



St. Thomas  
UNIVERSITY

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**Budget Development Report  
2019-2020**

February 2019

## Message from the President

With the circulation of this *Budget Development Report*, we are beginning consultations for our 2019-20 budget. This process is an opportunity to learn about our financial operations and to provide feedback on our most important fiscal issues. To complement this Report, the Budget Town Hall will take place **Monday, March 25<sup>th</sup> at 4 pm in Brian Mulroney Hall, Room 101.**

We ended the fiscal year 2017-18 with an Operating Fund deficit of \$379,326 which was covered by an inter-fund transfer. When compared to the 2016-17 fiscal year, there was a modest increase in operating revenues and expenses of 1.7% and 1.5% respectively in 2017-18, reflecting our continued efforts to stabilize the enrolment level and manage operating expenses. Most of the increase in operating expenses was due to \$350,000 in scholarship and bursary expenses. This represents the first time since the 2013 fiscal year that Operations has had the capacity to incur some scholarship expenses while remaining within the planned Operating budget deficit of \$444,400. In the Ancillary Budget, there was a surplus of \$105,765. This is an improvement compared to last year's deficit of \$81,828.

For the current 2018-19 fiscal year, we are forecasting an Operating Budget deficit of \$353,700 (before inter-fund transfers) and an Ancillary Services surplus of \$187,800 (before principal payments on long term debt).

While there has been progress in addressing our fiscal challenges, the extensive use of inter-fund transfers to balance the operating budget is unsustainable. With the depletion of the internally restricted scholarship funds in 2018-19, we will have no choice but to accommodate a portion of scholarship/bursary expenditures in the 2019-20 Operating Budget. Those two factors will make the development of a balanced Operating Budget for 2019-20 very challenging.

Our highest fiscal priority is to continue to improve our financial sustainability and this involves several internal and external factors. We cannot overlook that New Brunswick universities have been underfunded relative to their counterparts in Canada. Even within the province, St. Thomas University has been underfunded relative to the other universities as our operating grant is 89% of the provincial average. This situation is compounded by the challenges of a shrinking number of high school graduates, our relatively small endowment, and the volatility of capital markets that affect endowment income.

As you are aware, we have been addressing the operating deficit with a multi-strategy approach to increase revenues and limit expenditure growth. Some of these strategies, which will take a number of years to realize, include:

- Stabilizing our enrolment level
- Implementing a multi-year plan to address the funding of scholarships and bursaries
- Continuing to implement retirement incentives for full-time faculty
- Continuing to rationalize non-academic expenditures
- Continuing the efforts to address the University's provincial operating grant inequity

- Continuing to raise funds through a Capital Campaign which will be helpful in augmenting our scholarship endowment, provide modest assistance with residence renewal, and support continued investment in student services.

As we begin planning for the 2019-20 budget, we face more uncertainty than in previous years. Inflation and collective agreement obligations normally result in annual cost pressures of 3.7%. However, the faculty and staff collective agreements will expire on June 30, 2019. Therefore, the actual cost of living increments for July 1, 2019 are not known. We are assuming student enrolment of 1,800 (fee paying) students. There is uncertainty regarding the amount of operating grant in the absence of a signed MOU with the Provincial Government. Lastly, with the completion of the five-year domestic tuition fee agreement with the Provincial Government in 2017-18, there is no longer a multi-year tuition plan in place.

During this consultation process, we invite comments and suggestions on all of these issues, particularly the setting of tuition fees. Our domestic tuition fee is now close to the provincial average, as was intended by the previous five-year schedule. As we plan for the future, how should our domestic and international tuition fees compare to other universities in the Maritimes in light of the competitive nature of the post-secondary education sector, our fiscal challenges, the intention of the three other provincial universities to undertake tuition reviews, and the Province's Free Tuition Program and Tuition Relief Program for the Middle Class? This report contains much more information on these issues.

As always, your feedback on these issues is greatly appreciated. You may provide your confidential feedback to [gallant@stu.ca](mailto:gallant@stu.ca) by February 28, 2019. The Committee will consider the suggestions, comments and feedback received as confidential.

