



UNIVERSITY OF
KING'S
COLLEGE • HALIFAX

2025/26 OPERATING BUDGET

- Approved June 26, 2025

Introduction

The **2025/26 operating budget** outlines the financial strategy and projections for the University of King's College (King's). This budget reflects a collective effort, drawing from consultations with faculty, students, administration, and advisory committees to ensure financial sustainability and strategic alignment.

Budget development is led by the **President and Bursar**, with recommendations from the **Budget Advisory Committee (BAC)**. The BAC plays a crucial role in scrutinizing expenditures, assessing revenue strategies, and advising on financial decisions. The **Finance, Audit & Risk Committee (FAR)** and the **Board of Governors** receive insights and recommendations through these processes.

The **2025/26 budget** focuses on maintaining a balanced cash flow within the operating fund. It does not include capital expenditures or restricted funds, which are accounted for separately. 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 two iterations of the budget – a provisional budget is prepared in March, and a final proposed budget is prepared and brought forward through the Finance, Audit and Risk Committee for review and recommendation to the Board of Governors for review and consideration/approval in June. This allows time for decisions to be made throughout the development of the budget plan.

2024/25 Financial Review

Year-End Results

The **2024/25 operating budget**, approved by the Board of Governors in June 2024, projected an operating cash deficit of **\$1.5 million**. It included \$600,000 in funding for the recruitment and enrolment implementation plan approved by the Board of Governors in December 2023 to assist King's in returning to financial sustainability by increasing enrolment. While the Board approved the budget, it mandated the President to "take all measures that can reasonably be taken to ensure the deficit is lower than the currently projected deficit to the full extent possible, by, for example, a rigorous and continuous forecasting management process".

Through cost management and enrolment-driven revenue growth, King's successfully reduced the deficit to **\$949,000**, improving projections by **\$547,000**.

Key financial highlights:

- **Enrolment growth:** Total headcount reached **1,015 students**, exceeding projections by **33 students**—marking the first time King's surpassed **1,000 students** since 2015/16, leading to higher tuition and fees revenue of **\$184,000**.
- **Residence occupancy:** Residence revenue exceeded budget by **\$51,000** due to higher occupancy and fewer withdrawals.

- **Cost reductions:** Savings in **salaries and benefits (\$396,000)** and **administrative department and academic budgets (\$107,000)** helped contain expenses.
- **Cost overrun:** The **allotment to Dalhousie** exceeded budget due to higher than anticipated cost increases resulting in a higher financial transfer invoice **(\$145,000)**.

In 2023/24, King's paid \$1.4 million in legal claims related to the actions of the late Dr. Wayne Hankey dating back to the 1970s. These claims were financed by the internally restricted funds. In 2024/25, contributions from Dalhousie University and the Diocese of Nova Scotia and Prince Edward Island provided \$300,000 toward legal claims settlements, reducing the net cost to King's. These funds were repaid to the internally restricted funds.

Expenditures that are financed with internally restricted funds (\$224,000 in 2024/25) are not included as part of budgeted operating expenditures, but they are included in the overall financial statement expenditures for 2024/25. These expenditures are covered by transfers from internally restricted funds.

2025/26 Budget Overview

The provisional budget presented in **March 2025** estimated a **\$720,000** operating cash deficit, reflecting early financial projections. However, subsequent adjustments, including the **tuition freeze under King's bilateral agreement with the Province of Nova Scotia** and updated enrolment expectations, impacted revenue forecasts.

Major Budget Adjustments

- **Tuition freeze:** A mandated **two-year freeze** on Nova Scotia undergraduate tuition (applied to all domestic undergraduate students) reduced revenue by **\$166,000**.
- **Enrolment adjustments:** A decrease in **Foundation Year Program (FYP) enrolment** (50 students) and **international enrolment** (5 students) resulted in a **\$454,000 reduction** in tuition revenue.
- **Allotment to Dalhousie:** An increase in the cost of teaching added **\$250,000** in expenses, raising overall budget pressure.

Deficit Mitigation Strategies

To counteract these challenges, King's implemented several financial measures:

- **Hiring adjustments:** Delaying, postponing, or removing new hires saved **\$463,000**.
- **Departmental and program budget reductions:** Administrative and academic cuts contributed **\$255,000** in savings.
- **Revenue growth:** Additional **\$125,000** generated from gym rentals and investment income.

Projected Deficit

The 2025/26 budget reflects a **\$750,000 operating cash deficit**, which is **\$30,000 higher** than the provisional budget deficit presented in March but remains **\$746,000 lower** than the prior year's approved budget. The adjustments since March are summarized in the table below:

2025/26 provisional budget operating cash deficit		\$ (720,000)
<u>Recent changes:</u>		
Undergraduate domestic tuition freeze	\$ (166,000)	
Enrolment adjustments	(454,000)	
Higher allotment to Dalhousie (higher cost per student)	<u>(250,000)</u>	\$ (870,000)
<u>Proposed offsets:</u>		
Salary adjustments	\$ 463,000	
Administrative department reductions	225,000	
Academic program reductions	30,000	
Additional other revenue	125,000	
Other adjustments	<u>(3,000)</u>	840,000
2025/26 revised operating cash deficit		<u>\$ (750,000)</u>
Difference (higher deficit)		<u>\$ (30,000)</u>

While **\$750,000** is still a sizeable deficit, it is **almost \$1 million lower** than the **\$1.7 million deficit** that was included in the projection for 2025/26 that was presented with the 2024/25 budget to the Board of Governors last year. The improvement is largely the result of **112 more students** than contemplated in the recruitment and enrolment implementation plan (1,135 headcount versus 1,023), slightly offset by the domestic tuition freeze.

While the **tuition freeze** reduces tuition revenue by **\$166,000** in the **first year**, it has a knock-on effect in the **second year** of **\$353,000**. The projections assume the freeze is only in effect for the duration of the bilateral agreement (2025 to 2027). A 2% increase has been assumed in the future two years for arts and science tuition and 1% for journalism tuition. The tuition freeze in the first two years negatively impacts tuition in the **last two years** of the projections by **\$376,000** and **\$400,000** respectively.

In 2024, Immigration, Refugees and Citizenship Canada (IRCC) capped the number of international study permit applications. This measure has reduced the number of international students coming to Canada by approximately **40%** and eased pressures in rental markets with high student populations. Building on these changes, provincial and territorial allocations for 2025 have been reduced by an additional **10%** from the 2024 cap.

King's is only anticipating **20 international students** in 2025/26, although new international student enrolment is expected to be up slightly. While the percentage of total international enrolment to total headcount has historically been between **4% and 5%** of total headcount, this is only **1.8%**. High international tuition rates in combination with the IRCC decision to reduce international student study permits has significantly impacted international enrolment. King's **budget for 2025/26 would essentially be balanced** if it had the same level of international students that it had prior to 2023/24 (which **averaged 45 international students** per year from 2013/14 to 2022/23). To support international recruitment, King's will introduce a **\$10,000 international student mobility waiver**, aimed at reducing financial barriers and improving accessibility. This waiver will be provided to all international students regardless of year of admission.

Unfortunately, **efforts to grow FYP** enrolment in 2024/25 did not produce the yield we were hoping for in 2025/26. We continue to have faith that our increased recruitment and marketing efforts as contemplated in the recruitment and enrolment implementation plan will pay dividends but just over a longer time horizon.

2025-2027 Bilateral Agreement

King's received its **2025-2027 bilateral agreement** from the province in early April. The previous agreement was for one year and required the submission of a strategic alignment plan which informed the new two-year bilateral agreement. The implementation of certain strategic action items is now a requirement of the new agreement. The new bilateral agreement includes the **potential for holdbacks** of portions of the operating grants unless certain conditions are met:

2025/26 - \$176,000 potential holdback

- A potential holdback of **2%** of the operating grant or **\$176,000**. King's must **demonstrate**, to the reasonable satisfaction of the Minister, that steps have been taken to **advance certain strategic action items** in accordance with an implementation plan that is due in mid-June 2025.

2026/27 – up to \$717,000 in potential holdbacks

- A potential holdback of **3%** of the operating grant or **\$269,000**. King's must complete a **comprehensive review and evaluation of its academic programs** on or before **October 15, 2026**.
- A potential holdback of **3%** of the operating grant or **\$269,000**. King's must maintain a **minimum bed provisioning rate of 15%** as of **October 15, 2025**. King's must also maintain a **maximum vacancy rate of 5%** as of **October 15, 2025**. If greater than 5%, King's has until **February 15, 2027**, to demonstrate a reduction of **25%** in the vacancy rate.

Based on enrolment in the 2025/26 budget (of 1,135) and total beds available (of 265 excluding temporary beds), King's bed provisioning rate is expected to be 23%. King's is also expecting full residences. While there are always withdrawals, it is expected that


King's vacancy rate on October 15 will be close to 1%. A 5% vacancy rate would equate to 13 withdrawals. The budget assumes three fall withdrawals and eight winter withdrawals (which count as half for residence revenue purposes).

- A potential holdback of **2%** of the operating grant which equates to **\$179,000**. King's must **demonstrate** that steps have been taken to **advance certain strategic action items** in accordance with an implementation plan.

It has been assumed that King's will fulfill the requirements for release of the 2025/26 holdback, and the full operating grant has been reflected in the budget. For 2026/27 there is a risk that King's may not fully meet the requirements to release one or two of the holdbacks (excluding the residence holdback). The projected deficit with the full operating grant is just over **\$1.3 million** but **could be as high as \$1.7 million** if King's fails to meet the requirements for the release of the other two holdbacks. If the holdbacks are permanent, this will negatively impact the future year projections as well.

2025/26 Budget Compared with 2024/25 Budget

The 2025/26 proposed budget operating cash deficit of **\$750,000** is **\$746,000 lower** than the 2024/25 approved budget operating cash deficit of **\$1,496,000**. Variances are explained in the following table. They have been categorized as either **"new or changed levels of service"** or **"existing services"** so the impact of new or changed services is more readily discernable.

2024/25 budget operating cash deficit		\$ (1,496,000)
<u>New or changed levels of service</u>		% change
1. Additional students	\$ 1,207,000	n/a
2. Savings from vacancies	238,000	n/a
3. New positions	(219,000)	n/a
4. Scholarships to replace reserves	(120,000)	n/a
5. Presidential search costs	<u>(100,000)</u>	1,006,000 n/a
<u>Existing services</u>		
6. Departmental/program reductions	\$ 255,000	1.2%
7. Operating grant	176,000	2.0%
8. Tuition and fees increase (incl residence)	141,000	1.2%
9. Investment income	134,000	7.0%
10. Allowance for staff vacancies	100,000	n/a
11. Average compensation	(393,000)	3.7%
12. Allotment to Dalhousie	(550,000)	13.1%
Net other existing revenue/costs	<u>78,000</u> 	<u>(260,000)</u>
2025/26 budget operating cash deficit		<u>\$ (750,000)</u>

The variances noted above are explained below in the order they appear in the table:

1. The **recruitment and enrolment implementation plan** that was approved by the Board of Governors in December 2023 envisioned an increase of **70 FYP students** (from 180 to 250), an increase of **60 graduate students** (from 100 to 160), and an increase in international students of between **18 and 42** over a five-year period beginning in 2025/26 with expenditures beginning in 2023/24. As a result of the subsequent IRCC decision to reduce international study permits, a shift had to be made to reduce the international enrolment goal and to increase the domestic enrolment goal. One international student equates to roughly three domestic students in terms of tuition and fees revenue. Implementation plan expenditures of **\$571,000** were incorporated into the **2024/25 budget** and **\$519,000** into the **2025/26 budget** for salaries and operating costs (such as marketing and recruitment).

Enrolment increases have been incorporated into the budget and projections beginning in 2025/26. The 2025/26 budget reflects a total headcount of **1,135** students compared with a headcount of **982** in the 2024/25 budget, **an increase of 153 students**. Based on the number of deposits received to date, **FYP enrolment** is expected to be lower for **2025/26** with **190 students** compared with the **2024/25 budget of 220 students**, while the number of **undeclared students** is expected to be **higher by 20** (from 40 to 60). Based on the number of registrations to date, **upper year student enrolment** is expected to **exceed** the prior year budget by **155 students** (from 605 to 760), and **graduate enrolment** is expected to be **higher** than the prior year budget by **eight students** (from 107 to 125).

2. **Salaries and benefits** variances are explained beginning on **page 40** of this document.
3. **Salaries and benefits** variances are explained beginning on **page 40** of this document.
4. The 2025/26 budget includes an additional **\$120,000** for **renewable in-course scholarships** that were previously covered by the internally restricted funds under the Framework for Expenditure of Internally Restricted Funds. The 2024/25 budget was increased by **\$30,000** for a **total permanent increase of \$150,000** over two years. This was the amount that was annually awarded from the internally restricted funds which have now been exhausted. Refer to **page 19** for more information on the Framework for Expenditure of Internally Restricted Funds.
5. The President's term expires on June 30, 2026. A **presidential search** committee has been struck. The **2025/26** budget includes **\$100,000** for recruitment costs with an **additional \$20,000** included in the projection for **2026/27**.
6. As mentioned earlier, to reduce the size of the 2025/26 budget deficit, **reductions of \$255,000** have been made to **administrative department (\$225,000)** and **academic program (\$30,000)** budgets.
7. The **provincial operating grant** will increase by **2%** over the prior year in accordance with King's 2025-2027 bilateral agreement. This is **subject to a potential holdbacks** as noted previously.

8. The **increase in tuition and fees** includes a **2%** increase in **graduate tuition and all fees** (except meal plans and residence fees). **Residence** fees are increasing by **3%** and **meal plans** are increasing by **3.8%** (in accordance with the dining services contract). King's receives a commission based on the number of meal plans sold. The amount of tuition is net of the international student mobility waiver of \$10,000 per student or \$200,000 for 20 students.

Tuition and Fees Adjustments:

- **Undergraduate arts, science, journalism: no increase** due to tuition freeze.
- **Graduate programs: 2% increase** for **Master of Journalism (MJ)** and **Master of Fine Arts (MFA)**.
- **International tuition guarantee** (for undergraduate students except BJ one-year students): **6% annual increases**, aligned with Dalhousie.
- **International differential** (for graduate students and BJ one-year students): **10% increase**, aligned with Dalhousie.
- **International student mobility waiver: \$10,000** to be provided to all international students.
- **Auxiliary and ancillary fees** (except residence and meal plans): **2% increase**
- **Residence and meal plans: 3% increase** in residence fees (except Cochran Bay) and **3.8%** increase in meal plan costs.

King's consulted with the King's Students' Union (KSU) Executive on the proposed changes to tuition and fees in late April. The rationale for these increases is described on **pages 28 through 30**.

9. The **investment income** variance is described beginning on **page 35** of this document.
10. **Salaries and benefits** variances are explained beginning on **page 40** of this document.
11. **Salaries and benefits** variances are explained beginning on **page 40** of this document.
12. The **allotment to Dalhousie** variance is explained beginning on **page 39** of this document.

King's **expenses** are **increasing by 3.7%** over the prior year budget and the **provincial operating grant** is **increasing by 0.7%** (of total revenue). The increase in expenses includes not only the general increase in all costs but also funding that has been incorporated over the previous several years for many improvements including a full-time accessibility officer, a sexual health and safety officer, a director of equity and community supports, a student support advisor, five new tenure track positions to increase faculty diversity, and substantially increased spending on scholarships. Recruitment and enrolment implementation plan costs have been incorporated beginning in late 2023/24 to significantly increase enrolment and return King's to financial sustainability. To close the gap between increasing costs and increases in the provincial operating grant, decisions must be made that increase revenues and/or decrease expenses while also allowing for investments in long-term priority areas.

Establishing a Minimum Balance in the Internally Restricted Funds

At the March 2024 meeting of the Board of Governors, the President indicated that a plan would be developed for preserving the internally restricted funds by “setting a minimum reserve balance below which deficit financing will not be drawn”. The purpose of this plan in part is to identify the point at which other means of deficit financing will be pursued instead of further encroachments on internally restricted funds to finance operating deficits.

The establishment of a minimum balance in the internally restricted funds serves several purposes:

- It provides clarity to the King’s community regarding planned and recommended uses of internally restricted funds, particularly as they relate to operating deficits.
- Establishing a minimum balance for the internally restricted funds also drives the need to evaluate financing options other than the internally restricted funds that exist and should be pursued for operating deficits. It also drives cost control in developing and administering budgets.
- Finally, establishing a minimum internally restricted funds balance can provide King’s with ongoing access to funds, internally and quickly, to mitigate unexpected risks to the financial sustainability of the university, or to pursue unexpected and compelling revenue opportunities.

In December 2024, the Board of Governors established a minimum balance in the internally restricted funds of **\$3 million** below which funds will not be withdrawn. The minimum balance will be re-evaluated no less frequently than every two fiscal years and a recommendation to the Board of Governors will be part of the budget resolutions for that fiscal year (next update recommendation in **2026/27**).

The **market value** of the internally restricted funds on **March 31, 2025**, was **\$6.3 million** before financing the **2024/25 deficit** of **\$949,000**.

