



St. Thomas
UNIVERSITY

**Budget Development Report
2022-2023**

January 31, 2022

Message from the President

With the circulation of the *Budget Development Report 2022-23* we are launching the consultations for the development of our budget. The President's Advisory Committee on the Budget (PACB), comprised of faculty, staff, and students, began meeting in November and this report presents the operational and financial information that informs our deliberations. In addition to your opportunity to provide feedback on this report, a virtual Budget Town Hall will be scheduled in the near future, likely in March following delivery of the Province of New Brunswick's budget.

FINANCIAL RESULTS AND PROJECTIONS FOR 2021-22

Due to the continuing pandemic, last year was unusual with courses offered remotely and reduced travel, events, and athletics expenditures. We ended the 2020-21 fiscal year with a deficit of \$110K in Operations which was covered by a transfer of restricted funds of \$118K. For Ancillary Services, the deficit was \$1.6M before principal payment on long-term debt. We had budgeted an Ancillary deficit of \$1.75M recognizing the impact that COVID-19 would have on the residence system.

For the current 2021-22 fiscal year, we are forecasting an Operations deficit of almost \$500K before inter-fund transfers to cover the shortfall. In Ancillary Services, we are forecasting a deficit of \$230K compared to a budgeted surplus of \$308K (before principal payments of \$301K on long-term debt) reflecting a lower-than-budgeted occupancy in residence.

FINANCIAL CHALLENGES AND RESPONSES

This *Budget Development Report* provides information on enrolment, tuition, ancillary operations, and fundraising so the context of our financial challenges and responses are understood. The appendices provide information on operating expenditures and restricted funds, as well as comparative data on tuition fees, enrolment, and meal plan/residence rates. This provides both historical context and a snapshot of our current financial performance.

Given our recent deficits and ongoing challenge in balancing our operating budget, our most pressing issue is continued financial sustainability. A multitude of revenue and expenditure factors, including enrolment, demographics, endowments, and uncertainty of investment income, as well as factors exacerbated by the on-going pandemic, are relevant to our situation. Looking at 2022-23 and beyond, several operational and financial priorities are apparent:

- Increasing student enrolment (recruitment and retention)
- Securing greater external funding sources for scholarships currently charged to Operations
- Rationalizing expenditures where possible to address the deficit in Operations
- Addressing the accumulated deficit in the Ancillary Fund

In addition to the work of the Budget Advisory Committee, we have already begun consideration of a series of steps that will be necessary to reduce operating expenditures and increase revenues.

INVITING YOUR FEEDBACK

This is the context for the development of our budget this year, and the challenges we will be facing in the near-term.

In the coming weeks, budget proposals from academic and administrative units will be reviewed by the Vice-President (Academic and Research) and the Acting Vice-President (Finance and Administration)

and the resulting Operations and Ancillary Budgets will be developed for review by PACB. Thereafter, these budgets will be presented to the Board of Governors' Finance Committee and to the Board of Governors in May 2022.

Your feedback on these issues to the PACB is helpful. In addition to the Town Hall to be scheduled, you may provide confidential feedback to Reg Gallant, Acting Vice-President (Finance and Administration), at gallant@stu.ca by February 25, 2022.

Thank you.

A handwritten signature in blue ink that reads "Dawn Russell". The signature is written in a cursive style with a large initial "D".

Dawn Russell
President and Vice-Chancellor

Budget Development Process

The President's Advisory Committee on the Budget is comprised of the President and members drawn from faculty, staff, and students:

- Dawn Russell, President and Vice-Chancellor (*ex officio*)
- Dr. Kim Fenwick, Vice-President (Academic and Research) (*ex officio*)
- Reg Gallant, Acting Vice-President (Finance and Administration) (*ex officio*) – Committee Chair
- Jeffrey Carleton, Associate Vice-President, Communications (*ex officio*)
- Dr. Claire Goggin, Associate Professor, Criminology
- Dr. Amanda DiPaolo Professor, Human Rights
- Jacqueline Cormier, Communications Officer, Communications
- Tyler MaGee - Student
- Jason O'Hearn - Student
- Karen Preston, Registrar

In the development of its budget recommendations, the President's Advisory Committee will consider the feedback received as a result of this Budget Development Report, and will be guided by the following principles:

- The need to achieve a balanced budget where expenditures do not exceed revenues;
- The importance of developing a budget plan that balances competing priorities in order to serve, to the best of our ability, the needs of students and other members of our community; and
- The desirability of allocating resources to areas that support the strategic direction of the University as outlined in its *Strategic Plan*.

As with previous years, each academic and administrative unit will develop a budget proposal for its area, taking into consideration the three principles outlined above.

These budget proposals will be reviewed by the Vice-President (Academic and Research) and the Vice-President (Finance and Administration). The resulting draft budget will be reviewed by the President's Advisory Committee on the Budget. Following that, the presentation of the Draft Budget 2022-23 will be made to the Board of Governors' Finance Committee and finally to the Board of Governors in May 2022.

FISCAL YEAR 2020-21 FINANCIAL RESULTS

With respect to Operations, we ended the 2020-21 fiscal year with a deficit of \$110,361. This deficit was covered by a net transfer of restricted funds of \$118,366. This was a very unusual year with courses being offered remotely and significantly reduced travel, university events, and athletic activities due to the COVID-19 pandemic. The [annual audited financial statements](#) are available on the University website.

The structural operating deficit is due to expenses being higher than revenues. Approximately 77% of expenses are fixed costs where we have limited ability or discretion to reduce the cost, such as full-time academic wages, full-time staff wages, and costs related to utilities, cleaning, and security.

For ancillary services, there was a deficit of \$1,575,713 (before principal payment on long term debt). The University had budgeted a deficit of \$1,744,000 recognizing the impact COVID-19 would have on the residence system for 2020-21.

These results are much improved compared to the fiscal year 2014-15 where the operating and ancillary deficits were \$1.3M and \$562,542 respectively. The fiscal year 2014-15 was chosen as a comparator year as it represents the most significant combined deficit (\$1.9M) in operations and ancillary experienced by the University. As we have stated in the past, we recognize that extensive use of inter-fund transfers to balance the operating budget is unsustainable and the depletion of the internally restricted scholarship fund in 2018-19 is evidence of this. On a go-forward basis, the operating budget must accommodate a larger amount of the total scholarship expenditures.

FISCAL YEAR 2021-22 PROJECTION

For the current fiscal year as of November 10, 2021, St. Thomas University is forecasting general operations to have a deficit of \$490,900 before inter-fund transfers. This is \$82,100 less than the budgeted results for 2021-22 resulting from reduced student fees.