In order to engage stakeholders and encourage feedback, the *Budget Development Report* will also be presented at the February meeting of the Senate and at a meeting of the President's Administrative Management Committee. We will also hold a Town Hall meeting on **Monday, March 25<sup>th</sup> at 4 pm in Brian Mulroney Hall, Room 101.**



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
- Dr. Kim Fenwick, Vice-President (Academic and Research) (ex officio)
- Lily Fraser, Vice-President (Finance and Administration) (ex officio) – Committee Chair
- Reg Gallant, Comptroller (ex officio)
- Dr. Jean Sauvageau, Associate Professor, Criminology Department (Senate Appointment)
- Dr. Tony Tremblay, Professor, English Department (Senate Appointment)
- Ashlen Henry, Director of Marketing (President's Appointment)
- Brianna Workman - Student (President's Appointment)
- Husoni Raymond - Student (President's Appointment)
- Philip Cliff, Director of Facilities Management (President's Appointment)
- Jeffrey Carleton, Associate Vice-President, Communications (President's Appointment)

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 the *Strategic Plan 2013-2018*.

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 2019-20 will be made to the Board of Governors' Finance Committee and finally to the Board of Governors in May 2019.

## FISCAL YEAR 2017-2018 FINANCIAL RESULTS

With respect to Operations, we ended the 2017-18 fiscal year with a deficit of \$379,326. This deficit was covered by a transfer of restricted funds of \$400,000. The annual audited financial statements are available on the University website.

The structural operating deficit is due to expenses being higher than revenues. Over 75% 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. When compared to the previous fiscal year, there was a modest increase in operating revenues and expenses of 1.7% and 1.5%, respectively, reflecting our continued efforts to stabilize the enrolment level and manage operating expenses. Most of the increase in operating expenses was due to \$350,000 in scholarships/bursaries expenses. This represents the first time since the 2013 fiscal year that Operations has had the capacity to incur some scholarship expenses while remaining within the planned Operating budget deficit of \$444,400.

For ancillary services, there was a surplus of \$105,765. This is an improvement compared to last year's deficit of \$81,828.

The Statement of Financial Position in the audited financial statements shows the assets, liabilities, deferred contributions and fund balances as at April 30, 2018. Overall, the value of total assets declined by \$1.5 million compared to the previous year. Similarly, the value of the total fund balances also declined by \$1.5 million, mostly due to the reduction in internally restricted scholarship funds.

These financial results are improvements compared to what was initially budgeted for 2017-18, namely an operating deficit of \$444,400 and an ancillary deficit of 37,500. We are pleased with the progress made in addressing the University's fiscal challenges. As we have stated in the past, we recognize that extensive use of inter-fund transfers to balance the operating budget is unsustainable. The significant reduction in the internally restricted scholarship fund is evidence of this. The operating budget on a go-forward basis (for 2019-20 and beyond) will need to be able to accommodate a portion of the scholarship and bursary expenditures.

## FISCAL YEAR 2018-19 PROJECTION (AS OF OCTOBER 31, 2018)

For the current fiscal year, St. Thomas University is forecasting general operations to have an excess of expenditures over revenues of \$353,700 before inter-fund transfers, compared to a budgeted operating deficit of \$439,900.

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 2018-19, we are forecasting a surplus of \$187,800 compared to a budgeted ancillary surplus of \$161,100 (before principal payments on long term debt), as occupancy in residence is similar to what was budgeted. The revenues in the ancillary budget are significantly affected by the rates established for residences. A comparison of current residence rates at some other NB Universities (as well as meal plan rates) is provided in Appendix H.

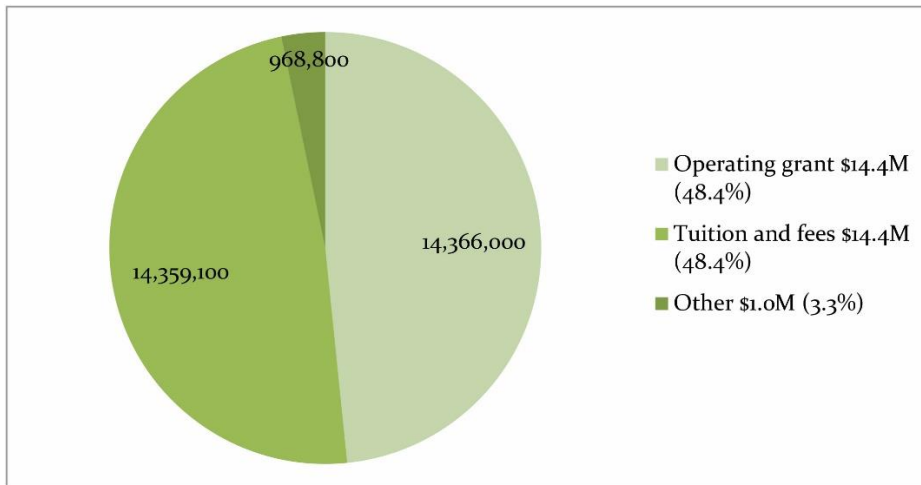
Our most serious institutional challenge is one of financial sustainability. While New Brunswick universities have been underfunded relative to their counterparts in Canada, St. Thomas University has been underfunded relative to the other universities in the province: the University's operating grant level is 89% of the provincial average (see Appendix A). Our annual revenue base is approximately \$1.4 million lower than it should be because of our operating grant level. 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.

