bursar's Office.

The BAC has met 13 times since October 2020. In addition to the regularly scheduled quarterly meetings, the FAR Committee also scheduled one-hour monthly meetings as required to allow for timely input and guidance throughout the budget preparation process.

The President and Bursar, with the Dean of Students, consulted with the incoming and outgoing members of the King's Students' Union (KSU) Executive on proposed changes to student tuition and fees for 2020/21 at a meeting on March 12.

The 2021/22 operating budget includes the academic, administrative and ancillary activities of the university funded from the operating fund. This means that revenues, expenses and cash flow items associated with the other university funds, such as the restricted and capital funds, are not part of the operating budget.

The operating budget is developed using departmental revenue and expense submissions supplemented by calculations of faculty and staff salaries and benefits. This total by department or spending category represents the cost of the activities in that area which is matched with the resources available in the operating budget to fund the activities. Departmental operating budgets have been permanently reduced by \$1.25 million over a six-year period beginning in fiscal year 2014/15. The last \$250,000 of these reductions were removed from the 2019/20 operating budget as part of the continuing Expenditure Reduction, Control and Reallocation Plan (described below). These reductions have played a crucial role in restoring King's to a sustainable balanced budget

situation. The focus of the budget is on balancing cash flow in the operating fund (i.e., non-negative cash flow). Cash flow from operations (the excess of revenues over expenses) must also fund certain financing and investing activities including, but not limited to, long-term debt principal repayments; the purchase of furniture, equipment, and library books; and expenditures of a capital nature funded by operations.

2020/21 Recap:

Fiscal year 2020/21 was a challenging one because of the pandemic. At budget approval time, the potential financial impact of the pandemic was not known. Only as fall approached was King's able to determine with some accuracy what the financial implications would be. Fortunately, the enrolment scenario incorporated into the budget did not materialize and King's had a similar overall headcount as in the prior year; albeit a smaller Foundation Year Program (FYP) class but a larger upper year class thanks to continued improvement in upper year retention rates. A noticeable difference, however, was the higher number of part-time students as more students decided to take a smaller course load while learning online during the pandemic.

In accordance with Public Health guidance and directives, King's determined that the largest number of students it could safely accommodate in residence during 2020/21 was 50% of full occupancy (or 127 beds). A conservative figure of 52 beds was included in the budget. There were 106 students in residence on move-in day in September and withdrawals were minimal throughout the year despite the pandemic.

King's incurred just under \$1.1 million in COVID-19-related expenditures in 2020/21 – just under \$800,000 on expenditures to transition to online instruction and \$300,000 on expenditures for safety, campus preparedness, marketing, and other expenditures (refer to Schedule 2 at the end of this document for more details). Just over \$100,000 of these costs were covered by federal agency grants for student employment bringing the net amount of COVID-19 expenditures to just under \$1 million. In February 2021, King's received a \$1.3 million grant from the Province of Nova Scotia to assist with COVID-19-related expenditures, already incurred or yet to be incurred.

The 2020/21 budget included 'unallocated anticipated reductions in spending' of \$721,000. Due to pandemic-related health and safety restrictions, it was known there would be savings in several areas including travel, events/gatherings, student/casual employment, part-time recruitment, residence expenses, athletics, etc. It was not known where these savings would be realized when the budget was approved. Rather than reducing the individual department and program budgets permanently for these reductions, it was decided to keep them intact (for future budget years) and to allocate the savings to the programs/departments as they were realized in the quarterly forecast process. Actual spending reductions of \$863,000 were realized from the pandemic in 2020/21.

As an expenditure reduction measure and to free up cash flow, arrangements were made with King's lender to defer just over \$800,000 in principal payments on long-term debt in 2020/21. This decision will increase the amount of interest King's will pay over the long term on these loans.

As a result of the campus being quiet over an extended period in the spring/summer of 2020, it allowed for the completion of the Chapel Bay, Middle Bay and Radical Bay (i.e., the Tri-Bays) residence renovation project with little to no disruption, on time and under budget despite COVID-19 safety measures being in place.

Despite budgeting for a substantial operating cash deficit of \$1.7 million for 2020/21, King's ended the year with an operating cash surplus of \$1.1 million. This is primarily the result of the \$1.3 million one-time grant received from the Province as well as improved enrolment (905 versus 739 headcount) and residence occupancy (106 versus 52 beds) and the deferral of principal payments on long-term debt.

2021/22 Planning and Fiscal Context:

The benefit of the 2021/22 budget is that it is informed by what occurred in 2020/21. King's is still operating amid a pandemic, but great progress has been made in both controlling the virus and with the COVID-19 vaccination program rollout and Nova Scotia is ahead of schedule.

On April 21, King's announced to its community that teaching and learning, and communal life in general, will once again be largely in person this fall. King's goal is to safely open its campus to students, faculty, and staff this fall. There are many conversations and consultations occurring, including between King's and Dalhousie, on the measures that need to be taken to ensure in-person operations can happen safely.

These conversations and discussions, and the detailed plans they produce, will all unfold under the umbrella of the common safety framework that has been developed through the Council of Nova Scotia University Presidents (CONSUP). This framework is being reviewed by the Department of Labour and Advanced Education and then will be brought before Dr. Strang, Nova Scotia's Chief Medical Officer of Health, for his review and approval. It envisages in-person operations by all universities, subject to adoption and implementation of safety measures to manage the reduced risk of COVID-19 infections that will remain after population level immunity has been reached and maintained through vaccination.

The bedrock of this framework is Nova Scotia's continuing success in keeping the virus under control, combined with its plan to make first vaccinations available to everyone in the province 12 years of age or older by June 30 and to make the second booster shot available to everyone in the same population by the end of September. The Province's vaccination plan includes all students in Nova Scotia, including international students. The vaccination plan for university students continues to be under discussion between university presidents, Public Health Officials and the Department of Labour and Advanced Education.

While more detailed planning continues, King's plans currently include the following:

King's will be safely open, and with a few exceptions, courses will be in-person this fall. Revised safety plans will allow King's to hold classes in-person, even for larger classes (100+). Refer to "Academic Planning for 2021/22" below for additional information.

King's decision to return to in-person classes will reduce the barriers international students have faced in coming to King's. King's will work with Dalhousie, other universities, and governments to help international students make their way through the immigration process, appreciating the unique challenges many are facing at this time.

Residences and Prince Hall (dining hall) will be open at a much greater capacity than they were in 2020/21.

Student services and student life will return to on-campus activity to the greatest extent as is safely possible, including in the offices of the Registrar and Bursar, the library, gymnasium, chapel and President's lodge. Decisions on athletics will be made at the conference level but King's is confident the Blue Devils will be once again competing against other universities.

The Wardroom, Galley and Co-op Bookstore will be able to operate in-person with safety plans.

Faculty and staff will be returning to campus, with a phased return starting this summer. One of the questions King's will have to address is the balance we strike on a continuing basis between the work that can be done at home, where that is feasible and preferred, and the work that should or must be completed on campus.

The return to college life will be safely accomplished by following all Public Health requirements and King's own safety protocols. This could include, some combination of these and other kinds of measures: physical distancing of less than six feet in classrooms and other spaces; wearing of masks in some settings (including classrooms) and the encouragement of mask wearing elsewhere; continuing self-assessment for COVID-19 symptoms by everyone; maintaining contact tracing measures and processes; ongoing improvement of ventilation systems and procedures; and perpetuation of efforts to encourage the following of personal safety measures by everyone. The continuation of some level of working from home, where that is feasible and desired, will itself provide a measure of protection. Under discussion are other options, such as keeping all or most meetings online.

All of this, including King's plans for the return of faculty and staff to campus, will involve detailed planning, many of it in programs and departments and some at the college level, sometimes in collaboration with Dalhousie. As with the approach taken last year in preparing for a mostly online year, King's will work to ensure alignment between these two levels of planning. This will happen primarily through King's Occupational Health and Safety (OH&S) Committee, which will review both sets of plans, and which has done such outstanding work over the past fifteen months.

King's is committed to transitioning back to in-person teaching and learning and campus life while continuing to make the health and safety of everyone the overriding priority.

The provisional budget for 2021/22 presented to the Board of Governors in March reflected an operating cash deficit of \$1.4 million. That budget assumed enrolment at the prior year level (905 headcount) and 50% residence occupancy (127 beds). It also reflected the application of the prior year surplus at an amount of \$687,000 (the third quarter forecast for 2020/21).

The official budget for 2021/22 presented in this document is now reflecting an operating cash surplus of \$263,000. As described in the sections that follow, first year enrolment looks very promising for fall with applications, offers, and deposits exceeding levels in each of the previous six years. Residence occupancy is expected to be full, based on the number of beds available (allowing for some self-isolation rooms if needed and a few rooms for swing space/student support). There will continue to be COVID-19-related expenditures incurred in 2021/22 but it is assumed this will be at a slightly lower level than in 2020/21. Some level of spending reductions due to the pandemic is also anticipated in 2021/22 since we continue to be in lockdown two months into the fiscal year and it is assumed continuing restrictions in areas such as gatherings and travel will result in ongoing savings as well. The operating cash surplus for 2020/21 that will be carried forward to help finance the 2021/22 operating budget is now higher than originally anticipated: it is at \$1.1 million instead of \$687,000.

Despite some summer programming not occurring in 2021 (including the study abroad course and Conference Services), a return to considerable normalcy in the fall is anticipated. Summer online course offerings have healthy registrations once again this year. The budget assumes that athletic facilities will be open in the fall and reinstates the athletic fee.

With another quiet spring/summer in store for 2021, Facilities Management has arranged to have contractors perform some work on the Alexandra Hall dormers and to complete the remaining repointing of the Tri-Bay residence building (which can be disruptive due to noise). These projects will be financed by an Infrastructure Renewal grant provided by the Province in March of 2020.

Academic Planning for 2021/22:

After offering academic programming entirely online since the end of March 2020, King's announced in April 2021 that it will be safely open and, with a few exceptions, courses will be in-person this fall. Revised safety plans will allow King's to hold classes in person, even for larger classes (100+). Each of King's programs are planning to make this happen. The Foundation Year Program intends to be teaching and learning in-person, for both lectures and tutorials, while making available the option of a program of online tutorials and lectures for those who wish to complete the program online. The School of Journalism's undergraduate programs will also primarily return to normal, in-person instruction in the fall. The same is true for the upper year humanities programs.

Requests for online teaching from those faculty who are unable to teach in-person classes in the fall because of health and safety concerns are being considered with Program Director and Vice-President approval. The number of courses anticipated to be taught online in 2021/22 is minimal. The ability to transition from in-person to online course delivery will need to be in place if a change in the public health situation and safety restrictions deem it necessary.

The academic timetable has been reconfigured to ensure safety is built into the transition back to in-person teaching and learning. It will look different from what students are familiar with. The full academic timetable was made available to students in late May ahead of course registration in

June. Advisers in the Registrar's Office are available to help students navigate their way through the revised timetable.

Enrolment Projections for 2021/22:

The Registrar's Office has seen a significant increase in King's applicant pool which has translated into growth in the number of students who have confirmed (by making their admissions deposit) that they will be attending King's in the fall. There is growth in the number of students who have applied to the Foundation Year Program (FYP), the number of undeclared students who have applied to do their first year as a King's student (but who will do most of their courses at Dalhousie), and in most Journalism programs. This level of growth surpasses the previous six years of admissions cycles in all of applications, offers and deposits. Based on the Registrar's enrolment projection model, King's can expect FYP enrolment of 215 on October 15th, 2021. This projection is based on a three-year average that excludes the 2020/21 academic year as it was an anomalous year.

Early and tentative reports from other institutions suggest they are experiencing similar trends which indicate that King's may be seeing higher participation rates in post-secondary education due to the lack of travel and work opportunities available to students. Since King's also has a much smaller international student population, the positive domestic enrolment trends have not been offset by a downturn in the number of international students stemming from the global pandemic that is expected to be experienced by some other universities. There is significant growth in the Ontario market and stabilization or slight growth in most of King's other markets.

The growth in deposits is a result of growing the overall applicant pool. The rate of students progressing from applicant to receiving an offer of admission to making their deposits has remained relatively consistent. Given that King's is a residential college and the majority (69%) of those who have made their deposits are from outside the province, the Registrar's Office is particularly attuned to the impact travel restrictions and housing challenges (both on and off campus) may pose for King's students and how this may impact enrolment.

While there was a smaller entering class in 2020/21, King's has seen strong student retention increases that, when combined with a larger incoming class for 2021/22, may offset fewer students moving from first into second year. Registration for all students will be occurring by mid-June; there will be a much better indication of student plans at that time. Registration in June is a change for returning students and this introduces an element of uncertainty about overall enrolment not applicable in previous years.

The 2020/21 enrolment budget utilized a scenario approach ("best", "middle", and "worst") rather than relying on traditional enrolment projection models. Traditional enrolment projection models used in previous budgets that utilize historical data and trends in predicting future enrolment, were deemed to be of little value during the 2020/21 budget cycle. The considerable amount of uncertainty caused by the pandemic, including Public Health directives and guidelines; travel and border restrictions; and the potential impact on enrolment of transitioning from traditional face-to-face teaching to online teaching, made it next to impossible to predict what enrolment for the

fall would be. A middle case scenario was chosen for the budget with a headcount of 739 and a FYP class of 147. Actual enrolment for 2020/21 was a headcount of 905 and a FYP class of 177. Refer to “Enrolment” under Major Assumptions below for additional information.

Enrolment Trends

Enrolment is the primary driver of operating revenue generating 87% of total university operating revenues (including the size of the annual provincial operating grant). As of December 1, 2020, total headcount (full-time and part-time, undergraduate and graduate) at King’s was 893, an increase of 0.5% over the previous year. Fortunately, the impact of the pandemic on overall enrolment was not as drastic as anticipated in the 2020/21 budget. There was a dip in FYP enrolment as will be shown in a graph that follows; however, the gains made in upper year retention rates (>80%) from first year into second year in the previous several years has reduced the impact of the pandemic on overall enrolment.

The total headcount anticipated in the 2021/22 budget is 958 (as of October 15) which is higher than in the previous five years, and a 6.6% increase from 2019/20. The budget utilizes enrolment as of October 15 for financial reasons since this is after the add/drop date deadline for fall.

What is not evident from the graph below is that, although total headcount on December 1, 2020 was higher than on December 1, 2019, the number of part-time students on December 1, 2020 was 63% higher than on December 1, 2019, meaning that a larger number of students took a smaller course load during the pandemic.

The following graph presents a better depiction of this by converting the number of part-time students into full-time equivalent (FTE) students. As shown in the graph, the number of FTEs at King’s has been relatively stable over the previous four years. The number of FTEs anticipated in the 2021/22 budget is 927 which is higher than in the previous five years.

The graph below shows total full-time enrolment for both undergraduate and graduate programs. Enrolment was 849 on December 1, 2020, a decrease of 1.5% from the previous year and the lowest it has been since the high seven years ago (by 291 students or 25.5%). The number of full-time students for all programs anticipated in the 2021/22 budget is 913 which is higher than in the previous five years.

Breaking out full-time undergraduate enrolment in the graph that follows, enrolment was 786 on December 1, 2020, a decrease of 1.6% from the previous year and the lowest it has been since the high seven years ago (by 325 students or 29.3%). The number of full-time undergraduate students anticipated in the 2021/22 budget is 835 which is higher than in the previous four years.

The increase in full-time graduate enrolment has been important in mitigating the impact on the university's financial situation of the previously discussed reduction in undergraduate enrolment. Graduate enrolment continues to be a good news story, particularly for the MFA program, which has seen significant growth since its inception in 2013/14 (which reflects only the first year of the two-year program). Enrolment in this program reached a high of 59 in 2019/20. While the pandemic impacted 2020/21 somewhat (resulting in some deferrals) with enrolment at 56, enrolment is expected to be 65 in 2021/22 with the highest first year class yet at 38 students. The Master of Journalism (MJ) program underwent an external review in 2016/17 and was restructured with program changes taking effect in 2020/21. Enrolment prior to the restructure was only four. It reached 12 in the winter of 2021 (students can begin the newly restructured program in the winter). The 2021/22 budget assumes MJ enrolment of 13 (conservative estimate) for total graduate enrolment of 78, an increase of 23.8% over the prior year.

When considering first year enrolment, it is important to also consider undeclared students in addition to FYP students. First year enrolment on December 1, 2020 was 209, a decrease of 3.2% from the previous year but the same as enrolment in the year prior to that. Undeclared student enrolment has been increasing steadily in recent years (34 on December 1, 2020, 28 on December 1, 2019 and 16 on December 1, 2018). While many undeclared students take the majority of their classes at Dalhousie, they do contribute to enrolment in King's upper year programs as well. The 2021/22 budget anticipates 245 new from high school students (FYP plus undeclared) which is higher than in the previous six years and 10.9% higher than in 2019/20.

Enrolment in FYP on December 1, 2020 was 175, a decrease of 6.9% from the previous year and the lowest it has been since the high seven years ago (by 129 students or 42.4%). As noted earlier in this document, 2020/21 was an anomalous year. The impact of the lower FYP class will be felt for the following three budget years as students make their way through their respective four-year degrees. Fortunately, the impact of the reduction in FYP enrolment on overall undergraduate enrolment has been offset by strong and improving upper year retention rates. The 2021/22 budget anticipates a FYP class of 215 which is higher than in the previous five years and 16.2% higher than the lowest FYP enrolment since 2013/14, which was in 2016/17 and 2017/18.

Residence Planning for 2021/22:

Given Nova Scotia's progress to date in controlling the virus and the progress of Nova Scotia and other jurisdictions in their COVID-19 vaccination programs, King's is anticipating the ability to safely house a larger number of students in residence in 2021/22 than was the case in 2020/21. The 2021/22 budget anticipates 217 students in residence. This number assumes full occupancy in all available rooms and allows for 20 self-isolation spaces in case they are needed. This reflects the safety plan for Nova Scotia universities that has been submitted to Dr. Strang and consultations King's has had with other universities on the issue of double occupancy in double rooms.

The 2020/21 residence budget anticipated a significant reduction in residence occupancy. The aim was to reduce the density of students living in residence to reduce the risk of COVID-19 transmission in accordance with Public Health guidance and directives. While the situation was still evolving at budget time, King's assumed occupancy would be limited to 52 students in residence hoping it would be a worst-case scenario. Actual residence occupancy was 106.

Refer to "Student Residence Fees" below for additional information.

Investments in King's Future:

In recent years, King's has made encouraging progress on a range of priorities and issues that are essential to King's longer-term future. They include: faculty renewal; addressing sexualized violence; advancing equity, diversity and inclusion; enriching academic offerings; improving bursaries and scholarships; increasing student employment and ensuring it is helpful to students in their education and careers; improving student residences and other facilities; enhancing fundraising; enhancing supports to the Vice-President and academic programs; improving yield on King's recruitment activities; and securing the university's financial stability. Fortunately, the

impact of the pandemic did not significantly affect our progress in these areas. We believe we can continue to make progress in these areas and in other priority areas in the year to come and in the following years.

Framework for Expenditure of Internally Restricted Funds:

On June 21, 2018, the Board of Governors approved a three-year framework for the expenditure of internally restricted funds in measured ways by investing in recruitment-related activities to support the university's plan to return to a balanced budget situation primarily by increasing enrolment. This plan was described more fully in both the 2018/19 and 2019/20 budget documents. Investments from these funds have assisted the university in stabilizing first-year enrolment and in significantly improving upper year retention rates.

On March 7, 2019 the Board Executive passed a motion to remove the three-year timeline for the expenditure on scholarships, awards and bursaries and, instead, authorized an overall spending amount without respect to time. On October 3, 2019, the Board of Governors passed a motion to remove the three-year timeline for all other authorized categories of expenditure under this framework, including student employment; recruitment-related activities of the Registrar's Office and communications and marketing activities tied to recruitment of the Advancement Office; and funding for a number of initiatives including, but not limited to, an academic enrichment fund, the Humanities for Young People Program, Public Humanities and a staff development fund.

Prior to the establishment of the framework, expenditures from the internally restricted funds were approved in the budget on a year-by-year basis. While the framework remains in effect, anticipated expenditures from the internally restricted funds governed by the framework are no longer included in the budget as they are authorized by the Board's approval of the framework, as explained above.

