



UNIVERSITY OF
KING'S
COLLEGE • HALIFAX

2024/25 OPERATING BUDGET

- Approved June 20, 2024

Introduction:

This document describes the University of King's College (King's) 2024/25 proposed operating budget. The development of a budget for King's is a collective effort requiring contributions from and consultations with many different people, committees, programs, departments, forums, and processes. The preparation of the operating budget is the responsibility of the President and the Bursar with the advice of the Budget Advisory Committee (BAC) and support of the Controller.

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

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

The President and Bursar consulted with members of the King's Students' Union (KSU) Executive in late March on proposed changes to student tuition and fees for 2024/25.

The 2024/25 operating budget includes the academic, administrative, and ancillary activities of the university funded from the operating fund. This means that revenues, expenses, and cash flow items associated with the other university funds, such as the restricted and capital funds, are not part of the operating budget.

The operating budget is developed using departmental revenue and expense submissions supplemented by calculations of faculty and staff salaries and benefits. This total by department or spending category represents the cost of the activities in that area which is matched with the resources available in the operating budget to fund the activities. The focus of the budget is on balancing cash flow in the operating fund (i.e., non-negative cash flow). Cash flow from operations (the excess of revenues over expenses) must also fund certain financing and investing activities including, but not limited to, long-term debt principal repayments; the purchase of furniture, equipment, and library books; and expenditures of a capital nature funded by operations.

The budget planning process involves 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.

2023/24 Actual Results:

The 2023/24 operating budget, approved by the Board of Governors in June 2023, was a breakeven budget with the assistance of \$195,000 in expenditure reductions which were to be identified later in the forecast for fiscal 2023/24. Surplus carryovers from prior years which were used to reduce the budgeted deficits from 2020/21 to 2022/23 were exhausted at the end of 2022/23. King's is expected to end the 2023/24 fiscal year with an operating cash deficit of \$280,000, down \$450K from the March forecast. This represents 1% of the total expenditure budget.

Enrolment fell short of budget by 37 students, including 18 fewer Foundation Year Program (FYP) students, 12 fewer graduate students, and 13 fewer international students. This resulted in \$620,000 lower tuition and fees revenue. King's had 957 students including 212 first year students (182 FYP students and 30 undeclared students), 101 graduate students, and 35 international students, while the budget included 994 students with 235 first year students (200 FYP students and 35 undeclared students), 113 graduate students, and 48 international students.

Fewer students than anticipated made their deposits in the spring of 2023. The entering FYP class of 2023/24 was 17% smaller than in 2022/23 (182 versus 219), 9% lower than budget, and was similar in size to FYP enrolment during the pandemic (177). The new Master of Fine Arts (MFA) in Fiction stream and continued strong upper year retention rates helped to lessen the impact of the smaller first year class.

While the reduced number of international students (two in 2023/24 compared to nine – twelve in immediately prior years) led to lower tuition revenue from international students, it also resulted in lower costs due to fewer international scholarships and bursaries awarded.

Since the 2018/19 permanent increase in the provincial operating grant, King's invested in activities and initiatives to enrich the academic and student experience; to advance its commitment to equity, diversity, inclusion, accessibility, and to Reconciliation and Indigenization; to better support students and other members of the community; and to enhance recruitment and retention efforts, all to contribute to increased enrolment. There was a boost in FYP enrolment from 2020/21 to 2021/22 which was maintained into 2022/23. There have been significant improvements in retention rates since 2018/19, which is being maintained.

As a result of the significant decline in first year enrolment in 2023/24, the Board of Governors directed the President to undertake a complete review of King's recruitment and enrolment planning and operations. A consultant was commissioned in the summer of 2023 to assist the President in carrying out this review and a report was presented to the Board of Governors in

September. The intended effect of this comprehensive review is not only to significantly increase enrolment but also to create conditions that will lead to a higher level of success in fundraising. The Board approved the recruitment and enrolment implementation plan in December. The costs related to the plan that have been incurred in 2023/24 are noted below.

Residences were substantially full for much of the year which was anticipated in the budget and resulted in the highest commission earned (14%) on meal plans sold. The impact of reduced tuition and fees was halved by higher revenue in other areas (such as gifts, interest income, facilities rentals, and investment income (due to higher investment returns)). King's received a generous unrestricted one-time gift of \$200,000 in 2023/24.

With respect to expenditures, much hard work to control spending on the part of the entire University over the past seven months resulted in \$260,000 in reductions which exceeded the \$195,000 of budgeted forecast savings that were included in the budget. We would like to thank everyone for their contributions to help reduce the size of the deficit.

Significant expenditure reductions positively impacting the year-end results included the following:

- \$184,000 Academic salaries and benefits savings
- \$168,000 Fewer international scholarships and bursaries
- \$118,000 Utilities (primarily steam heat / lower natural gas prices)

These savings were largely offset by the following overages:

- \$196,000 Capital improvements – facilities management
- \$189,000 Initial costs - recruitment and enrolment implementation plan
- \$149,000 Athletics teams – 5 teams went to Nationals!

Total expenditures for 2023/24 include legal claims paid by the University of \$1.4 million related to the actions of the late Dr. Wayne Hankey dating back to the 1970s. The net cost to King's will be \$1.1 million once \$300,000 in pending contributions from Dalhousie and the Diocese of Nova Scotia and Prince Edward Island are received. The balance was financed by the internally restricted funds (refer to "Use of Internally Restricted Funds" on page 26). King's is appreciative to both Dalhousie and the Diocese for their contributions.

Expenditures that are financed with internally restricted funds are not included as part of budgeted operating expenditures, but they are included in the overall financial statement expenditures for 2023/24. These are covered by transfers from internally restricted reserves.

In summary, the King's operating cash deficit for 2023/24 was \$280,000. King's revenue (excluding the USS conference) fell short of budget by \$299,000 for 2023/24. The impact of lower than expected enrolment of \$620,000 was reduced by higher sources of other revenue of \$321,000 as described above. King's expenses (excluding the USS conference, legal claims, and other expenditures covered by the internally restricted funds) were under budget by \$56,000.

The Universities Studying Slavery (USS) Conference was hosted by King's, Dalhousie, and the Black Cultural Centre for Nova Scotia (BCCNS) in October 2023. It was the first time this conference was hosted in Canada. It was a huge success. During the conference, a new partnership between King's and the BCCNS was announced. This partnership will ensure King's ongoing work on equity, diversity, accessibility, and inclusion will now benefit from a more robust, and regular engagement with the African Nova Scotian community. Through the BCCNS, an advisory committee will be formed to make recommendations to the university on the measures it can take to ensure that King's provides a welcoming and supportive educational home to African Nova Scotian and Black students, faculty, and staff. The committee's work will generate research anticipated to add to the expertise and knowledge that have made BCCNS an invaluable voice in Canada's social, cultural, and historical conversation.

2024/25 Budget:

The provisional budget for 2024/25, presented to the Board of Governors in March, reflected a sizable potential operating cash deficit of \$2.4 million based on a middle-case enrolment scenario. The middle-case enrolment scenario included an enrolment headcount of 936 (including 205 FYP students, 35 undeclared students, 118 graduate students and 36 international students), and full residence occupancy of 267 students.

This budget is still a work in progress. Although substantial progress has been made in reducing the projected deficit since the provisional budget was presented to the Board in March, it is still the case that roughly 50% of that progress depends on enrolment projections that are still uncertain, especially in the size of the incoming FYP class. Even if those projections prove largely to be accurate, the projected deficit is still projected to be \$1,496,000, a very substantial deficit that would, if funded from internally restricted reserves, reduce those reserves by roughly 23.7%.

Still pending is a decision on proceeding with or suspending, in whole or in part, scheduled staff salary increases. Staff were advised in March that King's serious financial situation, which is still serious, may necessitate the suspension of increases in whole or in part. They were also told that efforts would be made to proceed with the cost-of-living element of scheduled increases. It should be noted that delaying increases is another available option.

In light of King's still serious financial situation and the uncertainty pertaining to revenue projections, it is recommended that the Board approve the proposed budget on the clear understanding that the Board may be requested to make adjustments to the budget either at its September meeting or at a special meeting of the Board held before September if revenue projections are altered in the coming months to suggest a substantially higher deficit than is currently projected. These adjustments would consist of further expenditure reductions to offset downward adjustments in revenue projections to the extent possible. The Board is not simply passively approving the currently projected deficit but instead mandating 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.

The 2023/24 enrolment situation will impact King's for the next four years – a FYP class of 182 and first-year international enrolment of two versus an average of nine to 12 in prior years. Recent government announcements will also impact King's budget for 2024/25 and beyond. The federal cap on international study permits (35% reduction) may adversely impact first year international student enrolment because of the uncertainty it created for international applicants about whether they would be allowed to come to Canada. The one-year funding arrangement and bilateral agreements introduced by the Department of Advanced Education (to replace the recently expired five-year sector-wide memorandum of understanding (MOU)) reduces net revenue in 2024/25 and creates funding uncertainty for subsequent years. The funding arrangement with the province provides for a 2% increase in the operating grant (subject to the submission of a strategic alignment plan by the end of June 2024) and a 2% tuition cap for undergraduate Nova Scotia students. The agreement also includes a mandatory increase of 17% for international tuition. King's and Dalhousie are exempt from the mandatory increase considering the implementation of the international tuition guarantee model in the prior year. Since the provisional budget was presented to the Board in March, we have learned that we received more than our requested number of international student provincial attestation letters; therefore, the federal cap on international study permits is unlikely to impact international enrolment for 2024/25.

The provisional deficit of \$2.4 million presented in March was a preliminary projection. The purpose of presenting a provisional budget to the Board of Governors in March is to give the Board the opportunity to be aware of the situation months before it will have to approve a budget but also to give the Board the opportunity to make decisions and to give direction on measures that should be taken to change the budget before it is presented to the Board in June for final approval. At the March Board meeting, the Board directed the President to reduce the projected deficit by at least \$500,000. Actions have been taken since the March Board meeting to reduce the projected deficit by just over \$900,000. The deficit now stands at just under \$1.5 million. The adjustments are summarized in the table that follows:

2024/25 provisional budget operating cash deficit		\$ (2,405,000)
<u>Revenue adjustments:</u>		
Higher tuition and fees revenue due to higher enrolment (982 vs 936 headcount) ¹	\$ 481,000	
Higher investment income (due to higher market value)	88,000	
Higher other grants	<u>25,000</u>	594,000
<u>Expenditure adjustments:</u>		
Lower salaries and benefits related to timing of new hires and salary assumptions	\$ 183,000	
Lower international scholarships and bursaries based on anticipated enrolment ²	120,000	
Higher Dalhousie allotment (higher enrolment and increased costs)	(100,000)	
Matching requirement for Athletics grant to replace bleachers and equipment	(88,000)	
Addition of annual cost of MyCreds ³	<u>(73,000)</u>	42,000
<u>Administrative department additional reductions:</u>		
Additional administrative department reductions	\$ 203,000	
Additional academic program reductions	<u>70,000</u>	273,000
2024/25 revised operating cash deficit		<u>\$ (1,496,000)</u>
Difference (lower deficit)		<u>\$ 909,000</u>

¹While positive adjustments of just over \$900,000 have been made since March, 53% of the dollar value of the adjustments pertain to enrolment. It is possible that the enrolment assumptions now included in the budget, particularly for undergraduate enrolment, may not materialize, and further spending reductions may be required. The upper year enrolment figures included in the budget are based on registrations to date which typically increase between now and September. One needs to be mindful of the 2022/23 academic year however, where the number of first year deposits did not materialize into the expected number of registrations.

²This is based on projected enrolment of 36 international students. If enrolment is higher, the international scholarships and bursaries budgets will be increased in the forecast.

³MyCreds was a provincially funded initiative in 2023/24 (the implementation year). MyCreds provides fast and easy access to receive official transcripts, graduation awards, credentials, and other academic documents from around the world to aid admissions assessment. Ongoing annual costs are projected to be \$73,000.

The proposed budget for 2024/25 presented in this document is now anticipating an operating cash deficit of \$1,496,000. This is \$1,496,000 higher than the approved 2023/24 operating budget which was balanced. The variance can largely be explained as follows:

#	<u>Description</u>	<u>Amount</u>
1	Implementation plan costs	\$ (571,000)
2	Salaries and benefits increases	(420,000)
3	No allocation from the Bicentennial Fund	(300,000)
4	Higher Dahousie allotment	(230,000)
5	Lower Conference Services profit	(162,000)
6	2nd year of MFA in Fiction program	(119,000)
7	Grant matching requirement re: athletics equipment	(88,000)
	Offset by:	
8	2% increase in operating grant	172,000
9	Lower international scholarships and bursaries	120,000
10	More expenditure reductions than in prior year	99,000
11	Higher tuition and fees revenue	<u>3,000</u>
	2024/25 budget operating cash deficit	<u>\$ (1,496,000)</u>

The variances noted in the table 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 envisions 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 (from 37 to 55 on the low end and from 37 to 79 on the high end) over a five-year period beginning in 2025/26 with expenditures beginning in 2023/24. The implementation plan expenditures have been incorporated into the 2024/25 budget and projections while enrolment increases have been incorporated into the projections beginning in 2025/26. The \$571,000 in implementation plan costs for 2024/25 includes \$354,000 for salaries and benefits (including the hire of the Chief Enrolment and Student Life Officer and senior recruitment officers hired in the prior year), \$150,000 for additional marketing costs (including a one-time increase of \$50,000 for branding work), \$40,000 for additional recruitment travel costs, \$19,000 for professional fees (including remaining executive search costs and the legal review of the marketing agency of record contract), and \$8,000 for costs related to the new Chief (moving, laptop, cell phone). King's began a request for proposals (RFP) process in late 2023 for a marketing agency of record. The contract was awarded to m5 Marketing and Communications in early 2024.
2. Salaries and benefits (excluding implementation plan salaries noted above) are increasing by \$420,000. Annual salary increases account for \$372,000 of this variance, while increases in benefits and pension costs each account for \$58,000 of this variance. Personnel changes represent a savings of \$68,000.

