OUR PRIORITIES:
A Student Response to the Budget Advisory Committee

DALHOUSIE STUDENT UNION
Over the tenure of the current Memorandum of Understanding between the provincial government and universities in Nova Scotia, students have become increasingly concerned about the budgeting decisions of the University.

While students recognize that there is a broader issue of government underfunding in Nova Scotia and are sympathetic to the reality that universities have seen a nine per cent cut to funding under the current MOU, there is growing concern that students are consistently being asked to pay more for less.

For 23 years, Dalhousie’s Budget Advisory Committee has released a report for feedback from the University community. This feedback has rarely resulted in substantial changes to the budget.

The Budget Advisory Committee discussion paper has asked for recommendations on the following questions:

- Are there other alternatives to increase revenues or decrease expenditures beside those contained in this report?
- Are there particular areas that should be considered for strategic investment given strategic priorities and the necessary budget reductions?
- Are there suggestions of other ways to balance the budget?

This response will attempt to provide insight into these three questions, but also raises concerns about the broader budgeting process at Dalhousie. We look forward to working with students, staff, faculty, and the Board of Governors to ensure that Dalhousie is an open and transparent public institution.
SUMMARY OF RECOMMENDATIONS

ACCOUNTABILITY AND TRANSPARENCY

- Make the student representatives on the Budget Advisory Committee accountable to students by having the Dalhousie Student Union (DSU) Vice President (Finance and Operations) sit ex officio on the committee and two students appointed by the DSU Council, including one graduate student.

- Release the Budget Advisory Committee discussion paper in the fall to ensure full consultation can occur and that there are opportunities to amend the recommended budget.

- Separate the costs associated with non-essential services, including fundraising, external relations, and senior administration from front-line student services in the Budget Advisory Committee reports.

- Add an additional Budget Advisory Committee report in the fall that provides a mid-year update on the current fiscal year’s budget, with year to dates on revenue and expenditure.

STRATEGIC INVESTMENT

- Invest $1.5 million in the following strategic investments:
  - Hire at least three new permanent counsellors including one counsellor dedicated to solely to providing support to students who have experienced sexual violence.
  - Provide mandatory training on survivor-centred, trauma-informed support for all current Dalhousie Counselling Services staff.
  - Provide mandatory training for all staff in residence, student services, and administration in survivor-centred sexual assault support.
  - Create an independent, arm’s-length Office of the Ombudsperson or similar office that would:
    - Provide assistance to students navigating any of the University’s many processes and advocate on their behalf;
    - Regularly review university policy to ensure it aligns with best practices and trends in complaints and issues; and
    - Report on trends in complaints, unfair elements of university policy and/or practice, and recommendations to be implemented.
BALANCING THE BUDGET

- Invest $11 million into the operating budget from additional reserve funds and end the practice of investing surplus funds into the capital budget.

- Create a policy that future surpluses go first to freezing or reducing tuition fees the following year and improved funding for academic programs before being considered for capital costs.

- Invest $3.6 million to freeze tuition fees for the 2015-16 year for all students, including professional and international students.

- Invest $85,000 to freeze the Facility Renewal fee for the 2015-16 year for all students.

- Strike a working group, including representatives of students, staff, faculty and senior admin to look at possible ways to roll back tuition fee increases from the past several years, particularly in professional programs.

- Invest $5.8 million in order to maintain current levels of funding for academic programs and student services.

- Investigate potential cost saving measures amongst senior administration including putting a cap on administrator salaries and reducing funding for external relations, international expansion, fundraising, and alumni relations.
Each year, the Budget Advisory Committee (BAC) releases a discussion paper to solicit feedback from the university community. The committee includes individuals from various constituencies, including students.

Unfortunately, these students are not chosen democratically through the Dalhousie Student Union (DSU). This creates a number of challenges, in terms of both logistics and accountability. The DSU Council includes representatives from all of the University faculties, as well as representatives reflecting the interests of marginalized communities including international students, Aboriginal students, and women students.

The Budget Advisory Committee discussion paper states that the “BAC members do not serve as representatives of particular interests but are chosen for their knowledge and individual expertise.” Students should have voices on the BAC who are able to bring to the table knowledge and expertise about the diverse membership of the DSU. The only way to do this is through the DSU Council. Otherwise, the student representatives on the BAC are providing only a limited view of students’ interests.

