



St. Thomas UNIVERSITY

Budget Summary Report 2024-25

May 2024

1.0 Introduction

An initial *Budget Development Report 2024-25* document was shared with to the University community in February 2024. The report is available [here](#).

The *Budget Development Report 2024-25* identified the composition of the President's Advisory Committee on the Budget (PACB) and described the context and challenges of developing the 2024-25 budget. The principles in developing the budget recommendations were:

- The need to achieve a balanced budget where expenditures do not exceed revenues; and
- 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 the community.

The *Budget Development Report 2024-25* requested input by March 1, 2024, with respect to the financial challenges outlined in the *Report*. To further the campus discussion on budget development, the PACB held a virtual Town Hall via Teams on March 27, 2024. At this meeting, a status update on the budget development plan was provided, and proposed strategies to help address the operating deficit were presented. Approximately sixty people attended, including PACB members, staff, faculty, and students.

2.0 General Operating Fund

2.1 BACKGROUND INFORMATION

The General Operating Fund covers the core functions of the University, including most of the expenditures directly related to, or in support of, offering programs of instruction to students. The operating budget has two main revenue sources: the Provincial Government operating grant and tuition fees. The expenditure categories are those used generally for university reporting in Canada. At St. Thomas, salaries represent approximately 75% of operating expenditures.

The current year 2023-24 activities produced (based on the Third Quarter Forecast):

- A forecasted deficit of \$456,700 in the General Operating Fund (before inter-fund transfers); and
- A forecasted surplus of approximately \$751,500 in Ancillary Operations (before principal payments on long-term debt of \$436,000).

The University continues to experience an operating deficit where operating revenues are lower than operating expenditures. See Appendix I for Operating Fund and Ancillary Fund financial results for the last 11 years.

St. Thomas University's provincial operating grant for 2024-25 is \$16.1M, an increase of 2.6% compared to last year; the university can receive an additional 1.5% (\$234,000) if there is enrolment growth of 2% or more from 2023-24. This portion of our revenues continues to lag behind inflationary pressures, thus causing an inflation gap. For the fiscal year 2017-18 thru 2022-23, the operating grant increases totaled 7.0%, compared to an increase in operating expenditures totaling 16.1% over the same time period.

An on-going financial risk faced by the University is that of student enrolment. Between 2013 and 2022, St. Thomas' full-time enrolment declined by 34% (651 net full-time students). (Note: Other Maritime universities have experienced declines in liberal arts.)

2.2 TUITION FEES – GENERAL INFORMATION

Appendix II provides a comparison of 2023-24 tuition fees of domestic and international students for a Bachelor of Arts at Maritime universities shows that St. Thomas had the fourth lowest domestic tuition fees (after UPEI, Université de Moncton and UNB), and sixth lowest international tuition fees (after Université de Moncton, Université Sainte-Anne, UPEI, Mount Saint Vincent University and Cape Breton University).

In May 2019, a *Tuition Fee Guidelines* was approved by the Board of Governors and is available at <https://www.stu.ca/media/stu/site-content/about/faculty-reconition/administrative-offices/financial-statements-and-reports-/Tuition-Fee-Guidelines.pdf>. The *Tuition Fee Guidelines* describe 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 FTE (FTE reflecting the total number of domestic and international students) at St. Thomas for the past five years.

	2022-23	2021-22	2020-21	2019-20	2018-19
actual operating expenditures (A)	\$ 35,464,973	\$ 33,729,619	\$ 33,615,164	\$ 33,524,378	\$ 32,469,510
Full-time Equivalent Students (FTEs)* (B)	1651	1,813	1,926	1,993	1,980
actual operating expenditures per FTE (C)	\$ 21,481	\$ 18,604	\$ 17,453	\$ 16,821	\$ 16,399
(C = A / B)					
international tuition fee (D)	\$ 18,068	\$ 17,208	\$ 16,389	\$ 16,068	\$ 15,230
variance (C minus D)	\$ 3,413	\$ 1,396	\$ 1,064	\$ 753	\$ 1,169
*based on MPHEC figures for domestic and international students					
(actual calculated FTE students, including Part-time and new Sem 2)					

Due to these factors, a tuition fee increase of 4% was approved for the academic year 2024-25. Approved tuition fees are outlined in the following table.