The cost of benefits is increasing due to an 11.6% increase in the cost of group life insurance (100% employer paid), a 15% increase in health benefits (60% employer paid),

and a 25% increase in travel benefits (60% employer paid). Pension costs increase when salaries increase and when there are new hires and resignations. King's is hiring its fifth faculty diversity hire on July 1, 2024 in HOST/FYP. Three longer term contract employees will now be in the pension plan. Personnel changes reflect savings due to faculty retirements and the timing of filling staff vacancies, offset by the fifth faculty diversity hire and five maternity/parental leaves (top-up and replacement costs).

3. The 2023/24 budget included \$300,000 applied from the Bicentennial Fund against the scholarships and bursaries budget. No such allocation has been made in the 2024/25 budget.
4. The 2024/25 budget for the Dalhousie allotment is \$230,000 higher than in 2023/24. Dalhousie invoices King's for teaching its students and gives King's a credit for teaching Dalhousie's students. The financial transfer invoice is based on enrolment and costs in the prior year. The increase is attributed to a 5% increase in net enrolment (despite a significant reduction in the 2023/24 FYP class) and a higher anticipated cost per student of 2.3%. This is because total costs at Dalhousie will increase (the numerator), and the total number of students (Dalhousie and King's) taught in the faculties of arts and science at Dalhousie decreased by 0.4%. Refer to page 38 for additional information.
5. The 2024/25 budgeted profit for Conference Services is \$162,000 lower than in 2023/24 (\$83,000 versus \$245,000). Revenue is expected to be \$120,000 lower as the prior year included two large conferences (mentioned previously) which are not anticipated this year. Expenses are expected to be \$42,000 higher due in large part to increases in staff salaries as well as student salaries in accordance with King's student employment policy. Regular Conference Services profits are holding steady in the absence of large-scale conferences.
6. The 2024/25 budget includes additional costs related to the two-year MFA in Fiction stream which accepted its first students in 2023/24. With students in both years of the program in 2024/25, this will entail higher mentor fees (offset by revenue), residency costs, guests, and sessional costs.
7. The Athletics department recently received notice that they were successful in their application for a provincial grant in the amount of \$98,000 to support the replacement of the gymnasium bleachers and other athletic equipment. It requires the university to provide matching funds of \$88,000.
8. The 2024/25 budget assumes that King's will submit its strategic alignment plan on time and in satisfactory form and will receive its 2% increase in the provincial operating grant.
9. The 2024/25 budget for international scholarships and bursaries has been reduced by \$120,000 considering projected enrolment for this year and to align it closer to what is generally awarded on an annual basis. If enrolment is higher than projected, these amounts will be increased in the forecast.

10. The 2023/24 budget included a top-of-the-house expenditure reduction of \$195,000 to be identified in the forecast. The 2024/25 budget includes \$294,000 in expenditure reductions across all administrative departments and programs for a net higher reduction of \$99,000 over the prior year budget. While the 2023/24 budget included \$195,000 in expenditure reductions, \$260,000 were found.
11. While this variance is not material from a budgetary standpoint, it is important to mention that current admissions data indicates that the significant reduction in the FYP class that was experienced in 2023/24 is not likely to repeat itself in 2024/25. While the 2023/24 FYP class of 182 will impact King's upper year programs for the following three years, the pandemic FYP class of 177 recently graduated.

The 2024/25 budget has 12 fewer students than the 2023/24 budget (982 versus 994). While the number of FYP students at 220 (versus 200), undeclared students at 40 (versus 35), and graduate students at 117 (versus 113) are higher than the 2023/24 budget, the small FYP class of 2023/24 is negatively impacting upper year enrolment in 2024/25. The 2024/25 budget includes 605 upper year students compared with 646 in the prior year budget, a difference of 41 students. The small 2023/24 first year international cohort of two is also negatively impacting the 2024/25 total international enrolment number. The 2024/25 budget includes 32 international students (including eight first year students) compared with 48 in the prior year budget.

Both budget years include full residence occupancy of 267 with additional temporary beds as there is a waitlist due to the continued shortage of affordable housing in the HRM. Both budgets also include full meal plan commission of 14%.

The two-year MFA in Fiction stream accepted its first students in 2023/24. The 2024/25 budget includes enrolment for both years of this program. Prior year estimates were optimistic as total graduate enrolment was 101 rather than 113. Refer to the enrolment table on page 32 for details of enrolment by program.

Tuition and fees are proposed to increase as follows:

Tuition:

- Arts and science tuition (in line with Dalhousie) – 2%
- Bachelor of Journalism Honours tuition (4-years) – 1%
- Bachelor of Journalism tuition (1-year) – 0%
- Master of Journalism (MJ) tuition – 4%
- Master of Fine Arts (MFA) tuition – 3%
- International differential (in line with Dalhousie) – 10% (for students who entered King's prior to Fall 2023 or who are not subject to the international tuition guarantee model)
- International tuition guarantee - students entering Fall 2024 (in line with Dalhousie) – 6% to \$33,814
- International tuition guarantee - students who entered in Fall 2023 (in line with Dalhousie) – \$31,900

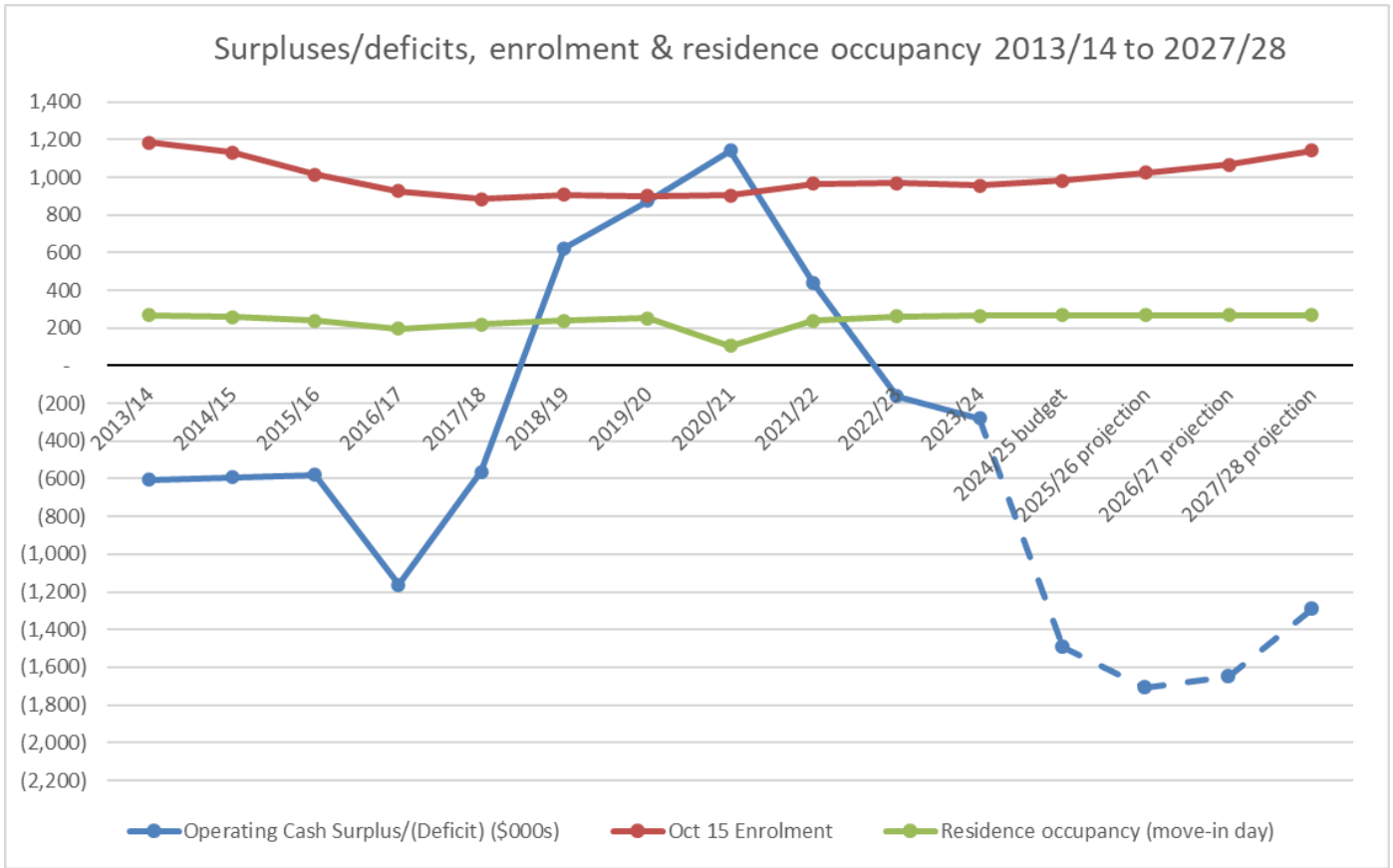
Fees:

- Auxiliary and ancillary fees – 2% (except MFA mentor fee)
- MFA mentor fee – 2.8%
- Residence room rates – 3% (except Cochran Bay which will remain flat)
- Meal plan fees – 5.62%

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

King's expenses are increasing by 5.9% over the prior year and the provincial operating grant by 0.7% (of total revenue). The increase 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, an equity and inclusion leader, 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 also been incorporated 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.

King's has limited ability to fund operating deficits; therefore, work will continue over the summer and fall to ensure that the financial strategy (see following section) aligns with and supports the strategic direction of the University. The preliminary estimates for 2025/26 and future years are based on existing expenditure trends and anticipated enrolment growth in accordance with the recruitment and enrolment implementation plan. Additional revenue generated under this plan from enrolment growth is anticipated to exceed the cost of investment (i.e., the net revenue) by fiscal year 2026/27. The size of projected deficits is expected to shrink from that point forward as shown in the graph that follows. By 2029/30 (not reflected in the graph), the net revenue generated under the plan is expected to reach between \$2.0 million and \$2.9 million. The graph shows King's surpluses/deficits, enrolment, and residence occupancy from 2013/14 through 2027/28. It includes actual results to 2023/24, the proposed budget for 2024/25, and projections for future years to 2027/28. Budgetary planning will continue over the coming months with a focus on further reducing the budget deficit in 2024/25. Plans will be developed before the budget development process begins for the 2025/26 budget to substantially reduce the deficit for that year and in the years to come.



With specific Board approval, King’s will utilize its internally restricted funds to finance the 2024/25 operating cash deficit. Considering the multi-year deficits currently projected, a plan for preserving internally restricted funds by setting a minimum reserve balance below which deficit financing will not be drawn, will be developed in 2024/25. The purpose of this plan will be to identify the point at which other means of deficit financing will be used instead of further encroachment on the internally restricted funds. It is important to note that future year projections are much more preliminary than the budget for 2024/25. Projections are always more uncertain the farther they extend into the future.

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 that replaces the former Expenditure Reduction, Control, and Reallocation Plan. They have been attached as Appendices A and B respectively.

Enrolment Projections for 2024/25:

Enrolment for 2023/24 (957) fell short of budget (994) by 37 students or 3.7% and was slightly lower than enrolment in 2022/23 (969) by 12 students or 1.2%. According to the Association of Atlantic Universities 2023/24 Preliminary Survey of Enrolments, eight out of 10 Nova Scotia universities experienced a year-over-year reduction in total enrolment, and one remained the same. Interestingly, all universities in New Brunswick and PEI experienced an increase in enrolment for the same year.

As shown in the table that follows, while the 2024/25 budget includes 12 fewer students than the prior year budget, it includes 25 more students than the prior year actuals. What is notably different when comparing the 2024/25 budget to the prior year actual results is that FYP enrolment is currently anticipated to be in line with the FYP classes of 2022/23 and 2021/22 (219 and 220 respectively). The 182 FYP class of 2023/24 is negatively impacting upper year enrolment in the 2024/25 budget as upper year enrolment is down 39 students compared to 2023/24 actual results (605 versus 644) and will for the following two years. The reduction in upper year students is more than offset by 38 more FYP students (220 versus 182), 10 more undeclared students (40 versus 30), and 16 more graduate students because of the two-year MFA in Fiction program that began in 2023/24. The small 2023/24 first year international cohort of two is negatively impacting the 2024/25 total international enrolment number. The 2024/25 budget includes 32 international students (including eight first year students) compared with 35 in the prior year (and 48 in the prior year budget).

The upper year retention rate continues to be strong at 85.6%. This is the total number of undergraduate registrations to date (i.e., the percentage of all undergraduate students who are eligible to return in the fall who have already registered). This number includes all students in all years in all undergraduate programs.