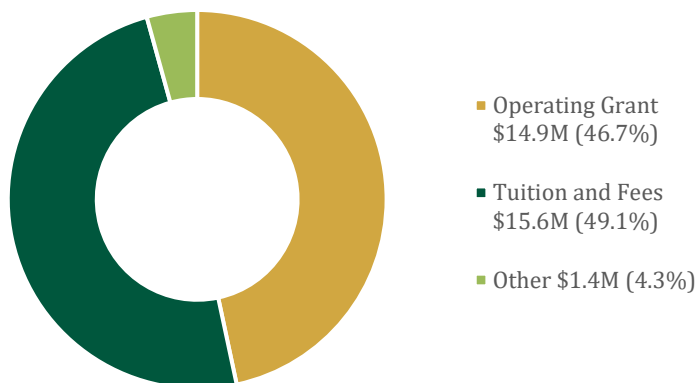
A separate ancillary budget is developed for revenues and expenses related to residences because of generally accepted and long-standing policies that ancillary operations be self-supporting. These areas are not eligible for government operating assistance. For the fiscal year 2021-22, we are forecasting a deficit of \$226,300 compared to a budgeted ancillary surplus of \$308,100 (before principal payments of \$301,000 on long term debt), as occupancy in residence is lower than budgeted. A comparison of 2021-22 residence rates at some other provincial universities (as well as meal plan rates) is provided in Appendix G.

Our most serious institutional challenge is one of financial sustainability. The current global pandemic has exacerbated this challenge. This situation is also compounded by several factors: a shrinking number of high school graduates; a small endowment; and uncertainty and volatility of capital markets that affect investment income.

2022-23 BUDGET DEVELOPMENT CONTEXT

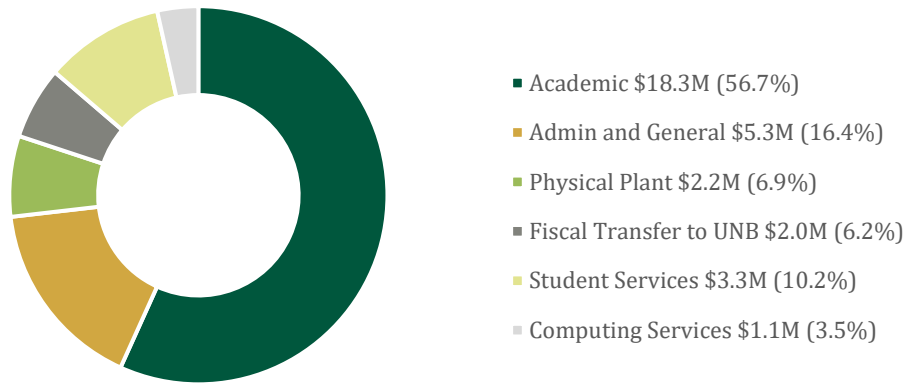
The most significant sources of revenue for the operating budget are the operating grant from the Province of New Brunswick and tuition and other compulsory fees. In 2021-22, these sources represented 46.7% and 49.1% respectively of revenues. The remaining 4.3% of revenues include miscellaneous student fees, other government grants, Advancement Annual Fund, and miscellaneous revenues.

2021-2022 Budgeted Revenues (Total \$31,875,900)



The most significant area of expenditure is academics, followed by administrative and general, student services (including scholarships charged to Operations), physical plant, the fiscal transfer to UNB (for library services, counselling services, and some recreation / athletics facilities), and computing services.

2021-22 Budgeted Expenses (Total \$32,284,700)



Appendix F shows a breakdown of budgeted operating expenses for 2021-22, categorized for illustration purposes, as fixed and semi-fixed costs.

- *Fixed* costs represent costs where there is very limited ability or discretion to reduce the cost. This represents approximately 77% of expenditures. For example, full-time academic wages are determined by the collective agreements. Examples of non-academic fixed costs include full-time staff wages and the fiscal transfer to the University of New Brunswick.
- *Semi-fixed* costs represent approximately 23% of expenditures and include items where there is some discretion over the level of expenditure. Examples include expenditures related to limited-term appointments and the number of sections taught by part-time faculty, maintenance and repairs, athletics, communication and marketing activities, and academic department expenses.

Similar to other universities, the University has a significant list of deferred maintenance needs which is updated annually. Deferred maintenance represents the postponing of maintenance activities such as repairs of buildings and equipment, normally due to budget limitations. Deferred maintenance needs for St. Thomas are estimated at \$1.6 million annually (2% of insured value of buildings excluding ancillary). The operating budget for maintenance and repairs in 2021-22 was \$325,000. Deferred maintenance is a good example of a semi-fixed or discretionary cost where there is a tendency to limit these expenditures due to budget constraints. However, the issue will not disappear and will eventually need to be addressed usually at a higher cost because of the passing of time and further deterioration of the asset.

For more detailed information on operating expenses, please see the 2020-21 Financial Statements and the 2021-22 Budget Summary Report at: <https://www.stu.ca/about/administrative-offices/vice-president-finance-and-administration/financial-statements-and-reports/>

Salary reports are also available on this website, providing salary range information relating to all employees who had salaries of \$60,000 or more as of July 1st.

Addressing the structural operating deficit requires a multi-strategy approach to increase revenues and limit the growth in expenditures. The following sections will address the key factors or levers that we have control over or that we may be able to influence, and which can help us achieve a balanced

operating budget. The main revenue levers are student enrolment, the provincial operating grant, and tuition fees, while the main expenditure levers are the number of full-time faculty and rationalization of non-academic expenditures. Other factors that affect our financial results include academic programming, ancillary operations, and fund-raising.

A. Enrolment (Student Recruitment and Retention)

Our operating revenues depend significantly on student enrolment as the number of students determines tuition revenue. A portion of the provincial operating grant is also based on the enrolment level (in relation to the other provincial universities).

Appendix C provides information on enrolment at Maritime universities as reported by the Maritime Provinces Higher Education Commission (MPHEC). Between 2011 and 2020, St. Thomas' full-time enrolment declined by 25% (608 net full-time students).

The causes of this decline in enrolment are varied and complex, but our recruitment efforts in New Brunswick, our most important market, are particularly challenged by increased competition and demographic trends. The size of the Anglophone high school graduating class in New Brunswick declined sharply over the last decade. (See Appendix D). Moreover, although our share of Maritime liberal arts students has remained fairly stable at approximately 11% during the same ten-year period the total number of undergraduate liberal arts students in the Maritimes fell by 23%. (See Appendix C). As noted above, the comparable STU figure for this ten-year period was a decline of 25%.

In 2021, we attracted 530 new students compared to 553 in 2020, 660 in 2019, and 605 in 2018. As of October 1, 2021, total full-time student enrolment was 1,779 compared to 1,912 in 2020 and 1,993 in 2019. We will experience the financial impact of the smaller 2021-22 cohort for at least three years.

As in other years we continue to focus on international recruitment. Based on MPHEC data, international students at St. Thomas increased from a low of 70 students in 2010 to 184 in 2019, which is our largest ever international student body. Despite travel restrictions and the economic impact of COVID-19, international enrolment was 176 in 2020.

