



UNIVERSITY OF  
**KING'S**  
COLLEGE • HALIFAX

## 2023/24 OPERATING BUDGET

- Approved June 22, 2023

## **Introduction:**

This document describes the University of King's College (King's) 2023/24 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 Controller.

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 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 met frequently since the fall and the FAR Committee scheduled monthly meetings to support the budget preparation process.

The President and Bursar, with the Registrar, consulted with members of the King's Students' Union (KSU) Executive in April on proposed changes to student tuition and fees for 2023/24.

The 2023/24 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 were 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, and a sizable permanent

increase in the university's provincial operating grant in 2018/19, 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.

The budget planning process involves three iterations of the budget – a high level draft budget is prepared in December, a provisional budget is prepared in March, and a final proposed budget is prepared for official Board of Governors review and approval in June. This allows time for decisions to be made in the event the budget is not balanced.

### **2022/23 Recap:**

King's ended the fiscal year with an operating cash deficit of \$162,000. This compares to the budgeted operating cash surplus of \$82,000. While the level of admissions deposits received by mid-May 2022 did not materialize into the level of registrations that were projected in the budget, King's did maintain the enrolment growth experienced in fiscal year 2021/22, unlike several of our Nova Scotia counterparts. King's had 969 students (966 in the prior year) including 251 first year students (219 Foundation Year Program (FYP) students and 32 undeclared students) and 46 international students while the budget included 997 students with 275 first year students (240 FYP students and 35 undeclared students) and 52 international students. International enrolment was negatively impacted by visa issues.

The pandemic had relatively little impact on the 2022/23 academic year. While additional touchpoint cleaning continued for the first quarter of the year, 24/7 ventilation continued for the entire year, and masking continued in the classrooms and was encouraged elsewhere on campus during the year, it was largely considered a 'normal' academic year.

King's celebrated the classes of 2020 and 2021 on campus and "offline" on May 5 and the 2022 Encaenia celebrations took place on May 25, 26, and 27.

The summer was busy with the resumption of Conference Services after a two-year hiatus caused by the pandemic. Alexandra Hall underwent a \$4.3 million accessibility renovation that added a new elevator, created an accessible entrance, and added accessible bedrooms and washrooms. Thanks to a capital contribution from Chartwells, Prince Hall underwent a substantial upgrade with new paint, drapes, re-upholstered chairs, and the addition of sound panels to improve the acoustics of the space. Despite Alexandra Hall being out of commission for renovations, Conference Services had a very successful season generating higher profit than budgeted.

King's residences were full on move-in day (with a waitlist), given the lack of affordable housing in the HRM, with a lower-than-normal withdrawal rate throughout the year. The Residence Team was creative and converted some larger single rooms and a common space into double

rooms to increase occupancy. King's earned full commission on meal plans from selling more than 260 meal plans in each semester.

With respect to winter retention rates in King's undergraduate programs, King's retained 95% of its students from the fall semester as compared with a budgeted retention rate of 96% (which is based on a rolling three-year average). While the number of full-time students retained into the winter was 94%, the number of part-time students retained was 116%, meaning that some full-time students became part-time students as a result of taking a smaller course load in the winter. King's did retain the budgeted 96% of FYP students into the winter semester (219 to 211).

On the human resources (HR) front, King's hired its first Human Resources Manager in early May 2022 and its first Accessibility Officer in early January 2023.

Collective bargaining at Dalhousie with the DFA (Dalhousie Faculty Association) and CUPE unions placed additional pressure on the 2022/23 budget (and on future budgets) as King's faculty salaries are based on DFA salary rates. King's also pays Dalhousie's rates for teaching assistants and part-time instructors (CUPE agreement) due to the joint offering of degrees in arts and science. Also on the bargaining front, King's successfully reached an agreement with its nine-member UKCTA (University of King's College Teachers' Association) union in late January.

High inflation rates experienced in fiscal year 2022/23 placed additional cost pressures on all departmental and program budgets (and will continue to impact the 2023/24 budget), particularly the Facilities Management budget as the cost of construction materials was greatly impacted. The budget incorporated a 1% increase in all department and program operating budgets and a \$100,000 contingency was budgeted centrally to help alleviate these cost pressures. The Bursar and Controller met with each department head and program director in early January and, despite inflationary pressures, found spending reductions of just under \$100,000 to help reduce the size of the anticipated deficit.

Utilities came in just over budget despite extreme fluctuations in the price of natural gas used by Dalhousie to produce steam heat. Thankfully, a very mild winter led to much lower consumption reducing the budget impact of higher natural gas prices.

In summary, King's revenue fell short of budget by \$441,000 for 2022/23, of which \$567,000 relates to lower tuition and fees from reduced enrolment. Residence generated an additional \$58,000 in revenue from increased occupancy and meal plan sales. King's expenses were under budget by \$197,000 with the assistance of savings found in departmental and program budgets. The resulting \$162,000 operating cash deficit for 2022/23 means that King's will not be able to rely on a surplus carry forward to help finance the 2023/24 budget as it has in the previous two budget years.

The final report of the Independent Review on the Accusation of Sexual Assault Against Dr. Wayne Hankey was received in mid-March. The process of reaching settlements with those who suffered compensable harms is underway. University insurers are involved in the process for

some but not all of those entitled to compensation. The amount of any claim against the University cannot be determined at this time.

### **2023/24 Planning and Fiscal Context:**

Detailed planning on the 2023/24 budget began in early November. At the November meeting, the FAR committee reviewed revenue and expenditure trends and risks which are likely to impact the financial situation of King's in the next one to four years. The enrolment gains anticipated in 2022/23 that did not materialize, lower FYP admissions deposits for 2023/24, and cost pressures in many areas (including but not limited to inflation, increases in minimum wage, collective agreements, etc.) are making it exceedingly difficult to balance the budget and, particularly, the projections for each of the next three years.

The provisional budget for 2023/24 brought before the Board of Governors in March reflected a small operating cash surplus of \$7,000. The budget included an enrolment headcount of 997 (including 220 FYP students, 20 undeclared students, 102 graduate students and 50 international students), and full residency occupancy of 263, with \$300,000 from the Bicentennial Fund applied against the scholarships budget.

The final proposed budget for 2023/24 presented in this document is now anticipating a break-even budget. The budget includes an enrolment headcount of 994 (including 200 FYP students, 35 undeclared students, 113 graduate students, and 48 international students), and residence occupancy of 267, with \$300,000 from the Bicentennial Fund applied against the scholarships budget.

Since the March provisional budget, projected revenue has decreased by \$8,000 and projected expenses have increased by \$194,000 resulting in a projected operating cash deficit of \$195,000. This will be addressed as the priority in the forecast process, working with departments and programs through BAC to identify specific actions to eliminate this deficit during 2023/24.

The projected revenue reduction of \$8,000 is largely related to enrolment and residence occupancy adjustments. The projected \$194,000 increase in expenses is related to an increase in professional fees, salary adjustments, increases in custodial and security costs due to increases in minimum wage, and an increase in the Dalhousie allotment due to higher costs.

The summer promises to be busy with Conference Services being fully booked with tourists and conferences including the North American Indigenous Games (NAIG). Facilities Management is busy overseeing the transformation of the former Advancement Office in the Link into individual offices for Community Support Staff with Advancement relocating off-campus to commercial office space effective August 1 (this work is being financed with a capital contribution). A portion of the former Dean of Student's suite in Alexandra Hall is being converted into an Indigenous Student Centre (funded by a portion of the \$600,000 approved by the Board of Governors from the internally restricted funds for initiatives taken in parallel to the creation of a Mi'kmaq Cohort in undergraduate journalism described under "Use of Internally Restricted Funds" later in this document). Other summer projects include replacing

the flooring in Cochran Bay and the fourth floor of Alexandra Hall, and further work on the Alexandra Hall dormers (both projects are being financed with funds remaining from the Alexandra Hall accessibility project).

The Contemporary Studies Program's (CSP's) study abroad course in Berlin, Germany went ahead in May after being paused since 2020. There are 25 students participating in the month-long full credit course. The course is typically held every second year alternating with the Early Modern Studies Program's (EMSP's) study abroad course in Florence, Italy.

Residences are once again expected to be full with additional temporary beds being created as there is a waitlist due to the continued shortage of affordable housing in the HRM.

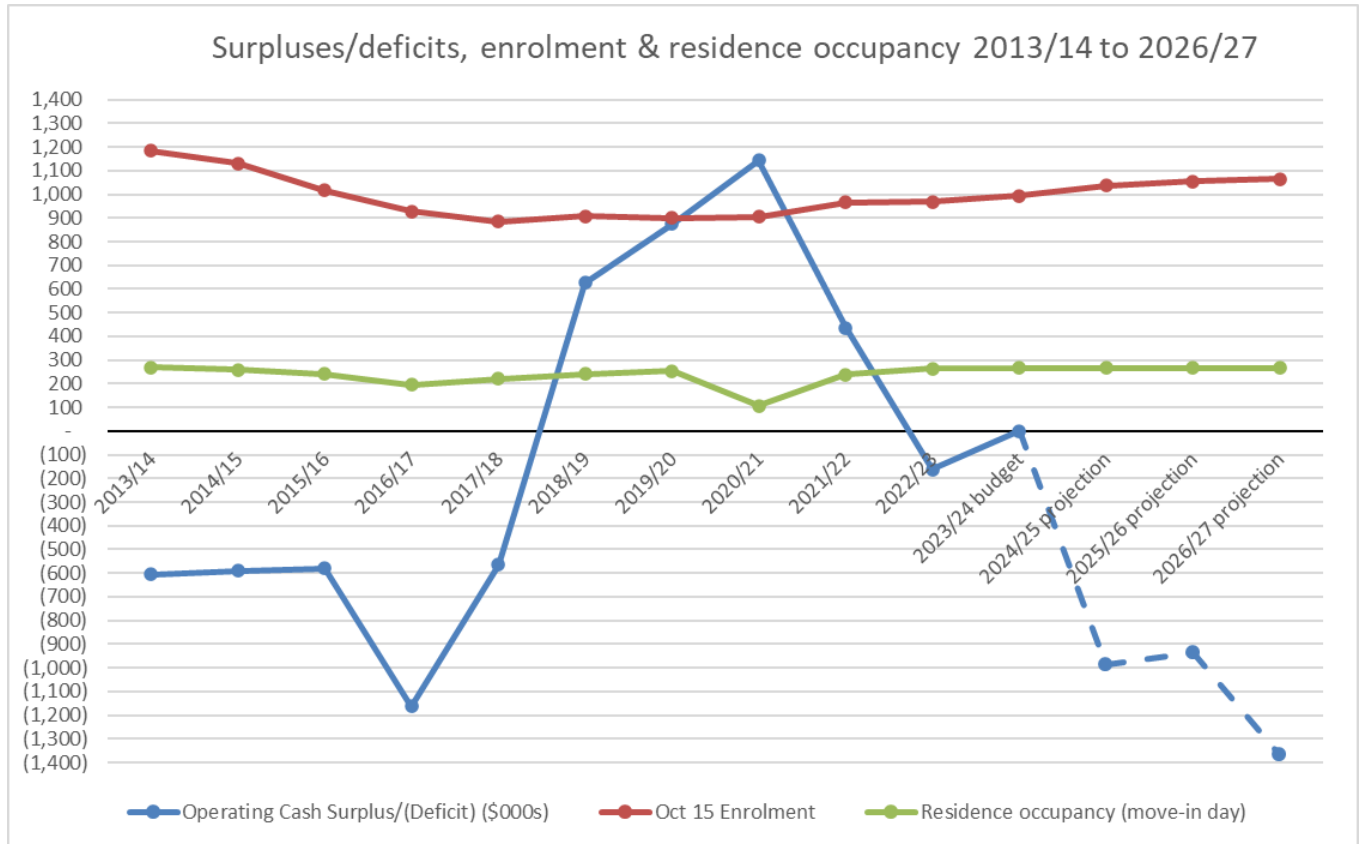
COVID expenditures have largely been removed from the 2023/24 proposed budget except for 24/7 security (now deemed essential) and 24/7 ventilation. The position of Information Technology/Audio Visual (IT/AV) Officer which was created during the pandemic was made permanent during 2022/23 due to the importance of this position on campus.

King's returned to financial stability in 2018/19 thanks to a \$2.2 million permanent increase in the provincial operating grant. Since then, King's has invested in activities and initiatives to enrich academic and student experience; advance equity, diversity, inclusion, and accessibility; better support students and other members of the community; and enhance recruitment and retention efforts all to contribute to increased enrolment. There was a major boost in FYP enrolment from 2020/21 to 2021/22 which was maintained into 2022/23. King's continued to have stable finances through 2021/22 all while navigating the pandemic. There have been significant improvements in retention rates since 2018/19 as well.

In terms of enrolment, undergraduate numbers overall are staying relatively flat but, fortunately, King's graduate program enrolment is experiencing growth, which is the reason enrolment is increasing in 2023/24 as compared with 2022/23. Because overall enrolment projections did not materialize in 2022/23, King's ended the fiscal year with a \$162,000 operating cash deficit.

King's has limited ability to fund operating deficits; therefore, work will continue over the summer and fall to ensure that the financial strategy aligns with and supports the strategic direction of the University. The preliminary estimates for 2024/25 and future years are based on existing expenditure trends and slower than anticipated undergraduate enrolment growth seen to date and show the risk of significant deficits. The estimates for years after 2023/24 do not yet include options (revenue or expense based) to bring the budget into balance for those years in a way that minimizes negative impacts on the strategic direction of the University. Between 2018/19 and 2022, the growing inflationary and other pressures were offset by the \$2.2 million operating grant increase in 2018/19. While the pace of some enrolment increases has been slower than expected, others are exceeding expectations. See below for a graphical depiction of King's surpluses/deficits, enrolment, and residence occupancy from 2013/14 through 2026/27. It includes actual results to 2022/23, the proposed budget for 2023/24 and the projections for future years to 2026/27 using existing expenditure trends. Budgetary

planning will continue over the coming months with a focus on eliminating any budget deficit in 2023/24 and in the years to come.



**Enrolment Projections for 2023/24:**

It is important to note that, while enrolment fell short of budget for 2022/23, it was slightly higher than enrolment in 2021/22 (at 966) which was significantly higher than it was in 2020/21 (at 905). According to the Association of Atlantic Universities 2022/23 Preliminary Survey of Enrolments, King’s and NSCAD University were the only Nova Scotia universities that experienced an increase in full-time first-year enrolment (1.2% and 1% respectively) while in 2021/22, all but one Nova Scotia university experienced an increase.

May 15, 2023 was the deposit deadline. Despite extensive additional outreach to applicants, fewer students than anticipated made their deposits. While some students will continue to make their deposits over the coming months, the data suggests there will be a smaller FYP entering class than in 2022/23. This is mainly because of the decline from Ontario that all Maritime universities are experiencing. For King’s, the increase in the number of new undeclared students, the new Master of Fine Arts (MFA) in Fiction stream and continued strong upper year retention numbers (as measured by current registrations) will help to stabilize overall enrolment.

Total fall undergraduate and graduate headcount combined (part-time and full-time) is anticipated to increase by 2.6% relative to 2022/23 actual enrolment. While overall headcount is expected to increase by 25, the increase is due to an increase in graduate enrolment of 28. Total fall undergraduate student enrolment headcount (part-time and full-time) is projected to be largely on par with 2022/23 actual enrolment with three fewer part-time students.

The upper year retention rate is strong at 81.5%. This is the total number of undergraduate registrations to date (i.e., the percentage of all undergraduate students who are eligible to return in the fall who have already registered). This number includes all students in all years in all undergraduate programs.

Regarding graduate enrolment, the Master of Fine Arts (MFA) program now has two streams – a creative non-fiction stream and a new fiction stream which is welcoming its first students in 2023/24. Total enrolment for 2023/24 in both streams is expected to be 91 (up 34% from 68 in the prior year) with 23 registered in the fiction stream. 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 immediately prior to the restructure was only four. Enrolment reached 17 in 2022/23 and is anticipated to be 22 in 2023/24.

#### Enrolment (fall headcount as of October 15):

		Approved Budget 2022/23	Actual 2022/23	Budget 2023/24
<b>Fall</b>	Undergraduate	905	884	881
	Graduate	92	85	113
	<b>Total</b>	<b>997</b>	<b>969</b>	<b>994</b>
<b>Winter</b>	Undergraduate	868	840	846
	Graduate	92	85	108
	<b>Total</b>	<b>960</b>	<b>925</b>	<b>954</b>
<b>FYP included above:</b>				
	Fall	240	219	200
	Winter	231	211	193

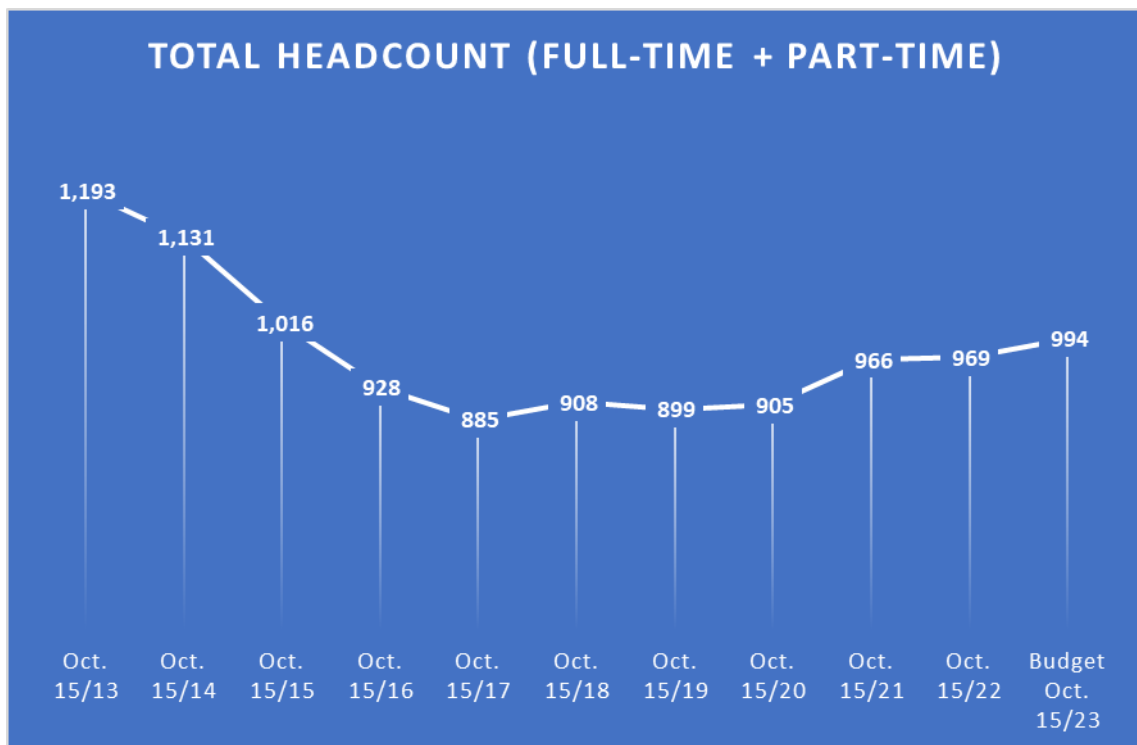
#### Enrolment Trends

Enrolment and residence occupancy are the primary drivers of operating revenue generating 52% of total university operating revenues (excluding the size of the annual provincial operating grant which is also impacted by enrolment). As of October 15, 2022, total headcount (full-time and part-time, undergraduate, and graduate) at King's was 969, an increase of 0.3% over the

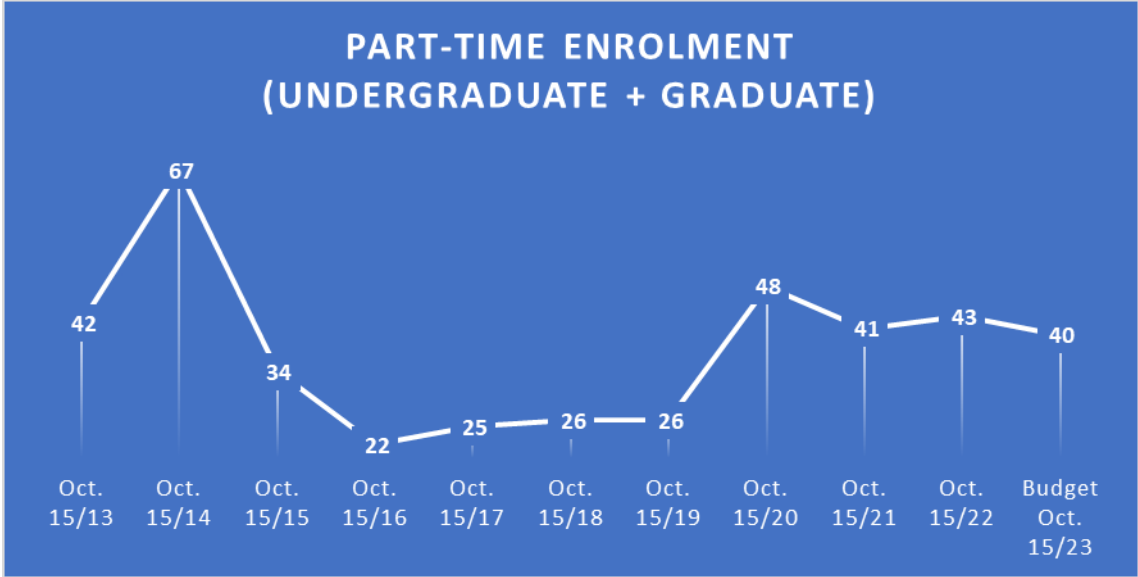


previous year. Enrolment has not been this high since before 2016. Fortunately, the impact of the pandemic on overall enrolment was not as drastic as anticipated in the 2020/21 budget. There was a dip in FYP enrolment as will be shown in a graph that follows; however, the gains made in upper year retention rates (now at 81.5% for all students in all programs in all years) have reduced the impact of the pandemic on overall enrolment.