Table A: Tuition Fees for 2024-25			
Program	Domestic Students	International Students Atlantic Canada High School Graduates	International Students
B. of Arts	\$8,611	\$13,982	\$19,354
B.Ed.	\$12,006	NA	\$24,526
B.SW. (Year 3)	\$9,561	NA	\$19,599
M.SW.	\$1,071 per 3 credit hour course	NA	\$2,190 per 3 credit hour course

2.3 TUITION FEES – INTERNATIONAL STUDENTS WHO GRADUATE FROM ATLANTIC CANADA HIGH SCHOOLS

A tuition fee category for the Bachelor of Arts program is continuing for international students who graduate from an Atlantic Canada High School. The tuition fee for these students is set at \$13,982 which falls between tuition fees for domestic and international students.

2.4 OTHER FEES

The following compulsory fees remain at current levels:

- Technology fee \$150
- Facility fee \$150
- UNB Health Centre fee \$ 50
- Journalism years 3 and 4 \$250
- Practicum fee (B. Ed.) \$500
- Recreation/Wellness \$ 25

An increase of \$50 to the Mental Health fee, bringing the fee to \$100 is also recommended. Starting in 2024-25 the Welcome Week fee is being transferred to the University from the Student’s Union. The fee that is charged to first year students is \$95.

2.5 OPERATING BUDGET

The 2024-25 General Operating Budget is presented in Schedule 1. It reflects a deficit of \$315,900 before the transfer of \$320,000 from certain restricted funds, for a net profit (excess of revenues over expenses) of \$4,100 after inter-fund transfers. As indicated previously, the extensive use of certain restricted funds is a short-term solution to our fiscal challenges.

Highlights of the General Operating Budget include:

- A budget of \$34.7 million in revenues and \$35.0 million in expenditures.
- The provincial operating grant of \$13.9 million and the fiscal transfer to UNB of \$2.2 million for a total of \$16.1 million.
- A projected enrolment of 1,640 which translates to 1,560 (fee-paying students) after adjustments for in-year student attrition, the number of students in programs that are

budgeted separately (e.g., MMBSW), etc. The 1,585 number represents 40 less students compared to what was budgeted last year (1,625)

- Tuition fee and compulsory revenues of \$16.4 million.
- External grants from government and other sources totalling \$1,246,900. This includes indirect costs related to research (\$119,000) and funding from the provincial government for several contract positions (\$1,127,900).
- Academic expenses totalling \$18.7 million and Administrative and General expenses totalling \$6.1 million.

3.0 Ancillary Operations

Ancillary Operations are comprised of student residences and conference services. A separate budget is required for these operations because they are funded from separate sources and because of generally accepted and long-standing policy that ancillary operations be self-supporting and not eligible for government operating assistance.

The residence room rates approved by the Board of Governors represent a 3.0% increase for single and double rooms. The rates for 2024-25 would be as follows:

- Holy Cross double room rate: \$5,976
- Holy Cross single room rate: \$9,055
- Vanier and Harrington double room rate: \$6,405
- Vanier and Harrington single room rate: \$9,524
- Vanier single room ensuite rate: \$10,579
- Windsor Street: \$5,216

The 2024-25 budget for ancillary operations is presented in Schedule II. The budget reflects an estimated surplus of \$105,000 after principal payments on long-term debt of \$445,000. The budget incorporates the following:

- It assumes occupancy of 410 students.
- It reflects the return of revenue from events held on campus.
- It reflects that UNB English Language Program is not hosting an in person program this summer.