### 2019-2020 BUDGET DEVELOPMENT CONTEXT

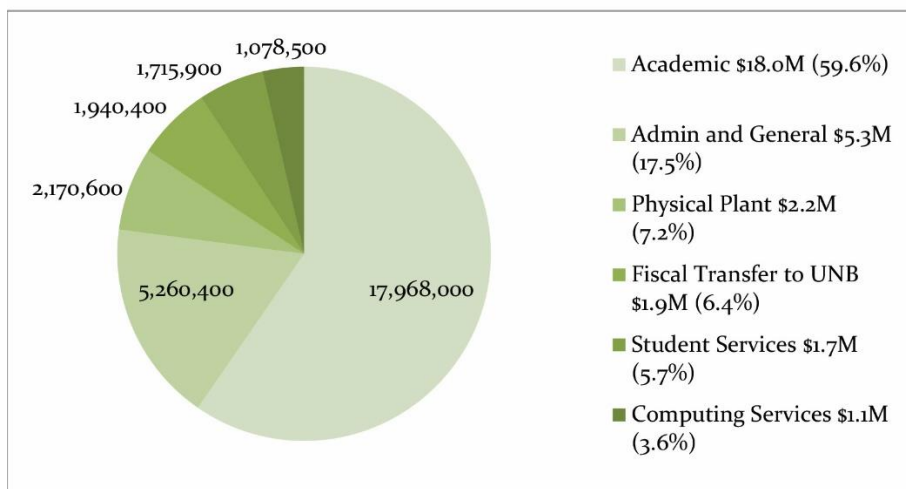
The most significant sources of revenue for the operating budget are the operating grant from the Province of New Brunswick/Maritime Provinces Higher Education Commission and tuition fees. In 2018-19, these sources each represented 48.4% of revenues. The remaining 3.3% of revenues include miscellaneous student fees, other government grants, Advancement annual fund, and miscellaneous revenues.

#### 2019-2020 Budgeted Revenues (Total \$29,693,900)



The most significant area of expenditure for the University are academic expenditures, followed by administrative and general, physical plant, the fiscal transfer to UNB (for library services, counselling services, and some recreation / athletics facilities), student services, and computing services.

#### 2018-19 Budgeted Expenses (Total \$30,133,800)



Appendix G shows a breakdown of our budgeted operating expenses for 2018-19, 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 78% 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 22% 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 \$1.3 million annually (2% of insured value of buildings, excluding ancillary). The operating budget for maintenance and repairs in 2018-19 was \$361,000. 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 does not go away and it eventually needs to be addressed, usually at a higher cost because of the passing of time and further deterioration of the asset.

Regarding ancillary services and deferred maintenance needs, we conducted a conditions assessment in 2013 of our older residences (Harrington Hall, Vanier Hall and Holy Cross House). The intent of residence renewal is to address the deferred maintenance needs of the residences over time, with Harrington Hall being the first phase. The renewal of Harrington Hall was completed in 2017. In 2019, we will turn our attention to planning the renewal of Vanier Hall.

For more detailed information on operating expenses, please see the 2017-18 Financial Statements and the 2018-19 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 1<sup>st</sup>.

Addressing the structural operating deficit will require 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 can affect our financial results include academic programming, ancillary operations, and fund-raising.

### **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 NB universities).

Appendix D provides information on enrolment at Maritime Institutions as reported by the Maritime Provinces Higher Education Commission (MPHEC). Between 2008 and 2017, St. Thomas' full-time enrolment declined by roughly 25% (605 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. In particular, since 2010 the size of the Anglophone high school graduating class in New Brunswick has declined sharply and is projected to continue to shrink by an additional 9% from 2017 to 2022. (See Appendix E). Moreover, although our share of Maritime liberal arts students has remained fairly stable at around 11-12%, during the same ten-year period the total number of undergraduate liberal arts students in the Maritimes fell by 23%. (See Appendix D)

On a positive note, we have managed to stabilize student recruitment since 2014 (we recruited 596 new full-time students in 2014, 641 in 2015, 662 in 2016, 677 in 2017, and 605 in 2018) after multiple years of sharp decline. Because of this trend reversal, overall enrolment stabilized at 1,953 total full-time students as of October 1, 2018 compared to 1,934 in 2017.