It is not enough, however, to just have accountable students on the BAC. There must also be a clearer commitment to broad consultation with the Dalhousie community and adequate time to undertake budget amendments as required through consultations. The current timeline of the release of the BAC discussion paper in the winter semester does not provide enough time for this kind of consultation process. Pushing the release of the discussion paper to the fall would provide additional time to consult students across programs, faculties, and identities.

In addition to more time for consultation, the University should provide more detailed information to students and the public on expenditures. In line with the University’s mission, the teaching and research elements of the University should be the priority. This, combined with necessary student services must be the core budgeting priorities of the institution. Students and the Dalhousie community deserve to know that this is at the centre of the University’s budget.

**RECOMMENDATION #1:**

Make the student representatives on the Budget Advisory Committee accountable to students by having the DSU Vice President (Finance and Operations) sit on the committee and two students appointed by the DSU Council, including one graduate student.

**RECOMMENDATION #2:**

Release the Budget Advisory Committee discussion paper in the fall to ensure full consultation can occur and that there are opportunities to amend the recommended budget.

Currently, the only place that students can see the amounts spent on activities including external relations, fundraising, and senior administration is through the year-end financial statements. These amounts should be included in more detail in the BAC reports. Students may be interested to know that, in
2013-14, the President’s Office cost $3.8 million or that external relations spent more than $5.5 million.²

As has been discussed by the Dalhousie Faculty Association, another concern with the current budgeting process is that the Budget Advisory Committee bases its current report on the previous year’s report, rather than on the actuals for that year. As the DFA has pointed out, this process can create structural, underfunding of particular departments.³

Similarly, a miscalculation of enrolment increases can result in a variance between the budgeted revenue from tuition fees and the actual. In 2013-14, the most recent year for which there are complete financial records, the BAC discussion paper recommended a three per cent increase in tuition fees and shows that the University anticipated to take in $124,908,000 in tuition fee revenue.⁴ The 2013-14 BAC report arrives at this number based on the 2012-13 budgeted amount, not on the 2012-13 actuals.⁵ The approved budget estimates about $1 million more in tuition fee revenue than the BAC report, but the actuals show that the budget was off by about $2.78 million.⁶

The variance between the 2013-14 BAC report and the 2013-14 actuals was actually greater than the revenue originally anticipated from the fee increases.

Budget variances are normal. Budgets are estimates, and no one can expect the BAC or the Board to see into the future. However, when it comes to tuition fees, conservative enrolment estimates and tuition fee increases of the maximum allowable amount have resulted in positive variance in several fiscal years.

In order to ensure that there is regular communication about these budget variances, the BAC should produce a report with the year-to-dates on the current fiscal year’s budget, with year to dates on revenue and expenditure.

RECOMMENDATION #3:
➢ Separate the costs associated with non-essential services, including fundraising, external relations, and senior administration from front-line student services in the Budget Advisory Committee reports.

RECOMMENDATION #4:
➢ Add an additional Budget Advisory Committee report in the fall that provides a mid-year update on the current fiscal year’s budget, with year to dates on revenue and expenditure.
This year, Dalhousie garnered national attention for incidents of sexism, misogyny, and homophobia within the Faculty of Dentistry. These events have forced important conversations on campus, across Nova Scotia, and all over the country about rape culture and misogyny on campus and in our communities.

As a result of this public conversation, many students have also come forward to speak about their experiences of sexual violence on campus. These experiences have often pointed to a lack of supportive, survivor-centred services on campus. Students have spoken up about victim-blaming behaviour from first-responders and, in some cases, a total lack of options to secure safety for survivors.

The discussion around the recent incidents of sexism and misogyny have also provided additional evidence in support of the Dalhousie Student Union’s longstanding concerns about the lack of an Office of the Ombudsperson at Dalhousie. Currently, students have no place to go to make anonymous complaints about issues of discrimination and harassment within the university or other forms of unfair treatment.

This has become a need that is especially apparent for graduate students who might have issues with their supervisor or within their department. These students are often in precarious positions both because of their dual role as students and workers and because of the powerful role served by supervisors. Without an anonymous reporting mechanism and an arm’s-length office to investigate complaints, graduate students are often left to deal with issues of bullying, harassment, or discrimination alone.

RECOMMENDATION #5:

→ Hire at least three new permanent counsellors including one counsellor dedicated to solely to providing support to students who have experienced sexual violence.

→ Provide mandatory training on survivor-centred, trauma-informed support for all current Dalhousie Counselling Services staff.

→ Provide mandatory training for all staff in residence, student services, and administration in survivor-centred sexual assault support.