This budget is similar to 2023-24 where we are forecasting a surplus in Ancillary Services of \$443,800 (before principal payments of \$436,000 on long term debt). On a go-forward basis, the University will need to budget for Ancillary Services to achieve surpluses over an extended period to pay back the accumulated deficit in the Ancillary Fund. The total expected deficit as of April 30, 2024 is estimated at \$3.0M.

Meal plan rates will increase approximately 10% for the Freedom Plan (\$5,400 in 2024-25) reflecting higher labour, food, and other costs. As well, meal plans have been consolidated into the Freedom Plan which is consistent with options offered at other universities.

4.0 Internally and Externally Restricted Funds

The University’s restricted funds have varying origins. The Scholarship Fund consists of several funds that originated with gifts and bequests that are managed in accordance with terms specified by the donors and were accepted by the University. The other restricted funds relate mainly to Endowed Chairs, several of which were established with the assistance of external funding. Generally, these funds support teaching and research activities in a number of disciplines and supplement the operating fund budget. Expenditures must be in accordance with the respective terms of reference of the Endowed Chairs.

The University’s Investment Policy permits expenditures of up to 5% of fund values based on a rolling three-year average of market values (\$21.4 million at March 2024).

The 2024-25 expenditure allocations from the University’s restricted funds are presented in Schedule III and incorporate the following:

- Total restricted fund expenditures of \$1.8 million.
- A 5% spend rate was used for the restricted funds with the following exceptions:
 - The Canadian Citizenship and Human Rights Chair represents a 7% spend rate.
 - The Catholic Theology Chair represents a 21.5% spend rate. This include \$300,000 for internally funded scholarships.
 - The Criminology and Criminal Justice Chair represents a 9.8% spend rate. This includes funding a full-time Limited Term Appointment and includes \$55,000 carry forward from 2023-24.
 - The Endowed Chair in Gerontology represents a 15.3% spend rate. This includes \$320,000 for academic salaries of the Gerontology Department to address the deficit in the Operating Fund.

5.0 Funding of Scholarships

The following funding sources have been identified to cover the estimated cost of 2024-25 scholarships that were previously funded by the internally restricted scholarship fund:

Operations	\$1,400,000
Operations (internat. bursaries)	\$140,000
<u>Other sources</u>	<u>\$338,600</u>
Subtotal	\$1,878,600

6.0 Capital Expenditures Budget

The 2024-2025 capital expenditures are detailed in Schedule IV. Capital expenditures are funded from the restricted grants provided by the Provincial Government with the following exception:

- The interest on the capital lease at the Grant-Harvey Centre (\$37,000) is budgeted in Operations. The principal payment amount on the capital lease (\$81,600) will need to be covered through a future surplus.

**APPENDIX I:
Year End Operating Fund
and Ancillary Fund Results**

Year End Operating Fund Results (before inter-fund transfers)					
Year	Oper. Revenues	% incr.	Oper. Expenditures	% incr.	Net oper inc
2022-23	34,284,660	1.7%	35,464,973	3.8%	-1,180,313
2021-22	33,696,744	0.6%	34,158,821	1.6%	-462,077
2020-21	33,504,803	0.8%	33,615,164	0.3%	-110,361
2019-20	33,232,973	3.7%	33,524,378	3.2%	-291,405
2018-19	32,043,473	4.4%	32,469,510	4.5%	-426,037
2017-18	30,703,233	1.7%	31,082,559	1.5%	-379,326
2016-17	30,176,321	1.3%	30,620,043	-1.8%	-443,722
2015-16	29,780,290	-2.3%	31,168,065	-2.0%	-1,387,775
2014-15	30,476,637	0.1%	31,800,266	4.6%	-1,323,629
2013-14	30,435,025	1.7%	30,416,183	1.6%	18,842
2012-13	29,940,595	2.1%	29,936,633	2.2%	3,962
Source: audited financial statements					