Shared Goals for the 2025/26 Budget and Beyond

In February 2025, the President and Bursar drafted a memo titled “Shared Goals for the 2025/26 Budget and Beyond”. It has been attached as **Appendix A**. The memo was first shared with the Finance, Audit and Risk Committee of the Board of Governors and subsequently with the Board of Governors, and also with faculty and staff. It is a conceptual document that aims to achieve greater clarity and understanding of the goals we are all working to advance in relation to developing and managing budgets and in financial planning more generally. It is in line with the decisions the Board of Governors has made over the past 12 to 18 months considering the crucial relevance of enrolment goals and the enrolment growth plan. Our **goal for the 2025/26 budget was to have a deficit of less than or in the vicinity of \$750,000**. This was prior to the receipt of the 2025-2027 bilateral agreement that prevents increases in domestic tuition rates and before adjustments were made to enrolment projections for 2025/26. When we realized we were in danger of not achieving this target, we set out to get it back in line by making the adjustments noted on **pages 3 through 5**.

Preceding this memo, a multi-year financial strategy framework was presented to the Board of Governors in December 2023 along with an accompanying Expenditure and Revenue Management Framework. They have been attached as **Appendices B and C** respectively.

Comparison of Net Spending and Number of Employees by Core Functional Area - 2017/18 Versus 2024/25

With respect to actual spending, a document titled “Comparison of Net Spending and Number of Employees by Core Functional Area – 2017/18 versus 2024/25” was shared with the same groups that received the Shared Goals memo. It has been attached as **Appendix D**. The analysis illustrates where spending and staffing levels have grown and decreased since 2017/18, the year immediately preceding the year in which King’s operating grant was permanently increased by \$2.2 million by the province to ensure King’s was sustainable while working to rebuild enrolment from the steep declines that had occurred between 2013 and 2016.

This analysis could have been done by comparing department and academic program; however, the priority is to more clearly show how net spending levels have changed in core functional areas such as academic programming, including the allotment to Dalhousie, student supports, administration, scholarships and financial aid, and other categories of spending such as utilities, debt servicing costs, and professional fees. This is an alternative approach to showing a large amount of the expenditure that is not academic as “administration” as if academic and administration are the two categories that accurately explain everything that King’s does. This analysis and the budget narrative allow the Board of Governors to understand past and future trends and the impact that various options will have on the financial sustainability of the university.

It is interesting to note that revenue has increased by essentially the same amount as expenditures over this timeframe. We tend to address issues on a year-to-year basis and have not taken the time to step back and assess revenue and expenditures over a longer timeframe. It offers a clear picture of King’s financial history for nearly a decade. Conclusions about our priorities such as additional spending on community supports and recruitment are often drawn from the annual budget breakdown, which can sometimes lead to missing the bigger picture. The analysis provides valuable context, showing that our priorities and investments have been aligned. While administration has grown, it has not inflated unnecessarily. It shows that we have generally followed the President’s mandate and updated mandate.

Enrolment Projections for 2025/26

As shown in the table on the following page, enrolment for 2024/25 of 1,015 exceeded the budget of 982 by 33 students or 3.4%. According to the Association of Atlantic Universities 2024/25 Preliminary Survey of Enrolments, six out of 15 or 40% of Atlantic universities experienced a year-over-year reduction in total enrolment. Overall, Atlantic enrolment was down by 1.6% and Nova Scotia enrolment was down by 2.7%. **King’s had the second highest year-over-year enrolment growth of all Atlantic universities at 6.2%** (59 students) (following the Atlantic School of Theology at 6.4% (5 students)). Interestingly, only New Brunswick had overall positive enrolment growth at 1.6% in 2024/25.

King's anticipates total enrolment of **1,135 students** in 2025/26, making continued growth in upper year student numbers. However, FYP enrolment is unfortunately projected to dip below 200 students once again.

The 2025/26 budget includes **153 more students than the prior year budget and 120 more than the prior year actual**. The growth is **largely due to higher upper year enrolment** (155 higher than budget and 107 higher than the prior year actual) because of continued efforts to improve retention rates. It also includes students who withdrew in previous years and are returning. There is **also growth in graduate enrolment** (eight higher than the prior year budget and 11 higher than the prior year actual) and undeclared student enrolment (20 higher than budget and 25 higher than the prior year actual). Based on deposits received to date, we are only anticipating a **FYP class of 190** (which is 30 less than the prior year budget and 23 less than the prior year actual). King's experienced FYP classes of less than 200 for a five-year period from 2015/16 up to and including 2020/21 (the year of the pandemic). Except for a blip in 2023/24, King's returned to FYP classes exceeding 200 since then. Recruitment efforts will be focused on bringing FYP enrolment back above 200 and beyond to ultimately reach the target of 250 included in the recruitment and enrolment implementation plan. Refer to the FYP graph on **page 17**.

The upper year retention rate continues to be strong at **81.3%** (as of May 15, 2025). 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). The budget assumes a conservative estimate of growth in registrations between now and the beginning of the fall semester based on historical trends. This number includes all students in all years in all undergraduate programs. An Engagement and Retention Coordinator was hired in late 2024 in the office of the Dean of Students to continue to improve the upper year retention rate.

The deposit deadline for fall 2025 admission was May 15, 2025. While applications were down, offers for 2025/26 were higher than they have been over the previous four years (including in FYP over the previous two years). Deposits are also higher than they have been over the previous four years; however, the growth is in the graduate programs and in the number of undeclared students rather than in FYP. Additional efforts are being made to convert FYP offers into deposits and registrations before the fall semester begins.

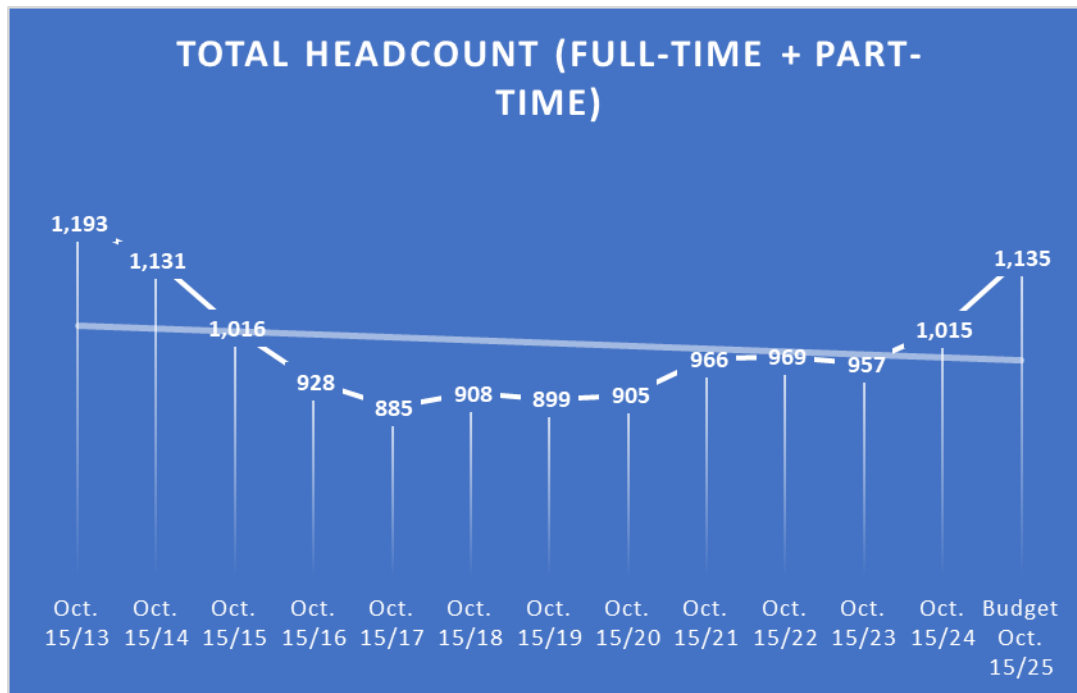
Enrolment

		Approved Budget 2024/25	Actual 2024/25	Budget 2025/26
Fall (Oct. 15)	Undergraduate	865	901	1,010
	Graduate	117	114	125
	Total	982	1,015	1,135
Winter (Feb. 1)	Undergraduate	830	858	970
	Graduate	115	119	124
	Total	945	977	1,094
FYP included above:				
Fall		220	213	190
Winter		212	203	182

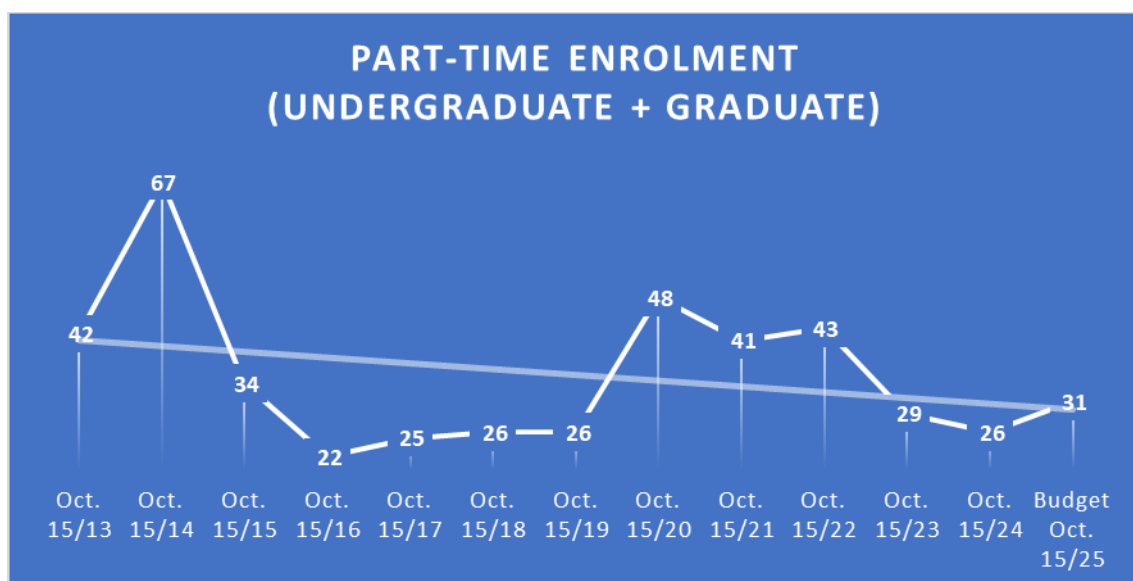
Enrolment Trends

Enrolment and residence occupancy are the primary drivers of operating revenue generating **53%** of total university operating revenues (excluding the annual provincial operating grant which is also impacted by enrolment). As of October 15, 2024, **total headcount** (full-time and part-time, undergraduate, and graduate) at King's **was 1,015**, which was 58 or 6.1% higher than the previous year, and was **the first time headcount surpassed 1,000 students since October 1, 2015**. As will be shown in a later graph, FYP enrolment rebounded after a one-year blip on October 1, 2023 with 31 more students. There were also 16 more upper year students and 13 more graduate students (related to the second year of the MFA in Fiction stream which accepted its first students in the fall of 2023).

Total headcount anticipated in the 2025/26 budget is **1,135** (as of October 15) which is 120 or 11.8% higher than the previous year and is the **highest headcount experienced since October 1, 2013**. This is a result of anticipated Increases in upper year headcount, first year undeclared student headcount, and graduate headcount, offset by a smaller FYP class. The budget utilizes enrolment as of October 15 for financial reasons since this is after the add/drop date deadline for the fall semester.

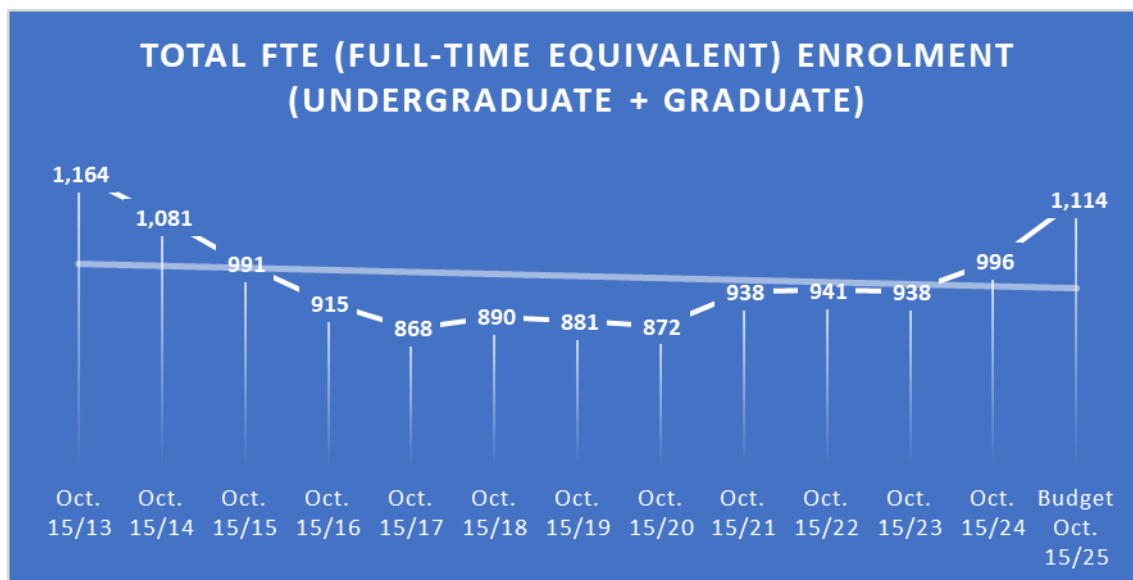


What is not evident from the graph above is that although total headcount from October 15, 2019 through October 15, 2022 increased, so too had the number of part-time students. The number of part-time students on October 15, 2020 was **85% higher** than it was on October 15, 2019, meaning that a larger number of students took a smaller course load during the pandemic. While not quite as high as on October 15, 2020, part-time enrolment continued to be at or around 40 students for the following two years, which is 58% higher than pre-pandemic years indicating that course loads since the pandemic continued to be smaller. The number of part-time students since October 15, 2023 has largely returned to pre-pandemic levels. The 2025/26 budget assumes this trend continues with a slight increase due to higher anticipated headcount. Refer to the graph that follows for the actual number of part-time students compared with the 2025/26 budget.



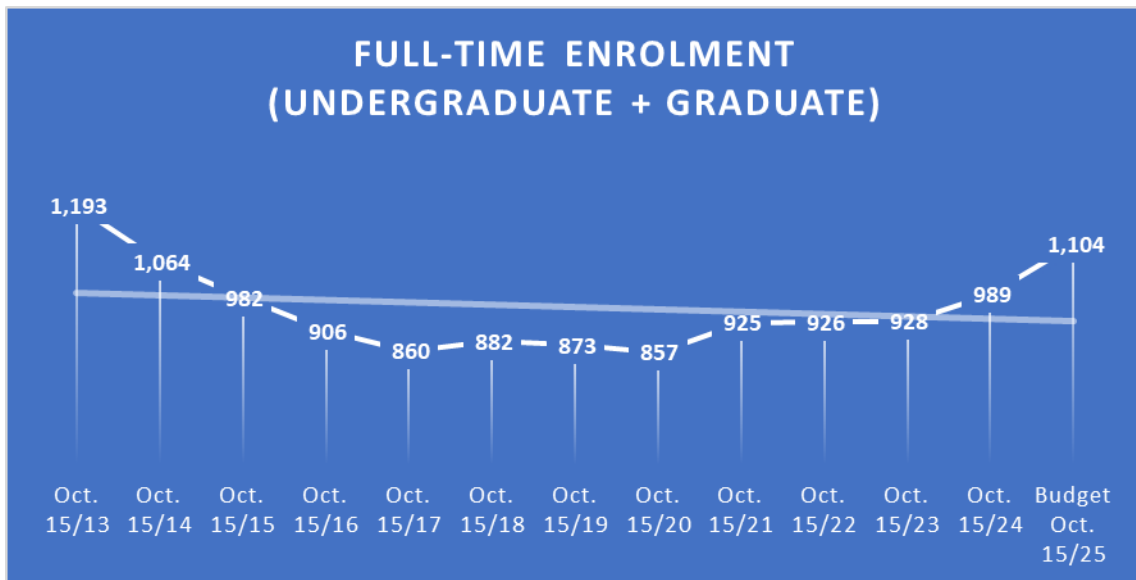
The following graph converts the number of part-time students into full-time equivalent (FTE) students. The number of FTEs at King's was relatively stable from October 1, 2017 through October 1, 2020 with a bump on October 1, 2021 which was maintained through October 1, 2023 despite the smaller FYP class. King's experienced an increase in the number of FTEs on October 1, 2024, which **surpassed the number of FTEs dating back to October 1, 2015**, with 58 or 6.2% more FTEs over the previous year (more FYP, upper year, and graduate students).

The 2025/26 budget anticipates total FTEs of 1,114 which is 118 or 11.8% higher than the previous year and is the **highest FTE count since October 1, 2013**. This is due to anticipated increases in upper year, first year undeclared, and graduate enrolment, offset by lower FYP enrolment.