The framework authorizes expenditures up to \$1,850,000 out of internally restricted funds, as follows:

- Up to \$800,000 in additional spending on scholarships, awards and bursaries. To date, \$234,000 has been spent.
- Up to \$250,000 in additional spending on student employment. To date, \$93,000 has been spent.
- Up to \$300,000 in additional spending on recruitment-related activities of the Registrar's Office and communications and marketing activities tied to recruitment provided by the Advancement Office. To date, \$113,000 has been spent.
- Up to \$500,000 to establish or support initiatives including but not limited to an academic enrichment fund, the Humanities for Young People Program, Public Humanities, a Journalism camp for high school students, a choral music camp for high school students and a staff development fund. To date, \$9,000 has been spent, largely on staff development.

The university’s internally restricted funds are held in three separate funds: the General Fund, the Bicentennial Fund and the Reserve Fund. The framework for spending from internally restricted funds is structured to respect the specific purposes for which the Bicentennial Fund was created. The value of all three internally restricted funds on March 31, 2021 was as follows:

	Book Value	Market Value
General Fund	\$ 6,249,000	\$ 6,659,000
Bicentennial Fund	1,985,000	2,115,000
Reserve Fund	<u>1,576,000</u>	<u>1,680,000</u>
Total	<u>\$ 9,810,000</u>	<u>\$ 10,454,000</u>

These funds are invested along with endowed funds and generate returns and garner investment management fees. There is approximately \$30 million held as endowed funds with a market value of \$32 million.

Expenditure Reduction, Control and Reallocation Plan:

At the Board of Governors meeting on March 28, 2019, the Board approved the following 10-point plan as the **ongoing [emphasis added]** Expenditure Reduction, Control and Reallocation Plan of the University of King’s College:

1. The Plan shall be known as the Expenditure Reduction, Control and Reallocation Plan (instead of the Expenditure Reduction Plan as originally mandated by the Board at its meeting of June 21, 2018).
2. Two Hundred and fifty-thousand dollars (\$250,000) in permanent expenditure reductions (in addition to the roughly \$1,000,000 in permanent expenditure reductions implemented in previous years) are to be implemented in the College’s operating budget for 2019/20.
3. Making further expenditure reduction, as determined to be necessary given the College’s evolving financial situation, will be a continuing part of the budget development process for 2020/21 and subsequent fiscal years.
4. Opportunities for further expenditure reduction (or avoidance) will consistently be fully considered in staffing decisions and in the management of human resources more broadly. Recent examples include:
 - a. The decision not to refill a communications position that became vacant in the Advancement Office;
 - b. The decision to eliminate the position of Manager in the Facilities Department;
 - c. The due diligence that was conducted by the President and the Bursar on the alternatives to replacing the Director of Facilities when the Director of Facilities gave notice that he was leaving King’s; and

- d. The direction which the President has given to the Bursar and the Human Resources Officer to suspend consideration of application for salary reclassifications.
5. Making progress (or lack of progress) on expenditure reduction, control and reallocation as determined to be necessary given the College's evolving financial situation, will be one of the factors to be considered in giving or withholding approval to proposals to increase the budgets of departments or academic programs or the overall expenditures of the College.
6. Subject to a determination of what is in the best interest of the College from an overall financial perspective, priority will be given in the use of budget surpluses (if any) to debt reduction or retirement where it will accelerate the reduction of operating revenues allocated to debt servicing and/or the retirement of debt and/or the reduction or avoidance of interest payments.
7. Within the context of continuing to increase the total funds available for scholarships and bursaries, priority will be given to reducing the proportion of student financial assistance (scholarships and bursaries) that is funded from the College's operating budget while increasing the proportion of student financial assistance that is funded by donors and/or investment income.
8. Creating fully or partially funded chairs (or professorships) that advance the College's academic mission for existing or new members of faculty will be a continuing budgetary and fundraising priority.
9. Maximizing the value obtained from the association with Dalhousie, specifically from the payments which the College makes to Dalhousie for courses taken at Dalhousie by King's students and for the student services available to King's students at or through Dalhousie, will be a continuing priority in the governance and administration of the College and in the management of the College's relationship with Dalhousie.
10. Consideration will continue to be given to how non-endowed internally restricted funds, and the income generated from them, can best be deployed to enable the College's sustainability, such as by considering how these funds, or some of them, could be used to reduce the percentage of student financial assistance that is financed by the operating budget or to enable the creation of funded chairs.

The Expenditure Reduction, Control and Reallocation Plan is appended to the annual budget memo that is distributed to department heads and program directors at the beginning of the budget cycle to remind them of its contents, particularly the bullet that states that further expenditure reductions, as determined to be necessary given the College's evolving financial situation, will continue to be part of the budget development process. It is also to remind them that making progress (or lack of progress) on expenditure reduction, control and reallocation, as determined to be necessary given the College's evolving financial situation, will be one of the factors that will be considered in giving or withholding approval of proposals to increase their budgets.

Additional Spending and Additional Potential Future Spending in 2021/22 & 2022/23 - 2024/25:

The budget for fiscal year 2019/20 was the first budget in many years where King's had the opportunity to increase spending in areas that are of importance to the mission of King's. The criticality of doing so in a careful and measured way to ensure that King's only added to the cost of operating the university in areas of greatest importance and potential value to King's mission, including as outlined in the mandate of the President, was stressed in the 2019/20 budget document. The increased spending was included in the 2019/20 budget as well as the 2020/21 budget (with some slight modifications) and will continue to be included in future budgets including 2021/22 (again with a slight modification).

The increased spending that was approved by the Board of Governors included the following:

1. **Sexualized Violence Awareness, Prevention and Response** – a full-time Sexualized Violence Prevention and Response Officer (SVPRO) along with an operating budget to support the work of the SVPRO. This position was hired in early August 2019.
2. **Funding for Increased Expenditure on Equity and Diversity Initiatives** – the 2019/20 budget included funding to improve King's capacity to address equity and diversity issues. During 2019/20 it was decided that it would be in King's best interests to hire a half-time Equity Officer. This position was hired in early April 2020 but was vacated in early November 2020. The 2020/21 budget included this half-time position along with an operating budget to support this work. King's is now in the process of hiring a new Equity Officer. It has been decided to convert this position to a full-time permanent position from a half-time position and the salary will be in the same classification as the SVPRO position noted above. This is described in more detail under the Equity Office below.
3. **Assistant to the Vice-President, HYP, Other Initiatives** – the budget for 2019/20 included funding for a new position that would support the Vice-President (including on initiatives such as Public Humanities), the Directors (Coordinators) of Humanities for Young People (HYP), and other similar initiatives, as determined by the Vice-President in consultation with program directors and the President. Due to a late start in the hiring process, the position did not begin at King's until early July 2020. The official title for this position is Assistant to the Vice-President and Academic Projects Coordinator. This is described in more detail under the Vice-President's Office below.
4. **Funding for new faculty positions** - In 2017, King's established its first enhanced voluntary retirement program (EVRP) for faculty with the explicit purpose of creating faculty renewal opportunities. The importance of faculty renewal to increasing the diversity of the King's community, to the integrity of existing programs and to the development of new programs has been recognized. Three faculty members participated in the first EVRP and all three are leaving King's on June 30, 2021 after completing 50% post-retirement contracts. One of the faculty members is a Carnegie professor who teaches at Dalhousie, one is a Journalism professor and the other is a Contemporary Studies Program (CSP) professor.

At their June 18, 2020 meeting the Board of Governors approved a second EVRP which is five years in duration. The first EVRP was for two years (faculty could participate on July 1, 2018 or

July 1, 2019). Under the second program, eligible faculty can participate beginning on July 1, 2021 or on July 1 of any of the following four years. Over the five-year period, 22 faculty members will eventually become eligible to participate. Two faculty members have signed up to participate on July 1, 2021 and interest has been expressed by several others for possible participation in a future year.

The 2019/20 operating budget included three years of projections that contemplated four new faculty diversity positions – two in fiscal year 2020/21 and one in each of 2021/22 and 2022/23. The hiring process for the first two positions was approved to proceed over the 2019/20 academic year with an anticipated hire date of July 1, 2020. As a result of the pandemic, the hiring process was paused resulting in a one-year delay in the hire date (to July 1, 2021).

The 2019/20 operating budget document stated the following with respect to the new faculty positions:

“Incorporating funding for new positions into the provisional budgets for 2020/21 and subsequent fiscal years will not become final until the Board approves the budget for each of those individual fiscal years. Considerations the Board will take into account in deciding whether it will ultimately approve budgets for 2020/21, 2021/22 and 2022/23 that include funding for the new faculty positions provisionally incorporated into the budgets for those years in 2019/20 will include the following:

- a. Assurance that the positions will be filled in accordance with an overall academic plan and in ways that contribute to the renewal and diversity of the overall faculty complement;
- b. Satisfactory progress in enrolment growth; and
- c. Satisfactory progress in eliminating, reducing or avoiding a structural deficit through a combination of revenue growth and expenditure reduction, control and reallocation measures.”

A proposal was brought before the Board of Governors at the April 1, 2021 Board meeting regarding the third and fourth faculty diversity positions. The Board was presented with a provisional budget for 2021/22 that included projections for three additional years. The third and fourth faculty diversity positions were both included in the projection for fiscal year 2022/23 which brings the timing of the hires back in line with what was contemplated during the 2019/20 budget. The projections for all three years reflected a projected excess of revenue over expenditures (before debt repayment and capital funded by operations). The Board of Governors passed a resolution that determined the hiring of the next two faculty diversity positions to be financially viable and that the hiring process may proceed during the 2021/22 academic year to allow for a hire date of July 1, 2022.

The Planning and Priorities (P&P) Committee devised a process to fill the third and fourth positions whereby submissions from programs were evaluated by a subcommittee of P&P (with broad representation from across the university and chaired by a Joint Faculty member). A very thorough process of evaluation was followed involving extensive examination and

advocacy for all files and a thorough consensual decision was arrived at by the group. The subcommittee recommended that Journalism and HOST (with 1/3 participation from CSP) be allotted the two available positions; however, given the diversity goals on the humanities side, the subcommittee has recommended that a third position (fifth overall) contributing to the achievement of equity, diversity and inclusion (EDI) goals be explored immediately. The President has endorsed this recommendation on the understanding that work on an academic plan for the College that gives priority to equity, diversity and inclusion will begin in the near future and that there will be discussions about how faculty renewal, more generally, may further advance equity, diversity and inclusion.

Schedule 3, “Additional Spending and Additional Potential Future Spending” reflects the hires of the third and fourth faculty diversity positions in fiscal year 2022/23 (July 1, 2022) and the hire of a potential fifth faculty diversity position either in fiscal 2022/23 or in fiscal year 2023/24 (July 1, 2023). The additional spending from Schedule 3 is carried forward to the bottom of Schedule 1. As shown in Schedule 1, all three years of projections reflect an operating cash surplus (even after debt repayment and capital funded by operations) before considering the additional spending. After incorporating the additional spending, two of the three years of projections still show a modest operating surplus with one year showing a small operating cash deficit.

Preparing multi-year projections gives the Board the opportunity when it is considering the budget for 2021/22 that includes new spending to see not only the implications of that new spending on budgets in subsequent years but also the additional new spending that is provisionally contemplated for the budgets of those subsequent years.

Proposals Made Before the BAC for 2021/22

The BAC received eight requests for additional spending from programs and departments totalling **\$233,500** in 2021/22. All requests have been incorporated into the budget. Refer to the individual program and department expense budgets under the expense section for more details. All additional spending is reflected in Schedule 3.

- Residence and Conference Services presented a joint request to the BAC for residence software and conference services software. Various products were explored including products that would accommodate both departments. Unfortunately, a single product would not suit the needs of both. Residence did not currently have software and relied heavily on outdated and inefficient manual processes, while Conference Services did have software that no longer suited their needs and was purchased from a company located outside of Canada. The BAC approved the request for both departments. It resulted in a permanent budget increase of **\$12,000** for Residence and **\$1,000** for Conference Services (the cost of the old software versus the new software).
- Journalism requested **\$30,000** for a computer lab replacement (one of five labs) and some small equipment. The BAC approved a permanent increase of \$30,000 in the Journalism budget to allow for the renewal of one computer lab each year rather than bringing a proposal before BAC every year. Refer to “Capital Expenditures Funded by Operations” below for more information.

- The Registrar’s Office requested that the two 3-year 10-month Senior Recruiter contract positions be converted to two three-year 12-month contracts to allow for more fulsome recruitment, communications and marketing planning and supporting students through the summer to enrolment in the fall (which required exceptional time and effort this past year). This will also contribute to retention and continuity of staffing in the Registrar’s Office. The Registrar indicated they would not be asking for the 17-week recruitment contract positions for fall 2021 given the uncertainty around the ability to travel. The cost to convert the positions to 12-month positions in 2021/22 is **\$30,000**. This request was approved by the BAC.
- The Athletics Department requested that their Athletics Assistant, who was hired under the student employment fund of the internally restricted funds for the past two years, be hired on a one-year contract since he is no longer a student. This individual has been tremendously valuable particularly over the past year in dealing with pandemic-related matters. This is described in more detail under the “COVID-19 Emergency Response Fund” section below. The cost of this contract in 2021/22 is **\$28,000**. This request was approved by the BAC after much discussion.
- Journalism requested a one-year administrative support contract position to assist with the Journalism School administrative functions which have grown substantially over the years as new programs have been added. The MFA in Fiction proposal which is currently going through the approval process, contains an administrative component to support the overall MFA program. The cost of this contract in 2021/22 is **\$36,000**. This request was approved by the BAC.
- Residence requested the extension of two contracts that have been invaluable over the past year. One is the Senior Don (10-month contract extension) and the other is the Student Communications Coordinator (who works jointly with Residence and the Registrar’s Office) (one-year extension). The cost of extending the Senior Don position in 2021/22 is **\$26,000** while the cost of extending the Student Communications Coordinator position is **\$41,000**. Refer to “Residence & Other Student Services” in the expense section below for more information on the Senior Don position and to the “COVID-19 Emergency Response Fund” for more information on the Student Communications Coordinator position. Both contract extensions were approved by the BAC.
- The King’s Chorus (with the support of the Vice-President) presented a proposal to BAC to incorporate their operations into the King’s operating budget rather than continuing to operate as an independent entity. This proposal is described in more detail under the “King’s Chorus” in the expense section below. The impact to King’s in 2021/22 is expected to be **\$27,000** (after factoring in donations and member dues revenue). Concert revenue has not been factored into this figure as it is not known if in-person concerts will occur in 2021/22. After much discussion, this proposal received approval from the majority of BAC members.
- Chapel Music requested **\$500** for vestments and \$1,000 to increase the Assistant Director of Music’s compensation (which has not been increased for several years). The Assistant Director of Music has historically been paid through Accounts Payable as a vendor. Since the King’s Chorus proposal noted directly above was approved, the Assistant Director of Music (who is also the Director of the King’s Chorus) will become a King’s employee. As a result, the increase

in compensation will be slightly higher at **\$2,000** due to employee benefits. Refer to “Chapel Music” in the expense section below for more details.

Other New Spending in 2021/22

Schedule 3 includes other spending that has been incorporated into the 2011/22 budget. These include:

- Independent review (affecting multiple years) - **\$200,000**. This is explained under “Professional Fees” in the expense section below.
- Bursaries for international students to offset the 2021/22 increase in the international differential fee (one-time) - **\$69,000**. This is explained under “Student Academic Fees” in the Major Assumptions section below.
- Limited term appointment (LTA) for sabbatical coverage in the History of Science and Technology (HOST) program (one year beginning July 1, 2021) - **\$60,000**. This was approved by the BAC for inclusion in the 2020/21 budget but was deferred due to a sabbatical deferral and is now required in 2021/22.
- President’s Office – Chancellor installation and related expenses (one-time) - **\$15,000**. This was included in the 2020/21 budget but was not incurred due to the pandemic.
- General administration – central budget for university initiatives including diversity initiatives (permanent) - **\$15,000**. There is currently no central budget for university initiatives in this area.
- General administration – King’s portion of university sector initiatives (three years) - **\$7,000**. Refer to “General College Administration & Other” under the expense section below for more information.
- General administration – a full accounting system upgrade is required in 2021/22 which is increasing the budget by **\$6,000** (one-time).

Other New Spending in Future Years

Schedule 3 includes other spending that has been incorporated into the three future years of projections. They include:

- President’s Office – additional Encaenia costs (one-time) for when King’s is able to have an in-person ceremony or ceremonies (possibly involving multiple grad years) (assumed in 2022/23) - **\$31,000**
- President’s Office – King’s will be co-sponsoring the Universities Studying Slavery (USS) conference with Dalhousie. This was supposed to occur in 2021/22 but did not due to the pandemic (assumed in 2023/24 as the location for 2022/23 has already been committed to) - **\$25,000** (estimate – one-time)

- Advancement – website redesign including accessibility enhancements (assumed in 2023/24) - **\$150,000** (one-time)

Other Potential Future Spending

Schedule 3 includes additional potential future spending that has not been incorporated into the individual program/departamental projections but has been added to the bottom of Schedule 1 so the potential impact of this spending on the operating budget can be seen. These include:

- The amounts for the third and fourth faculty diversity positions. These have been approved by the Board of Governors so are not really “potential” spending but will be new spending in fiscal year 2022/23.
- The amount for a fifth faculty diversity position. This has been factored into the 2023/24 fiscal year projection but may also be incurred in 2022/23 and is pending Board of Governors approval.
- The two-year MFA in Fiction program is proceeding through the various stages of the approval process. It is anticipated that the program will be approved to be offered in the 2022/23 academic year. The proposal includes anticipated enrolment of 15 in 2022/23 (when there will only be the first-year cohort), 34 in 2023/24 (when there will be both the first-year and second-year cohorts) and 43 by 2024/25. Financial projections included in the proposal reflect a revenue shortfall of \$126,000 in 2022/23, a revenue shortfall of \$67,000 in 2023/24 and an excess of revenue over expenditures of \$20,000 by 2024/25. These net amounts are reflected in Schedule 3.
- Scholarships, awards and bursaries no longer covered by the internally restricted funds. There is currently \$566,000 remaining out of an authorized \$800,000 from the internally restricted funds. The anticipated spend is \$150,000 per year for annual renewable scholarships. This would leave \$116,000 remaining for 2024/25, requiring an additional \$34,000 to be added to the operating budget in 2024/25 if King’s wishes to continue awarding such scholarships at this level. The impact in 2025/26 and beyond would be the full \$150,000.
- Communications and marketing related to recruitment no longer covered by the internally restricted funds. There is currently \$187,000 remaining out of the authorized \$300,000 from the internally restricted funds. These funds are expected to be fully utilized by the end of fiscal year 2022/23 and additional funds will need to be added to the operating budget to allow for the continuation of digital media expenditures. \$75,000 has been reflected in each of 2023/24 and 2024/25.

Schedules to the Budget:

To assist in the analysis of the 2021/22 budget the following schedules are attached:

- **Schedule 1** - compares the 2021/22 budget for operating fund revenue, expenses and other cash-related items to the 2020/21 operating fund budget and 2020/21 operating fund actual results. It also provides projections for fiscal years 2022/23 through 2024/25.

- **Schedule 2** - provides a breakdown of expenditures in the COVID-19 Emergency Response Fund for 2020/21 and the budgeted breakdown for 2021/22. It also provides projections for fiscal years 2022/23 through 2024/25.
- **Schedule 3** - provides details of additional spending included in the 2021/22 budget and projections along with additional potential future spending for all years shown Schedule 1.
- **Schedule 4** - provides a comparison of revenues and expenses by department for 2021/22.
- **Schedule 5** - provides a reconciliation between departmental expenses in the 2020/21 operating fund budget to the departmental expenses included in the 2021/22 operating fund budget.

Operating Budget Summary:

King's incurred operating cash surpluses for the previous three fiscal years despite having budgeted for a substantial operating cash deficit for 2020/21. Fortunately, the drastic reduction in enrolment anticipated in the 2020/21 budget did not materialize and, despite spending \$1 million dollars on COVID-19-related expenditures, King's realized \$863,000 in spending reductions as a result of the pandemic.