Year End Ancillary Fund Results (before inter-fund transfers)					
Year	Oper. Revenues	% incr.	Oper. Expenditures	% incr.	Net oper inc
2022-23	2,739,668	21.9%	2,736,881	-1.3%	2,787
2021-22	2,246,800	271.9%	2,772,146	27.2%	-525,346
2020-21	604,165	-80.5%	2,179,878	-31.7%	-1,575,713
2019-20	3,096,079	-10.0%	3,190,109	-1.4%	-94,030
2018-19	3,439,975	1.3%	3,236,020	-1.6%	203,955
2017-18	3,395,406	8.2%	3,289,641	2.2%	105,765
2016-17	3,138,288	-2.5%	3,220,116	-6.3%	-81,828
2015-16	3,220,160	-0.8%	3,435,023	-9.8%	-214,863
2014-15	3,246,767	-20.7%	3,809,309	-5.5%	-562,542
2013-14	4,096,299	-40.6%	4,030,916	-39.7%	65,383
2012-13	6,890,879	-3.5%	6,688,693	-3.8%	202,186
Source: audited financial statements					
Note: Since August 2013, food service' revenues and expenditures no longer part of STU financial statements (except for conference services and food services commission revenue).					

**APPENDIX II:
2022-23 Tuition Fees for a Bachelor of Arts**

University	Domestic Tuition
Acadia	10,054
MtA	10,015
StFX	9,938
NSCAD	9,580
CBU	9,045
MSVU	8,928
SMU	8,990
Dal	8,853
Kings	8,853
U. Sainte-Anne	8,764
STU	8,280
UNB	8,177
U de M	7,795
UPEI	6,828
Average	8,864

University	International Tuition
Dal	31,900
Kings	31,900
SMU	22,370
NSCAD	21,451
Acadia	20,947
MtA	20,210
StFX	19,876
UNB	19,148
STU	18,610
CBU	18,090
MSVU	17,855
UPEI	14,838
U. Ste-Anne	14,425
U de M	14,285
Average	20,422

St. Thomas University
General Operating Revenue and Expenses
For Budget Year Ending April 30, 2025

Schedule I

	2024-25	2023-24	2023-24	Budget	Budget
	Budget	Budget	Forecast	Increase/ (Decrease)	Increase/ (Decrease)
				(\$)	%
Revenues					
MPHEC Operating Grant	13,867,100	13,515,700	13,515,700	351,400	2.60% (1)
MPHEC Fiscal Transfer to UNB	2,165,400	2,110,600	2,110,600	54,800	2.60%
Tuition and Compulsory Fees	16,351,800	15,909,100	15,324,000	442,700	2.78% (2)
Miscellaneous student fees	496,000	466,000	476,000	30,000	6.44%
Government and Other Grants	1,246,900	937,100	937,100	309,800	33.06% (3)
Advancement fundraising	400,000	400,000	200,000	0	0.00% (4)
Miscellaneous revenues	140,000	140,000	240,000	0	0.00%
Total Revenue	34,667,200	33,478,500	32,803,400	1,188,700	3.55%
Expenses					
Academic					
Faculty salaries and benefits	17,661,700	17,563,800	17,265,300	97,900	0.56% (5)
Department Expenses	302,600	279,200	245,000	23,400	8.38%
Travel Study and Research	422,100	422,100	405,000	0	0.00%
Other Academic	322,800	338,200	313,000	-15,400	-4.55%
	<u>18,709,200</u>	<u>18,603,300</u>	<u>18,228,300</u>	<u>105,900</u>	<u>0.57%</u>
Computing Services					
Salaries and benefits	792,700	740,200	770,200	52,500	7.09%
Systems Support	381,700	342,300	342,300	39,400	11.51% (6)
Other Computing	294,900	251,100	251,100	43,800	17.44% (6)
	<u>1,469,300</u>	<u>1,333,600</u>	<u>1,363,600</u>	<u>135,700</u>	<u>10.18%</u>
Administration and General					
Salaries and benefits	3,841,600	3,455,000	3,570,000	386,600	11.19% (7)
Unit Expenses	853,900	755,500	799,000	98,400	13.02% (8)
Other Administrative	436,000	421,700	413,200	14,300	3.39%
Advancement and Alumni	711,000	678,000	649,000	33,000	4.87%
Professional Services and memberships	312,000	265,000	245,000	47,000	17.74% (8)
	<u>6,154,500</u>	<u>5,575,200</u>	<u>5,676,200</u>	<u>579,300</u>	<u>10.39%</u>
Student Services					
Salary and Benefits	1,946,600	1,809,200	1,749,200	137,400	7.59%
Athletics	465,300	402,500	475,000	62,800	15.60% (9)
Scholarships	1,400,000	1,400,000	1,100,000	0	0.00%
Other Student Services	143,300	143,300	143,300	0	0.00%
	<u>3,955,200</u>	<u>3,755,000</u>	<u>3,467,500</u>	<u>200,200</u>	<u>5.33%</u>
Physical Plant					
Salary and Benefits	207,200	186,800	186,800	20,400	10.92%
Utilities and Insurance	1,262,900	1,200,700	1,196,300	62,200	5.18%
Cleaning	734,400	602,000	729,800	132,400	21.99% (10)
Maintenance and Repairs	325,000	325,000	301,000	0	0.00%
	<u>2,529,500</u>	<u>2,314,500</u>	<u>2,413,900</u>	<u>215,000</u>	<u>9.29%</u>
Fiscal Transfer to UNB	2,165,400	2,110,600	2,110,600	54,800	2.60%
Total Expenditures	34,983,100	33,692,200	33,260,100	1,290,900	3.83%
Excess of expenses over revenues before inter-fund transfers	-315,900	-213,700	-456,700	-102,200	47.82%
Inter-fund transfers	320,000	215,000	457,000	105,000	48.84% (11)
Excess of revenue over expenses after inter-fund transfers	<u>4,100</u>	<u>1,300</u>	<u>300</u>	<u>2,800</u>	<u>n/a</u>