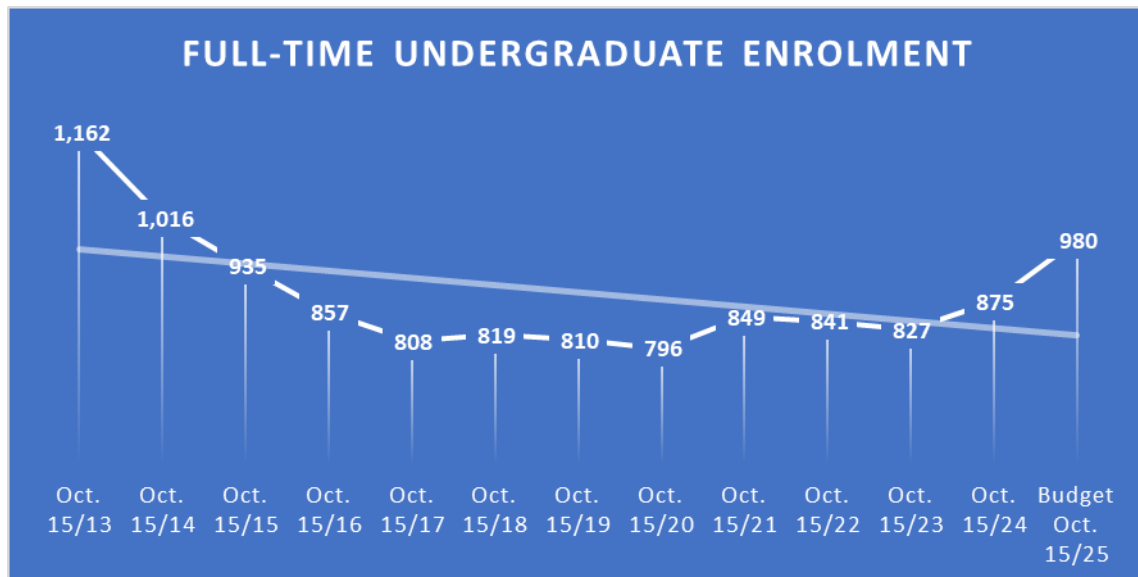


The following graph shows total full-time enrolment for both undergraduate and graduate programs. King's experienced an increase in the number full-time students on October 1, 2024, which **surpassed the number of full-time students dating back to October 1, 2015**, with 61 or 6.6% more full-time students over the previous year (more FYP, upper year, and graduate students as explained previously).

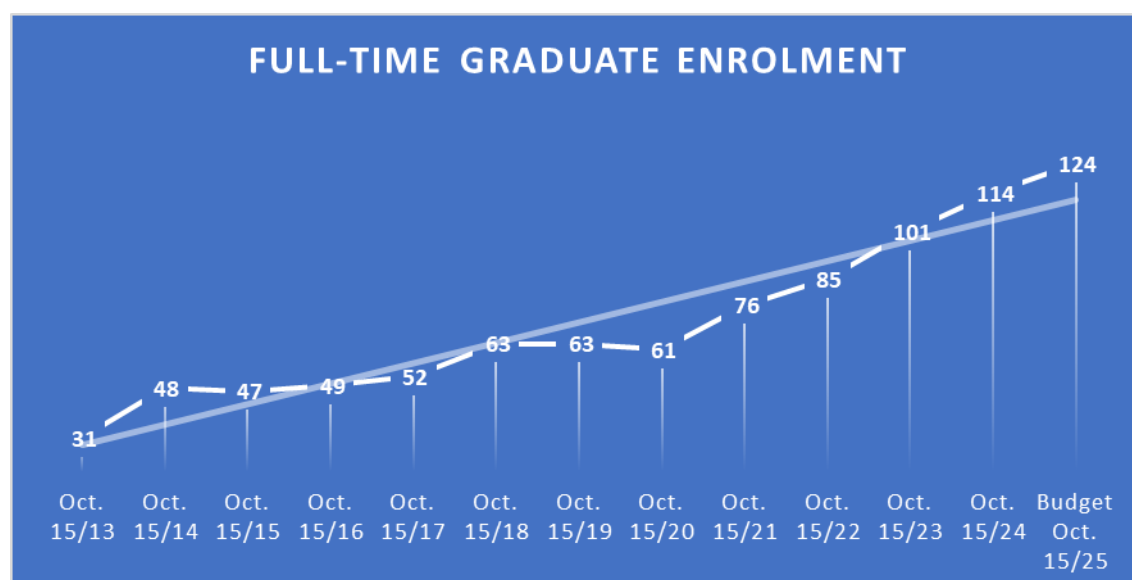
The number of full-time students for all programs anticipated in the 2025/26 budget is 1,104, which is 115 or 11.6% **higher than the previous year and is the highest number experienced since October 1, 2013**.



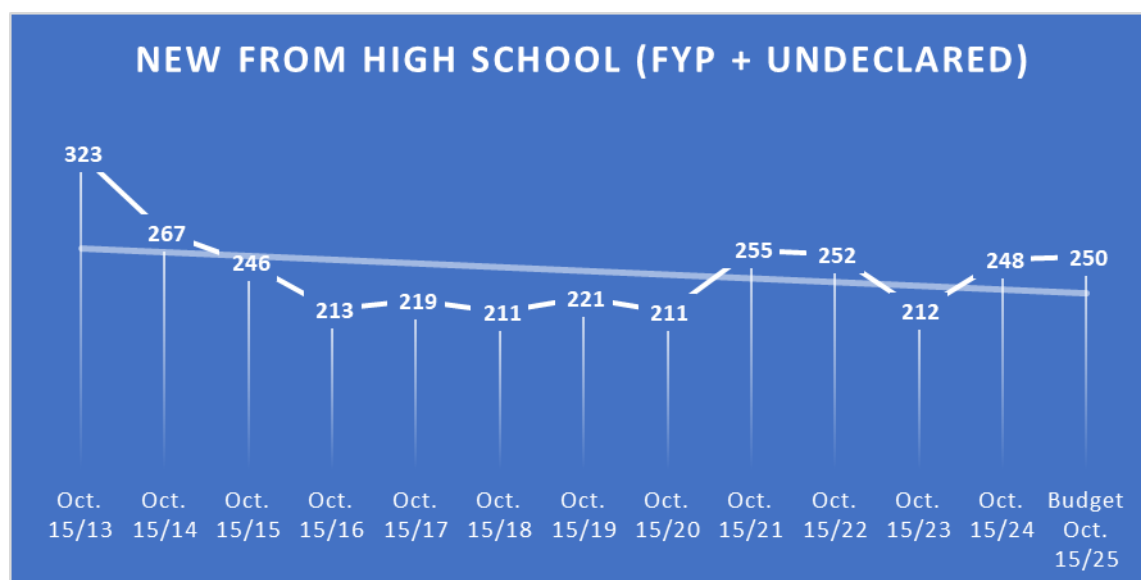
Breaking out full-time undergraduate enrolment in the graph that follows shows the impact the increase in graduate enrolment in recent years has had on the previous two graphs. The number of full-time undergraduate students on October 1, 2024 increased by 48 or 5.8% over the previous year (because of higher FYP and upper year enrolment). The 2025/26 budget anticipates full-time undergraduate enrolment of 980 which is 105 or 12.0% higher than the previous year (due to more undeclared and upper year students, offset by fewer FYP students).



Graduate enrolment continues to be a great news story with steadily increasing enrolment in all, but two years reported in the graph below. October 1, 2024 graduate enrolment increased by 13 or 12.9% over the previous year due to the second year of the MFA in Fiction program. King's welcomed its first class into the MFA in fiction program in 2023/24. The 2025/26 budget anticipates continued growth in both the MFA and MJ programs as part of the recruitment and enrolment implementation plan with an increase of 10 or 8.8% over the previous year.

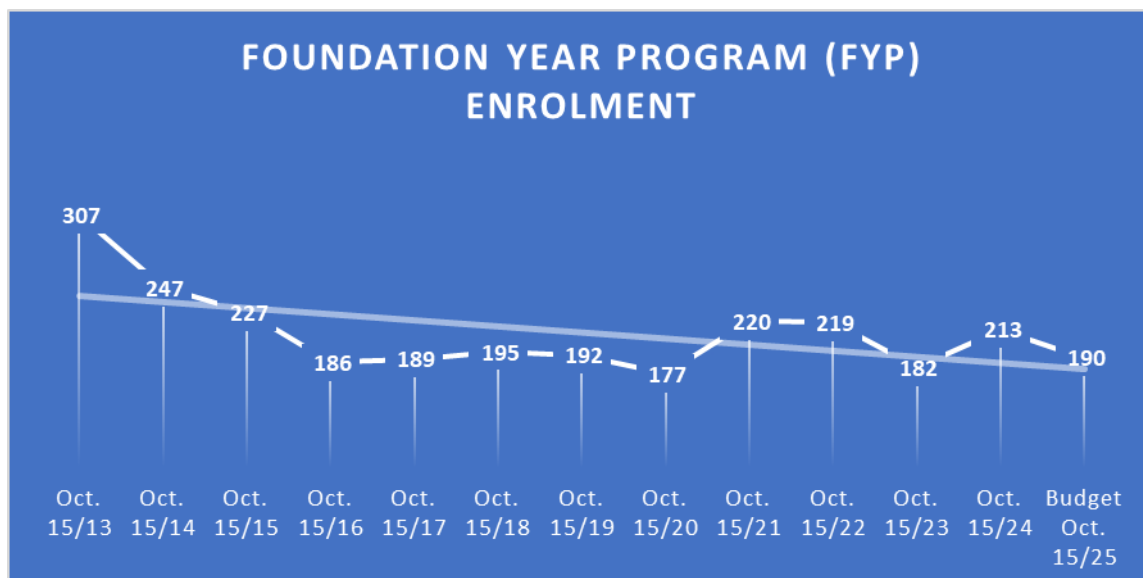


When considering first year enrolment, it is important to consider both undeclared students and FYP students. First year enrolment on October 15, 2024 was 248 (consisting of 213 FYP and 35 undeclared students), an increase of 36 or 17.0% over the previous year. Undeclared enrolment has been above 30 students since October 1, 2020. While undeclared students take many 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 2025/26 budget anticipates 250 new from high school students, an increase of 2 or 0.8% over the previous year. While this is a slight increase over the previous year, **the mix of FYP and undeclared students is different**. The budget **includes a substantial increase in the number of undeclared students** of 25 or 71.4% over the previous year, offset by 23 or 10.8% **fewer FYP students**.



After two years of substantial improvement in FYP enrolment following five years of enrolment below 200, King's experienced a dip in FYP enrolment on October 1, 2023 of 37 students or 16.9% from the previous year. FYP enrolment rebounded on October 1, 2024 reaching 213

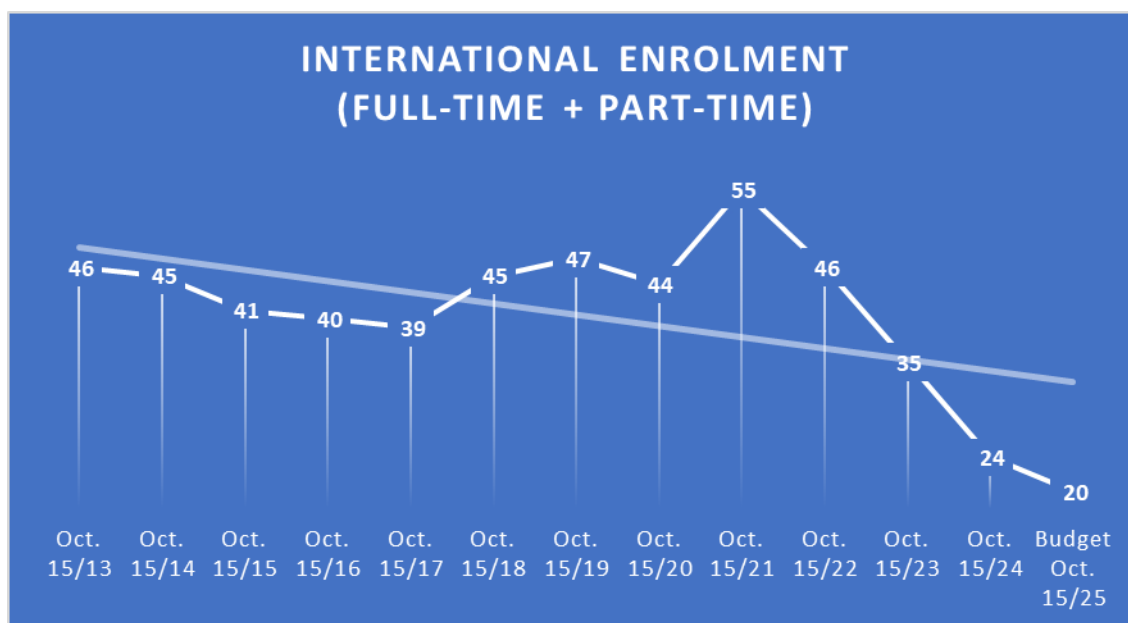
students, an increase of 31 or 17.0% over the previous year. Unfortunately, based on deposits received to date, the 2025/26 budget only anticipates a **FYP class of 190**, a decrease of 23 or 10.8% from the previous year. Unfortunately, our efforts in 2024/25 to grow FYP enrolment have not produced the yield we were hoping for in 2025/26. We still believe we will make progress if we continue doing what we are doing as overall enrolment continues to grow.



International enrolment has typically been between **4% and 5%** of total enrolment; however, it was 5.7% in 2021/22 (the 'double cohort' post-pandemic year). In **2023/24**, King's international enrolment declined significantly from **46 to 35 students** from the prior year or 23.9%. The tuition guarantee model involved a significant upfront increase in international tuition in the first year (for students entering in the fall of 2023) to allow for tuition to remain flat for the duration of a student's degree. The tuition guarantee model applies to all King's undergraduate programs except for the BJ one-year program, the graduate programs, and any student who was admitted to King's prior to fall 2023. King's only had two first year international students in 2023/24 as compared with nine to 12 on average in previous years.

In **2024/25**, King's international enrolment declined to **24 students**, a further reduction of 31.4%, which represents only 2.4% of total enrolment. King's had three first year international students and only retained one of the two first year students admitted in 2023/24. The federal cap on international study permits implemented in 2024/25, which continues into 2025/26, combined with high international tuition rates have likely led to this decline.

The small number of international admissions in each year since 2022/23 has a multi-year negative impact on King's operating budget. King's is only anticipating **20 total international students in 2025/26**, including five first year students, which is only **1.8% of total enrolment**. An international headcount of **20 students is 25 fewer or 55.6% lower than the average number of international students of 45 that King's has had prior to 2023/24**. This has had a significant negative impact on King's operating budget. With an additional 25 international students, King's budget deficit could be approximately \$600,000 lower (including the new international student mobility waiver).



Residence Planning for 2025/26

Lack of affordable housing continues to be an issue in the HRM. It contributed to full residences in the last three years. Six additional temporary beds were created by converting larger single rooms into double rooms. Since there is a waitlist of returning King's students and non-King's students, it is expected that residences will once again reach full occupancy in 2025/26, with three beds reserved to accommodate junior dons. Additional bed spaces will once again be available by converting larger single rooms into doubles. Temporary bedrooms can also be created in Alexandra Hall common rooms, if required. The budget once again includes six temporary beds with occupancy anticipated at 271, compared with 267 in last year's budget. **Full occupancy (excluding temporary beds) is 265.** It was 261 last year but two larger fourth floor single rooms in Radical Bay and Chapel Bay that were temporarily converted into double rooms have been made permanent.

Investments in King's Future

Over the past several years, King's has made encouraging progress on a broad range of priorities and issues that are essential to King's longer-term future and directly support achievement of the Board of Governor's strategic direction and mandate. They include: faculty renewal through the creation of five new faculty positions for diversity hiring and other hiring; developing an experiential learning program that has been utilized by roughly **150 King's students**; enhancing human resources through the creation of a human resources manager; addressing sexualized violence; appointing full-time sexual health and safety, equity, accessibility, indigenous support, and student advising officers; advancing equity, diversity, inclusion, accessibility, Reconciliation and Indigenization; 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; and continuing to make

progress with the recruitment and enrolment implementation plan to secure King's financial stability.

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 over the past four years (the exception being 2023/24) and in significantly improving upper year retention rates. In fact, total headcount in 2024/25 exceeded 1,000 students for the first time since 2015/16.

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**, as follows:

- Up to **\$800,000** in additional spending on scholarships, awards, and bursaries. These funds were exhausted in 2024/25. The operating budget now includes an additional **\$150,000** to replace the funds previously covered under the framework.
- Up to **\$250,000** in additional spending on student employment. To date, \$175,000 has been spent and **\$75,000** remains.
- Up to **\$300,000** in additional spending on recruitment-related activities of the Registrar's Office. To date, \$285,000 has been spent and **\$15,000** 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, \$208,000 has been spent and **\$292,000** 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, 2025, was as follows:

	Book Value	Market Value
General Fund	\$ 3,480,000	\$ 3,989,000
Bicentennial Fund	1,154,000	1,323,000
Reserve Fund	<u>884,000</u>	<u>1,013,000</u>
Total	<u>\$ 5,518,000</u>	<u>\$ 6,325,000</u>

These funds are invested along with the endowment funds, and they generate returns, and garner investment management fees. In addition to the internally restricted funds, there is approximately \$38.4 million held as endowed funds with a market value of **\$44.0 million**. The entire portfolio has a book value of \$43.9 million and a market value of **\$50.3 million** as of March 31, 2025.