May 15, 2024 was the deposit deadline for fall 2024 admission. Applications and deposits are higher than they have been in the past 10 years, while offers are similar to what they were in 2015/16 (before the FYP numbers dipped below 200). As noted earlier, while we are cautiously optimistic regarding the enrolment assumptions made in the 2024/25 budget, we are cognizant of fiscal year 2022/23 where the number of first year deposits did not materialize into the expected number of registrations.

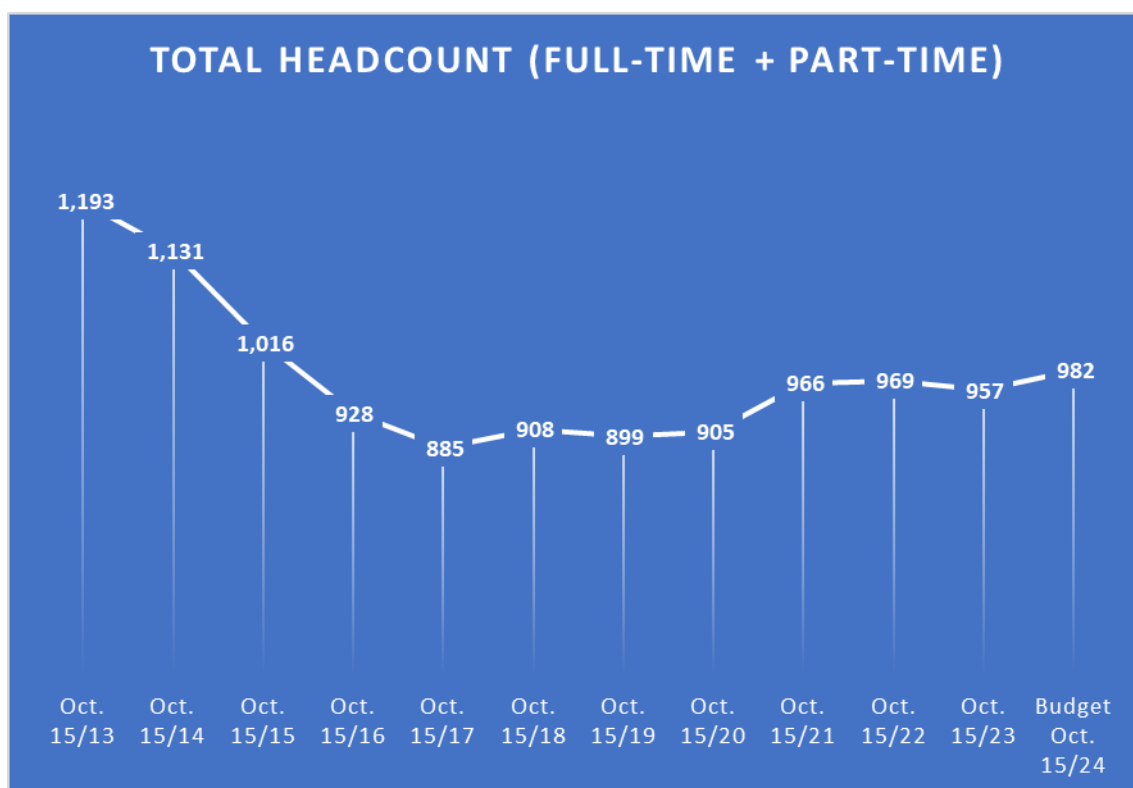
Enrolment:

		Approved Budget 2023/24	Actual 2023/24	Budget 2024/25
Fall (Oct. 15)	Undergraduate	881	856	865
	Graduate	113	101	117
	Total	994	957	982
Winter (Feb. 1)	Undergraduate	846	829	830
	Graduate	108	100	115
	Total	954	929	945
FYP included above:				
Fall		200	182	220
Winter		193	177	212

Enrolment Trends:

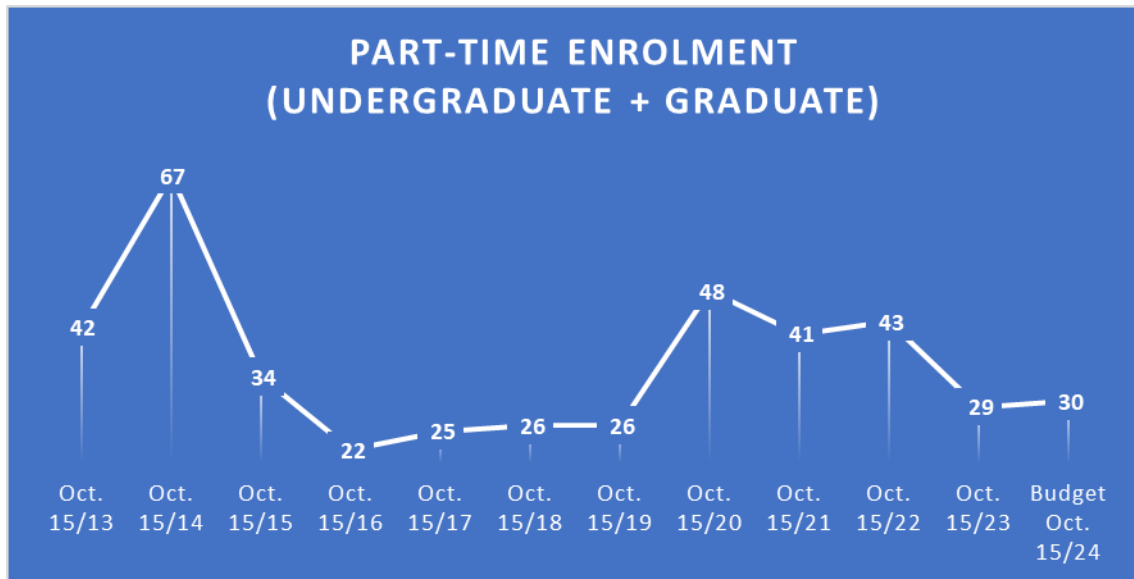
Enrolment and residence occupancy are the primary drivers of operating revenue generating 51% of total university operating revenues (excluding the annual provincial operating grant which is also impacted by enrolment). As of October 15, 2023, total headcount (full-time and part-time, undergraduate, and graduate) at King's was 957, a slight decrease of 1.2% from the previous year but still higher than enrolment experienced as far back as 2015/16. There was a dip in FYP enrolment in 2023/24 (as will be shown in a later graph); however, we appear to have rebounded in 2024/25.

The total headcount anticipated in the 2024/25 budget is 982 (as of October 15) which is the highest headcount experienced since October 1, 2015. The impact of the smaller prior year FYP class on upper year enrolment is more than offset by a larger FYP class expected for 2024/25, an increase in the number of undeclared students, and an increase in graduate enrolment. The budget utilizes enrolment as of October 15 for financial reasons since this is after the add/drop date deadline for fall.

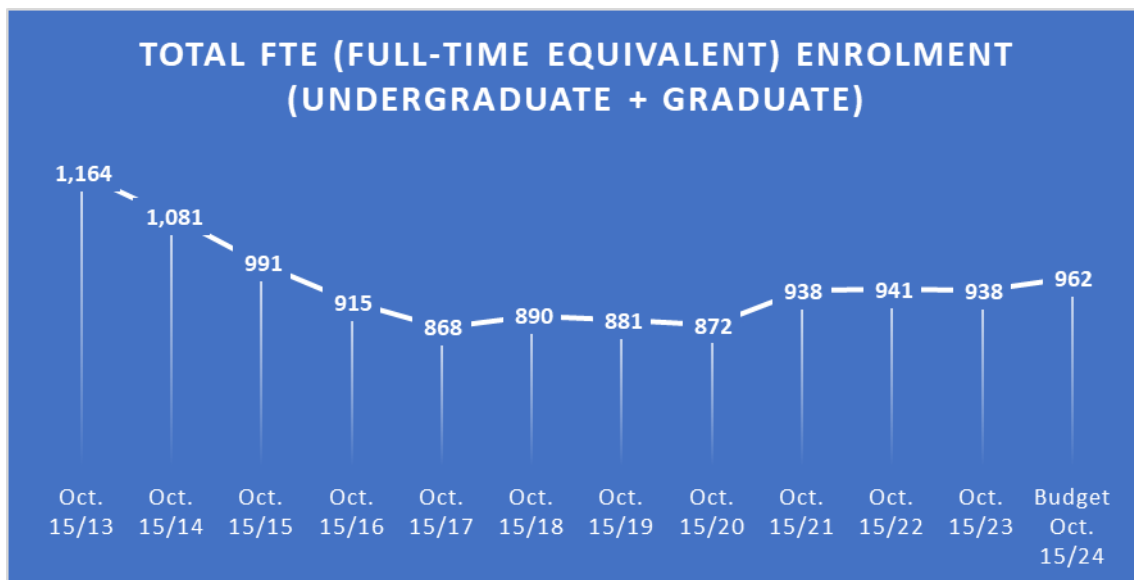


What is not evident from the graph above is that although total headcount from October 15, 2019 through October 15, 2022 increased, so too has the number of part-time students. The number of part-time students on October 15, 2020 was 85% higher than it was on October 15, 2019, meaning that a larger number of students took a smaller course load during the pandemic. While not quite as high as on October 15, 2020, part-time enrolment 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 on October 15, 2023 has largely returned to pre-pandemic levels.

The 2024/25 budget assumes this trend continues. Refer to the graph that follows for the actual number of part-time students compared with the 2024/25 budget.

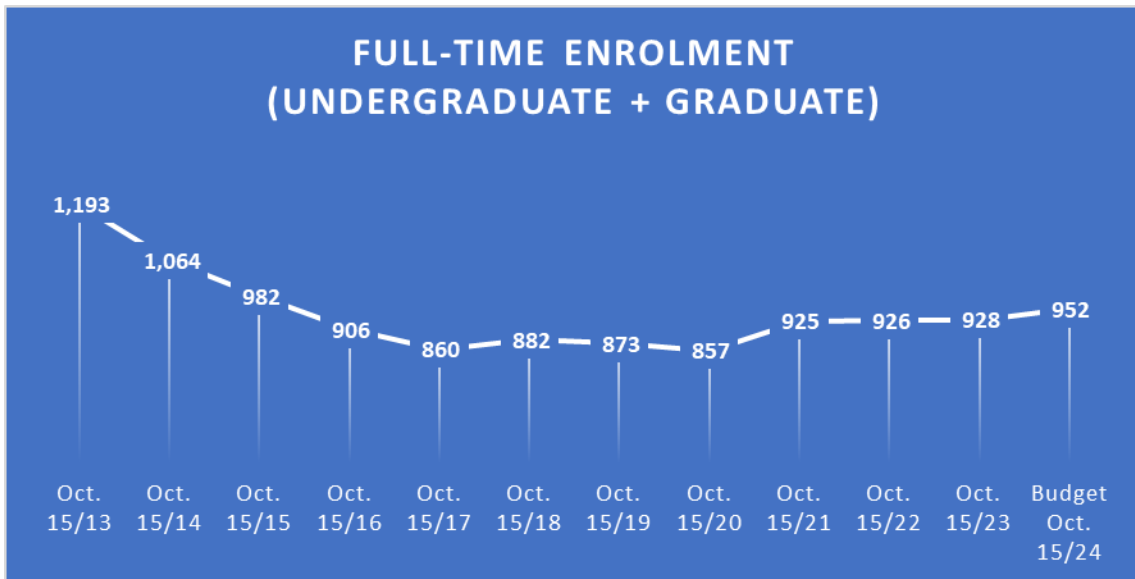


The following graph converts the number of part-time students into full-time equivalent (FTE) students. The number of FTEs at King's was relatively stable from 2017/18 through 2020/21 with a bump in 2021/22 which was maintained through 2023/24 despite the small FYP class. The number of FTEs anticipated in the 2024/25 budget is 962, the highest it has been since October 1, 2015. This is an increase of 24 or 2.6% over the previous year (more FYP and graduate students, offset by fewer upper year students as explained previously).

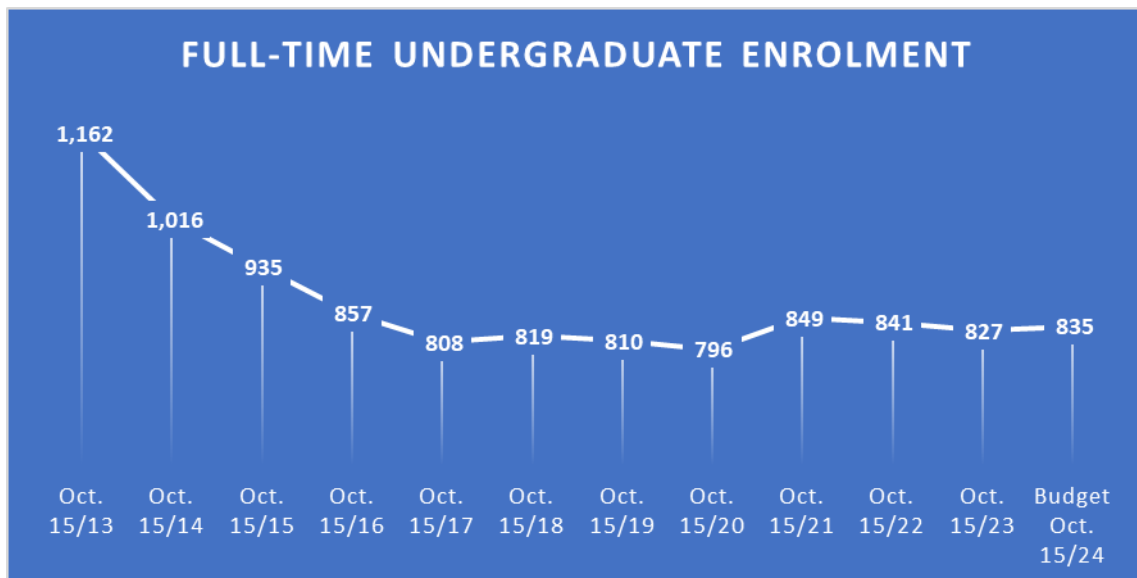


The graph on the following page shows total full-time enrolment for both undergraduate and graduate programs. Enrolment was 928 on October 15, 2023 which was essentially the same as the previous year and the highest it has been since October 15, 2015, largely due to higher graduate enrolment (in particular, the MFA in Fiction stream which accepted its first students in

the fall of 2023). The number of full-time students for all programs anticipated in the 2024/25 budget is 952, an increase of 24 or 2.6% over the previous year.