In any given year, approximately 65% of our full-time undergraduate students are continuing students. Based on the size and distribution by year of study of our current student population, we project that 996 full-time students will be returning to continue their study at St. Thomas in the 2022-23 academic year, compared to 1,105 continuing students in the 2021-22 academic year.

In the past ten years, the retention of new full-time first-year students admitted from high school has ranged from 69% to 75%. Retention for the 2017 and 2018 cohorts was exceptionally high at 79.4% and 78.6% respectively. Retention for the 2019 cohort was lower at 71.8% which is likely due to the impact of COVID-19. (See Appendix E).

B. Provincial Operating Grant

The provincial operating grant of \$14.9 million represents 47% of total operating revenue. The current four-year memorandum of understanding (MOU) between the Province and each of the public universities covered the 2017-18 to 2020-21 academic years and was renewed for an additional year in 2021. The MOU included:

- Increases to the universities' operational funding of one per cent in each of the first three years, followed by up to two per cent in 2020-21. In 2021-22, the increase was one per cent.
- Tuition increases capped at two per cent per year for the duration of a degree in which a New

Brunswick student is already enrolled in 2018-19 or earlier.

While increases in the operating grant as a result of the MOU are appreciated, this portion of our revenues is not keeping up with inflationary pressures, thus causing an inflation gap as shown in the following table:

Fiscal Year	Operating Grant Increase (%)	Operating Expenditure Increase (%)	Inflation Gap (%)
2017-18	1%	1.5%	(0.5%)
2018-19	1%	4.5%	(3.5%)
2019-20	1%	3.2%	(2.2%)
2020-21	1.5%	0.3%	1.2%
Subtotal	4.5%	9.5%	(5.0)%

The Province’s annual Budget Speech typically takes place in March and makes some reference to the public universities’ operating grant for the upcoming year.

It remains our contention that St. Thomas’ operating grant amount is inequitable. This funding inequity was confirmed in 2007 by the Commission on Post-Secondary Education which concluded “St. Thomas clearly suffers from a funding anomaly that needs to be addressed” and that STU is “supported at a level well below the other universities in the province.” The issue was also cited by the Province’s Auditor General in her report last year. She pointed out that the percentage of revenue from tuition or fees from students at STU was 49%, compared to University of New Brunswick (26%), Université de Moncton (19%), and Mount Allison University (41%). The University has been advocating for an adjustment to its operating grant for decades. This has included meetings with PETL officials, MLAs and Premiers of the day. The issue is also raised annually when the University appears before the Legislative Select Committee on Public Universities. Some permanent adjustments were granted by different governments over the years, with the last one occurring in 2013 in the amount of \$225,000.

The provincial operating grant funding envelope for universities has two components: 75% of the funding is allocated to the Flat Grant and the balance to the Enrolment Grant. The Flat Grant is based on historical costs dating back to 1978-79. The Flat Grant has been periodically adjusted over the years, but not to the extent that it should have been to reflect St. Thomas’ growth after 1978-79 (and before the enrolment decline of recent years). Historically, if a university’s enrolment increased more than 25% (measured by the most recent three-year average weighted number of full-time equivalent student enrolment compared to the enrolment at the time that the funding formula was implemented in the late 1970s), a Flat Grant Adjustment could be made. This Flat Grant Adjustment policy was discontinued by the Province in July 2002. The University most affected by this policy change was St. Thomas University as its three-year average weighted FTE increased by 185% from the 1976-79 period to the 2012-15 period, compared to an increase in the range of 37% to 47% at the three other universities. The University will continue to raise this inequity with the Provincial Government.

C. Tuition Fees

In May 2019, a [Tuition Fee Guideline](#) was approved by the Board of Governors. The *Tuition Fee Guideline* describes the factors and parameters that are considered by the University in determining tuition fees, namely:

- The need to achieve a balanced budget to maintain the quality of the education and ensure the long-term sustainability of the University.
- The cost of programs and annual inflationary cost pressures.

- The tuition fees for each program are to be set at a similar level as other universities in Atlantic Canada. This reflects the reality that the post-secondary sector is a competitive one and St. Thomas needs to offer a high-quality education and support services to attract students.
- The amount of financial support provided by the University to students in the form of scholarships, bursaries, and other awards.
- Undergraduate international students are not funded through government operating grants. Consequently, the international tuition fee should be at a level where the University can recover the cost of providing services. Secondary to the concept of recovering costs, the tuition fee level should be at a similar level as other universities in Atlantic Canada. The following table provides information on actual expenditures per full-time equivalent student (FTE) for the past five years. This FTE figure reflects the total number of domestic and international students at St. Thomas.

	2020-21	2019-20	2018-19	2017-18	2016-17
Actual operating expenditures (A)	\$ 33,615,164	\$ 33,524,378	\$ 32,469,510	\$ 31,082,559	\$ 30,620,043
Full-time Equivalent Students (FTEs)* (B)	1,926	1,993	1,980	1,965	2,011
actual operating expenditures per FTE (C)	\$ 17,453	\$ 16,821	\$ 16,399	\$ 15,818	\$ 15,229
(C = A / B)					
international tuition fee (D)	\$ 16,389	\$ 16,068	\$ 15,230	\$ 14,503	\$ 13,747
variance (C minus D)	\$ 1,064	\$ 753	\$ 1,169	\$ 1,315	\$ 1,482

**based on MPHEC figures for domestic and international students
(actual calculated FTE students, including Part-time and new Sem 2)*

The following table provides revenue estimates in relation to a couple of tuition fee scenarios for 2022-2023.

Tuition Fee Scenarios	Increase in Domestic Tuition Revenue	Increase in International Tuition Revenue	Total
3% increase	\$329,600	\$82,500	\$412,100
5% increase	\$549,400	\$137,600	\$687,000

D. Full-time Faculty Composition

Full-time academic wages and benefits represent 46% of operating expenditures (based on 2021-22 budgeted expenditures). The number of full-time faculty positions varies over time, considering a number of factors such as fiscal realities, retirements, hiring decisions, etc. Academic staffing decisions in relation to vacant positions continue to be evidence-based and consider needs/factors such as the trend in student enrolment in each program.

The faculty salary grid is set out in the Full-time Collective Agreement. In general, faculty move one step up the salary grid per year; thus, longer lengths of service correlate with higher salaries.

The Voluntary Retirement Incentive (VRI) for faculty that was agreed to by FAUST and the University in June 2016 has increased the number of faculty retirements since July 1, 2017. The cost of the VRI is currently being amortized over a five-year period, although for the earlier VRIs, the cost was amortized over three years. The most significant cost savings occur when replacement of the retiring faculty member is not necessary. In cases where there is replacement of a retiring faculty member, there are some cost savings due to a new faculty member normally entering at a lower salary compared to the

retiring faculty member.