The operating cash surplus for 2020/21 of \$1.142 million would not exist had it not been for a one-time grant of \$1.325 million provided by the provincial government to assist King's with COVID-19-related expenditures due to the pandemic. It is also important to note that King's negotiated with its lender to defer \$823,000 in principal payments on long-term debt to assist with cash flow during the pandemic. In the absence of these two items, King's would have incurred an operating cash deficit of just over \$1 million for 2020/21.

Despite ongoing uncertainties with respect to the pandemic in 2021/22, the 2021/22 operating budget is informed by what King's experienced in 2020/21. Schedule 1 shows that King's is budgeting for an operating cash surplus of \$263,000 for 2021/22. There is an excess of revenue over expenses of \$375,000 before applying debt repayment and capital funded by operations which turns this excess into a shortfall of \$879,000. King's will carry forward the entire operating cash surplus of \$1.142 million from 2020/21 to help finance the 2021/22 budget shortfall that King's would otherwise be facing. The end result is an operating cash surplus of \$263,000 for 2021/22. Refer to the section below "Use of Prior Year Surplus to Reduce Deficit" for additional information.

Earlier in the budget process, an enrolment headcount of 905 was used in the preparation of the provisional budget for 2021/22 - similar to the enrolment experienced in the previous two years. The May 15 enrolment deposit deadline for fall 2021 has passed and enrolment is looking very promising with a potential headcount of 958 (including a FYP class of 215): a 5.9% increase from the number used to prepare the provisional budget. These updated enrolment figures have been reflected in the final 2021/22 operating budget.

Residence occupancy utilized in earlier iterations of the 2021/22 budget included 127 students (50% occupancy) to be conservative and before it was known if King's would be able to safely

accommodate two students in the traditional double rooms of Alexandra Hall. This occupancy figure has since been updated to 217 students based on deposits paid to date and allowing for some self-isolation spaces in case they are needed.

Schedule 1 also shows projections for the future three years. All three years show operating cash surpluses even after factoring in debt repayment. With the application of additional potential spending (Schedule 3), these surpluses become smaller with one year showing a small deficit. Enrolment for these years reflect similar but slightly growing headcounts to that included in fiscal year 2021/22 with the addition of the MFA in Fiction beginning in fiscal year 2022/23 (enrolment of 15 in 2022/23, 34 in 2023/24 and 43 in 2024/25). The enrolment and residence occupancy assumptions for each year are shown at the top of Schedule 1 for ease of reference. These are the assumptions as of October 15 (to reflect fall withdrawals).

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Revenue	\$ 18,200,000	\$ 21,210,000	\$ 21,915,000
Expenses	19,769,000	20,159,000	21,540,000
Excess (deficiency) of revenue over expenditures	\$ (1,569,000)	\$ 1,051,000	\$ 375,000
Debt repayment	\$ (128,000)	\$ (129,000)	\$ (934,000)
Capital expenditures funded by operations	(284,000)	(277,000)	(320,000)
Internally restricted operating funds - in budget*	16,000	16,000	-
Internally restricted operating funds - not in budget*	-	250,000	-
Use of prior year surplus to reduce deficit	231,000	231,000	1,142,000
Cash deficit from financing & investing	\$ (165,000)	\$ 91,000	\$ (112,000)
Net cash excess (deficit)	\$ (1,734,000)	\$ 1,142,000	\$ 263,000

*Refer to "Use of Internally Restricted Funds" on page 26.

Long-Term Debt:

King's long-term debt consists of five debt facilities:

1. 2012/13 - \$5.3 million loan, 3.09% interest rate (swap), 20-year maturity, to consolidate existing debt. \$3.8 million is owing on March 31, 2021.
2. 2015/16 - \$1.5 million loan, 3.23% interest rate (swap), 20-year maturity, to finance a soffit, gutter, window and chimney project for the Arts and Administration (A&A) building (including the attached Bay residences). \$1.2 million is owing on March 31, 2021.

3. 2016/17 - \$1.9 million loan, 2.63% interest rate (swap), 20-year maturity, to finance the North Pole Bay residence renovation project. \$1.6 million is owing on March 31, 2021.
4. 2017/18 - \$2.035 million loan, 3.64% interest rate (swap), 20-year maturity, to finance the 2017/18 capital budget (including the \$1.375 million energy efficiency and sustainability project). \$1.8 million is owing on March 31, 2021.
5. 2017/18 - \$2.6 million loan, 3.25% interest rate (swap), seven-year maturity, interest only for the first two years with principal to be repaid over the remaining five years, to finance the 2016/17 and 2017/18 operating cash deficits. \$2.5 million is owing on March 31, 2021.
6. 2020/21 – bridge financing facility to bridge the gap between the timing of contractor payments and donations received for the Chapel Bay, Middle Bay and Radical Bay (i.e., the Tri-Bays) residence renovation project. The balance of this facility on March 31, 2021 was \$439,000 (which is available to a maximum amount of \$3 million). The loan requires interest only monthly payments, at prime less 0.25%, with principal to be repaid in full five years from the final drawdown date.

The total cost of the Tri-Bay renovation project was \$4.197 million. The project was funded by prior years' surpluses of \$1.268 million, capital contributions of \$2.402 million and the bridge financing loan of \$439,000 (the amount that should have been borrowed is \$527,000 – an additional \$88,000 may be drawn if additional donations do not arrive soon). The fundraising gap on March 31, 2021 was \$527,000. Fundraising to reduce this gap continues. No further costs are expected to be incurred for this project.

As noted in the previous section, King's negotiated with its lender in 2020/21 to defer principal payments on all five long-term debt issues to assist with potential cash flow issues resulting from the pandemic, Principal payments for the two debt issues with the largest principal payments were deferred for 12 months, while principal payments for the remaining three debt issues were deferred for six months. The deferral freed up \$823,000 in cash in 2020/21. Another deferral is not being pursued for 2021/22 since King's is budgeting for an operating cash surplus. Also, since interest rates have risen, it would result in the cancellation of interest rate swaps and locking in at higher interest rates for the duration of the loans.

In fiscal year 2020/21, King's also negotiated with its lender to permanently increase the operating line of credit limit from \$1.0 million to \$1.5 million to further assist with possible cash flow issues. The balance of the line of credit was nil on March 31, 2021.

King's received its 2021/22 provincial operating grant as one lump sum in early April 2021.

A summary of the long-term debt position follows:

	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Budget 2021/22
Loans - opening balance	\$ 7,716,000	\$ 11,982,000	\$ 11,548,000	\$ 10,981,000	\$ 11,291,000
Principal payments made	(369,000)	(434,000)	(567,000)	(129,000)	(934,000)
Additional funds*	4,635,000	-	-	439,000	-
Loans outstanding	\$ 11,982,000	\$ 11,548,000	\$ 10,981,000	\$ 11,291,000	\$ 10,357,000

*Tri-Bay residence bridge financing facility in 2020/21

Capital Expenditures Funded by Operations:

The operating budget includes items funded from operating cash flow such as major repairs that qualify as capital additions to the buildings (not funded by long-term debt or capital contributions) as well as the purchase of other fixed assets such as books, computers, equipment and furniture. A summary of budgeted capital expenditures for the coming year is presented below:

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Library books	\$ 36,000	\$ 27,000	\$ 36,000
Furniture, computers & equipment capitalized	26,000	32,000	62,000
Athletics cardio equipment	10,000	13,000	10,000
COVID-19 equipment capitalized	-	85,000	-
Facilities alterations & renovations capitalized	212,000	120,000	212,000
Capital expenditures funded by operations	\$ 284,000	\$ 277,000	\$ 320,000

The 2021/22 budget remains the same as the 2020/21 budget with the exception of furniture, computers & equipment. Journalism put forward a proposal before BAC to replace the computers in one of its computer labs (of which it has five) and some small equipment. The request was for \$30,000. BAC agreed to permanently increase the Journalism equipment budget by \$30,000 to allow Journalism to update one computer lab each year without having to come before BAC each year with another proposal. Another \$5,000 was added to the Academic computing budget (to increase it from \$15,000 to \$21,000) which is a central budget for all faculty computers. With the cost of Apple computers, the previous budget did not allow for an adequate number of computer replacements to be made each year given the number of King's faculty.

The actual results for 2020/21 include \$85,000 in COVID-19 equipment capitalized. This \$85,000 is included in the overall amount expended on COVID-19 expenditures of \$1.077 million in 2020/21.

The equipment capitalized includes computers (with a value in excess of \$1,500) and audio visual equipment as well as air scrubbers (for enhanced ventilation).

The actual facilities alterations and renovations capitalized for 2020/21 were lower than budget as the bulk of the work performed was for repairs and maintenance and was not capital in nature. Only two large capital projects were performed in 2020/21 which included the Library podium and stairs (financed by the Bicentennial Fund) and the Tri-Bays renovation project (financed by prior year surpluses, capital contributions and the bridge financing loan).

In March 2020, King’s received one-time restricted funding in the amount of \$453,000 from the Province of Nova Scotia, through the Department of Labour and Advanced Education (LAE), to be used to address deferred maintenance on current infrastructure. Due to the pandemic, these funds were not expended in fiscal year 2020/21 and King’s received permission to defer the work to 2021/22. Since this is a restricted grant, it has not been included in the operating budget for 2021/22 nor have the related expenditures. This grant will be used to complete the Tri-Bay residence repointing, to repair dormers on Alexandra Hall and for technology infrastructure upgrades.

Use of Internally Restricted Funds:

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Use of reserve funds formerly approved by Board			
Capital preparedness*	\$ -	\$ 87,000	\$ -
Library podium and stair replacement (Bicentennial Fund)	-	197,000	-
Familiarization tours (\$16,000/year for 3 years to 2020/21)**	16,000	16,000	-
Total use of reserve funds	\$ 16,000	\$ 300,000	\$ -
Framework for expenditure of internally restricted funds			
Staff development fund	\$ -	\$ 3,000	\$ -
Student employment fund	-	46,000	-
Scholarships, awards and bursaries	-	99,000	-
Recruitment and marketing/communications re: recruitment***	-	15,000	-
Total Framework expenditures from internally restricted funds	\$ -	\$ 163,000	\$ -
Use of internally restricted operating funds	\$ 16,000	\$ 463,000	\$ -

*King’s was authorized by Resolution passed by the Board of Governors in June 2017 (amended in December 2017) to expend up to \$300,000 from the internally restricted funds to enable King’s to:

- Plan and ready itself for a residence renovation to be completed in 2018-19 or a later year in accordance with the Campus Master Plan;
- Plan for the consolidation and reconfiguration of the Journalism School in accordance with the Campus Master Plan, including the assessment of the feasibility of reconfiguring space and making consequential renovations in the A&A Building; and

- Determine the work necessary to satisfy the accessibility requirements stemming from the recently passed *Accessibility Act*.

The first bullet relates to the Tri-Bay residence renovation project which was completed in the spring/summer of 2020. Work is ongoing with respect to determining what will be required to make Alexandra Hall the accessible residence at King's. It is likely that this work will be performed in phases as funding allows with the largest component being the installation of a new elevator.

These funds are expended through the Facilities Management Department and such spending is offset with internally restricted funds. On March 31, 2021, only \$5,000 remains to be spent. This expenditure is not reflected in the budget, nor is the application of the offsetting internally restricted funds (one offsets the other).

**Refer to "Registrar's Office, Recruitment & Academic Support" below for additional information.

***Refer to "Advancement" below for additional information.

All expenditures from the internally restricted funds are reflected under the applicable departmental expense budgets shown below.

Use of Prior Year Surplus to Reduce the Deficit:

The 2020/21 operating budget included the application of \$231,000 of the 2019/20 operating cash surplus to reduce the operating cash deficit projected in 2020/21. The rationale for this was the following:

- One quarter of winter 2020 residence fees were refunded to students in March 2020 due to vacating residence early because of the pandemic. Since April 2020 falls within the 2020/21 fiscal year (but falls within the 2019/20 academic year), residence revenue in 2020/21 was negatively impacted by \$201,000. This portion of the 2019/20 surplus was carried forward to apply against the reduced residence revenue in 2020/21.
- Students did not receive a refund of ancillary fees due to vacating residence early, including the athletics fee. King's contributed \$30,000 to the COVID-19 Student Emergency Relief Fund. It represents the portion of athletics fees students paid from the date King's closed the gym to reduce the risk of Coronavirus transmission to the end of the academic year. The fund was used to assist students whose financial ability to begin or continue their studies had been jeopardized by the pandemic in ways that were not addressed by other funding sources. Since the refund of athletics fees would have impacted the 2019/20 fiscal year, \$30,000 of the 2019/20 surplus was carried forward to apply against the additional expense in 2020/21.

The 2021/22 operating budget includes the application of the full \$1.142 million operating cash surplus for 2020/21. The rationale behind the full prior year surplus carryover is the following:

- The Province provided King's with a grant that more than covered the COVID-19 expenditures. The excess will be applied against the COVID-19 expenditures included in the 2021/22 operating budget.
- The remaining portion of the operating cash surplus (less \$30,000 to be explained in the last bullet) will be applied against the debt servicing costs included in the 2021/22 operating budget.

As stated previously, the operating cash surplus for 2020/21 would not exist but for this grant and the deferral of principal payments on long-term debt.

- King's will also top-up the COVID-19 Student Emergency Relief Fund with a \$30,000 contribution (the same contribution that was made in 2020/21).

Major Assumptions:

- **Provincial Operating Grant** - increasing by 1% year-over-year for all years of the five-year MOU with the Province of Nova Scotia (2019/20 – 2023/24).
- **Student Academic Fees**
 - The student consultation meeting on proposed changes to tuition and fees for 2021/22 was held on March 12 with the incoming and outgoing members of the KSU Executive.
 - There is a 3% cap on Nova Scotia undergraduate tuition rates and no cap on out-of-province undergraduate tuition rates, graduate tuition rates or international tuition rates.
 - Undergraduate arts and science tuition rates for fall and winter to increase by 3%. King's and Dalhousie offer joint degrees in arts and science and it is expected that Dalhousie will increase tuition by 3%.
 - All journalism programs (4-year Bachelor of Journalism Honours, 1-year Bachelor of Journalism and Master of Journalism (MJ) program) to increase by 1% based on recommendations of the BAC Journalism Tuition Sub-Committee, accepted by the Board of Governors at its meeting in December of 2019. Increased financial aid will also be provided to Journalism students. This is year two of the two-year 1% increase.
 - Master of Fine Arts (MFA) program tuition to increase by 2% (same as 2020/21) based on input from the MFA Director and Director of Journalism regarding the cost of the program and having possibly reached the 'sweet spot' between cost and enrolment levels. Supported by BAC.
 - International differential tuition rates to increase by 3% plus \$1,473 for students entering King's in the fall of 2019 or later (which is a 14% increase over the prior year). This is the third year of a four-year Dalhousie Board-approved increase. Students who entered Dalhousie or King's prior to the fall of 2019 will pay 3% more than they did in the prior year.
 - An outcome of the student tuition and fee consultation meeting was that the KSU asked King's to defer the proposed 2021/22 increase in the international differential fee due to the extraordinary financial challenges faced by international students in 2020/21. This was brought before the FAR committee in April for consideration. After careful deliberation,

FAR is recommending that all international students be given a bursary equivalent to the proposed increase in the international differential fee they will be charged in 2021/22. This equates to \$1,863 for students in their first to third year of study and \$303 for students in their fourth year of study or higher. The expected budget impact of this recommendation is \$69,000 and has been factored into the bursary budget for 2021/22. This alternative is being recommended rather than a deferral of the proposed increase for 2021/22 which would put King's out of sync with Dalhousie. The KSU also requested the formation of a sub-committee of BAC to address the International Differential fee more broadly and to make an informed recommendation for the 2022-23 budget. This request was also endorsed by the FAR committee.

- **Student Ancillary Fees**

- A listing of ancillary fees charged to King's students is provided in the revenue section that follows.
- Per the MOU with the Province, increases in auxiliary and ancillary fees cannot exceed the increases in the costs of providing the services or goods provided.
- For the fifth year in a row (i.e., since 2016/17), in an effort to reduce the gap (which will be \$372 for 2021/22) in fees charged by King's in comparison to the fees charged by Dalhousie, there will be no increase in the student ancillary fees charged by King's in 2021/22.
- This includes the MFA mentor fee which generally increases with anticipated increases in Canada's consumer price index (CPI). The 2020/21 increase assumed an annual CPI increase of 2% for July 1, 2020 but it was actually only 0.1%. The total percentage increase in the MFA mentor fee from 2013/14 (inception of the program) to 2021/22 (assuming no increase for 2021/22) is 13% which equates to the total CPI increase over that same time period (which includes an estimated CPI increase of 2% for 2021/22). For that reason, there is no proposed increase in the MFA mentor fee for 2021/22. This fee flows directly from the students to the mentors.
- Due to the closure of the King's gymnasium in 2020/21, the athletics fee was not charged. The 2021/22 budget assumes the gymnasium will be open in the fall and the athletic fee will be charged. In the event the gym is not available for students' use this decision will be re-visited.
- King's students pay Dalhousie's health service fee (i.e., wellness fee) and fitness and recreation facility renewal fee directly to Dalhousie. King's students also pay a joint athletics fee and a joint facility renewal fee where a portion goes to King's and a portion goes to Dalhousie. As a result of the pandemic, Dalhousie kept its student fees for 2020/21 the same as for 2019/20. They also did not charge the Dalplex fee or fitness and recreational facility renewal fee due to the closure of the Dalplex. For 2021/22 all fees are slated to be charged but the fees will once again be held flat with the exception of Dalhousie's facility renewal fee which is slated to increase by 3%.
- King's has resumed conversations with Dalhousie regarding modernization and updating of the MOU between King's and Dalhousie on Financial Transfers, which could lead to a modest decrease in the Dalhousie portion of the joint King's/Dalhousie fees charged to King's students. This has not been factored into King's fees for 2021/22.

- **Student Residence Fees**

- Residence room fees at King’s have not changed since 2016/17.
- The Dean of Students brought a proposal before BAC to consider in setting residence room fees for 2021/22. She took BAC through a PowerPoint presentation to show that current residence room fees are disproportionate relative to one another given the size, condition and amenities of the residence rooms. The presentation included photos and floor plans of residence room options on campus and a description of the amenities of each room along with a residence fee comparison. She asked BAC to consider what is fair and reasonable in terms of what students are receiving when setting residence room fees.
- The Dean brought forward a proposed new residence room fee structure that would result in the cost of some residence rooms increasing and others increasing (see table below). The current most expensive room fee would not change (the ceiling price); however, the rooms below that would be adjusted based on a \$249 differential to reflect differences in size, condition, and amenities. The specific recommendations are as follows:
 - Reclassify Roost single rooms as Alexandra Hall single rooms instead of Bay single rooms;
 - Do not increase the cost of the most expensive rooms (i.e., Bay fourth floor singles and Alexandra Hall singles);
 - Establish a \$249 differential between room types to reflect differences in size, condition, amenities, etc. (the \$249 is the current difference between a fourth floor Bay single and an Alexandra Hall single); and
 - Create different categories of single rooms, similar to North Pole Bay post-renovation (there are three sizes of single rooms – fourth floor single, non-fourth floor single and small single) given new Tri-Bay singles and small Alexandra Hall fourth floor singles.
- The proposed fees as compared with current fees are shown in the table below:

Room Size, Building, Floor	Current Fee	Proposed Fee	Room Differential	\$ Change (YoY)	% Change (YoY)
Single, Bay, 4th floor	7,729	7,729		-	0.0%
Single, Bay, non-4th	7,604	7,480	249	- 124	-1.6%
Single, Bay, small	7,542	7,231	249	- 311	-4.1%
Double, Bay	6,710	6,982	249	272	4.1%
Single, Roost	7,729	7,480	249	- 249	-3.2%
Single, Alex Hall	7,480	7,480	249	-	0.0%
Single, Alex Hall, small	7,480	7,231	249	- 249	-3.3%
Double, Alex Hall	6,626	6,733	249	107	1.6%

- With full residence occupancy (i.e., 254 beds), the proposed fee structure would result in an additional \$12,000 in residence fee revenue over the current fee structure.
- The proposed new residence room fee structure was voted favourably by the BAC with only one abstention. Most feel it is fair, transparent and equitable. It was also discussed with the KSU Executive at the student tuition and fee consultation meeting and there were no issues raised.