While high school graduates in NB and the general liberal arts enrolment continue to decline, we have increased our focus on international recruitment. Based on MPHEC data, international students at St. Thomas have increased from a low of 70 students in 2010 to 149 in 2017, which is our largest ever international student body.

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 1,092 full-time students will be returning to continue their study at St. Thomas in the 2019-20 academic year, compared to 1,166 continuing students in the 2018-19 academic year.

In the past ten years, the retention of new full-time first-year students admitted from high school has typically ranged from 69% to 75%. Retention for the 2017 cohort was exceptionally high at 79.4%. (See Appendix F). While the improvement in this year's retention rate is encouraging, it is too early to tell if it will continue or return to historic levels.

### **Provincial Operating Grant and Provincial Initiatives**

The provincial operating grant of \$14 million is at the same level as it was in 2014-15. Since the operating grant represents nearly 50% of total operating revenue, the lack of an annual increase in the operating grant means that this portion of our revenues is not keeping up with inflationary pressures, thus causing an inflation gap. In addition to the inflation gap issue, and as mentioned previously, St. Thomas has been and continues to be underfunded relative to the other Universities in the province (see Appendix A).

When the Provincial Government tabled its 2016-17 budget in February 2017, it stated that it hoped to announce memoranda of understanding (MOU) with each of the public universities. On January 25, 2018, the provincial government announced that it had reached agreements with the other three publicly funded universities. Highlights of the memorandums, which cover the 2017-18 to 2020-21 academic years, include:

- Increases to the universities' operational funding of one per cent in each of the first three years, followed by two per cent in 2020-21.



- 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.
- Universities may undertake a tuition review for which results would only be implemented in 2019-20 and apply to new students enrolled in 2019-20.
- Funding for pilot projects aims to increase enrolment and allow for more research and development opportunities.
- The universities agree to appear before a committee of the legislative assembly.

Since February 2017, there have been a number of discussions, meetings, and correspondence between the University and the Department of Post-Secondary Education, Training and Labour (PETL) regarding a draft MOU and the inequity in STU's operating grant. In May 2017, the Board of Governors directed the University not to sign the MOU presented to St. Thomas by the Provincial Government until the inequity in the University's operating grant is addressed. After the January 25, 2018 announcement, St. Thomas intensified its efforts to persuade the Provincial Government to provide an equity adjustment to STU's operating grant. However, no agreement was reached prior to the provincial election taking place in September 2018.

The Provincial Government has made a number of changes to its student financial assistance programs in recent years. The Free Tuition Program was introduced prior to the 2016-17 academic year and covers the tuition costs of students whose gross family income is \$60,000 or less. The Tuition Relief for the Middle-Class Program was introduced prior to the 2017-18 academic year and covers a portion of tuition costs for students whose family income is more than \$60,000.

Many factors come into play when students make decisions regarding whether to attend university, and which University they choose. We do not have the data to determine whether any potential increase in enrolment at STU might be related to these student financial assistance changes. We do know, based on information provided by PETL, that 605 STU students were eligible for \$2.5 M under the Free Tuition Program for the academic year 2017-18 (compared to 575 STU students who were eligible for \$2.4M in 2016-17). 133 STU students were eligible for \$283,000 under the Tuition Relief for the Middle-Class Program in 2017-18.

### **Tuition Fees**

In October 2013, the Province and St. Thomas University arrived at an agreement that established a five-year domestic tuition fee schedule, as part of a larger agreement that included a positive adjustment to the operating grant of \$225,000 (representing a 1.7% increase). Further to this agreement, the domestic tuition at STU was increased annually by no more than 3 % plus \$170 in order to bring our tuition close to the provincial average. The 3 % increase was based on the provincial average tuition of the three other publicly funded universities in New Brunswick. The academic year 2017-18 was the fifth and last year of that agreement.

Appendix C provides a comparison of 2018-19 tuition fees of domestic and international students at Maritime Universities which shows that St. Thomas had the fourth lowest domestic tuition fees (after Université de Moncton, UPEI, and UNB), and fourth lowest international tuition fees (after Université Sainte-Anne, Université de Moncton, and UPEI). Appendix C also provides comparison information on 2018-19 tuition fees for Bachelor of Education and Bachelor of Social Work Programs.

