



St. Thomas
UNIVERSITY

Budget Summary Report
2023-24

May 2023

1.0 Introduction

An initial *Budget Development Report 2023-24* document was shared with to the University community in February 2023. The report is available at: <https://stu.ca/media/stu/site-content/about/faculty-reconition/administrative-offices/financial-statements-and-reports-/St.-Thomas-University-Budget-Development-Report-2023-2024---February-2023-.pdf>.

The *Budget Development Report 2023-24* identified the composition of the President's Advisory Committee on the Budget (PACB) and described the context and challenges of developing the 2023-24 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 2023-24* requested input by March 3, 2023, 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 30, 2023. 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 2022-23 activities produced (based on the Third Quarter Forecast):

- A forecasted deficit of \$358,400 in the General Operating Fund (before inter-fund transfers); and
- A forecasted surplus of approximately \$351,000 in Ancillary Operations (before principal payments on long-term debt of \$427,000).

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 10 years.

St. Thomas University's provincial operating grant for 2023-24 is \$15.4M, an increase of 2.0% compared to last year. The university can receive an additional 1.5% (\$227,000) if there is enrolment growth of 2% or more from 2022-23. This portion of our revenues continues to lag behind inflationary pressures, thus causing an inflation gap. For the fiscal year 2017-18 thru 2021-22, the operating grant increases totaled 5.5%, compared to an increase in operating expenditures totaling 11.0% over the same time period.

An on-going financial risk faced by the University is that of student enrolment. Between 2012 and 2021, St. Thomas' full-time enrolment declined by 30% (612 net full-time students). (Note: Other Maritime universities have experienced declines in liberal arts.) This situation was exacerbated by the pandemic.

2.2 TUITION FEES – GENERAL INFORMATION

Appendix II provides a comparison of 2022-23 tuition fees of domestic and international students for a Bachelor of Arts at Maritime universities and shows that St. Thomas had the fourth lowest domestic tuition fees (after UPEI, UNB and Université de Moncton), and sixth lowest international tuition fees (after Université Sainte-Anne, Université de Moncton, 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 six years.

	2021-22	2020-21	2019-20	2018-19	2017-18
actual operating expenditures (A)	\$ 33,729,619	\$ 33,615,164	\$ 33,524,378	\$ 32,469,510	\$ 31,082,559
Full-time Equivalent Students (FTEs)* (B)	1,813	1,926	1,993	1,980	1,965
actual operating expenditures per FTE (C)	\$ 18,604	\$ 17,453	\$ 16,821	\$ 16,399	\$ 15,818
(C = A / B)					
international tuition fee (D)	\$ 17,208	\$ 16,389	\$ 16,068	\$ 15,230	\$ 14,503
variance (C minus D)	\$ 1,396	\$ 1,064	\$ 753	\$ 1,169	\$ 1,315
*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 3% was approved for the academic year 2023-24. Approved tuition fees are outlined in the following table.

Table A: Tuition Fees for 2023-24

Program	Domestic Students	International Students who graduate from Atlantic Canada High Schools	International Students
BA	\$8,280	\$13,055	\$18,610
BEd	\$11,544	NA	\$23,583
BSW (Year 3)	\$9,193	NA	\$18,845
MSW	\$1,029 per 3 credit hour course	NA	\$2,107 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 \$13,455 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
- Mental Health \$ 50

The addition of a Recreation/Wellness Fee of \$25 has been approved. The recreation and wellness fee provides partial funding for fitness, wellness, recreation, and intramural sport related programming and services for all students. This fee also provides students access to all STU varsity games/events.