2025/26 Budget Guidance to Administrative Departments and Academic Programs

For 2025/26 budget submissions, departments and programs were directed to maintain a status quo budget (i.e., the same as 2024/25). Much of King's budget is non-discretionary (for example, salaries and benefits for permanent employees, utilities, debt payments, the allotment to Dalhousie, etc.). To reduce the 2025/26 deficit **by at least \$500,000** (as committed to the Board of Governors back in March 2024), the Bursar began by analyzing spending in various common categories of discretionary expenditure to gain an understanding of the magnitude of spending in those areas and to potentially apply a percentage reduction to those categories of spending.

Departments and programs were advised not to apply for grants that require a matching component without first notifying the Bursar so that an analysis of budget implications could be performed. They were also advised that they may propose budget increases, but should do so knowing there would be little latitude for approval unless they fall into one of the following five categories of exceptions:

1. If additional targeted spending in strategic areas can be reasonably demonstrated 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), lecturers, and FYP handbooks. These items should be budgeted based on anticipated enrolment levels and the number of sections being taught of classes and in consultation with the Vice President.
3. Student salaries will increase in accordance with the percentage increase in the minimum wage rate.
4. Externally contracted services (for example, 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 control, for example, significant cost increases in non-discretionary goods or services, etc.

As noted earlier in this document, the deficit for 2025/26 had grown significantly since the provisional budget was brought before the Board of Governors in March. To reduce the size of the deficit, administrative department and academic program budgets have been reduced by an additional **\$255,000**, following budget reductions of **\$294,000 in 2024/25** and **\$260,000 in 2023/24** (\$195,000 was budgeted but \$260,000 was achieved). The \$255,000 includes additional revenue as well as expenditure reductions.

Earlier in the calendar year, the BAC received five proposals for additional spending from departments and programs totalling **\$118,000** for 2025/26. The proposals were re-evaluated considering the increased deficit. Of the amount requested, **\$58,000** has been included in the budget as the increases relate to the student experience, student supports, and the recruitment and retention of students.

Other Changes and Additional Spending in 2025/26 and in Future Years

- Total spending reductions of **\$255,000** in all departments and programs with reductions continuing in future years escalated at 1%. Externally contracted services have been escalated in relation to the terms of contracts or 3.5% in the absence of a contract.
- Recruitment and enrolment implementation plan costs totalling **\$519,000** have been incorporated into the budget (escalated by annual salary increases in the projections) in accordance with the plan approved by the Board of Governors in December 2023.
- The cumulative impact on investment income of utilizing internally restricted funds to finance deficits has been reflected in the 2025/26 budget and projections.
- New positions included in the 2025/26 budget include:
 - A **tenure track faculty member** (as of July 1, 2025) in the **School of Journalism** in response to four retirements in recent years (with three replaced as of July 1, 2024). The faculty member holding the Rogers Chair was the successful incumbent. It is not anticipated that the Rogers Chair will be filled until January 1, 2026, which will result in a small net savings for that position (as the position is partially funded by the Rogers Chair endowment).
 - A possible **Director of Budgets and Financial Reporting** position has been incorporated into the budget with an assumed start date of January 1.
 - A **Director of Equity and Community Supports** position has been included in the budget with an assumed start date of September 1. A search firm has been engaged after a failed search in 2024/25.
 - An **allowance for staff vacancies** of **\$100,000** has been incorporated into the 2025/26 budget and the three years of projections as King's typically experiences staff turnover each year. Savings result from the timing of replacements and from lower salaries, particularly if the departing staff member is at the high end of their salary scale.
- The remaining **\$120,000** of the authorized **\$800,000** from the internally restricted funds for scholarships and bursaries was utilized in 2024/25. The annual spend per year out of the funds has approximated **\$150,000** per year for annual renewable in-course scholarships. The 2024/25 budget was increased by **\$30,000** and the 2025/26 budget has been further increased by **\$120,000** to enable King's to continue awarding scholarships at the **\$150,000** level.

- The term of King's President's ends on June 30, 2026. Presidential search costs of **\$100,000** have been included in the 2025/26 budget and an additional **\$20,000** in the projection for 2026/27.

Schedules to the Budget

To assist in the analysis of the 2025/26 budget, the following schedules are attached:

- **Schedule 1** - compares the 2025/26 budget for operating fund revenue, expenses, and other cash-related items to the 2024/25 operating fund budget and 2024/25 operating fund actual results. It also provides projections for fiscal years 2026/27 through 2028/29.
- **Schedule 2** - provides a comparison of revenues and expenses by department for 2025/26.

Appendices to the Budget

- **Appendix A** – Shared Goals Memo for the 2025/26 Budget and Beyond
- **Appendix B** – 2024 – 2027 Multi-Year Financial Strategy Framework
- **Appendix C** – Expenditure and Revenue Management Framework
- **Appendix D** – Comparison of Net Spending and Number of Employees by Core Functional Area

Operating Budget Summary

Schedule 1 and the table below show that King's is budgeting for an operating cash deficit of **\$750,000** for 2025/26. There is an excess of operating revenue over expenses of **\$220,000** before applying debt repayment and capital funded by operations of **\$1,051,000** and internally restricted funds of **\$81,000** to cover the Enhanced Voluntary Retirement Program (EVRP), which results in an operating cash deficit of **\$750,000**.

	Approved Budget 2024/25	Actual 2024/25	Budget 2025/26
Revenue	\$ 25,093,000	\$ 25,124,000	\$ 26,575,000
Expenses (actuals incl \$0.3M cont'n for legal claims)	25,406,000	24,997,000	26,355,000
Excess (deficiency) of revenue over expenditures	\$ (313,000)	\$ 127,000	\$ 220,000
Debt repayment	\$ (689,000)	\$ (689,000)	\$ (715,000)
Capital expenditures funded by operations	(494,000)	(311,000)	(336,000)
Internally restricted operating funds - in budget*	-	-	81,000
Internally restricted operating funds - not in budget*	-	224,000	-
Reimbursement of reserves for legal claim contribution	-	(300,000)	-
Cash deficit from financing & investing	\$ (1,183,000)	\$ (1,076,000)	\$ (970,000)
Net cash deficit	\$ (1,496,000)	\$ (949,000)	\$ (750,000)

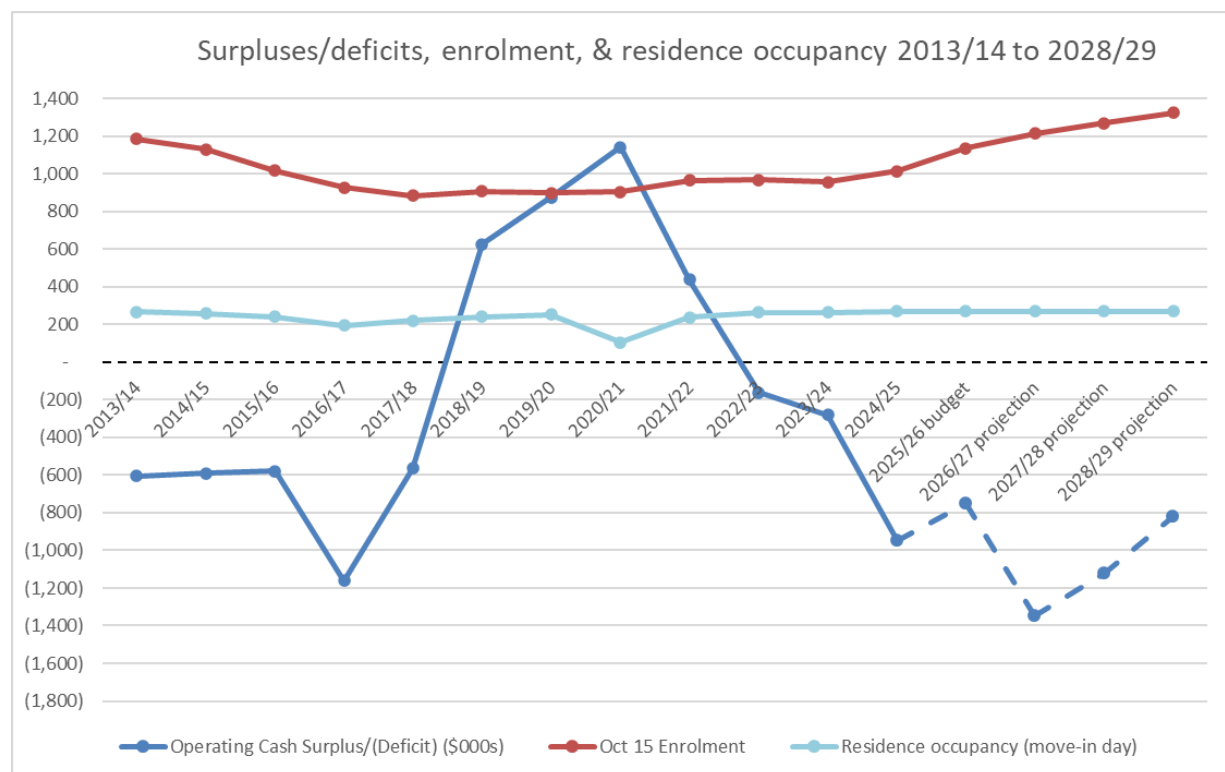
*Refer to "Use of Internally Restricted Funds" on **page 26**.

Revenue, enrolment and residence occupancy assumptions for each year are shown at the bottom 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. Tuition and fee assumptions are also reflected here. For projection purposes, it is assumed that the tuition freeze will not be extended beyond 2026/27. Provincial government funding for 2027/28 and beyond is unknown as the King's bilateral agreement with the province only covers fiscal years 2025/26 and 2026/27. A 2% increase has been assumed for the last two years of the projections.

Preliminary estimates for 2026/27 and future years are based on existing expenditure trends and anticipated enrolment growth in accordance with (and as amended by the Chief Enrolment and Student Life Officer) the recruitment and enrolment implementation plan. Additional revenue generated under this plan from enrolment growth **(\$1.2 million)** exceeds the cost of investment **(\$0.5 million)** (i.e., the net revenue) in 2025/26. Without this investment, the **deficit would be almost \$1.5 million**.

While the size of the deficit increases in 2026/27 because of a higher allotment to Dalhousie (due to considerable upper year and undeclared student enrolment growth in 2025/26 - King's is invoiced one year in arrears), it starts to decline from that point forward as shown in the graph that follows. The allotment to Dalhousie is described in more detail on **page 39**.

The following graph shows King's surpluses/deficits, enrolment, and residence occupancy from 2013/14 through 2028/29. It includes actual results to 2024/25, the proposed budget for 2025/26, and projections for future years to 2028/29. It is important to note that future year projections are much more preliminary than the budget for 2025/26. Projections are always more uncertain the further they extend into the future.



Our financial strategy for the coming months must prioritize deficit reduction while safeguarding long-term sustainability. Efforts will focus on reducing the 2025/26 deficit and to ensure it does not exceed \$750,000, while also minimizing future projected deficits.

The **2024 – 2027 Multi-Year Financial Strategy** will guide financial planning, prioritizing:

- Enrolment growth and strategic investments.
- Cost controls and revenue diversification.
- Proactive budgeting aligned with institutional goals.

King's has limited ability to fund operating deficits; work will continue to ensure that the financial strategy (**Appendix B**) aligns with and supports the strategic direction of the University.

Long-Term Debt

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

1. 2012/13 - **\$5.3 million loan**, 3.39% interest rate (swap), 20-year maturity, to consolidate existing debt (which was largely for capital purposes). **\$2.757 million is owing** on March 31, 2025.
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). **\$0.953 million is owing** on March 31, 2025.
3. 2016/17 - **\$1.9 million loan**, 2.63% interest rate (swap), 20-year maturity, to finance the North Pole Bay residence renovation project. **\$1.224 million is owing** on March 31, 2025.
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). **\$1.505 million is owing** on March 31, 2025.
5. 2022/23 - **\$4.9 million loan**, 3.71% interest rate (swap), 20-year maturity, to finance the Alexandra Hall accessibility project. **\$4.466 million is owing** on March 31, 2025.

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, 2025 because of careful management of the cash position throughout the year.

A summary of the long-term debt position follows:

	Actual 2021/22	Actual 2022/23	Actual 2023/24	Actual 2024/25	Budget 2025/26
Loans - opening balance	\$ 11,291,000	\$ 10,334,000	\$ 12,262,000	\$ 11,594,000	\$ 10,905,000
Principal payments	(957,000)	(2,972,000)	(668,000)	(689,000)	(715,000)
Additional funds	-	4,900,000	-	-	-
Loans outstanding	\$ 10,334,000	\$ 12,262,000	\$ 11,594,000	\$ 10,905,000	\$ 10,190,000

Capital Expenditures Funded by Operations

The operating budget includes items funded by 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 library books, computers, equipment and furniture. A summary of budgeted capital expenditures for the coming year is presented below:

	Approved Budget 2024/25	Actual 2024/25	Budget 2025/26
Library books	\$ 20,000	\$ 17,000	\$ 18,000
Furniture, computers & equipment capitalized	52,000	134,000	84,000
Athletics equipment	20,000	6,000	20,000
Facilities alterations & renovations capitalized	402,000	154,000	214,000
Capital expenditures funded by operations	\$ 494,000	\$ 311,000	\$ 336,000

While the Library did not spend its full library book budget for 2024/25, they have several endowments that provide for the purchase of library books.

The overage on furniture, computers & equipment capitalized for 2024/25 was due to unanticipated audio-visual (AV) upgrades and replacements totaling \$81,000. The 2025/26 budget includes \$30,000 for a new AV system for the Boardroom.

Athletics spent much of its 2024/25 equipment budget on repairs rather than on new equipment.

The 2024/25 facilities alterations & renovations budget for 2024/25 included an additional \$188,000 for Alexandra Hall roof repairs and the final phase of dormer repairs (\$100,000) as well as funds to fulfill the matching requirement for a provincial government grant to replace the gymnasium bleachers, basketball hoops and nets, and to refinish the gym floor (\$88,000). The actual cost for these projects was \$146,000. The gymnasium accessibility project was largely funded by a provincial government grant and capital contributions with \$7,000 coming from the operating budget.

When considering the actual results for facilities alterations & renovations capitalized, one should also consider the actual results for the Facilities Management (FM) department. While actual spending by FM for 2024/25 was \$84,000 higher than budget (refer to the expenditure table on **page 38**, the facilities alterations & renovations capitalized was underspent by \$248,000, for net savings of \$164,000. Most funds expended in 2024/25 were related to repairs and maintenance rather than facilities renewal or betterments (that are capitalized). The AV overage of \$81,000 noted earlier was covered by FM bringing the net savings for the FM department to \$83,000.

Use of Internally Restricted Funds

All expenditures under the framework for expenditure of internally restricted funds are reflected in the applicable department and program actual expenditures for 2024/25.

	Approved Budget 2024/25	Actual 2024/25	Budget 2025/26
Framework for expenditure of internally restricted funds			
Staff development fund	\$ -	\$ 5,000	\$ -
Support for Humanities for Young People and Public Humanities	-	26,000	-
Student employment fund	-	1,000	-
Scholarships, awards, and bursaries	-	120,000	-
Recruitment and marketing/communications re: recruitment	-	-	-
Total framework expenditures from internally restricted funds	\$ -	\$ 152,000	\$ -
Other uses of internally restricted funds approved by the Board			
Indigenous initiatives	\$ -	\$ 72,000	\$ -
Enhanced voluntary retirement program (EVRP) coverage	-	-	81,000
Prior year deficit coverage	-	280,000	-
Legal claims coverage	-	(300,000)	-
Total other uses of internally restricted funds	\$ -	\$ 52,000	\$ 81,000
Total use of internally restricted operating funds	\$ -	\$ 204,000	\$ 81,000

In June 2022, the King's Board of Governors authorized the use of up to **\$600,000** from the internally restricted funds over five years for Indigenous initiatives, including to support the success of the Mi'kmaq Journalism Initiative.

The Mi'kmaq Journalism Initiative aims to encourage Mi'kmaw students to study journalism in the university's School of Journalism, Writing and Publishing. The \$600,000 fund is to better support all Indigenous students studying at King's. In the Mi'kmaq Journalism Initiative, King's offers a combination of scholarships, financial awards, and tuition waivers to fully cover the cost of tuition for up to three Mi'kmaw students in 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 have been included under "Student Academic Fees" on **page 31**.