The VRI was revised in 2021. Under the terms of this new VRI for full-time faculty members, those faculty members who were eligible but did not retire under the June 2016 MOU are eligible for a revised VRI. Eligible faculty members were offered a voluntary retirement incentive in the amount of one (1) time their regular annual salary for retirements that take effect on or before July 1, 2022.

E. Rationalization of Non-Academic Expenditures

Non-academic wages and benefits represent approximately 20% of operating expenditures (based on 2021-22 budgeted expenditures). In 2016, we conducted a benchmarking exercise to compare the St. Thomas administrative staffing level with three other Atlantic Universities of a similar size (although they had a higher student enrolment compared to STU). Based on this analysis, it was concluded that St. Thomas is a flat organization – there is virtually no middle management and confirmed that the staffing level is at a minimum.

We believe there is limited scope for additional administrative cost reductions. In 2016, KPMG concurred with this conclusion, after reviewing CAUBO data on the proportion of non-academic salary cost in relation to total operating costs for St. Thomas and other comparator universities. Based on the fiscal year 2019-20 and as can be seen in the following table, St. Thomas had the lowest proportion of non-academic salary cost at 18.4%.

Table C: Proportion of Non-Academic Salary Costs (“Other Salaries and Wages”) In Relation to Total Operating Costs for the Fiscal Year Ending in 2020

Source: CAUBO 2020

In thousands (000s)	STU	MSVU	CBU	St. FX	MTA	Acadia
Other salaries and wages	\$6,084	\$15,089	\$15,690	\$20,248	\$11,378	\$15,304
General operating expenses	\$33,113	\$50,640	\$63,911	\$92,176	\$44,576	\$75,686
Percentage of total	18.4%	29.8%	24.5%	22.0%	25.5%	20.2%

Note: CAUBO classifies salary costs in the following three categories: academic ranks; other instruction and research; and other salaries and wages. As a result, “other salaries and wages” used in the above table represents all salary costs, excluding academic ranks and other instruction and research.

On an annual basis and as part of the budget process, we review non-academic expenditures to determine if any reductions can be made. The following are examples of the most significant non-academic budget reductions made to address the structural operating deficit:

- Permanent reductions of approximately \$150,000 were made in 2013-14 and 2014-15 relating to repairs and maintenance, Communications, and Information Technology Services.
- An analysis of the revenues and expenditures related to Athletics led to the decision by Senior Management in April 2016 to cancel the Men’s Hockey program. (Estimated cost savings = \$144,000 in operations and \$110,000 in internally restricted scholarship funds.) The other varsity teams are cost-neutral or close to being cost-neutral when taking into consideration the

tuition paid by student-athletes, a proportion of the operating grant revenue for student-athletes, and each team's expenses.

- The Senior Leadership Team initiated a process in July/August 2016 to identify potential reductions in administrative departments for implementation in 2016-17. This exercise achieved cost savings of approximately \$170,000 in 2016-17 (some of which were one-time savings).

F. Academic Programming

As part of the annual course allocation process, the number of courses to be offered by each Department is determined after reviewing how many full-time faculty will be teaching in the upcoming year and their teaching loads, how many courses are expected to be taught by part-time faculty, etc. As part of this process, the University must ensure an academic staffing level that can provide the core academic disciplines and programs for a liberal arts degree and that is necessary to sustain honors and majors within those disciplines. Similarly, the professional programs offered by the School of Education and the School of Social Work must meet the accreditation standards of their respective accreditation bodies. It is important that we maintain quality academic programming so that we can continue to recruit strong students and faculty.

In the past, new programming such as Criminology and Journalism has resulted in significant increases in enrolment. As part of the ongoing academic planning process, a number of strategies are explored that may result in new courses or experiential learning opportunities that could be attractive to potential students considering attending St. Thomas University. For example, in Fall 2021 we implemented significant changes to the BSW program and for the first time offered an MSW.

We have recently received project funding from PETL to assist with new academic programming and initiatives. Although these sources of funds are not permanent, they do assist the University in exploring and starting up or expanding current programming. Examples include:

- Additional funding for internships and other experiential learning opportunities for students;
- Funding for a new Digital Liberal Arts initiative to provide students with the digital skills necessary for success in today's job market. The first course in this new initiative, entitled "Digital Literacy I: Fundamentals" received Senate approval in June 2021 and will be offered in the Winter semester.
- Funding for an expansion of the Master of Social Work Program to offer an Indigenous Cohort and an onsite pre-Master of Social Work Program. The pre-MSW Program will be a one-year program designed to prepare students with a Bachelor of Arts degree from any accredited university for entry to our one-year MSW Program.

There are also efforts to strengthen and expand partnerships with the New Brunswick Community College. This includes finalizing articulation agreements that have been initiated, along with reviewing and updating current articulation agreements to reflect changes in curriculum and investigating possible new partnerships. We are also working with the New Brunswick College of Craft and Design (NBCCD) to develop a potential agreement that would recognize block credits from NBCCD students applying to St. Thomas.

G. Ancillary Operations

One of the priorities in the University's *Strategic Plan* is to invest in the renewal of our residences, the goal being that our residence system becomes a self-sustaining operation that contributes positively to student retention and the student experience.

The intent of residence renewal is to address the deferred maintenance needs of the residences over time. The renewal of Harrington Hall was completed in 2017, while the renewal of Vanier Hall was completed in December 2021.

Over the years, the University acquired or built residential properties to adjust to the increase in enrolment which peaked at 2,938 full-time students in 2004. Rigby Hall was purchased in 1999 and Chatham Hall was constructed in 2003 to offer residence services to a growing student population.

For the period of 2014-15 to 2016-17, ancillary operations produced a deficit mostly due to a decline in revenues as a result of reduced occupancy. Lower enrolment and the changing living habits of university students have resulted in reduced residence occupancy and surplus capacity in our residence system.

The sale in July 2018 of the Forest Hill property and the end of the lease of Rigby Hall in December 2021 will address the overcapacity in the residence system. The lease at Rigby Hall was an interim measure to provide additional residence rooms while the Vanier Hall residence was under construction and not available for occupancy.

As stated previously in this document, we are forecasting a deficit in Ancillary Services of \$105,900 for the fiscal year 2021-22 (before principal payments of \$301,000 on long term debt), as current residence occupancy is lower than normal. On a go-forward basis, the University will need to budget for Ancillary Services to achieve significant surpluses over an extended period to pay back the accumulated deficit of \$3M in the Ancillary Fund. The end of the lease at Rigby Hall will assist in this regard as it will remove the annual expenses related to the existing lease and the Rigby Hall building. Residence room fees are set annually and take into consideration the cost of operating residences (including residence life staffing), payments on long-term debt incurred to renovate the residences, and the requirement to pay back the accumulated deficit in the Ancillary Fund.