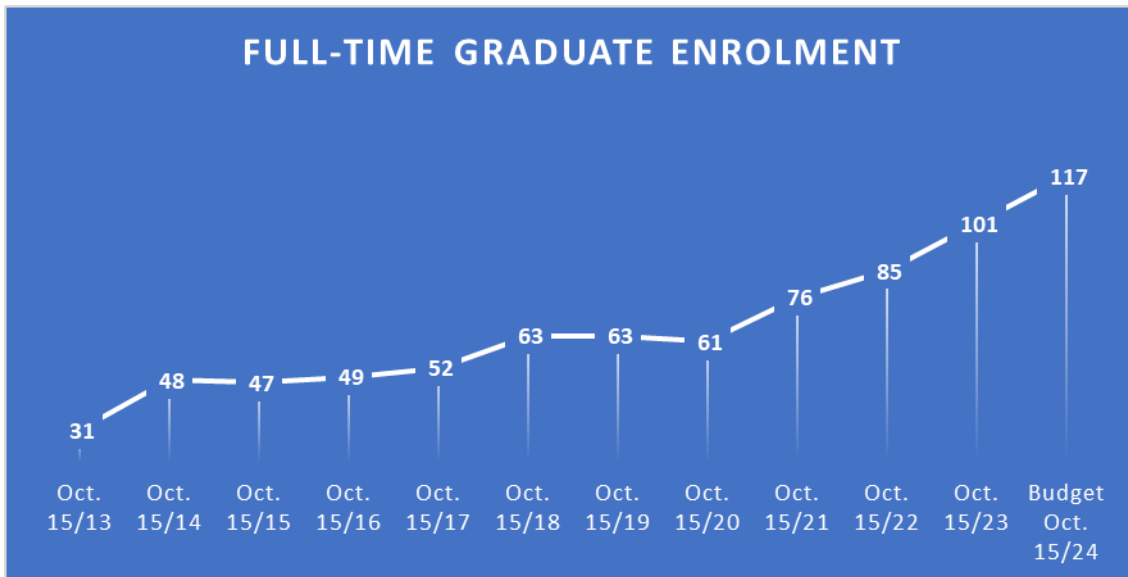


Breaking out full-time undergraduate enrolment in the graph that follows shows the impact the increase in graduate enrolment in recent years had on the previous two graphs. The impact of the smaller FYP class on October 15, 2023 is evident with undergraduate enrolment of 827, a decrease of 14 or 1.7% from the previous year. The number of full-time undergraduate students anticipated in the 2024/25 budget is 835 which is eight or 1% more than in 2023/24. This is due to 48 more first year students (38 FYP and 10 undeclared), offset by 40 fewer upper year students.

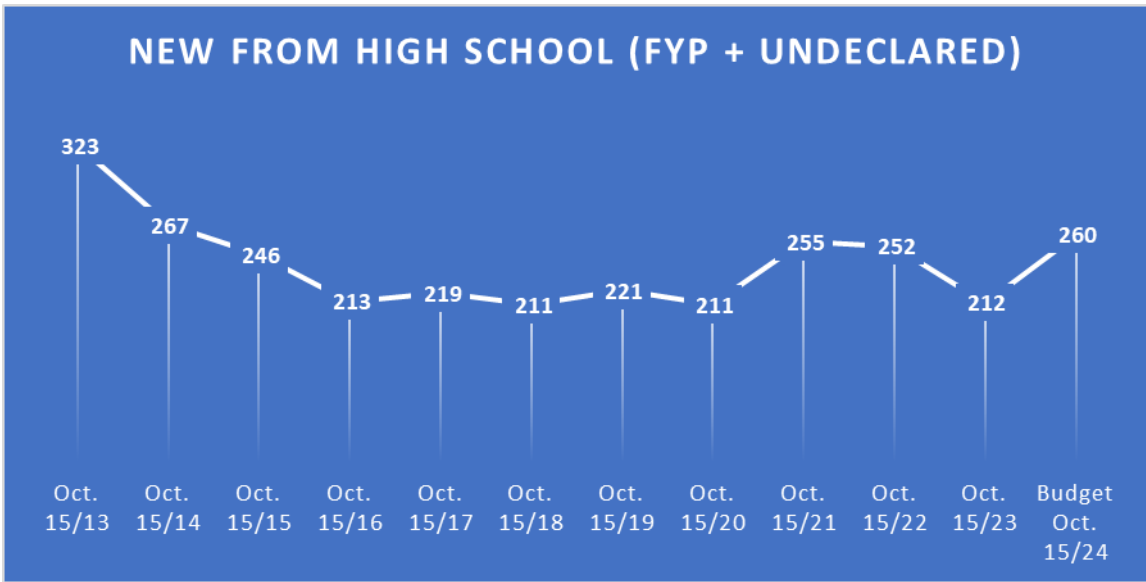


Graduate enrolment continues to be a good news story with steadily increasing enrolment in all but two years reported in the graph below. 2024/25 graduate enrolment is anticipated to be higher than last year by 16 students. King's welcomed its first class into the MFA in fiction program in 2023/24 with 21 students registered. In 2024/25, King's welcomed an additional 21

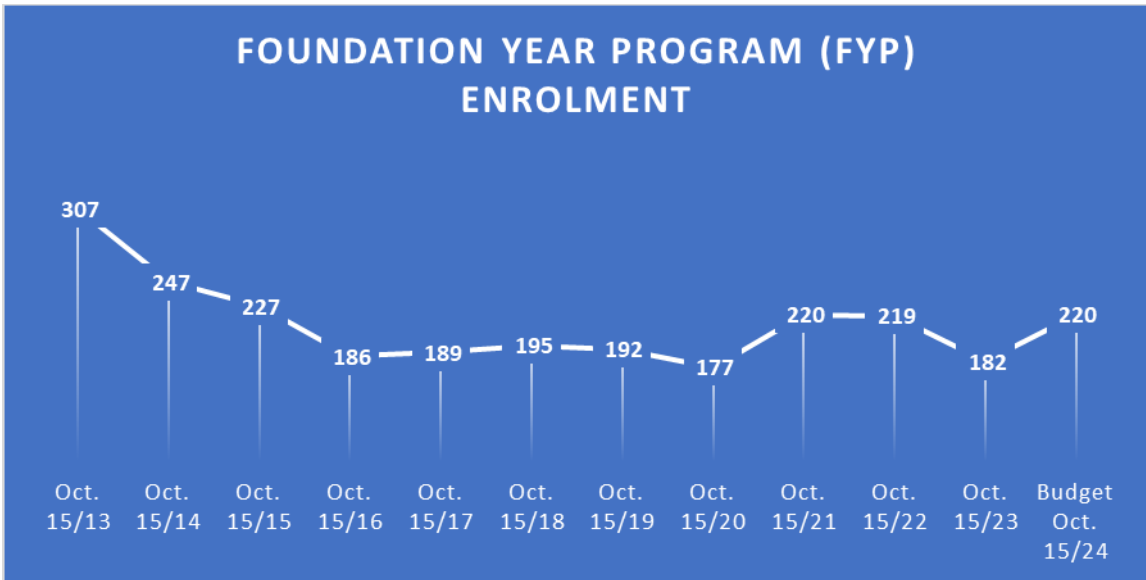
students into the fiction program with last year's 21 progressing into their second year for a total of 42 MFA in fiction students. King's had 65 MFA in creative non-fiction students last year but has slightly lower enrolment of 61 students in 2024/25. MJ enrolment was 15 last year and is expected to be 14 in 2024/25. The MFA program has seen significant growth since its inception in 2013/14 (which reflects only the first year of the two-year creative non-fiction program).



When considering first year enrolment, it is important to consider undeclared students in addition to FYP students. First year enrolment on October 15, 2023 was 212, a decrease of 40 or 15.9% from the previous year which was close to first year enrolment at the height of the pandemic. Undeclared enrolment has been above 30 in the last five years including in 2023/24, with enrolment as low as 16 on October 15, 2018. While many undeclared students take most of their classes at Dalhousie, they contribute to enrolment in King's upper year programs in addition to often living in residence and participating on King's varsity sports teams. The 2024/25 budget anticipates 260 new from high school students (FYP of 220 plus undeclared of 40), an increase of 22.6% over the previous year.

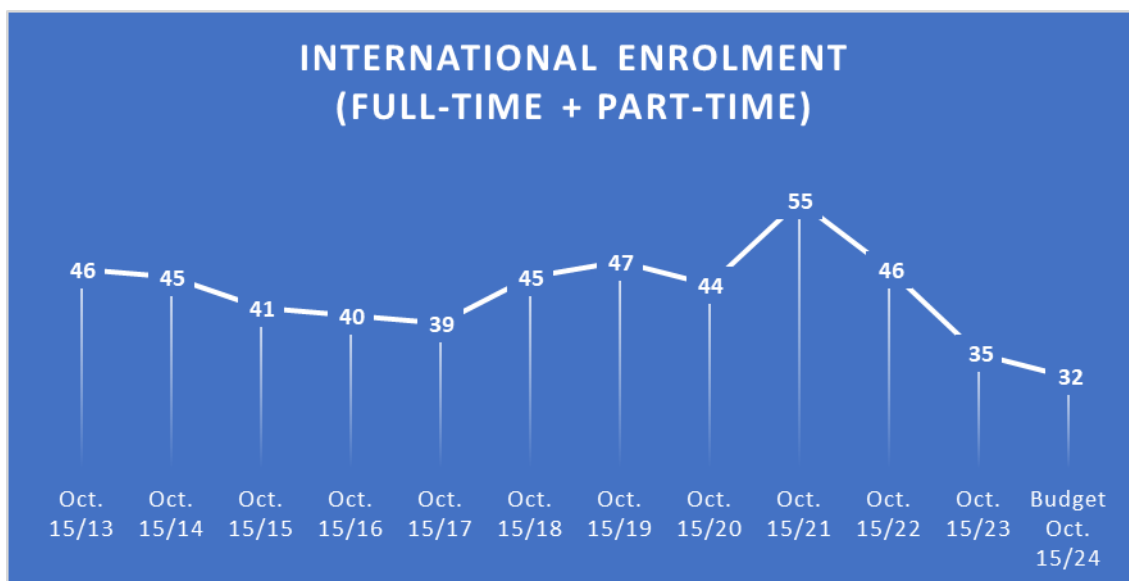


After two years of substantial improvement in FYP enrolment following five years of enrolment below 200, King’s experienced a dip in FYP enrolment in 2023/24 of 37 students or 16.9% from the previous year. The 2020/21 FYP class of 177 has recently graduated but the impact of the 2023/24 FYP class of 182 will continue to be felt in the next four budget years as students make their way through their respective four-year degrees. Fortunately, the impact of the reduction in FYP enrolment on overall undergraduate enrolment has been partly offset by strong and improving upper year retention rates. Based on deposits received to date, the 2024/25 budget anticipates a FYP class of 220 which is like FYP enrolment in 2021/22 and 2022/23, an increase of 20.9% over the previous year.



International enrolment has typically been between 4% and 5% of total enrolment; however, it was 5.7% in 2021/22. In 2023/24, international enrolment took a dip from 46 to 35 in the prior year or a 23.9% reduction. 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 and the graduate programs. King’s only had two first year international students in 2023/24 as compared with nine to 12 on average in previous years. King’s is anticipating eight first year international students in 2024/25. The small entering class of 2023/24 will impact King’s budget for the following three years which explains why the international enrolment budget for 2024/25 is only 32 which is three or 8.6% less than the prior year. International enrolment was 3.7% of total enrolment in the prior year and is only 3.4% in the 2024/25 budget. The federal cap on international study permits for 2024/25 did not have a direct impact on King’s international enrolment budget for 2024/25 as King’s received its requested allotment. It may however have had an indirect impact because of the uncertainty that was created about whether students interested in King’s would be allowed to come to Canada.



Residence Planning for 2024/25:

Lack of affordable housing in the HRM continues. It contributed to full residences in the last two years. Additional temporary beds were created by converting large single rooms into double rooms. Since there is a waitlist of non-King’s and returning King’s students, it is expected that residences will once again reach full occupancy in 2024/25, with three beds reserved to accommodate junior dons. Additional bed spaces will exist once again by converting large single rooms into doubles. Temporary bedrooms can also be created in Alexandra Hall common rooms, if needed. The budget contemplates six temporary beds with occupancy anticipated at 267 compared with 264 last year. Full occupancy (excluding temporary beds) is 261. It was 259 last year but the two fourth floor Middle Bay single rooms converted to double rooms were made permanent.