- **Meal Plan Fees**

- Under the terms of the food service contract with Chartwells, daily meal plan fees for the fall will increase based on the all-inclusive Nova Scotia consumer price index (CPI) annual increase as of the previous December which was 0.6% (2.2% for 2020/21).
- Daily meal plan fees will also be impacted by a \$0.40/hour increase in the Nova Scotia minimum wage rate on April 1, 2021 which will result in an additional increase of 0.24% (0.6% for 2020/21).
- The pandemic has had a negative material impact on the food service operation at King's in terms of lost revenue and increased costs. As a result, a further increase in daily meal plan fees of 1.16% was proposed.
- The sum of these three items will result in an increase in the 2020/21 daily meal plan fees of 2.0% (2.8% in the prior year).
- The number of residence board days also affects meal plan prices. There were 217 residence board days in 2020/21 but there will be 221 residence board days in 2021/22 (Chartwells will have to provide food to students for an additional four days) which will increase the overall meal plan fees for the year. In combination with an increase in the daily meal plan fees of 2.0%, this will result in an overall increase in meal plan fees for the year of 3.88% (1.86% in the prior year).

- **Enrolment**

- The 2020/21 enrolment budget was scenario-based due to the pandemic as traditional enrolment projection models were not considered to be indicative of what the fall 2020 enrolment outcome might be. Fortunately, the middle-case enrolment scenario (described in the 2020/21 budget document) did not come to fruition and King's fall 2020 headcount (at 905) was even higher than fall 2019 (at 899); however, there was a larger proportion of part-time students as more students chose to take a smaller course load during the pandemic.
- Since the 2020/21 enrolment budget was not indicative of reality, providing a comparison between it and the 2021/22 budget would not be meaningful. For that reason, enrolment for 2019/20 has been presented in the table on the next page and in the revenue section as that is the most-recent pre-pandemic year.
- Total fall undergraduate and graduate headcount combined (part-time and full-time) is anticipated to increase by 5.9% relative to 2020/21 actual enrolment and by 6.6% relative to 2019/20 actual enrolment. The deposit deadline for 2021/22 has passed and enrolment for fall 2021 looks promising. Application fees received in 2020/21 for the 2021/22 academic year were more than double what they normally are.
- Total fall undergraduate student enrolment headcount (part-time and full-time) is anticipated to increase by 4.3% relative to 2020/21 actual enrolment and by 5.3% relative to 2019/20 actual enrolment.
- After three years of steep declines, FYP enrolment was relatively stable for four years in a row (to 2019/20) but never reached 200. The pandemic caused that figure to dip slightly but it has regained momentum and is almost back to 2015/16 levels at 215 (for October 15, 2021). This puts King's closer to the FYP projection of 225 that was provided to the Province when a permanent increase in the operating grant was requested.

- Graduate enrolment continues to be a good news story, particularly for the MFA program. Enrolment in this program reached a high of 59 in 2019/20. While the pandemic impacted 2020/21 somewhat (resulting in some deferrals) with enrolment at 56, enrolment is expected to be 65 in 2021/22 with the highest first year class yet at 38 students. The Master of Journalism (MJ) program underwent an external review in 2016/17 and was restructured with program changes taking effect in 2020/21. Enrolment prior to the restructure was only four. It reached 12 in the winter of 2021 (students can begin the program in the winter). The 2021/22 budget assumes MJ enrolment of 13 (conservative estimate).

Enrolment (fall headcount as of October 15):

		Approved			
		Actual	Budget	Actual	Budget
		2019/20	2020/21	2020/21	2021/22
Fall	Undergraduate	836	671	844	880
	Graduate	63	68	61	78
	Total	899	739	905	958
Winter	Undergraduate	802	644	829	846
	Graduate	61	65	66	77
	Total	863	709	895	923

FYP included above:

Fall	192	147	177	215
Winter	186	142	173	208

● **Investment Income**

- The policy of a 4% draw from the investment portfolio (including endowments and internally restricted funds) will continue plus an additional ¾% administrative charge for managing and accounting for the funds. This was recommended by the College Task Force for 2015/16 and has been factored into the budget ever since.
- In 2018/19, on the recommendation of the Investment Committee, the Board of Governors' approved King's to engage the services of an alternative investment manager in addition to its value manager to manage approximately 27% (or \$11 million) of its investments. Higher investment returns are anticipated as a result of this decision as are higher investment management fees. The transition took longer than anticipated with the final transfer taking place in December 2020. The 2021/22 budget includes both investment managers fully transitioned for the entire year.
- The 4% draw is taken on the three-year average market value of the endowment portfolio. Market values on March 31, 2020 took a dip because of the pandemic and will impact the draw until fiscal year 2019/20 is removed from the three-year average market value calculation.

REVENUE

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Provincial operating grant	\$ 8,353,000	\$ 8,353,000	\$ 8,437,000
One-time grant - COVID-19 expenditures	-	1,325,000	-
Student academic fees	6,225,000	7,611,000	8,254,000
Student ancillary fees	569,000	694,000	934,000
Student residence fees	334,000	575,000	1,461,000
Continuing education	-	26,000	30,000
Investment income	1,802,000	1,798,000	1,829,000
Sale of goods and services	162,000	89,000	186,000
Conference services	6,000	1,000	4,000
Gifts	681,000	520,000	670,000
Other grants	68,000	218,000	110,000
Total revenue	\$ 18,200,000	\$ 21,210,000	\$ 21,915,000

Provincial Operating Grant:

An increase of \$84,000 from the 2020/21 budget and 2020/21 actual. This relates to the 1% annual increase as per the MOU.

One-time Grant – COVID-19 Expenditures:

In February 2021, King's received a one-time \$1.325 million grant from the Province of Nova Scotia to assist with COVID-19-related expenditures, already incurred or yet to be incurred.

Student Academic Fees:

As noted above under "Enrolment", providing a comparison between the 2021/22 budget and the 2020/21 budget would not be meaningful since the 2020/21 enrolment budget did not materialize and was not indicative of reality. Actual results for 2019/20 have been provided in the table below as that is the most recent pre-pandemic year.

Tuition – an increase of \$643,000 compared to 2020/21 actual and \$795,000 compared to 2019/20 actual. These variances can be explained by the full-time equivalent (FTE) enrolment differences displayed in the table below (as of October 15) combined with a 3% tuition fee increase in arts and science, a 2% tuition fee increase in the MFA program, a 1% increase in all Journalism programs and an increase in the international differential rate as described above under "Major assumptions". The smaller FYP class in 2020/21 is impacting enrolment in the upper year programs as this class makes its way through their four-year programs. King's continues to have retention rates above 80% for students going from first to second year.

	Actual 2019/20	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
FYP (Foundation Year Program)	192	147	177	215
BA (Bachelor of Arts)	452	357	456	464
BSC (Bachelor of Science)	88	91	103	99
BM (Bachelor of Music)	4	0	4	0
BJH (Bachelor of Journalism Honours)	50	50	55	51
BJ (Bachelor of Journalism 1-year)	24	12	16	20
MJ (Master of Journalism)*	4	10	5	13
MFA (Master of Fine Arts)	59	58	56	65
Total FTEs	873	725	872	927
International FTE included above	46	20	43	42

*This reflects fall enrolment. Some students started the newly restructured program in the winter of 2021 which resulted in total enrolment of 12 for 2020/21.

Tuition dollars by program are shown in the table below:

	Actual 2019/20	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Arts & Science	\$ 5,458,000	\$ 4,530,000	\$ 5,571,000	\$ 5,977,000
Journalism (4-year and 1-year BJ)	1,041,000	899,000	983,000	1,027,000
Master of Journalism (MJ)	35,000	75,000	73,000	93,000
Master of Fine Arts (MFA)	485,000	489,000	478,000	557,000
International fees	440,000	232,000	506,000	600,000
Total student academic fees	\$ 7,459,000	\$ 6,225,000	\$ 7,611,000	\$ 8,254,000

Journalism tuition includes tuition from Dalhousie students (while enrolment above only includes King's registered students).

Student Ancillary Fees:

As noted above under "Student Academic Fees", providing a comparison between the 2021/22 budget and the 2020/21 budget would not be meaningful since the 2020/21 enrolment budget did not materialize and was not indicative of reality. Actual results for 2019/20 have been provided in the table that follows.

Ancillary fees – an increase of \$240,000 compared to 2020/21 actual and a reduction of \$79,000 compared with 2019/20 actual.

The table below breaks out fees charged to all students (due to the low-residency nature of the MFA program, those students do not pay all the fees but a portion of the fees) and program-specific fees.

All fees are positively impacted by an increase in undergraduate enrolment (refer to the enrolment table under “Student Academic Fees” above).

There are no fee increases included in the 2021/22 budget. All increases in the table below are impacted by increased enrolment.

The athletic fee was not charged in 2020/21 since the gymnasium was closed because of the pandemic.

The study abroad course was cancelled in both 2020/21 and 2021/22. Humanities for Young People (HYP) was cancelled in 2020/21 but will be offered online in 2021/22 at no charge to participants.

Other administrative fees for 2020/21 includes \$105,000 in application fees for 2021/22. This amount is normally in the \$50,000 range. The budget for 2021/22 was increased by only \$10,000 to be conservative in case 2020/21 is not indicative of a new normal.

	Actual	Approved	Actual	Budget
	2019/20	Budget	2020/21	2021/22
<u>Fees applied to all students</u>				
Facility renewal fee	\$ 245,000	\$ 195,000	\$ 240,000	\$ 249,000
Athletic fee	233,000	-	-	235,000
College fee	65,000	50,000	62,000	65,000
Administration fee	29,000	24,000	30,000	31,000
<u>Program specific fees</u>				
MFA mentor fee	194,000	196,000	191,000	218,000
FYP fee	57,000	44,000	54,000	64,000
Study abroad fees (admin & travel)	79,000	-	-	-
Humanities for Young People (HYP)	47,000	-	-	-
<u>Other fees (application fees, forfeits, etc.)</u>				
Other administrative fees	64,000	60,000	117,000	72,000
Total student ancillary fees	\$ 1,013,000	\$ 569,000	\$ 694,000	\$ 934,000

Student Residence Fees:

Residence revenue – an increase of \$1,054,000 from the 2020/21 budget and an increase of \$813,000 compared to 2020/21 actual.

The 2020/21 budget residence scenario anticipated a significant reduction in residence occupancy. Although circumstances continued to evolve at budget time, King's assumed occupancy would be limited to 52 students in residence in September 2020. The actual number of students that King's determined it could safely accommodate (while abiding by Public Health protocols and restrictions) for 2020/21 was 127 students (50% occupancy). On move-in day, there were 106 students residing in residence, slightly double the amount budgeted for. Since there was single occupancy in all residence rooms, it was decided to charge all students the double room fee for their residence building.

Chapel Bay, Middle Bay, and Radical Bay (i.e., the "Tri-Bays") residences underwent a major renovation in the summer of 2020. The renovation resulted in 10 fewer residence beds due to increasing the size and privacy of the bathrooms on the second and third floors and the creation of a common area in Middle Bay. This brings the total number of beds to 254.

For 2021/22, King's is expecting 217 beds to be occupied on move-in day. This is based on the amount of deposits paid to date and conversations ongoing with other potential residents. This represents 85% occupancy if assuming all 254 beds are available; however, since some beds will be set aside as self-isolation spaces, some will be occupied by junior dons and some will be held as swing space/student support spaces, this occupancy percentage is really 100% of the beds available.

The residence room fees included in the 2021/22 budget include those proposed by the Dean of Students and recommended by BAC as shown in the table above under "Major Assumptions".

As noted above under "Major assumptions", meal plan fees for 2021/22 are increasing by 3.88% in accordance with the food service contract. King's earns commission on a sliding scale based on the number of meal plans sold (220–239 = 8%, 240–259 = 11%, 260+ = 14%) including the deans, dons and junior dons. Since the number of students in residence (minus an allowance for withdrawals in each semester) plus the deans, dons and junior dons is anticipated to exceed 220 in both semesters of 2021/22, meal plan commission at 8% has been included in the budget. There was no meal plan commission earned in 2020/21 due to the small number of meal plans sold.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Total beds	254	254	254
Closed/unavailable beds*	(127)	(127)	(37)
Beds vacant on move-in day	(75)	(21)	-
Beds occupied on move-in day	52	106	217
Withdrawals (full fall, half winter)	(2)	(7)	(9)
Total beds occupied	50	99	208
Occupancy rate as a % of available beds (excl withdrawals)	40.9%	83.5%	100.0%
Occupancy rate as a % of available beds (incl withdrawals)	39.4%	78.0%	95.9%

*Closed/unavailable bed details:

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Beds converted to junior don suites	10	10	13
Self-isolation spaces	40	40	20
Vacant due to single occupancy only	50	50	0
Swing space/student support	20	20	4
Room in basement utilized for storage	7	7	0
Closed/unavailable beds	127	127	37

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Room fees	\$ 334,000	\$ 575,000	\$1,388,000
Meal plan commission	-	-	73,000
Total Student residence fees	\$ 334,000	\$ 575,000	\$1,461,000

Number of meal plans (fall/winter):

Residence students	51/50	105/99	211/205
Dons	16/16	16/16	19/19
Total	67/66	121/115	230/224
Meal plan commission rate	0%/0%	0%/0%	8%/8%

Other Revenue Assumptions:

Continuing Education:

The MFA program began offering non-credit creative writing workshops in fiscal year 2019/20. The dollars involved at the time were not significant enough to warrant inclusion in the 2020/21 operating budget. These offerings are gaining momentum and have now been factored into the 2021/22 budget. The continuing education revenue included in the 2021/22 budget is \$30,000 which is almost twice as much as the costs shown in the expense section below.

Investment Income:

The endowment draw for each year is calculated as 4% of the average market value of the previous three fiscal years as of March 31. The market downturn, as a result of the pandemic, has had a negative impact on the market value of King's investments as of March 31, 2020. The three-year average market value multiplier for both the 2021/22 budget and the 2020/21 actual and budget is less than 1. This is due to market values being lower than cost in two of the three years included in the calculation. The market downturn reflected in the March 31, 2020 market values will impact the current budget year along with the next budget year since it will continue to be part of the three-year average calculation.

The budgeted investment income for 2021/22 is higher than the prior year budget by \$27,000 and higher than prior year actual by \$31,000. This relates to the Rogers Chair endowment – this faculty position was vacant since June 30, 2020 and will not be filled until June 1, 2021. The draw taken in 2020/21 was only for three months. The budget assumed the position would be filled on January 1, 2021 but it was not. The 2021/22 budget assumes a draw on the Rogers Chair endowment of 10 months (June 1, 2021 – March 31, 2022).

Also, as recommended by the College Task Force in 2015/16, an additional \$40,000 was withdrawn from the Divinity endowment from 2015/16 up to and including 2019/20, representing a portion of previously undrawn funds from prior years. These funds were annually applied to the Chapel Music program. For 2020/21, \$11,000 remained and was allocated to the Chapel Music program. There are no funds remaining to allocate in the 2021/22 budget.

King's also draws 4% from the internally restricted funds. These funds are invested with our endowment funds and are included on the endowment schedule so that investment income and management fees can be allocated to them.

Sale of Goods and Services:

The 2021/22 sale of goods and services budget is higher than the 2020/21 budget by \$24,000 and higher than 2020/21 actuals by \$97,000.

Actuals for 2020/21 were much lower than budget for 2020/21 because the 2020/21 budget reflected the cancellation of the Chapel Music program's Easter concert but not the Christmas or For All the Saints concerts (\$43,000). All concerts were cancelled for 2020/21. The 2020/21 budget also did not contemplate the full extent of the impact of the pandemic on building rentals and parking revenue (\$27,000).

The 2021/22 budget assumes a more typical year than what occurred in 2020/21 but not the return to a fully functional year, i.e., building rental revenue is expected to be higher but the budget does not reflect a full year of normal rental revenue. The budget also includes Chapel Music concert revenue, some catering commission revenue and parking revenue.

Conference Services:

Conference Services is described below under the expense section.

Gifts:

The 2021/22 gifts budget is lower than the 2020/21 gifts budget by \$11,000 but higher than 2020/21 actuals by \$150,000. The Deane Little athletic scholarships provide \$280,000 per year for five years. The actual amount of scholarships awarded in 2020/21 was \$147,500. The difference of \$132,500 has been deferred to be awarded in a future year. Scholarship expenses for 2020/21 are also lower as a result.

Due to greatly reduced spending by the Chapel in 2020/21 related to the pandemic, they did not require the use of their offerings to cover their expenditures. The 2020/21 budget assumed they would use \$32,000 of their offerings. Those offerings have been carried forward to be used in a future fiscal year. The 2021/22 budget includes \$21,000 in Chapel offerings revenue and the full \$280,000 in athletic scholarship gifts.

Other Grants:

The 2021/22 other grants budget is higher than the 2020/21 other grants budget by \$42,000 but lower than 2020/21 actuals by \$108,000.

A grant in the amount of \$25,000 to support mental health initiatives was received by Residence & Other Student Services for use in 2021/22. An offsetting expense budget has also been included in their 2021/22 budget.

The 2020/21 budget included \$48,000 in Social Sciences and Humanities Research Council (SSHRC) funding for indirect costs of research but \$69,000 was received. The 2021/22 budget assumes the grant will be \$65,000.

Actual results for 2020/21 includes the following grants that were not budgeted for in either 2020/21 or 2021/22:

- Funding from the provincial government for sexualized violence initiatives \$6,000
- Funding from federal agencies (Magnet and Venture for Canada (VFC)) for student internships \$123,000

EXPENSES

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Academic (excluding Journalism equipment & faculty computers)	\$ 6,207,000	\$ 6,006,000	\$ 6,360,000
Continuing education	-	13,000	16,000
Allotment to Dalhousie	3,876,000	3,866,000	3,930,000
Facility operations (excluding capital renovations)	1,678,000	1,779,000	1,747,000
Residence & other student services	512,000	381,000	525,000
Scholarships, awards and bursaries	1,553,000	1,569,000	1,615,000
Other student support	88,000	89,000	108,000
Utilities, taxes & insurance	518,000	477,000	509,000
Advancement	800,000	766,000	802,000
Athletics (excluding cardio equipment)	466,000	282,000	581,000
Bursar's office	577,000	576,000	587,000
General college administration and other	310,000	272,000	336,000
Library (excluding Library books)	380,000	350,000	397,000
President's office	461,000	394,000	515,000
Vice-President's office	244,000	237,000	258,000
Equity office	61,000	19,000	77,000
Sexualized violence awareness, prevention & response office	88,000	88,000	91,000
Registrar's office, recruitment & academic support	938,000	985,000	973,000
Divinity & chapel	143,000	91,000	133,000
Chapel music	209,000	187,000	237,000
King's chorus	-	-	48,000
Professional fees	150,000	105,000	350,000
Interest & service charges	426,000	343,000	377,000
Investment management fees	230,000	220,000	247,000
Conference services	75,000	72,000	79,000
COVID-19 emergency response fund ¹	500,000	992,000	842,000
Unallocated anticipated reductions in spending ²	(721,000)	-	(200,000)
Total expenses	\$ 19,769,000	\$ 20,159,000	\$ 21,540,000
Costs covered by internally restricted funds ³	(16,000)	(266,000)	-
Net expenses	\$ 19,753,000	\$ 19,893,000	\$ 21,540,000

¹Total actual COVID-19 expenditures for 2020/21 were \$1,077,000. Of this amount, \$85,000 in equipment was capitalized to fixed assets at year-end and is not reflected in the table above. It is shown under "Capital Expenditures Funded by Operations" on page 25.

²Actual results for 2020/21 reflect allocated reductions in spending of \$863,000 directly to the departments and programs. They are unallocated in the budgets.

³Amount included in the internally restricted funds table on page 26 for 2020/21 was \$463,000. The difference of \$197,000 relates to the cost of the Library stairs and podium that was capitalized to fixed assets at year-end and does not appear in the table above.

General Comments:

The university realized an overall reduction in spending of \$863,000 as a result of the pandemic in 2020/21; therefore, there will be large variances between the 2020/21 budget and actual results for 2020/21 for all departments and programs. The 2020/21 budget included \$721,000 in 'unallocated anticipated reductions in spending' due to the pandemic but these reductions were not allocated to the departments and programs in the budget to keep the departmental and program budgets whole. As a result, the variance explanations for the individual departments and programs that follow will focus on the 2021/22 budget compared with the 2020/21 budget.