H. Fundraising

The Office of Advancement and Alumni Relations connects with alumni and friends to engage alumni and raise awareness for university events, as well as to generate donations for a number of different objectives which receive support from the STU Fund and from other gifts to St. Thomas. On an annual basis, fundraising priorities are reviewed to ensure that all appeals and campaigns are directed to the University's area(s) of greatest need.

Each year, the University receives both unrestricted funding (often allocated to the area of greatest need) and restricted donations, which generally support particular programs and initiatives (such as Moot Court, study abroad, and experiential learning opportunities), as well as providing enhanced support for student financial aid, by providing scholarships, bursaries, and awards. Restricted funding usually significantly outweighs unrestricted donations.

With the completion in 2021 of a comprehensive capital campaign to raise a minimum of \$10M for St. Thomas, the University has now received more than this amount in pledges in support of Campaign objectives, such as scholarships and bursaries, residence renovations, the establishment of new academic chairs, and enhanced programming and services for students. The campaign has raised over \$14M and is very successful considering both its original goal of \$10M and the disruption of fundraising activities caused by the global pandemic. Some of the funds raised are intended as endowed amounts where the capital amount of the donation is protected and 5% of the principal amount is used annually, whereas other funds are intended to be spent over a specified period for a specific purpose. Perhaps the best example of this latter type of fund would be the three grants received from the Harrison McCain Foundation, which has gifted \$950,000 to St. Thomas since 2015 to establish and in support of

Indigenous Student Services and the creation of the Wabanaki Centre. In addition to capital funding, the grants from the Foundation have supported personnel, programs, scholarships, and events and activities of the Senate Committee on Reconciliation.

With respect to the capital campaign and fundraising, as with many other activities of the University, the progress has been slowed because of COVID-19. Restricted travel has had an impact on our ability to conduct in-person calls on prospective donors which is essential for larger gifts.

While fundraising objectives are not established to directly impact the operating budget of the University, there are elements of fundraising that have a positive impact on operations and ancillary services. For example, annual donations and multi-year campaign pledges have been directed to the enhancement of scholarships and bursaries, to provide additional mental health programming, and to a modest investment in residence renewal.

Although there have been new scholarships established because of the Capital Campaign, those new scholarships do not replace the flagship renewable entrance scholarships (e.g., President's Scholarship for full tuition) which were previously funded through the internally restricted scholarship fund which was depleted in 2018-19. To date, more than half of the monies raised under the Campaign have been for scholarships or bursaries (\$8M) with the majority of those funds being received as endowments.

While this is a significant amount to receive to create new sources of scholarships and bursaries, it is only the income from the endowed funds which is available for use on an annual basis. This is but one of the reasons that fundraising for scholarships will continue to be an ongoing priority going forward with the recognition that scholarship funding is our area of greatest need.

Preliminary Projection for Fiscal Year 2021-2022

As we begin the 2022-23 budget development process, we are faced with several financial challenges, including our current operating budget deficit, as well as uncertainties relating to forecasted revenues and expenditures for 2022-23. Factors to be considered in the development of the 2022-23 operating budget include:

- For the current fiscal year, we are forecasting general operations to have an excess of expenditures over revenues of \$408,800 before inter-fund transfers.
- Inflation and collective agreement obligations normally result in cost pressures of approximately 3.7% per year.
- We are assuming student enrolment of approximately 1,700 (fee paying) students. This is a preliminary enrolment estimate that will be updated in March 2022 when more information is available with respect to the number of applications received for the 2022-23 academic year.

Addressing the structural operating deficit will require a multi-strategy approach to increase revenues and limit the growth in expenditures. The following are the key strategies which are currently being pursued to achieve financial sustainability. A number of these strategies will take more than one fiscal year to realize the financial results.

- Increasing student enrolment level. New initiatives in recruitment include the use of blogs to reach prospective students, a new online platform called Unibuddy which connects prospective students with current students for recruitment purposes, and greater use of agents for recruiting international students. We have also made some staffing and organizational changes recently to bring additional supports to our recruitment operations.
- Enhanced focus on raising funds for scholarships that are charged to Operations. Currently, approximately \$1.3M in scholarship expenditures is charged to Operations which makes it very

difficult to achieve a balanced operating budget. Considering the magnitude of this expenditure, funds raised will need to be both funds that can be fully used when received and endowed funds where 5% of the value of the endowment can be used annually.

- Continuing to rationalize non-academic expenditures where possible. One possible area that will be explored are changes to the telephone system which currently costs approximately \$138,000 per year.
- Continuing the efforts described previously to address the University's provincial operating grant inequity.

Requests for Comments and Feedback

During this consultation process, we invite comments and suggestions on the financial challenges faced by the University. Please forward any suggestions, comments or feedback to gallant@stu.ca by February 25, 2022. The Committee will consider the suggestions, comments and feedback received as confidential.

APPENDICES

A - Restricted Funds

B - 2021-22 Tuition Fees for Bachelor of Arts

C - Enrolment

D - Projection of Size Of The Anglophone Grade 12 Class In NB

E - Retention of Full-Time First Year Students Admitted From High School

F - Budgeted Expenditures for 2021-22

G - Comparison of 2021-22 Meal and Residence Rates

APPENDIX A
St. Thomas University Restricted Funds
Budget 2021-2022

								Average		
								Fund Balance	Available	
						Budget		2019-21	(5%)	
						2021-22				
Scholarships										
	Externally restricted					521,000		10,413,400	521,000	
	Flow-through					100,000		0	n/a	
						621,000		10,413,400		
Internally Restricted Funds										
	Aquinas Chair in Interdisciplinary Studies					200,000		n/a	200,000	(1)
Endowed Chairs										
	Canadian Citizenship & Human Rights					105,000		1,733,600	87,000	
	Catholic Theology					110,000		2,196,700	110,000	
	Criminology and Criminal Justice					60,000		1,191,600	60,000	
	Camp Endowment in Journalism					56,000		1,178,100	56,000	
	Gerontology					420,000		2,822,500	141,000	(2)
	Native Studies					73,000		1,455,700	73,000	
						1,645,000		20,991,600	1,248,000	
(1) Includes provision for internally restricted scholarships which will draw the fund balance to zero										
(2) Includes an additional transfer to operations for academic salaries of \$410,000 bringing annual draw to 14.9%.										