2.5 OPERATING BUDGET

The 2023-24 General Operating Budget is presented in Schedule 1. It reflects a deficit of \$213,700 before the transfer of \$215,000 from certain restricted funds, for a net profit (excess of revenues over expenses) of \$1,300 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 \$33.5 million in revenues and \$33.7 million in expenditures.
- The provincial operating grant of \$13.5 million and the fiscal transfer to UNB of \$2.1 million for a total of \$15.6 million.
- A projected enrolment of 1,637 which translates to 1,585 (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 \$15.9 million.
- External grants from government and other sources totalling \$937,100. This includes indirect costs related to research (\$113,900) and funding from the provincial government for several contract positions (\$823,182).
- Academic expenses totalling \$18.6 million and Administrative and General expenses totalling \$5.6 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 2.5% increase for single and double rooms. The rates for 2023-24 would be as follows:

- Holy Cross double room rate: \$5,802
- Holy Cross single room rate: \$8,791
- Vanier and Harrington double room rate: \$6,218
- Vanier and Harrington single room rate: \$9,247
- Vanier single room ensuite rate: \$10,302
- Windsor Street: \$5,064

The 2023-24 budget for ancillary operations is presented in Schedule II. The budget reflects an estimated surplus of \$7,800 after principal payments on long-term debt of \$436,000. The budget incorporates the following:

- It assumes occupancy of 400 students.
- It reflects the return of revenue from events held on campus (e.g., UNB's English Language Program).
- It reflects that 2022-23 was the last year of a 5 year pledge from the Sir James Dunn Foundation to be used for Harrington Hall renovations.

This break-even budget is similar to 2022-23 where we are forecasting a surplus in Ancillary Services of \$351,000 (before principal payments of \$427,000 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, 2023 is estimated at \$3.0M.

The meal plan rates for 2023-24 are provided below and reflect an increase of 7.5% due to increasing labour, food, and other costs.

- Freedom Plan \$4,895; 14 Meal Plan \$4,665; and 10 Meal Plan \$3,942

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 (\$21.0 million at March 2023).

The 2023-24 expenditure allocations from the University’s restricted funds are presented in Schedule III and incorporate the following:

- Total restricted fund expenditures of \$1.6 million.
- A 5% spend rate was used for the restricted funds with the following exceptions:
 - The Canadian Citizenship and Human Rights Chair represents a 6% spend rate.
 - The Endowed Chair in Gerontology represents a 10.7% spend rate. This includes \$215,000 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 2023-24 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>\$363,500</u>
Subtotal	\$1,903,500

6.0 Capital Expenditures Budget

The 2023-2024 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
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	Ancill revenues	% Incr.	Ancill expend.	% Incr	Net income
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 services' 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	9,761
MtA	9,725
StFX	9,650
NSCAD	9,301
CBU	8,784
MSVU	8,668
SMU	8,630
Dal	8,595
Kings	8,595
U. Sainte-Anne	8,509
STU	8,039
UNB	7,825
U de M	7,642
UPEI	6,570
Average	8,592

University	International Tuition
Dal	25,455
Kings	25,455
NSCAD	20,827
SMU	20,340
MtA	19,620
Acadia	19,543
StFX	19,300
UNB	18,323
STU	18,068
CBU	17,568
MSVU	17,335
UPEI	14,274
U de M	14,005
U. Ste-Anne	11,638
Average	18,697

St. Thomas University
General Operating Revenue and Expenses
For Budget Year Ending April 30, 2024