Aside from the specific variance explanations provided in the sections that follow, the 2021/22 overall departmental and program operating budgets are the same as the prior year budgets. Spending reductions related to the pandemic are conceivable over the spring/summer months if pandemic-related restrictions continue to be in place. A modest reduction in spending of \$200,000 has been incorporated into the 2021/22 operating budget at a central level. This is described in more detail under the "Unallocated anticipated reductions in spending" section towards the end of this document.

Expenses in the table on the previous page are organized by department or cost category. The budget for each department reflects both compensation and operating expenditures. These expenditures are broken down further in the departmental expense budget tables that follow and are listed in the order they appear in the table on the previous page.

The 2021/22 overall expense budget (including spending from the internally restricted funds) is higher than the 2020/21 expense budget by \$1,771,000 and \$1,381,000 higher than the 2020/21 actual results. Since the expenses shown in the table contain spending from the internally restricted funds (and are not funded by the operating budget), this spending has been deducted at the bottom of the table so that an 'apples to apples' comparison can be made. The 2021/22 expense budget is now \$1,787,000 higher than the 2020/21 expense budget and \$1,647,000 higher than the 2020/21 actual results.

Since 2015/16, permanent cumulative departmental reductions of \$1.25 million have been made. Department Heads and Program Directors were instructed to maintain 2021/22 spending at 2020/21 budget levels and to bring any requests for additional funding to the BAC. Exceptions would be made for expenditure increases that are the result of higher enrolment. Refer to Schedule 3 for a list of all additional spending incorporated into the 2021/22 operating budget. Some additions are one-time while others are permanent. Others have a multi-year impact before they will be removed from the budget. Not all additions were brought before the BAC for approval as some budget additions are not discretionary but necessary. Individual increases are discussed in more detail in the departmental expense sections that follow.

The pandemic situation led to the addition of two new lines in the previous table in the 2020/21 budget that remain in the 2021/22 budget:

- 1.) A COVID-19 emergency response fund was established to address expenditures that arose as a result of the pandemic.

2.) Unallocated anticipated reductions in spending that were identified and were very much contingent upon Public Health directives and travel restrictions (noted above).

Both items are described in more detail at the end of the expense section.

Salaries and Benefits:

2021/22 total salaries and benefits (excluding COVID-19 emergency response fund salaries which are described in more detail in the COVID section near the end of this document) are increasing by \$348,000 over the 2020/21 budget and by \$570,000 over 2020/21 actual salaries and benefits.

Salaries and benefits are the largest single component of expenses and accounts for 48.6% of the total 2021/22 operating expenses (and 49.9% if the COVID-19 emergency response fund and unallocated anticipated reductions in spending are excluded since they are particular to the pandemic) at \$10,438,000. Academic salaries and benefits represent \$5,592,000 or 54% of this total while administrative salaries and benefits represent \$4,846,000 or 46% of this total.

If the direct cost component of the Dalhousie allotment is included (57% of the total Dalhousie allotment represents direct costs while 43% represents overhead) in the total, this percentage increases to 59.0% of total operating expenses in 2021/22 (and 60.6% if the COVID-19 emergency response fund and unallocated anticipated reductions in spending are excluded). The Dalhousie allotment represents the cost that Dalhousie charges King's for teaching its students minus the cost to King's of teaching Dalhousie students. A substantial portion of the direct cost relates to faculty salaries and benefits of professors in the Faculties of Arts and Social Sciences and Science at Dalhousie.

Academic salaries and benefits for 2021/22 are \$111,000 or 2.0% higher than the 2020/21 budget and \$188,000 or 3.5% higher than 2020/21 actual salaries and benefits. These differences are explained under the "Academic" section that follows.

Administrative salaries and benefits are increasing by \$237,000 or 5.1% over the 2020/21 budget and \$417,000 or 9.4% over 2020/21 actual salaries and benefits. The reasons for this increase are described in the individual departmental expense sections that follow; however, a summarized list is provided here:

- Facility operations – hiring six summer students instead of the usual four. Funds have been reallocated from other facility operating budget lines. The 2020/21 budget only included one summer student due to the closure of the campus for much of the summer.
- Residence – student patrol and Alexandra Hall front desk student employment opportunities were greatly impacted by the pandemic. Student patrol responsibilities were performed by junior dons in 2020/21.
- Advancement – salary savings were realized in 2020/21 due to the timing of filling two vacancies in that office.
- Athletics and the Library – student salaries were impacted by the pandemic due to reduced hours of the library and gymnasium or full closure during parts of the year.

- Equity Office – position has been vacant since early November 2020. Position being converted from ½ time position to a full-time position. Budget anticipates a start date of July 1, 2021.
- Registrar – two maternity leaves including salary top-ups and overlap training for replacements; conversion of two, three-year, 10-month contracts to two, three-year 12-month contracts.
- Chapel Music/King’s Chorus – the Assistant Director of Music (Chapel Music program)/Director of the King’s Chorus will become an employee of King’s on July 1, 2021. Refer to the individual departmental expense sections that follow for more information.

As occurred in 2020, a Blue Cross premium holiday is in place for the period April 1 – August 31, 2021 and is contributing \$55,000 in benefits savings for 2021/22. The holiday is for both King’s and its employees and will reduce the surplus that has accumulated that is the result of premiums collected being higher than claims paid over a period of time. Savings are included in both budget years; there is no variance between years as a result of this premium holiday.

With the exception of the eight-member (soon to be nine) UKCTA (University of King’s College Teachers Association) bargaining unit (representing Faculty Fellows and Senior Fellows in the Humanities), King’s faculty and staff are not unionized. King’s is required by the principle of parity between the salary of King’s and Dalhousie professors that is part of its association with Dalhousie to follow the Dalhousie Faculty Association (DFA) salary scale for faculty salaries. The collective agreement for the DFA was renegotiated during fiscal year 2020/21 for a period of two years. Salary scales are available for July 1, 2020 and July 1, 2021 increases. Salary increases used in the projections for future years are estimates.

King’s has also followed Dalhousie salary scales for staff salaries - the NSGEU Local 77 salary scale and the Dalhousie Professional and Managerial Group salary scale (DPMG). The NSGEU collective agreement expired on June 30, 2020 and the recently negotiated collective agreement is not yet available at the time of writing this report. The DPMG group salary increases typically follow those negotiated with the NSGEU group. For budgeting purposes, it has been assumed that staff salaries will increase by the same cost of living percentage as for the DFA (1% for July 1, 2020 and 1.25% for July 1, 2021). An accrual was made in fiscal year 2020/21 to record staff salary increases retroactive to July 1, 2020 so the increases, when paid, do not affect the 2021/22 budget.

Fortunately, the scale of financial challenges anticipated in the 2020/21 budget did not come to fruition and did not necessitate the consideration and discussion of measures to prevent increases in staffing costs and/or reduction in staffing costs as mentioned in the 2020/21 budget document.

Academic:

Academic Program Salaries and Benefits

The Academic budget includes the salaries and benefits of all King’s faculty as well as the administrative positions, technicians, teaching assistants and student employees who support King’s academic programs. Operating expenditures include all costs incurred to offer King’s

academic programs including the cost of PROs ('persons retained from outside' (i.e., individual course appointments)) who are not employees of King's.

Academic salaries and benefits in the 2021/22 budget are \$111,000 higher than the 2020/21 budget and \$188,000 higher than 2020/21 actuals. There are a number of factors contributing to this increase:

Cost increases:

- Two faculty diversity hires – one in FYP starting on July 1, 2021 and one in Journalism starting on June 1, 2021.
- Full-time Rogers Chair diversity hire in Journalism – this position was a 50% position in the prior year. Position has been vacant since June 30, 2021. The 2020/21 budget assumed the position would be filled in January 2021. Actual start date is June 1, 2021.
- Limited term appointment (LTA) in HOST for sabbatical coverage – start date is July 1, 2021 for one year.
- Overloads to cover nine sabbaticals in the coming year compared with three sabbaticals in the prior year.
- Administrative support one-year contract position in Journalism to assist with increasingly challenging workload with addition of new programs over the past several years - one year in duration pending approval of the new MFA in fiction program (which has an administrative support component).
- A Faculty Fellow requested a reduced workload from September 1 – April 30, 2021. This reduction is reflected in the actuals for 2020/21 but it was not reflected in the 2020/21 budget. The 2021/22 budget assumes the workload returns to 100% on May 1, 2021.
- A Journalism Technician who was previously employed for four days per week and nine months of the year is now employed for five days per week and nine months of the year as of September 1, 2020. This change was not known during the preparation of the 2020/21 budget.
- Annual faculty and support staff salary increases. Both include step increases (Y value for faculty) and a 1% cost of living increase for July 1, 2020 and 1.25% for July 1, 2021 in accordance with the DFA collective agreement. As mentioned earlier, since the salary scales for staff are not yet available, the same cost of living increase as for faculty was assumed for staff. Faculty Fellows and Senior Fellows will receive their annual step increase plus a 1.5% cost of living increase in accordance with the University of King's College Teachers Association (UKCTA) collective agreement.

Cost reductions:

- Three faculty members who participated in the first Enhanced Voluntary Retirement Program (EVRP) will be completing their 50% post-retirement contracts on June 30, 2021 (one in Journalism, one in CSP and one Carnegie). The Carnegie vacancy will not result in a cost

reduction as Dalhousie will fill the vacancy with another faculty member and will invoice King's for the cost.

- The appointment of King's new Vice-President will create a vacancy in CSP on July 1, 2021. Because a winter sabbatical was anticipated before the VP appointment was official; CSP will not require an LTA replacement for this vacancy until the following year.
- A maternity/parental leave in EMSP for seven months. Vacancy is being covered by an individual course appointment (non-employee).
- A five-month Blue Cross premium holiday (as noted above) but this is also reflected in the prior year budget and actual results so does not contribute to the cost variance.

Academic Program Operating Costs

Academic operating costs have increased by \$42,000 from the 2020/21 budget and \$166,000 from 2020/21 actual results. The increase from the prior year budget is attributed to the following:

- Higher MFA mentor fees due to an increase in enrolment (\$26,000). This is offset by higher mentor fees revenue.
- An increase in the EMSP PRO ('persons retained from outside') budget (\$10,000) to cover a maternity/parental leave as noted above under salaries and benefits.
- An increase in the 'other academic' expenses budget to allow for the external reviews of the FYP program and all three upper year programs (\$6,000).

The \$6,000 cost covered by internally restricted funds shown in the table below relates to student salaries covered by the student employment fund.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Academic Program Salaries	\$ 4,838,000	\$ 4,760,000	\$ 4,941,000
Academic Program Benefits Other Than Pension	233,000	239,000	245,000
Academic Program Pension	410,000	405,000	406,000
Academic Program Salaries and Benefits	5,481,000	5,404,000	5,592,000
Academic Program Operating Costs	726,000	602,000	768,000
Total Academic	6,207,000	6,006,000	6,360,000
Cost covered by internally restricted funds	-	(6,000)	-
Net Academic	\$ 6,207,000	\$ 6,000,000	\$ 6,360,000

Continuing Education:

The MFA program began offering non-credit creative writing workshops in fiscal year 2019/20. The dollars involved at the time were not significant enough to warrant inclusion in the 2020/21 operating budget. These offerings are gaining momentum and have now been factored into the

2021/22 budget. The continuing education revenue shown in the table above is almost two times higher than the costs shown below.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
<u>Continuing education</u>	\$ -	\$ 13,000	\$ 16,000

Allotment to Dalhousie:

The Allotment to Dalhousie represents the cost Dalhousie charges King’s to teach its students minus a credit given to King’s for teaching Dalhousie’s students. A total cost per student is calculated for all Dalhousie and King’s students taught in the Faculty of Arts and Social Sciences (FASS) and the Faculty of Science (FoS) at Dalhousie. This cost includes the direct costs of these two faculties (representing approximately 57% of the total cost). A substantial portion of this direct cost represents salaries and benefits of faculty in FASS and FoS. The overhead component (representing approximately 43% of the total cost) is based on the accessibility of Dalhousie services to King’s students.

The cost per student is applied to the number of students taught by each institution. There are two components of the cost per student calculation: total cost (of Dalhousie’s faculties of Arts & Social Science and Science) which generally increases every year (the numerator) and total enrolment in Arts and Science at Dalhousie (including King’s students taught at Dalhousie) (the denominator).

As a result of several years of enrolment declines, the cost per student had been increasing year over year (higher cost divided by lower enrolment). During that time, Dalhousie charged King’s a higher cost per student applied to a smaller number of King’s students taught. Beginning with 2018/19, enrolment has increased and has done so every year since which has resulted in a lower cost per student but applied to a higher number of King’s students taught at Dalhousie. Despite enrolment fluctuations, the Dalhousie allotment has been relatively stable for the past several years; the margin of error in budgeting for this item is relatively low. The actual Dalhousie allotment for the past five years was as follows:

2016/17 - \$4.1 million

2017/18 - \$3.9 million

2018/19 - \$4.1 million

2019/20 - \$3.9 million

2020/21 - \$3.9 million

2021/22 - \$3.9 million (budget)

The billing from Dalhousie is always one year in arrears (i.e., it is based on enrolment and Dalhousie costs from the previous fiscal year (2020/21)). The enrolment component is known at budget time. The difficulty in budgeting for this item is in predicting Dalhousie’s total cost to

teach King’s students as the previous year’s costs are not yet known (i.e., Dalhousie’s 2020/21 audited financial statements are not yet available). The 2021/22 budget assumes a total increase in Dalhousie’s costs of 2.6% above the actual cost included in the 2020/21 invoice. Total enrolment in Arts and Science at Dalhousie for 2020/21 has increased over 2019/20 by almost 6%; therefore, the cost per student is expected to decrease once again (by 3.1%). The net number of King’s students (i.e., King’s students who took classes at Dalhousie minus Dalhousie students who took classes at King’s) that King’s will be invoiced for in 2021/22 increased by 4.0% from the prior year actual of 379.1 FTEs to 396.6 FTEs. The anticipated cost per student reduction per FTE (3.1%) is lower than the enrolment increase percentage (4.0%) which explains the slight increase in the Allotment to Dalhousie budget for 2021/22 as shown below.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Allotment to Dalhousie	\$ 3,876,000	\$ 3,866,000	\$ 3,930,000

Just prior to the onset of the pandemic, King’s and Dalhousie were close to finalizing modifications that will modernize and simplify the memorandum of understanding (MOU) under which the allotment to Dalhousie is allocated, including to ensure its consistency with changes in the Dalhousie - King’s academic collaboration that have occurred since the development of the current MOU. It is anticipated that these conversations will resume in the foreseeable future.

Facility Operations:

The 2021/22 salaries and benefits budget includes annual salary increases and includes six summer students when there would normally be four. The 2020/21 budget only included one summer student due to the pandemic and the closure of the campus over the summer. While the campus continues to be largely vacant in the spring/summer of 2021, it is an opportunity for Facilities Management to do some much needed cosmetic work on the residence buildings that have not undergone renovations in recent years. Other operating expense budget lines have been reduced to accommodate the cost of having two additional summer students.

Housekeeping costs for 2020/21 were lower than budget due to the campus largely being vacant during 2020/21. The additional touch point cleaning performed on campus was allocated to the COVID-19 emergency response fund rather than the housekeeping budget. The housekeeping budget for 2021/22 assumes the return to campus of students and employees resulting in the return to the regular cleaning schedule. The cost has been escalated in accordance with the housekeeping contract. It is anticipated that additional touch point cleaning will still be required during 2021/22 and has been included in the COVID-19 emergency response fund budget.

Security costs for 2021/22 are lower than the 2020/21 budget but higher than 2020/21 actuals. The 2020/21 budget included the additional cost of 24/7 coverage due to the pandemic and the closure of campus. This cost was subsequently treated as a COVID-19 emergency response fund expenditure. It is anticipated that 24/7 coverage will be maintained until at least the end of the

calendar year. The 2021/22 budget assumes the return to normal security coverage in the next calendar year and assumes annual contract increases.

Other expenditures include repairs and maintenance, contracts and charges for elevators, waste removal, alarms, heating and ventilation equipment maintenance, snow removal, landscaping and other operating expenditures. The 2021/22 budget reflects a reduction of \$20,000 related to the addition of two summer students as described above. A small increase was allowed for related to externally contracted services which is beyond the department’s control. Actual results for 2020/21 include \$87,000 for capital preparedness which was covered by the internally restricted funds as described under “Use of Internally Restricted Funds” above. Since there were savings in other budget lines for 2020/21, Facilities Management utilized these funds to have a hazmat assessment and inventory performed as well as a sustainability feasibility study and they also engaged a consultant to address audio visual issues in Alumni Hall and Prince Hall. Costs for all initiatives are included in “other” in the table below. Facilities Management exceeded their overall budget for 2020/21 by \$6,000 as a result of this important work.

Another \$8,000 in costs were covered by the internally restricted funds to hire students during the academic year under the student employment fund. Expenditures covered by the internally restricted funds totaled \$95,000. This is reflected as a reduction in the 2020/21 actual costs in the table below.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 743,000	\$ 738,000	\$ 820,000
Housekeeping	397,000	350,000	415,000
Security	162,000	122,000	153,000
Other	376,000	569,000	359,000
Total Facility operations	1,678,000	1,779,000	1,747,000
Cost covered by internally restricted funds	-	(95,000)	-
Net cost of Facility operations	\$ 1,678,000	\$ 1,684,000	\$ 1,747,000

Residence & Other Student Services:

The 2021/22 salaries and benefits budget includes annual salary increases. Actual results for 2020/21 for student patrol and Alexandra Hall front desk were greatly impacted by the pandemic resulting in cost savings. Student patrol duties were performed by junior dons in 2020/21 in an effort to reduce the on-campus presence of off-campus students during the pandemic. This will continue in 2021/22 and has been reflected in the 2021/22 residence budget.

In 2020/21 there was a total of 16 dons, junior dons and deans (up from 13 in the prior year) to support those students residing on campus during the pandemic. This number will increase to 19 in 2021/22 to support a larger residence population anticipated on campus this fall. In addition to being provided a room on campus, dons, junior dons and deans receive a meal plan. In 2020/21,

the cost of three meal plans was borne by the COVID-19 emergency response fund budget (i.e., 16 versus 13). Given these meal plans are a form of compensation and the junior dons will continue to perform patrol responsibilities, the cost of the additional meal plans in 2021/22 (i.e., 19 versus 13) has been included in the food services budget below and removed from the student patrol budget rather than being included in the COVID-19 emergency response fund budget.

Other administrative and operational expenditures were greatly impacted by the pandemic. This is reflected in the actual results for 2020/21. The ability to hold College events and formal meals are just two examples. The 2021/22 budget is being maintained at the 2020/21 level (which does not reflect pandemic-related spending reductions) with one exception - the addition of much needed residence software to replace outdated manual processes and procedures at a cost of \$12,000. This request was brought before the BAC and recommended for approval.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 355,000	\$ 272,000	\$ 331,000
Food services	47,000	40,000	70,000
Other administrative and operational	93,000	53,000	106,000
Student societies	17,000	16,000	18,000
Total Residence & other student services	\$ 512,000	\$ 381,000	\$ 525,000

Scholarships, Awards & Bursaries and Other Student Support:

The bursaries budget for 2020/21 included \$80,000 representing the COVID-19 Student Emergency Relief Fund. It consisted of \$50,000 in donations and another \$30,000 contributed by King’s. The actual amount of donations received in 2020/21 was \$71,000 bringing the total amount available to award to \$101,000. Of this amount, \$58,000 was awarded in 2020/21 leaving \$43,000 available to carry forward to 2021/22. King’s will once again contribute \$30,000 to this fund bringing the total amount available to award in 2021/22 to \$73,000. This results in a budget reduction of \$7,000; however, it exceeds the amount awarded in 2020/21 by \$15,000.

The bursaries budget for 2021/22 also includes \$69,000 to provide all international students a bursary equivalent to the planned increase in the international differential fee they will face in 2021/22.

The flow through scholarships for 2020/21 were lower than budget due to the deferral to a future year of a portion of the athletics scholarships that were not able to be awarded in 2020/21 (the gift is \$280,000 annually for five years).

Tuition waivers are available for dependents of King’s employees. The budget amount for this item is specific to the employee dependents attending King’s or Dalhousie at a given point in time and can vary from year to year. The budget for 2020/21 was insufficient to cover the actual tuition waivers given during the year. At budget time, the number of first year employee dependents is not always known. The 2021/22 budget has been increased as a result.