APPENDIX B
2021-22 Tuition Fees for a Bachelor of Arts

University	Canadian tuition
Acadia	9,477
MtA	9,440
StFX	9,370
NSCAD	9,030
CBU	8,529
MSVU	8,415
SMU	8,380
Dal	8,346
Kings	8,346
U. Ste-Anne	8,261
STU	7,656
UdeM	7,492
UNB	7,488
UPEI	6,450
Average	8,334

University	International Tuition
Dal	23,286
Kings	23,286
NSCAD	20,220
MtA	19,040
Acadia	18,974
SMU	18,830
StFX	18,740
UNB	17,534
STU	17,208
CBU	17,058
MSVU	16,830
UPEI	13,998
UdeM	13,730
U. Ste-Anne	11,299
Average	17,860

APPENDIX C
Enrolment

Total Undergraduate Enrolment (Full-time Headcounts) - Maritime Institutions

Institution	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Cum. Change	
											N	%
Acadia	3165	3345	3473	3470	3262	3401	3432	3375	3368	3261	96	3.0%
Cape Breton	2329	2392	2316	2135	2202	2134	2145	2591	3544	2758	429	18.4%
Dalhousie	12071	12016	12241	12479	12521	12351	12330	12520	12748	13214	1143	9.5%
Mount Allison	2432	2518	2324	2267	2257	2179	2066	2004	2090	2107	-325	-13.4%
MSVU	2158	2204	2179	2311	2254	2200	2120	2111	2310	2243	85	3.9%
NSCAD	785	721	687	674	597	553	609	641	685	590	-195	-24.8%
Saint Mary's	5481	5691	5720	5537	5519	5645	5454	5390	5212	5047	-434	-7.9%
St. FX	4080	3961	3946	3926	3913	3939	3799	3921	4005	4035	-45	-1.1%
St. Thomas	2394	2308	2172	2011	1928	1906	1846	1860	1875	1786	-608	-25.4%
U de Moncton	4278	4344	4212	3899	3778	3617	3650	3753	3869	3916	-362	-8.5%
Sainte-Anne	336	371	353	359	410	374	322	371	482	435	99	29.5%
King's College	1175	1106	1075	966	899	832	787	787	784	760	-415	-35.3%
UNB – F'ton	5402	5394	5412	5293	5161	5012	4891	4998	4899	4630	-772	-14.3%
UNB – SJ	1993	1974	1805	1652	1623	1589	1671	1642	1675	1560	-433	-21.7%
UPEI	3473	3450	3364	3278	3222	3287	3500	3502	3737	3995	522	15.0%
Total	51552	51795	51279	50257	49546	49019	48622	49466	51283	50337	-1215	-2.4%

Source: MPHEC STU_Enrolment_DDB2_customized

Excludes Atlantic School of Theology. Nova Scotia Agricultural College included in Dalhousie.

Excludes Dalhousie, UdeM and UNB-F'ton Law

Domestic Undergraduate Enrolment (Full-time Headcounts) - Maritime Institutions

Institution	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Cum. Change	
											N	%
Acadia	2816	2965	3104	3093	2872	2970	2984	2897	2905	2850	34	1.2%
Cape Breton	1784	1755	1659	1550	1625	1601	1493	1407	1328	1228	-556	-31.2%
Dalhousie	10788	10667	10722	10731	10629	10197	9968	9832	9709	10031	-757	-7.0%
Mount Allison	2241	2290	2107	2051	2060	1974	1901	1832	1844	1849	-392	-17.5%
MSVU	1904	1888	1799	1852	1774	1745	1721	1788	1811	1810	-94	-4.9%
NSCAD	707	641	604	576	500	457	472	466	507	435	-272	-38.5%
Saint Mary's	4199	4208	4118	3922	3790	3868	3766	3762	3633	3626	-573	-13.6%
St. FX	3830	3735	3740	3717	3686	3657	3542	3633	3742	3822	-8	-0.2%
St. Thomas	2319	2210	2055	1872	1805	1777	1697	1693	1691	1610	-709	-30.6%
U de Moncton	3784	3750	3502	3168	3060	3011	3103	3135	3242	3277	-507	-13.4%
Sainte-Anne	298	333	311	292	266	234	228	265	328	317	19	6.4%
King's College	1131	1065	1030	927	862	799	754	752	741	721	-410	-36.3%
UNB – F'ton	5032	4935	4912	4815	4688	4598	4459	4567	4476	4191	-841	-16.7%
UNB – SJ	1561	1558	1453	1357	1321	1373	1470	1465	1460	1363	-198	-12.7%
UPEI	3086	3051	2920	2798	2666	2630	2728	2621	2638	2804	-282	-9.1%
Total	45480	45051	44036	42721	41604	40891	40286	40115	40055	39934	-5546	-12.2%

Source: MPHEC STU_Enrolment_DDB2_customized

Excludes Atlantic School of Theology. Nova Scotia Agricultural College included in Dalhousie.

Excludes Dalhousie, UdeM and UNB-F'ton Law

International Undergraduate Enrolment (Full-time Headcounts) - Maritime Institutions

Institution	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Cum. Change	
											N	%
Acadia	349	380	369	377	390	431	448	478	463	411	62	17.8%
Cape Breton	545	637	657	585	577	533	652	1184	2216	1530	985	180.7%
Dalhousie	1283	1349	1519	1748	1892	2154	2362	2688	3039	3183	1900	148.1%
Mount Allison	191	228	217	216	197	205	165	172	246	258	67	35.1%
MSVU	254	316	380	459	480	455	399	323	499	433	179	70.5%
NSCAD	78	80	83	98	97	96	137	175	178	155	77	98.7%
Saint Mary's	1282	1483	1602	1615	1729	1777	1688	1628	1579	1421	139	10.8%
St. FX	250	226	206	209	227	282	257	288	263	213	-37	-14.8%
St. Thomas	75	98	117	139	123	129	149	167	184	176	101	134.7%
U de Moncton	494	594	710	731	718	606	547	618	627	639	145	29.4%
Sainte-Anne	38	38	42	67	144	140	94	106	154	118	80	210.5%
King's College	44	41	45	39	37	33	33	35	43	39	-5	-11.4%
UNB – F'ton	370	459	500	478	473	414	432	431	423	439	69	18.6%
UNB – SJ	432	416	352	295	302	216	201	177	215	197	-235	-54.4%
UPEI	387	399	444	480	556	657	772	881	1099	1191	804	207.8%
Total	6072	6744	7243	7536	7942	8128	8336	9351	11228	10403	4331	71.3%

Source: MPHEC STU_Enrolment_DDB2_customized

Excludes Atlantic School of Theology. Nova Scotia Agricultural College included in Dalhousie.