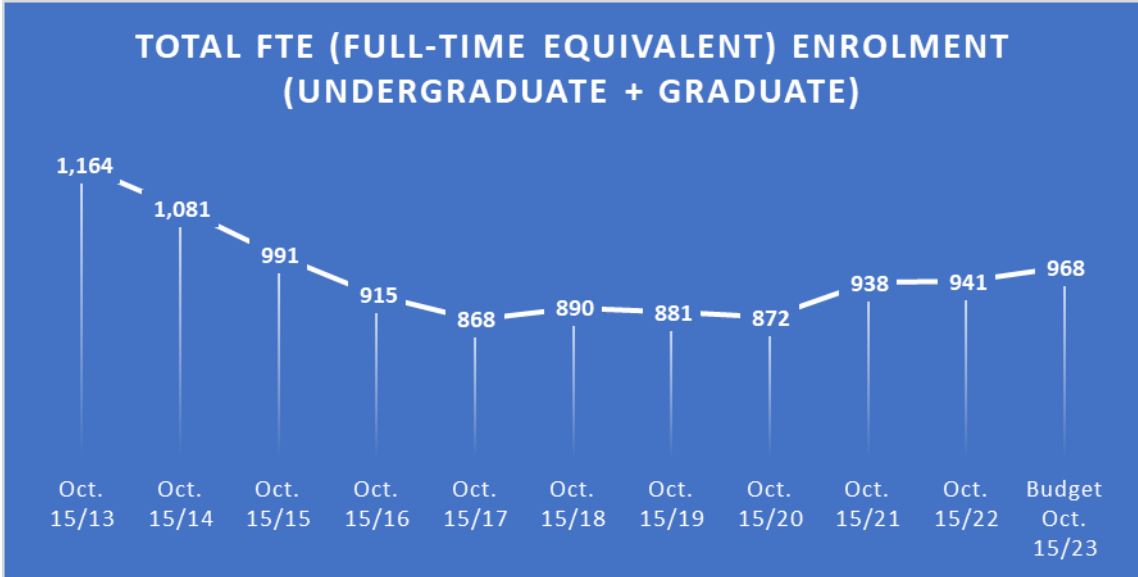
The total headcount anticipated in the 2023/24 budget is 994 (as of October 15) which is higher than in the previous seven years and is 25 or 2.6% higher than 2022/23. This increase is attributable to the increase in graduate enrolment (28 students). The budget utilizes enrolment as of October 15 for financial reasons since this is after the add/drop date deadline for fall.



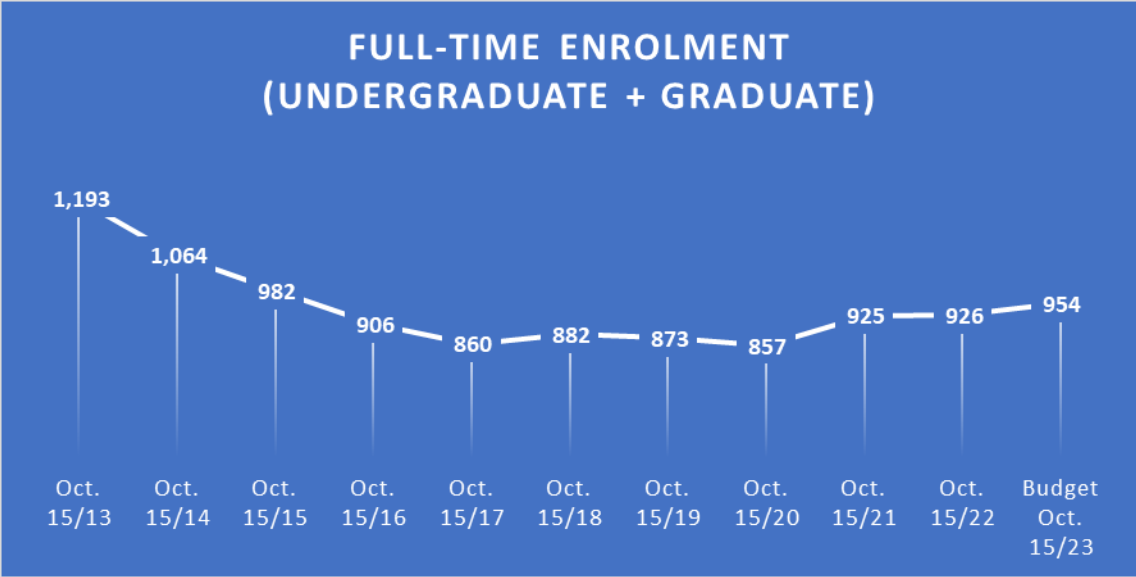
What is not evident from the graph above is that although total headcount since October 15, 2019 has been increasing, so too has the number of part-time students. The number of part-time students on October 15, 2020 was 85% higher than it was on October 15, 2019, meaning that a larger number of students took a smaller course load during the pandemic. While not quite as high as on October 15, 2020, part-time enrolment continues to be at or around 40 students which is 54% higher than pre-pandemic years indicating that course loads since the pandemic continue to be smaller. The 2023/24 budget assumes 4.0% of total headcount are part-timers. Refer to the graph below for the actual number of part-time students compared with the 2023/24 budget.



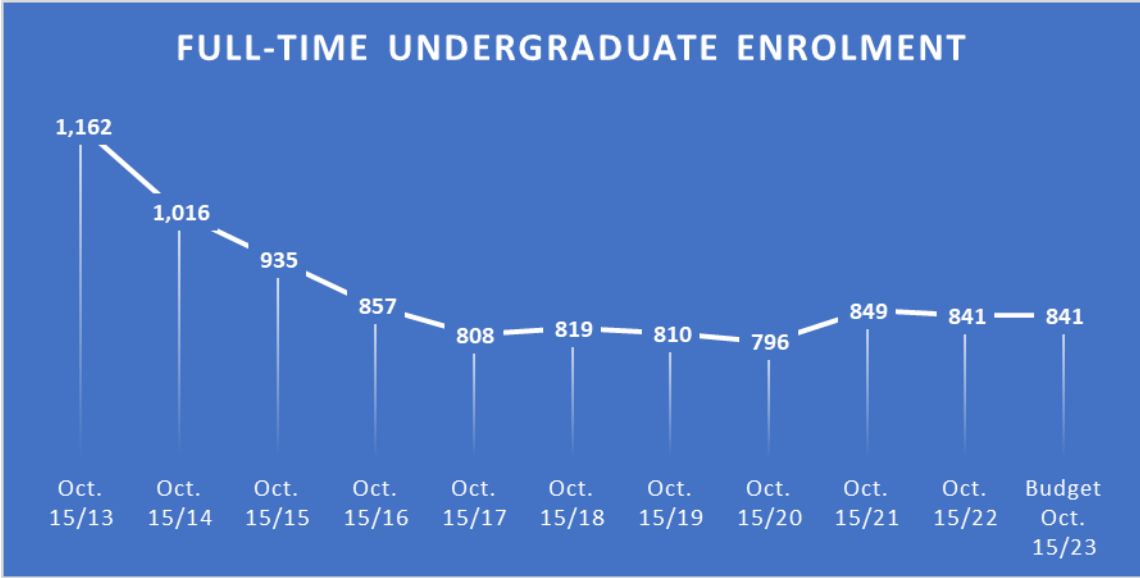
The following graph presents a better depiction of this by converting the number of part-time students into full-time equivalent (FTE) students. As shown in the graph, the number of FTEs at King’s has been relatively stable from 2017/18 through 2020/21 with a bump in 2021/22 which was maintained in 2022/23. The number of FTEs anticipated in the 2023/24 budget is 968, an increase of 27 or 2.9% over the previous year. Again, this is largely attributable to the increase in graduate enrolment along with strong upper year retention rates.



The graph on the following page shows total full-time enrolment for both undergraduate and graduate programs. Enrolment was 926 on October 15, 2022 which was essentially the same as the previous year and the highest it has been since October 15, 2015. The number of full-time students for all programs anticipated in the 2023/24 budget is 954, an increase of 28 or 3.0% over the previous year which, again, is impacted by higher graduate enrolment.

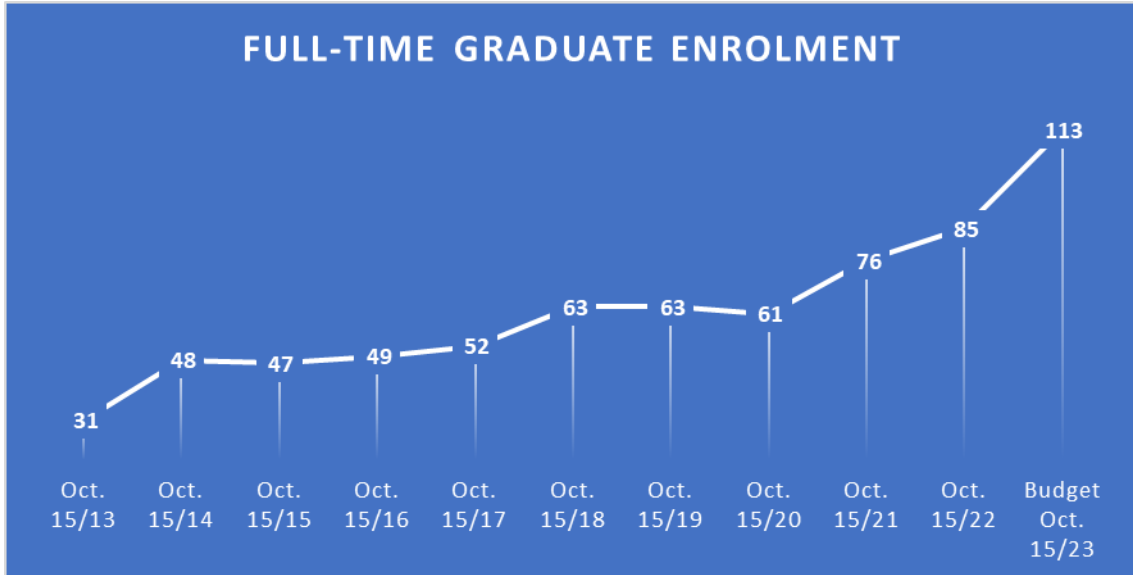


Breaking out full-time undergraduate enrolment in the graph that follows, undergraduate enrolment was 841 on October 15, 2022, a slight decrease of 0.9% from the previous year. The number of full-time undergraduate students anticipated in the 2023/24 budget is the same as 2022/23 at 841 students. This is largely due to increased upper year retention rates particularly in arts, offset by fewer FYP students.

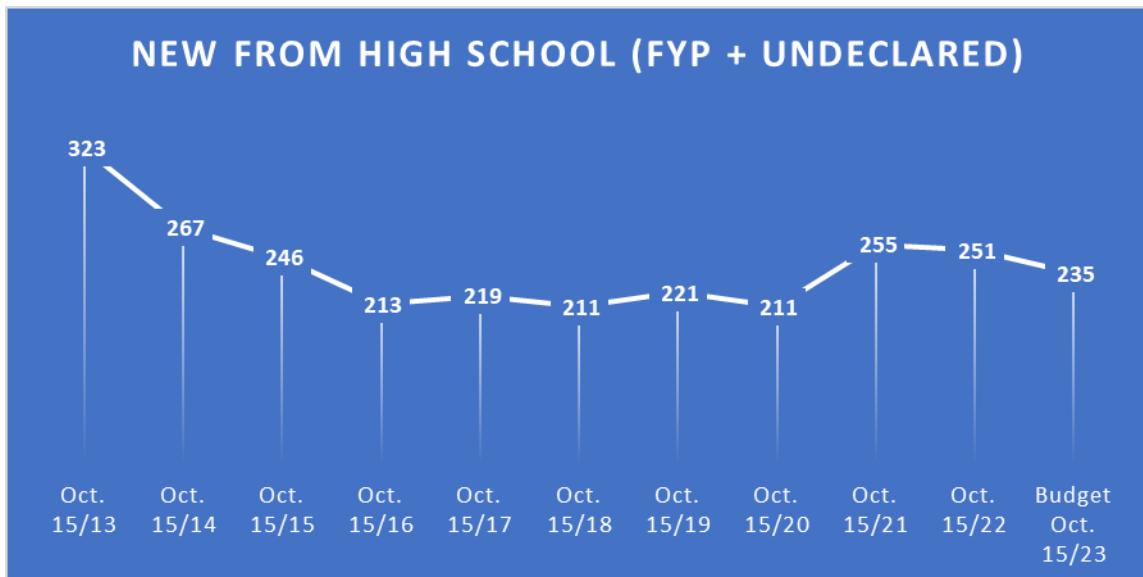


Graduate enrolment continues to be a good news story with steadily increasing enrolment in most years shown in the graph below. King’s welcomes its first class into the MFA in fiction stream in 2023/24 with 23 students registered (compared with 15 anticipated in the program proposal). Also contributing to the increase are five additional MJ students. The MFA program has seen significant growth since its inception in 2013/14 (which reflects only the first year of the two-year program) with the creative non-fiction stream. Enrolment reached 68 students in 2022/23 and is expected to be 91 in 2023/24. The MJ program underwent an external review in

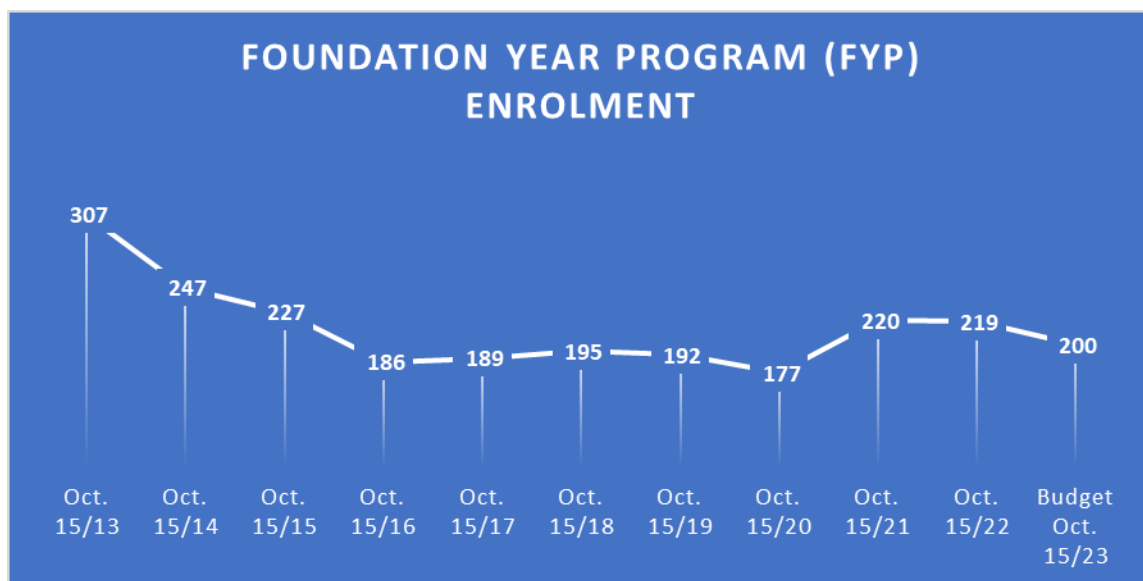
2016/17 and was restructured with program changes taking effect in 2020/21. Enrolment immediately prior to the restructure was only four. Enrolment reached 17 in 2022/23 and is expected to be 22 in 2023/24. Visa issues impacting international students negatively affected MJ enrolment in 2022/23.



When considering first year enrolment, it is important to consider undeclared students in addition to FYP students. First year enrolment on October 15, 2022 was 251, a decrease of 1.6% from the previous year which was the highest it had been since October 15, 2014. Undeclared enrolment has been above 30 in the last four years with enrolment as low as 16 on October 15, 2018. While many undeclared students take most of their classes at Dalhousie, they contribute to enrolment in King’s upper year programs in addition to often living in residence and participating on King’s varsity sports teams. The 2023/24 budget anticipates 235 new from high school students (FYP of 200 plus undeclared of 35), a decrease of 6.4% from the previous year.



In 2022/23, King’s maintained its FYP enrolment at the previous year level which was 24% higher than it was in 2020/21; however, the year 2020/21 was anomalous due to the pandemic. The impact of the 2020/21 lower FYP class will continue to be felt in the next budget year 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. Based on deposits received to date, the 2023/24 budget anticipates a FYP class of only 200, a decrease of 8.7% from the previous year.



**Residence Planning for 2023/24:**

Lack of affordable housing in the HRM contributed to full residences in 2022/23. Additional temporary beds were created by converting three large single rooms into three double rooms and converting a common space into a bedroom. For 2023/24, residence applications as of May 15 have increased by 22% (382) since last year (314), building on the 20% increase experienced this time last year. Residence applications have increased 46% since 2021 (261). Returning students (55% increase) and non-King’s students (350% increase) are the main contributors to this increase. Applications from first-year students are down 18% from this time last year, reflecting fewer out-of-province students applying to King’s as outlined in the enrolment update.

It is expected that residences will once again reach full occupancy of the beds available in 2023/24, with three beds reserved to accommodate junior dons. Additional bed spaces will exist once again by converting large single rooms into doubles. Temporary bedrooms can also be created in Alexandra Hall common rooms, if needed. The budget contemplates eight temporary beds with occupancy anticipated at 267 compared with 263 last year. Full occupancy (excluding temporary beds) is 259. One bedroom was lost because of the Alexandra Hall accessibility renovation in 2022/23.

185 beds are reserved for first-year applicants to support enrolment efforts by ensuring beds are available for incoming students. As of May 15, there are 168 first-year applications. The Residence Team continues to work closely with the Registrar's Office and Senior Administrative Team on this strategy. There are currently eight returning King's students and 58 non-King's students waitlisted.

There is no "guaranteed" date to apply to residence. All first-year applicants who apply by May 15 will be accommodated. First-year applicants who apply after this date will also likely be accommodated, depending on demand over the summer.

### **Investments in King's Future:**

In recent years, King's has made encouraging progress on a broad range of priorities and issues that are essential to King's longer-term future. They include: faculty renewal, the creation of five new faculty positions for diversity hiring; enhancing human resources through the creation of a human resources manager; addressing sexualized violence; appointing full-time sexual health and safety, equity, accessibility, and student advising officers; advancing equity, diversity, accessibility and inclusion; enriching academic offerings; improving bursaries and scholarships; increasing student employment opportunities 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 in recent years; and securing the university's financial stability.

This significant progress was achieved despite the disruption created by the pandemic. Current operating revenues cannot be expected to continue to cover the active implementation of these initiatives, which are focused on long term growth and improvement, when current operating revenues are more heavily driven by historical trends. Expected and planned for revenue increases are moving at a slower pace than hoped and new expense pressures must be incorporated into the financial plan for the next three to five years. This is particularly true at a time of significant inflationary pressure and fixed operating grant levels. Progress to date on these important strategic initiatives needs to be preserved and continue. The financial plan must adapt in response to the current operating environment for this to happen. This work will be the focus over the summer and fall in advance of detailed budget development for 2024/25.

### **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. Investments from these funds have assisted the university in stabilizing first-year enrolment and in significantly improving upper year retention rates.

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, \$598,000 has been spent and \$202,000 remains.
- Up to \$250,000 in additional spending on student employment. To date, \$154,000 has been spent and \$96,000 remains.
- 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, \$212,000 has been spent and \$88,000 remains.
- 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, \$140,000 has been spent and \$360,000 remains.

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 (library operations including maintenance and repair; bursaries and scholarships; programs; and faculty support). The value of all three internally restricted funds on March 31, 2023, was as follows:

	<b>Book Value</b>	<b>Market Value</b>
General Fund	\$ 4,543,000	\$ 4,774,000
Bicentennial Fund	1,912,000	2,008,000
Reserve Fund	<u>1,483,000</u>	<u>1,558,000</u>
<b>Total</b>	<b><u>\$ 7,938,000</u></b>	<b><u>\$ 8,340,000</u></b>

These funds are invested along with the endowed funds and generate returns and garner investment management fees. In addition to the internally restricted funds, there is approximately \$33.0 million held as endowed funds with a market value of \$35.3 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 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 retiring; 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 Investment/Expenditure in 2023/24 & for planning consideration in 2024/25 - 2026/27:**

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.

Under this approach, increased spending has been included in the operating budgets since 2019/20. The increased funding that has been approved by the Board of Governors includes: funding for sexualized violence awareness, prevention and response; funding for increased expenditure on equity and diversity initiatives; funding for an assistant to the Vice-President, HYP, and other initiatives; funding for new faculty positions including five diversity positions

(and the establishment of King’s first enhanced voluntary retirement program (EVRP) in 2017 and its second in 2020, with the explicit purpose of creating faculty renewal opportunities).

To date, two of the faculty diversity positions have been hired (one in FYP and one in Journalism), with two more starting on July 1, 2023 (one in CSP/FYP (shared position) and one in Journalism), and the fifth starting on July 1, 2024 (in HOST/FYP (shared position)). In terms of EVRP retirements, three faculty members participated in the first EVRP and four have participated in the second EVRP to date, with one additional scheduled to participate on July 1, 2023, and one other on July 1, 2024. Eligible faculty members may elect to participate in the EVRP by July 1, 2025 (five-year program from July 1, 2021 to July 1, 2025).

As a result of interest expressed in the EVRP by Journalism faculty members (four to date), Journalism hired a tenure track faculty member on January 1, 2023, in addition to the second faculty diversity position starting on July 1, 2023 (two of the five). The projection for 2024/25 includes an additional Journalism faculty hire due to retirements.

As these positions and initiatives are staffed and implemented, the financial plan must be aligned to support the pace of implementation and the planning for future years must consider how to match the new investments and funding to revenues available.

#### **Proposals Made Before BAC for 2023/24**

As noted under “General Comments” at the beginning of the expenses section that follows, in November 2022, Department Heads and Program Directors were informed that we are working towards a status quo budget for 2023/24 (i.e., the same operating expense budget as 2022/23 excluding permanent salaries) given that all enrolment scenarios for 2023/24 at that time were producing deficits including for the following three years of projections.

Given the anticipated financial situation, departments and programs were advised that they could propose increases but should do so knowing there may be little latitude for approval of these proposals.

The BAC received three requests for additional spending from programs and departments totalling **\$114,000** in 2023/24. All requests have been incorporated into the budget. Refer to the individual program and department expense budgets in Appendix A for additional details. All proposed new spending is reflected in Schedule 2.

- The **Contemporary Studies Program (CSP)** requested a 50% Limited Term Appointment (LTA) to preserve the integrity of their 3000 core courses and CSP due to the retirement of a core instructor on June 30, 2023. The budget impact of this request for 2023/24 is estimated to be **\$48,000** (July 1, 2023 – March 31, 2024). The full year cost is estimated to be \$64,000. Note: this request was shifted from the CSP program to the HOST program because of the outcomes of other recent hiring in the academic programs including the CSP/FYP diversity position and the three-year LTA position in CSP to cover the Vice-President. This cost is more than offset by salary savings from the retirement of this faculty member which means there is no net incremental cost.

- **Advancement** requested **\$33,000** for costs related to the annual fund (\$7,000), campaign travel (\$14,000), events (\$6,000), and cultivation and stewardship (\$2,000).
- **Chapel Music** requested **\$33,000** as an overall budget increase including \$10,000 for two appraisals of the pipe organ (one-time cost).

#### **Other Additional Spending in 2023/24**

Schedule 2 includes other spending that has been incorporated into the 2023/24 budget. Refer to the individual program and department expense budgets in Appendix A for more details.