Undergraduate international students are not funded through government operating grants, nor are they eligible to receive provincial/federal student financial aid. Since the University does not receive operating grant funding for international students, the international tuition fee should approximate the cost of providing services. For 2018-19, the international tuition fee was increased by 5% from \$14,503 to \$15,230 in order to bring international tuition fees closer to the actual cost of providing services, and closer to the fee level charged at other institutions in the region.

The following table provides information on actual expenditures per FTE for the period of 2014-15 to 2017-18. This table shows that the current tuition fee of \$15,230 is lower than the actual cost of providing services (\$15,818/FTE).

	2017-18	2016-17	2015-16	2014-15
actual operating expenditures	31,082,559	30,620,043	31,168,065	31,800,266
FTEs*	1,965	2,011	2,060	2,165
actual operating expenditures/FTEs	15,818	15,229	15,133	14,688
international tuition fee	14,503	13,747	13,385	13,192
variance	1,315	1,482	1,748	1,496
*based on MPHEC figures for domestic and international students (actual calculated FTEs, including the Part-time and new Sem 2)				

**During this consultation process, we invite comments and suggestions on the setting of domestic and international tuition fees. Our domestic tuition fee is now close to the provincial average, as was intended by implementation of the five-year domestic tuition fee schedule in 2013. As we plan for the future, how should our domestic and international tuition fees compare to other universities in the Maritimes in light of:**

- **the competitive nature of the post-secondary education sector;**
- **the University’s fiscal challenges, particularly the need to cover part of the cost of scholarships and bursaries in Operations;**
- **the intention of the three other NB Universities to undertake a tuition review for which results will be implemented in 2019-20 and apply to new students enrolled in 2019-20; and**
- **the fact that the Province of New Brunswick has a Free Tuition Program and a Tuition Relief Program for the Middle Class. However, the Provincial Government in its recent Speech from the Throne has committed to “undertake an evidence-based review of existing programs supporting post-secondary education and compare and contrast their effectiveness with the canceled broad-based tax credits. We trust all parties will look at enrollment numbers and use evidence to ensure students have the security and predictability they need to plan their futures.”**

### **Full-time Faculty Composition**

Full-time academic wages and benefits represent 47% of operating expenditures (based on 2018-19 budgeted expenditures). The number of full-time faculty positions varies over time, in light of a number of factors such as fiscal realities, retirements (normally two per year), hiring decisions, etc.

The 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 tend to correlate with higher salaries. The cost of living adjustment for July 1, 2018 was 1.2%, while the cost of annual progress up the salary grid (“progress through the ranks”) is approximately 2.5% for a total cost increase of 3.7% at July 1, 2018.

The end of mandatory retirement has had a notable impact on our demographic profile, as can be seen from the following table that shows that 14.9% of full-time faculty members are age 65 and over:

**Table B: Number of full-time faculty positions by age group at October 31, 2018**

Faculty Age Group	Number	Proportion	Average Years of Service
Less than 50	37	36.6%	7.8
50 – 54.9	16	15.8%	15.8
55 – 59.9	15	14.9%	17.6
60 – 64.9	18	17.8%	17.8
65 – 69.9	11	10.9%	24.9
70 and over	4	4.0%	25.8
Total	101	100.0%	14.9 (overall)

(Note: The above table reflects all full-time faculty positions including Limited Term Appointments (LTAs), as well as three (3) Endowed Chairs. It excludes three (4) tenure-track positions where the incumbent is in an administrative role).

The goal is to re-align the number of full-time faculty positions with current student enrolment levels. This will be achieved through the continued implementation of retirement incentives. The retirement incentives are outlined in Memoranda of Understanding between the University and FAUST, and consist of a Voluntary Retirement Incentive (VRI) and a Phased-in Retirement Incentive. The VRI is expected to increase the number of retirements for the period of July 1, 2017 to July 1, 2019. However, the cost of the VRI also needs to be amortized over a few years. The end result is that the full cost savings will only be realized three (3) or more years after the actual retirements. The most significant cost savings will be in cases where replacement of the retiring faculty member is not necessary. In cases where there is replacement of a retiring faculty member, there will be some cost savings due to a new faculty member normally entering at a lower salary compared to the retiring faculty member.

Academic staffing decisions in relation to vacant positions will continue to be evidence-based and to consider needs/factors such as the trend in student enrolment in each program. It should be noted that, even if we are successful in encouraging retirements, we may need to replace a number of the resulting vacant positions as they could be in Departments where it would be difficult to leave the positions vacant.