RECOMMENDATION #6:

→ Create an independent, arm’s-length Office of the Ombudsperson or similar office that would:

  ▶ Provide assistance to students navigating any of the University’s many processes and advocate on their behalf;

  ▶ Regularly review university policy to ensure it aligns with best practices and trends in complaints and issues; and

  ▶ Report on trends in complaints, unfair elements of university policy and/or practice, and recommendations to be implemented.
**The Budget** Advisory Committee report states plainly that one of the assumptions of the report is that the budget must be balanced. The below recommendations suggest maintaining a balanced budget, largely through the use of accumulated surplus funds.

As of March 31, 2014, the university had $161.3 million in cash and cash equivalents. While drawing from reserve funds on an annual basis is not sustainable, it is important for the University, which is a public institution to avoid accumulating surplus funds.

Repeatedly, students have been told they must pay more, while programs and departments face budget cuts. Each year, Dalhousie has increased tuition fees by the maximum allowable amount for programs that are capped through the Memorandum of Understanding, and at higher levels for programs that remain unregulated.

In addition to program cuts, there have been cuts to student services across the board. At the same time, tuition fees and international student differential fees have both increased by 3 per cent annually. So while international and domestic students are paying more, the level of services provided by the University is reduced.

Rarely, if ever, does the University present multiple budget options with regards to tuition fees. Would the Dalhousie community prefer for reserve funds to be used for this purpose? This question is never asked.

Instead, the University has continued acquiring debt to fund new buildings with little or no consultation with students, staff, and faculty. Budgeted expenses for debt servicing are not widely discussed, despite taking up a large portion of the university’s budget as time goes on.

Recently, the President of Cape Breton University, called for a national conversation on eliminating tuition fees. Dalhousie should not only follow the lead of CBU in calling for the elimination of tuition fees, but should also make concrete steps towards reducing the burden on students and their families by freezing tuition fees immediately.

**RECOMMENDATION #7:**

- Invest $11 million into the operating budget from additional reserve funds. End the practice of investing surplus funds into the capital budget.

- Create a policy that future surpluses go first to freezing or reducing tuition fees the following year and improved funding for academic programs before being considered for capital costs.

**RECOMMENDATION #8:**

- Invest $3.6 million to freeze tuition fees for the 2015-16 year for all students, including professional and international students.

- Invest $85,000 to freeze the Facility Renewal fees for the 2015-16 year for all students.

- Strike a working group, including representatives of students, staff, faculty and senior admin to look at possible ways to roll back tuition fee increases from the past several years, particularly in professional programs.
Students are being told that there are hard times and that we must share equally in the burden, but there are elements of the University that could be investigated for substantial fiscal restraint.

For example, the 15 highest paid administrative positions at Dalhousie collectively cost $4,352,721 in 2013-14, 9 per cent more than in 2012-13. This 9 per cent increase was primarily due to the fact that in 2013-14, Dalhousie paid former President Tom Traves $442,000, while also paying Richard Florizone $385,000 as president. In the 2013-14 fiscal year, Dr. Traves only worked from April until June. Dr. Traves will receive a year of pay for every five years of his term as president. This means, Dalhousie will pay for two presidents until at least 2016.

The BAC and the Board of Governors must question and be stringent in its issuance of overly-lucrative contracts for senior administrators, including the President, Vice-Presidents and Associate Vice-Presidents. The University should seek to scale back compensation for senior management to more modest levels that would make the University competitive for Wage-mark certification - a standard of wage fairness between highest and lowest paid employees.

Similarly, there are several non-essential elements of the institution that are rarely looked at with a close eye. These elements including external relations and international expansion sought through recruitment or the President’s office are not necessarily appropriate in the face of more difficult financial times.

Instead, the University must prioritize the academic mission of the institution and focus on safeguarding academic programs and frontline support services from cuts.

**RECOMMENDATION #9:**

- Invest $5.8 million in order to maintain current levels of funding for academic programs and student services.
- Investigate potential cost saving measures amongst senior administration including putting a cap on administrator salaries and reducing funding for external relations, international expansion, fundraising, and alumni relations.
Budgets are about priorities. Students want to see the university focus its resources on the core mission of teaching and research, while also supporting students.

Prioritizing capital purchases over academic programs or administrator salaries over tuition fee relief threatens the very foundation of the University: students and teachers. The plan contained here would be an important shift for the university that would demonstrate Dalhousie’s dedication to students, faculty, and support services.

ENDNOTES
3. Review of Dalhousie University Finances, Dalhousie Faculty Association (2013), p. 19
7. Ibid, p. 25