- **Tuition waivers for students formerly in care** – the 2022/23 budget included \$40,000 in tuition waivers for students formerly in the foster care system. This program began in 2021/22 with a \$20,000 budget. The budget includes \$10,000 each for two students in each year of a four-year undergraduate program. In 2022/23, only two students received the tuition waiver – one in their first year and one in their second year. The budget for 2023/24 remains the same as 2022/23 at **\$40,000** – this will provide funding for two new students along with the existing two students. The projections reflect an increase to \$80,000 by 2026/27 when we can anticipate having eight students (two students in all four years). These figures are contingent upon two students enrolling at King’s in each of the next four years which is difficult to predict.
- **Funding for Indigenous students** – the 2022/23 budget included \$30,000 in tuition waivers (or other kinds of funding) for up to three Indigenous students per year enrolled in any of the university’s three Journalism degrees. The program does not actually begin until fall 2023; therefore, the budget for 2023/24 remains at **\$30,000**. The projections reflect an increase to \$120,000 by 2026/27 when we can anticipate having 12 students (three students in all four years assuming they are all taking a four-year Bachelor of Journalism in Honours degree; however, this funding is also available for students in any of the three Journalism degrees so the actual funding may be less). Again, these figures are contingent upon three students enrolling at King’s in each of the next four years which is difficult to predict.
- **Bursaries** for international students (based on financial need) to assist with the increase in international tuition. The 2022/23 budget of \$90,000 was increased to **\$100,000**. This is explained under “Student Academic Fees” in the Major Assumptions section below as well as under “Scholarships, Awards & Bursaries and Other Student Support” in Appendix A.
- **Insurance** – an additional insurance policy was obtained at a cost of **\$20,000**.
- **President’s Office** – the budget related to the additional Encaenia costs (for the classes of 2020 and 2021) (\$30,000) in 2022/23 were removed and the cost of the 2023 Encaenia was increased (\$11,000) for a net decrease of **\$19,000**.
- **President’s Office** – King’s will be co-hosting the USS (Universities Studying Slavery) conference in October 2023 with Dalhousie. The 2022/23 budget included \$10,000 for pre-

conference costs and the 2023/24 budget includes and additional **\$15,000**. Dalhousie has contributed \$20,000 so far for conference expenditures. The conference organizer is arranging for the submission of grant proposals to assist with financing the conference.

- **Registrar's Office** – the one-time budget request for **\$20,000** included in 2022/23 for the digitization of student records has been removed.
- **Registrar's Office** – the Registrar requested an inflationary increase of **\$8,000** for costs beyond their control regarding recruitment travel (food, shelter, and transportation).
- **Athletics** – **\$7,000** has been added to the Athletics budget due costs beyond their control including the cost of facility rentals, catering for the annual awards banquet, and mandatory physiotherapist costs.
- **Sexual Health and Safety Office** – the **\$20,000** included in the 2022/23 budget to respond to the one-time cost of the recommendations of the Independent Review report has been removed.
- **Journalism** – during the 2022/23 budget cycle, Journalism requested **\$13,000** for The Signal website for brand discovery as a lead-up to a site refresh. The Signal, launched in 2015, is now getting old. It needs a revamp in terms of design, security, and functionality. This would be a two-year project with the first stage being a brand discovery in 2022/23 and the second stage being the coding work in early 2023/24. An estimate for this work is \$13,000 in 2022/23 and, for the follow-up work in 2023/24, an estimate of \$26,000 was provided. Work done during the branding strategy phase will inform decisions around cost for the construction of the new website. Journalism requested that these funds be deferred by one year as there was not time to start this project in 2022/23.
- **MFA Program** – the MFA in fiction stream welcomes its first students in 2023/24 (23 students). Additional non-salary expenditures totalling \$170,000 have been included in the 2023/24 budget with costs increasing to \$401,000 by 2026/27. The MFA program is expected to generate a profit of just over **\$190,000** in 2023/24 growing to a profit of just over \$500,000 by 2026/27. These net profit amounts have been included in Schedule 2 for 2023/24 through 2026/27.
- **Journalism and Upper Year Programs** - individual course appointments (aka persons retained from outside (or PROs)) have increased by **\$59,000** (\$53,000 in Journalism and \$4,000 in the upper year programs) because of the CUPE settlement at Dalhousie which resulted in an 18.4% increase in part-time instructor rates.
- **Foundation Year Program** - **\$6,000** was added for relocation costs of the faculty and senior fellows in the humanities in accordance with the UKCTA collective agreement.
- **General Administration** – **\$30,000** has been added to the general administration budget. This relates to increases in membership fees - \$16,000, university initiatives - \$10,000,

central information technology - \$8,000, and other cost increases - \$2,000, offset by savings in postage costs - \$6,000.

- **Offsite office space rental - \$101,000** has been added related to the relocation of the Advancement Office to off-campus commercial office space. This cost is for eight months (August 1 to March 31). For the full year, the cost is estimated to be \$151,000 which includes annual leasing costs, operating costs, leasehold amortization costs, custodial costs, utilities, and parking.

### **Other New Spending in Future Years**

Schedule 2 includes other spending that has been incorporated into the three future years of projections. They include:

- **Registrar's Office** – there is currently \$88,000 remaining out of the authorized \$300,000 from the internally restricted funds for additional spending on recruitment-related activities of the Registrar's Office and communications and marketing activities tied to recruitment provided by the Advancement Office. These funds are assumed to be extinguished by the end of 2023/24, necessitating an increase in the Registrar's Office marketing budget of **\$35,000** if King's wishes to continue with the current level of spending on marketing in the future. The Registrar's Office marketing budget was permanently increased by \$40,000 last year with a request for an additional \$35,000 once the internally restricted funds are exhausted.
- **President's Office** – the President's term ends on June 30, 2026. Presidential search costs of **\$40,000** have been included in each of 2024/25 and 2025/26.
- **Scholarships, awards, and bursaries** – there is currently \$202,000 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 \$52,000 remaining for 2024/25, requiring an additional **\$100,000** to be added to the operating budget in 2024/25 if King's wishes to continue awarding scholarships at this level. The impact in 2025/26 and beyond would be the full \$150,000.
- **Journalism** – a tenure track faculty hire is assumed in 2024/25 in response to the four retirements in recent years with only three replaced to July 1, 2023 - **\$114,000**.
- **Advancement Office** – website redesign including accessibility enhancements (assumed in 2025/26) - **\$120,000** (one-time).

It should be stressed that additional spending will not be incorporated into future budget years without careful consideration of the budgetary implications and necessity of doing so. These costs have been incorporated into the projections to gauge the financial impact of doing so under certain budgetary assumptions. It must be noted that the revenue options/strategies which will be developed and are required to balance these are not included in the future estimates.

### **Schedules to the Budget:**

To assist in the analysis of the 2023/24 budget the following schedules are attached:

- **Schedule 1** - compares the 2023/24 budget for operating fund revenue, expenses, and other cash-related items to the 2022/23 operating fund budget and 2022/23 operating fund actual results. It also provides projections for fiscal years 2024/25 through 2026/27.
- **Schedule 2** - provides details of additional spending included in the 2023/24 budget and projections.
- **Schedule 3** - provides a comparison of revenues and expenses by department for 2023/24.

### **Appendices to the Budget:**

- **Appendix A** - provides additional information on the proposed budget details for the academic programs and all administrative departments.
- **Appendix B** - provides details of the approval for funding of the Alexandra Hall accessibility project.

### **Operating Budget Summary:**

Schedule 1 and the table below shows that King's is budgeting for a break-even budget for 2023/24. The proposed budget includes \$300,000 from the Bicentennial fund to offset the scholarships budget and a top-of-the-house expenditure reduction amount of \$195,000 that will be allocated to departments and programs in the first quarter forecast. There is an excess of revenue over expenses of \$669,000 before applying debt repayment, capital funded by operations, and internally restricted funds of \$669,000, which results in a net break-even position. As described later in this document, under "Use of Prior Year Surplus to Reduce Deficit (history)", one of the significant changes in the financial pressures in 2023/24 and future years is that King's no longer has the benefit of carrying forward operating cash surpluses to help finance the budget.

Schedule 1 also shows projections for the following three years. Despite enrolment for these years reflecting headcounts that exceed 1,000 (thanks in large part to the new MFA in fiction program beginning in fiscal year 2023/24) and full residence occupancy, large operating cash deficits are reflected for all three years after debt repayment and capital funded by operations. The enrolment and residence occupancy assumptions for each year are shown at the top of Schedule 1 for ease of reference. Enrolment is as of October 15 (to reflect fall withdrawals) while residence occupancy is as of move-in day. Provincial government funding for 2024/25 and beyond is unknown currently as a new MOU is being negotiated. In the absence of better information, a 1% increase has been assumed.

Schedule 2 shows additional spending included in the budget and projections. Items to note include the hiring of the remaining three Board-approved faculty diversity positions (two on July 1, 2023 and one on July 1, 2024). Given the number of retirements in Journalism, the projections include a retirement hire on July 1, 2024. The offsite commercial office space rental for 2023/24 is for nine months at \$101,000 and is expected to grow to \$165,000 by the fourth year. It includes the amortization of \$230,000 in leasehold improvements over five years. Presidential search costs are projected in each of 2024/25 and 2025/26 for a total of \$80,000. Website redesign costs are included in 2025/26 at a one-time cost of \$120,000. Once the internally restricted funds are extinguished for scholarships and bursaries and marketing, funds have been incorporated into the projections beginning in 2024/25 to allow King’s to continue offering scholarships and bursaries and to continue with marketing expenditures at current levels. On a positive note, the MFA program is expected to generate a profit in 2023/24 of just over \$190,000 growing to just over \$500,000 by 2026/27.

Preparing multi-year projections gives the Board of Governors the opportunity when it is considering the budget for 2023/24 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.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Revenue	\$ 23,772,000	\$ 23,331,000	\$ 24,949,000
Expenses	23,178,000	23,359,000	24,280,000
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 594,000</b>	<b>\$ (28,000)</b>	<b>\$ 669,000</b>
Debt repayment	\$ (691,000)	\$ (690,000)	\$ (668,000)
Capital expenditures funded by operations	(338,000)	(243,000)	(328,000)
Internally restricted operating funds - in budget*	80,000	80,000	27,000
Internally restricted operating funds - not in budget*	-	282,000	-
Use of Bicentennial Fund - Scholarships	-	-	300,000
Use of prior year surplus to reduce deficit	437,000	437,000	-
<b>Cash deficit from financing &amp; investing</b>	<b>\$ (512,000)</b>	<b>\$ (134,000)</b>	<b>\$ (669,000)</b>
<b>Net cash excess (deficit)</b>	<b>\$ 82,000</b>	<b>\$ (162,000)</b>	<b>\$ -</b>

\*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. \$3.281 million is owing on March 31, 2023.
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). \$1.090 million is owing on March 31, 2023.
3. 2016/17 - \$1.9 million loan, 2.63% interest rate (swap), 20-year maturity, to finance the North Pole Bay residence renovation project. \$1.399 million is owing on March 31, 2023.
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 and \$660,000 for water infiltration projects). \$1.676 million is owing on March 31, 2023.
5. 2022/23 - \$4.9 million loan, 3.71% interest rate (swap), 20-year maturity, to finance the Alexandra Hall accessibility project. \$4.816 million is owing on March 31, 2023.\*

King's also has an operating line of credit of \$1.5 million available to use. The balance of the line of credit was nil on March 31, 2023.

\*In December 2021, the Board of Governors approved financing for the Alexandra Hall accessibility project (phase 1). A summary of this approval and the decisions made and work that has been completed pursuant to it can be found in Appendix B.

A summary of the long-term debt position follows:

	<b>Actual 2019/20</b>	<b>Actual 2020/21</b>	<b>Actual 2021/22</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Loans - opening balance	\$ 11,548,000	\$ 10,981,000	\$ 11,291,000	\$ 10,334,000	\$ 12,262,000
Principal payments	(567,000)	(129,000)	(957,000)	(2,972,000)	(668,000)
Additional funds	-	439,000	-	4,900,000	-
<b>Loans outstanding</b>	<b>\$ 10,981,000</b>	<b>\$ 11,291,000</b>	<b>\$ 10,334,000</b>	<b>\$ 12,262,000</b>	<b>\$ 11,594,000</b>

**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:

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Library books	\$ 36,000	\$ 18,000	\$ 36,000
Furniture, computers & equipment capitalized	78,000	70,000	68,000
Athletics equipment	10,000	-	10,000
Facilities alterations & renovations capitalized	214,000	155,000	214,000
<b>Capital expenditures funded by operations</b>	<b>\$ 338,000</b>	<b>\$ 243,000</b>	<b>\$ 328,000</b>

The 2023/24 budget is essentially the same as the 2022/23 budget except for a projector for Alumni Hall which was purchased in 2022/23 (\$10,000) and was removed from the 2023/24 budget.

The actual amount of furniture, computers & equipment capitalized for 2022/23 includes computers, a computer lab replacement in Journalism, audio-visual equipment, facilities-related equipment, kitchen equipment, and residence furniture. While it appears this category was underspent, it is not the case. If an expenditure does not meet the dollar threshold for capitalization, it is expensed in the operating budget and is reflected in the departmental expense budgets included in Appendix A. While the Library did not spend its full library book budget, they have several endowments that provide for the purchase of library books. The underspending on library books was offset by overspending on periodicals. Refer to the “Library” section in Appendix A for more information.

The actual amount of facilities alterations and renovations capitalized for 2022/23 was lower than budget as the bulk of the work performed was for repairs and maintenance that was not capital in nature. This is reflected in the “Facilities Management” section in Appendix A where it appears they exceeded budget on other expenditures. Two large capital projects were undertaken in 2022/23 – one was funded by long-term debt (the Alexandra Hall accessibility project) and one was funded by a capital contribution (Prince Hall upgrades). Since these projects were not funded by operations, they were not included in Capital Expenditures Funded by Operations.

**Use of Internally Restricted Funds:**

All expenditures under the framework for expenditure of internally restricted funds are reflected under the applicable departmental and program expenditure budgets in Appendix A.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
<b>Framework for expenditure of internally restricted funds</b>			
Staff development fund	\$ -	\$ 30,000	\$ -
Support for Humanities for Young People and Public Humanities	-	45,000	-
Student employment fund	-	25,000	-
Scholarships, awards, and bursaries	-	113,000	-
Recruitment and marketing/communications re: recruitment	-	67,000	-
<b>Total framework expenditures from internally restricted funds</b>	<b>\$ -</b>	<b>\$ 280,000</b>	<b>\$ -</b>
<b>Other uses of internally restricted funds approved by the Board</b>			
Mi'kmaw cohort in Journalism	\$ -	\$ 2,000	\$ -
Enhanced voluntary retirement program (EVRP) coverage	80,000	80,000	27,000
Repayment of deficit financing loan		1,866,000	
Use of Bicentennial Fund to offset scholarships budget	-	-	300,000
<b>Total other uses of internally restricted funds</b>	<b>\$ 80,000</b>	<b>\$ 1,948,000</b>	<b>\$ 327,000</b>
<b>Total use of internally restricted operating funds</b>	<b>\$ 80,000</b>	<b>\$ 2,228,000</b>	<b>\$ 327,000</b>

The actual results for 2022/23 include \$2,000 in spending for the Mi'kmaw cohort in Journalism. In June 2022, the King's Board of Governors authorized the use of \$600,000 from the internally restricted funds over five years to establish the Mi'kmaq Journalism Cohort Initiative. The initiative aims to encourage Mi'kmaw students to study journalism in the university's School of Journalism, Writing and Publishing. And to better support all Indigenous students studying at King's. King's will offer a combination of scholarships, financial awards, and tuition waivers to fully cover the cost of tuition for up to three Mi'kmaw students each academic year in the Bachelor of Journalism (Honours) program, or in the one-year Bachelor of Journalism, or Master of Journalism programs. The funding offered to students in the cohort will ensure that neither the students and their families, nor their communities, will be responsible for bearing the financial burden of tuition. Tuition waivers (or other financial support) of \$30,000 has been included under Tuition Waivers in the "Scholarships, Awards & Bursaries and Other Student Support" section in Appendix A.

Efforts to ensure the success of the cohort initiative and the success of all Indigenous students attending King's, will be bolstered by the introduction of additional appropriate supports. These supports, to be funded with the \$600,000 from the internally restricted funds, include:

- An Indigenous Auntie program offered in partnership between King's and Mount Saint Vincent University and available to Indigenous students at both universities;
- Funding an Indigenous Student Advisor who will be available to King's students on a priority basis;
- A dedicated space on King's campus for Indigenous students;
- Strengthening the relationships between King's and the Elder-in-Residence Program and the Indigenous Student Centre at Dalhousie.

- Other supports will be developed through ongoing discussions with Mi'kmaw representatives and organizations, including the Mi'kmaq Native Friendship Centre (MNFC), and through further collaboration with other higher education partners. King's has also established a Mi'kmaw/Indigenous advisory council.

The 2022/23 budget included funding to cover 50% of the cost of replacing two faculty members who signed up for the EVRP (Enhanced Voluntary Retirement Program) (one in HOST and one in Journalism). Faculty members are paid 100% of their salary for a 50% workload in the first year of the program (starting July 1, 2022) and then they retire and can choose to leave the university or sign up for a maximum two-year 50% post-retirement contract. The budget includes 50% of the cost of two limited term appointments (LTAs) beginning July 1, 2022 until March 31, 2023. The funds to cover the LTAs for the period April 1, 2023 to June 30, 2023 are included in the 2023/24 budget. The Board of Governors approved up to \$500,000 from the internally restricted funds to finance the EVRP program. Of this amount, \$319,000 remains unspent as of March 31, 2023.

As discussed in Appendix B, \$1.866 million was withdrawn from the General Fund (of the internally restricted funds) in early August 2022 to repay the deficit financing loan. The funds will be repaid in the future when there are sufficient operating cash surpluses to do so.

The 2023/24 budget includes the application of \$300,000 from the Bicentennial Fund (of the internally restricted funds) to offset the scholarships budget. The operating budget currently finances 43% or \$797,000 of the total scholarships and bursaries budget while 57% or \$1,062,000 is funded by endowments and other non-endowed gifts.

#### **Use of Prior Year Surpluses to Reduce the Deficit (history) – No Longer an Option for 2023/24:**

King's had operating cash surpluses from 2018/19 (the year the provincial operating grant was permanently increased by \$2.2 million) through 2020/21. The surpluses for both 2018/19 and 2019/20 (less \$231,000 which was carried forward to 2020/21 – see below) were King's contribution to finance the Tri-Bay residence renovation project that occurred in the spring/summer of 2020.

The 2020/21 operating budget included the application of \$231,000 from the 2019/20 operating cash surplus to reduce the operating cash deficit projected in 2020/21.

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

- The Province provided King's with a \$1.3 million grant that more than covered the COVID-19 expenditures. The excess would be applied against the COVID-19 expenditures included in the 2021/22 operating budget (\$371,000).

- The remaining portion of the operating cash surplus (less \$30,000 to be explained in the next bullet) would be applied against the debt servicing costs included in the 2021/22 operating budget (\$741,000).

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

The 2022/23 operating budget included the application of the full \$437,000 operating cash surplus from 2021/22 (which was essentially the remaining amount of the 2020/21 surplus not used in 2021/22). This was needed to balance the budget. In the absence of this carryover, there would have been an operating cash deficit of \$355,000 budgeted for 2022/23. King's ended the 2022/23 fiscal year with an operating cash deficit of \$162,000, which would have been a deficit of \$599,000 in the absence of the surplus carryover, leaving nothing to carry forward to assist with balancing the 2023/24 budget.

### **Major Assumptions:**

- **Provincial Operating Grant** - increasing by 1% over the prior year which is the last year of the five-year MOU with the Province of Nova Scotia (2019/20 – 2023/24). For the projections, a 1% increase was incorporated in the absence of better information.
- **Student Academic Fees**
  - The student consultation meeting on proposed changes in tuition and fees for 2023/24 was held on April 10 with the members of the King's Students' Union (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 will increase by 3%. King's and Dalhousie offer joint degrees in arts and science and Dalhousie has approved a tuition increase of 3%.
  - Considering King's financial situation, all other King's program tuition rates will also increase by 3%, including the Master of Fine Arts (MFA) program and all journalism programs (4-year Bachelor of Journalism Honours, one-year Bachelor of Journalism, and Master of Journalism (MJ)). In the prior year, the MFA program tuition increased by 2% (the third year of a 2% increase) and journalism program tuition increased by 1% (the third year of a 1% increase following a freeze). King's continues to have the highest tuition for a four-year undergraduate journalism degree in Canada).
- **International Tuition**  
At its meeting of March 23, the Board of Governors approved the following changes to international student tuition:

- King's will adopt Dalhousie's approved Tuition Guarantee Model for all King's undergraduate students. Tuition for all international undergraduate King's students entering in the fall of 2023 will be \$31,900 per year for the duration of a student's program of study (up to five years). This equates to a 25% increase over the prior year for arts students, a 20% increase for science students, and a 24% increase for journalism students, or an average increase of 5% to 6.25% for arts students, 4% to 5% for science students, and 4.8% to 6% for journalism students depending if they get their degree in four or five years. To keep the tuition rate fixed for up to five years, the increase must be front-end loaded.
  - International students who entered King's prior to fall 2023 as well as all international graduate students (regardless of year of admission) will pay an international differential fee that is 10% higher than in the prior year as well as a 3% general tuition increase on regular tuition.
- **Student Ancillary Fees**
    - A list of all ancillary fees charged to King's students is provided in the revenue section that follows.
    - According to 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 past six years (2017/18 through 2022/23) all ancillary fees have been kept flat (with the exception of the MFA mentor fee), in an effort to reduce the gap (which will be \$373 for 2023/24) in fees charged by King's to King's students in comparison to the fees charged by Dalhousie to Dalhousie students. When considering the overall fees excluding the student union fee, the gap has been reduced by \$57 when comparing 2016/17 fees to 2022/23 fees; however, when the student union fee is included, the gap has grown by \$34.
    - Considering King's financial situation and the fact that the cost of providing the services that these fees support has increased over the past six years, the BAC recommended that all fees be increased by 3% (except the MFA mentor fee which is discussed below).
    - The athletics fee that King's students pay is a joint fee whereby a portion is kept by King's and a portion is remitted to Dalhousie for King's students' use of the Dalplex. King's students pay 2/3 of the Dalplex fee. For several years, King's has been in discussions with Dalhousie regarding a new financial transfer MOU. Part of those discussions involve a reduction in the Dalplex fee that King's students pay from 2/3 to 50%. It has been decided that King's will reduce this fee for 2023/24 even though a new MOU has not yet been signed. While this reduction was to be applied to Dalhousie's portion of the athletics fee, King's will instead apply it to its own portion of the fee until such time as there is a signed MOU. At that time, the reduction will be transferred to Dalhousie's portion of the fee and King's fee will be restored. The impact to students is a reduction in the athletic fee of \$22 for 2023/24 or 4.6% (King's portion is reduced by 11.4% while Dalhousie's portion is increased by 3%).
    - The MFA mentor fee is a form of compensation for the mentors of the MFA program. The fee has been indexed annually to correspond with the annual increase in Canada's consumer price index (CPI) (since mentors reside across Canada). The fee was increased

by 5% for 2022/23 in anticipation of what the CPI increase would be for July 1, 2022. Given the inflationary environment in 2022, the CPI increase on July 1, 2022 was actually 7.6%. The cumulative CPI from program inception (2013/14) to July 1, 2022 was 22.3% and the mentor fee increases over that same time period equated to 18.0%. To catch up to cumulative CPI on July 1, 2022, a 4.3% increase needs be put in place. In addition, an estimate for July 1, 2023 should be added. Economics analysts predict inflation to average somewhere between 2% and 3% for 2023. The BAC agreed that 2.7% is a good estimate which would bring the total MFA mentor fee increase to 7% for 2023/24. This fee flows directly from the students to the mentors and has no financial benefit to King's.