## Rationalization of Non-Academic Expenditures

Over the past few years, we have implemented administrative budget reductions to address the structural operating deficit including:

- In 2013-14, there was a reduction of \$81,000 in repairs and maintenance.
- In 2014-15, there were reductions in Communications (\$50,000), repairs and maintenance (\$50,000), and Information Technology Services (vacant position not filled).
- Cost of living increment of 0% for non-unionized staff including Senior Leaders was implemented for 2016-17.
- 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).

With respect to opportunities to increase revenues, in 2017, the University with the assistance of KPMG, conducted a review of HST tax recoveries with respect to the HST paid on capital and operating expenditures related to buildings on the main campus. In 2016-17, this resulted in a net additional HST recovery in operations of \$152,000. For future years, we expect that this will result in annual savings of \$40,000 in operations.

Non-academic wages and benefits represent approximately 19% of operating expenditures (based on 2018-19 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 have 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.

Based on the above information, 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 2016-17 and as can be seen in the following table, St. Thomas had the lowest proportion of non-academic salary cost at 17.3%.

**Table C: Proportion of Non-Academic Salary Costs (“Other Salaries and Wages”) In Relation to Total Operating Costs for the Fiscal Year Ending in 2017** (Source: CAUBO 2017)

In thousands (000s)	STU	MSVU	CBU	St. FX	MTA	Acadia
Other salaries and wages	5,201	14,121	11,705	17,249	9,441	13,538
General operating expenses	30,078	46,032	48,098	76,566	42,996	71,012
Percentage of total	17.3%	30.7%	24.3%	22.5%	22.0%	19.1%

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.

## Academic Programming

In our efforts to manage expenditures, the number of budgeted (6 credit hour) courses has been reduced by 2.8%, from 378.5 in 2013-14 to 368.0 in 2018-19. 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, how many courses will 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.

In the past, new programming such as Criminology and Journalism has resulted in significant increases in enrolment. As part of the annual academic planning process, a number of strategies are currently being pursued that may result in new programming that is attractive to potential students considering attending St. Thomas University. We introduced a new major in Law, Politics, and Society last year; are continuing to explore the possibility of Global Studies and Business Communications as interdisciplinary offerings; are in the process of significantly expanding experiential learning opportunities for students, especially in the area of internships; and are continuing to develop offerings in Fine Arts and Human Rights.

The potential for alternative teaching models is considered to be relatively limited, as the liberal arts would be difficult to teach in an alternative manner (e.g. on-line) without significant investments. However, we are open to strategic partnership opportunities such as the Harvard HBX CORE program as that type of partnership represents a more cost-effective approach for us.

## Ancillary Operations

One of the priorities in the University's Strategic Plan 2013-2018 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 renewal of Harrington Hall represents the first phase of residence renewal.

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 residence occupancy. Lower enrolment and the changing living habits of university students have resulted in reduced residence occupancy and surplus capacity in our residence system. We do not foresee returning to a residence occupancy of 600 in light of the student enrolment numbers and the availability of other rental housing in Fredericton. Our goal therefore is to consolidate residence life on the main campus to produce a vibrant campus community with residences at full capacity.

The sale in July 2018 of the Forest Hill property and lease-back of Rigby Hall for a period of three years will serve to address the overcapacity in the residence system and the related reduction in costs will produce a positive return in Ancillary Services. The lease-back of Rigby Hall will help to facilitate the renewal of Vanier Hall within the next few years (Vanier would be expected to be off-line for one year while it undergoes renovations).

## 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.

Currently in the third year 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.

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. 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.

## Preliminary Projection for Fiscal Year 2019-20

As we begin the 2019-20 budget development process, we are faced with a number of known financial challenges, including our current operating budget deficit, as well as uncertainties relating to forecasted revenues and expenditures for 2019-20. Factors to be considered in the development of the 2019-20 operating budget include:

- For the current fiscal year, we are forecasting general operations to have an excess of expenditures over revenues of \$353,700 before inter-fund transfers.
- Inflation and collective agreement obligations normally result in cost pressures of approximately 3.7% per year. However, the faculty and staff collective agreements will expire on June 30, 2019 therefore the actual cost of living increments for July 1, 2019 are not known.
- We are assuming student enrolment of approximately 1,800 (fee paying) students. This is a preliminary enrolment estimate that will be updated in March 2019 when more information is available with respect to the number of applications received for the 2019-20 academic year.
- Uncertainty regarding operating grant level in the absence of a signed MOU with the Province.