Footnotes to General Operating Statement:

Revenues:

- (1) Operating grant increase of 2.6%; additional 1.5% increase linked with enrollment growth of 2%
- (2) Increase of 4% for tuition fees.

Enrolment of 1,560 full-time students for 2024-25: 1,190 BA domestic; 175 international; 108 B.Ed; 59 B.SW and 28 M.SW.
- (3) 2024-25 budget includes \$539,800 in government funding for faculty limited-term appointments (see note 5).
- (4) Fundraising to partially offset \$1,400,000 budgeted for scholarship expenditures.

Expenditures:

- (5) Includes annual provisions for career progress increments and cost of living adjustments. Budget also includes provision of \$701,700 for repayment of expenditures charged to internally restricted funds for faculty retirements.

LTA positions: Education.

Externally funded LTA positions: (5) Education (2), Social Entrepreneurship,
Environmental Sustainability (2)

Summary of full-time faculty positions 2024-25

Funded in operations: 94; tenured/probationary 88; LTA 6.

Funded in Endowed Chairs: 3; Citizenship and Human Rights, Criminology, Native Studies,

- (6) Software licenses subject to inflationary increases; system support of \$35,000 no longer funded by external grant funding.
- (7) Includes 2 positions not included in 2023-24 budget (Recruiting and Registrar's Office); includes one externally funded position; increased provision for employee benefits to reflect current rates.
- (8) Increase in recruiting costs for provincial collaborative recruiting efforts.
- (9) General increase in travel and tournament expenses.
- (10) Increases related to new custodial contracts.
- (11) Transfers from Gerontology Chair for academic salaries.

