

Making choices:

How Dalhousie spends its money...and why it matters



DALHOUSIE FACULTY ASSOCIATION

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Why look at budget choices?

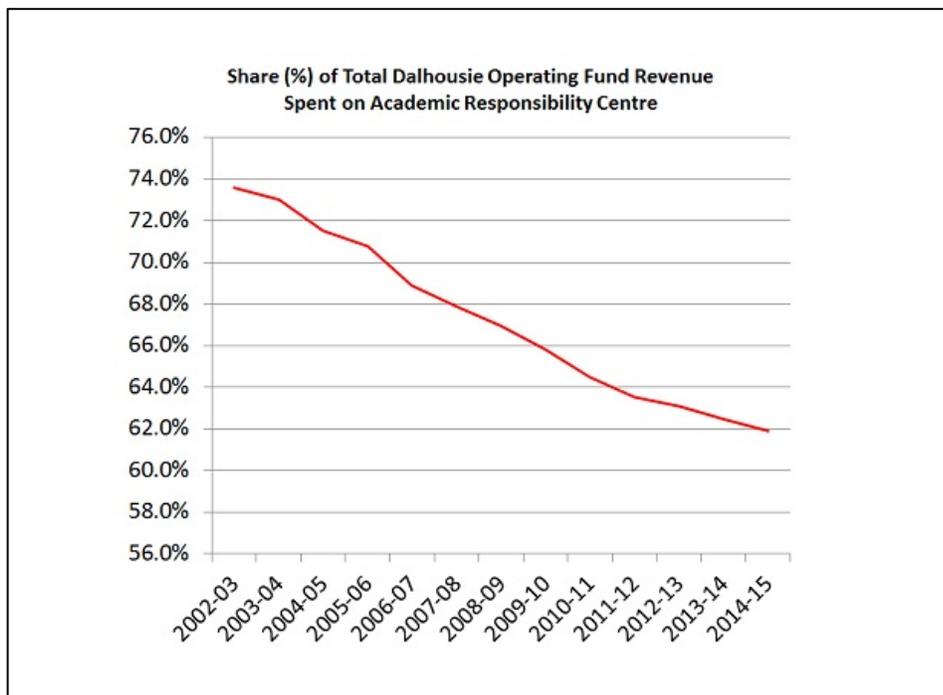
In March 2013, the Dalhousie Faculty Association released its Review of Dalhousie University Finances, which explored Dalhousie's financial position and budgeting practices from 2002-03 to 2011-12. In the summer and fall of 2015, the DFA updated some of the key findings of the Review to incorporate data from the university's 2012-13, 2013-14 and 2014-15 financial statements.

The purpose of the Review was to determine whether Dalhousie's budget decisions have served the University's core mission: learning, discovery and engagement. We also wanted to determine whether the university community is receiving an accurate picture of the state of Dalhousie University's finances, in order to be full partners and give informed input into the budgeting process.

"...We are committed to a threefold mission of teaching and learning; research, scholarly and artistic work; and public service and engagement." -- Dr. Richard Florizone, 100 Days of Listening

What we found

Dalhousie University appears to be in good financial health; however, the proportion of Dalhousie's operating spending related specifically to academics is declining, while the proportion spent on such areas as administration and facilities management is increasing. As of March 31, 2015, Dalhousie's Audited Financial Statements show the university with nearly \$1.7 billion in assets, more than triple the amount as of March 31, 2003. Dalhousie's total revenue was \$652.7 million in 2014-15, an increase of \$14 million from the previous year. Money continues to be transferred out of the operating fund, primarily to pay for capital expenses.



Why it matters

If Dalhousie is to maintain and enhance its reputation as one of Canada's top research-intensive universities, it needs to increase its investment in teaching and research. Diverting operating funds to capital projects and increasing administration costs while reducing the share of the budget for academic activities does not bode well for the university's educational mission. New buildings alone will not attract top students and scholars to Dalhousie: a commitment to the highest possible quality of education will.

Budget trends...at a glance

(Based on Dalhousie's Consolidated Financial Reports 2002-03 to 2014-15)

- The share of total operating expenditures allocated to Dalhousie's academic mission – teaching, research and libraries – declined from 73.5% in 2002-03 to just under 62% in 2014-15.
- During the same period, spending on "Administration and General" grew by 150%; spending on "Facilities Management" grew by 239%.
- Between 2002-03 and 2014-15, more than \$168.5 million was transferred from the operating fund to other funds, notably to pay for new buildings and other capital expenses. Another \$104.8 million was transferred out of the Research fund.
- If Dalhousie spent as high a proportion of its budget on academics in 2014-15 as it did in 2002-03, there would have been an additional **\$54 million** available last year to support academic programs and hire new tenure-track faculty.