Efforts to ensure the success of the cohort initiative and the success of all Indigenous students attending King's, have been bolstered by the introduction of additional appropriate supports with the advice and guidance of the Mawaknutma'tnej Advisory Circle. These supports are being funded with the \$600,000 from the internally restricted funds:

- An Indigenous Student Support and Outreach Coordinator (hired in 2023/24 who replaced the previously funded Auntie program that was offered in partnership between King's and Mount Saint Vincent University and available to Indigenous students at both universities).
- The creation of a dedicated space on King's campus for Indigenous students (in 2023/24), called the Mawio'mio'kuom, located in the fully accessible section of Alexandra Hall.
- Strengthening the relationships between King's and the Elder-in-Residence Program and the Indigenous Student Centre at Dalhousie.

Other initiatives and supports will be developed through ongoing discussions with the membership of the Mawaknutma'tnej Advisory Council. Of the authorized **\$600,000, \$376,000** remains unspent as of March 31, 2025.

The 2025/26 budget includes funding to cover 50% of the cost of replacing one faculty member who signed up for the Enhanced Voluntary Retirement Program (EVRP) on July 1, 2025. Faculty members are paid 100% of their salary for a 50% workload in the first year of the program (starting July 1) and they retire the following June 30. They may choose to leave the university at that time or sign up for a maximum two-year 50% post-retirement contract. The budget includes the cost to replace the 50% workload not being taught by the faculty member from July 1, 2025 to June 30, 2026. Nine months of coverage is included in the 2025/26 budget and three months is included in the 2026/27 projection. The Board of Governors approved up to **\$500,000** from the internally restricted funds to finance the EVRP program. Of this amount, **\$292,000** remained unspent as of March 31, 2025. July 1, 2025 is the final date for faculty members to participate in the current EVRP. To date, nine faculty members (including the one participating on July 1, 2025) have retired under the EVRP.

In June 2024, the Board of Governors authorized the university to withdraw **\$280,000** from the internally restricted funds to finance the operating cash deficit for 2023/24 and up to **\$1,496,000** to finance the operating cash deficit for 2024/25. The actual operating cash deficit for 2024/25 was **\$949,000**.

In 2023/24, legal claims of **\$1,405,000** were paid by King's from the internally restricted funds. In 2024/25 King's received **\$300,000** in total contributions from Dalhousie University and the Diocese of Nova Scotia and Prince Edward Island which have been returned to the internally restricted funds. The final net cost of the settlements is **\$1.1 million**.

Major Revenue Assumptions

- **Provincial Operating Grant** - increasing by **2%** over the prior year in both 2025/26 and 2026/27 in accordance with the 2025-2027 bilateral agreement with the province. Both

years are subject to potential holdbacks as previously described on **pages 5 and 6**. For 2027/28 and 2028/29 a 2% year-over-year increase has been assumed.

- **Domestic Student Academic Fees**

- The student consultation meeting on proposed changes in tuition and fees for 2025/26 was held in late April with members of the King's Students' Union (KSU) Executive.
- Tuition will be frozen at 2024/25 rates for the next two years for Nova Scotia undergraduate students as mandated by the province in each university's 2025/26 to 2026/27 bilateral agreement. Also, universities are not permitted to decrease tuition for domestic out-of-province undergraduate students. Dalhousie is applying the tuition freeze to all domestic undergraduate students; King's is doing the same as the universities offer joint degrees in arts and science.
- After deliberation by the BAC and considering tuition comparisons of King's programs to competitors' programs, the BAC has recommended the following with respect to graduate tuition:
 - Master of Journalism (MJ) – increase tuition by **2%** as King's tuition is the fourth highest out of six universities that offer this program in Canada.
 - Master of Fine Arts (MFA) – increase tuition by **2%** as the program has healthy enrolment and there are few universities offering this program. Students enrolled in this low residency program are often mid-to-late career individuals.
- The projections for 2027/28 and 2028/29 assume a **2%** increase in undergraduate arts and science tuition, a **1%** increase in undergraduate journalism tuition (except the one-year Bachelor of Journalism which is kept frozen due to enrolment challenges in the program), and a **2%** increase in graduate tuition.

- **International Tuition Fees**

- As with domestic out-of-province undergraduate students, universities are not permitted to decrease tuition for international undergraduate students for two years in accordance with their 2025-2027 bilateral agreements.
- King's adopted Dalhousie's international tuition guarantee model in 2023/24 which impacts all King's undergraduate programs except the one-year Bachelor of Journalism program. International undergraduate students who were admitted to King's in the fall of 2023 pay \$31,900 annually for the duration of their degrees (for up to five years). This equated to a **25%** increase over 2022/23 for arts students, a **20%** increase for science students, and a **24%** increase for journalism students, or an **average annual increase of 6.25%, 5%, and 6%** respectively. To keep the tuition rate fixed for up to five years, the increase was front-end loaded.
- International undergraduate students who were admitted to King's in the fall of 2024 pay \$33,814 per year for the duration of their degrees, which is **6%** higher than last year's guaranteed tuition amount.
- International undergraduate students who are admitted to King's in the fall of 2025 will pay \$35,842 per year for the duration of their degrees, which is **6%** higher than last year's guaranteed tuition amount.
- International students who were admitted to King's prior to fall 2023, international graduate students (regardless of year of admission), and one-year Bachelor of

Journalism students will pay an international differential fee that is **10%** higher than in 2024/25. With a **0%** increase in regular tuition, this equates to an average tuition increase of between **6.7% and 6.9%** depending on the program.

- King's and Dalhousie have the highest international tuition of any Atlantic university. King's has implemented a **\$10,000** international student mobility waiver that will be provided to every international student in 2025/26 regardless of year of admission.
- The projections for 2026/07 through 2028/29 assume a **6%** annual increase in the guaranteed tuition amount and a **10%** increase in the international differential fee, as well as the continuation of the international student mobility waiver.

- **Student Ancillary Fees**

- A listing of all ancillary fees charged to King's students is provided in the revenue section that follows.
- For six years (2017/18 through 2022/23) all ancillary fees were kept flat (except for the MFA mentor fee which is tied to the consumer price index) to reduce the gap (which will be **\$377** in 2025/26) 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 **\$68** when comparing 2016/17 fees to 2024/25 fees; however, when the student union fee is included, the gap has grown by **\$35**.
- Considering King's financial situation and the fact that the cost of providing the services that these fees support have increased over the past six years, the BAC recommended that all fees be increased by 3% (except the MFA mentor fee) in 2023/24 and by **2%** in 2024/25. The BAC is recommending a further **2%** increase in fees for 2025/26, which is in line with the anticipated consumer price index increase and is also in line with Dalhousie's fee increases.
- 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 increased by **2.8%** in 2024/25. The cumulative CPI from program inception (2013/14) to July 1, 2024, was 27.8% and the mentor fee increased over that same period by 27.8%; therefore, a 'catch up' adjustment is not required in 2025/26. Economics analysts predict inflation to remain close to the Bank of Canada's 2% target in 2025. The BAC agreed on a **2%** CPI estimate for July 1, 2025, which is the recommended increase in the MFA mentor fee for 2025/26. 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, facility renewal recreation fee, and Dalhousie Medical Campus Response Team (DMCRT) fee directly to Dalhousie. Dalhousie has increased the health service fee by **2%** and is keeping the facility renewal recreation fee and DMCRT fee flat for 2025/26. King's students also pay a joint athletics fee and a joint facility renewal fee where a portion is kept by King's and a portion is transferred to Dalhousie. Dalhousie has increased both fees by **2%** for 2025/26.

- **Student Residence Fees**

- 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 and student life restructuring that was implemented in 2022/23. The increase excludes Cochran Bay until renovations can be made to improve the condition of the residence. The flooring was replaced in the summer of 2023. Minor improvements to the washrooms are anticipated in the summer of 2025. Prior to 2022/23, residence room fees were held flat for five consecutive years (2016/17 up to and including 2021/22). In approving the **four-year 3% increase** in residence room fees, the significant increase in costs over the previous five years was also acknowledged including in utilities, maintenance, externally contracted services, and employee compensation.
- A per day residence rate of **\$25** will continue for those students wishing to remain on campus over the holiday break. There is no longer a fee for the early arrival of athletes in the fall semester which is consistent with the practice at most other universities.

- **Meal Plan Fees**

- Under the terms of the dining services 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. The HST holiday from December to February brought the CPI rate down in December. The BAC agreed to utilize the November CPI rate instead which was **1.7%** (3.6% for 2024/25 (based on December)).
- Minimum wage is increasing by \$1.30 per hour from April 1, 2024 (\$15.20/hour) to October 1, 2025 (\$16.50 per hour) which is an 8.55% increase. The BAC agreed with a **2.1%** labour cost increase as requested by Chartwells (0.12% for 2024/25).
- The sum of these two items will result in an increase in daily meal plan fees of **3.8%** for 2025/26 (3.7% for 2024/25).
- The number of residence board days also affects meal plan prices. The number of residence board days for 2025/26 will remain the same as in 2024/25 at **222 days** (in 2024/25 there was an increase of four days); therefore, the overall increase in meal plan fees for 2025/26 will be the same as the increase in the daily meal plan fees which is **3.8%** (in 2024/25, the additional four days in residence resulted in an additional 1.9% increase for a total increase of 5.6% for meal plan fees).

REVENUE

	Approved Budget 2024/25	Actual 2024/25	Budget 2025/26
Provincial operating grant	\$ 8,778,000	\$ 8,778,000	\$ 8,954,000
Student academic fees	9,464,000	9,605,000	10,460,000
Student ancillary fees	1,166,000	1,209,000	1,391,000
Student residence fees	2,129,000	2,180,000	2,254,000
Continuing education	30,000	56,000	44,000
Investment income	1,927,000	2,045,000	2,061,000
Sale of goods and services	424,000	481,000	393,000
Conference services	420,000	229,000	369,000
Gifts	680,000	450,000	593,000
Other grants	75,000	91,000	56,000
Total revenue	\$ 25,093,000	\$ 25,124,000	\$ 26,575,000

Provincial Operating Grant

The grant will increase by **\$176,000** over the 2024/25 budget and actual. This relates to the **2%** increase as per the 2025-2027 bilateral agreement between King's and the provincial government. As mentioned previously, this increase is subject to holdback pending progress on implementing specific strategic action items.

Student Academic Fees

Variances are explained by the full-time equivalent (FTE) enrolment differences shown in the table on the following page (as of October 15) combined with tuition increases described earlier.

	Approved Budget 2024/25	Actual 2024/25	Budget 2025/26
FYP (Foundation Year Program)	220	213	190
BA (Bachelor of Arts)/BM (Bachelor of Music)	444	485	587
BSC (Bachelor of Science)	129	127	149
BJH (Bachelor of Journalism Honours)	46	47	56
BJ (Bachelor of Journalism 1-year)	6	10	8
MJ (Master of Journalism)	14	12	19
MFA (Master of Fine Arts)	103	102	105
Total FTEs	962	996	1,114
International FTE included above	32	24	20

Tuition dollars by program are shown in the table below

	Approved Budget 2024/25	Actual 2024/25	Budget 2025/26
Arts & Science	\$ 6,728,000	\$ 6,957,000	\$ 7,895,000
Journalism (4-year and 1-year BJ)	1,067,000	1,137,000	1,225,000
Master of Journalism (MJ)	101,000	103,000	151,000
Master of Fine Arts (MFA)	963,000	954,000	1,002,000
International differential	693,000	541,000	480,000
International student mobility waiver	-	-	(200,000)
Tuition waivers	(88,000)	(87,000)	(93,000)
Total student academic fees	\$ 9,464,000	\$ 9,605,000	\$ 10,460,000

Journalism tuition also includes tuition from Dalhousie students (while enrolment above only includes King's registered students). King's had the equivalent of **79 Dalhousie FTE students** in Journalism courses in 2024/25 compared with a **budget of 67**. King's is anticipating similar enrolment in 2025/26 as in 2024/25.

Student Ancillary Fees

Variances in this area are explained by the full-time equivalent (FTE) enrolment differences shown in the FTE enrolment table above combined with a **2%** increase in fees as described earlier.

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.

The study abroad course in Berlin occurs every second year. It is slated to go ahead in 2025/26 with 23 students.

After a hiatus due to the pandemic, King's held the Humanities for Young People (HYP) program in the summer of 2024/25 and will once again in 2025/26. There is no budget for the program as any profit is deferred to be used in the following year. The HYP program is a residential summer program for bright and highly motivated students from ages 15 to 17. It takes place at King's for one week each summer. Secondary students from across the country have the unique opportunity to work closely with scholars from a variety of disciplines. Based on information to date, registrations for 2025/26 could surpass **50 students!**

	Approved Budget 2024/25	Actual 2024/25	Budget 2025/26
<u>Fees applied to all students</u>			
Facility renewal fee	\$ 266,000	\$ 274,000	\$ 316,000
Athletic fee	228,000	239,000	274,000
College fee	66,000	69,000	79,000
Administration fee	33,000	35,000	40,000
<u>Program specific fees</u>			
MFA mentor fee	403,000	401,000	419,000
FYP fee	69,000	66,000	61,000
Study abroad fees (admin & travel)	-	-	111,000
Humanities for Young People (HYP)	-	46,000	-
<u>Other fees (application fees, forfeits, etc.)</u>			
Other administrative fees	101,000	79,000	91,000
Total student ancillary fees	\$ 1,166,000	\$ 1,209,000	\$ 1,391,000

Student Residence Fees

For 2025/26, King's once again has a waitlist for residence for both returning King's students and non-King's students and is expecting full occupancy. The residence team continues to put their creative skills to good use and have created an additional six beds by transforming larger single rooms into double rooms). The number of beds expected to be occupied on move-in day is **271** compared with **267** in the prior year. The number of withdrawals included in the 2025/26 budget is the same as what was experienced in 2024/25 – **three for fall and eight for winter** bringing the number of students in residence to **260** at the end of the year. The 2024/25 budget assumed six withdrawals for fall and nine for winter, bringing the number of students in

residence to **252** at the end of the year). **Full occupancy has been assumed** for all three years of the projections.

As noted under “Major Revenue Assumptions”, residence room fees are increasing by **3%** in 2025/26 except for Cochran Bay due to needed improvements.

Also noted above under “Major Revenue Assumptions”, meal plan fees for 2025/26 are increasing by **3.8%** (5.6% in the prior year). 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 dons and junior dons. Since the number of students in residence (minus an allowance for withdrawals in each semester) plus the 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 2024/25 was **14%** for both semesters.

	Approved Budget 2024/25	Actual 2024/25	Budget 2025/26
Total beds (excluding Deans, Dons)*	264.0	268.0	268.0
Beds converted to junior jon suites	(3.0)	(3.0)	(3.0)
Temporary beds created	6.0	6.0	6.0
Beds available	267.0	271.0	271.0
Beds vacant on move-in day	0.0	0.0	0.0
Beds occupied on move-in day	267.0	271.0	271.0
Withdrawals (count as full fall and half winter)	(10.5)	(7.0)	(7.0)
Total beds occupied (financial)	256.5	264.0	264.0
Total beds occupied end of academic year	252.0	260.0	260.0
Occupancy rate as a % of available beds (excl withdrawals)	100.0%	100.0%	100.0%
Occupancy rate as a % of available beds (incl withdrawals)	94.4%	95.9%	95.9%

*Note - two single rooms in Middle Bay were converted permanently to two double rooms creating two more permanent beds in 2023/24. In 2024/25, the same situation occurred with Radical Bay and Chapel Bay creating four more permanent beds in 2024/25.

The 2024/25 budget included 6 fall withdrawals and 9 winter (half) = **10.5**.

The 2024/25 actuals and 2025/26 budget include 3 fall withdrawals and 8 winter (half) = **7**.

	Approved Budget 2024/25	Actual 2024/25	Budget 2025/26
Room fees	\$ 1,944,000	\$ 1,992,000	\$ 2,052,000
Meal plan commission	185,000	188,000	202,000
Total Student residence fees	\$ 2,129,000	\$ 2,180,000	\$ 2,254,000

Number of meal plans (fall/winter):

Residence/day students	261/252	272/265	272/265
Dons	12/12	12/12	11/11
Total	273/264	284/277	283/276

Meal plan commission rate (fall/winter)	14%/14%	14%/14%	14%/14%
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Other Revenue Assumptions

Investment Income

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. The market value for March 31, 2025 was higher than March 31, 2022 (which is no longer part of the calculation) leading to a higher three-year average which has a favourable impact on the draw for 2025/26. The market values for March 31, 2023, March 31, 2024, and March 31, 2025 are compared to cost for those years to calculate a market value multiplier that determines the amount upon which the annual draw is taken. The draw amount is what King's recognizes as investment income in its financial statements. The amount of income earned on the investment portfolio is not because King's does not withdraw all the income earned. What is not drawn is reinvested into the investment portfolio.

The investment income budget for 2025/26 would be **\$54,000** higher if the full draw was taken from the Rogers Chair endowment. As noted earlier, the position is expected to be vacant from July 1 until December 31, which will result in salary savings of **\$74,000**, for net budget savings of \$18,000.

Despite withdrawing **\$224,000** from the internally restricted funds to finance investments under the framework for expenditure of internally restricted funds and Indigenous initiatives in 2024/25 and **\$280,000** to finance the 2023/24 operating cash deficit, the market value of the internally restricted funds on March 31, 2025 (at **\$6.32 million**) was essentially the same as it was on March 31, 2024 (at **\$6.26 million**). King's reinvested the **\$300,000** contribution received from Dalhousie and the Diocese of Nova Scotia and Prince Edward Island towards the legal claims paid in 2023/24 back into the fund in 2024/25.