- King's students pay Dalhousie's health service fee (i.e., wellness fee) and facility renewal recreation fee directly to Dalhousie. Dalhousie has increased the health service fee by 3% and is keeping the facility renewal recreation fee flat once again. King's students also pay a joint athletics fee (described above) and joint facility renewal fee where a portion is kept by King's and a portion goes to Dalhousie. Dalhousie has increased both fees by 3% for 2023/24.
- Dalhousie has introduced a new fee for 2023/24 that will also be charged to King's students. It is called the Dalhousie Medical Campus Response Team (DMCRT) fee. The cost is \$2.50 per term. The DMCRT is a team of students who are trained with first-responder level qualifications in medical and mental health first aid and crisis response. DMCRT has grown to play an expanded role in Dalhousie's response to mental health and medical crises in residence, and at significant campus events. This continued growth is limited by DMCRT's current existence as a Dalhousie Student Union (DSU) society, and its student leadership has initiated a request to evolve the service into a semi-autonomous, university-affiliated, student-led service, which will enable ongoing expansion over the next 5 years to offer 24/7 first response on campus, bringing Dalhousie up to the standard of other U15 response teams and offering an important, sometimes lifesaving, service to their full campus community (which includes King's students).
- **Student Residence Fees**
  - Last year, the Board of Governors approved a 3% increase in residence room fees each year for four years (2022/23 up to and including 2025/26) to support the initial and ongoing costs of the residence restructure (refer to Appendix A). The increase excludes Cochran Bay until renovations can be made to improve the condition of the residence. The Flooring is being replaced in the summer of 2023. Prior to 2022/23, residence room fees were held flat for five consecutive years (2016/17 up to and including 2021/22). In approving a four-year 3% increase in residence room fees, the significant increase in costs over the past five years was also acknowledged including in utilities, maintenance, externally contracted services, and compensation.
  - A per day residence rate of \$25 is in place for those students wishing to reside on campus when residences are typically closed (i.e., early arrivals to campus for fall semester, students wishing to remain on campus over holiday breaks, etc.).

- **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 7.6% (4.8% for 2022/23).
- Daily meal plan fees will also be impacted by a \$1.65/hour increase in the Nova Scotia minimum wage rate from October 1, 2022 to October 1, 2023 which will result in an additional increase of 0.99% (0.24% for 2022/23).
- The sum of these two items will result in an increase in the daily meal plan fees of 8.59% (5.04% in the prior year) for 2023/24.
- The number of residence board days also affects meal plan prices. The number of residence board days for 2023/24 will remain the same as in 2022/23 at 218 days; therefore, the overall increase in meal plan fees for 2023/24 will be the same as the daily meal plan increase of 8.59% (3.61% for 2022/23 due to a three-day reduction in residence board days from 2021/22).

**REVENUE**

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Provincial operating grant	\$ 8,521,000	\$ 8,521,000	\$ 8,606,000
Student academic fees	9,174,000	8,650,000	9,622,000
Student ancillary fees	1,022,000	979,000	1,189,000
Student residence fees	1,925,000	1,983,000	2,073,000
Investment income	2,019,000	1,919,000	1,937,000
Sale of goods and services	176,000	278,000	280,000
Conference services	150,000	298,000	541,000
Gifts	700,000	628,000	650,000
Other grants	85,000	75,000	51,000
<b>Total revenue</b>	<b>\$ 23,772,000</b>	<b>\$ 23,331,000</b>	<b>\$ 24,949,000</b>

**Provincial Operating Grant:**

An increase of \$85,000 over the 2022/23 budget and 2022/23 actual. This relates to the 1% annual increase as per the Memorandum of Understanding (MOU) with the provincial government which expires on March 31, 2024. A new MOU is being negotiated. For projection purposes, an increase of 1% per year has been assumed, for lack of better information.

**Student Academic Fees:**

Tuition – an increase of \$448,000 compared to the 2022/23 budget and \$972,000 compared to 2022/23 actuals. The budget versus budget variance is not meaningful for reasons described

earlier. The budget to actual variance can be explained by the full-time equivalent (FTE) enrolment differences shown in the table below (as of October 15) combined with a 3% tuition fee increase in all programs - arts and science, MFA program, and all journalism programs. In 2022/23, arts and science tuition fees increased by 3%, MFA by 2%, and all journalism programs by 1%. The increase in international tuition can be explained by increases in international tuition as described under “Major Assumptions” earlier in this document as well as two additional students. The budget assumes 10 of the 48 international students (i.e., first year students) will be subject to the new tuition guarantee model.

After a three-year hiatus, the study abroad course in Berlin, Germany has gone ahead for 2023/24 generating \$121,000 in arts and science tuition revenue (25 students).

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
FYP (Foundation Year Program)	240	219	200
BA (Bachelor of Arts)/BM (Bachelor of Music)	443	450	468
BSC (Bachelor of Science)	117	115	113
BJH (Bachelor of Journalism Honours)	63	62	64
BJ (Bachelor of Journalism 1-year)	15	10	10
MJ (Master of Journalism)	20	17	22
MFA (Master of Fine Arts)	72	68	91
<b>Total FTEs</b>	<b>970</b>	<b>941</b>	<b>968</b>
International FTE included above	52	46	48

Tuition dollars by program are shown in the table below:

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Arts & Science	\$ 6,448,000	\$ 6,297,000	\$ 6,433,000
Journalism (4-year and 1-year BJ)	1,096,000	953,000	1,282,000
Master of Journalism (MJ)	133,000	116,000	154,000
Master of Fine Arts (MFA)	639,000	604,000	819,000
International differential fees	858,000	680,000	934,000
<b>Total student academic fees</b>	<b>\$ 9,174,000</b>	<b>\$ 8,650,000</b>	<b>\$ 9,622,000</b>



Journalism tuition also includes tuition from Dalhousie students (while enrolment above only includes King’s registered students). There is an increase in the number of full course equivalent courses taken by Dalhousie students in Journalism. This is reflected in the increased Journalism revenue in the table above. Also, three credits of teaching will be permanently shifted from Dalhousie to King’s for the mandatory Indigenous People and Media Course in Journalism which has also increased Journalism revenue.

**Student Ancillary Fees:**

Ancillary fees – an increase of \$167,000 compared to the 2022/23 budget and \$210,000 compared to 2022/23 actuals. Again, a budget versus budget comparison is not meaningful in this case.

The table that follows breaks out the 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 the 3% increase in fees (7% for the MFA mentor fee), except the athletic fee which was reduced by 4.6% as described under “Major Assumptions” earlier in the document, and an increase in enrolment (refer to the FTE enrolment table under “Student Academic Fees” above).

The MFA mentor fee is also impacted by higher enrolment – 91 versus 68 in the prior year. Similarly, the FYP fee is impacted by lower enrolment – 200 versus 219 in the prior year.

The study abroad course in Berlin is generating \$100,000 in ancillary fees revenue for 2023/24.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
<b><u>Fees applied to all students</u></b>			
Facility renewal fee	\$ 259,000	\$ 250,000	\$ 264,000
Athletic fee	245,000	239,000	228,000
College fee	68,000	65,000	69,000
Administration fee	32,000	31,000	33,000
<b><u>Program specific fees</u></b>			
MFA mentor fee	259,000	245,000	344,000
FYP fee	72,000	64,000	61,000
Study abroad fees (admin & travel)	-	-	100,000
<b><u>Other fees (application fees, forfeits, etc.)</u></b>			
Other administrative fees	87,000	85,000	90,000
<b>Total student ancillary fees</b>	<b>\$ 1,022,000</b>	<b>\$ 979,000</b>	<b>\$ 1,189,000</b>

**Student Residence Fees:**

Residence revenue – an increase of \$148,000 from the 2022/23 budget and an increase of \$90,000 compared to 2022/23 actuals.

For 2023/24, King’s once again has a waitlist for residence and is expecting full occupancy. The Residence Team has again put their creative skills to good use and have created an additional eight beds (compared with three in the prior year) by transforming larger single rooms into double rooms). The number of beds expected to be occupied on move-in day is 267. Note that the total number of beds available is 262 for 2023/24 rather than 263 as shown for 2022/23 as one bed was lost because of the Alexandra Hall accessibility renovation. This should have also been reflected in the 2022/23 budget but was not. The number of withdrawals included in the 2023/24 budget is six for fall and six for winter bringing the number of students in residence to 255 at the end of the year. Full occupancy has been assumed for all three years of the projections.

As noted under “Major Assumptions”, residence room fees are increasing by 3% in 2022/23 except for Cochran Bay.

Also noted above under “Major assumptions”, meal plan fees for 2023/24 are increasing by 8.59% 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 260 in both semesters, meal plan commission at 14% has been included in the budget. Meal plan commission earned in 2022/23 was 14% for both semesters.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Total beds (excluding Deans, Dons)*	263	263	262
Beds converted to junior jon suites	(3)	(3)	(3)
Temporary beds created	-	3	8
Beds occupied on move-in day	260	263	267
Withdrawals (full fall, half winter)	(11.0)	(8.0)	(9.0)
<b>Total beds occupied (financial)</b>	<b>249.0</b>	<b>255.0</b>	<b>258.0</b>
<b>Total beds occupied end of academic year</b>	<b>244.0</b>	<b>254.0</b>	<b>255.0</b>
Occupancy rate as a % of available beds (excl withdrawals)	100.0%	101.2%	103.1%
Occupancy rate as a % of available beds (incl withdrawals)	95.8%	98.1%	99.6%

\*Note that one bed was lost because of the Alexandra Hall accessibility renovation.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Room fees	\$ 1,786,000	\$ 1,829,000	\$ 1,896,000
Meal plan commission	139,000	154,000	177,000
<b>Total Student residence fees</b>	<b>\$ 1,925,000</b>	<b>\$ 1,983,000</b>	<b>\$ 2,073,000</b>

Number of meal plans (fall/winter):

Residence students	254/244	260/256	264/260
Dons	12/12	12/12	12/12
<b>Total</b>	<b>266/256</b>	<b>272/268</b>	<b>276/272</b>

Meal plan commission rate (fall/winter)	14%/11%	14%/14%	14%/14%
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### **Other Revenue Assumptions:**

#### **Investment Income:**

The 2023/24 investment income budget is \$82,000 lower than the 2022/23 budget but higher than 2022/23 actuals by \$18,000.

The endowment draw for each year is calculated as 4.75% (including a 0.75% administrative charge) on the average market value of the investment portfolio (including endowments and the internally restricted funds) for the previous three fiscal years as of March 31. Market values on March 31, 2020 took a dip because of the pandemic and impacted the draw calculation until fiscal year 2022/23. It has now been removed from the three-year average market value calculation. Market values for all three years in the calculation (March 31, 2021, March 31, 2022, and March 31, 2023) exceeded cost and will have a favourable impact on the draw for 2023/24.

As noted in Appendix B, King's withdrew \$1.866 million from the internally restricted funds to repay the deficit financing loan in August of 2022. The impact of this withdrawal is \$89,000 in lower investment income. This explains why investment income for 2023/24 is lower than the budget for 2022/23, despite the higher market value calculation noted above.

Actual investment income for 2022/23 was lower than budget by \$100,000 largely due to the following:

- The withdrawal from the Sobey endowment was \$11,000 lower because fewer scholarships were awarded due to the withdrawal of a student.
- Lower investment management fees of \$44,000 – investment income is shown gross of fees in the revenue section with the fees being deducted in the expenditure section.

- The adjustment of \$36,000 set up as unrestricted (i.e., for operating purposes) instead of restricted as intended.

### **Sale of Goods and Services:**

The 2023/24 sale of goods and services budget is \$104,000 higher than the 2022/23 budget and \$2,000 higher than 2022/23 actuals. The 2023/24 budget is in line with 2022/23 actuals. The variance between the 2022/23 budget and 2022/23 actuals can largely be explained by the following:

- Interest income – higher by \$43,000 due to the Bursar’s Office closely managing cash flow and using high interest bank accounts and GICs to increase revenue.
- Athletic facilities rental revenue – higher by \$32,000 due to higher usage of facilities than anticipated. Refer to “Athletics” in Appendix A for more information.
- President’s income – higher by \$18,000 due to a donation from Dalhousie for co-hosting the Universities Studying Slavery (USS conference) of \$11,000 (offset by expenses). Refer to the “President’s Office” in Appendix A for more information. The remainder relates to President’s dinner tickets for the three graduations in 2022.
- Golf tournament revenue - \$14,000 (offset by expenses). Refer to “Athletics” in Appendix A for more information.

### **Conference Services:**

Conference Services is described in Appendix A.

### **Gifts:**

The 2023/24 gifts budget is lower than the 2022/23 gifts budget by \$50,000 and higher than 2022/23 actuals by \$22,000.

It was recently determined that the 2022/23 gifts budget was overstated due to the inclusion of two restricted gifts valued at \$75,000 (i.e., for a designated purpose) that should not have been included in the operating budget. If they had not been included in the 2022/23 budget, the gifts budget would have been \$625,000. Actuals would have been just higher than budget at \$628,000 and the 2023/24 budget of \$650,000 would be \$25,000 higher.

While actual results were close to budget (after removing the budget overstatement noted above), a couple of items are worthy of note. The annual giving campaign raised \$63,000 more than budget. The Deane Little athletic scholarships provide \$280,000 per year for five years. The total amount of scholarships recorded (and recognized as gifts) in 2022/23 was \$215,000. The difference of \$65,000 has been deferred to be awarded in a future year.

The 2023/24 budget is higher than the 2022/23 budget by \$25,000 because of a higher budget for the annual giving campaign based on actual results from 2022/23 but on a more conservative level.

**Other Grants:**

The 2023/24 other grants budget is lower than the 2022/23 budget by \$34,000 and lower than 2022/23 actuals by \$24,000.

The difference between budgets relates solely to a lower SSHRC (Social Sciences and Humanities Research Council) indirect cost of research grant.

Actual grants include \$8,000 from the provincial government for a student to work with the Sexual Health and Safety Office (offset by expenses) and \$4,000 from the federal government for a student to work in the Library (offset by expenses). The actual SSHRC indirect cost of research grant received in 2022/23 was \$22,000 lower than budget. This grant is based on the level of SSHRC grant funding the university has.

**EXPENSES**

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Academic (excluding Journalism equipment & faculty computers)	\$ 7,123,000	\$ 7,111,000	\$ 7,657,000
Allotment to Dalhousie	3,990,000	4,034,000	3,970,000
Facilities Management (excluding capital renovations)	1,941,000	2,102,000	1,967,000
Residence & Other Student Services	757,000	764,000	857,000
Scholarships, Awards and Bursaries	1,612,000	1,618,000	1,693,000
Other Student Support	144,000	101,000	166,000
Utilities, Taxes & Insurance	671,000	693,000	772,000
Advancement Office	750,000	739,000	845,000
Athletics	658,000	745,000	709,000
Bursar's Office	507,000	526,000	591,000
Human Resources & Compensation Office	175,000	179,000	208,000
General College Administration and Other	346,000	354,000	382,000
Library (excluding Library books)	498,000	483,000	502,000
President's Office	505,000	569,000	601,000
Vice-President's Office	340,000	333,000	246,000
Equity Office	103,000	90,000	55,000
Accessibility Office	68,000	22,000	103,000
Sexual Health and Safety Office	121,000	103,000	104,000
Registrar's Office	1,288,000	1,372,000	1,375,000
Divinity & Chapel	149,000	155,000	161,000
Chapel Music	109,000	108,000	167,000
King's Chorus	30,000	8,000	46,000
Professional Fees	318,000	294,000	258,000
Interest & Service Charges	416,000	410,000	444,000
Investment Management Fees	240,000	196,000	200,000
Conference Services	169,000	250,000	295,000
Advancement Office - offsite leasing costs (August 1, 2023)	-	-	101,000
Staff salary scale adjustment (estimate)	50,000	-	-
Contingency	100,000	-	-
Expenditure reductions to be allocated in the forecast	-	-	(195,000)
<b>Total expenses</b>	<b>\$ 23,178,000</b>	<b>\$ 23,359,000</b>	<b>\$ 24,280,000</b>
<b>Costs covered by internally restricted funds</b>	<b>(80,000)</b>	<b>(362,000)</b>	<b>(27,000)</b>
<b>Net expenses</b>	<b>\$ 23,098,000</b>	<b>\$ 22,997,000</b>	<b>\$ 24,253,000</b>

Refer to Appendix A at the end of this document for proposed budget details for the academic programs and administrative departments in the order they appear in the above table.

## General Comments:

After two years of keeping operating budgets flat (and significant permanent expenditure reductions in years prior to that), departments and programs were permitted to increase operating budgets by 1% in 2022/23. In November 2022, Department Heads and Program Directors were informed that we are working towards a status quo budget for 2023/24 (i.e., the same operating expense budget as 2022/23 excluding permanent salaries) given that all enrolment scenarios for 2023/24 at that time were producing deficits including for the following three years of projections. It would include funding for three new diversity tenure track faculty positions (two now that one is being deferred to 2024/25) however and retirements under the EVRP (enhanced voluntary retirement program).

Given the anticipated financial situation, departments and programs were advised that they could propose increases, but should do so knowing there may be little latitude for approval of these proposals unless they fall into one of the following exceptions to our anticipation for a status quo budget:

1. If additional targeted spending in strategic areas can reasonably be expected to have a long-term favourable impact on King's financial situation, it will be considered.
2. If cost increases are being requested to accommodate anticipated increases in enrolment. Certain operating expense accounts are driven by enrolment fluctuations such as: part-time course instructors, MFA mentor stipends, MFA residency expenses, teaching assistants (TAs), and FYP handbooks. These accounts should be budgeted based on anticipated enrolment levels and the number of sections being taught of their classes.
3. Student salaries will increase by 5% in each of the next two years in anticipation of a minimum wage increase to \$15/hour by 2024. *[This has since been updated to 10% in 2023/24 and 3% in subsequent years since the NS government moved up the increase in minimum wage to \$15/hour by October 1, 2023.]*
4. Externally contracted services (custodial, security, snow removal, waste removal, elevator inspections) will increase in accordance with contracts or 3.5% in the absence of a contract.
5. If unforeseen circumstances or situations exist that are beyond their control, for example, significant cost increases in required goods or services, etc.

Exceptions 1. or 5. would require a written proposal and presentation before the BAC for consideration.

Department Heads and Program Directors were informed that if significant expenditure reductions become necessary, consultations would be held with them to find reductions. Given we are late in the process to be holding consultations, an amount of \$195,000 in expenditure reductions has been budgeted centrally and will be allocated in the forecast to the departments and programs. This is the amount necessary to balance the budget after applying \$300,000 from the Bicentennial Fund to offset the scholarships budget.

Refer to Schedule 2 for a list of all additional/new spending incorporated into the 2023/24 operating budget and projections. 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 increases were brought before the BAC for approval as some budget additions are not discretionary but necessary.

Several factors are placing pressure on the 2023/24 operating expenditure budget. On the salary front, both the recently negotiated Dalhousie Faculty Association (DFA) and University of King's College Faculty Association (UKCTA) collective agreements resulted in higher salaries than that budgeted for in 2022/23 which will impact 2023/24 and future years as well. The DFA settlement also resulted in a large increase in the faculty overload rate. The CUPE strike at Dalhousie and resulting significant increases in teaching assistant (TA) and part-time instructor rates (which King's follows) is also having an impact. The increase in minimum wage rates to \$15/hour by October 1, 2023, is impacting the student salary budgets (10% increase) as well as the custodial (5.4% for six months and 8.4% for the following six months) and security contracts (7.2%). The job evaluation and compensation review process for staff has also placed added pressure on the salary expenditure budget (described in the following section). The high inflationary environment over the past year has put additional pressure on many departments, particularly Facilities Management which has the largest operating budget of all departments and programs. A contingency of \$100,000 was factored into the 2022/23 budget due to these inflationary pressures but it has not been included in the 2023/24 budget as it would increase the deficit and hence increase the amount of expenditure reductions necessary to be found in the forecast currently at \$195,000.

Expenses in the table at the beginning of the expenses section 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 in Appendix A and are listed in the order they appear in the table on page 38.

The 2023/24 overall expense budget (net of costs funded by the internally restricted funds) is higher than the 2022/23 expense budget by \$1,155,000 (5.0%) and \$1,256,000 (5.5%) higher than the 2022/23 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. It is worthy to note that actual expenditures for 2022/23 were \$101,000 lower (0.4%) than the 2022/23 budget.

### **Salaries and Benefits:**

The 2023/24 salaries and benefits budget of \$12,862,000 is \$784,000 or 6.5% higher than the 2022/23 salaries and benefits budget of \$12,078,000 and \$621,000 or 5.1% higher than the 2022/23 actual salaries and benefits of \$12,241,000.

Compensation is the largest single component of expenses and accounts for 53.0% of total 2023/24 operating expenses. Academic salaries and benefits represent \$6,516,000 or 50.7% of this total while administrative salaries and benefits represent \$6,346,000 or 49.3% of this total.



If the direct cost component of the Dalhousie allotment is included (58% of the total Dalhousie allotment represents direct costs while 42% represents overhead) in the total, this percentage increases to 62.5% of total operating expenses in 2023/24. 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 2023/24 are \$222,000 or 3.5% higher than the 2022/23 budget and \$147,000 or 2.3% higher than 2022/23 actual salaries and benefits. These differences are explained under the "Academic" section in Appendix A.

Administrative salaries and benefits are increasing by \$562,000 or 9.7% over the 2022/23 budget and \$474,000 or 8.1% over 2022/23 actual salaries and benefits. In addition to anticipated annual salary increases for staff, the reasons for this increase are described in the individual department expense sections in Appendix A.

With the assistance of a human resources consultant over a two-year period, King's completed three HR projects pertaining to staff – a job evaluation process, a compensation review including the creation of a compensation philosophy and King's own staff salary scale, and a performance guidance program.