The \$109,000 cost covered by internally restricted funds shown in the table below includes \$99,000 in scholarships, awards and bursaries under the “Framework for Expenditure of Internally Restricted Funds” and \$10,000 for public humanities fellowships covered by the student employment fund, also under the “Framework for Expenditure of Internally Restricted funds”.

Of the \$1,723,000 million budget for scholarships, awards and bursaries and other student support (\$1,615,000 plus \$108,000 shown below), 62% is funded by a combination of endowment income (\$585,000 net of fees), annual scholarship gifts (\$469,000) and government grants (\$20,000), leaving \$649,000 or 38% being covered by King’s operating budget. Schedule 4 provides more details. This does not consider funding provided by the internally restricted funds which is outside of the operating budget. Reducing the percentage of a stable or growing financial aid program (scholarships and bursaries) that is financed from the operating budget is one of the objectives of launching a major gifts campaign.

Scholarships, Awards & Bursaries:

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Scholarships	\$ 906,000	\$ 1,038,000	\$ 906,000
Bursaries	259,000	221,000	321,000
Flow through scholarships	321,000	268,000	321,000
US/International awards	67,000	32,000	67,000
Public humanities fellowships	-	10,000	-
Total Scholarships, awards and bursaries	1,553,000	1,569,000	1,615,000
Cost covered by internally restricted funds	-	(109,000)	-
Net cost of Scholarships, awards and bursaries	\$ 1,553,000	\$ 1,460,000	\$ 1,615,000

Other Student Support:

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Chapel music scholarships	\$ 18,000	\$ 9,000	\$ 18,000
Divinity scholarships & bursaries	20,000	20,000	20,000
Tuition waiver	50,000	60,000	70,000
Total other student support	\$ 88,000	\$ 89,000	\$ 108,000

Utilities, Taxes & Insurance:

The 2020/21 actual results for many line items were lower than budget which is not surprising given that the campus was practically vacant (with the exception of essential workers and 106

students living in residence) due to the pandemic. The 2021/22 budget assumes similar consumption to 2019/20 (aside from savings resulting from the Tri-Bay renovation where heating and cooling systems were updated) plus an allowance for rate increases. Steam heat can fluctuate from budget for various reasons including Heritage Gas monthly pricing, changes from King’s historical consumption, changes in weather, etc. King’s purchases steam heat from Dalhousie. Dalhousie provides King’s with natural gas price assumptions to utilize in the heat budget.

The insurance budget for 2021/22 has been favorably impacted by the return of a premium surplus to members from CURIE (Canadian University Reciprocal Insurance Exchange) in April 2021 of \$5,700.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Electricity	\$ 166,000	\$ 162,000	\$ 170,000
Heat	215,000	194,000	208,000
Water	50,000	35,000	50,000
Insurance	82,000	81,000	76,000
Taxes	5,000	5,000	5,000
Total utilities, taxes & insurance	\$ 518,000	\$ 477,000	\$ 509,000

Advancement:

The 2021/22 salaries and benefits budget includes annual salary increases as well as the salary top-up for a maternity leave. The salaries and benefits budget is favorably impacted by the timing of replacement of two employees who resigned in April 2021.

Actual 2020/21 salaries and benefits reflect savings resulting from the timing of replacement of two other employees. The actual results also include \$1,000 covered by the internally restricted funds related to the hiring of a student under the student employment fund.

The 2021/22 non-salary budget is \$5,000 higher than the 2020/21 budget but is offset by \$3,000 in salary savings. A temporary budget increase of \$2,000 was included for an additional computer replacement that unexpectedly failed in May 2021.

Actual spending on communications in 2020/21 appears to have exceeded budget; however, this relates to the final invoice for the Academics studies for \$15,000 which was covered by the internally restricted funds under the Recruitment and Marketing/Communications Tied to Recruitment component of the “Framework for Expenditure of Internally Restricted Funds”.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 613,000	\$ 575,000	\$ 610,000
Alumni & development	61,000	56,000	62,000
Communications	85,000	93,000	84,000
Tidings & website	41,000	42,000	46,000
Total Advancement	800,000	766,000	802,000
Cost covered by internally restricted funds	-	(16,000)	-
Net cost of Advancement	\$ 800,000	\$ 750,000	\$ 802,000

Athletics:

The 2021/22 salaries and benefits budget includes annual salary increases for staff as well as an increase of \$2,000 for EI and CPP on Coach honorariums. Coach honorariums were increased with BAC approval in the 2019/20 operating budget. The \$2,000 increase is offset by a reduction in the 2021/22 athletics teams and general expense budget. The budget figures in the table below assume a 'normal' year with respect to the activities of the Athletics department.

The actual results for 2020/21 for Athletics were greatly impacted by the pandemic due to the closure of the gym for much of the year and the cancellation/modification of varsity sports teams' activities. An Athletics Assistant was hired utilizing the internally restricted funds under the student employment fund. This position was instrumental in assisting the Athletics department in managing operations and safety protocols during the pandemic. The Athletics department also engaged with King's athletes and other students in a virtual setting to encourage their physical and mental wellness. The internally restricted funds are reflected as a reduction in costs for 2020/21 in the table below.

The Dalhousie fee was removed from the 2020/21 budget due to the closure of the Dalplex. King's students were not charged the athletic fee for 2020/21. The 2021/22 budget assumes that both the King's gym and the Dalplex will be open and that students will be charged the athletics fee. The athletic fee charged to King's students is a joint fee whereby a portion of the fee is transferred to Dalhousie for King's students' access to the Dalplex.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 274,000	\$ 241,000	\$ 281,000
Athletics teams and general	192,000	41,000	190,000
Dalhousie fee	-	-	110,000
Total Athletics	466,000	282,000	581,000
Cost covered by internally restricted funds	-	(14,000)	-
Net cost of Athletics	\$ 466,000	\$ 268,000	\$ 581,000

Bursar's Office:

The 2021/22 salaries and benefits budget includes annual salary increases. The 2021/22 non-salary budget is \$1,000 higher than the 2020/21 budget to allow for an additional computer replacement (one-time budget increase). Savings in travel and general office expenditures were realized in 2020/21 due to the pandemic. These savings were offset slightly by an overage in the computer support budget due to the unexpected failure of two laptops.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 564,000	\$ 567,000	\$ 573,000
General expenses	4,000	2,000	3,000
Memberships and training	5,000	4,000	5,000
Travel	3,000	-	3,000
Computer support	1,000	3,000	3,000
Total Bursar's office	\$ 577,000	\$ 576,000	\$ 587,000

General College Administration and Other:

The salaries and benefits budget includes the salary of the Arts and Administration (A&A) building receptionist and student coverage for the reception area as needed. The 2020/21 salaries and benefits budget anticipated additional coverage of the A&A reception desk until the end of August 2020 while staff were working remotely. The level of coverage required was not as high as anticipated.

Savings in all non-salary accounts were realized in 2020/21 due to the pandemic. The 2021/22 overall budget for these accounts is increasing by \$29,000 over the prior year budget due to the following:

- Office & general expense – increasing by \$21,000 due to the following:

- University initiatives – an amount of \$15,000 has been added to the budget to allow for university initiatives including diversity initiatives; and
- Computer maintenance and supplies – full accounting system upgrade \$6,000
- Membership fees – an overall increase of \$7,000 related to three university-sector initiatives including: “A Shared Vision” (King’s share of cost), Director of Atlantic Indigenous Post-Secondary Education Committee (King’s share of salary/benefits) and the Nova Scotia Council on Admission and Transfer (NSCAT) (King’s share of operating costs).
- Central information technology – increase in virtual server hosting costs by Dalhousie due to accounting system upgrade and an increase in the cost of Microsoft Office site licenses \$4,000.
- Postage and courier expenditures – budget has been reduced by \$3,000 to reflect anticipated usage. Savings have been realized in recent years from recruitment-related postage costs (due to more digital communications and moving towards electronic admissions).

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 68,000	\$ 65,000	\$ 65,000
Membership/conference fees	66,000	57,000	73,000
Central information technology	92,000	91,000	96,000
Postage & courier	36,000	22,000	33,000
Office & general expense	48,000	37,000	69,000
Total General college administration	\$ 310,000	\$ 272,000	\$ 336,000

Library:

The salaries and benefits budget for 2021/22 reflects annual salary increases plus a modification in the head Librarian’s salary from .85 FTE to 1.0 FTE as a result of assisting with research in relation to the independent review. Actual student salaries and benefits for 2020/21 were lower than budget as the pandemic resulted in reduced hours or full closure of the library for much of the year.

The 2021/22 non-salary budget for the Library remains unchanged from 2020/21 with the exception of the Novanet consortium membership cost which is set based on a formula related to each library’s collection size, circulation, and enrolment of the university. In addition to the basic Novanet fee, there will be new costs related to Novanet’s upgrade of library management software to a new product which will come online in the summer of 2022. King’s has elected to pay its share of the implementation costs of \$2,000 per year over a five-year period beginning in July 2021.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 274,000	\$ 281,000	\$ 289,000
Student - part-time employment	40,000	16,000	40,000
Periodicals	18,000	27,000	18,000
Novanet	24,000	20,000	26,000
Miscellaneous	24,000	5,000	24,000
Total Library	\$ 380,000	\$ 349,000	\$ 397,000

President's Office:

The salaries and benefits budget for 2021/22 reflects annual salary increases as well as an adjustment to the one-year administrative leave accrual to reflect the President's new salary.

The 2021/22 non-salary budget for the President's Office remains the same with the exception of \$1,000 added to allow for the purchase of a new cellular phone for the President in accordance with his contract.

The \$4,000 cost covered by internally restricted funds relates to students hired under the student employment fund.

The 2021/22 budget maintains the one-time budget increase of \$15,000 incorporated into the 2020/21 budget for the Chancellor's installation and related expenses which did not occur due to the pandemic.

The cost of holding encaenias for the classes of 2020 and 2021 has yet to be determined.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 367,000	\$ 366,000	\$ 420,000
Encaenia & matriculation	34,000	17,000	34,000
Entertainment / special events	32,000	1,000	32,000
Travel	10,000	-	10,000
Board of Governors / committees	7,000	-	7,000
Other	11,000	10,000	12,000
Total President's office	461,000	394,000	515,000
Cost covered by internally restricted funds	-	(4,000)	-
Net cost of President's office	\$ 461,000	\$ 390,000	\$ 515,000

Vice-President's Office:

The 2021/22 salaries and benefits budget reflects the full year salary and benefits of the Assistant to the Vice-President and Academic Projects Coordinator while the prior year only included nine months. The outgoing Vice-President's salary was charged 25% to the Carnegie salaries and benefits budget as he taught a course at Dalhousie every year during his term. The incoming Vice-President's salary is currently charged to the VP's Office budget at 100%.

The non-salary budget for 2021/22 remains the same as the 2020/21 budget with the exception of the computer support budget to allow for the purchase of a new computer for the incoming Vice-President. Savings in travel costs were realized in 2020/21 due to the pandemic.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 234,000	\$ 234,000	\$ 247,000
Travel	8,000	-	8,000
Computer support	1,000	-	2,000
General office	1,000	3,000	1,000
Total Vice President's office	\$ 244,000	\$ 237,000	\$ 258,000

Equity Office:

The Equity Officer position has been vacant since early November 2020. This position was initially a half-time permanent position. King's is in the process of hiring a new Equity Officer. The position has been converted to a full-time permanent position and the salary has been reevaluated to the same classification as the Sexualized Violence Prevention and Response Officer (SVPRO) position.

The operating costs budget for 2021/22 has been reduced by \$4,000. This relates to the charge from Dalhousie for Black Student Advisory services. It has been determined that these services are already included in the services provided to King's students under the Allotment to Dalhousie arrangement described above; a separate invoice for these services is no longer required. No operating costs were incurred in 2020/21.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 34,000	\$ 19,000	\$ 54,000
Operating costs	27,000	-	23,000
Total Equity office	\$ 61,000	\$ 19,000	\$ 77,000

Sexualized Violence Awareness, Prevention and Response Office:

The 2021/22 salaries and benefits budget reflects annual salary increases. Actual results for 2020/21 include \$7,000 in casual wages which were offset by a provincial government grant.

The operating costs budget for 2021/22 has been kept the same as for the 2020/21 budget. Actual results for 2020/21 were impacted by the pandemic.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 73,000	\$ 79,000	\$ 76,000
Operating costs	15,000	9,000	15,000
Total Sexualized violence awareness, prevention & response office	\$ 88,000	\$ 88,000	\$ 91,000

Registrar’s Office, Recruitment & Academic Support:

The 2021/22 salaries and benefits budget reflects annual salary increases, maternity leave top-ups for two employees and some overlap training for replacement employees. It also includes the conversion of two three-year 10-month recruitment contracts to two three-year 12-month contracts (approved by BAC). Actual salaries and benefits exceeded budget for 2020/21 due to the accrual of vacation days owing to staff which was larger this year than in previous years (due to the pandemic).

The 2020/21 part-time help budget included \$23,000 for 17-week recruiters which were not hired due to the inability to travel during the pandemic. These funds have been removed from the 2021/22 budget but may be required in the future.

The pandemic caused the Registrar’s Office to reimagine new and innovative ways to recruit students other than the traditional in-person high school visits that King’s has relied upon in previous years. The recruitment travel budget for 2020/21 was diverted to online marketing efforts including a digital media buying campaign which appears to have had a significant impact given the number of applications King’s received in 2020/21 for the 2021/22 academic year. Given that King’s third quarter forecast anticipated an operating cash surplus for 2020/21, the Registrar’s Office was given permission to spend an additional \$50,000 for digital media purchases. The 2021/22 budget for recruitment and operations is being maintained at the same level as the 2020/21 budget. Some funds may again be diverted from traditional travel to online marketing.

Of the \$20,000 in costs covered by internally restricted funds shown in the table below, \$16,000 relates to a three-year carryover of 2017/18 unexpended Familiarization tours funds shown above under “Use of Internally Restricted Funds”. Only \$15,000 was spent of the \$65,000 approved in the 2017/18 budget. The Board authorized the carryover of \$16,000 to each of the following three fiscal years (2018/19 through 2020/21) to assist with costs associated with campus tours (\$9,000) and open houses and events (\$7,000). These funds are not included in the 2021/22

budget. Another \$3,000 was expended on staff development and \$1,000 for student wages under the student employment fund.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 666,000	\$ 685,000	\$ 724,000
Part-time help	41,000	15,000	18,000
Recruitment, marketing & academic support (non-salary)	199,000	265,000	199,000
Operations	32,000	20,000	32,000
Total Registrar's office, recruitment & academic support	938,000	985,000	973,000
Cost covered by internally restricted funds	(16,000)	(20,000)	-
Net cost of Registrar's office, recruitment & academic support	\$ 922,000	\$ 965,000	\$ 973,000

Divinity and Chapel:

Chapel expenses are largely funded by donations and a draw from endowment funds designated for Chapel purposes. The salaries and benefits budget for 2021/22 has decreased slightly due to the resignation of the Chapel Administrator and the anticipated start date of the new Chapel Administrator. Actual results for 2020/21 were lower than budget due to the CERB benefit received from the federal government for a portion of the Chaplain's salary during the pandemic (the Diocese invoices King's for 50% of the Chaplain's salary and benefits).

The 2021/22 budget for Chapel retreats is increasing slightly but is more than offset by a reduction in other operating expenditures. The pandemic has had a significant impact on Chapel programming in 2020/21 as shown in the table below. After applying offerings revenue and endowment income, the Chapel is budgeted to break even, with the exception of half the Chaplain's salary which the university contributes (\$46,000). Refer also to Schedule 4.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 82,000	\$ 75,000	\$ 78,000
Chapel retreats	18,000	2,000	20,000
Operations	43,000	14,000	35,000
Total Divinity and chapel	\$ 143,000	\$ 91,000	\$ 133,000

Chapel Music:

The salaries and benefits budget for 2021/22 has increased by \$15,000. Annual salary increases represent \$1,000 of the increase. The remainder relates to the Assistant Director of Music's salary which, in previous years, was included under 'other operating costs' as this cost was invoiced to

the university. The King’s Chorus brought a proposal before BAC (which was approved) to bring the King’s Chorus operations into the King’s operating budget as an individual department rather than having it continue to operate as an independent entity. The proposal included combining the Assistant Director of Music position (40%) with the Director of the King’s Chorus position (60%) and having the individual become an employee of King’s. Before the proposal was made by the King’s Chorus to BAC, the Chapel Music program presented a proposal to BAC to increase the Assistant Director of Music’s compensation from \$12,000 to \$13,000 which was approved (it was held flat for several years). By converting this individual from a vendor to an employee, it comes with the added cost of payroll benefits which has increased the Chapel Music portion of the cost to \$14,000. Refer to the next section for more details on the King’s Chorus proposal.

The 2021/22 other operating costs budget has been reduced by \$12,000 related to the Assistant Director salary noted above but was increased by \$500 (rounded to \$1,000 for reporting purposes) for choir vestments which was approved by BAC.

The 2021/22 concert budget has increased by \$24,000 related to the Easter concert. The 2020/21 Easter concert budget was reduced due to the pandemic. Despite the concert being cancelled, some committed expenditures were paid and were reflected in the budget. The Christmas concert and For All the Saints concert were also cancelled but both were budgeted for in 2020/21. The Chapel Music program held a Creative Campuses virtual concert at the end of March with funds received from a donor.

Despite the Easter concert being cancelled for a second year due to the pandemic, funds for the Easter concert remain in the 2021/22 budget (\$45,000 in expenses and \$24,000 in revenue for a net budget impact of \$21,000) to allow for the possibility of doing a Baroque concert (which is normally done around Easter time) or some other masterwork at some other point in the 2021/22 fiscal year. Given pandemic effects on choir rehearsals/performances, venue safety plans and on recruitment and training of new singers, it is difficult to predict what shape the choir will be in once the fall semester arrives. It may seem ambitious to add additional performances but, come September, it is hoped that the Chapel Music program may be able to celebrate with a return to live choral performances.

The expenditures in the table below are offset somewhat by revenue included in the 2021/22 budget including gifts of \$60,000, concert revenue of \$67,000 and endowment income of \$3,000 for a net cost to King’s of \$107,000. Refer also to Schedule 4.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Salaries & benefits	\$ 118,000	\$ 117,000	\$ 133,000
Concerts	48,000	40,000	72,000
Singers	19,000	5,000	19,000
Other operating costs	24,000	25,000	13,000
Total chapel music	\$ 209,000	\$ 187,000	\$ 237,000

King's Chorus:

As noted in the previous section, the King's Chorus brought a proposal before BAC to incorporate the King's Chorus operations into the King's operating budget rather than operating as an independent entity. This would help to secure the continued activity of the King's Chorus (both structurally and financially) at King's.

Background

The King's Chorus began in 2009 as a ratified student society of the KSU until 2014. After five years, the budget requirements of the Chorus had grown beyond the scope of a student society. In 2015, the Chorus became an established choral society of King's instead of a student society of the KSU. The Chorus, however, retained its independence from King's in terms of finances and administration.

Benefits to King's

The King's Chorus has become an integral part of community life at King's. The Chorus comprises over 70 singers, including FYP students, upper year King's students, undergraduate and graduate students and faculty and staff from other Halifax universities, FYP tutors, residence dons, professors, King's senior administration, staff members, alumni and community members. From its inception, the primary purpose of the Chorus has been to foster a welcoming, non-competitive environment in which singers of all levels can get together to learn and perform choral music. The Chorus rehearses on Wednesday evenings during the academic term and presents a concert at the end of each semester. These concerts have become significant events in Halifax over the years and regularly attracts audiences of 500 - 600 people. The Chorus enhances the understanding and awareness of choral music not only on campus but in the broader Halifax community. The Chorus is a good example of how post-secondary institutions contribute to the development of talent and the diversity of the cultural sector.

The Chorus benefits King's as a recruitment tool. Over the course of its 10-year history, the Chorus has helped King's attract and retain many students. The Chorus alumni list currently has over 800 names. The Chorus also does much to enhance student life on campus (Wednesday night rehearsals, social post-rehearsal gatherings, informal extra rehearsals, etc.) giving students a sense of belonging. The Chorus is meant to be an amateur choir that gets together to rehearse and perform great choral works that have shaped culture and history. The Chorus gains useful skills such as sight-singing and listening, as well as honing the craft of music performance and acquiring an education in music history.