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 in order to achieve financial sustainability. A number of these strategies will take more than one fiscal year to realize the financial results.

- Stabilizing the enrolment level.
- Implementing a multi-year plan to address the funding of scholarships/bursaries. The funding source for scholarships that were previously funded through internally restricted funds will need to be transitioned to other funding sources, such as Operations, capital campaign donations, etc.
- Continuing to implement retirement incentives for full-time faculty to help re-align the number of tenure track faculty positions in light of student enrolment numbers.
- Continuing to rationalize non-academic expenditures where possible.
- Continuing the efforts to address the University's provincial operating grant inequity.
- Although it does not have a significant impact on Operations, a successful Capital Campaign will improve the overall financial health of the University as the funds raised will help to re-build the scholarship endowment, provide modest assistance with the cost of residence renewal, etc.

## Key Questions for Budget Development

We invite comments and suggestions on the following topics:

- The financial challenges presented in this document.
- Our domestic tuition fee is now close to the provincial average, as was intended by implementation of the five-year domestic tuition fee schedule in 2013. As we plan for the future, how should our domestic and international tuition fees compare to other universities in the Maritimes in light of:
  - the competitive nature of the post-secondary education sector;
  - the University's fiscal challenges, particularly the need to cover part of the cost of scholarships and bursaries in Operations;
  - the intention of the three other NB Universities to undertake a tuition review for which results would be implemented in 2019-20 and apply to new students enrolled in 2019-20; and
  - the fact that the Province of New Brunswick has a Free Tuition Program and a Tuition Relief Program for the Middle-Class. However, the Provincial Government in its recent Speech from the Throne has committed to “undertake an evidence-based review of existing programs supporting post-secondary education and compare and contrast their effectiveness with the canceled broad-based tax credits. We trust all parties will look at enrollment numbers and use evidence to ensure students have the security and predictability they need to plan their futures.”

Please forward any suggestions, comments or feedback to [gallant@stu.ca](mailto:gallant@stu.ca) by February 28, 2019. The Committee will consider the suggestions, comments and feedback received as confidential.

## APPENDICES

- A - New Brunswick Universities Operating Grant 2016-17
- B - Endowment Funds
- C- 2018-19 Tuition Fees for Bachelor of Arts and Post-Baccalaureate Programs
- D – Enrolment
- E - Projection Of Size Of The Anglophone Grade 12 Class In NB
- F - Retention Of Full-Time First Year Students Admitted From High School
- G - Budgeted Expenditures for 2018-19
- H- Comparison of 2018-19 Meal and Residence Rates



## APPENDIX A

### New Brunswick Universities Operating Grant Support 2016-2017

	Operating Grant	WFTE*	Total Grant/ WFTE	% of Average
Mount Allison University	20,334,159	5,211	3,902	92%
St. Thomas University	14,045,916	3,743	3,753	89%
Université de Moncton	64,344,883	13,205	4,873	115%
University of New Brunswick	110,100,743	27,175	4,052	96%
Provincial Total	208,825,701	49,333	4,233	100%

A Full-Time Equivalent (FTE) is a calculated total of full-time students on December 1, part-time students on December 1, students in the previous Intersession/Summer Session, and new part-time students in Semester 2, each category given a value between 0.1 and 1.0 FTE. The MPHEC calculates FTEs for full-time undergraduate students based on headcounts while FTEs for part-time students are based on course load.

\*The weighted full-time equivalent (WFTE) is a calculated value intended to reflect the difference in the relative costs of various programmes of instruction. The WFTE value for each full-time student (as of December 1) is obtained by multiplying the student's Full-Time Equivalent value (FTE) by the specified weighting factor assigned to their programme. Psychology is assigned a weighting factor of 2.5; Journalism, Education, and Social Work are 2.0; and all other full-time or non-degree programmes are assigned 1.5. All part-time FTEs are assigned a weighting factor of 2.0.

The WFTE figures shown here are three-year averages in accordance with the provincial funding formula.