Actual investment income for 2024/25 was higher than budget due to more scholarships awarded out of the endowment than anticipated in the budget and higher donations and investment returns than anticipated.

Sales of Goods and Services

The 2024/25 actual results are **\$57,000** higher than the 2024/25 budget. The variance can largely be explained by the following:

- Higher interest income of **\$28,000** due to almost 5% interest paid on King's operating bank account balance throughout the year.
- Higher athletic facilities rental revenue of **\$38,000** due to higher usage of facilities than anticipated. Rental fees were also increased during 2024/25.

King's earned **\$167,000** in interest on its bank account in 2024/25 compared with a budget of **\$139,000**. The 2025/26 budget anticipates interest of **\$90,000**, a reduction of **\$77,000**, as interest rates have been on the decline. The 2025/26 budget anticipates similar athletic facilities rental revenue as that experienced in 2024/25.

Conference Services

Conference Services did not have a great summer in 2024. They reached just over half of their budgeted revenue and incurred a **loss of \$7,000** compared with a **budgeted profit of \$83,000**. Several factors impacted these results including a slight decline in visitors to Nova Scotia from May through July, a hot and humid summer with buildings that have no air conditioning, and the unavailability of rooms due to facilities work that took longer than anticipated. However, the factor most likely to have been responsible for the decline was that King's potentially priced itself out of the market. A room rate comparison between King's and other HRM universities revealed that King's room rates were higher even when compared with those that offer air-conditioned rooms. King's rates have been adjusted for the summer of 2025 to be more in line with its HRM counterparts (and lower than those with air conditioning). To be conservative, the anticipated revenue generated by bookings from Expedia.com, Booking.com, and walk-ins has been reduced by 30%. The 2025 summer conference services season is off to a great start with many conference and tourist bookings. Conference Services currently employs 26 summer students (in part-time and casual capacities).

	Approved		
	Budget	Actual	Budget
	2024/25	2024/25	2025/26
Conference service revenue	\$ 420,000	\$ 229,000	\$ 369,000
Conference services expenses	337,000	236,000	301,000
Profit/(loss)	\$ 83,000	\$ (7,000)	\$ 68,000

Gifts

The 2024/25 actual results are **\$230,000 lower** than the 2024/25 budget. The variance can be explained by the following:

- Lower annual fund gifts of **\$77,000**. King's is also currently fundraising for a major gifts campaign. Donors may be contributing to the major gifts campaign and to a lesser extent the annual fund campaign.
- The 2024/25 budget included an estimate of athletics scholarships to be awarded of **\$200,000** (rather than assuming the full amount of the **\$280,000** annual gift). The actual amount of athletics scholarships awarded was **\$107,000**, a difference of **\$93,000**. The difference between the annual gift and the amount awarded is deferred to be awarded in a future year.
- The Chapel is self-funding except for the Chaplain's salary. Due to a reduction in Chapel spending in 2024/25, **\$37,000** less in gifts and offerings were required to cover costs; they have been deferred to a future year.
- In 2023/24 King's received a gift for athletics Nationals travel. The 2024/25 budget assumed **\$60,000** would be utilized of this gift for Nationals travel; however, only **\$42,000** was required, a difference of **\$18,000**.

The 2025/26 budget assumes:

- Annual fund gifts of **\$175,000** which are lower than the prior year budget by **\$25,000** but higher than the prior year actuals by **\$47,000**.
- Athletic scholarships of **\$200,000** will be awarded (of the full gift amount of **\$280,000**). If the full amount is not awarded, the scholarship expenses will also be lower (nil impact).
- Nationals travel of **\$40,000**, similar to what was spent in 2024/25.

EXPENSES

	2024/25	2024/25	2025/26
Academic (excluding Journalism equipment & faculty computers)	\$ 7,744,000	\$ 7,763,000	\$ 8,193,000
Continuing Education	17,000	42,000	19,000
Allotment to Dalhousie	4,200,000	4,345,000	4,750,000
Facilities Management (excluding capital renovations)	1,995,000	2,079,000	1,991,000
Scholarships, Awards and Bursaries	1,500,000	1,554,000	1,615,000
Other Student Support	38,000	37,000	39,000
Utilities, Taxes & Insurance	686,000	678,000	724,000
Advancement Office	841,000	830,000	849,000
Athletics (excluding athletic equipment)	770,000	799,000	793,000
Bursar's Office	614,000	561,000	670,000
Human Resources & Compensation Office	203,000	202,000	212,000
General College Administration and Other	368,000	325,000	366,000
Library (excluding Library books)	500,000	488,000	472,000
President's Office	550,000	607,000	721,000
Vice-President's Office	345,000	370,000	317,000
Community Supports	305,000	321,000	318,000
Enrolment & Student Life Office (Registrar, Recruitment, Marketing)	1,982,000	1,688,000	1,754,000
Enrolment & Student Life Office (Residence & Other Student Services)	961,000	981,000	943,000
Divinity & Chapel	180,000	141,000	153,000
Chapel Music	153,000	128,000	128,000
King's Chorus	47,000	40,000	41,000
Professional Fees	225,000	206,000	243,000
Interest & Service Charges	485,000	501,000	440,000
Investment Management Fees	210,000	228,000	253,000
Conference Services	337,000	236,000	301,000
Advancement Office - offsite leasing costs	150,000	147,000	150,000
Legal claim contribution	-	(300,000)	-
Allowance for staff vacancies	-	-	(100,000)
Total expenses	\$ 25,406,000	\$ 24,997,000	\$ 26,355,000
Costs covered by internally restricted funds	-	(224,000)	(81,000)
Funds returned to the internally restricted funds re: legal claims	-	300,000	-
Net expenses	\$ 25,406,000	\$ 25,073,000	\$ 26,274,000

General Comments:

Expenses in the table above are organized by department or cost category. The budget for each department reflects both compensation and operating expenditures. In addition to the variance explanations provided on **pages 2 through 4** on the 2024/25 actual results and the 2025/26 budget, this section provides further commentary on specific areas of expenditure included in the table above.

The 2025/26 overall expenditure budget (net of expenditures funded by the internally restricted funds) is higher than the 2024/25 expenditure budget by **\$868,000 (3.4%)** and **\$1,201,000 (4.8%)** higher than the 2024/25 actual results. Since the expenditures shown in the table contain spending from the internally restricted funds (and are not funded by the operating budget), this spending has been removed at the bottom of the table so that an 'apples to apples' comparison can be made. It should be noted that actual expenditures for 2024/25 were **\$333,000 (1.3%)** lower than the 2024/25 budget. This is largely the result of salary savings from staff vacancies.

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. The 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 undergraduate teaching in 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 and availability of Dalhousie services to King's students.

The cost per student is applied to the number of students taught by each institution for the other. There are two components of the cost per student calculation: the total cost of undergraduate teaching (in Dalhousie's faculties of Arts & Social Sciences and Science plus a large overhead component) 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).

Refer to the table below for five years of history of the allotment to Dalhousie calculation (UG = undergraduate):

Budget Year	2025/26	2024/25	2023/24	2022/23	2021/22
Actual Year	2024/25	2023/24	2022/23	2021/22	2020/21
Dal cost UG teaching FASS/FoS (millions)	\$ 60.9 *	\$ 59.1	\$ 56.1	\$ 52.6	\$ 51.3
% Cost Increase	3%	5%	7%	3%	2%
Overall Enrolment taught FASS/FoS	6,462 **	6,480	6,463	6,354	5,999
% Enrolment Change	0%	0%	2%	6%	6%
Cost per Student	\$ 9,393 *	\$ 9,119	\$ 8,677	\$ 8,283	\$ 8,555
% Cost Change	3%	5%	5%	-3%	-3%
# of King's Students Taught by Dal	651 **	615	600	600	586
Change in # students taught at Dalhousie	36	15	0	14	7
% Enrolment Change	6%	3%	0%	2%	1%
# of Dal Students Taught by King's	210 **	205	210	184	189
Change in # students taught at King's	5	-5	26	-5	-10
% Enrolment Change	2%	-2%	12%	-3%	-6%
Allotment to Dalhousie (millions)	\$ 4.8	\$ 4.4	\$ 4.0	\$ 4.0	\$ 3.9
\$ increase (millions)	\$ 0.4	\$ 0.4	\$ -	\$ 0.1	\$ 0.0
% increase	9.2%	8.7%	0.0%	2.6%	0.9%

* Unknown

** Known

Note that King's is invoiced one year in arrears. For 2025/26, King's will be invoiced based on enrolment (as of December 1, 2024) and Dalhousie's cost in 2024/25.

As a result of several years of enrolment declines for both universities (2013/14 through 2020/21), 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. In 2021/22, overall enrolment increased by **6%** and the cost per student decreased by **3%**. Enrolment went up by **2%** in 2022/23 and remained at that level until 2024/25, with the cost per student increasing every year since. While overall enrolment in the cost per student calculation has levelled off, the number of King's students taught by Dalhousie has been increasing (because of King's enrolment growth). This, combined with a higher cost per student, has led to a much larger allotment to Dalhousie in 2024/25 and in the budget for 2025/26. The actual allotment to Dalhousie exceeded budget in 2024/25 by **\$145,000**. The 2025/26 budget is higher than the 2024/25 budget by **\$550,000** and higher than 2024/25 actuals by **\$405,000**. The unknown for the 2025/26 budget is the cost of undergraduate teaching in FASS and FoS for 2024/25. King's will be invoiced for a **net increase of 31 students** in 2025/26.

The Dalhousie allotment for 2024/25 exceeded **\$4.3 million** for the first time **since 2015/16** (when King's was invoiced for 85 more students but at a cost per student that was 16% lower than it was on the 2024/25 invoice).

King's undergraduate enrolment in the 2025/26 budget is anticipated to **increase by 109 students over 2024/25** actual enrolment and by an additional **51, 53, and 55** students in the three years of the projections. It is anticipated that King's will be invoiced for a **net increase of 78 students in 2026/27**. This explains the increase in the allotment to Dalhousie to **\$5.3 million** in 2026/27. Dalhousie's 2025/26 budget document indicates they intend to reduce expenditures by **\$75 million** over a three-year period beginning in 2025/26. The projections for the allotment to Dalhousie in the last two years incorporate an assumed amount of expenditure reductions at Dalhousie in FASS and FoS and in the overhead component. With continuing enrolment increases at King's combined with expenditure reductions at Dalhousie, it is anticipated that the allotment will level off for the last two years of the projections.

Salaries and Benefits:

The 2025/26 salaries and benefits budget of **\$13,918,000** is **\$212,000 or 1.5%** higher than the 2024/25 salaries and benefits budget of **\$13,706,000** and **\$608,000 or 4.6%** higher than the 2024/25 actual salaries and benefits of **\$13,310,000** (which excludes \$65,000 in salaries funded by the internally restricted funds). Actual salaries and benefits for 2024/25 were **\$396,000 lower than budget or 2.9%**.

Compensation is the largest single component of expenses and accounts for **52.8%** of the total operating expenses budgeted for 2025/26. Academic salaries and benefits represent **\$6,936,000 or 49.8%** of total compensation while administrative salaries and benefits represent **\$6,982,000 or 50.2%** of total compensation.

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 **63.3%** of total operating expenses budgeted for 2025/26. A substantial portion of the direct costs relate to faculty salaries and benefits in the Faculties of Arts and Social Sciences and Science at Dalhousie.

Academic salaries and benefits in the 2025/26 budget are **\$308,000 or 4.6%** higher than the 2024/25 budget and **\$324,000 or 4.9%** higher than 2024/25 actual salaries and benefits while administrative salaries and benefits are **\$96,000 or 1.4%** lower than the 2024/25 budget and **\$284,000 or 4.2%** higher than 2024/25 actual salaries and benefits.

Actual academic salaries and benefits in 2024/25 were **\$17,000 or 0.3%** lower than budget while actual administrative salaries and benefits were **\$379,000 or 5.4%** lower than budget.

Savings in salaries and benefits for 2024/25 were largely the result of staff resignations and promotions of existing staff to more senior positions creating vacancies in their former positions. The savings related to the gap between the date of the resignation/vacancy and the hire date of the replacement as well as differences in the salary amounts paid. Often, new staff members are paid at a lower step (but at the same level for the position) than departing staff members who have held the role for several years. The largest savings were from staffing changes in the Enrolment and Student Life Office, a five-month vacancy in the Bursar's Office, and a vacant Director of Equity and Community Supports position for the full year.

The 2025/26 budget (and three years of projections) includes an allowance for staff vacancies of **\$100,000** as there are typically savings from staff turnover each year.

As mentioned above, total salaries and benefits are increasing by **\$212,000** over the prior year budget. This is attributable to the following:

- Annual salary adjustments - **\$393,000**
- Benefits and pension increases - **\$39,000**
- Cost of EVRP program - **\$81,000** (offset by internally restricted funds)
- New positions - **\$219,000**
 - Tenure track Journalism faculty member (filled internally creating a vacancy in the Rogers Chair for six months)
 - Director of Budgets and Financial Reporting assumed January 1 (no prior year budget)
 - Director of Equity and Community Supports assumed September 1 (prior year budget assumed October 1 but was not filled)

Offset by:

- Savings from vacancies - **\$238,000**
 - Rogers Chair anticipated to be vacant for six months (in prior year budget for full year) (offset by lower investment income as noted previously)
 - Plumber has been removed from the budget due to difficulty in filling the position (in prior year budget for full year)

- Retirement of Librarian (50% post-retirement contract) June 30 (in prior year budget for full year). Hire of new Librarian delayed by one year.
- Combining residence front desk coordinator and housing coordinator positions because of a retirement June 30. New role assumed September 1.
- Early resignation of interim Dean of Students (June 30 rather than November 1)
- Allowance for staff vacancies - **\$100,000**
- Other (fewer maternity/parental leaves (two versus five in prior year), etc.) - **\$182,000**

Student Salaries

All student salary budgets have been increased by **8.55%** due to a \$1.30/hour increase in the minimum wage rate from April 1, 2024 to October 1, 2025 from \$15.20/hour to \$16.50/hour. 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 2% increase in each year. The casual salary budget for 2025/26 is **\$860,000** which is **\$31,000** higher than the 2024/25 budget and **\$107,000** higher than 2024/25 actual casual salaries.

Actual student salaries for 2024/25 were lower than budget by **\$76,000** largely because of the poor season for Conference Services in 2024.

Benefits – increasing by **\$5,000** or 0.5% over the 2024/25 budget and **\$16,000** or 1.8% over 2024/25 actuals.

The following are the changes in employer benefit rates for 2025/26 (effective April 1):

- Basic and dependent life insurance – **10.4% increase** (100% employer paid)
- Health – **3.5% increase** (60% employer paid)
- Travel – **19.0% increase** (60% employer paid)
- Workers Compensation – **4.2% decrease** (100% employer paid)
- Employee Family Assistance Program (EFAP) – **5.1% decrease** (100% employer paid)
- Virtual healthcare – **202.6% increase** (100% employer paid) (from \$1.89/month per employee to \$3.83/month per employee) (prior year was an introductory rate)
- Survivor income benefit (SIB) **holiday** (third year) – resulting in savings of **\$13,000**

Other benefit rates for 2025/26 (effective January 1):

- Employment Insurance (EI) – **2.4% increase** in the maximum contribution per employee
- Canada Pension Plan (CPP) – **4.3% increase** in the maximum contribution per employee
- Second CPP contribution (CPP2) - **210.6% increase** (from \$188 to \$396 maximum/year)*

*Commencing January 1, 2024, a year's additional maximum pensionable earnings (YAMPE) (second higher ceiling) was introduced, requiring a second CPP contribution (CPP2) to be made on these earnings, beginning at the first earnings ceiling of \$71,300 for 2025 (\$68,500 for 2024) and up to the second earnings ceiling of \$81,200 for 2025 (\$73,200 for 2024) at a rate of 4%. The maximum annual employee and employer contribution is \$396 for 2025 (\$188 for 2024).

The cost of benefits is impacted by the rate changes noted above as well as new positions and vacancies. Actual benefits were less than budget in 2024/25 by **\$11,000 or 1.3%**. Staff vacancies in 2024/25 are responsible for the variance against budget in 2024/25.

Pension – increasing by **\$34,000 or 3.6%** over the 2024/25 budget and **\$75,000 or 8.4%** over 2024/25 actuals. Pension costs are driven primarily by new positions and vacancies as well as by annual salary increases. Actual pension costs were less than budget in 2024/25 by **\$41,000 or 4.3%**. Staff vacancies in 2024/25 are also responsible for this variance.

Other Salaries and Benefits Comments

Except for the eight-member University of King's College Teachers' Association (UKCTA) 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 will expire on June 30, 2025. Estimated salary increases have been incorporated into the salary budget and projections.

Dalhousie's CUPE agreement with its teaching assistants and individual course instructors expired on August 31, 2024. King's follows the CUPE rates for TAs and individual course instructors. Estimated increases have been incorporated into the budget and projections.