These projects were completed by the end of August 2022. All staff positions (excluding the trades) were evaluated and assigned a point rating based on updated job fact sheets that accurately reflect the responsibilities of each position. There is now consistency across the university as to how positions compare to one another relative to all the factors and criteria that determine salary levels. No position was downgraded because of the job evaluation process. As part of the compensation review, a compensation philosophy was developed, and a King's Managerial and Administrative (KMA) staff salary scale was created. Historically, King's followed Dalhousie salary scales for staff salaries - the NSGEU Local 77 salary scale and the Dalhousie Professional and Managerial Group (DPMG) salary scale. The KMA salary scale is defined by King's compensation philosophy which is as follows:

*The University of King's College is committed to fairness and equity based on its external and internal environment. King's small size enables staff to experience and learn a wider range of responsibilities, while making a notable impact on student success and personal career growth. King's provides a balance between equitable compensation and a collaborative and purposeful culture to attract and retain employees. We aim to remain competitive with the average pay ranges and benefits of similar-sized universities in Nova Scotia and the Maritimes.*

*A further consideration is the total compensation applicable to comparable positions at Dalhousie, recognizing: (a) King's positions typically do not match Dalhousie roles; (b) it must limit the gap between salaries at King's and Dalhousie for*

*comparable positions based on affordability; and (c) it must provide comparable programs of benefits to Dalhousie.*

*The ultimate objectives are compensation clarity, transparency, and accountability; recognizing and compensating staff fairly for their contribution to the College; supporting staff engagement and motivation; and the attraction and retention of suitably qualified persons for all positions.*

The total points calculated for each position under the job evaluation process determined the level the position was placed at on the new salary scale. Salary adjustments were applied retroactively to July 1, 2022. The 2022/23 budget included an allowance of \$50,000 for staff salary adjustments (shown as a separate line item in the expense section of Schedule 1); however, the actual cost of all staff adjustments was \$151,000. The work was in its early stages during budget time and a more accurate figure was not available. The job evaluation process resulted in the upward adjustment of many staff salaries placing additional pressure on the 2022/23 budget and future budgets. The budget overage is reflected in the administrative department expense sections in Appendix A.

### **Student Salaries**

All student salary budgets have been increased by 10% due to increases in the minimum wage rate. The 2022/23 budget included a \$13.60/hour minimum wage rate on October 1, 2022. The 2023/24 minimum wage rate will be \$15.00/hour on October 1, 2023 (a 10% increase). The [Student Employment Policy](#) states that the standardized rate of pay for students new to a position shall be minimum wage plus \$0.50 per hour. This rate will increase by an additional \$0.50 per hour for each successive year a student returns to the same office to acknowledge the increased competencies and qualifications gained from previously working in the office. The projections incorporate a 3% increase each year thereafter.

**Benefits** – increasing by \$77,000 or 10.6%

The following are the changes in employer benefit rates for 2023/24 (effective April 1):

- Basic and dependent life insurance – 3.2% decrease (100% employer paid)
- Health – 12.4% increase (60% employer paid) – due to cost of prescriptions as well as increased eye coverage (recommended by the new Employee Benefits and Wellness Committee)
- Dental – 10.0% increase (60% employer paid)
- Workers Compensation – 12.0% increase (100% employer paid)

Other benefit rates for 2023/24 (effective January 1):

- Employment Insurance (EI) – 4.4% increase
- Canada Pension Plan (CPP) – 5.7% increase

The cost of benefits is impacted by the rate changes noted above as well as the recruitment and resignation of employees. Benefits exceeded budget for 2022/23 due to staff salary adjustments noted above and faculty salary increases noted in Appendix A.

**Pension** – increasing by \$62,000 or 7.8%

Pension costs are driven primarily by the recruitment and resignation of employees and annual increases in salaries.

### **Other Salaries and Benefits Comments**

Except for the nine (soon to be eight) member 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 agreements for both the UKCTA and the DFA expired on June 30, 2022 and were renegotiated during 2022/23.

The 2022/23 salary budget assumed a 2% IMC (income maintenance change or cost-of-living) increase for both the DFA and UKCTA; however, both unions negotiated a 3% increase due to the high inflationary environment. The DFA salary scale also included comparability adjustments of varying amounts for assistant professors, associate professors and full professors for all three years covered by the collective agreement. Librarians also received comparability adjustments. The IMC for both July 1, 2023 and July 1, 2024 was negotiated at 2.5% for both the DFA and UKCTA.

For staff, cost-of-living information was gathered from comparator universities, and it was determined that the average cost-of-living increase awarded to staff for July 1, 2022 was 2% (which is what was assumed in the 2022/23 budget). King's staff received a 2% cost-of-living increase on July 1, 2022, acknowledging that the increase for staff at Dalhousie was 3%. This is consistent with King's compensation philosophy (where the primary reference point is the average of increases at similar-sized universities in Nova Scotia and the Maritimes) and the financial challenges King's will face in the coming year.

**University of King's College**  
**Statement of Operations (Operating Fund)**  
**2023/24 DRAFT Operating Budget and Projections for 2024/25 through 2026/27**

**SCHEDULE 1**

REFER TO NARRATIVE FOR EXPLANATION OF VARIANCES

	Budget	Unaudited Actual	DRAFT Budget	Projection	Projection	Projection	Favorable (Unfavorable)		Favorable (Unfavorable)	
							2024 Budget to 2023 Budget Comparison	2024 Budget to 2023 Forecast Comparison	2024 Budget to 2023 Budget Comparison	2024 Budget to 2023 Forecast Comparison
	March 31, 2023	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026	March 31, 2027	\$	%	\$	%
<b>Statistics</b>										
First-Year Students including FYP (October 15)	275	251	235	241	247	254	-40	-15%	-16	-6%
# of FYP Students (October 15)	240	219	200	206	212	219	-40	-17%	-19	-9%
# of Undeclared Students (1st year) (October 15)	35	32	35	35	35	35	0	0%	3	9%
International Students (October 15)	52	46	48	50	50	50	-4	-8%	2	4%
Graduate Students (October 15)	92	85	113	149	161	165	21	23%	28	33%
Headcount (October 15)	997	969	994	1036	1054	1065	-3	0%	25	3%
Residence Occupancy (move-in day)	260	263	267	267	267	267	7	3%	4	2%
<b>Revenue:</b>										
Government Grant	\$ 8,521,000	\$ 8,521,000	\$ 8,606,000	\$ 8,692,000	\$ 8,779,000	\$ 8,867,000	\$ 85,000	1%	\$ 85,000	1%
Student Academic Fees	9,174,000	8,650,000	9,622,000	10,348,000	10,918,000	11,287,000	448,000	5%	972,000	11%
Student Ancillary Fees	1,022,000	979,000	1,189,000	1,219,000	1,416,000	1,363,000	167,000	16%	210,000	21%
Student Residence Fees	1,925,000	1,983,000	2,073,000	2,129,000	2,188,000	2,249,000	148,000	8%	90,000	5%
Investment Income	2,019,000	1,919,000	1,937,000	1,957,000	1,978,000	1,999,000	(82,000)	-4%	18,000	1%
Sale of Goods and Services	176,000	278,000	280,000	275,000	279,000	283,000	104,000	59%	2,000	1%
Conference Services	150,000	298,000	541,000	348,000	365,000	386,000	391,000	261%	243,000	82%
Gifts (annual fund & scholarship)	700,000	628,000	650,000	391,000	331,000	340,000	(50,000)	-7%	22,000	4%
Other Grants	85,000	75,000	51,000	52,000	53,000	54,000	(34,000)	-40%	(24,000)	-32%
<b>Total Revenue</b>	<b>\$ 23,772,000</b>	<b>\$ 23,331,000</b>	<b>\$ 24,949,000</b>	<b>\$ 25,411,000</b>	<b>\$ 26,307,000</b>	<b>\$ 26,828,000</b>	<b>\$ 1,177,000</b>	<b>5%</b>	<b>\$ 1,618,000</b>	<b>7%</b>
<b>Expenses:</b>										
Academic	\$ 7,123,000	\$ 7,111,000	\$ 7,657,000	\$ 8,210,000	\$ 8,568,000	\$ 8,879,000	\$ (534,000)	-7%	\$ (546,000)	-8%
Allotment to Dalhousie	3,990,000	4,034,000	3,970,000	4,049,000	4,130,000	4,213,000	20,000	1%	64,000	2%
Facilities Management	1,941,000	2,102,000	1,967,000	2,037,000	2,108,000	2,180,000	(26,000)	-1%	135,000	6%
Residence & Other Student Services	757,000	764,000	857,000	887,000	918,000	950,000	(100,000)	-13%	(93,000)	-12%
Scholarships, Awards & Bursaries	1,612,000	1,618,000	1,693,000	1,554,000	1,544,000	1,544,000	(81,000)	-5%	(75,000)	-5%
Other Student Support	144,000	101,000	166,000	216,000	256,000	299,000	(22,000)	-15%	(65,000)	-64%
Utilities, Taxes & Insurance	671,000	693,000	772,000	801,000	832,000	864,000	(101,000)	-15%	(79,000)	-11%
Advancement	750,000	739,000	845,000	870,000	878,000	1,029,000	(95,000)	-13%	(106,000)	-14%
Athletics	658,000	745,000	709,000	714,000	737,000	757,000	(51,000)	-8%	36,000	5%
Bursar's Office	507,000	526,000	591,000	617,000	644,000	671,000	(84,000)	-17%	(65,000)	-12%
Human Resources & Compensation Office	175,000	179,000	208,000	207,000	215,000	224,000	(33,000)	-19%	(29,000)	-16%
General College Administration	346,000	354,000	382,000	390,000	397,000	405,000	(36,000)	-10%	(28,000)	-8%
Library	498,000	483,000	502,000	525,000	565,000	600,000	(4,000)	-1%	(19,000)	-4%
President's Office	505,000	569,000	601,000	645,000	668,000	652,000	(96,000)	-19%	(32,000)	-6%
Vice President's Office	340,000	333,000	246,000	285,000	269,000	308,000	94,000	28%	87,000	26%
Equity Office	103,000	90,000	55,000	110,000	114,000	118,000	48,000	47%	35,000	39%
Accessibility Office	68,000	22,000	103,000	107,000	111,000	116,000	(35,000)	-51%	(81,000)	-368%
Sexual Health & Safety Office	121,000	103,000	104,000	108,000	112,000	117,000	17,000	14%	(1,000)	-1%
Registrar's Office	1,288,000	1,372,000	1,375,000	1,448,000	1,508,000	1,560,000	(87,000)	-7%	(3,000)	0%
Divinity & Chapel	149,000	155,000	161,000	166,000	170,000	175,000	(12,000)	-8%	(6,000)	-4%
Chapel Music	109,000	108,000	167,000	163,000	168,000	174,000	(58,000)	-53%	(59,000)	-55%
King's Chorus	30,000	8,000	46,000	49,000	50,000	52,000	(16,000)	-53%	(38,000)	-475%
Professional Fees	318,000	294,000	258,000	168,000	173,000	178,000	60,000	19%	36,000	12%
Interest & Service Charges	416,000	410,000	444,000	423,000	399,000	372,000	(28,000)	-7%	(34,000)	-8%
Investment Management Fees	240,000	196,000	200,000	204,000	208,000	212,000	40,000	17%	(4,000)	-2%
Conference Services	169,000	250,000	295,000	272,000	291,000	306,000	(126,000)	-75%	(45,000)	-18%
Offsite office space leasing costs (8 mos in 2023-24)	-	-	101,000	155,000	160,000	165,000	(101,000)	100%	(101,000)	100%
Staff salary scale adjustment (estimate)	50,000	-	-	-	-	-	50,000	100%	-	-100%
Contingency	100,000	-	-	-	-	-	100,000	100%	-	0%
Expenditure reductions to be allocated in forecast	-	-	(195,000)	-	-	-	195,000	100%	195,000	-100%
<b>Total Expenses</b>	<b>\$ 23,178,000</b>	<b>\$ 23,359,000</b>	<b>\$ 24,280,000</b>	<b>\$ 25,380,000</b>	<b>\$ 26,193,000</b>	<b>\$ 27,120,000</b>	<b>\$ (1,102,000)</b>	<b>-5%</b>	<b>\$ (921,000)</b>	<b>-4%</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 594,000</b>	<b>\$ (28,000)</b>	<b>\$ 669,000</b>	<b>\$ 31,000</b>	<b>\$ 114,000</b>	<b>\$ (292,000)</b>	<b>\$ 75,000</b>	<b>13%</b>	<b>\$ 697,000</b>	<b>-2489%</b>
<b>Financing and investing activities:</b>										
Debt repayment	\$ (691,000)	\$ (690,000)	\$ (668,000)	\$ (689,000)	\$ (715,000)	\$ (735,000)	\$ 23,000	-3%	\$ 22,000	-3%
Capital funded by operations	(338,000)	(243,000)	(328,000)	(331,000)	(335,000)	(338,000)	10,000	-3%	(85,000)	35%
Financing and investing activities	\$ (1,029,000)	\$ (933,000)	\$ (996,000)	\$ (1,020,000)	\$ (1,050,000)	\$ (1,073,000)	\$ 33,000	-3%	\$ (63,000)	7%
<b>Subtotal - Operating cash deficit after financing and investing activities</b>	<b>\$ (435,000)</b>	<b>\$ (961,000)</b>	<b>\$ (327,000)</b>	<b>\$ (989,000)</b>	<b>\$ (936,000)</b>	<b>\$ (1,365,000)</b>	<b>\$ 108,000</b>	<b>-25%</b>	<b>\$ 634,000</b>	<b>-66%</b>
<b>Application of reserve funds and prior year surplus:</b>										
Reserve funds approved in budget (for EVRP)	\$ 80,000	\$ 80,000	\$ 27,000	\$ -	\$ -	\$ -	\$ (53,000)	-66%	\$ (53,000)	-66%
Framework for use of internally restricted funds*	-	282,000	-	-	-	-	-	100%	(282,000)	-100%
Bicentennial Fund - Scholarships	-	-	300,000	-	-	-	300,000	100%	300,000	100%
Carryover of prior year surplus	437,000	437,000	-	-	-	-	(437,000)	-100%	(437,000)	-100%
Funds applied to reduce operating cash deficit	\$ 517,000	\$ 799,000	\$ 327,000	\$ -	\$ -	\$ -	\$ (190,000)	-37%	\$ (472,000)	-59%
<b>Operating Cash Surplus (Deficit)</b>	<b>\$ 82,000</b>	<b>\$ (162,000)</b>	<b>\$ -</b>	<b>\$ (989,000)</b>	<b>\$ (936,000)</b>	<b>\$ (1,365,000)</b>	<b>\$ (82,000)</b>	<b>-100%</b>	<b>\$ 162,000</b>	<b>-100%</b>
Repayment to internally restricted funds re: deficit financing loan \$1.866M**										
<b>Remaining Operating Cash Surplus (Deficit)</b>										
Debt servicing costs (interest and principal) included above	\$ 1,075,000	\$ 1,070,000	\$ 1,064,000	\$ 1,067,000	\$ 1,072,000	\$ 1,068,000	\$ (11,000)	-1%	\$ (6,000)	-1%

\*To finance expenditures approved under Framework for Use of Internally Restricted Funds - student emp't, staff development, scholarships & bursaries, marketing - expenses reflected above but not budgeted for.  
 \*\*Reduced debt servicing costs of \$209k (\$557k old debt minus \$348k new debt) minus reduction in investment income of \$89k (\$1.866M x 4.75%) = \$120k - use to repay the loan if there is a surplus.

**University of King's College**  
**Additional Spending and Additional Future Spending**  
**2023/24 Operating Budget and Projections for 2024/25 through 2026/27**

**SCHEDULE 2**

Rounded to nearest thousand \$	Budget	Projection	Projection	Projection
The following expenditures have been incorporated into the budget and projections for future years:	March 31, 2024	March 31, 2025	March 31, 2026	March 31, 2027
<b>BAC proposals</b>				
HOST (CSP) - 50% LTA position	\$ 48,000	\$ 16,000	\$ -	\$ -
Advancement - request for campaign travel and other cost increases beyond control	33,000	53,000	19,000	19,000
Chapel Music - request for revised budget including one time increase for pipe organ appraisals (\$10k in 2023/24)	33,000	23,000	23,000	23,000
<b>Other spending in 203/24</b>				
Tuition waivers for students formerly in care - (\$10k x 4 in 2023-24 budget) increasing by 2/year until 2 in each yr or \$80k	40,000	60,000	70,000	80,000
Funding for Indigenous students - (\$30k/year - 3 students x \$10k/year) until 3 in each year (or \$120k)	30,000	60,000	90,000	120,000
Bursaries for international students - (based on financial need) to assist with International Differential fee (\$90k in PY)	100,000	100,000	100,000	100,000
Insurance - additional policy	20,000	20,000	21,000	21,000
President's Office - removal of additional Encaenia costs in 2022-23 budget and increased budget for 2023 Encaenia	(19,000)	11,000	12,000	12,000
President's Office - co-hosting USS conference with Dalhousie (one-time) (\$10k in 2022-23 budget, total \$25k)	15,000	-	-	-
Registrar - removal of digitization of admissions process included in 2022-23 budget	(20,000)	-	-	-
Registrar - inflationary increase regarding cost of recruitment travel	8,000	8,000	8,000	8,000
Athletics - cost increases beyond control re: facility rentals, catering for annual awards banquet, physiotherapist costs	7,000	7,000	7,000	7,000
Sexual Health and Safety Office - removal of additional budget to address recommendations of independent review	(20,000)	-	-	-
Journalism - Signal website refresh deferred by one year (was \$13k in 2022/23 and \$26k in 2023/24)	13,000	26,000	-	-
MFA program - profit (shown as negative)	(190,000)	(367,000)	(458,000)	(512,000)
Journalism and upper year programs - cost of individual course appointments (\$53k in Journalism, \$4k in upper year)	59,000	60,000	61,000	62,000
Foundation Year Program - relocation costs for faculty & senior fellows in humanities in accordance with UKCTA agreement	6,000	6,000	6,000	6,000
General Administration - increases in membership fees, university initiatives, central information technology, other	30,000	30,000	31,000	31,000
Offsite office space rental - Aug 1, 2023 (\$151k first year prorated for 8 mos, 3% increase thereafter)	101,000	155,000	160,000	165,000
Board-approved faculty diversity position #3 (July 1, 2023) (including benefits) (Journalism)	102,000	136,000	141,000	146,000
Board-approved faculty diversity position #4 (July 1, 2023) (including benefits) (CSP/FYP)	89,000	119,000	123,000	128,000
Board-approved faculty diversity position #5 (July 1, 2024) (including benefits) (HOST/FYP)	-	100,000	133,000	138,000
<b>Other new spending in future years</b>				
Registrar - marketing (digital media) (added \$40k in 2022-23, increased to \$75k in 2024/25 - no more reserve funds)	40,000	75,000	75,000	75,000
President's Office - presidential search expenditures (one-time) (estimate)	-	40,000	40,000	-
Scholarships and bursaries no longer funded by internally restricted funds (\$200k remaining end of 2022-23)	-	100,000	150,000	150,000
Retirement hire assumed in Journalism due to number of EVRP retirements (7 retirements and 6 hires)	-	114,000	152,000	158,000
Advancement - website redesign including accessibility enhancements (one-time expenditure)	-	-	120,000	-
<b>Total additional spending included in the budget and projections</b>	<b>\$ 525,000</b>	<b>\$ 952,000</b>	<b>\$ 1,084,000</b>	<b>\$ 937,000</b>

The University of King's College  
Statement of Operations (Operating Fund) - Departmental Revenues and Expenses  
2023/24 Operating Budget

SCHEDULE 3

	March 31, 2024 Budget	General University	Conference Services	Academic	Continuing Education	Facilities Management	Residence & Other Student Services	Scholarships, Awards & Bursaries	Advancement	Athletics	Bursar's Office	Human Resources Office	Library	President's Office	Vice President's Office	Equity Office	Accessibility Office	Sexual Health & Safety Office	Registrar's Office	Divinity & Chapel	Chapel Music	King's Chorus
<b>Revenue:</b>																						
Government Grant	\$ 8,606,000	8,606,000																				
Student Academic Fees	9,622,000	9,622,000																				
Student Ancillary Fees	1,189,000	192,000		505,000		264,000				228,000												
Student Residence Fees	2,073,000						2,073,000															
Investment Income	1,937,000	684,000		487,000				672,000					12,000							79,000	3,000	
Sale of Goods and Services	280,000	121,000		5,000		20,000	5,000		4,000	81,000			2,000	12,000					-	9,000	13,000	8,000
Conference Services	541,000		541,000																			
Gifts (annual fund & scholarship)	650,000	130,000						457,000													36,000	17,000
Other Grants	51,000	31,000						20,000														10,000
<b>Total Revenue</b>	<b>\$ 24,949,000</b>	<b>\$ 19,386,000</b>	<b>\$ 541,000</b>	<b>\$ 997,000</b>	<b>\$ -</b>	<b>\$ 284,000</b>	<b>\$ 2,078,000</b>	<b>\$ 1,149,000</b>	<b>\$ 4,000</b>	<b>\$ 309,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,000</b>	<b>\$ 12,000</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 124,000</b>	<b>\$ 33,000</b>	<b>\$ 18,000</b>
<b>Expenses:</b>																						
Compensation Expenses	\$ 12,657,000	80,000		6,516,000		936,000	697,000		637,000	356,000	580,000	194,000	432,000	485,000	237,000	48,000	88,000	94,000	1,061,000	96,000	95,000	25,000
Operating Expenses	3,753,000	302,000		1,141,000	-	1,031,000	110,000		208,000	237,000	11,000	14,000	70,000	116,000	9,000	7,000	15,000	10,000	314,000	65,000	72,000	21,000
Dalhousie Athletics Fee Flowthrough	116,000									116,000												
Food Services	50,000						50,000															
Conference Services	295,000		295,000																			
Allotment to Dalhousie	3,970,000	3,970,000																				
Scholarships, Awards and Bursaries	1,693,000							1,693,000														
Other Student Support	166,000							166,000														
Utilities, Taxes & Insurance	772,000					772,000																
Amortization of capital assets	-																					
Professional Fees	258,000	258,000																				
Investment Management Fees	200,000	96,000		6,000				87,000												10,000		
Interest & Service Charges	444,000	444,000											1,000									
Offsite office space leasing costs (8 mos in 2023-24)	101,000								101,000													
Expenditure reductions to be allocated in the forecast	(195,000)	(195,000)																				
<b>Total Expenses</b>	<b>\$ 24,280,000</b>	<b>\$ 4,955,000</b>	<b>\$ 295,000</b>	<b>\$ 7,663,000</b>	<b>\$ -</b>	<b>\$ 2,739,000</b>	<b>\$ 857,000</b>	<b>\$ 1,946,000</b>	<b>\$ 946,000</b>	<b>\$ 709,000</b>	<b>\$ 591,000</b>	<b>\$ 208,000</b>	<b>\$ 503,000</b>	<b>\$ 601,000</b>	<b>\$ 246,000</b>	<b>\$ 55,000</b>	<b>\$ 103,000</b>	<b>\$ 104,000</b>	<b>\$ 1,375,000</b>	<b>\$ 171,000</b>	<b>\$ 167,000</b>	<b>\$ 46,000</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 669,000</b>	<b>\$ 14,431,000</b>	<b>\$ 246,000</b>	<b>\$ (6,666,000)</b>	<b>\$ -</b>	<b>\$ (2,455,000)</b>	<b>\$ 1,221,000</b>	<b>\$ (797,000)</b>	<b>\$ (942,000)</b>	<b>\$ (400,000)</b>	<b>\$ (591,000)</b>	<b>\$ (208,000)</b>	<b>\$ (489,000)</b>	<b>\$ (589,000)</b>	<b>\$ (246,000)</b>	<b>\$ (55,000)</b>	<b>\$ (103,000)</b>	<b>\$ (104,000)</b>	<b>\$ (1,375,000)</b>	<b>\$ (47,000)</b>	<b>\$ (134,000)</b>	<b>\$ (28,000)</b>
<b>Financing and investing activities:</b>																						
Debt repayment	\$ (668,000)	(668,000)																				
Capital expenditures	(328,000)			(68,000)		(214,000)				(10,000)			(36,000)									
Use of Bicentennial Fund for scholarships	300,000	300,000																				
Use of internally restricted funds*	27,000			27,000																		
<b>Subtotal - Cash excess (deficit) from financing &amp; investing</b>	<b>\$ (669,000)</b>	<b>\$ (368,000)</b>	<b>\$ -</b>	<b>\$ (41,000)</b>	<b>\$ -</b>	<b>\$ (214,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (36,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net increase (decrease) in cash</b>	<b>\$ -</b>	<b>\$ 14,063,000</b>	<b>\$ 246,000</b>	<b>\$ (6,707,000)</b>	<b>\$ -</b>	<b>\$ (2,669,000)</b>	<b>\$ 1,221,000</b>	<b>\$ (797,000)</b>	<b>\$ (942,000)</b>	<b>\$ (410,000)</b>	<b>\$ (591,000)</b>	<b>\$ (208,000)</b>	<b>\$ (525,000)</b>	<b>\$ (589,000)</b>	<b>\$ (246,000)</b>	<b>\$ (55,000)</b>	<b>\$ (103,000)</b>	<b>\$ (104,000)</b>	<b>\$ (1,375,000)</b>	<b>\$ (47,000)</b>	<b>\$ (134,000)</b>	<b>\$ (28,000)</b>