Excludes Dalhousie, UdeM and UNB-F'ton Law

Maritime Full-time Undergraduate Arts Enrolment 2011-2020

Institution	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Cum. Change	
											N	%
Acadia	1040	1067	1055	1015	937	970	958	919	900	923	-117	-11.3%
Cape Breton	747	767	721	606	602	561	518	540	554	483	-264	-35.3%
Dalhousie	2864	2707	2533	2444	2348	2132	1982	1987	1967	2109	-755	-26.4%
Mount Allison	1420	1402	1280	1243	1250	1228	1132	1071	1093	1073	-347	-24.4%
MSVU	993	1027	996	1032	972	980	968	998	1043	1065	72	7.3%
NSCAD	723	663	626	616	533	505	558	585	600	490	-233	-32.2%
Saint Mary's	2324	2246	2134	2013	1975	1978	1989	1997	1982	1911	-413	-17.8%
St. FX	1338	1226	1122	1103	990	970	870	861	806	846	-492	-36.8%
St. Thomas	2086	2010	1894	1740	1618	1586	1513	1591	1614	1523	-563	-27.0%
U de Moncton	673	667	651	619	665	695	700	712	698	705	32	4.8%
Sainte-Anne	90	90	59	48	44	23	19	23	43	36	-54	-60.0%
King's College	1057	985	944	834	769	714	675	659	647	618	-439	-41.5%
UNB – F'ton	1076	1011	943	873	844	826	878	978	931	907	-169	-15.7%
UNB – SJ	680	659	571	516	460	437	501	505	524	484	-196	-28.8%
UPEI	1156	1119	1054	966	833	837	822	800	895	973	-183	-15.8%
Total	18267	17646	16583	15668	14840	14442	14083	14226	14297	14146	-4121	-22.6%

Source: MPHEC Dataset STU_Enr_DDB_Law_separate_Nov2020.xlsx

"Arts" includes CIP Groups General Arts, Humanities, Social and Behavioural Sciences and Law, Visual and Performing Arts

Excludes Dal, UdeM and UNB Law, and STU students in Education and Mathematics

Share of Maritime Full-time Undergraduate Arts Enrolment

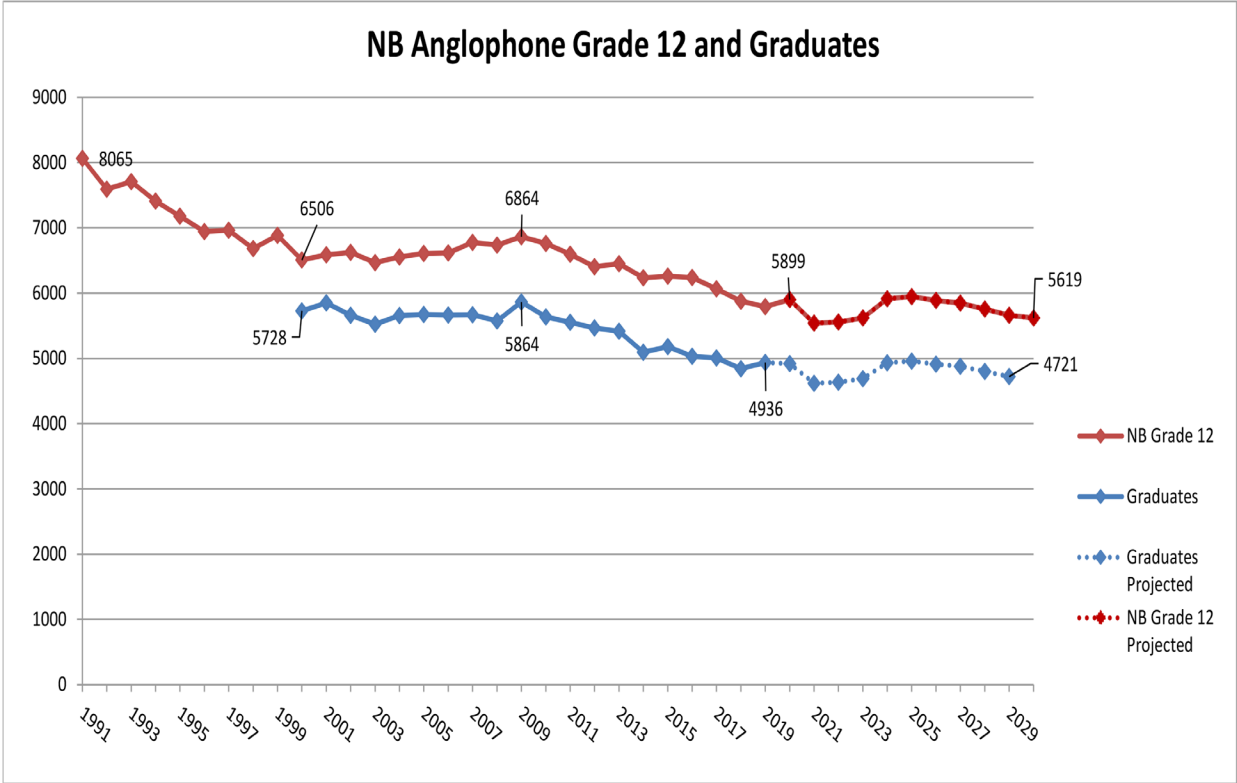
Institution	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Acadia	5.7%	6.0%	6.4%	6.5%	6.3%	6.7%	6.8%	6.5%	6.3%	6.5%
Cape Breton	4.1%	4.3%	4.3%	3.9%	4.1%	3.9%	3.7%	3.8%	3.9%	3.4%
Dalhousie	15.7%	15.3%	15.3%	15.6%	15.8%	14.8%	14.1%	14.0%	13.8%	14.9%
Mount Allison	7.8%	7.9%	7.7%	7.9%	8.4%	8.5%	8.0%	7.5%	7.6%	7.6%
MSVU	5.4%	5.8%	6.0%	6.6%	6.5%	6.8%	6.9%	7.0%	7.3%	7.5%
NSCAD	4.0%	3.8%	3.8%	3.9%	3.6%	3.5%	4.0%	4.1%	4.2%	3.5%
Saint Mary's	12.7%	12.7%	12.9%	12.8%	13.3%	13.7%	14.1%	14.0%	13.9%	13.5%
St. FX	7.3%	6.9%	6.8%	7.0%	6.7%	6.7%	6.2%	6.1%	5.6%	6.0%
St. Thomas	11.4%	11.4%	11.4%	11.1%	10.9%	11.0%	10.7%	11.2%	11.3%	10.8%
U de Moncton	3.7%	3.8%	3.9%	4.0%	4.5%	4.8%	5.0%	5.0%	4.9%	5.0%
Sainte-Anne	0.5%	0.5%	0.4%	0.3%	0.3%	0.2%	0.1%	0.2%	0.3%	0.3%
King's College	5.8%	5.6%	5.7%	5.3%	5.2%	4.9%	4.8%	4.6%	4.5%	4.4%
UNB – F'ton	5.9%	5.7%	5.7%	5.6%	5.7%	5.7%	6.2%	6.9%	6.5%	6.4%
UNB – SJ	3.7%	3.7%	3.4%	3.3%	3.1%	3.0%	3.6%	3.5%	3.7%	3.4%
UPEI	6.3%	6.3%	6.4%	6.2%	5.6%	5.8%	5.8%	5.6%	6.3%	6.9%

Source: MPHEC Dataset STU_Enr_DDB_Law_separate_Nov2020.xlsx

"Arts" includes CIP Groups General Arts, Humanities, Social and Behavioural Sciences and Law, Visual and Performing Arts