King's staff have their own King's Managerial and Administrative (KMA) staff salary scale. Annual adjustments are generally awarded each July 1 (based on increases at other similar-sized maritime universities) pending the status of King's finances.

SCHEDULE 1

REFER TO NARRATIVE FOR EXPLANATION OF VARIANCES

Revenue (in \$000s)	2024/25 Budget	2024/25 Actual	2025/26 Budget	2026/27 Projection	2027/28 Projection	2028/29 Projection	Favourable (Unfavourable)			
							2026 Budget to 2025		2026 Budget to 2025	
							Budget Comparison	%	Actual Comparison	%
Operating grant*	\$ 8,778	\$ 8,778	\$ 8,954	\$ 9,133	\$ 9,315	\$ 9,502	\$ 176	2%	\$ 176	2%
Tuition and fees	10,630	10,814	11,851	12,652	13,469	14,204	1,221	11%	1,037	10%
Continuing education	30	56	44	45	45	46	14	100%	(12)	-21%
Residence fees	2,129	2,180	2,254	2,261	2,315	2,378	125	6%	74	3%
Investment income	1,927	2,045	2,061	2,064	2,029	2,008	134	7%	16	1%
Conference Services	420	229	369	416	458	503	(51)	-12%	140	61%
Other (gifts, other grants, facilities rental, etc.)	1,179	1,022	1,042	1,050	1,067	1,096	(137)	-12%	20	2%
Total Revenue	\$ 25,093	\$ 25,124	\$ 26,575	\$ 27,621	\$ 28,698	\$ 29,737	\$ 1,482	6%	\$ 1,451	6%

Expenses (in \$000s)

Academic programs	\$ 7,761	\$ 7,805	\$ 8,212	\$ 8,617	\$ 9,041	\$ 9,355	\$ 451	6%	\$ 407	5%
Allotment to Dalhousie	4,200	4,345	4,750	5,347	5,347	5,341	550	13%	405	9%
Administrative and support departments	9,814	9,560	9,728	10,344	10,713	11,115	(86)	-1%	168	2%
Scholarships, awards and bursaries	1,538	1,591	1,654	1,645	1,634	1,629	116	8%	63	4%
Utilities, taxes and insurance	686	678	724	742	760	778	38	6%	46	7%
Interest and service charges	485	501	440	401	378	352	(45)	-9%	(61)	-12%
Conference Services	337	236	301	318	330	344	(36)	-11%	65	28%
Other (professional fees, investment mgt fees)	435	434	496	473	478	469	61	14%	62	14%
Offsite office space rental	150	147	150	153	156	159	-	0%	3	2%
Legal claims	-	(300)	-	-	-	-	-	0%	300	100%
Allowance for staff vacancies	-	-	(100)	(100)	(100)	(100)	(100)	-100%	(100)	-100%
Total Expenses	\$ 25,406	\$ 24,997	\$ 26,355	\$ 27,940	\$ 28,737	\$ 29,442	\$ 949	4%	\$ 1,358	5%

Operating Cash Deficit (in \$000s)

Total Revenue	\$ 25,093	\$ 25,124	\$ 26,575	\$ 27,621	\$ 28,698	\$ 29,737	\$ 1,482	6%	\$ 1,451	6%
Total Expenses	25,406	24,997	26,355	27,940	28,737	29,442	949	4%	1,358	5%
Excess/(Deficiency) of Revenue Over Expenses	(313)	127	220	(319)	(39)	295	533	-170%	93	(34)
Debt and Capital Funded by Operations										
Debt Repayment	(689)	(689)	(715)	(735)	(762)	(788)	(26)	4%	(26)	4%
Capital Funded by Operations	(494)	(311)	(336)	(319)	(322)	(327)	158	-32%	(25)	8%
Operating cash deficit before reserve transfers	(1,496)	(873)	(831)	(1,373)	(1,123)	(820)	665	-44%	42	-5%
Reserves to offset EVRP coverage costs	-	-	81	27	-	-	81	100%	81	100%
Reserves for framework for strategic investments	-	224	-	-	-	-	-	0%	(224)	-100%
Reserves to cover legal claims	-	(300)	-	-	-	-	-	0%	300	100%
Total reserve transfers	-	(76)	81	27	-	-	81	0%	157	-207%
Operating Cash Deficit	\$ (1,496)	\$ (949)	\$ (750)	\$ (1,346)	\$ (1,123)	\$ (820)	\$ 746	-50%	\$ 199	-21%

Revenue Inputs/Assumptions (enrolment Oct. 15)

Operating grant increase*	2%	2%	2%	2%	2%	2%	n/a	0%	n/a	0%
FYP Enrolment	220	213	190	210	220	230	-30	-14%	-23	-11%
Undeclared (1st year) Enrolment	40	35	60	63	66	69	20	50%	25	71%
Total First Year Enrolment	260	248	250	273	286	299	-10	-4%	2	1%
International Enrolment	32	24	20	24	26	27	-12	-38%	-4	-17%
Undergraduate Enrolment	865	901	1010	1071	1123	1177	145	17%	109	12%
Graduate Enrolment	117	114	125	142	147	147	8	7%	11	10%
Total Headcount	982	1015	1135	1213	1270	1324	153	16%	120	12%
Residence Occupancy (move-in day)	267	271	271	271	271	271	4	1%	0	0%
Tuition increase - Arts and Science	2%	2%	0%	0%	2%	2%	n/a	-2%	n/a	-2%
Tuition increase - Journalism (4-year BJH)	1%	1%	0%	0%	1%	1%	n/a	-1%	n/a	-1%
Tuition increase - Journalism (1-year BJ)	0%	0%	0%	0%	0%	0%	n/a	0%	n/a	0%
Tuition increase - MJ	4%	4%	2%	2%	2%	2%	n/a	-2%	n/a	-2%
Tuition increase - MFA	3%	3%	2%	2%	2%	2%	n/a	-1%	n/a	-1%
Fee increase - all but MFA mentor fee	2%	2%	2%	2%	2%	2%	n/a	0%	n/a	0%
Fee increase - MFA mentor fee	2.8%	2.8%	2%	2%	2%	2%	n/a	-1%	n/a	-1%
Residence fee increase	3%	3%	3%	3%	3%	3%	n/a	0%	n/a	0%
International tuition (differential) (10% increase)	\$20,401	\$20,401	\$22,441	\$24,685	\$27,154	\$29,869	\$2,040	10%	\$2,040	10%
International tuition guarantee - up to 5 years (6% increase)	\$33,814	\$33,814	\$35,842	\$37,993	\$40,273	\$42,689	\$2,028	6%	\$2,028	6%
International student mobility waiver	\$0	\$0	\$10,000	\$12,000	\$12,000	\$12,000	\$10,000	100%	\$10,000	100%

*Subject to potential holdbacks - \$176k in 2025-26 and up to \$717k in 2026-27 in accordance with 2025-2027 bilateral agreement with Province of Nova Scotia.

The University of King's College
Statement of Operations (Operating Fund) - Departmental Revenues and Expenses
2025/26 Operating Budget

SCHEDULE 2

	March 31, 2026 Budget	General University	Conference Services	Academic	Continuing Education	Facilities Management	ESLO (Residence & Other Student Services)	Scholarships, Awards & Bursaries	Advancement	Athletics	Bursar's Office	Human Resources Office	Library	President's Office	Vice President's Office	Community Supports	ESLO (Registrar, Recruitment, Marketing)	Divinity & Chapel	Chapel Music	King's Chorus
Revenue:																				
Government Grant	\$ 8,954,000	8,954,000																		
Student Academic Fees	10,460,000	10,753,000						(293,000)												
Student Ancillary Fees	1,391,000	210,000		591,000		316,000				274,000										
Student Residence Fees	2,254,000						2,254,000													
Continuing Education	44,000				44,000															
Investment Income	2,061,000	703,000		479,000				782,000					13,000					81,000	3,000	
Sale of Goods and Services	393,000	199,000		7,000		19,000	6,000		7,000	130,000			4,000	4,000				3,000	9,000	5,000
Conference Services	369,000		369,000																	
Gifts (annual fund & scholarship)	593,000	175,000						333,000		40,000								30,000	15,000	
Other Grants	56,000	34,000				2,000		20,000												
Total Revenue	\$ 26,575,000	\$ 21,028,000	\$ 369,000	\$ 1,077,000	\$ 44,000	\$ 337,000	\$ 2,260,000	\$ 842,000	\$ 7,000	\$ 444,000	\$ -	\$ -	\$ 17,000	\$ 4,000	\$ -	\$ -	\$ -	\$ 114,000	\$ 27,000	\$ 5,000
Expenses:																				
Compensation Expenses	\$ 13,671,000	80,000		6,936,000		860,000	794,000		683,000	377,000	655,000	199,000	417,000	524,000	311,000	295,000	1,321,000	114,000	81,000	24,000
Operating Expenses	4,060,000	286,000		1,257,000		1,131,000	99,000		166,000	276,000	15,000	13,000	55,000	197,000	6,000	23,000	433,000	39,000	47,000	17,000
Continuing Education	19,000				19,000															
Dalhousie Athletics Fee Flowthrough	140,000									140,000										
Food Services	50,000						50,000													
Conference Services	301,000		301,000																	
Allotment to Dalhousie	4,750,000	1,995,000		2,755,000																
Scholarships, Awards and Bursaries	1,615,000							1,615,000												
Other Student Support	39,000							39,000												
Utilities, Taxes & Insurance	724,000					724,000														
Professional Fees	243,000	243,000																		
Investment Management Fees	253,000	70,000		64,000				106,000					2,000					11,000	-	
Interest & Service Charges	440,000	440,000																		
Offsite office space leasing costs	150,000					150,000														
Allowance for staff vacancies	(100,000)	(100,000)																		
Total Expenses	\$ 26,355,000	\$ 3,114,000	\$ 301,000	\$ 11,012,000	\$ 19,000	\$ 2,865,000	\$ 943,000	\$ 1,760,000	\$ 849,000	\$ 793,000	\$ 670,000	\$ 212,000	\$ 474,000	\$ 721,000	\$ 317,000	\$ 318,000	\$ 1,754,000	\$ 164,000	\$ 128,000	\$ 41,000
Excess (deficiency) of revenue over expenses	\$ 220,000	\$ 17,914,000	\$ 68,000	\$ (9,935,000)	\$ 25,000	\$ (2,528,000)	\$ 1,317,000	\$ (918,000)	\$ (842,000)	\$ (349,000)	\$ (670,000)	\$ (212,000)	\$ (457,000)	\$ (717,000)	\$ (317,000)	\$ (318,000)	\$ (1,754,000)	\$ (50,000)	\$ (101,000)	\$ (36,000)
Financing and investing activities:																				
Debt repayment	\$ (715,000)	(715,000)																		
Capital expenditures	(336,000)			(54,000)		(244,000)				(20,000)			(18,000)							
Use of internally restricted funds*	81,000			81,000																
Subtotal - Cash excess (deficit) from financing & investing	\$ (970,000)	\$ (715,000)	\$ -	\$ (54,000)	\$ -	\$ (244,000)	\$ -	\$ -	\$ -	\$ (20,000)	\$ -	\$ -	\$ (18,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net increase (decrease) in cash	\$ (750,000)	\$ 17,199,000	\$ 68,000	\$ (9,989,000)	\$ 25,000	\$ (2,772,000)	\$ 1,317,000	\$ (918,000)	\$ (842,000)	\$ (369,000)	\$ (670,000)	\$ (212,000)	\$ (475,000)	\$ (717,000)	\$ (317,000)	\$ (318,000)	\$ (1,754,000)	\$ (50,000)	\$ (101,000)	\$ (36,000)

*For EVRP

APPENDIX A



MEMORANDUM

To: Finance, Audit and Risk Committee
Fr: William Lahey, Bonnie Sands
Date: February 14, 2025
Re: Shared Goals for the 2025/26 Budget and Beyond

The following is a list of goals that we have agreed upon for the preparation of the budget for 2025-2026 and for the early planning of the budgets for the next three fiscal years. We have developed these goals with the advice of the Treasurer and, in light of the crucial relevance of enrolment goals and the enrolment growth plan developed by the Chief Enrolment and Student Life Officer and approved by the Board of Governors.

We are seeking reaction, guidance and suggestions from the Finance, Audit and Risk Committee about this list of goals as a first step in seeking input more widely on these goals.

Our hope with a document such as this is to achieve a greater level of clarity and understanding of the goals we are all working to advance in the roles and responsibilities we all have in relation to developing and managing budgets and in financial planning and stewardship more generally under the framework of the strategic and policy framework the Board of Governors has already provided.

1. We are in a three-to-four-year process of returning to annual balanced budgets, largely through investing in enrolment growth and strategic enrolment management, as approved by the Board of Governors. To support returning to balance and, in accordance with Board-approved financial management policies, expenditure control and reduction continue to be of paramount importance. In that context and given that the deficit for 2024-2025 was forecasted to be \$1,500,000 and is now forecasted to be \$1,100,000, with hope it can be lower. Our goal for 2025-2026 budget should be a forecasted deficit of less than, or in the vicinity of \$750,000.
2. In 2024, significant expenditure reductions were incorporated into the provisional budget after it was presented to the Board in March. Our goal in 2025 should be to ensure that expenditure reductions of this nature are to the full extent possible

incorporated into the provisional budget before it is presented to the Board of Governors, providing for a more focused and faster budget deliberation at the Board.

3. Our goal in preparing the budget for 2025-2026 and beyond should be to also identify and fully consider expenditure reductions and controls of a structural nature that can be built into the provisional budget for 2026-2027 through analysis of expenditure patterns such as vacancy rates and the time it typically takes to fill vacancies, elimination of positions through attrition where operationally feasible, budget underspends at the department and program level and opportunities for sharing resources between programs and departments.
4. Unlike other universities in Nova Scotia, we have not implemented expenditure control and reduction measures such as hiring freezes, university wide across-the-board expenditure reductions, further deferral of maintenance, reduction of low enrolment courses, service reductions in community and other student support services, etc. Our goal in 2025-2026 should be to consider these and other such options in a multi-year budgeting framework in case they prove necessary to achieving and maintaining a balanced financial position to see if they can yield significant and sustainable expenditure reductions, and to assess their impact on the university's mission, operations and student and employee experience. This should be done through a process that engages board members, faculty representatives, staff representatives, student representatives and that is supported by the technical and analytical support that such a process demands.
5. Another goal is to more fully integrate fundraising results into our budgeting while working with Advancement to integrate budgeting priorities into our fundraising, to the extent that is possible. This may include the following aspects:
 - a. Ensuring growth in our investment portfolio that has occurred and that is projected is reflected in revenue and revenue projections;
 - b. Ensuring that we are investing all funds that are available for investment;
 - c. Seizing opportunities in fundraising to grow internally restricted funds so that they can be used to supplement other sources of operating revenues in the years to come while increasing the overall size of the investment portfolio and the associated revenue;
 - d. Seizing opportunities to replace or substitute "seed money" from internally restricted funds and from donations that have been used in recent years to initiate experiential learning, Indigenization and other initiatives;
 - e. Seizing opportunities to change the proportion of spending in some categories of expenditures that come from operating revenue and from gifts and grants while maintaining or increasing the overall levels of spending in those categories of spending; and
 - f. In due course, increasing the investment we can make in fundraising.

6. On student tuition, our goal should be, in time for the 2026-2027 recruitment season, to relax the international student differential to better align it with that being charged by other maritime universities that are comparable to King's, subject to approval by the Board of Governors that King's makes this change on its own and after having appropriately engaged with Dalhousie on the matter.
7. Our goal should be to limit student tuition and fee increases to the greatest extent possible, with due regard to affordability, market circumstances, enrolment goals and inflation-related increases in operating expenses. At the same time, our goal will be to reduce the impact of financial aid spending on the operating budget (and internally restricted funds) without reducing overall spending on financial aid by introducing system upgrades that will better leverage endowment funds.
8. Our goal should be to obtain increased provincial funding through a general increase in the operating grant that exceeds the increases of recent years, or through an increase in King's specific funding, or from a combination of the two kinds of increased funding.
9. Building on the very good work already done, our goal in 2025 should be a budget document which communicates where spending has grown and decreased since 2018, the year in which our operating grant was adjusted by the province to ensure we were sustainable while working to rebuild enrolment from the steep declines that happened between 2013 and 2016. While a component of this may be a comparison by department and program, the priority is to more clearly show how net spending levels have changed in core functional areas such as academic programming and staffing, including the transfer to Dalhousie, student support, recruitment, communications, fundraising, alumni relations, athletics, utilities and other goods and services, debt servicing, and general administration. This is an alternative approach to showing a large amount of the expenditure that is not academic as "administration" as if academic and administration are the two categories that accurately explain all we do. The budget narrative that overlays this information needs to be concise and qualitative, allowing the board to understand past and future trends and the impact that various options will have on the financial sustainability of the university.
10. Along the same lines, another goal is to create and share a five-year forward analysis that shows the assumptions about the change in primary categories of revenue and expenses that we think will impact on the year-to-year budget situation over each of the next five years. This will include our assumptions about overall enrolment. Another way of explaining the role of this analysis is to show the assumptions under which enrolment growth goals could lead to a sustainably balanced budget from year-to-year and the extent of the change that would be needed in expenditures to achieve a balanced budget if those goals are missed. Over the next few years, the hope is that this analysis can be an additional context for the multi-year budgeting process we have implemented, providing guidance on what has to be achieved in each budget year on both the revenue and expenditure side of the ledger to achieve balanced budgets in the timeframe of the next five years or less and beyond.