Programming

The pandemic put a halt on programming in 2020/21 and it is unknown what impact it might have on 2021/22 programming. Even if the pandemic limits the ability to perform in front of a live audience, the Chorus anticipates being able to rehearse and perform for online broadcasts (while following proper safety protocols).

BAC recommendation

After careful deliberation and discussion, the majority of BAC committee members voted in favour of the King's Chorus proposal.

2021/22 budget

The expenditures in the table below have been incorporated into the King's operating budget for 2021/22. As indicated in the previous section, the Director of the King's Chorus would become an employee of King's. The salary would be allocated 60% to the King's Chorus and 40% to the Chapel Music program. The amount allocated to the King's Chorus would be \$19,000. The remaining salary budget of \$7,000 represents an honorarium for the Chorus Administrator. The concerts budget includes the estimated cost of two concerts (one in each semester). Other operating costs include an accompanist, sectional leaders, pro singers and administrative costs.

These expenditures are offset somewhat by revenue included in the 2021/22 budget including a \$10,000 gift (year three of a five-year commitment), other potential fundraising of \$10,000 and \$1,000 in dues revenue from Chorus members for a total of \$21,000 bringing the net cost to King's down to \$27,000 for 2021/22. If concerts are able to be performed in front of live audiences in 2021/22, this could generate \$12,000+ in ticket sales which would further reduce the net cost to King's.

	Approved		
	Budget	Actual	Budget
	2020/21	2020/21	2021/22
Salaries & benefits	\$ -	\$ -	\$ 26,000
Concerts	-	-	18,000
Other operating costs	-	-	4,000
Total King's chorus	\$ -	\$ -	\$ 48,000

Professional Fees:

The professional fees budget for 2021/22 has been increased by \$200,000 to allow for anticipated costs related to the independent review which was commissioned late in fiscal year 2020/21. The work began towards the end of fiscal year 2020/21 and is anticipated to continue beyond fiscal year 2021/22. Actual results for 2020/21 were less than budget due to a number of initiatives paused by the pandemic which remain in the budget for 2021/22.

	Approved		
	Budget	Actual	Budget
	2020/21	2020/21	2021/22
Professional fees	\$ 150,000	\$ 105,000	\$ 350,000

Interest & Service Charges:

The bank charges budget for 2021/22 is \$5,000 lower than the budget for 2020/21 due to lower bank fees (as a result of substantially reducing the number of cheques produced and transitioning to primarily electronic payments to vendors), offset by a higher discount withheld by the Province

from the advance of King’s 2021/22 operating grant. The 2020/21 budget did not incorporate a discount since it was not anticipated that King’s would require its operating grant to be advanced early. The Province offered to advance all university operating grants as a lump sum in the summer of 2020 and King’s accepted. The 2020/21 bank charges budget was increased by \$16,000 in anticipation of increased use of the operating line of credit due to the large operating cash deficit budgeted for 2020/21. The line of credit was not utilized in 2020/21 after all and it is also not anticipated to be utilized in 2021/22 since an operating cash surplus is anticipated.

Interest on long-term debt is budgeted based on the amortization schedules for the individual long-term debt issues. The exception is the bridge financing loan for the Tri-Bay renovation project. As mentioned previously, King’s obtained a bridge financing loan facility in May 2020 to assist in financing the gap between donations received and contractor payments for the Tri-Bays renovation project. The facility is interest only (prime less 0.25%) with payments to be made from donations when they are received (to a maximum of five years from the drawdown date). An amount of \$45,000 was included in the 2020/21 budget for interest on this loan. The 2020/21 budget assumed a larger loan balance than was actually required. There is currently \$439,000 owing on this loan. King’s continues to fundraise to pay off this loan. Actual interest incurred on this loan in 2020/21 was only \$4,000 as the drawdown was taken late in the fiscal year. The 2021/22 budget includes \$13,000 in interest on the bridge financing loan.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Bank charges	\$ 35,000	\$ 15,000	\$ 30,000
Long-term loan interest	391,000	328,000	347,000
Total Interest & service charges	\$ 426,000	\$ 343,000	\$ 377,000

Investment Management Fees:

In 2018/19, the Board of Governors approved King’s to engage the services of an alternative investment manager (to manage investments in commercial mortgages, real estate and infrastructure) in addition to its value manager to manage approximately 27% (or \$11 million) of its investments. The transition has taken longer than anticipated, which is the reason actual investment management fees for 2020/21 are less than budget. The decision to transition to an alternative investment manager should result in higher investment returns (and higher investment income) but will come at a cost of higher investment management fees. The budget for 2020/21 contemplated the transition would be completed by the fall of 2020 but it was not completed until December of 2020. The budget for 2021/22 reflects a full year of investment management fees with the respective investment managers.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Investment management fees	\$ 230,000	\$ 220,000	\$ 247,000

Conference Services:

Due to the pandemic, both the 2020 and 2021 summer conference services seasons have been cancelled. The insignificant amount of budgeted revenue consists of facilities rental revenue that might be earned during the academic year but is dependent upon Public Health restrictions. Budgeted expenses include the compensation of the ancillary services manager (subject to annual salary increases), conference services software, advertising for the next conference season and conference travel (which is unlikely due to the ongoing pandemic situation).

Conference Services obtained a new Canadian-based conference services software product in 2020/21 with approval from BAC. The annual software license covers the calendar year; actual costs for 2020/21 reflect three months of the license while the budget for 2021/22 reflects a full year. The former product had not been invoiced yet for 2020/21 so no costs for the former product were incurred in 2020/21. The new software product is \$1,000 more expensive than the former product but has much more functionality and is Canadian-based.

The \$2,000 cost covered by internally restricted funds shown in the table below relates to the hiring of a student during the academic year under the student employment fund.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
Conference services revenue	\$ 6,000	\$ 1,000	\$ 4,000
Conference services expenses	75,000	72,000	79,000
Profit	\$ (69,000)	\$ (71,000)	\$ (75,000)
Student salaries covered by internally restricted funds	-	2,000	-
Revised profit/(loss)	\$ (69,000)	\$ (69,000)	\$ (75,000)

COVID-19 Emergency Response Fund:

The budget for 2020/21 included \$500,000 for COVID-19 emergency response fund spending including funds to transition to online instruction, for safety/campus preparedness, for marketing and for other expenditures. This amount was speculative and very much an estimate at budget time. Actual spending for 2020/21 was \$1,077,000 which was offset slightly by federal agency grants of \$123,000 for student internship salaries for a net amount of \$954,000. The budget for 2021/22 is \$842,000 and is informed by what occurred in 2020/21. Schedule 2 provides a breakdown of COVID-19 expenditures by category.

Actual Expenditures in 2020/21 (\$1,077,000):

Online Instruction (\$772,000)

Funding was required to enable King's to reconfigure its curriculum and pedagogy for online delivery in 2020/21. This included consulting, human resources and technology/audio-visual expenditures as well as computer and audio/visual hardware and software.

- **Salaries (\$437,000)** - a number of individuals were hired on a contract basis to assist King's during this process:
 - **Online Education Coordinator** (eight-month contract) - supported Zoom and other teaching platforms.
 - **Student Communications Coordinator** (eight-month contract) - provided timely and informative updates to current students during the pandemic including academic information, student services, and COVID safety and response. They provided engagement on the Dal/King's mobile app, created a monthly newsletter, supported drafting university communications, and improved collaboration of messaging with Dalhousie.
 - **Audio Visual/Information Technology (AV/IT) Officer** (one-year contract) – King's does not have a dedicated AV/IT Officer outside of the Journalism School (which has AV Technicians) as most IT services are provided by Dalhousie.
 - **Senior Don** (i.e., Residence Life Manager or Coordinator) (eight-month contract) – to support the Dean and Assistant Dean. During the pandemic, this position was a critical support for the residence department and residence community. Responsibilities included coordinating move-in days, supporting the communication of safety measures, supporting students and logistics around self-isolation, special programming, on-call duties during the winter break, etc.
 - **Two additional Faculty Fellows in FYP** (three-year contracts as required by the collective agreement) - to accommodate smaller tutorial sizes (i.e., 10 versus 15) to allow for better student engagement while learning online. This was a critical decision to recruit students to the Program in an online environment and to maximize retention levels from the Program into the second year.
 - **Journalism Technicians (two)** – are normally off from May to July but were maintained over the summer to assist with the transition to online instruction. These Technicians were also hired by the non-Journalism programs to provide lecture recording services throughout the academic year.
 - **Student interns** – 19 virtual summer internship positions were created to assist with the transition to online instruction, research and student engagement activities. Five positions continued into the fall and three into the winter. Funding for 75% of the cost of these positions was provided by federal agencies Magnet and VFC (Venture for Canada).
- **Equipment/Resources (\$335,000)** – the following are examples of expenditures that were made in 2020/21 to transition to online instruction:
 - Alumni Hall audio visual design (consultants)
 - Dalhousie Centre for Learning and Teaching (support for online instruction)

- Professional fees to assist with grant applications for student internships
- Computer and audio-visual hardware (computers, mics, cameras, etc.)
- Journalism equipment kits for students
- Adobe licenses for Journalism student computers, institutional Zoom license
- Stipends for instructors to prepare to teach online
- Courier/postage charges to send FYP handbooks and Journalism equipment kits to students

Safety/Campus Preparedness (\$215,000)

Funding was required to ensure the safety of faculty, staff and students during the pandemic and to prepare the campus for the eventual safe return of everyone to campus. The following are examples of expenditures that were made in 2020/21 for safety/campus preparedness:

- Minor renovations including, but not limited to, the installation of plexiglass barriers in high traffic areas (i.e., Prince Hall), modifications to offices to separate workers, and furniture modifications to reduce the density of seating.
- Installation of air scrubbers, MERV13 filters, and HEPA filters for enhanced building ventilation.
- Installation of magnetic door openers, washroom upgrades to touchless options, the installation of signage and floor decals.
- Purchase of personal protective equipment (PPE) including masks, disposable gloves, hand sanitizer and wipes.
- Expenditures to assist staff in the shift away from in-person administrative interactions to on-line interaction only.
- Increased custodial services to ensure frequent touch-point cleaning.
- Increased on-campus security services to 24/7 due to few people on campus.

Marketing (\$30,000)

Funding was required for online marketing to make prospective students, who had not yet applied, aware of the unique advantages of doing FYP online for the 2020/21 academic year. Funds were expended on a Key Markets Lead Generation campaign, a Google search campaign, Facebook and Snap advertising and joint advertising with other Nova Scotia universities in local media outlets.

Other (\$60,000)

Other expenditures were made that fall outside the categories noted above. These included:

- A subsidy to King's food service provider due to the substantial loss of revenue they experienced at King's from the pandemic.
- Opening day meals for students who arrived the day before meal plans began.
- A winter meal plan subsidy due to the requirement for international students to isolate at hotels after returning from the holidays and the proration of their meal plans.
- 50% of the cost of the hotel for international students' isolation after returning from the holidays.
- A contribution to the student engagement fund which allowed for a number of mini formal meals in the winter semester.

Provincial government assistance (\$1,325,000)

The provincial government provided Nova Scotia universities with one-time funding to assist with challenges experienced due to COVID-19 including COVID-related expenditures. King's share of this funding was \$1,325,000.

Budget for 2021/22 (\$842,000):

Online Instruction (\$572,000)

While the level of expenditure for online instruction will not be the same as for 2020/21, particularly for computer and audio-visual hardware and software, the amount of salaries will be:

- **Salaries (\$482,000)**

Due to the vital nature of many of the contract positions hired in 2020/21, several of them are being extended into 2021/22 as King's continues to work its way through the pandemic. While King's has announced a return to in-person learning in the fall, FYP is making arrangements to provide a hybrid model of teaching – both in-person and online. The following positions are being extended (recommended by BAC):

- Online Education Coordinator (one-year)
- Student Communications Coordinator (one-year)
- Audio Visual/Information Technology (AV/IT) Officer (10-months)
- Senior Don (10-months)
- Faculty Fellows in FYP – as noted above, these positions are three-year contracts. FYP has requested an additional Faculty Fellow for 2021/22 to address tutorial requirements in the new hybrid model as well as to accommodate the larger anticipated FYP class.
- Student internships - \$50,000 has been added to the COVID expenditure budget for student internships. External funding may not be available to offset this cost.

New contract position (recommended by BAC):

- **Athletics Assistant** (one-year) – while this position is not new, it was filled by a student and funded by the student employment fund in the previous two years. The student graduates from King's in 2021; therefore, can no longer be funded by the student employment fund. This individual has proven to be invaluable to the Athletics Department during the pandemic. He developed and implemented online and in-person programs for King's students and varsity athletes. He worked directly with the Athletics Director and Coordinator to maintain and improve overall health and wellness on campus. He has engaged with team coaches to effectively maintain and improve skills development among the varsity athletes and has delivered consistent information and updates to athletes regarding all health and safety guidelines from both King's and the Province. He has played a key role in COVID planning and coordination to maintain safety and uphold protocols for the gymnasium.

New contract position (subsidized by a mental health support grant from an external source):

- **Student Support Coordinator (one-year)** – students will have different needs as we recover from the pandemic after 18 months of online learning and the various ways students have experienced collective trauma and hardship. King’s needs to be attentive to students and meet them where they are (socially, academically, mental health-wise). Given their emerging needs post-pandemic, King’s needs to improve how we assess our supports and services. This will allow King’s to make informed and proactive decisions to better support students post-pandemic and to build capacity for longer term planning. Students have already identified the mental health impacts of the pandemic and the desire for more accessible supports and services. King’s has also identified the requirement to better support students in their transition from high school and into their second year at King’s. The Student Support Coordinator will enhance how King’s offers a supportive student experience which can only have positive impacts on long-term enrolment and retention.
- **Equipment/Resources (\$90,000)** – anticipated expenditures include equipping the Boardroom with the technology necessary to allow for virtual meetings (via Zoom, Microsoft Teams or other platforms), renewal of the institutional Zoom license, and an allowance for additional computer or audio-visual hardware or software if required, etc.

Safety/Campus Preparedness (\$125,000)

Expenditures include the continuation of touch point cleaning (particularly with an increased presence on campus), 24/7 security (until the end of the calendar year), HEPA air cleaners and air filters, MERV13 filters in all HVAC units, additional plexiglass barriers, additional PPE, etc.

Marketing (\$40,000)

Funds have been included in the budget for strategic communications and marketing support for the coming year. This need has been identified through the work of the communications group between the offices of Advancement and the Registrar. The work is two-tired:

- A strategic approach to communications to support enrolment for the June – December period (this includes an approach to encourage vaccination and to reassure students about King’s back-to-campus planning); and
- Advice on King’s integrated recruitment communications and marketing plan to ensure King’s builds on the momentum built in digital media over the last few years and to stand out in the market with a clear concise voice.

Other (\$105,000)

Other expenditures include additional virtual Encaenia costs including an on-campus video, additional supports for high school students, and a contingency for unforeseen expenditures.

	Approved		
	Budget	Actual	Budget
	2020/21	2020/21	2021/22
COVID-19 emergency response fund	\$ 500,000	\$ 1,077,000	\$ 842,000

Unallocated Anticipated Reductions in Spending:

Given the considerable uncertainty surrounding the 2020/21 academic year as a result of the pandemic, King’s anticipated reductions in spending that were largely dependent upon Public Health directives and travel restrictions. These reductions would occur as a result of the potential closure of facilities; the ability to hold large events and gatherings; the number of faculty, staff and students permitted to be on campus; and the ability to travel. An amount of \$721,000 in spending reductions was factored into the 2020/21 budget. This amount was calculated based on a percentage of anticipated savings for different budget lines including, casual employment (including student employment), part-time recruitment travel, utilities, catering/events, athletics, residence, etc. The percentages used for anticipated savings in specific areas were largely speculative.

Rather than reducing the individual department and program budgets for 2020/21, the potential reductions were factored into the budget at a central level so as not to permanently reduce department and program budgets for future years. The reductions were instead factored into the quarterly forecasts that were updated every quarter. To ensure the savings were maintained once achieved, departments and programs were not permitted to reallocate those savings to spend elsewhere.

Actual spending reductions realized in 2020/21 totaled \$863,000. This amount represents the total amount by which departmental and program spending fell short of budget (excluding permanent salaries). Savings were realized in casual employment (including student employment due to the closure of facilities), part-time recruiters (inability to travel), travel, catering/events, utilities (largely electricity and water due to a largely vacant campus), athletics expenses (limited varsity sports activity, gym closure for much of the year), residence operating expenses, and general administrative expenses due to employees working remotely. These reductions can be seen from the individual departmental expense tables described earlier.

Since the pandemic continues to affect operations into the first two months of the 2021/22 fiscal year, it is likely there will once again be reductions in spending but not to the same degree experienced in 2020/21. An amount of \$200,000 has been included as anticipated reductions in spending in the 2021/22 operating budget. This amount has not been itemized by category as that would be highly speculative; however, reductions in travel, catering/events are likely candidates.

	Approved Budget 2020/21	Actual 2020/21	Budget 2021/22
<u>Unallocated anticipated reductions in spending</u>	<u>\$ 721,000</u>	<u>\$ 863,000</u>	<u>\$ 200,000</u>

University of King's College
Statement of Operations (Operating Fund)
2021/22 Operating Budget and Projections for 2022/23 through 2024/25