## APPENDIX A

### Proposed Budget Details Academic Programs and Administrative Departments

#### 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 instructors)) who are not employees of King's.

As noted earlier, academic salaries and benefits in the 2023/24 budget are \$222,000 or 3.5% higher than the 2022/23 budget and \$147,000 or 2.3% higher than 2022/23 actual salaries and benefits. In addition to annual faculty and academic support staff salary increases, there are several factors contributing to this increase:

- Carnegie professors - Dalhousie reimburses King's for a portion of the salaries and benefits of the Carnegie professors (and Carnegie replacements who fill the three vacant Carnegie chairs) at the end of the year. This percentage is based on the teaching portion of their Arts workload and has been roughly 2/3 over the past several years; however, for 2022/23, it was only 62.21%. This lower percentage has been incorporated into the 2023/24 budget to be conservative. The Carnegie endowment covers approximately 22% of the salaries and benefits (~\$300,000) and King's operating budget covers approximately 14%-16% of the cost (~\$200,000).
- School of Journalism, Writing and Publishing – the school hired a full-time Director of the School of Writing and Publishing on January 1, 2023. The existing half-time director became a half-time (tenure track) cohort director in the MFA in Creative Non-Fiction program at that time. The school will hire another half-time cohort director on January 1, 2024, as King's will soon thereafter have students in both years of the new MFA in Fiction program. The 2022/23 budget included the hire of a half-time MFA administrative support person on August 1, 2022. Due to the workload of this position and the larger than anticipated first year MFA in Fiction class, this position has been converted into a full-time position effective May 1, 2023.
- Contemporary Studies Program (CSP) – one third of the salary and benefits of the Vice-President has been allocated to CSP as she is teaching two half-credit courses in CSP in 2023/24.
- Contemporary Studies Program (CSP) – the 2022/23 budget included a four-year limited term appointment (LTA) starting July 1, 2022 to cover the remaining term of the Vice-President. The 2023/24 budget includes this position for 12 months while the 2022/23 budget included it for nine months. The incumbent for this position was the successful candidate for the CSP/FYP

diversity faculty position which starts on July 1, 2023. The budget assumes the remaining three-year LTA position will be filled by July 1, 2023.

- Upper year programs (Contemporary Studies, Early Modern Studies, and History of Science and Technology) – the overload rate paid to faculty members (who teach more than the required workload) increased by 20% on July 1, 2022 in accordance with the DFA collective agreement. It will increase by a further 2.5% (same as IMC) on July 1, 2023.
- Upper year programs – after a CUPE union strike at Dalhousie, the rates paid to teaching assistants (TAs) increased by 14.3% on July 1, 2022. King's follows Dalhousie's CUPE collective agreement with respect to the rates paid to TAs due to the joint degrees offered in arts and social sciences and science. The rates will increase by a further 5.01% on July 1, 2023.
- Faculty promotions – the 2023/24 budget includes increases with respect to four faculty member promotions across various programs.
- The academic administrative and technicians' salaries were impacted positively by the job evaluation and compensation review process noted earlier administrative salaries.
- All faculty members who are not at the top of their salary scale will receive a Y-value increase (i.e., step or progression through the ranks) on July 1, 2023 as well as an IMC increase, and a comparability adjustment increase in accordance with the DFA collective agreement as described earlier. Those at the top of their salary scale will receive an IMC increase only.

Offsetting these cost increases are the following:

- Faculty Fellows and Senior Fellows in the Humanities – given the smaller FYP class budgeted for 2023/24, the budget includes eight faculty and senior fellows while the 2022/23 budget included nine. Annual salary increases are in accordance with the UKCTA collective agreement.
- School of Journalism, Writing and Publishing - the retirement of two Journalism professors on June 30, 2022 (one of whom is completing a one-year 50% post-retirement contract and the other left King's at that time), and the retirement of a third Journalism professor on June 30, 2023, who will then complete a two-year 50% post-retirement contract. Four Journalism professors have participated in the enhanced voluntary retirement program (EVRP) to date.
- School of Journalism, Writing and Publishing – the 2022/23 budget included two full-time limited term appointments (LTAs) starting on July 1, 2022 to cover an EVRP, a retirement, a new director, and sabbatical coverage. 50% of the cost of one of the LTAs was covered by the internally restricted funds for EVRP coverage as previously approved by the Board of Governors. These LTAs were in the 2022/23 budget for nine months and the 2023/24 budget for three months. 50% of the cost of one of the LTAs will be covered by the internally restricted funds in 2023/24 as it relates to an EVRP.
- School of Journalism, Writing and Publishing – the faculty diversity position that was anticipated to be hired on June 1, 2022 (and included in the 2022/23 budget) was delayed until July 1, 2023. It was included in the 2022/23 budget for 10 months (from June 1) and in the 2023/24 budget for nine months (from July 1). The successful candidate was the current Rogers Chair. The budget assumes the Rogers Chair position will be filled by July 1, 2023.



- History of Science and Technology (HOST) program – the retirement of a faculty member on June 30, 2023, who participated in the EVRP and will not be doing a post-retirement contract was included in the 2022/23 budget for 12 months and the 2023/24 budget for three months.
- History of Science and Technology (HOST) program – the 2022/23 budget included a full year (12 months) LTA for EVRP and sabbatical coverage. 50% of this cost was covered by the internally restricted funds for EVRP coverage. HOST will require a 50% LTA which will replace the full LTA on July 1, 2023 due to the delayed hire of the HOST/FYP diversity faculty position to July 1, 2024. The 2022/23 budget included a full LTA for 12 months while the 2023/24 budget includes a full LTA for three months (50% covered by the internally restricted funds) and a 50% LTA for the remaining nine months.
- Early Modern Studies Program (EMSP) – a maternity leave that began in February 2023 will result in budget savings in 2023/24.

The \$127,000 in costs covered by internally restricted funds shown in the table on the following page relates to EVRP coverage in Journalism and HOST in 2022/23 (\$80,000), King's contribution to the RBC Future Launch program (for student experiential learning opportunities) (\$45,000), and expenditures for the Mi'kmaq Cohort in Journalism (\$2,000 spent out of the Board authorized \$600,000). The \$27,000 in the 2023/24 budget relates to the remaining EVRP coverage in both Journalism and HOST for the three-month period ending June 30, 2023. The budget only includes internally restricted funds for which the offsetting expenditure is also included in the budget (salaries in this case).

### Academic Program Operating Costs

Academic operating costs are increasing by \$312,000 over the 2022/23 budget and \$399,000 over 2022/23 actual results. The increase from the prior year budget is attributed to the following:

- Higher costs for the MFA program – 2023/24 will welcome the first MFA in Fiction class. While 15 students were anticipated in fiction in the first year, we are expecting 23 students. We are also expecting 68 in Creative Non-Fiction (35 in first year and 33 in second year). This results in **\$170,000** in additional costs - \$84,000 of which are MFA mentor fees which are covered by mentor fees revenue. The combined fiction and creative non-fiction streams are expected to generate a profit (excluding facilities and overhead costs) of just over \$190,000 for 2023/24 growing to just over \$500,000 by 2026/27.
- Study Abroad Course in Berlin – non-salary costs associated with CSP's study abroad course in Berlin are **\$76,000**. The course was paused during the pandemic. The profit budgeted for this course is \$37,000 (including salary of instructors).
- Journalism PROs (persons retained from outside or individual course instructors) – increasing by **\$53,000** largely due to the increase in Dalhousie's CUPE rate for part-time academics of 18.4% on July 1, 2022, and a further 2.0% on July 1, 2023. Also, the 2022/23 PRO budget was reduced by \$21,000 due to the hire of two LTAs which have been removed from the 2023/24 budget on June 30, 2023.
- Similarly, the PROs in the upper year programs are increasing by **\$4,000**. PROs in the upper year program fluctuate from year to year depending on program needs. The individual upper

year program PRO budgets are much smaller than they are for Journalism due to the nature of the Journalism programs.

- Faculty Fellows and Senior Fellows in the Humanities relocation costs - **\$5,500** has been added to the budget to allow for the relocation of one single fellow and one fellow with dependents. The rate was increased in the last round of bargaining with the UKCTA.

Operating costs for 2022/23 fell short of budget by \$87,000 largely due to reduced conference travel of \$21,000, reduced spending on faculty computers of \$18,000, reduced MFA mentor stipends (lower enrolment than budgeted) of \$15,000, and reduced spending on upper year program PROs of \$11,000. There was also a \$22,000 reduction in general spending across all programs resulting from conversations with the Bursar and Controller in January in an attempt to reduce the impending deficit for 2022/23.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Academic Program Salaries	\$ 5,504,000	\$ 5,602,000	\$ 5,683,000
Academic Program Benefits Other Than Pension	336,000	353,000	360,000
Academic Program Pension	454,000	414,000	473,000
Academic Program Salaries and Benefits	6,294,000	6,369,000	6,516,000
Academic Program Operating Costs	829,000	742,000	1,141,000
<b>Total Academic</b>	<b>7,123,000</b>	<b>7,111,000</b>	<b>7,657,000</b>
Cost covered by internally restricted funds	(80,000)	(127,000)	(27,000)
<b>Net Academic</b>	<b>\$ 7,043,000</b>	<b>\$ 6,984,000</b>	<b>\$ 7,630,000</b>

### **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 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 58% 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 42% 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. Since 2019/20,

enrolment has increased year over year which has resulted in a lower cost per student but applied to a higher number of King’s students taught at Dalhousie. Despite cost increases and 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 seven 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
- 2022/23 - \$4.0 million
- 2023/24 - \$4.0 million (budget)

The billing from Dalhousie is always one year in arrears (i.e., the 2022/23 invoice is based on enrolment and Dalhousie costs for the previous fiscal year (2021/22)). The enrolment component is known at budget time. The difficulty in budgeting for this item is in predicting Dalhousie’s total cost to teach Dalhousie and King’s students in FASS and FoS as the previous year’s costs are not yet known (i.e., Dalhousie’s 2022/23 audited financial statements are not yet available). The 2023/24 budget assumes a total increase in Dalhousie’s costs of 5.2% above the actual cost included in the 2022/23 invoice. By comparison, the 2022/23 costs were 2.8% higher than in 2021/22. A higher percentage was used due to the extraordinarily high rate of inflation experienced in 2022/23.

Total enrolment in Arts and Science at Dalhousie for 2022/23 has increased over 2021/22 by only 0.2%; therefore, the cost per student is expected to increase by 3.3% after three years of declines due to higher costs. 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 2023/24 decreased by 6.2% from the prior year actual of 416.0 FTEs to 390.2 FTEs. This is not concerning because the number of King’s students taking classes at Dalhousie stayed constant while the number of students taught by King’s (including Dalhousie students) increased by 13.8% over the prior year. The anticipated cost per student increase per FTE (3.3%) is lower than the enrolment reduction percentage (6.2%) which explains the slight decrease in the Allotment to Dalhousie budget for 2023/24 as shown below.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2022/23</b>
Allotment to Dalhousie	\$ 3,990,000	\$ 4,034,000	\$ 3,970,000

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. Conversations resumed throughout 2021/22 and continued in 2022/23. The universities' respective Registrar's Offices worked through enrolment reconciliation issues in 2022/23 and it is expected that the MOU conversations will finally conclude in 2023/24 but not before the 2023/24 budget is approved. If a new MOU is signed during 2023/24, the new formula will be reflected in the forecast.

### **Facilities Management:**

The 2023/24 salaries and benefits budget includes annual salary increases and five summer students while there were the equivalent of four and a half students last year. Student salaries have increased by 10% due to the increase in minimum wage. Funds were moved from other non-salary budget lines to create an Information Technology/Audio Visual (IT/AV) casual salary line for students who support the work of the IT/AV Officer who reports to the Director of Facilities Management. Three facilities staff members are on the new KMA salary scale while the others are on a Trades salary scale. There were savings in the salaries and benefits budget in 2022/23 due to an eight-month vacancy. The 2023/24 budget includes all positions for the full year. The student employment fund covered \$17,000 in student salaries during the 2022/23 academic year. This is reflected in the 'cost covered by internally restricted funds' in the table that follows.

The housekeeping budget for 2023/24 has increased by 11.5% over the 2022/23 budget due to annual contract increases (3.6%) plus a 5.4% increase on April 1, 2023 and a further 3.0% on October 1, 2023 at the request of the custodial contractor because of minimum wage increases. The 2022/23 budget included \$28,000 for additional touchpoint cleaning to the end of the calendar year due to the pandemic. The additional touchpoint cleaning was discontinued in the summer which explains why actuals came in under budget.

The security budget for 2023/24 is higher than both the 2022/23 budget and 2022/23 actuals. The 2022/23 budget included 24/7 coverage only to the end of the calendar year, but it continues. The security contractor notified King's that the rates for 2023/24 will increase by 7.2% because of minimum wage increases.

The 2022/23 budget included \$44,000 for safety related COVID expenditures such as filters, PPE, etc. that has been removed from the 2023/24 budget.

When considering the 2022/23 budget overage of \$192,000 in other operational expenditures in the table below, one should also consider the savings in capital funded by operations on page 25 of this document. The facilities alterations and renovations amount capitalized was \$59,000 lower than budget which brings the net overage to \$133,000. Savings in salaries and benefits due the vacancy and savings in housekeeping were diverted to cost pressures in other areas bringing the true budget overage to \$83,000. Extraordinary inflation rates experienced in 2022/23 greatly impacted the cost of goods and services purchased by Facilities Management.

Staff development costs of \$2,000 were covered by the staff development fund in 2022/23. This is reflected in the 'cost covered by internally restricted funds' in the table below.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 890,000	\$ 861,000	\$ 936,000
Housekeeping	472,000	458,000	497,000
Security	172,000	184,000	188,000
Other	407,000	599,000	346,000
<b>Total Facilities Management</b>	<b>1,941,000</b>	<b>2,102,000</b>	<b>1,967,000</b>
<b>Cost covered by internally restricted funds</b>	<b>-</b>	<b>(19,000)</b>	<b>-</b>
<b>Net cost of Facilities Management</b>	<b>\$ 1,941,000</b>	<b>\$ 2,083,000</b>	<b>\$ 1,967,000</b>

### **Residence & Other Student Services:**

The Dean of Students brought a proposal before the BAC during the 2022/23 budget cycle. It was called “Revitalizing Student Support, Residence, and Ancillary Services at the University of King’s College”. It aimed to improve supports to all students and create administrative efficiencies. The proposal was approved, and the residence office was divided into two units under the leadership of two assistant deans:

- Assistant Dean of Residence Life - cares for students by providing supports and experiences to help them flourish.
- Assistant Dean of Housing and Ancillary Services - cares for the administrative logistics and services that support residence, as well as the summer conference services business.

The changes resulted in a net increase of 1.5 full time equivalent employees (FTEs) (plus the continuation of the Student Support Advisor) effective July 1, 2022. Changes included:

- The Senior Don position (1 FTE plus a Don) was reduced by 0.5 FTE to a half time Program & Community Engagement Coordinator (0.5 FTE plus a Don).
- The FYP & Residence Administrator (0.5 FTE each) became the Residence & Housing Administrator (+1 FTE), with FYP Administrator continuing at 1 FTE.
- The Residence Receptionist became the Front Desk Coordinator.
- A new position of Housing Operations Coordinator (+1 FTE) was created to support increased duties.

The proposal increased access to student supports for all students through the continuation of the Student Support Advisor. The residence team returned to the pre-COVID residence Don and Junior Don team and student patrol was reconstituted.

The 2023/24 salaries and benefits budget reflects annual salary increases on the new KMA salary scale as well as a 10% increase (\$14,000) in student salaries (student patrol and Alexandra Hall front desk) due to increases in minimum wage. The 2023/24 salaries and benefits budget reflects all positions for the full year, while the prior year included the new positions for nine months

(from July 1). The overage in salaries and benefits for 2022/23 relates to the job evaluation and compensation review process, the anticipated impact of which was budgeted centrally.

As part of their compensation package, dons and junior dons receive residence accommodations and a university-paid meal plan. The meal plans are budgeted as 'food services' in the table below. The cost of meal plans is increasing by 8.59% in accordance with the contract with the food service provider.

Other administrative and operational expenditures came in lower than budget primarily due to fewer formal meals.

Student societies came in under budget due to lower than budgeted enrolment.

	<b>Approved Budget 2022-23</b>	<b>Actual 2022-23</b>	<b>Budget 2023-24</b>
Salaries & benefits	\$ 600,000	\$ 615,000	\$ 697,000
Food services	46,000	45,000	50,000
Other administrative and operational	92,000	87,000	91,000
Student societies	19,000	17,000	19,000
<b>Total Residence &amp; Other Student Services</b>	<b>\$ 757,000</b>	<b>\$ 764,000</b>	<b>\$ 857,000</b>

### **Scholarships, Awards & Bursaries and Other Student Support:**

#### **Scholarships**

The scholarships budget for 2023/24 is \$10,000 higher than the 2022/23 budget due to higher Sobey scholarships (\$100,000 versus \$89,000 in the prior year).

#### **Bursaries**

The bursaries budget for 2023/24 is \$12,000 lower than the 2022/23 budget. The prior year budget included \$49,000 for the Urgent Needs Bursary Program which was funded by donations. Of that amount, \$20,000 was awarded in 2022/23 and \$29,000 is available to carry forward to 2023/24. Also included here is \$8,000 for MFA program bursaries (in accordance with the program proposal).

#### **Flowthrough Scholarships**

While the flowthrough scholarships budget for 2023/24 is higher than the 2022/23 budget, these scholarships are funded by donations so the higher amount has no impact on the bottom line.

#### **US/International Awards**

The 2022/23 budget included an additional \$90,000 in needs-based bursaries for international students based on a recommendation from the International Tuition Sub-Committee of BAC. This was in response to the large year over year increases (2022/23 was the fourth year) in

international tuition at Dalhousie that also impacted King's students. King's has historically followed Dalhousie with respect to increases in international tuition due to the granting of joint degrees in arts and science. The \$90,000 is in addition to the scholarships and bursaries already available to international students. Of the \$90,000 in needs-based bursaries, only \$23,500 (or 26%) was disbursed to seven students out of 46 (or 15%).

For 2023/24, the International Tuition Sub-Committee of BAC brought a proposal before the King's Board of Governors in March 2023 that recommended that King's remain in lockstep with Dalhousie with respect to international tuition. Beginning in the fall of 2023, Dalhousie will implement a tuition guarantee model initially affecting students in six undergraduate faculties (including arts and social sciences and science) whereby their annual tuition is fixed for up to five years of their program. King's will follow-suit and all undergraduate students beginning in the fall of 2023, will have a tuition guarantee (with the exception of the one-year Bachelor of Journalism students since their program is only for one year). Their combined tuition and international differential fee will be \$31,900 per year for up to five years. This equates to a 25% increase in arts, 20% in science and 24% in journalism tuition compared to 2022/23 or 6.3%, 5.0%, and 5.9% per year for four years respectively. To implement a tuition guarantee, the increase must be front-end loaded as there are no increases in the rates for up to five years.

All students who were admitted to King's and Dalhousie prior to fall 2023, will have a 10% increase in the international differential fee plus a 3% increase in the standard tuition rates bringing the increase for 2023/24 to 7.5% over the prior year.

In response to the increases in international tuition for 2023/24, the international needs-based bursary budget has been increased to \$100,000 from \$90,000.

### **Tuition Waivers**

Dependent tuition waivers (50% discount on undergraduate tuition) 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 2022/23 of \$36,000 was not sufficient to cover the actual dependent waivers given during 2022/23 of \$52,000. At budget time, the number of first year employee dependents is not always known. The 2023/24 budget includes our best estimate currently which is \$57,000 or \$21,000 higher than the prior year's budget.

The tuition waivers budget also includes waivers for students formerly in the foster care system. King's has committed to offer up to two tuition waivers per year for a four-year undergraduate degree program. 2021/22 was the first year the waivers were offered and \$20,000 (or two x \$10,000) was included in the budget. In 2022/23 \$40,000 was included which represents two students in their first year and two students in their second year. Actual waivers awarded in 2022/23 to students formerly in care were to one student in their second year and one student in their first year for a total of \$12,000. The budget for 2023/24 will remain at \$40,000 (which will provide for two students in their first year, one student in their second year, and one student in their third year). For 2024/25 the budget will increase to \$60,000, for 2025/26 to \$70,000, and for 2026/27 to \$80,000 (which will provide a waiver for two students in each year of a four-year undergraduate degree program).

The 2022/23 budget also included \$30,000 in tuition waivers (or other kinds of funding) for up to three Indigenous students per year enrolled in any of the university’s three Journalism programs. As it turned out, the program does not begin until fall 2023; therefore, the budget for 2023/24 remains at \$30,000. An additional \$30,000 will be added each year until 2026/27 when there could be up to 12 students receiving waivers or other kinds of funding (across the university’s three Journalism degree programs).

Another \$1,000 has been included as an honorarium for the King’s Students’ Union President.

**Cost Covered by Internally Restricted Funds**

Of the total scholarships and bursaries awarded in 2022/23, \$113,000 was covered by the scholarships, awards and bursaries fund within the internally restricted funds (including \$20,000 for experiential learning fellowships).