Excludes Dal, UdeM and UNB Law, and STU students in Education and Mathematics

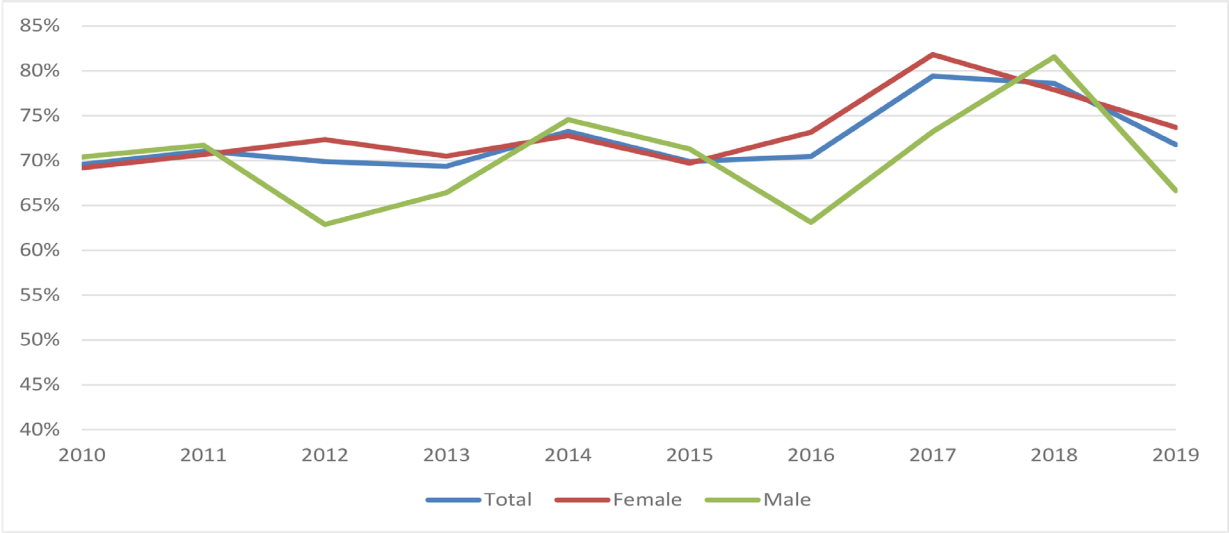
APPENDIX D
Projection of Size Of The Anglophone Grade 12 Class In NB



Source: Projection by Office of Institutional Research based on Dept. of Education and Early Childhood Development Summary Statistics
NB Grade 12 anglophone projection 210609A

APPENDIX E
Retention of Full-Time First Year Students Admitted From High School

Retention of Full-time First-Year Students Admitted from High School



Cohort Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total	69.6%	71.0%	69.9%	69.4%	73.3%	69.9%	70.5%	79.4%	78.6%	71.8%
Female	69.2%	70.7%	72.3%	70.5%	72.8%	69.7%	73.2%	81.8%	77.9%	73.7%
Male	70.4%	71.7%	62.9%	66.4%	74.6%	71.3%	63.1%	73.2%	81.6%	66.7%

Source: Retention 1951 to 2051 Report 201202B

APPENDIX F
Expenditures for Budget Year Ending April 30, 2022

Budgeted Expenditures 2021-22			32,284,700		
					<u>Academic</u>
<u>Fixed Costs</u>					<u>Expenses</u>
<u>Academic Expenses</u>					
FT Academic Wages-tenured and tenure-track			13,344,600		1,344,600
including benefits					
FT Academic Wages Sabbaticals			1,111,500		1,111,500
Professional Development Allowances			280,000		280,000
			14,736,100	45.6%	(1)
<u>Non-Academic Expenses</u>					
FT Wages and benefits			6,379,200		375,100
Utilities			1,077,000		
Cleaning and security			658,000		
Fiscal transfer to UNB			2,009,100		
			10,123,300	31.4%	
Total fixed costs			24,859,400	77.0%	3,111,200
<u>Semi-fixed costs</u>					
PT Academic wages			2,214,500		2,214,500
Limited term FT Academic wages			391,000		391,000
Scholarships			1,200,000		
Supplies, telephone, postage			199,000		92,000
Graduation			37,500		37,500
Computing software/licenses			428,300		
University publications			50,000		
University memberships			112,000		37,000
Professional and banking fees			228,000		
Recruiting travel and supplies			268,000		
Communications			308,700	(2)	
Advancement			165,500		
Athletics			372,000	(3)	
Maintenance and repairs			325,000		
Academic department expenses			315,400		315,400
Academic recruiting and VP special projects			116,900		116,900
Student wages			271,800		
Administrative unit expenses			71,100		
Miscellaneous admin expenses			211,700		
Student services unit expenses			138,900		
			7,425,300	23.0%	3,204,300
Total budgeted expenditures			32,284,700	100%	6,315,500
(1) Subject to collective agreements					
(2) Includes designing, printing and mailing various publications to prospective students, web development and maintenance, video and photography, recruitment marketing development and media buys, and university promotions.					
(3) Net operating expenditures of all athletic teams as well as student wages for JB O'Keefe operations and coaches honorariums.					

APPENDIX G
Comparison of 2021-22 Meal and Residence Rates

Appendix G: Comparison of 2021-22 meal and residence rates at NB Anglophone Universities									
St. Thomas University									
Holy Cross House	10 meal plan	Room	Total	14 meal plan	Room	Total	Freedom plan	Room	Total
Double Room	3,460	5,495	8,955	4,095	5,495	9,590	4,297	5,495	9,792
Single Room	3,460	8,327	11,787	4,095	8,327	12,422	4,297	8,327	12,624
Harrington and Vanier									
Double Room	3,460	5,889	9,349	4,095	5,889	9,984	4,297	5,889	10,186
Single Room	3,460	8,758	12,218	4,095	8,758	12,853	4,297	8,758	13,055
Single Room (Ensuite)	3,460	9,758	13,218	4,095	9,758	13,853	4,297	9,758	14,055
Mount Allison University									
	Meal Plan	Room	Total						
Double Room	4,873	5,547	10,420						
Single Room	4,873	6,566	11,439						
Double Ensuite	4,873	6,183	11,056						
Single Shared Ensuite	4,873	7,466	12,339						
Single Private Ensuite	4,873	8,254	13,127						
University of New Brunswick									
	Meal Plan	Room	Total						
Double Room	NA	NA	NA						
Single Room	4,848	7,523	12,371						
Super Single	4,848	8,398	13,246						
Single +	4,848	8,398	13,246						
Special Single	4,848	8,473	13,321						
super single: dbl room for one									
single +: semi-private bathroom									
special single: private bathroom									
There are 3 different meal plans, all the same cost. Difference is in the amount of cash in each meal plan and the number of meals included.									
	lowest and highest rates								