Schedule I

	2023-24 Budget	2022-23 Budget	2022-23 Forecast	Budget Increase/ (Decrease) (\$)	Budget Increase/ (Decrease) %
Revenues					
MPHEC Operating Grant	13,515,700	13,058,600	13,058,600	457,100	3.50% (1)
MPHEC Fiscal Transfer to UNB	2,110,600	2,039,200	2,039,200	71,400	3.50%
Tuition and Compulsory Fees	15,909,100	15,392,800	14,620,700	516,300	3.35% (2)
Miscellaneous student fees	466,000	453,000	475,000	13,000	2.87%
Government and Other Grants	937,100	753,200	753,200	183,900	24.42% (3)
Advancement fundraising	400,000	400,000	150,000	0	0.00% (4)
Miscellaneous revenues	140,000	140,000	140,000	0	0.00%
Total Revenue	<u>33,478,500</u>	<u>32,236,800</u>	<u>31,236,700</u>	<u>1,241,700</u>	<u>3.85%</u>
Expenses					
Academic					
Faculty salaries and benefits	17,563,800	17,062,100	16,444,800	501,700	2.94% (5)
Department Expenses	279,200	276,900	231,900	2,300	0.83%
Travel Study and Research	422,100	422,100	355,000	0	0.00%
Other Academic	338,200	365,700	291,000	-27,500	-7.52%
	<u>18,603,300</u>	<u>18,126,800</u>	<u>17,322,700</u>	<u>476,500</u>	<u>2.63%</u>
Computing Services					
Salaries and benefits	740,200	727,200	677,200	13,000	1.79%
Systems Support	342,300	301,300	301,300	41,000	13.61%
Other Computing	251,100	158,700	158,700	92,400	58.22% (6)
	<u>1,333,600</u>	<u>1,187,200</u>	<u>1,137,200</u>	<u>146,400</u>	<u>12.33%</u>
Administration and General					
Salaries and benefits	3,455,000	3,444,600	3,399,600	10,400	0.30%
Unit Expenses	755,500	616,300	663,800	139,200	22.59% (7)
Other Administrative	421,700	406,700	406,700	15,000	3.69%
Advancement and Alumni	678,000	676,600	652,600	1,400	0.21%
Professional Services and memberships	265,000	255,000	235,000	10,000	3.92%
	<u>5,575,200</u>	<u>5,399,200</u>	<u>5,357,700</u>	<u>176,000</u>	<u>3.26%</u>
Student Services					
Salary and Benefits	1,809,200	1,784,800	1,730,300	24,400	1.37%
Athletics	402,500	346,000	346,000	56,500	16.33% (8)
Scholarships	1,400,000	1,400,000	1,375,000	0	0.00%
Other Student Services	143,300	133,800	133,800	9,500	7.10%
	<u>3,755,000</u>	<u>3,664,600</u>	<u>3,585,100</u>	<u>90,400</u>	<u>2.47%</u>
Physical Plant					
Salary and Benefits	186,800	178,900	163,900	7,900	4.42%
Utilities and Insurance	1,200,700	1,073,700	1,081,300	127,000	11.83% (9)
Cleaning	602,000	583,000	583,000	19,000	3.26%
Maintenance and Repairs	325,000	325,000	325,000	0	0.00%
	<u>2,314,500</u>	<u>2,160,600</u>	<u>2,153,200</u>	<u>153,900</u>	<u>7.12%</u>
Fiscal Transfer to UNB	2,110,600	2,039,200	2,039,200	71,400	3.50%
Total Expenditures	<u>33,692,200</u>	<u>32,577,600</u>	<u>31,595,100</u>	<u>1,114,600</u>	<u>3.42%</u>
Excess of expenses over revenues before inter-fund transfers	-213,700	-340,800	-358,400	127,100	-37.29%
Inter-fund transfers	215,000	345,000	360,000	-130,000	-37.68% (10)
Excess of revenue over expenses after inter-fund transfers	<u>1,300</u>	<u>4,200</u>	<u>1,600</u>	<u>-2,900</u>	<u>n/a</u>

Footnotes to General Operating Statement:

Revenues:

- (1) Operating grant increase of 2%; additional 1.5% increase linked with enrollment growth of 2%
- (2) Increase of 3% for tuition fees.

Enrolment of 1,585 full-time students for 202-24: 1,230 BA domestic; 170 international; 105 B.Ed; 60 B.SW and 20 M.SW.

- (3) 2022-23 budget includes \$200,000 of restricted capital grants transferred for operations (\$0 transfer for 2023-24). 2023-24 budget includes \$344,000 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 \$300,000 for repayment of expenditures charged to internally restricted funds for faculty retirements.

LTA positions: (2) Criminology, Education.

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

Summary of full-time faculty positions 2023-24

Funded in operations: 98; tenured/probationary 91; LTA 7.