Of the \$1,859,000 million budget for scholarships, awards and bursaries and other student support (\$1,693,000 plus \$166,000 shown below), 57% is funded by a combination of endowment income (\$585,000 net of fees), annual scholarship gifts (\$457,000) and government grants (\$20,000), leaving \$797,000 or 43% being covered by King’s operating budget. Schedule 3 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:**

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Scholarships	\$ 907,000	\$ 1,110,000	\$ 917,000
Bursaries	227,000	112,000	215,000
Flowthrough scholarships	321,000	326,000	394,000
US/International awards	157,000	50,000	167,000
Experiential learning fellowships	-	20,000	-
<b>Total Scholarships, Awards and Bursaries</b>	<b>1,612,000</b>	<b>1,618,000</b>	<b>1,693,000</b>
<b>Cost covered by internally restricted funds</b>	<b>-</b>	<b>(113,000)</b>	<b>-</b>
<b>Net cost of Scholarships, Awards and Bursaries</b>	<b>\$ 1,612,000</b>	<b>\$ 1,505,000</b>	<b>\$ 1,693,000</b>



**Other Student Support:**

	<b>Approved</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>2022/23</b>	<b>2022/23</b>	<b>2023/24</b>
Chapel music scholarships	\$ 18,000	\$ 16,000	\$ 18,000
Divinity scholarships & bursaries	20,000	20,000	20,000
Tuition waiver	106,000	65,000	128,000
<b>Total Other Student Support</b>	<b>\$ 144,000</b>	<b>\$ 101,000</b>	<b>\$ 166,000</b>

**Utilities, Taxes & Insurance:**

Electricity costs for 2022/23 were largely on par with budget. The 2023/24 budget has been increased by 10% in part due to the carbon tax. A 24% increase is expected in electricity costs due to the carbon tax over the next six years.

Given the actual amount spent on steam heat for 2022/23 only exceeded budget by 3% is astonishing given the volatility in the price of natural gas throughout the year. Thankfully, a mild winter assisted with this as consumption was much lower. The 2023/24 budget includes consumption for a 'normal' winter along with natural gas pricing provided by Dalhousie which includes carbon taxes. We have paid a small amount in carbon tax for the last few years but, beginning in November 2023, carbon taxes take a significant jump to nearly 15% of the variable cost of carbon. Steam heat can fluctuate from budget for various reasons including Heritage Gas monthly pricing, changes in consumption, and weather.

Water costs slightly exceeded budget for 2022/23 by \$3,000 or 6%. The 2023/24 budget was increased by 7.2% based on increases announced by Halifax Water (3.6% on December 1, 2022 and 3.6% on April 1, 2023).

Insurance costs for 2022/23 exceeded budget due to a 311% increase in King's non-owned automobile premium. This increase was experienced by many universities and King's broker is actively seeking another insurance company prior to renewal. The 2023/24 budget includes this coverage at the current rate in the event the broker is unsuccessful. CURIE (Canadian University Reciprocal Insurance Exchange) (property and liability insurance) insurance premiums for calendar year 2023 increased by 6% over the prior year. A new insurance policy was obtained in early 2022/23 which only recently is now also offered by CURIE. It was decided to maintain both coverages as the CURIE coverage is mandatory due to our membership, but the coverage is lower than our existing policy. The prior year insurance budget included the return of a premium surplus to members for 2021 from CURIE in April 2022 of \$6,000. The premium surplus for 2022 of \$4,000 was received in March 2023 instead of April; no premium surplus has been included in the 2023/24 budget as it is not guaranteed, and it is possible it will be received after year-end in April 2024.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Electricity	\$ 198,000	\$ 199,000	\$ 216,000
Heat	328,000	338,000	363,000
Water	50,000	53,000	57,000
Insurance	90,000	98,000	131,000
Taxes	5,000	5,000	5,000
<b>Total Utilities, Taxes &amp; Insurance</b>	<b>\$ 671,000</b>	<b>\$ 693,000</b>	<b>\$ 772,000</b>

**Advancement Office:**

The 2023/24 salaries and benefits budget reflects annual salary increases on the new KMA salary scale as well as a 10% increase (\$2,000) in student salaries due to increases in minimum wage. Both the 2023/24 and 2022/23 budgets are/were impacted by maternity/parental leaves (two in 2022/23 and one in 2023/24). One employee has taken on additional communications responsibilities to allow the Director of Advancement to focus on fundraising efforts. The overage in salaries and benefits for 2022/23 relates to the job evaluation and compensation review process.

The Director of Advancement brought a budget proposal before the BAC to request an increase in the Advancement Office budget for 2023/24:

Alumni and development - \$33,000 increase

- An additional \$7,000 was requested related to the annual fund. The annual fund is an important source of revenue for King’s. The Advancement Office has two goals – to increase the amount raised and to increase participation. This involves efforts to maintain existing donors and to encourage new donors. The student phone-a-thon is an important component of this work. It is not so much a new expense but rather a return of one that went into abeyance during the pandemic. For privacy control, it can only operate when students and supervisors are physically able to gather in the office. The increase also relates to the increased cost of postage, printing, production, segmentation, and sorting (external mail house).
- An additional \$14,000 was requested related to travel. An amount of \$40,000 for travel is estimated for 2023/24 as the university is in a campaign and travel is now possible and necessary to meet with prospective donors. This amount covers the travel of both the Director of Advancement and the President. Since the existing travel budget is \$6,000 and there is \$20,000 remaining from a gift for the campaign, this equates to an additional \$14,000. The Advancement Office continues to require \$40,000 for travel as the campaign continues in 2024/25. In the absence of the \$20,000 gift, this results in a \$34,000 increase in travel for 2024/25 over the existing travel budget of \$6,000. This has been reflected in the projection for 2024/25. The additional travel is removed from the projections in 2025/26.

- An additional \$6,000 was requested for events. King’s is in a campaign and alumni engagement is part of that momentum. Alumni day is returning to being in person and FYP’s celebrations will be happening. King’s is in a centenary year with Dalhousie and there are expectations of events and supporting promotion.
- An increase of \$2,000 was requested for cultivation and stewardship which is a natural outcome from increased attention to fundraising. These funds are for presentations, gifts of acknowledgement, and thanks to donors.
- A total of \$4,000 was added to the Advancement Office budget (not part of their budget proposal) related to the relocation of the office to a downtown commercial space due to space limitations on campus. Funds were added for cell phones (it was more economical to add three more cell phones to King’s cell phone plan than to obtain landlines for all employees in the office), transportation costs to/from campus (taxi chits, bus tickets), and a small contingency for unforeseen expenditures. Other costs (custodial and utilities) are included in the budget for annual leasing costs. Shredding costs have been included centrally with the university’s shredding budget under “General College Administration and Other”.

Tidings & website - \$4,000 increase

- An additional \$4,000 was requested for Tidings due to an increase in the cost of printing (paper) costs.

Actual spending on communications was lower than budget due to competing priorities. The unexpended funds relate to campaign communications, campaign videos, presidential communications, and stewardship reporting – all of which will be addressed in 2023/24.

	<b>Approved</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>2022/23</b>	<b>2022/23</b>	<b>2023/24</b>
Salaries & benefits	\$ 579,000	\$ 597,000	\$ 637,000
Alumni & development	68,000	70,000	101,000
Communications	57,000	29,000	57,000
Tidings & website	46,000	43,000	50,000
<b>Total Advancement Office</b>	<b>\$ 750,000</b>	<b>\$ 739,000</b>	<b>\$ 845,000</b>

**Athletics:**

The 2023/24 salaries and benefits budget reflects annual salary increases for staff on the new KMA salary scale as well as a 10% increase (\$16,000) in student salaries due to increases in minimum wage. Coach honorariums have also been increased by 3% (\$1,000). The overage in salaries and benefits for 2022/23 relates to the job evaluation and compensation review process as well as an overage in student salaries of \$11,000 and coach honorariums of \$2,000. The overage in student salaries was offset by higher rental revenue raised. Due to safety and liability

concerns, there must consistently be a staff member at the front desk. Staff hours have increased because of increased rental demand. The overage in coach honorariums was offset by the CCAA Female Apprentice Coach program grant included under revenue.

Athletics teams and general - \$17,000 increase

- Golf tournament expenses - \$10,000 was included for golf tournament expenses which is offset completely by golf tournament revenue under the “Sales of Goods and Services”. King’s took over the golf tournament in the summer of 2022 from the Alumni Association.
- An additional \$7,000 was added related to costs beyond control such as the cost of the annual awards banquet (cost of food and award hardware have increased), the cost of facility rentals has increased (during 2022/23 Wickwire field at Dalhousie was often unavailable so alternative rentals had to be sought), and the mandatory installation of a certified physiotherapist at all home games (for all sports except badminton).

The 2022/23 actual results for athletics teams and general exceeded budget by \$61,000 due to the following:

- Golf tournament expenditures were \$14,000 and were completely covered by golf tournament revenue.
- There were two annual awards banquets during the fiscal year due to timing (April 2022 and March 2023) which resulted in an overage of \$4,000 – the banquet will always be held in March going forward.
- Nationals were over by \$11,000 due to badminton nationals. Nothing was budgeted for Nationals as it is not guaranteed teams will go to Nationals. This will be reconsidered going forward.
- Rugby was over by \$16,000 as both teams had a very successful season resulting in more travel to New Brunswick. There was also a rescheduled game that resulted in another trip to Mount Allison that was not budgeted. Holland College and Dalhousie Agricultural College entered the women’s league, adding two additional trips.
- Men’s soccer was over by \$8,000 due to playoffs that were held in Fredericton. As only one team qualified, the bus cost was not split between the men’s and women’s teams. Playoffs are being hosted in HRM for 2023/24 so this overage should not reoccur in 2023/24.
- Men’s basketball was over by \$6,000; however, they brought in over \$4,000 in sponsorships and rentals revenue to offset the cost of their preseason travel recruiting.
- Facility rentals were over by \$1,000 due to limited availability of Wickwire field at Dalhousie.
- Equipment was under by \$10,000 which is included under capital funded by operations on page 25 which shows nothing was spent. If this is factored in, actual expenditures exceeded budget by \$51,000 rather than \$61,000 and by \$37,000 if golf expenditures are excluded.

The Dalhousie fee is the fee King's students are charged for access to the Dalplex. This fee flows directly from the students to Dalhousie through the Athletics budget. The athletic fee charged to King's students is a joint fee whereby a portion of the fee is transferred to Dalhousie and a portion is kept by King's to support the operations of the King's gymnasium. It fluctuates based on enrolment.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 322,000	\$ 352,000	\$ 356,000
Athletics teams and general	220,000	281,000	237,000
Dalhousie fee	116,000	112,000	116,000
<b>Total Athletics</b>	<b>658,000</b>	<b>745,000</b>	<b>709,000</b>

### **Bursar's Office:**

The 2023/24 salaries and benefits budget reflects annual salary increases on the new KMA salary scale. To make the hire of the Human Resources Manager more affordable, the full-time Procure-to-Pay Officer position was eliminated on June 30, 2022. It soon became apparent that the workload of this position was more than a half-time individual could manage and it was transitioned back to a full-time position in December 2022. The 2023/24 budget includes this full-time role for the full year while it was half-time for nine months in the 2022/23 budget. The overage in salaries and benefits for 2022/23 relates to the full-time Accounts Payable Officer position as well as the job evaluation and compensation review process, offset by savings from the resignation of the Director of Finance and timing of replacement (three months).

The total 2023/24 non-salary budget is the same as the 2022/23 budget except that funds have been reallocated between budget lines. The cost of travel varies from year to year based on the location of meetings and conferences. There were no travel costs incurred in 2022/23.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 496,000	\$ 518,000	\$ 580,000
General expenses	3,000	3,000	3,000
Memberships and training	4,000	3,000	5,000
Travel	2,000	-	1,000
Computer support	2,000	2,000	2,000
<b>Total Bursar's Office</b>	<b>\$ 507,000</b>	<b>\$ 526,000</b>	<b>\$ 591,000</b>

## **Human Resources and Compensation Office**

The 2023/24 salaries and benefits budget reflects annual salary increases on the new KMA salary scale. King's hired its first Human Resources Manager on May 2, 2022. The 2023/24 budget includes this position for 12 months while the prior year budget included it for 11 months. Effective May 1, the Human Resources Manager has assumed the duties of the Equity Officer until a replacement is hired (approximately six months). The overage in salaries and benefits for 2022/23 relates to the job evaluation and compensation review process.

The total 2023/24 non-salary budget is the same as the 2022/23 budget except that funds have been reallocated between budget lines. The cost of travel varies from year to year based on the location of meetings and conferences. Very little of the 2022/23 budget was expended as the Human Resources Manager spent a great portion of her time dealing with employee recruitment during the year.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 161,000	\$ 178,000	\$ 194,000
General expenses	1,000	-	1,000
Memberships and training	4,000	-	3,000
Resources and supplies	2,000	-	4,000
Travel	4,000	1,000	4,000
Computer support	3,000	-	2,000
<b>Total Human Resources &amp; Compensation Office</b>	<b>\$ 175,000</b>	<b>\$ 179,000</b>	<b>\$ 208,000</b>

## **General College Administration and Other:**

The salaries and benefits budget includes the salary of the University Receptionist, a portion of the salary of the Ancillary Services Manager (both are on the new KMA salary scale), and student coverage for the A&A reception area as needed. The receptionist retired at the end of December 2022 and was replaced in early March 2022. In the meantime, the desk was covered by student employees. The duties of the position have been expanded and the title has been changed to University Receptionist and Administrative Assistant (to the President's Office). Both the 2022/23 and 2023/24 budgets include the position for the full year.

The 2023/24 non-salary budget is increasing overall by \$30,000:

- Membership fees – an increase of \$16,000 due to King's recent signing of the Scarborough Charter in addition to general annual increases in most membership fees.
- Central information technology – increasing by \$8,000 due to the following:
  - Adobe licenses cost increase (\$5,000) (NS universities are no longer permitted to participate in a Quebec consortium – now in a NS consortium with higher cost due to lower volume of consortium).

- Dalhousie virtual server cost increase due to Sage (accounting software) upgrade and increased server space requirements (\$2,000).
- Institutional Zoom license higher cost (\$1,000).
- Savings of \$6,000 have been found in postage & courier. These savings will be used to offset the increases in other areas.
- Office & general expense – increasing by \$12,000 due to the following:
  - University initiatives – an increase of \$10,000. This budget was established in 2021/22 with an initial allotment of \$15,000 to allow for university initiatives including diversity initiatives. The budget was overspent in 2022/23 by \$4,000 due to the number of initiatives supported including but not limited to J-School Noire, the Afterwords Literary Festival, and others. In 2023/24, a pavilion (designed by Masters students in Dalhousie’s School of Architecture) will be installed in the quad for the North American Indigenous Games (at a cost of \$5,000). The budget is being increased to a more realistic figure to allow the university to continue to support these initiatives and others.
  - General cost increases in other areas – computer maintenance and supplies, stationery, photocopy costs (\$2,000).

2022/23 non-salary expenditures exceeded budget overall by \$8,000 due to Scarborough Charter membership fees, higher Dalhousie virtual server costs, and expenditures on university initiatives.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 74,000	\$ 74,000	\$ 80,000
Membership/conference fees	74,000	78,000	90,000
Central information technology	109,000	112,000	117,000
Postage & courier	30,000	21,000	24,000
Office & general expense	59,000	69,000	71,000
<b>Total General College Administration</b>	<b>\$ 346,000</b>	<b>\$ 354,000</b>	<b>\$ 382,000</b>

**Library:**

The 2023/24 salaries and benefits budget reflects annual salary increases on the new KMA salary scale (staff) as well as the DFA salary scale (librarians). The 2022/23 budget included two full-time staff members and two librarians – one of whom participated in the EVRP and will be doing a two-year 50% post-retirement contract beginning on July 1, 2023. During 2022/23, both staff members resigned. They were replaced with 1.5 staff members (which explains why actual spending is lower than budget). The 2023/24 budget includes two full-time staff members (as of July 1, 2023) and the transition of the 0.5 staff position into a 0.5 librarian contract to cover the 50% post-retirement contract which will return the library to its full complement of two full-time staff and two full-time librarians.

Student salaries have been increased by 10% (\$5,000) due to increases in minimum wage.

The 2023/24 non-salary budget for the Library remains unchanged with the exception of funds for the LibGuides database (\$2,000) (included under Miscellaneous in the table below).

With respect to actual spending in 2022/23 compared to budget, while periodicals exceeded budget by \$9,000, spending on library books (included in Capital Expenditures Funded by Operations on page 25) fell short of budget by \$18,000. The student employment budget was exceeded by \$6,000 but the library was underspent in several other areas by \$15,000 (including binding, archives, IT hardware/supplies, photocopy costs, and Novanet).

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 380,000	\$ 365,000	\$ 377,000
Student - part-time employment	50,000	56,000	55,000
Periodicals	18,000	27,000	18,000
Novanet	26,000	24,000	26,000
Miscellaneous	24,000	11,000	26,000
<b>Total Library</b>	<b>\$ 498,000</b>	<b>\$ 483,000</b>	<b>\$ 502,000</b>

#### **President's Office:**

Staffing levels due to a leave of absence in 2022/23, required interim resources in an assistant to the President in December 2022. Due to the tremendous workload of this position, it has been divided into two positions – a Manager of Governance and University Ceremonies position and an Assistant to the President position. The 2023/24 salaries and benefits budget includes these positions for the full fiscal year, as well as annual salary increases. Actual salaries and benefits for 2022/23 exceeded budget due to the job evaluation and compensation review process, the hiring of an interim assistant in December, a stipend that was paid to another individual to assist during the leave of absence from summer to the end of January, and a student's salary. The student employment fund covered the \$8,000 for the student's salary. This is reflected in the 'cost covered by internally restricted funds' in the table that follows.

The 2023/24 non-salary budget remains the same except for three items:

- The Encaenia budget has been reduced by \$19,000. The 2022/23 budget included an additional \$30,000 to allow for the celebrations of both the 2020 and 2021 graduating classes in addition to the 2022 celebration. Rather than removing the full \$30,000 from the Encaenia budget, \$11,000 was left in as costs have increased over the years as can be seen from the actual amount spent in 2022/23 which was \$44,000 over budget (largely due to the cost of tent rentals for all three events).
- The special events budget increased by \$13,000. The 2022/23 budget included \$10,000 for preliminary costs related to the Universities Studying Slavery (USS) conference that King's is co-hosting with Dalhousie in October 2023. The 2023/24 budget includes another \$15,000 for the conference (an increase of \$5,000). Dalhousie has contributed \$20,000 so



far towards conference expenditures. Of this amount, \$12,000 was expended in 2022/23 but was not included in the budget as it was not known at budget time (expenditures were recorded here but were offset by revenue). The remaining \$8,000 will be expended in 2023/24 (offset by revenue) and is budgeted here along with King's \$15,000 contribution.

- Other expenditures are increasing by \$1,000 due to higher lodge operating expenses related to the rental of artwork from Dalhousie's art gallery. This was expended in 2022/23 but not included in the budget.

The President's Office budget for 2022/23 was underspent with respect to Board of Governors/committees (\$5,000) and entertainment (\$4,000).

The \$8,000 cost covered by internally restricted funds relates to a student hired under the student employment fund.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 384,000	\$ 400,000	\$ 485,000
Encaenia & matriculation	64,000	108,000	45,000
Entertainment / special events	28,000	36,000	41,000
Travel	10,000	10,000	10,000
Board of Governors / committees	7,000	2,000	7,000
Other	12,000	13,000	13,000
<b>Total President's Office</b>	<b>505,000</b>	<b>569,000</b>	<b>601,000</b>
Cost covered by internally restricted funds	-	(8,000)	-
<b>Net cost of President's Office</b>	<b>\$ 505,000</b>	<b>\$ 561,000</b>	<b>\$ 601,000</b>

### **Vice-President's Office:**

The 2023/24 salaries and benefits budget reflects annual salary increases on both the new KMA salary scale (staff) and the DFA salary scale (Vice-President). Since the Vice-President will be teaching two half-credits in CSP in 2023/24, one third of her salary has been allocated to CSP. Actual salaries and benefits for 2022/23 were slightly lower than budget due to the resignation of the Online Education and Information Management Coordinator at the end of January 2023 (a COVID contract position that will not be replaced), offset by costs related to the job evaluation and compensation review process.

The non-salary budget for 2023/24 is slightly lower than the 2022/23 budget related to expected travel in the coming year. Other costs have been reallocated to better reflect anticipated spending.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 329,000	\$ 326,000	\$ 237,000
Travel	7,000	3,000	5,000
Computer support	2,000	1,000	1,000
General office	2,000	3,000	3,000
<b>Total Vice-President's Office</b>	<b>\$ 340,000</b>	<b>\$ 333,000</b>	<b>\$ 246,000</b>

### **Equity Office:**

The 2023/24 salaries and benefits budget reflects the resignation of the Equity Office effective April 30, 2023 and an expectation that the role will be vacant for about six months. The Human Resources Manager has assumed additional responsibilities in the meantime. Actual salaries and benefits for 2022/23 exceed budget due to the job evaluation and compensation review process.

The non-salary budget for 2023/24 was reduced from \$20,000 to \$10,000 since the role will be vacant for six months. Of this \$10,000, \$3,000 has been reallocated to salaries for a peer mentor program. An additional \$4,000 was removed from the Equity Office budget (on the direction of the Equity Officer) that was for a historic item that is no longer required. Very little was spent on operating costs in 2022/23 (30%).

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 79,000	\$ 84,000	\$ 48,000
Operating costs	24,000	6,000	7,000
<b>Total Equity Office</b>	<b>\$ 103,000</b>	<b>\$ 90,000</b>	<b>\$ 55,000</b>

### **Accessibility Office:**

On January 3, 2023, King's hired its first Accessibility Officer. The 2022/23 budget assumed the position would be filled on September 1, 2022. The 2023/24 budget includes this position for 12 months on the new KMA salary scale. The operating budget for 2023/24 has been reduced by \$5,000 to better reflect anticipated spending for this office.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 48,000	\$ 21,000	\$ 88,000
Operating costs	20,000	1,000	15,000
<b>Total Accessibility Office</b>	<b>\$ 68,000</b>	<b>\$ 22,000</b>	<b>\$ 103,000</b>

**Sexual Health & Safety Office:**

The 2023/24 salaries and benefits budget reflects an annual salary increase on the new KMA salary scale. Actual results for 2022/23 include \$8,000 in casual wages which were offset by a provincial government grant. Actual results for 2022/23 were also impacted by the job evaluation and compensation review process.