SCHEDULE 1

REFER TO NARRATIVE FOR EXPLANATION OF VARIANCES

	Budget	Actual	Draft Budget	Projection	Projection	Projection	Favorable (Unfavorable)			
							2022 Budget to 2021 Budget Comparison		2022 Budget to 2021 Actual Comparison	
							\$	%	\$	%
	March 31, 2021	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025				
First-Year Students including FYP (October 15)	175	211	245	245	245	245	70	40%	34	16%
# of FYP Students (October 15)	147	177	215	215	215	215	68	46%	38	21%
Headcount (October 15)	739	905	958	995	1019	1038	219	30%	53	6%
Residence Occupancy (move-in day)	52	106	217	254	254	254	165	317%	111	105%
Revenue:										
Government grant	\$ 8,353,000	\$ 9,678,000	\$ 8,437,000	\$ 8,521,000	\$ 8,607,000	\$ 8,693,000	\$ 84,000	1%	\$ (1,241,000)	-13%
Student academic fees	6,225,000	7,611,000	8,254,000	8,779,000	9,041,000	9,375,000	2,029,000	33%	643,000	8%
Student ancillary fees	569,000	694,000	934,000	1,075,000	1,052,000	1,087,000	365,000	64%	240,000	35%
Student residence fees	334,000	575,000	1,461,000	1,862,000	1,933,000	1,972,000	1,127,000	337%	886,000	154%
Continuing Education	-	26,000	30,000	30,000	30,000	30,000	30,000	0%	4,000	15%
Investment income	1,802,000	1,798,000	1,829,000	1,849,000	1,880,000	1,900,000	27,000	1%	31,000	2%
Sale of goods and services	162,000	89,000	186,000	262,000	269,000	272,000	24,000	15%	97,000	109%
Conference services	6,000	1,000	4,000	407,000	277,000	341,000	(2,000)	-33%	3,000	300%
Gifts (annual fund & scholarship)	681,000	520,000	670,000	608,000	609,000	318,000	(11,000)	-2%	150,000	29%
Other grants	68,000	218,000	110,000	85,000	85,000	85,000	42,000	62%	(108,000)	-50%
Total revenue	\$ 18,200,000	\$ 21,210,000	\$ 21,915,000	\$ 23,478,000	\$ 23,783,000	\$ 24,073,000	\$ 3,715,000	20%	\$ 705,000	3%
Expenses:										
Academic	\$ 6,207,000	\$ 6,006,000	\$ 6,360,000	\$ 6,567,000	\$ 6,708,000	\$ 6,900,000	\$ (153,000)	-2%	\$ (354,000)	-6%
Continuing Education	-	13,000	16,000	16,000	16,000	16,000	(16,000)	0%	(3,000)	-23%
Allotment to Dalhousie	3,876,000	3,866,000	3,930,000	4,009,000	4,089,000	4,171,000	(54,000)	-1%	(64,000)	-2%
Facility operations	1,678,000	1,779,000	1,747,000	1,815,000	1,870,000	1,928,000	(69,000)	-4%	32,000	2%
Residence & other student services	512,000	381,000	525,000	540,000	554,000	569,000	(13,000)	-3%	(144,000)	-38%
Scholarships, awards & bursaries	1,553,000	1,569,000	1,615,000	1,496,000	1,511,000	1,246,000	(62,000)	-4%	(46,000)	-3%
Other student support	88,000	89,000	108,000	110,000	112,000	113,000	(20,000)	-23%	(19,000)	-21%
Utilities, taxes & insurance	518,000	477,000	509,000	526,000	542,000	559,000	9,000	2%	(32,000)	-7%
Advancement	800,000	766,000	802,000	849,000	1,027,000	905,000	(2,000)	0%	(36,000)	-5%
Athletics	466,000	282,000	581,000	607,000	620,000	633,000	(115,000)	-25%	(299,000)	-106%
Bursar's office	577,000	576,000	587,000	610,000	633,000	657,000	(10,000)	-2%	(11,000)	-2%
General college administration	310,000	272,000	336,000	335,000	340,000	345,000	(26,000)	-8%	(64,000)	-24%
Library	380,000	350,000	397,000	408,000	421,000	435,000	(17,000)	-4%	(47,000)	-13%
President's office	461,000	394,000	515,000	563,000	577,000	651,000	(54,000)	-12%	(121,000)	-31%
Vice President's office	244,000	237,000	258,000	267,000	277,000	287,000	(14,000)	-6%	(21,000)	-9%
Equity office	61,000	19,000	77,000	98,000	101,000	105,000	(16,000)	-26%	(58,000)	-305%
SVPRO office	88,000	88,000	91,000	94,000	97,000	101,000	(3,000)	-3%	(3,000)	-3%
Registrar's office & recruitment	938,000	985,000	973,000	1,029,000	1,082,000	1,119,000	(35,000)	-4%	12,000	1%
Divinity & chapel	143,000	91,000	133,000	135,000	138,000	140,000	10,000	7%	(42,000)	-46%
Chapel music	209,000	187,000	237,000	245,000	247,000	251,000	(28,000)	-13%	(50,000)	-27%
King's chorus	-	-	48,000	48,000	49,000	49,000	(48,000)	100%	(48,000)	100%
Professional fees	150,000	105,000	350,000	250,000	150,000	150,000	(200,000)	-133%	(245,000)	-233%
Interest & service charges	426,000	343,000	377,000	370,000	336,000	301,000	49,000	12%	(34,000)	-10%
Investment management fees	230,000	220,000	247,000	252,000	257,000	262,000	(17,000)	-7%	(27,000)	-12%
Conference services	75,000	72,000	79,000	282,000	249,000	268,000	(4,000)	-5%	(7,000)	-10%
COVID-19 emergency response fund (Schedule 2)	500,000	992,000	842,000	234,000	96,000	17,000	(342,000)	-68%	150,000	15%
Unallocated anticipated reductions in spending	(721,000)	-	(200,000)	-	-	-	(521,000)	-100%	200,000	-100%
Total expenses	\$ 19,769,000	\$ 20,159,000	\$ 21,540,000	\$ 21,755,000	\$ 22,099,000	\$ 22,178,000	\$ (1,771,000)	-9%	\$ (1,381,000)	-7%
Excess (deficiency) of revenue over expenses	\$ (1,569,000)	\$ 1,051,000	\$ 375,000	\$ 1,723,000	\$ 1,684,000	\$ 1,895,000	\$ 1,944,000	124%	\$ (676,000)	-64%
Financing and investing activities:										
Debt repayment	\$ (128,000)	\$ (129,000)	\$ (934,000)	\$ (987,000)	\$ (1,020,000)	\$ (1,053,000)	\$ (806,000)	-630%	\$ (805,000)	-624%
Capital funded by operations	(284,000)	(192,000)	(320,000)	(322,000)	(325,000)	(327,000)	(36,000)	-13%	(128,000)	-67%
Capital funded by operations - COVID online equipment	-	(85,000)	-	-	-	-	-	0%	85,000	100%
Financing and investing activities	\$ (412,000)	\$ (406,000)	\$ (1,254,000)	\$ (1,309,000)	\$ (1,345,000)	\$ (1,380,000)	\$ (842,000)	-204%	\$ (848,000)	-209%
Subtotal - Operating cash surplus (deficit) after financing and investing activities	\$ (1,981,000)	\$ 645,000	\$ (879,000)	\$ 414,000	\$ 339,000	\$ 515,000	\$ 1,102,000	56%	\$ (1,524,000)	-236%
Application of reserve funds and prior year surplus:										
Reserve funds approved in budget	\$ 16,000	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ (16,000)	-100%	\$ (16,000)	-100%
Framework for use of internally restricted funds	-	250,000	-	-	-	-	-	0%	(250,000)	-100%
Use of prior year surplus re: April 2020 residence refunds	201,000	201,000	-	-	-	-	(201,000)	-100%	(201,000)	-100%
Use of prior year surplus for COVID bursary fund	30,000	30,000	30,000	-	-	-	-	100%	-	100%
Use of prior year surplus for COVID expenditures	-	-	371,000	-	-	-	371,000	100%	371,000	100%
Use of prior year surplus for debt servicing	-	-	741,000	-	-	-	741,000	100%	741,000	100%
Funds applied to reduce operating cash deficit	\$ 247,000	\$ 497,000	\$ 1,142,000	\$ -	\$ -	\$ -	\$ 895,000	362%	\$ 645,000	130%
Operating cash surplus (deficit)	\$ (1,734,000)	\$ 1,142,000	\$ 263,000	\$ 414,000	\$ 339,000	\$ 515,000	\$ 1,997,000	115%	\$ (879,000)	-77%
Additional potential future spending not already included above (Schedule 3)				304,000	478,000	469,000				
Operating cash (deficit) surplus including additional spending			\$ 263,000	\$ 110,000	\$ (139,000)	\$ 46,000				
Debt servicing costs (interest & principal) included above	\$ 519,000	\$ 458,000	\$ 1,281,000	\$ 1,300,000	\$ 1,296,000	\$ 1,291,000	\$ 762,000	147%	\$ 802,000	167%

University of King's College

COVID-19 Emergency Response Fund

2021/22 Operating Budget and Projections for 2022/23 through 2024/25

SCHEDULE 2

	Budget	Actual	Budget	Projection	Projection	Projection
Description	March 31, 2021	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Salaries (to assist with transitioning to online instruction)						
Faculty/Staff	\$ -	\$ 263,000	\$ 427,000	\$ 234,000	\$ 96,000	\$ 17,000
Students	-	174,000	55,000			
Total COVID-19 salaries	\$ -	\$ 437,000	\$ 482,000	\$ 234,000	\$ 96,000	\$ 17,000
Non-salary expenditures						
Online instruction (equipment/resources)	\$ -	\$ 335,000	\$ 90,000			
Safety/campus preparedness	-	215,000	125,000			
Marketing	-	30,000	40,000			
Other (including contingency)	-	60,000	105,000			
Total non-salary COVID-19 expenditures	\$ -	\$ 640,000	\$ 360,000	\$ -	\$ -	\$ -
COVID-19 emergency response fund (recorded as expense)	\$ 500,000	\$ 1,077,000	\$ 842,000	\$ 234,000	\$ 96,000	\$ 17,000
Minus: Grants to cover student salaries (recorded as grants revenue)	-	(123,000)	-	-	-	-
Net-COVID-19 expenditures	\$ 500,000	\$ 954,000	\$ 842,000	\$ 234,000	\$ 96,000	\$ 17,000
COVID-19 expenditures per Statement of Operations:						
COVID-19 Emergency Response Fund		\$ 992,000				
Capital funded by operations (equipment capitalized to fixed assets)		85,000				
Total	\$ 500,000	\$ 1,077,000	\$ 842,000	\$ 234,000	\$ 96,000	\$ 17,000

University of King's College
Additional Spending and Additional Potential Future Spending
2021/22 Operating Budget and Projections for 2022/23 through 2024/25

SCHEDULE 3

Description	Draft Budget	Projection	Projection	Projection
	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
COVID salaries - new and contract extensions ¹	\$ 220,000	\$ 107,000	\$ 66,000	\$ 17,000
Independent review (estimate)	200,000	100,000	-	-
Bursaries to international students to offset increase in international differential fee	69,000	-	-	-
HOST - LTA for sabbatical coverage ²	60,000	26,000	-	-
Journalism - administrative support position (1-year contract July 1, 2021)	36,000	11,000	-	-
Journalism - annual computer lab renewal (5 labs) (permanent budget increase)	30,000	30,000	30,000	30,000
Registrar - conversion of two three-year 10-month recruitments contracts to 12-month contracts June 1, 2021	30,000	35,000	36,000	37,000
King's Chorus - if brought under King's purview (this is net impact including revenue)	27,000	15,500	16,000	16,500
Residence - extension of Senior Don position	26,000	3,000	-	-
President's Office - Chancellor installation and related expenses (one-time expenditure) ³	15,000	-	-	-
General Administration - central budget for university initiatives including diversity initiatives	15,000	15,000	15,000	15,000
Residence - implementation of eRezLife residence software	12,000	12,000	12,000	12,000
General Administration - King's portion of university sector initiatives (3-years)	7,000	7,000	7,000	-
General Administration - accounting system full upgrade	6,000	-	-	-
Chapel Music - increase in Assistant Director stipend and choir vestments	2,500	3,000	3,500	4,000
Conference Services - implementation of new software (WebRezPro to replace Conference Programmer)	1,000	1,000	1,000	1,000
President's Office - additional Encaenia costs (one-time) (assuming in person for multiple grad years)	-	31,000	-	-
President's Office - co-sponsoring USS conference with Dalhousie (one-time) (estimate)	-	-	25,000	-
Advancement - website redesign including accessibility enhancements (one-time expenditure)	-	-	150,000	-
Total departmental and program requests included in budget and projections	\$ 756,500	\$ 396,500	\$ 361,500	\$ 132,500
MFA in Fiction program - (excess)/deficiency of revenue over expenditures (in black in 2024-25)⁴	\$ -	\$ 126,000	\$ 67,000	\$ (20,000)
Scholarships/bursaries no longer covered by internally restricted funds⁵	\$ -	\$ -	\$ -	\$ 34,000
Communications/marketing related to recruitment no longer covered by internally restricted funds⁶	\$ -	\$ -	\$ 75,000	\$ 75,000
New faculty diversity position #3 (including benefits) (start date July 1, 2022) ⁷	-	89,000	123,000	128,000
New faculty diversity position #4 (including benefits) (start date July 1, 2022) ⁷	-	89,000	123,000	128,000
New faculty diversity position #5 (including benefits) (assumed start date July 1, 2023)	-	-	90,000	124,000
Total new faculty positions	\$ -	\$ 178,000	\$ 336,000	\$ 380,000
Total additional potential future spending not yet included in budget or projections (to Schedule 1)	\$ -	\$ 304,000	\$ 478,000	\$ 469,000
Total additional spending (including those reflected and not yet reflected)	\$ 756,500	\$ 700,500	\$ 839,500	\$ 601,500

¹ Includes the Student Communications Coordinator, Online Education Coordinator, and AV/IT Officer contract extensions, Athletics Assistant (new) 12-month contract position, Student Support Coordinator (new) 12-month contract (\$20,000 funded by mental health grant), and an additional Faculty Fellow to support tutorial requirements in the new hybrid FYP model.

² This expenditure was approved by BAC for inclusion in the 2020/21 budget but was deferred due to a sabbatical deferral in 2020/21. Not required until 2021/22.

³ This expenditure was included in the 2020/21 budget but was not incurred due to the pandemic.

⁴ Projections assume MFA in Fiction stream approved to begin in 2022/23 academic year. Enrolment in 1st year 15, 2nd year 34 and 3rd year 43. Profitable by 2024/25.

⁵ There is \$566,000 remaining at March 31, 2021 (out of authorized \$800,000). Anticipated spend is \$150,000 per year for annual renewable scholarships. This leaves \$116,000 remaining for 2024/25.

⁶ There is \$187,000 remaining of the authorized \$300,000. These funds are expected to be fully utilized by the end of fiscal year 2022/23 and additional funds will need to be added to the operating budget to allow for the continuation of digital media expenditures.

⁷ Approved at the April 1, 2021 meeting of the Board of Governors for a hire date of July 1, 2022.

The University of King's College
Statement of Operations (Operating Fund) - Departmental Revenues and Expenses
2021/22 Operating Budget

SCHEDULE 4

	March 31, 2022 Budget	General University	Conference services	Academic	Continuing Education	Facilities operations	Residence & other student services	Scholarships, awards & bursaries	Advancement	Athletics	Bursar's office	Library	President's office	Vice President's office	Equity Office	SVPRO Office	Registrar's office & recruitment	Divinity & chapel	Chapel music	King's Chorus
Revenue:																				
Government grant	\$ 8,437,000	8,437,000																		
Student academic fees	8,254,000	8,254,000																		
Student ancillary fees	934,000	168,000		282,000		249,000				235,000										
Student residence fees	1,461,000						1,461,000													
Continuing Education	30,000				30,000															
Investment income	1,829,000	559,000		470,000				678,000				48,000						71,000	3,000	
Sale of goods and services	186,000	47,000		3,000		11,000	11,000			30,000		5,000					5,000	6,000	67,000	1,000
Conference services	4,000		4,000																	
Gifts (annual fund & scholarship)	670,000	100,000						469,000										21,000	60,000	20,000
Other grants	110,000	65,000					25,000	20,000												
Total revenue	\$ 21,915,000	\$ 17,630,000	\$ 4,000	\$ 755,000	\$ 30,000	\$ 260,000	\$ 1,497,000	\$ 1,167,000	\$ -	\$ 265,000	\$ -	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 98,000	\$ 130,000	\$ 21,000
Expenses:																				
Compensation expenses	\$ 10,399,000	65,000		5,592,000		820,000	353,000		610,000	281,000	573,000	329,000	420,000	247,000	54,000	76,000	742,000	78,000	133,000	26,000
Operating expenses	3,126,000	271,000		768,000	16,000	927,000	124,000		192,000	190,000	14,000	68,000	95,000	11,000	23,000	15,000	231,000	55,000	104,000	22,000
Dalhousie athletics fee flowthrough	110,000									110,000										
Food service	48,000						48,000													
Conference services	79,000		79,000																	
Allotment to Dalhousie	3,930,000	3,930,000																		
Scholarships, awards and bursaries	1,615,000						1,615,000													
Other student support	108,000						108,000													
Utilities, taxes & insurance	509,000					509,000														
Professional fees	350,000	350,000																		
Investment management fees	247,000	67,000		69,000				93,000				7,000						11,000		
Interest & service charges	377,000	377,000																		
COVID-19 emergency response fund	842,000	842,000																		
Unallocated anticipated reductions in spending	(200,000)	(200,000)																		
Total expenses	\$ 21,540,000	\$ 5,702,000	\$ 79,000	\$ 6,429,000		\$ 2,256,000	\$ 525,000	\$ 1,816,000	\$ 802,000	\$ 581,000	\$ 587,000	\$ 404,000	\$ 515,000	\$ 258,000	\$ 77,000	\$ 91,000	\$ 973,000	\$ 144,000	\$ 237,000	\$ 48,000
Excess (deficiency) of revenue over expenses	\$ 375,000	\$ 11,928,000	\$ (75,000)	\$ (5,674,000)		\$ (1,996,000)	\$ 972,000	\$ (649,000)	\$ (802,000)	\$ (316,000)	\$ (587,000)	\$ (351,000)	\$ (515,000)	\$ (258,000)	\$ (77,000)	\$ (91,000)	\$ (968,000)	\$ (46,000)	\$ (107,000)	\$ (27,000)
Financing and investing activities:																				
Debt repayment	\$ (934,000)	(934,000)																		
Capital expenditures	(320,000)			(62,000)		(212,000)				(10,000)		(36,000)								
Use of prior year surplus (res refunds, student emergency relief)	1,142,000	1,112,000						30,000												
Use of internally restricted funds**	-																			
Subtotal - Cash excess (deficit) from financing & investing	\$ (112,000)	\$ 178,000	\$ -	\$ (62,000)		\$ (212,000)	\$ -	\$ 30,000	\$ -	\$ (10,000)	\$ -	\$ (36,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net increase (decrease) in cash	\$ 263,000	\$ 12,106,000	\$ (75,000)	\$ (5,736,000)		\$ (2,208,000)	\$ 972,000	\$ (619,000)	\$ (802,000)	\$ (326,000)	\$ (587,000)	\$ (387,000)	\$ (515,000)	\$ (258,000)	\$ (77,000)	\$ (91,000)	\$ (968,000)	\$ (46,000)	\$ (107,000)	\$ (27,000)

The University of King's College

SCHEDULE 5

Statement of Operations (Operating Fund) - Departmental Expense Reconciliation

2021/22 Budget versus 2020/21 Budget

Department	March 31, 2021 Budget Expenses	Salary & Benefits	Other	March 31, 2022 Budget Expenses	Comments
Academic	6,207,000	111,000	42,000	6,360,000	Two faculty diversity hires (FYP and Journalism), full-time Rogers Chair diversity hire, LTA in HOST for sabbatical coverage, overloads to cover nine sabbaticals (versus three in prior year), one-year administrative support position in Journalism, annual salary increases, offset by departure of three faculty on EVRP program, vacancy in CSP due to VP appointment, and maternity leave. Higher MFA mentor fees, PRO to cover maternity leave, external review of academic programs.
Facility operations	1,678,000	77,000	(8,000)	1,747,000	Annual salary increases, six summer students instead of four (costs taken from operating budget), cleaning and salary contract increases.
Residence & other student services	512,000	(24,000)	37,000	525,000	Annual salary increases, junior dons performing patrol duties, increased meal plans for additional dons, new residence software.
Advancement	800,000	(3,000)	5,000	802,000	Annual salary increases, maternity leave top-up, timing of replacement of two employees, temporary increase in computer support budget.
Athletics	466,000	7,000	108,000	581,000	Annual salary increases, reinstatement of Dalhousie fee as the Dalplex is expected to be open in 2021/22 where it was closed in 2020/21. No athletic fee was charged in 2020/21 but it is budgeted to be charged in 2021/22.
Bursar's office	577,000	9,000	1,000	587,000	Annual salary increases, temporary increase in computer support budget.
General college administration & other	310,000	(3,000)	29,000	336,000	Annual salary increase, reduced coverage expected for reception, university initiatives, King's share of costs related to university-sector initiatives, full accounting system upgrade, increased server hosting costs at Dal, increased Microsoft license cost.
Library	380,000	15,000	2,000	397,000	Annual salary increases, head Librarian 0.85 FTE to 1.0 FTE, increased Novanet costs.
President's office	461,000	53,000	1,000	515,000	Annual salary increases, renewed five-year contract for the President, cell phone budget increase.
Vice President's office	244,000	13,000	1,000	258,000	New VP July 1 100% charged to President's office while outgoing VP was 25% Carnegie, temporary increase in computer support budget.
Equity office	61,000	20,000	(4,000)	77,000	Position vacant since November 2020. Being converted from 1/2 time position to full-time position. Assumed hired date is July 1, 2021. Operating expense reduction relates to service no longer being invoiced by Dalhousie but still being provided.
Sexualized violence, awareness, prevention & response office	88,000	3,000	-	91,000	Annual salary increase.
Registrar's office & recruitment	938,000	35,000	-	973,000	Annual salary increases, maternity leave top-ups and overlap training, conversion of two three-year 10-month recruitment contracts to two three-year 12 month contracts.
Divinity & chapel	143,000	(4,000)	(6,000)	133,000	Resignation of Chapel Administrator and timing of replacement, reduction in operating expenditures.
Chapel music	209,000	15,000	13,000	237,000	Annual salary increases, Assistant Director of Music becoming an employee of King's rather than a vendor, increased cost of Easter concert (prior year was cancelled) - maintaining funds in budget in case can perform later in the year.
King's chorus	-	26,000	22,000	48,000	Being incorporated into King's operating budget rather than operating as an independent entity. These costs are offset by \$21,000 in revenue for a net cost of \$27,000.
Total expenses	\$ 13,074,000	\$ 350,000	\$ 243,000	\$ 13,667,000	