Funded in Endowed Chairs: 2; Citizenship and Human Rights, Native Studies,

- (6) Software licenses subject to inflationary increases; several licences funded by external grants during pandemic to be funded by operations in 2023-24.
- (7) Increase in recruiting travel costs of \$75,000 due to rising costs and resumption of in-person recruiting travel to pre-pandemic levels.
- (8) Increased costs associated with team travel.
- (9) Increase of 20% on heating expenditures.
- (10) Transfers from Gerontology Chair for academic salaries.

St. Thomas University
Ancillary Budget-Normal Operations
For Budget Year Ending April 30, 2024

Schedule II

	2023-24	2022-23	2022-23	Budget
	Budget	Budget	Forecast	Increase/ (Decrease)
				(\$)
Residence Fees	2,730,700	2,626,800	2,525,000	103,900 (1) (2)
English Language Program	150,000	0	0	150,000 (3)
Miscellaneous	80,000	180,000	180,000	-100,000 (4)
Total Revenue	2,960,700	2,806,800	2,705,000	153,900
Expenses:				
Administration Salaries and Benefits	466,000	432,700	432,700	33,300
Utilities	617,000	549,000	549,000	68,000
Property Management	435,000	403,000	385,000	32,000
Residence student staffing	161,500	126,300	165,000	35,200
Residence Bursaries	160,000	160,000	166,000	0
Maintenance and Repairs	306,300	300,700	285,000	5,600
Interest on long-term debt	270,000	288,100	288,100	-18,100
Insurance	62,000	62,000	62,000	0
Equipment Purchases	19,100	19,100	10,900	0
Miscellaneous	20,000	20,000	10,000	0
Total Expenses	2,516,900	2,360,900	2,353,700	156,000
Excess of Revenue over Expenses	443,800	445,900	351,300	-2,100
Principal payments on long-term debt	436,000	427,000	427,000	9,000
Net cash flow Ancillary	7,800	18,900	-75,700	-11,100 (5)

Assumptions:

- (1) Occupancy of 400 for 2023-24; 91 singles; 276 doubles; 33 Windsor Street On-campus occupancy only
- (2) Rate increase of 2.5%.
- (3) UNB English Language Program budgeted for first year since 2019 (pre-pandemic).
- (4) 2022-23 budget includes \$100,000 representing 5th of 5 year pledge from Sir James Dunn Foundation to be used for Harrington Hall renovations.
- (5) 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, 2024

	Budget 2023-24	Forecast 2022-23	Budget 2022-23	Average Fund Balance 2021-23	Available (5%)
Scholarships					
Externally restricted	645,000	594,000	594,000	12,899,600	645,000
Flow-through	100,000	100,000	100,000	0	n/a
	<u>745,000</u>	<u>694,000</u>	<u>694,000</u>	<u>12,899,600</u>	<u>645,000</u>
Endowed Chairs					
Canadian Citizenship & Human Rights	105,000	105,000	105,000	1,644,000	82,000
Catholic Theology	320,000	320,000	111,000	2,187,900	109,000 (1)
Criminology and Criminal Justice	62,000	62,000	62,000	1,242,900	62,000
Camp Endowment in Journalism	56,000	56,000	56,000	1,247,000	56,000
Gerontology	265,000	399,100	395,000	2,477,200	124,000 (2)
Native Studies	72,000	73,000	73,000	1,449,600	72,000
	<u>1,625,000</u>	<u>1,709,100</u>	<u>1,496,000</u>	<u>23,148,200</u>	<u>1,150,000</u>

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

(2) Includes transfer to operations for \$215,000 for academic salaries.

St. Thomas University
Capital Expenditures
For budget year ending April 30, 2024

OperationsEquipment

Computer equipment and furnishings	254,000
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Renovations

Academic buildings and grounds improvements	<u>691,200</u>
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945,200

Total Capital Projects**Funding Sources**

Restricted Gov't Assistance-Non-space 2023-24	254,000
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Restricted Gov't Assistance-Alterations and Renovations 2023-24	208,200
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University Deferred Maintenance Program (UDMP) 2023-24	133,000
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Vanier Hall renovations-unused financing	<u>350,000</u>
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Total Funding Sources

945,200