Investments in King’s Future:

Over the past number of 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 forging ahead with a recruitment and enrolment implementation plan to secure King's financial stability.

The President has directed specific steps be taken as part of the financial planning over the next three-five years to ensure King's long-term financial sustainability. The results of this work are reflected in the reduction of the 2023/24 deficit compared to earlier forecasts, and a reduction in the 2024/25 operating budget deficit by over \$900,000 compared to the deficit presented in the 2024/25 provisional budget in March. Board committees and the broader King's community will continue this work, including establishing a minimum balance of the Internally Restricted funds.

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 assisted the university in stabilizing first-year enrolment in recent years (the exception being 2023/24) and in significantly improving upper year retention rates.

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

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

- Up to \$800,000 in additional spending on scholarships, awards, and bursaries. To date, \$680,000 has been spent and \$120,000 remains.
- Up to \$250,000 in additional spending on student employment. To date, \$173,000 has been spent and \$77,000 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, \$177,000 has been spent and \$323,000 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, 2024, was as follows:

	Book Value	Market Value
General Fund	\$ 3,127,000	\$ 3,470,000
Bicentennial Fund	1,294,000	1,436,000
Reserve Fund	<u>1,220,000</u>	<u>1,354,000</u>
Total	<u>\$ 5,641,000</u>	<u>\$ 6,260,000</u>

These funds are invested along with the endowed funds and generate returns and garner investment management fees. In addition to the internally restricted funds, there is approximately \$33.4 million held as endowed funds with a market value of \$37.6 million. The entire portfolio has a book value of \$39.0 million and a market value of \$43.9 million.

2024/25 Budget Guidance to Administrative Departments and Academic Programs

In November 2023, administrative department heads and program directors were informed that we are working towards a status quo budget for 2024/25 (i.e., the same operating expense budget as 2023/24 excluding permanent salaries) given that a sizable deficit was forecasted for 2023/24 and even larger deficits in future years.

Given the anticipated financial situation, departments and programs were advised that they could propose increases but should do so knowing there may be little to no latitude for approval of the proposals 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 accounts 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 (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.

Early in the calendar year, the BAC received two proposals for additional spending from departments totalling **\$92,000** in 2024/25. Once the provisional budget was prepared in March and the size of the deficit was more apparent, these proposals were denied. In fact, expenditures totalling \$294,000 have been removed from department and program budgets to reduce the size of the deficit.

Other Changes and Additional Spending in 2024/25 and in Future Years

- Total spending reductions of \$294,000 in all departments and programs with those reductions continuing in future years escalated at 1%.
- Recruitment and enrolment implementation plan costs have been incorporated into the 2024/25 budget and projections in accordance with the plan approved by the Board of Governors in December.
- Annual cost associated with MyCreds has been incorporated into the 2024/25 budget and projections. MyCreds was a provincially funded initiative in 2023/24 (the implementation year). MyCreds provides fast and easy access to receive official transcripts, graduation awards, credentials, and other academic documents from around the world to aid admissions assessment. Ongoing annual costs are projected to be \$73,000.
- The cumulative impact on investment income of utilizing internally restricted funds to finance deficits has been shown for the 2024/25 budget and projections.
- The fifth Board-approved faculty diversity position (in HOST/FYP) is reflected in the 2024/25 budget in July and annualized costs are reflected in the projections.
- There is currently \$120,000 remaining out of an authorized \$800,000 from the internally restricted funds for scholarships and bursaries. The anticipated spend is \$150,000 per year for annual renewable scholarships. This would leave 2024/25 short by \$30,000; therefore, \$30,000 was added to the 2024/25 scholarships and bursaries budget and the full \$150,000 has been added to each year of the projections to allow King's to continue awarding scholarships at this level. This will be evaluated in each budget planning cycle.

New Spending in Future Years

- The President's term ends on June 30, 2026. Presidential search costs of \$112,500 and \$37,500 (for a total of \$150,000) have been included in 2025/26 and 2026/27 respectively.
- A tenure track faculty hire is assumed in Journalism in 2025/26 in response to the four retirements in recent years with only three replaced to July 1, 2024. The nine-month estimated cost of \$108,000 has been factored into the projection for 2025/26 with annualized salary and benefits included in future years.

- Website redesign including accessibility enhancements of \$145,000 have been incorporated into the projection for 2027/28 for the Advancement Office (one-time).

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

Schedules to the Budget:

To assist in the analysis of the 2024/25 budget the following schedules are attached:

- **Schedule 1** - compares the 2024/25 budget for operating fund revenue, expenses, and other cash-related items to the 2023/24 operating fund budget and 2023/24 operating fund actual results. It also provides projections for fiscal years 2025/26 through 2027/28.
- **Schedule 2** - provides a comparison of revenues and expenses by department for 2024/25.

Appendices to the Budget:

- **Appendix A** – 2024 – 2027 Multi-Year Financial Strategy Framework
- **Appendix B** – Expenditure and Revenue Management Framework

Operating Budget Summary:

Schedule 1 and the table below shows that King's is budgeting for an operating cash deficit of just under \$1.5 million for 2024/25. There is an excess of operating expenses over revenue of \$313,000 before applying debt repayment and capital funded by operations of \$1,183,000, which results in an operating cash deficit of \$1,496,000.

While the projections for the following three years in Schedule 1 reflect deficits, they are declining each year and are significantly reduced from the estimates in the provisional budget presented in March of 2024 because of the actions taken in response to the President's direction communicated in February and March to the Board. The recruitment and enrolment implementation plan financial analysis presented to the Board in December indicated that King's could expect additional annual 'net revenue' (revenue minus investment cost) by 2029/30 of between \$2 million and \$2.9 million. The enrolment and residence occupancy assumptions for each year are shown at the top of Schedule 1 for ease of reference. Enrolment is as of October 15 (to reflect fall withdrawals) while residence occupancy is as of move-in day. Provincial government funding for 2025/26 and beyond is unknown currently as the 2024/25 funding arrangement is only for one year. In the absence of better information, a 2% increase has been assumed.

The new spending included in the projections is included in Schedule 2 and was described on the previous page. Preparing multi-year projections gives the Board of Governors the opportunity when it is considering the budget for 2024/25 that includes new spending to see

not only the implications of that new spending on budgets in subsequent years but also the additional new spending that is provisionally contemplated for the budgets of those subsequent years.

	Approved Budget 2023/24	Actual 2023/24	Budget 2024/25
Revenue	\$ 24,949,000	\$ 24,691,000	\$ 25,093,000
Expenses (actuals include \$1.4M in legal claims)	24,280,000	25,961,000	25,406,000
Excess (deficiency) of revenue over expenditures	\$ 669,000	\$ (1,270,000)	\$ (313,000)
Debt repayment	\$ (668,000)	\$ (668,000)	\$ (689,000)
Capital expenditures funded by operations	(328,000)	(435,000)	(494,000)
Internally restricted operating funds - in budget*	27,000	27,000	-
Internally restricted operating funds - not in budget*	-	361,000	-
Use of Bicentennial Fund - Scholarships	300,000	300,000	-
Use of reserves to finance legal claims	-	1,405,000	-
Cash deficit from financing & investing	\$ (669,000)	\$ 990,000	\$ (1,183,000)
Net cash excess (deficit)	\$ -	\$ (280,000)	\$ (1,496,000)

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

Long-Term Debt:

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

1. 2012/13 - \$5.3 million loan, 3.64% interest rate (swap), 20-year maturity, to consolidate existing debt. \$3.023 million is owing on March 31, 2024.
2. 2015/16 - \$1.5 million loan, 3.23% interest rate (swap), 20-year maturity, to finance a soffit, gutter, window and chimney project for the Arts and Administration (A&A) building (including the attached Bay residences). \$1.023 million is owing on March 31, 2024.
3. 2016/17 - \$1.9 million loan, 2.63% interest rate (swap), 20-year maturity, to finance the North Pole Bay residence renovation project. \$1.312 million is owing on March 31, 2024.
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). \$1.592 million is owing on March 31, 2024.
5. 2022/23 - \$4.9 million loan, 3.71% interest rate (swap), 20-year maturity, to finance the Alexandra Hall accessibility project. \$4.644 million is owing on March 31, 2024.

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, 2024 as a result of careful management of the cash position throughout the year.

A summary of the long-term debt position follows:

	Actual 2020/21	Actual 2021/22	Actual 2022/23	Actual 2023/24	Budget 2024/25
Loans - opening balance	\$ 10,981,000	\$ 11,291,000	\$ 10,334,000	\$ 12,262,000	\$11,594,000
Principal payments	(129,000)	(957,000)	(2,972,000)	(668,000)	(689,000)
Additional funds	439,000	-	4,900,000	-	-
Loans outstanding	\$ 11,291,000	\$ 10,334,000	\$ 12,262,000	\$ 11,594,000	\$10,905,000

Capital Expenditures Funded by Operations:

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

	Approved Budget 2023/24	Actual 2023/24	Budget 2024/25
Library books	\$ 36,000	\$ 18,000	\$ 20,000
Furniture, computers & equipment capitalized	68,000	87,000	52,000
Athletics equipment	10,000	4,000	108,000
Facilities alterations & renovations capitalized	214,000	326,000	314,000
Capital expenditures funded by operations	\$ 328,000	\$ 435,000	\$ 494,000

The 2024/25 budget was reduced in some areas because of the expenditure reduction exercise. The exceptions are facilities alterations & renovations capitalized which has been increased by \$100,000 due to Alexandra Hall roof repairs and the final phase of dormer repairs. The athletics equipment budget has been increased by \$88,000 to fulfill the matching requirement for a provincial government grant to replace the gymnasium bleachers and athletic equipment.

The actual amount of furniture, computers & equipment capitalized for 2023/24 includes computers, a computer lab replacement in Journalism, audio-visual equipment, facilities-related equipment, kitchen equipment, and residence furniture. This category is overspent due to an overage on the Link office project of \$19,000. While the Library did not spend its full

library book budget, they have several endowments that provide for the purchase of library books.

The actual amount of facilities alterations & renovations capitalized for 2023/24 includes \$84,000 related to the Indigenous Student Centre which was funded by the internally restricted funds and is included in the \$149,000 “Mi’kmaq cohort in Journalism” in the table below.

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 2023/24.

	Approved Budget 2023/24	Actual 2023/24	Budget 2024/25
Framework for expenditure of internally restricted funds			
Staff development fund	\$ -	\$ 6,000	\$ -
Support for Humanities for Young People and Public Humanities	-	32,000	-
Student employment fund	-	19,000	-
Scholarships, awards, and bursaries	-	82,000	-
Recruitment and marketing/communications re: recruitment	-	73,000	-
Total framework expenditures from internally restricted funds	\$ -	\$ 212,000	\$ -
Other uses of internally restricted funds approved by the Board			
Mi’kmaq cohort in Journalism	\$ -	\$ 149,000	\$ -
Enhanced voluntary retirement program (EVRP) coverage	27,000	27,000	-
Prior year deficit coverage	-	162,000	-
Use of Bicentennial Fund to offset scholarships budget	300,000	300,000	-
Legal claims coverage*	-	1,405,000	-
Total other uses of internally restricted funds	\$ 327,000	\$ 2,043,000	\$ -
Total use of internally restricted funds	\$ 327,000	\$ 2,255,000	\$ -

The actual results for 2023/24 include \$149,000 (\$2,000 in the prior year) in spending on Indigenization and Reconciliation, including to support the success of the Mi’kmaq Journalism Initiative. In June 2022, the King’s Board of Governors authorized the use of \$600,000 from the internally restricted funds over five years for this purpose. Of the \$600,000, \$449,000 remains unspent as of March 31, 2024. The Mi’kmaq Journalism Initiative aims to encourage Mi’kmaq 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’kmaq students each academic year in the Bachelor of Journalism (Honours) program, or in the one-year Bachelor of Journalism, or Master of Journalism programs. The funding offered to students in the cohort will ensure that neither the students and their families, nor their communities, will be responsible for bearing the financial burden of tuition. Tuition waivers (or other financial support) of \$30,000 has been included under “Student Academic Fees” on page 32.

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

- An Indigenous Student Support and Outreach Coordinator (who replaces 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, called the Mawio'mio'kuom, located in the fully accessible portion 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.

The 2023/24 budget included funding to cover 50% of the cost of replacing two faculty members who signed up for the EVRP (Enhanced Voluntary Retirement Program) (one in HOST and one in Journalism). Faculty members are paid 100% of their salary for a 50% workload in the first year of the program (starting July 1, 2022) and then they retire and can choose to leave the university or sign up for a maximum two-year 50% post-retirement contract. The budget included 50% of the cost of two limited term appointments (LTAs) from April 1, 2023 until June 30, 2023 (the previous year's budget included the other nine months). The Board of Governors approved up to \$500,000 from the internally restricted funds to finance the EVRP program. Of this amount, \$292,000 remains unspent as of March 31, 2024. No faculty members have signed up to participate in the program in 2024/25.

In June 2023, the Board of Governors authorized the university to withdraw \$162,000 from the internally restricted funds to finance the final operating cash deficit of fiscal 2022/23.