St. Thomas University
Ancillary Budget-Normal Operations
For Budget Year Ending April 30, 2025

Schedule II

	2024-25	2023-24	2023-24	Budget	Budget
	Budget	Budget	Forecast	Increase/ (Decrease)	Increase/ (Decrease)
				(\$)	%
Residence Fees	2,883,500	2,730,700	2,820,000	152,800	5.6% (1)
English Language Program	0	150,000	98,600	-150,000	-100.0% (2)
Miscellaneous	180,000	80,000	201,400	100,000	125.0% (3)
Total Revenue	3,063,500	2,960,700	3,120,000	102,800	3.5%
Expenses:					
Administration Salaries and Benefits	483,000	466,000	466,000	17,000	3.6%
Utilities	499,800	617,000	462,300	-117,200	-19.0% (4)
Property Management	535,200	435,000	501,300	100,200	23.0% (5)
Residence student staffing	181,100	161,500	161,500	19,600	12.1%
Residence Bursaries	100,000	160,000	100,000	-60,000	-37.5% (6)
Maintenance and Repairs	331,300	306,300	306,300	25,000	8.2%
Interest on long-term debt	266,500	270,000	270,000	-3,500	-1.3%
Insurance	77,500	62,000	62,000	15,500	25.0%
Equipment Purchases	19,100	19,100	19,100	0	0.0%
Miscellaneous	20,000	20,000	20,000	0	0.0%
Total Expenses	2,513,500	2,516,900	2,368,500	-3,400	-0.1%
Excess of Revenue over Expenses	550,000	443,800	751,500	106,200	23.9%
Principal payments on long-term debt	445,000	436,000	436,000	9,000	2.1%
Net cash flow Ancillary	105,000	7,800	315,500	97,200	na (7)

Footnotes:

- (1) Occupancy of 410 for 2024-25; 90 singles; 286 doubles; 34 Windsor Street; rate increase of 3%.
- (2) UNB English Language Program not returning for 2024-25.
- (3) 2024-25 budget increase represents increased summer rental activity.
- (4) Adjustment to heating budget to reflect actual consumption.
- (5) Increase to custodial fees as per new contracts; general inflationary increases.
- (6) Adjustment to budget to reflect actual expenditures.
- (7) Net cash flow from operations is expected in future years to provide sufficient returns to pay for ancillary capital purchases and accumulated deficits as well as contribute to the University's scholarship program.

St. Thomas University
Restricted Fund Expenditures
For Budget Year Ending April 30, 2025

	Budget	Forecast	Budget	Average	Available
	2024-25	2023-24	2023-24	Fund Balance	(5%)
				2022-24	
Scholarships					
Externally restricted	699,000	750,000	645,000	13,983,400	699,000
Flow-through	100,000	75,000	100,000	0	n/a
	<u>799,000</u>	<u>825,000</u>	<u>745,000</u>	<u>13,983,400</u>	<u>699,000</u>
Endowed Chairs					
Canadian Citizenship & Human Rights	105,000	125,000	105,000	1,482,500	74,000
Catholic Theology	320,000	320,000	320,000	1,482,500	74,000 (1)
Criminology and Criminal Justice	115,700	62,000	62,000	1,178,000	59,000 (2)
Camp Endowment in Journalism	56,000	56,000	56,000	1,259,600	56,000
Gerontology	330,000	265,000	265,000	2,163,600	108,000 (3)
Native Studies	72,000	72,000	72,000	1,339,900	67,000
	<u>1,797,700</u>	<u>1,725,000</u>	<u>1,625,000</u>	<u>22,889,500</u>	<u>1,137,000</u>

(1) Includes transfer of \$300,000 for internally funded scholarships.

(2) Budget includes funding for full-time limited-term appointment; includes \$55,000 carryforward from 2023-24 to fund position.

(3) Includes transfer to operations for \$320,000 for academic salaries.

**St. Thomas University
Capital Expenditures
For budget year ending April 30, 2025**

OperationsEquipment

Computer equipment and furnishings	260,500	
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Renovations

Academic buildings and grounds improvements	421,500	
Holy Cross window replacement	275,000	

		957,000
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Total Capital Projects**Funding Sources**

Restricted Gov't Assistance-Non-space 2024-25	260,500	
Restricted Gov't Assistance-Alterations and Renovations 2024-25	213,500	
University Deferred Maintenance Program (UDMP) 2024-25	133,000	
Vanier Hall renovations-unused financing	350,000	

Total Funding Sources

		957,000
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