11. Our goal is also to provide a five-year projection of spending and expected revenues, particularly from enrolment growth and stabilization, but also from investments, residence and other operational revenues and from government funding, to show how revenue growth and expenditure control can be combined to create a stable balanced budget situation at an enrolment level that is both realistic and appropriate for the academic mission of King's. This projection will also show the relative sensitivity of the five-year projection to up or down changes in core assumptions for revenue and expenditure growth in material categories of revenue and expenditure.
12. In preparing budgets, particularly in respect of requests for increased spending and options for decreases in spending in departments and programs, our goal should be to follow the direction provided by the Board approved Expenditure and Revenue Management Framework and the Board approved Multi-Year Financial Strategy. This means considering budgetary options not only from the point of view of immediate operational and financial goals and priorities but also in reference to the university's approved strategic direction as set out in the President's Mandate; The Strategic Academic Plan; the Strategic Enrollment Management Plan (when it is in place); the university's commitment to Indigenization and to the Scarborough Charter; the Accessibility Plan; the Sexualized Violence Awareness, Prevention and Response Policy; and, the Action Plan for a Culture of Consent and Respect.

Adjacent Matters

The following matters are closely adjacent to budgeting and need also to be addressed.

1. Our goal is to be ready to advise the Board of Governors in the near future on the possibility, feasibility and advisability of borrowing money for the SEC project under the federal Apartment Loans Construction Program and/or the comparable provincial program, considering that the provincial program includes forgivable loans. Part of this is identifying the amount of borrowing, with and without forgivable loans, that we think would be feasible and advisable so that an overall decision can be made about investing further fundraising and government relations work on the project in the immediate future.
2. Our goal is to determine if borrowing to finance operating deficits is an option and to provide the Board with the information, analysis and recommendation the Board needs to decide on borrowing and funding deficits out of internally restricted funds.

APPENDIX B
University of King's College
2024 – 2027 Multi-Year Financial Strategy Framework
December 2023

A multi-year financial strategy framework was presented to the Board of Governors in December 2023. The purpose of a financial strategy is to set clear goals and articulate how those goals will be achieved. The annual budget process lays out expected available revenues and an expenditure plan that allocates those revenues in support of specific activities for the coming year in pursuit of the purpose and strategic direction of the university. The multi-year financial strategy or plan provides a framework to support the achievement of the mandate over a three-to-five-year planning window.

The Board of Governors approved the current strategic direction for King's in the [2017 President's mandate](#), in the [2019 President's revised mandate](#), and in subsequent approvals of reviews and other actions taken in direct response to the 2019 mandate letter. The mandate and strategic direction include specific financial management goals and actions which support the academic goals of the mandate broadly and to ensure the overall financial sustainability of the university. The recently approved [Strategic Academic Plan](#), 2023-2028 also forms part of the strategic direction of the university.

The multi-year financial strategy ensures that all aspects of the financial environment, including revenues, operating and capital expenditures, reserves and debt are aligned over a planning timeframe and are supporting the overall strategic direction of the university. To ensure King's financial sustainability over the next three-to-five-years and the ability to successfully support the academic and strategic direction of the university, the King's College 2024 – 2027 Multi-Year Financial Strategy will provide clarity for the Board, administration, faculty, staff, and students of the priorities and work required. This improved clarity will come in the following areas through:

Expenditures:

- By reducing or eliminating expenditures that do not directly support the strategic direction of the university.
- By defining parameters and direction when new expenditures or investments are being considered that are discretionary.
- By guiding the management of externally driven cost pressures in existing programs and services.

Revenues:

- By mapping existing revenues to existing and planned expenditures where they are linked and where they directly support an expenditure area.
- By directing specific revenue growth targets where revenue gaps exist to support the achievement of the strategic direction and overall sustainability of the university.

Reserves (i.e., internally restricted funds):

- By ensuring there is clarity on the permitted uses of existing reserves.
- By ensuring investment performance is maximized within approved risk tolerances and reported regularly to the President and to the Board to support informed decision making.
- By ensuring policy direction exists for the use of reserves which may be considered:
 - To cover front-end/early costs of new investments which have a reasonable expectation of increased future revenue streams.
 - To cover deficits which may occur in excess of the annual budget.
 - To define repayment requirements of any reserve withdrawals.

The King's College 2024 – 2027 Multi-Year Financial Strategy will reflect the financial strategy required to achieve the strategic direction of the university based on the current financial environment and risks.

Summary of actions required to support the completion of the King's College 2024 – 2027 Multi-Year Financial Strategy and support annual budget planning for fiscal years 2024/25 to 2026/27:

- Annual expenditure and revenue management guidance:
 - Expenditure and Revenue Management Framework (see Appendix B)¹ – approved by the Board of Governors in December 2023 (updates and replaces the former Expenditure Reduction, Control, and Reallocation Plan).
- Revenue stability, management, and growth:
 - Enrolment – recruitment and enrolment implementation plan approved by the Board of Governors in December 2023.
 - Fundraising – updated plan with targets for 2024/25 to 2026/27.
 - Provincial operating grant – one year agreement for 2024/25. Future agreements uncertain.
 - Purpose-specific grant streams – infrastructure, housing, other areas of focus.
 - Ancillary revenue – opportunity areas, detailed plan to be developed as part of three-year budget plan.
- Reserves:
 - Reserve policy – work in progress. Policy to be developed/clarified for three-year planning and brought forward for approval to Board of Governors, including establishment of a minimum balance for Internally Restricted funds.

¹ The Expenditure and Revenue Management Framework 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. The framework establishes priorities and sets expectations for managing expenditures and increasing revenues and identifies items that we collectively must work on to improve the financial sustainability of King's.

- Investment policy – ensure existing policy is aligned with reserve policy and other multi-year financial strategy policies.
- Capital and debt management plan:
 - A capital plan exists now as part of the annual budget process. As part of the multi-year financial strategy, a funding plan will be developed for specific capital work which will be included in a multi-year capital plan for the next three years. In addition, it will be determined if fundraising or other planned revenue growth and debt capacity required to support the three-year capital plan is sufficient to support the capital plan. Debt parameters will be developed and articulated based on reasonable debit-service capacity for King’s.
- Multi-year financial strategy performance measures:
 - Key financial indicators for tracking and reporting on the multi-year financial strategy in a quarterly dashboard will be identified.

The Board passed a resolution to approve the Expenditure and Revenue Management Framework and the development of a multi-year financial strategy in December 2023. Next steps will be to meet with the senior administrative team, Board committee chairs, and others as appropriate to review the draft multi-year financial strategy and outline planning requirements in specific focus areas, including timelines and resource requirements.

APPENDIX C
University of King's College
Expenditure and Revenue Management Framework
December 2023

This Expenditure and Revenue Management Framework supersedes the 10 Point Expenditure Reduction, Control, and Reallocation Plan approved by the Board of Governors on March 28, 2019.

At the Board of Governors meeting on December 7, 2023, the Board approved the following 12 Point Framework as the ongoing Expenditure and Revenue Management Framework of the University of King's College:

1. The Framework shall be known as the Expenditure and Revenue Management Framework.
2. The Framework commits the College to managing expenditures and increasing revenues to support the achievement of the mandated strategic direction of the College as approved by the Board of Governors, including the 2019 President's Mandate and any subsequent approvals by the Board of Governors arising from the 2019 Mandate letter; the 2023 Academic Plan once approved, obligations in legislation and commitments made by the College within funding agreements and as a result of membership in organizations such as but not limited to *Universities Canada*.
3. Identifying areas for additional expenditure management and reduction as determined to be necessary to support achievement and sustainment of the strategic direction of the College and in response to evolving financial trends affecting the College, will be a continuing part of the budget planning and development process for 2024-2025 and subsequent fiscal years.
4. Additional/new targeted spending in strategic areas will be reviewed as part of the annual budget process, and where it can reasonably be demonstrated to have a long-term favourable impact on the College's financial situation and there is a plan to support any net expenditure in early years of implementation, it will be considered for inclusion in the annual provisional budget.
5. If expenditure increases are necessitated by enrolment growth beyond the planned enrolment in any year, they will be considered, particularly where there are increased revenues arising from higher-than-expected enrolment growth. These include part-time instruction costs (i.e., persons retained from outside or PROs), teaching assistants (TAs), FYP handbooks, MFA mentor stipends and MFA residency expenditures.
6. Increases to the cost of existing services and activities which support the achievement of the College's strategic direction and occurring as a result of new contracts, legislation, externally contracted services, or increases in the cost of existing required goods or services will be identified as 'existing services and activities cost pressures' during annual budget planning. The services and or activities where increases to existing costs are anticipated will be evaluated to determine if other means of delivering the services or activities exist, or if new

sources of revenue are available. The projected net budget pressure from these items will be the first priority of increased expenditure to be funded through future revenues.

7. Opportunities for further expenditure management will be fully considered in staffing decisions and in the management of human resources more broadly whenever there is an opportunity to reconsider an existing expenditure against the alignment with the strategic direction of the College or to reconsider the approach to delivering the service or activity.
8. In addition to staffing and human resources referenced in bullet 7, the same holds true for operational expenditures more broadly.
9. As part of the financing plan for the Alexandra Hall Accessibility Project in 2022, King's borrowed \$1.866 million from the internally restricted funds to extinguish the deficit financing loan. The Board of Governors passed a resolution on June 23, 2022, directing King's to repay \$120,000 annually from the operating cash surplus to the internally restricted funds to repay this loan. If the operating cash surplus for the respective year is less than \$120,000, the amount of the operating cash surplus is to be repaid. If there is an operating cash deficit, no repayment would be made in that year. Subject to a determination of what is in the best interest of the College from an overall financial sustainability and strategic direction, priority will be given in the use of any budget surpluses in excess of \$120,000 to providing assistance in balancing the following year's budget or in repaying additional funds against the loan from the internally restricted funds.
10. 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.
11. Consideration will continue to be given to how non-endowed internally restricted funds, and the income generated from them, can best be deployed to support the College's strategic direction and overall financial sustainability. As part of the multi-year Financial Strategy, an updated reserves policy will be developed this fall and winter and brought forward for approval by the Board of Governors no later than June 30, 2024.
12. While tuition, student fees, and the provincial operating grant are the largest sources of operating revenue for the university, maximizing other sources of revenue such as ancillary revenue and fundraising revenue as well as seeking other provincial and federal grant opportunities must become a priority.

APPENDIX D **Comparison of Net Spending and Number of Employees by Core Functional Area** **2017/18 Versus 2024/25**

Revenue		2017-18		2024-25 Actual		Difference 2024-25 vs 2017-18		
	Government Grant	\$5,929,000		\$8,778,000		\$2,849,000	48.1%	
	Student Academic Fees	6,850,000		9,661,000		2,811,000	41%	
	Student Ancillary Fees	977,000		1,209,000		232,000	24%	
	Student Residence Fees	1,623,000		2,180,000		557,000	34%	
	Investment Income	1,938,000		2,045,000		107,000	6%	
	Other revenue (gifts, goods/services, conf serv)	1,222,000		1,251,000		29,000	2%	
Total Revenue		\$18,539,000		\$25,124,000		\$6,585,000	36%	
Expenditures by Core Functional Area		\$	# People	\$	# People	\$	% change	# People
Student Supports								
	ESLO (student supports, advising)	\$199,000	2.10	\$551,000	4.80	\$352,000	177%	2.70
	Student Life (residence)	566,000	3.00	981,000	7.82	415,000	73%	4.82
	Athletics	625,000	2.00	799,000	3.00	174,000	28%	1.00
	Chapel	150,000	1.92	141,000	2.00	-9,000	-6%	0.08
	Chapel Music/King's Chorus	232,000	1.80	168,000	1.50	-64,000	-28%	-0.30
	Community Supports	0	-	249,000	2.00	249,000	100%	2.00
Total Student Supports		1,772,000	10.82	2,889,000	21.12	1,117,000	63%	10.30
Scholarships and Financial Aid								
	Scholarships and Financial Aid	1,201,000		1,452,000		251,000	21%	
Total Scholarships and Financial Aid		1,201,000		1,452,000		251,000	21%	0.00
Academic								
	Journalism/WPUB	1,953,000	14.00	3,110,000	17.00	1,157,000	59%	3.00
	FYP	1,221,000	5.00	1,380,000	5.00	159,000	13%	0.00
	FYP Fellows		6.00		8.00			2.00
	CSP	837,000	6.33	1,030,000	6.33	193,000	23%	0.00
	EMSP	491,000	3.33	632,000	3.33	141,000	29%	0.00
	HOST	527,000	5.33	943,000	5.58	416,000	79%	0.25
	Carnegie	442,000	8.00	542,000	8.00	100,000	23%	0.00
	Other Academic	157,000	-	119,000	-	-38,000	-24%	0.00
	Continuing Education	0	-	42,000	-	42,000	100%	0.00
	Library	421,000	4.00	488,000	3.85	67,000	16%	-0.15
	Dalhousie Allotment - Academic (58%)	2,260,000	-	2,520,000	-	260,000	12%	
Total Academic		8,309,000	51.99	10,806,000	57.09	2,497,000	30%	5.10
Administration								
	President	392,000	2.00	607,000	3.00	215,000	55%	1.00
	Vice President	124,000	1.00	366,000	2.00	242,000	195%	1.00
	Bursar's Office	561,000	6.00	560,000	5.00	-1,000	0%	-1.00
	Advancement Office (development, alumni, comm)	756,000	8.00	830,000	6.00	74,000	10%	-2.00
	Human Resources	0	-	202,000	2.00	202,000	100%	2.00
	General Administration	343,000	1.20	325,000	1.15	-18,000	-5%	-0.05
	Facilities Management	1,769,000	10.00	2,078,000	10.00	309,000	17%	0.00
	Dalhousie Allotment - Overhead (admin) (42%)	1,636,000		1,825,000		189,000	12%	
Total Administration		5,581,000	28.20	6,793,000	29.15	1,212,000	22%	0.95
Administration Other								
	ESLO (enrolment strategy)	533,000	5.90	1,137,000	9.20	604,000	113%	3.30
Total Administration Other		533,000	5.90	1,137,000	9.20	604,000	113%	3.30
Other Categories of Spending								
	Utilities	519,000		678,000		159,000	31%	
	Professional Fees	102,000		206,000		104,000	102%	
	Investment Management Fees	155,000		228,000		73,000	47%	
	Interest	370,000		501,000		131,000	35%	
	Conference Services	249,000	0.80	236,000	0.60	-13,000	-5%	-0.20
	Commercial Leasing Costs	0		147,000		147,000	100%	
	Principal Payments on Debt	369,000		689,000		320,000	87%	
	Capital Funded by Operations	143,000		311,000		168,000	117%	
Total Other Categories of Spending		1,907,000	0.80	2,996,000	0.60	1,089,000	57%	-0.20
Total Expenditures before Reserve and One-Time Spending		\$19,303,000	97.71	\$26,073,000	117.16	\$6,770,000	35%	19.45
Spending from Reserves and One-Time Spending								
	Spending from Reserves	195,000	-	224,000	-	29,000	15%	
	Legal Claims	0	-	-300,000	-	-300,000	100%	
Total Spending from Reserves and One-Time		195,000	-	-76,000	-	-271,000	-139%	0.00
Total All Expenditures		\$19,498,000	97.71	\$25,997,000	117.16	\$6,499,000	33%	19.45
Use of internally restricted funds*		395,000		-76,000		-471,000	-119%	
Operating cash surplus/(deficit)		-\$564,000		-\$949,000		-\$385,000	68%	19.45

APPENDIX D (continued)

Annual average change in revenues and expenditures 2017/ 18 to 2024/ 25

	<u>Total \$</u>	<u>Annual % Change</u>
<u>Revenue</u>		
Government Grant	\$ 649,000	1.5%
2018- 19 increase	2,200,000	n/a
Sub-total	\$ 2,849,000	5.8%
Student Tuition & Fees	3,600,000	4.6%
Other revenues	136,000	0.3%
Total	\$ 6,585,000	4.4%
<u>Expenditures</u>		
Student Supports	\$ 1,118,000	7.2%
Scholarships and Financial Aid	251,000	2.7%
Academic	2,497,000	3.8%
Administration	1,212,000	2.8%
Student Enrolment Plan	604,000	96.5%
Other Categories of Spending	1,089,000	6.7%
Spending from Reserves and One-Time	(271,000)	-202.4%
Total	\$ 6,500,000	4.1%
Average Annual Inflation (NS CPI)		2.8%

CPI is September 2017 to January 2025 for NS. Monthly, not seasonally adjusted.