The 2023/24 budget included the application of \$300,000 from the Bicentennial Fund (of the internally restricted funds) to offset the scholarships budget. The operating budget currently finances 39% or \$631,000 of the total scholarships and bursaries budget while 61% or \$995,000 is funded by endowments, other non-endowed gifts, and grants.

*In 2023/24, legal claims of \$1,405,000 were paid by King's from the internally restricted funds. The final cost of the settlements is \$1.1 million after considering \$300,000 in total contributions that are forthcoming from Dalhousie and the Diocese of Nova Scotia and Prince Edward Island which will be repaid to the internally restricted funds once received.

Major Assumptions:

- **Provincial Operating Grant** - increasing by 2% over the prior year in accordance with the one-year funding arrangement with the province which assumes King's submits its strategic alignment plan on time and in satisfactory form. For the projections, a 2% increase was incorporated in the absence of better information.

- **Student Academic Fees**

- The student consultation meeting on proposed changes in tuition and fees for 2024/25 was held in late March with the members of the King's Students' Union (KSU) Executive.
- There is a 2% cap set by the province, on Nova Scotia undergraduate tuition rates and no cap on out-of-province undergraduate tuition rates, graduate tuition rates, or international tuition rates.
- Undergraduate arts and science tuition rates for fall and winter will increase by 2%. King's and Dalhousie offer joint degrees in arts and science and Dalhousie has approved a tuition increase of 2%.
- After deliberation by the BAC and considering tuition comparisons of King's programs to competitors' programs, the BAC has recommended the following:
 - 4-year Bachelor of Journalism Honours (BJH) – to revert to the 1% increase that was in place for three years prior to 2023/24 (when tuition was increased by 3%) as King's continues to have the highest tuition in the country.
 - 1-year Bachelor of Journalism (BJ) – keep tuition flat considering enrolment challenges in this program. The budget only includes six students, down from 12 in the prior year.
 - Master of Journalism (MJ) – increase tuition by 4% 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 3% as the program has healthy enrolment and there are few universities offering this program.

- **International Tuition**

- The provincial government has mandated a 17% increase in international tuition rates in 2024/25 for all universities except King's and Dalhousie due to the large increase in the prior year related to the implementation of the international tuition guarantee model.
- 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 entered King's in the fall of 2023 will 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 entering King's in the fall of 2024 will pay \$33,814 per year for the duration of their degrees which is 6% higher than last year's guaranteed tuition amount.
- International students who entered 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 the prior year as well as a 2% general tuition increase on regular tuition.

- **Student Ancillary Fees**

- A list of all ancillary fees charged to King's students is provided in the revenue section that follows.
- For six years (2017/18 through 2022/23) all ancillary fees were kept flat (with the exception of the MFA mentor fee), in an effort to reduce the gap (which will be \$368 for 2024/25) 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 \$72 when comparing 2016/17 fees to 2023/24 fees; however, when the student union fee is included, the gap has grown by \$30.
- Considering King's current financial situation and the fact that the cost of providing the services that these fees support increased over the past six years, the BAC recommended that all fees be increased by 3% (except the MFA mentor fee) for 2023/24.
- For 2024/25, the BAC has recommended that all fees be increased by 2% (except the MFA mentor fee) which is in line with the 2% tuition cap for Nova Scotia students. The rationale for this increase is the same as for 2023/24. Dalhousie has also increased their fees by 2%.
- The athletics fee that King's students pay is a joint fee whereby a portion is kept by King's and a portion is remitted to Dalhousie for King's students' use of the Dalplex. King's students pay 2/3 of the Dalplex fee. For several years, King's has been in discussions with Dalhousie regarding a new financial transfer MOU. Part of those discussions involve a reduction in the Dalplex fee that King's students pay from 2/3 to 50%. In 2023/24 it was decided that King's would reduce this fee even though a new MOU had not yet been signed. While this reduction was applied to King's portion of the athletics fee, the reduction will be transferred to Dalhousie's portion of the fee once the MOU has been signed. The impact to students in 2023/24 was a reduction in the athletic fee of \$22 or 4.6% (King's portion was reduced by 11.4% while Dalhousie's portion increased by 3%). For 2024/25, the overall athletic fee will increase by 2%. The MOU still has not been finalized.
- The MFA mentor fee is a form of compensation for the mentors of the MFA program. The fee has been indexed annually to correspond with the annual increase in Canada's consumer price index (CPI) (since mentors reside across Canada). The fee was increased by 7.0% in 2023/24 due to the inflationary environment in 2022. The cumulative CPI from program inception (2013/14) to July 1, 2023 was 25.6% and the mentor fee increases over that same time period equated to 25.0%. Adding a CPI assumption to July 1, 2024 and a 0.6% increase to adjust for cumulative CPI on July 1, 2023, is required. Economics analysts predict inflation to trend around 2.2% in 2024. This brings the total MFA mentor fee increase to 2.8% for 2024/25. 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 2024/25. King's students also pay a joint athletics

fee (described above) and joint facility renewal fee where a portion is kept by King's and a portion goes to Dalhousie. Dalhousie has increased both fees by 2% for 2024/25.

- **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 but there is more work to be done. Prior to 2022/23, residence room fees were held flat for five consecutive years (2016/17 up to and including 2021/22). In approving a four-year 3% increase in residence room fees, the significant increase in costs over the past five years was also acknowledged including in utilities, maintenance, externally contracted services, and compensation.
- A per day residence rate of \$25 will continue for those students wishing to reside on campus when residences are typically closed (i.e., early arrivals to campus for fall semester, students wishing to remain on campus over holiday breaks, etc.).

- **Meal Plan Fees**

- Under the terms of the food service contract with Chartwells, daily meal plan fees for the fall will increase based on the all-inclusive Nova Scotia consumer price index (CPI) annual increase as of the previous December which was 3.6% (7.6% for 2023/24).
- Daily meal plan fees will also be impacted by a \$0.20/hour increase in the Nova Scotia minimum wage rate on April 1, 2024 which will result in an additional increase of 0.1% (1.0% for 2023/24).
- The sum of these two items will result in an increase in daily meal plan fees of 3.7% for 2024/25 (8.6% for 2023/24).
- The number of residence board days also affects meal plan prices. The number of residence board days for 2024/25 will increase from 218 days to 222 days which will increase the cost of meal plans by an additional 1.9%; therefore, the overall increase in meal plan fees for 2024/25 will be 5.6% (8.6% in 2023/24 as there was no change in the number of residence board days from 2022/23 to 2023/24).

REVENUE

	Approved Budget 2023/24	Actual 2023/24	Budget 2024/25
Provincial operating grant	\$ 8,606,000	\$ 8,606,000	\$ 8,778,000
Student academic fees	9,494,000	8,901,000	9,464,000
Student ancillary fees	1,189,000	1,162,000	1,166,000
Student residence fees	2,073,000	2,066,000	2,129,000
Continuing education	-	26,000	30,000
Investment income	1,937,000	2,020,000	1,927,000
Sale of goods and services	282,000	420,000	424,000
Conference services	540,000	484,000	420,000
Gifts	649,000	779,000	680,000
Other grants	51,000	59,000	75,000
USS conference	-	168,000	-
Total revenue	\$ 24,821,000	\$ 24,691,000	\$ 25,093,000

Provincial Operating Grant:

The grant increased \$172,000 over the 2023/24 budget and actual. This relates to the 2% increase as per the one-year funding agreement between King's and the provincial government for 2024/25. This assumes King's submits its strategic alignment plan by the end of June in satisfactory form as required by the Department of Advanced Education. For projection purposes, an increase of 2% per year has been assumed for future years, for lack of better information.

Student Academic Fees:

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

During 2023/24, tuition waivers have been relocated from the "other student support" budget line and are now netted against student academic fees.

Dependent tuition waivers (50% discount on undergraduate tuition) are available for dependents of King's employees. The budget amount for this item is specific to the employee dependents attending King's or Dalhousie at a given point in time and can vary from year to year. The budget for 2024/25 includes an estimate of \$58,000 for dependent waivers compared with \$58,000 in the 2023/24 budget and \$55,000 in prior year actuals.

The tuition waivers budget for 2023/24 included \$40,000 for students formerly in the foster care system (which would provide four students with a \$10,000 waiver (two in first year and two in second year)). King's did not have any students formerly in the foster care system in

2023/24 nor are any anticipated in the 2024/25 academic year. Funds have not been included in the budget; however, this will not prevent King’s from awarding waivers in 2024/25 should there be an eligible student.

The 2023/24 budget included \$30,000 in tuition waivers (or other kinds of funding) for up to three Indigenous students per year enrolled in any of the university’s three Journalism programs. King’s is anticipating awarding these waivers to three Indigenous students in 2024/25. The budget remains at \$30,000.

	Approved Budget 2023/24	Actual 2023/24	Budget 2024/25
FYP (Foundation Year Program)	200	182	220
BA (Bachelor of Arts)/BM (Bachelor of Music)	468	467	444
BSC (Bachelor of Science)	113	122	129
BJH (Bachelor of Journalism Honours)	64	54	46
BJ (Bachelor of Journalism 1-year)	10	12	6
MJ (Master of Journalism)	22	15	14
MFA (Master of Fine Arts)	91	86	103
Total FTEs	968	938	962
International FTE included above	48	34	32

Tuition dollars by program are shown in the table below:

	Approved Budget 2023/24	Actual 2023/24	Budget 2024/25
Arts & Science	\$ 6,433,000	\$ 6,446,000	\$ 6,728,000
Journalism (4-year and 1-year BJ)	1,282,000	1,051,000	1,067,000
Master of Journalism (MJ)	154,000	103,000	101,000
Master of Fine Arts (MFA)	819,000	780,000	963,000
International differential fees	934,000	582,000	693,000
Tuition waivers	(128,000)	(61,000)	(88,000)
Total student academic fees	\$ 9,494,000	\$ 8,901,000	\$ 9,464,000

Journalism tuition also includes tuition from Dalhousie students (while enrolment above only includes King’s registered students). Enrolment is expected to be slightly higher than in 2023/24. This is reflected in the increased Journalism revenue in the table above.

Student Ancillary Fees:

Variances in this area are explained by the full-time equivalent (FTE) enrolment differences shown in the FTE enrolment table on the previous page combined with the fee increases described earlier (2% for all except 2.8% for the MFA mentor fee).

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.

	Approved		
	Budget	Actual	Budget
	2023/24	2023/24	2024/25
<u>Fees applied to all students</u>			
Facility renewal fee	\$ 264,000	\$ 255,000	\$ 266,000
Athletic fee	228,000	228,000	228,000
College fee	69,000	69,000	66,000
Administration fee	33,000	32,000	33,000
<u>Program specific fees</u>			
MFA mentor fee	344,000	328,000	403,000
FYP fee	61,000	55,000	69,000
Study abroad fees (admin & travel)	100,000	100,000	-
<u>Other fees (application fees, forfeits, etc.)</u>			
Other administrative fees	90,000	95,000	101,000
Total student ancillary fees	\$ 1,189,000	\$ 1,162,000	\$ 1,166,000

Student Residence Fees:

For 2024/25, King's once again has a waitlist for residence 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 267 compared with 264 in the prior year. The number of withdrawals included in the 2024/25 budget is the same as what was experienced in 2023/24 – six for fall and nine for winter bringing the number of students in residence to 252 at the end of the year. The 2023/24 budget assumed six for fall and six for winter, bringing the number of students in residence to 255 at the end of the year). Full occupancy has been assumed for all three years of the projections.

As noted under "Major Assumptions", residence room fees are increasing by 3% in 2024/25 except for Cochran Bay due to needed improvements.

Also noted above under “Major assumptions”, meal plan fees for 2024/25 are increasing by 5.6% (8.6% in the prior year) related to an increase in the all-inclusive CPI rate for Nova Scotia (in accordance with the food service contract) as well as an increase in the number of board days in residence. King’s earns commission on a sliding scale based on the number of meal plans sold (220–239 = 8%, 240–259 = 11%, 260+ = 14%) including the deans, dons and junior dons. Since the number of students in residence (minus an allowance for withdrawals in each semester) plus the deans, dons and junior dons is anticipated to exceed 260 in both semesters, meal plan commission at 14% has been included in the budget. Meal plan commission earned in 2023/24 was 14% for both semesters.

	Approved Budget 2023/24	Actual 2023/24	Budget 2024/25
Total beds (excluding Deans, Dons)*	264	264	264
Beds converted to junior jon suites	(3)	(3)	(3)
Temporary beds created*	6	8	6
Beds available	267	269	267
Beds vacant on move-in day	-	(5)	-
Beds occupied on move-in day	267	264	267
Withdrawals (count as full fall and half winter)	(9.0)	(10.5)	(10.5)
Total beds occupied (financial)	258.0	253.5	256.5
Total beds occupied end of academic year	255.0	249.0	252.0
Occupancy rate as a % of available beds (excl withdrawals)	102.3%	101.1%	102.3%
Occupancy rate as a % of available beds (incl withdrawals)	98.9%	97.1%	98.3%

*Note - two single rooms in Middle Bay were converted permanently to two double rooms creating two more beds in 2023/24. In the 2023/24 budget, the total number of beds was 262 and temporary beds was 8. This change has been reflected above for comparison purposes.