The operating budget for 2022/23 was temporarily increased by \$20,000 to address the recommendations arising from the Independent Review report but only \$4,000 was needed. This has been removed from the 2023/24 budget. According to the Sexual Health and Safety Officer (SHSO), an ongoing \$10,000 operating budget is sufficient; the budget has been reduced to reflect this.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 81,000	\$ 95,000	\$ 94,000
Operating costs	40,000	8,000	10,000
<b>Total Sexual Health &amp; Safety Office</b>	<b>\$ 121,000</b>	<b>\$ 103,000</b>	<b>\$ 104,000</b>

**Registrar's Office:**

The 2023/24 salaries and benefits budget reflects annual salary increases on the new KMA salary scale. Both the 2023/24 and 2022/23 budgets are/were impacted by maternity leaves (two in 2022/23 and one in 2023/24) causing the 2023/24 budget to be higher than the 2022/23 budget.

The 2022/23 budget included two COVID contract positions - Student Communications Coordinator and Academic Services and Events Officer. The Student Communications Coordinator contract continues to be included in the 2023/24 budget due to the ongoing need for this position. The Academic Services and Events Officer is currently filling in for the employee on maternity leave (since early May) resulting in contract savings (compared with 2022/23). A request will be forthcoming to replace this position with the remaining marketing funds approved under the Framework for Strategic Investments from the internally restricted funds. The Registrar's Office has experienced increased demand for academic advising, and this position will create capacity for another staff member in the office to work on implementing system improvements that will enhance our admissions application and response capability.

The overage in salaries and benefits for 2022/23 relates to the job evaluation and compensation review process.

A portion of the contract savings noted above (\$5,000) was added to the part-time help budget due to the void created by this position. The part-time help budget was also increased by 10% due to increases in minimum wage. The part-time budget was underutilized in 2022/23 due to a staff departure at the beginning of the recruitment season that did not leave sufficient time for hiring and training additional staff in time to impact the recruitment season. Existing staff in the Registrar's Office took on additional travel to meet the demands of the season.

The recruitment travel budgets for both 2021/22 and 2020/21 were diverted to online marketing efforts including digital media buying campaigns which had a significant impact on the number of applications King's received in both years. In 2022/23, a portion of the recruitment travel budget was diverted to online marketing and technology while also allocating some budget funds to support the resumption of in-person recruitment efforts. A recruitment employee left in early September, and it was too late in the process to hire someone else to support in-person recruitment efforts which impacted in-person recruitment spending and as mentioned above, meant they underspent their part-time help budget. Despite identifying and reallocating resources to counteract the downturn in applications from Ontario early in the recruitment cycle, King's has been affected by the downturn of interest in Ontario high school students from leaving the province.

\$67,000 of the net overage in the recruitment and marketing budgets was covered by the 'recruitment-related activities and communications and marketing activities tied to recruitment fund' under the internally restricted funds and is included in the 'cost covered by internally restricted funds' in the table that follows. These funds were used for a joint Dalhousie & King's Awareness Campaign.

During the 2022/23 budget cycle, the Registrar's Office brought two requests before the BAC:

- Marketing budget increase - \$40,000 (permanent) increasing to \$75,000 in 2023/24 to replace the funds previously covered by the internally restricted funds. Since \$88,000 remains to be spent from the internally restricted funds at the end of 2022/23, the additional \$35,000 has not been added to the 2023/24 budget but to the projection for 2024/25 which assumes the funds are extinguished by then.
- Implement a digital records process - \$20,000 (one-time) which was included in the operations budget below – this has been removed from the 2023/24 budget.

For 2023/24, the Registrar's Office requested an adjustment to the recruitment travel budget due to cost increases beyond their control with respect to food, shelter, transportation, and services. The average CPI increase between December 2021 and December 2022 of 6.32% was applied to these budget lines resulting in a budget adjustment of \$8,000.

Although the Registrar's Office has been able to implement a full move to digital records, the combination of delays in this project at the Dalhousie Registrar's Office and King's ability to provide in-kind support through the Coordinator, Academic Services and Student Systems, meant that the \$20,000 allocated for this expenditure was not spent. The capacity created by the extension of the Academic Services and Events Officer will allow for the Coordinator, Academic Services and Student Systems to work on digitization and systems improvements. Included in operations costs for 2022/23 was \$7,000 spent on staff development which was covered by the internally restricted funds and is included in the 'cost covered by internally restricted funds' in the table below.

Now that the May 15 deposit deadline has passed, the Registrar's Office has done a detailed review of recruitment and marketing efforts of the 2022/23 academic year. As the budget reflects, the Registrar's Office will be focusing on in-person recruitment efforts, improvements to King's digital marketing presence, involving faculty and students in recruitment efforts, an improved application system, and improvements in King's online presence.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 920,000	\$ 972,000	\$ 1,010,000
Part-time help	42,000	26,000	51,000
Recruitment & academic support (non-salary)	127,000	73,000	135,000
Marketing	141,000	257,000	141,000
Operations	58,000	44,000	38,000
<b>Total Registrar's Office</b>	<b>1,288,000</b>	<b>1,372,000</b>	<b>1,375,000</b>
Cost covered by internally restricted funds	-	(74,000)	-
<b>Net cost of Registrar's Office</b>	<b>\$ 1,288,000</b>	<b>\$ 1,298,000</b>	<b>\$ 1,375,000</b>

### **Divinity and Chapel:**

Chapel expenses are largely funded by donations and a draw from endowment funds designated for Chapel purposes. Actual salaries and benefits for 2022/23 were higher than budget due to the Chapel Administrator's contract being extended from 11 months to 12 months (from July 1 – June 30 rather than August 1 – June 30). The Chaplain's salary (the Diocese invoices King's for 50% of the Chaplain's salary and benefits) was slightly higher than budgeted for 2022/23. The 2023/24 salaries and benefits budget reflects estimated salary increases which takes into consideration increases in minimum wage.

The 2023/24 non-salary budget has increased by \$2,000 which is offset by revenue. After applying offerings revenue and endowment income, the Chapel is budgeted to break even, except for half the cost of the Chaplain's salary which the university contributes. Refer also to Schedule 3.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Salaries & benefits	\$ 86,000	\$ 91,000	\$ 96,000
Chapel retreats	20,000	28,000	24,000
Operations	43,000	36,000	41,000
<b>Total Divinity and Chapel</b>	<b>\$ 149,000</b>	<b>\$ 155,000</b>	<b>\$ 161,000</b>

### **Chapel Music:**

The Chapel Music budget for 2022/23 was prepared under unusual circumstances – the departure of the previous music leadership left large gaps in institutional knowledge and documentation and, when combined with the COVID closures, it was difficult to predict what would be financially necessary. With the arrival of new leadership, and a recommencement of activities, it is now possible to budget in a more realistic and concrete manner.

The 2022/23 salaries and benefits budget assumed a new Choir Director and administrative support position (which would be shared with the King's Chorus) would be hired on August 1, 2022. The Choir Director began on October 1 and a search for a part-time administrative support position is currently underway (mid-May 2023). The Chapel Administrator has been providing limited administrative support (five hours per week) until the position is filled. The 2023/24 salaries and benefits budget includes the Choir Director's position for the full year (allocated 80% to Chapel Music and 20% to the King's Chorus) and a part-time administrative support position for nine months (from July 1) (allocated 2/3 to Chapel Music and 1/3 to the King's Chorus). The 2022/23 salaries and benefits budget did not allocate any of the Choir Director's salary to the King's Chorus. The Choir Director's salary is on the new KMA staff salary scale.

The Choir Director brought the Chapel Music budget to the BAC for approval given it is quite different from the 2022/23 budget. It was favorably received.

As they rebuild the Chapel Choir membership and concert audience after a change in personnel, the target concert revenue has been reduced to a more realistic and achievable number. They have proposed new revenue accounts for a Chapel Music summer program and for CD and download sales.

Concert expenditures have been reduced to balance the reduced target for concert ticket revenue. As they rebuild the Chapel Choir membership and concert audience, they will program more modestly (smaller instrumental ensembles rather than full orchestras) until former levels of ticket sales are achieved.

The \$11,000 budget for singers in 2022/23 appears to have been calculated based on four Lay Clerks singing three standards calls each week; however, there are several additional Chapel services each year. In the pre-Covid period, the budget for Lay Clerks had been \$19,000. A figure of \$20,000 is a more accurate reflection of the current Chapel Music schedule. Lay Clerk positions are essential while Chapel Music rebuilds the membership after the change of personnel and COVID closure. These professional singers provide support and mentorship to the student members of the choir.

The Choir Director requested \$10,000 (included in 'other operating costs' in the table that follows) to provide two appraisals of the pipe organ in the chapel, with a view to restoring it or replacing it with another pipe instrument. The actual cost of restoring or replacing the instrument will not be known until after the external appraisals. The importance of a pipe organ cannot be understated. It is difficult to recruit organ scholars with an electronic organ. Discussions will be had with the Advancement Office regarding possible fundraising opportunities for the pipe organ.

New accounts for summer program expenditures, outreach, and choir professional development were requested with a total budget of \$16,000. Offering summer organ and choral programs for high school students will be a significant recruitment tool not only for the choirs but for the institution as a whole. As summer programs grow, current students can be offered positions assisting with program delivery. The outreach account is intended to allow for CD recording and streaming of performances, as well as for touring in Nova Scotia and further afield. This increases awareness of their activities, and functions as a recruitment tool. With respect to choir professional development, in the same way that guest lecturers are an important part of the

academic curriculum, it is important for music students and choir members to receive input from guest conductors and workshop leaders.

A modest increase was included for the purchase of music. The ongoing acquisition of music scores has been somewhat neglected in the past. It is important to keep the repertoire of the Chapel Choir refreshed and current, just as a library must acquire new titles on a regular basis.

The expenditures in the table below are offset somewhat by modest revenue of \$33,000 included in the 2023/24 budget which includes gifts of \$17,000, concert revenue of \$10,000, summer program registration fees of \$3,000, and endowment income of \$3,000 for a net cost to King's of \$134,000. Refer also to Schedule 3.

	<b>Approved</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>2022/23</b>	<b>2022/23</b>	<b>2023/24</b>
Salaries & benefits	\$ 70,000	\$ 66,000	\$ 95,000
Concerts	14,000	3,000	10,000
Singers	11,000	26,000	20,000
Other operating costs	14,000	13,000	42,000
<b>Total Chapel Music</b>	<b>\$ 109,000</b>	<b>\$ 108,000</b>	<b>\$ 167,000</b>

### **King's Chorus:**

As was the case with the Chapel Music budget, the King's Chorus budget for 2022/23 was prepared under unusual circumstances – the departure of the previous music leadership left large gaps in institutional knowledge and documentation and, when combined with the COVID closures, it was difficult to predict what would be financially necessary. With the arrival of new leadership and a recommencement of activities, it is now possible to budget in a more realistic and concrete manner.

The 2022/23 salaries and benefits budget included an administrative support position beginning on August 1, 2022 (a position shared with the Chapel Music Program). The budget assumed the Choir Director would oversee the King's Chorus; however, an allocation of salary was not made from the Chapel Music budget to the King's Chorus budget for 2022/23. The Choir Director began on October 1 and a search for a part-time administrative support position is currently underway (mid-May 2023). The 2023/24 salaries and benefits budget includes the Choir Director's position for the full year (allocated 20% to the King's Chorus and 80% to Chapel Music) and a part-time administrative support position for nine months (from July 1) (allocated 1/3 to the King's Chorus and 2/3 to Chapel Music). The Choir Director's salary was charged completely to Chapel Music in 2022/23.

The 2023/24 King's Chorus budget was not brought before BAC as the non-salary budget is \$1,000 lower than the 2022/23 budget.

As with the Chapel Choir, as they rebuild the King's Chorus membership and audience after the change in personnel, the target concert revenue has been reduced to a more realistic and

achievable number. Member dues is an area of potential growth for revenue. While the Chorus should remain a free activity for King’s and Dalhousie students, there should be membership fees for community members which is more in line with other choirs and choruses in the HRM.

Concert expenditures have similarly been reduced to balance the reduced target for concert ticket revenue. As they rebuild the Chorus membership and audience, they will program more modestly (smaller instrumental ensembles rather than full orchestras) until former levels of ticket sales are achieved.

The reduction in concert expenditures has been reallocated to other budget lines including to accompanist, sectional leaders, and pro singers. In the fall term, they worked without a regular accompanist.

A regular accompanist is necessary so the Chorus can look up at the Conductor’s gestures in every rehearsal – not just the dress rehearsal when the concert musicians are present. Eventually, they envision a situation where one of multiple Organ Scholars would act as Chorus Accompanist, funded by their scholarship. In the short-term, they need to hire a regular paid accompanist to put the Chorus on an equal footing with other choirs and choruses in the HRM.

Strong section leads are essential to provide confidence to those with less experience. In the past, extra singers have been brought in mainly at the end of term, but the help is needed right from the beginning of the learning process. Section leads are a primary retention tool – in addition to enabling music confidence, they provide mentoring and peer support to the membership.

Pro singers aim to provide for soloists for the concerts. Large-scale choral works often have vocal solos that go beyond the abilities even of section leads; therefore, it is important to maintain an appropriate budget for this.

The expenditures in the table below are offset somewhat by modest revenue of \$18,000 included in the 2023/24 budget which includes a \$10,000 gift (year four of a five-year commitment), concert revenue of \$6,000, and member dues revenue of \$2,000 for a net cost to King’s of \$28,000. Refer also to Schedule 3.

	<b>Approved</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>
	<b>2022/23</b>	<b>2022/23</b>	<b>2023/24</b>
Salaries & benefits	\$ 8,000	\$ -	\$ 25,000
Concerts	18,000	3,000	12,000
Other operating costs	4,000	5,000	9,000
<b>Total King's Chorus</b>	<b>\$ 30,000</b>	<b>\$ 8,000</b>	<b>\$ 46,000</b>

**Professional Fees:**

The professional fees budget has been impacted by the independent review for the past two budget years. The budget for 2021/22 was increased from \$150,000 to \$350,000 and was slightly reduced to \$318,000 in 2022/23 to cover anticipated costs related to the independent review



which was commissioned late in fiscal year 2020/21 and concluded in early fiscal 2023/24. The total cost incurred for this work to the end of April 2023 was \$251,000.

In May 2021, King’s engaged the services of a Human Resources consultant to help King’s move forward with plans to improve policies, programs and administration in human resources, with particular emphasis on staff. The consultant completed three projects – a job evaluation program for staff, a compensation review (which included developing a compensation philosophy and a new staff salary scale), and the creation of a performance guidance program for staff. This work was completed by late fall 2022. The cost of this work was covered by the staff development fund of the internally restricted funds. Refer to the table below.

The 2023/24 professional fees budget includes an increase for legal representation regarding the Hankey matter and largely removes costs related to the independent review. Costs have also been incorporated for legal and auditing fees with respect to the new US charitable foundation King’s is in the process of establishing. This will allow US donors to contribute to King’s and receive a charitable income tax receipt that can be used when filing their US income taxes.

Actual spending for 2022/23 was lower than budget largely due to lower legal fees regarding the Hankey matter than anticipated. These costs are anticipated to increase in 2023/24 to assist King’s in addressing claims from victims.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Professional Fees	\$ 318,000	\$ 294,000	\$ 258,000
Cost covered by internally restricted funds	-	(21,000)	-
<b>Net Professional Fees</b>	<b>\$ 318,000</b>	<b>\$ 273,000</b>	<b>\$ 258,000</b>

**Interest & Service Charges:**

The bank charges budget for 2023/24 is \$16,000 higher than the budget for 2022/23 due to a higher discount withheld by the province from the advance of King’s 2023/24 operating grant (\$34,000 in 2023/24 compared with \$18,000 in 2022/23) because of rising interest rates. The 2022/23 actual bank charges came in at \$12,000 compared with a budget of \$14,000. The bank charges budget has been maintained at \$14,000 for 2023/24.

Interest on long-term debt is budgeted based on the amortization schedules of the individual long-term debt issues. The exception is the bridge financing loan for the Tri-Bays renovation project that was obtained in May 2020 to assist in financing the gap between donations received and the cost of the Tri-Bays 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 last drawdown date). This facility was repaid (\$416,000) in full in October 2022 with proceeds from the Alexandra Hall accessibility project debt facility of \$4.9 million as only \$4.3 million ended up being needed for the project (see “Long-Term Debt” section for more details). Interest of \$10,000 was paid on the bridge-financing loan in 2022/23 with a budget of \$15,000. It is fortunate that this loan was repaid when it was given the significant increase in interest rates since then.

As mentioned under “Long-Term Debt” earlier in this document, in 2022/23 the Board of Governors approved financing for the Alexandra Hall accessibility project. This approval included the repayment of the \$2.6 million deficit financing loan early (which had a balance of \$1.866 million and \$557,000 in annual debt servicing costs) and obtaining a new debt facility in the amount of \$4.9 million to finance the Alexandra Hall accessibility project (which has \$348,000 in annual debt servicing costs). To forward fix the interest rate on the \$4.9 million loan before interest rates started rising, the interest rate swap on the deficit financing loan was broken in early February 2022 and the swap breakage cost (roughly 0.05%) was blended into the forward fixed rate bringing the all-inclusive interest rate to 3.71% on the new loan. The deficit financing loan was repaid in early August 2022 with funds borrowed from the internally restricted funds and the new \$4.9 million loan was obtained in mid-August. When there is sufficient operating surplus available to do so, the net savings from the reduction in annual debt servicing costs (\$209,000) and reduced investment income due to the withdrawal from the internally restricted funds (\$89,000) of \$120,000 will be used to repay the funds borrowed from the internally restricted funds for the deficit financing loan.

Since the swap on the deficit financing loan was broken in early February 2022, interest was paid at variable rates (plus a stamping fee) until the loan was repaid in early August. Due to the significant increase in interest rates, the amount of interest paid on this loan exceeded budget by \$4,000.

The 2023/24 long-term loan interest budget no longer includes interest on the deficit financing loan or the Tri-Bay bridge financing loan since they were both repaid (\$30,000), but it includes a full year of interest on the \$4.9 million Alexandra Hall accessibility project loan (\$59,000). Interest on all other loans decreases each year as the principal balance of the loans is repaid.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Bank charges	\$ 32,000	\$ 30,000	\$ 48,000
Long-term loan interest	384,000	380,000	396,000
<b>Total Interest &amp; Service Charges</b>	<b>\$ 416,000</b>	<b>\$ 410,000</b>	<b>\$ 444,000</b>

**Investment Management Fees:**

During 2022/23, King’s underwent a rigorous request for proposals process for investment management services. Prior to this, King’s had two investment managers – an alternative investment manager (that managed investments in commercial mortgages, real estate and infrastructure of approximately \$14 million) and a value manager (that managed approximately \$32 million). Due to the sub-par performance achieved by the value manager over several years, King’s decided to seek the services of another investment manager(s). King’s Investment Committee evaluated 18 proposals and the successful proponent was our existing alternative investment manager. This manager now manages King’s entire investment portfolio (as of April 14, 2022). As a result of this, they have discounted King’s investment management fees by 12.2%.

The 2023/24 budget reflects a full year with a single investment manager. The 2022/23 budget failed to consider the withdrawal of the \$1.866 million from the internally restricted funds in August 2022 to repay the deficit financing loan which explains in part why actual fees fell short of budget. With only one investment manager, King's did not seek the services of its investment consultant as it did in previous years when there was more than one manager. This resulted in savings as well. The amount of investment management fees paid is calculated based on the market value of the portfolio each day; fluctuations in the market will impact the amount of fees paid. The markets were volatile at various points during the year.

The 2023/24 budget removes fees for an investment consultant, utilizes the current market value, and is more in line with actual fees for 2022/23.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Investment Management Fees	\$ 240,000	\$ 196,000	\$ 200,000

### **Conference Services:**

Due to the pandemic, both the 2020 and 2021 summer conference services seasons were cancelled. While the conference services season was open for summer 2022, the budget was modest due to the closure of Alexandra Hall for the accessibility renovation. The amount of business that was generated in the summer of 2022 was not anticipated and it rivaled pre-pandemic revenue levels despite the largest residence being out of commission. This is likely due to the eagerness of people to travel after two years of being limited in doing so.

The 2023/24 budget is already proving to be a busy one with several conferences scheduled, most notably the NAIG (North American Indigenous Games) from July 15 - 23. Universities in the HRM are hosting athletes in each of their respective residences. The campus is fully booked with conferences and tourist bookings through Booking.com and Expedia.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Conference Services revenue	\$ 150,000	\$ 298,000	\$ 541,000
Conference Services expenses	169,000	250,000	295,000
Profit (loss)	\$ (19,000)	\$ 48,000	\$ 246,000

### **Offsite office space leasing costs:**

Due to space limitations on campus with the hiring of new faculty and staff positions in recent years, the Advancement Office will be relocating on August 1, 2023, to off-campus commercial office space on Brunswick Street. A five-year lease has been signed. The annual leasing costs (including custodial, utilities, parking, and amortization of leasehold improvements) is estimated

to be \$151,000 (including the non-rebated portion of HST). The prorated cost for 2023/24 is estimated to be \$101,000. The cost has been escalated by 3% in the projections.

	<b>Approved Budget 2022/23</b>	<b>Actual 2022/23</b>	<b>Budget 2023/24</b>
Offsite office space leasing costs	\$ -	\$ -	\$ 101,000

## APPENDIX B

### Approval of Alexandra Hall Accessibility Project Funding

The approval of the Alexandra Hall accessibility project funding entailed repaying the \$2.6 million deficit financing loan early (which had \$557,000 in annual debt servicing costs due to a short amortization period) with a \$1.866 million loan from the internally restricted funds) and obtaining a new debt facility in the amount of \$4.9 million to finance the Alexandra Hall accessibility project (which would have \$348,000 in annual debt servicing costs). To forward fix the interest rate on the \$4.9 million loan before interest rates started rising, the interest rate swap on the deficit financing loan was broken in early February 2022 and the swap breakage cost (roughly 0.05%) was blended into the forward fixed rate bringing the all-inclusive rate to 3.71% on the new loan. The deficit financing loan was repaid in early August. The new \$4.9 million loan was obtained in mid-August. Approximately \$120,000 in cash flow savings (\$209,000 in annual debt servicing costs minus \$89,000 in reduced investment income due to the withdrawal from the internally restricted funds) will be used to repay the funds borrowed from the internally restricted funds, providing there is a sufficient operating cash surplus for the year. Schedule 1 does not reflect any repayments due to the absence of operating cash surpluses for all four years presented.

The total cost of the Alexandra Hall accessibility project was \$4.3 million rather than \$4.9 million. Of the remaining \$600,000 borrowed, \$400,000 was used to repay the amount owing on the Tri-Bay bridge financing loan in October 2022 and \$200,000 will be used to replace the flooring in Cochran Bay and the 4<sup>th</sup> floor of Alexandra Hall and to continue the dormer work on Alexandra Hall in the summer of 2023. The bridge financing facility was used to bridge the gap between the cost and donations received for the Chapel Bay, Middle Bay, and Radical Bay (i.e., the Tri-Bays) residence renovation project. The actual amount repaid was \$416,000. This facility remains available for use to a maximum amount of \$1.2 million. The loan requires interest-only payments, at prime less 0.25%, with principal to be repaid in full five years from the final drawdown date. It is fortunate that this loan was repaid when it was given the significant increase in interest rates since then.