	Approved Budget 2023/24	Actual 2023/24	Budget 2024/25
Room fees	\$ 1,896,000	\$ 1,893,000	\$ 1,944,000
Meal plan commission	177,000	173,000	185,000
Total Student residence fees	\$ 2,073,000	\$ 2,066,000	\$ 2,129,000
Number of meal plans (fall/winter):			
Residence students	264/260	262/251	261/252
Dons	12/12	12/12	12/12
Total	276/272	274/263	273/264
Meal plan commission rate (fall/winter)	14%/14%	14%/14%	14%/14%

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 value for March 31, 2024 was higher than March 31, 2021 leading to a higher three-year average which has a favourable impact on the draw for 2024/25. The market values for March 31, 2022, March 31, 2023, and March 31, 2024 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 withdrawals from the internally restricted funds of \$1.87 million to repay the deficit financing loan and \$1.4 million (\$1.4 million gross – offset by \$300K contributed in 2024/25 by Dalhousie and the Diocese resulting in a net cost of \$1.1 million) to pay legal claims in recent years have negatively impacted the amount of the annual draw from the internally restricted funds. This explains why investment income for 2024/25 is lower than 2023/24, despite the higher market value calculation noted above.

Actual investment income for 2023/24 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.

Sale of Goods and Services:

The 2024/25 budget is in line with 2023/24 actual results. The variance between the 2023/24 budget and actuals can largely be explained by the following:

- Higher interest income of \$52,000 due to almost 5% interest paid on King's operating bank account balance.
- Higher write-offs of very old student account balances of \$42,000.
- Higher athletic facilities rental revenue of \$31,000 due to higher usage of facilities than anticipated.

Conference Services: This variance is explained on page 9.

Gifts:

The 2024/25 gifts budget includes an increase in annual gifts of \$80,000 over the prior year budget. It also includes a \$60,000 gift to offset the anticipated Athletics Nationals travel budget which did not exist in the prior year budget or actual results for a total of \$140,000 in new gifts revenue. The 2024/25 budget includes an estimate of Athletics scholarships to be awarded of \$175,000 rather than assuming the full amount of the \$280,000 gift which was assumed in the prior year budget, a difference of \$105,000. Similarly, the scholarships budget has been reduced by \$105,000 (net zero impact). The difference between the gift and the amount awarded each year is deferred to be awarded in a future year.

Actual results for 2023/24 include a generous one-time unrestricted gift of \$200,000. In addition to this gift, the annual giving campaign brought in \$62,000 more than budgeted.

EXPENSES

	Approved Budget 2023/24	Actual 2023/24	Budget 2024/25
Academic (actuals incl \$124k covered by int rest funds)	\$ 7,657,000	\$ 7,432,000	\$ 7,744,000
Continuing Education	-	17,000	17,000
Allotment to Dalhousie	3,970,000	3,977,000	4,200,000
Facilities Management (actuals incl \$19k covered by int rest fds)	1,967,000	2,083,000	1,995,000
Residence & Other Student Services (actuals incl \$1k int rest fds)	857,000	826,000	961,000
Scholarships, Awards and Bursaries (actuals incl \$82k int rest fds)	1,693,000	1,525,000	1,500,000
Other Student Support	38,000	27,000	38,000
Utilities, Taxes & Insurance	772,000	654,000	686,000
Advancement Office	845,000	840,000	841,000
Athletics	709,000	919,000	770,000
Bursar's Office (actuals incl \$1k covered by int rest fds)	591,000	582,000	614,000
Human Resources & Compensation Office	208,000	193,000	203,000
General College Administration and Other	382,000	366,000	368,000
Library (excluding Library books)	502,000	487,000	500,000
President's Office	601,000	583,000	550,000
Vice-President's Office	246,000	262,000	345,000
Equity Office	55,000	63,000	93,000
Accessibility Office	103,000	87,000	103,000
Sexual Health and Safety Office	104,000	120,000	109,000
Registrar's Office (actuals incl \$75k covered by int rest fds)	1,375,000	1,549,000	1,982,000
Divinity & Chapel	161,000	161,000	180,000
Chapel Music	167,000	144,000	153,000
King's Chorus	46,000	39,000	47,000
Professional Fees	258,000	345,000	225,000
Interest & Service Charges	444,000	452,000	485,000
Investment Management Fees	200,000	202,000	210,000
Conference Services	295,000	317,000	337,000
Commercial offsite leasing costs (began August 1, 2023)	101,000	99,000	150,000
Legal claims	-	1,405,000	-
USS conference	-	205,000	-
Expenditure reductions to be allocated in the forecast*	(195,000)	-	-
Total expenses	\$ 24,152,000	\$ 25,961,000	\$ 25,406,000
Costs covered by internally restricted funds	(27,000)	(1,793,000)	-
Net expenses	\$ 24,125,000	\$ 24,168,000	\$ 25,406,000

*The \$195,000 goal was achieved and exceeded. \$260,000 in spending reductions are reflected in the academic and administrative department actual results.

General Comments:

Expenses in the table on the previous page are organized by department or cost category. The budget for each department reflects both compensation and operating expenditures. In addition to the variance explanations provided on pages three through 11 on the 2023/24 actual results and the 2024/25 budget, this section provides further commentary on specific areas of expenditure included in the table on the previous page.

- To assist with balancing the 2023/24 operating budget, \$195,000 in expenditure reductions were budgeted centrally to be later allocated in the forecast. The first quarter forecast anticipated an operating cash deficit due to lower enrolment than budgeted. Bursar's Office staff met with all administrative departments and programs in earnest throughout the fall semester to identify spending reductions of at least \$195,000 and possibly more due to the existence of a deficit. By mid-November, these savings were found. By the end of the year, with much determination and hard work, the savings grew to \$260,000. Actual results for many departments and programs on the previous page are lower than budget because of these reductions. The 2024/25 budget includes \$294,000 in expenditure reductions to reduce the size of the budgeted deficit.
- Despite reducing operating expenditures by \$57,000, Facilities Management was over budget on capital improvement projects by \$196,000. This is reflected in the table on the previous page as well as under "Capital Expenditures Funded by Operations" on page 25. These projects were deemed critical to the student experience on campus and included flooring replacements in Cochran Bay and the fourth floor of Alexandra Hall as well as dormer repairs on Alexandra Hall. The office renovation in the Link for student support workers that was largely funded by a capital contribution was slightly over budget.
- As noted previously, Athletics exceeded their budget due to the success of five teams that went to Nationals. The 2024/25 budget includes \$60,000 for Nationals travel that is offset by a generous donation.
- The fluctuation in the Vice-President's Office is related to a salary allocation to the CSP program with respect to the study abroad course in Berlin in 2023/24 which is not occurring again until 2025/26.
- The Registrar's Office (soon to be renamed the Office of Enrolment and Student Life) includes the recruitment and enrolment implementation plan costs (in the 2023/24 actual results and the 2024/25 budget). There are also executive recruitment costs and legal fees included in the professional fees budget line.

The 2024/25 overall expenditure budget (net of expenditures funded by the internally restricted funds) is higher than the 2023/24 expense budget by \$1,281,000 (5.3%) and \$1,443,000 (6.0%) higher than the 2023/24 actual results (excluding the USS conference costs). Since the expenses shown in the table contain spending from the internally restricted funds (and are not funded by the operating budget), this spending has been 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 2023/24 (excluding the legal claims and USS conference costs) were only \$162,000 lower (0.7%) than the 2023/24 budget.

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 these two faculties (representing approximately 58% of the total cost). A substantial portion of this direct cost represents salaries and benefits of faculty in FASS and FoS. The overhead component (representing approximately 42% of the total cost) is based on the accessibility of Dalhousie services to King's students.

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

As a result of several years of enrolment declines (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. Since 2020/21, enrolment has increased year over year which has resulted in a lower cost per student but applied to a higher number of King's students taught at Dalhousie.

For 2023/24 (which is based on 2022/23 enrolment and costs), the number of King's students taught at Dalhousie was consistent with the prior year; however, the number of Dalhousie students taught at King's was 14% higher. Despite a 4.75% cost increase over the prior year, King's received a higher credit for teaching more Dalhousie students resulting in an invoice that was largely the same as in 2022/23.

Despite cost increases and enrolment fluctuations, the Dalhousie allotment has been relatively stable for the past several years; the margin of error in budgeting for this item is relatively low. The actual Dalhousie allotment for the past seven years was as follows:

2017/18 - \$3.9 million
2018/19 - \$4.1 million
2019/20 - \$3.9 million
2020/21 - \$3.9 million
2021/22 - \$3.9 million
2022/23 - \$4.0 million
2023/24 - \$4.0 million
2024/25 - \$4.2 million (budget)

The billing from Dalhousie is always one year in arrears (i.e., the 2023/24 invoice is based on enrolment and Dalhousie costs for the previous fiscal year (2022/23)). The enrolment component is known at budget time. The difficulty in budgeting for this item is in predicting Dalhousie's total cost to teach Dalhousie and King's students in FASS and FoS as the previous year's costs are not yet known (i.e., Dalhousie's 2023/24 audited financial statements are not yet available). The 2024/25 budget assumes a total increase in Dalhousie's costs of 2.7% above the actual cost included in the 2023/24 invoice. By comparison, the 2023/24 costs were 6.1% higher than in 2022/23 (and 2.8% higher the year prior).

Total enrolment in Arts and Science at Dalhousie for 2023/24 (which includes Dalhousie and King's students taught at Dalhousie) decreased from 2022/23 by 0.4%; therefore, the cost per student is expected to increase by 2.3% (estimate). Despite the overall decrease in the number of Arts and Science students at Dalhousie, the net number of King's students (i.e., King's students who took classes at Dalhousie minus Dalhousie students who took classes at King's) that King's will be invoiced for in 2024/25 increased by 5.0% over the prior year actual (from 390.2 FTEs to 409.5 FTEs) even with the smaller FYP class in 2023/24. The number of Dalhousie students taught by King's in 2023/24 was 2.1% lower than in the prior year, while the number of King's students taught by Dalhousie was 2.5% higher. The anticipated cost per student increase per FTE (2.3%) in combination with an increase in enrolment (5%) explains the increase in the Allotment to Dalhousie budget for 2024/25.

Salaries and Benefits:

The 2024/25 salaries and benefits budget of \$13,706,000 is \$844,000 or 6.6% higher than the 2023/24 salaries and benefits budget of \$12,862,000 and \$769,000 or 5.9% higher than the 2023/24 actual salaries and benefits of \$12,937,000. Actual salaries and benefits for 2023/24 were only \$75,000 higher than budget or 0.6%.

Compensation is the largest single component of expenses and accounts for 54.0% of the total budgeted operating expenses for 2024/25. Academic salaries and benefits represent \$6,629,000 or 48.4% of this total while administrative salaries and benefits represent \$7,077,000 or 51.6% of this total.

If the direct cost component of the Dalhousie allotment is included (58% of the total Dalhousie allotment represents direct costs while 42% represents overhead) in the total, this percentage increases to 63.5% of total operating expenses in 2024/25. A substantial portion of the direct cost relates to faculty salaries and benefits of professors in the Faculties of Arts and Social Sciences and Science at Dalhousie.

Academic salaries and benefits for 2024/25 are \$113,000 or 1.7% higher than the 2023/24 budget and \$297,000 or 4.7% higher than 2023/24 actual salaries and benefits while administrative salaries and benefits are increasing by \$732,000 or 11.5% over the 2023/24 budget and \$626,000 or 9.7% over 2023/24 actual salaries and benefits.

There were \$101,000 in savings in academic salaries and benefits in 2023/24 due to the resignation of a Faculty Fellow in the Humanities who was not replaced, a 50% limited term appointment that was not required, and an unpaid leave for one semester.

Administrative salaries and benefits for 2023/24 include \$72,000 related to the recruitment and enrolment implementation plan while the 2024/25 budget includes \$354,000. The recruitment and enrolment implementation plan includes the hiring of a Chief Enrolment and Student Life Officer in 2024/25 and two senior recruiters were hired in 2023/24.

Total salaries and benefits (excluding implementation plan salaries noted above) are increasing by \$420,000. Annual salary increases account for \$372,000 of this variance, while increases in benefits and pension costs account for \$58,000 each of this variance. Personnel changes represent a savings of \$68,000. This is due to faculty retirements and the timing of filling staff vacancies, offset by the fifth faculty diversity hire and five maternity/parental leaves (top-ups plus replacement costs).

Student Salaries

All student salary budgets have been increased by 1.3% due to a \$0.20/hour increase in the minimum wage rate on April 1, 2024 from \$15.00/hour to \$15.20/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 2024/25 is \$829,000 which is \$31,000 higher than the 2023/24 budget and \$28,000 higher than 2023/24 actual casual salaries.

Benefits – increasing by \$75,000 (including implementation plan salaries) or 9.4%

The following are the changes in employer benefit rates for 2024/25 (effective April 1):

- Basic and dependent life insurance – 11.6% increase (100% employer paid)
- Health – 15% increase (60% employer paid)
- Travel – 25% increase (60% employer paid)
- Workers Compensation – 43.9% decrease (100% employer paid)

Other benefit rates for 2024/25 (effective January 1):

- Employment Insurance (EI) – 5.9% increase
- Canada Pension Plan (CPP) – 4.5% increase
- Second CPP contribution (CPP2) – 4%*

*Commencing on 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 (\$68,500 for 2024) and up to the second earnings ceiling (\$73,200 for 2024) at a rate of 4%. The maximum annual employee and employer contribution is \$188 for 2024 but will increase to \$388 in 2025.

The cost of benefits is impacted by the rate changes noted above as well as the recruitment and resignation of employees. Actual benefits were less than budget in 2023/24 by \$24,000 or 3%.

Pension – increasing by \$82,000 (including implementation plan salaries) or 9.5%

Pension costs are driven primarily by the recruitment and resignation of employees and annual increases in salaries. King's is hiring its fifth faculty diversity hire on July 1, 2024 in HOST/FYP. The Chief Enrolment and Student Life Officer begins in early July 2024 and two senior recruiters were hired in August and December of 2023. Three longer term contract employees will now be in the pension plan in 2024/25.

Other Salaries and Benefits Comments

Except for the seven (soon to be eight) member UKCTA (University of King's College Teachers' Association) bargaining unit (representing Faculty Fellows and Senior Fellows in the Humanities), King's faculty and staff are not unionized. King's is required by the principle of parity between the salary of King's and Dalhousie professors that is part of its association with Dalhousie to follow the Dalhousie Faculty Association (DFA) salary scale for faculty salaries. The collective agreements for both the UKCTA and the DFA will expire on June 30, 2025. Estimated salary increases have been incorporated into the salary projections.

SCHEDULE 1

REFER TO NARRATIVE FOR EXPLANATION OF VARIANCES

Revenue (in \$000s)	2023/24 Budget	2023/24 Actual	2024/25 Budget	2025/26 Projection	2026/27 Projection	2027/28 Projection	Favourable (Unfavorable)			
							2025 Budget to 2024		2025 Budget to 2024	
							Budget Comparison	Actual Comparison	Budget Comparison	Actual Comparison
	\$	%	\$	%	\$	%	\$	%		
Operating grant	\$ 8,606	\$ 8,606	\$ 8,778	\$ 8,954	\$ 9,133	\$ 9,315	\$ 172	2%	\$ 172	2%
Tuition and fees	10,683	10,063	10,630	11,571	12,314	13,713	(53)	0%	567	6%
Continuing education	-	26	30	33	35	39	30	100%	4	15%
Residence fees	2,073	2,066	2,129	2,184	2,245	2,307	56	3%	63	3%
Investment income	1,937	2,020	1,927	1,929	1,823	1,620	(10)	-1%	(93)	-5%
Conference Services	540	484	420	440	462	483	(120)	-22%	(64)	-13%
US\$ conference	-	168	-	-	-	-	-	0%	(168)	-100%
Other (gifts, other grants, facilities rental, etc.)	982	1,258	1,179	1,090	1,075	1,060	197	20%	(79)	-6%
Total Revenue	\$ 24,821	\$ 24,691	\$ 25,093	\$ 26,201	\$ 27,087	\$ 28,537	\$ 272	1%	\$ 402	2%

Expenses (in \$000s)	2023/24 Budget	2023/24 Actual	2024/25 Budget	2025/26 Projection	2026/27 Projection	2027/28 Projection	Favourable (Unfavorable)			
							2025 Budget to 2024		2025 Budget to 2024	
							Budget Comparison	Actual Comparison	Budget Comparison	Actual Comparison
	\$	%	\$	%	\$	%	\$	%		
Academic programs	\$ 7,657	\$ 7,432	\$ 7,744	\$ 8,305	\$ 8,708	\$ 9,204	\$ 87	1%	\$ 312	4%
Allotment to Dalhousie	3,970	3,977	4,200	4,284	4,373	4,571	230	6%	223	6%
Administrative departments	8,919	9,321	9,831	10,456	10,754	11,102	912	10%	510	5%
Scholarships, awards and bursaries	1,731	1,552	1,538	1,758	1,758	1,758	(193)	-11%	(14)	-1%
Utilities, taxes and insurance	772	654	686	711	738	765	(86)	-11%	32	5%
Interest and service charges	444	452	485	436	392	361	41	9%	33	7%
Conference Services	295	317	337	348	363	372	42	14%	20	6%
Other (professional fees, investment mgt fees)	458	547	435	414	424	433	(23)	-5%	(112)	-20%
Offsite office space rental	101	99	150	153	156	159	49	49%	51	52%
US\$ conference	-	205	-	-	-	-	-	0%	(205)	-100%
Legal claims	-	1,405	-	-	-	-	-	0%	(1,405)	-100%
Expenditure reductions to find in forecast	(195)	-	-	-	-	-	195	-100%	-	0%
Total Expenses	\$ 24,152	\$ 25,961	\$ 25,406	\$ 26,865	\$ 27,666	\$ 28,725	\$ 1,254	5%	\$ (555)	-2%

Operating Cash Deficit (in \$000s)										
Total Revenue	\$ 24,821	\$ 24,691	\$ 25,093	\$ 26,201	\$ 27,087	\$ 28,537	\$ 272	1%	\$ 402	2%
Total Expenses	24,152	25,961	25,406	26,865	27,666	28,725	1,254	5%	(555)	-2%
Excess of Revenue Over Expenses	669	(1,270)	(313)	(664)	(579)	(188)	(982)	-147%	957	2,227
Debt and Capital Funded by Operations										
Debt Repayment	(668)	(668)	(689)	(715)	(735)	(762)	(21)	3%	(21)	3%
Capital Funded by Operations	(328)	(435)	(494)	(331)	(335)	(338)	(166)	51%	(59)	14%
Operating cash deficit before reserve transfers	(327)	(2,373)	(1,496)	(1,710)	(1,649)	(1,288)	(1,169)	357%	877	-37%
Reserves to offset EVRP coverage costs	27	27	-	-	-	-	(27)	-100%	(27)	-100%
Reserves for framework for strategic investments	-	361	-	-	-	-	-	0%	(361)	-100%
Reserve funds approved in budget - Bicentennial Fund	300	300	-	-	-	-	(300)	-100%	(300)	-100%
Reserves to cover legal claims	-	1,405	-	-	-	-	-	0%	(1,405)	-100%
Total reserve transfers	327	2,093	-	-	-	-	(327)	-100%	(2,093)	-100%
Operating Cash Deficit	\$ -	\$ (280)	\$ (1,496)	\$ (1,710)	\$ (1,649)	\$ (1,288)	\$ (1,823)	-100%	\$ (3,309)	1182%

Revenue Inputs/Assumptions (enrolment Oct. 15)										
Operating grant increase	1%	1%	2%	2%	2%	2%	n/a	1%	n/a	1%
FYP Enrolment	200	182	220	240	253	266	20	10%	38	21%
Undeclared (1st year) Enrolment	35	30	40	40	40	40	5	14%	10	33%
Total First Year Enrolment	235	212	260	280	293	306	25	11%	48	23%
International Enrolment	48	35	32	40	42	56	-16	-33%	-3	-9%
Undergraduate Enrolment	881	856	865	899	921	971	-16	-2%	9	1%
Graduate Enrolment	113	101	117	124	146	169	4	4%	16	16%
Total Headcount	994	957	982	1023	1067	1140	-12	-1%	25	3%
Residence Occupancy (move-in day)	267	264	267	267	267	267	0	0%	3	1%
Tuition increase - Arts and Science	3%	3%	2%	2%	2%	2%	n/a	-1%	n/a	-1%
Tuition increase - Journalism (4-year BJH)	3%	3%	1%	1%	1%	1%	n/a	-2%	n/a	-2%
Tuition increase - Journalism (1-year BJ)	3%	3%	0%	1%	1%	1%	n/a	-3%	n/a	-3%
Tuition increase - MJ	3%	3%	4%	3%	3%	3%	n/a	1%	n/a	1%
Tuition increase - MFA	3%	3%	3%	3%	3%	3%	n/a	0%	n/a	0%
Fee increase - all but MFA mentor fee	3%	3%	2%	2%	2%	2%	n/a	-1%	n/a	-1%
Fee increase - MFA mentor fee	7%	7%	2.8%	2%	2%	2%	n/a	-4%	n/a	-4%
Residence fee increase	3%	3%	3%	3%	3%	3%	n/a	0%	n/a	0%
International tuition (differential)	\$16,860 +10%	\$16,860 +10%	\$18,546 +10%	\$20,400 +10%	\$22,440 +10%	\$24,684 +10%	\$1,855	10%	\$1,855	10%
International tuition guarantee - Fall 2024 admission	\$31,900	\$31,900	\$33,814	\$35,843	\$37,993	\$40,273	\$1,914	6%	\$1,914	6%

The University of King's College
Statement of Operations (Operating Fund) - Departmental Revenues and Expenses
2024/25 Operating Budget

SCHEDULE 2

	March 31, 2025 Budget	General University	Conference Services	Academic	Continuing Education	Facilities Management	Residence & Other Student Services	Scholarships, Awards & Bursaries	Advancement	Athletics	Bursar's Office	Human Resources Office	Library	President's Office	Vice President's Office	Equity Office	Accessibility Office	Sexual Health & Safety Office	Registrar's Office	Divinity & Chapel	Chapel Music	King's Chorus
Revenue:																						
Government Grant	\$ 8,778,000	8,778,000																				
Student Academic Fees	9,464,000	9,552,000						(88,000)		228,000												
Student Ancillary Fees	1,166,000	200,000		472,000		266,000																
Student Residence Fees	2,129,000						2,129,000															
Continuing Education	30,000				30,000																	
Investment Income	1,927,000	608,000		495,000				730,000					12,000							79,000	3,000	
Sale of Goods and Services	424,000	245,000		6,000		20,000	6,000		5,000	105,000			2,000	4,000				4,000		8,000	11,000	8,000
Conference Services	420,000		420,000																			
Gifts (annual fund & scholarship)	680,000	200,000						341,000		60,000										54,000	15,000	10,000
Other Grants	75,000	45,000						30,000														
Total Revenue	\$ 25,093,000	\$ 19,628,000	\$ 420,000	\$ 973,000	\$ 30,000	\$ 286,000	\$ 2,135,000	\$ 1,013,000	\$ 5,000	\$ 393,000	\$ -	\$ -	\$ 14,000	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 141,000	\$ 29,000	\$ 18,000
Expenses:																						
Compensation Expenses	\$ 13,453,000	81,000		6,629,000		945,000	817,000		658,000	373,000	602,000	192,000	440,000	464,000	339,000	80,000	93,000	99,000	1,400,000	110,000	103,000	28,000
Operating Expenses	3,936,000	287,000		1,115,000		1,050,000	91,000		183,000	281,000	12,000	11,000	60,000	86,000	6,000	13,000	10,000	10,000	582,000	70,000	50,000	19,000
Continuing Education	17,000				17,000																	
Dalhousie Athletics Fee Flowthrough	116,000									116,000												
Food Services	53,000						53,000															
Conference Services	337,000		337,000																			
Allotment to Dalhousie	4,200,000	4,200,000																				
Scholarships, Awards and Bursaries	1,500,000							1,500,000														
Other Student Support	38,000							38,000														
Utilities, Taxes & Insurance	686,000					686,000																
Professional Fees	225,000	225,000																				
Investment Management Fees	210,000	28,000		64,000				106,000					2,000							10,000		
Interest & Service Charges	485,000	485,000																				
Offsite office space leasing costs (8 mos in 2023-24)	150,000					150,000																
Total Expenses	\$ 25,406,000	\$ 5,306,000	\$ 337,000	\$ 7,808,000	\$ 17,000	\$ 2,831,000	\$ 961,000	\$ 1,644,000	\$ 841,000	\$ 770,000	\$ 614,000	\$ 203,000	\$ 502,000	\$ 550,000	\$ 345,000	\$ 93,000	\$ 103,000	\$ 109,000	\$ 1,982,000	\$ 190,000	\$ 153,000	\$ 47,000
Excess (deficiency) of revenue over expenses	\$ (313,000)	\$ 14,322,000	\$ 83,000	\$ (6,835,000)	\$ 13,000	\$ (2,545,000)	\$ 1,174,000	\$ (631,000)	\$ (836,000)	\$ (377,000)	\$ (614,000)	\$ (203,000)	\$ (488,000)	\$ (546,000)	\$ (345,000)	\$ (93,000)	\$ (103,000)	\$ (109,000)	\$ (1,978,000)	\$ (49,000)	\$ (124,000)	\$ (29,000)
Financing and investing activities:																						
Debt repayment	\$ (689,000)	(689,000)																				
Capital expenditures	(494,000)			(52,000)		(314,000)				(108,000)			(20,000)									
Subtotal - Cash excess (deficit) from financing & investing	\$ (1,183,000)	\$ (689,000)	\$ -	\$ (52,000)	\$ -	\$ (314,000)	\$ -	\$ -	\$ -	\$ (108,000)	\$ -	\$ -	\$ (20,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net increase (decrease) in cash	\$ (1,496,000)	\$ 13,633,000	\$ 83,000	\$ (6,887,000)	\$ 13,000	\$ (2,859,000)	\$ 1,174,000	\$ (631,000)	\$ (836,000)	\$ (485,000)	\$ (614,000)	\$ (203,000)	\$ (508,000)	\$ (546,000)	\$ (345,000)	\$ (93,000)	\$ (103,000)	\$ (109,000)	\$ (1,978,000)	\$ (49,000)	\$ (124,000)	\$ (29,000)

APPENDIX A

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:

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.

- 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.
- 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 B

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.