**APPENDIX B**  
**St. Thomas University Endowment Funds**  
**Budget 2018-19**

	<b>Budget</b> <b>2018-19</b>	<b>Average</b> <b>Fund Balance</b> <b>2016-18</b>	<b>Available</b> <b>(5%)</b>	
<b>Scholarships</b>				
Internally restricted	1,450,000	3,999,600	200,000	(1)
Externally restricted	350,000	7,150,400	358,000	
Flow-through	100,000	0	n/a	
	<u>1,900,000</u>	<u>11,150,000</u>		
<b>Endowed Chairs</b>				
Aquinas Chair in Interdisciplinary Studies	485,000	3,552,800	178,000	(2)
Canadian Citizenship & Human Rights	114,400	1,903,300	95,000	(3)
Catholic Theology	109,000	2,188,900	109,000	
Criminology and Criminal Justice	58,000	1,169,500	58,000	
Camp Endowment in Journalism	54,000	1,080,100	54,000	
Gerontology	150,000	3,005,000	150,000	(4)
Irving Chair in Journalism	52,000	1,032,800	52,000	
Native Studies	76,000	1,524,500	76,000	
	<u>2,998,400</u>	<u>26,606,900</u>	<u>1,330,000</u>	

(1) Budgeted scholarship expenditures from internally restricted funds represents \$1,250,000 more than available restricted funds warrant. To fully fund this on an ongoing basis, an additional \$25 million in funds would be required.

(2) Includes an additional transfer to operations for academic salaries bringing annual draw to 13.7%.

(3) Budgeted expenditures represent 6.0% of average fund balance.

(4) Includes an additional transfer to operations for academic salaries bringing annual draw to 5%.

**APPENDIX C**  
**Tuition Fees for a Bachelor of Arts**  
**2018-2019**

<b>University</b>	<b>Canadian tuition</b>
UdeM	5,947
U. Ste-Anne	7,560
<b>Average</b>	<b>6,754</b>
UPEI	6,150
UNB	6,758
<b>STU</b>	<b>6,776</b>
Dal	7,638
Kings	7,638
SMU	7,670
MSVU	7,701
CBU	7,800
MtA	8,295
StFX	8,570
NSCAD	8,670
Acadia	8,673
<b>Average</b>	<b>7,695</b>

University	International tuition
U. Ste-Anne	10,340
UdeM	10,899
<b>Average</b>	<b>10,620</b>
UPEI	13,326
<b>STU</b>	<b>15,230</b>
MSVU	15,402
CBU	15,600
UNB	15,951
SMU	16,580
St. FX	17,140
Dal.	17,148
Kings	17,148
Acadia	17,363
MtA	17,600
NSCAD	19,170
<b>Average</b>	<b>16,472</b>

## 2018-19 Tuition Fees for Post-Baccalaureate Programs

<u>BSW</u>	<u>Tuition Amount and Program Duration</u>	
STU	9,563 (15 month program) (500.00 practicum)	
Dalhousie	16,884 (24 month program (844.20 per 3 credit hours; 60 credits for degree)	

<u>BEd</u>	<u>Tuition Amount and Program Duration</u>	<u>Practicum Amount</u>
STU	9,359 (11 months; 60 credits)	500
UNB	10,137 (10 months; 60 credits)	500
UPEI	12,299 (12 months)	750
Crandall	16,020 (3 semesters)	600/semester
CBU	16,600 (16 months)	
MSVU	16,166 (24 months; 1,616.60 per unit; 10 units)	
St. FX	17,140 (24 months; 8,570 per year)	560 (2 years)
Acadia	18,026 (24 months; 9,013 per year)	

## APPENDIX D

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

Institution	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Cum. Change	
											N	%
Acadia	2422	2508	2563	2816	2965	3104	3093	2872	2970	2984	562	23.2%
Cape Breton	1947	1932	1872	1784	1755	1659	1550	1625	1601	1493	-454	-23.3%
Dalhousie	9330	10004	10362	10788	10667	10722	10731	10629	10197	9968	638	6.8%
Mount Allison	2022	2150	2248	2241	2290	2107	2051	2060	1974	1901	-121	-6.0%
MSVU	1933	1908	1944	1905	1889	1799	1852	1774	1745	1722	-211	-10.9%
Saint Mary's	4622	4406	4366	4199	4208	4119	3922	3790	3870	3769	-853	-18.5%
St. FX	4009	3888	3831	3830	3735	3740	3717	3686	3657	3542	-467	-11.6%
<b>St. Thomas</b>	<b>2337</b>	<b>2219</b>	<b>2301</b>	<b>2319</b>	<b>2210</b>	<b>2055</b>	<b>1872</b>	<b>1805</b>	<b>1777</b>	<b>1697</b>	<b>-640</b>	<b>-27.4%</b>
U de Moncton	3993	3964	3901	3784	3750	3502	3168	3060	3011	3103	-890	-22.3%
Sainte-Anne	365	368	363	298	333	311	289	265	234	228	-137	-37.5%
King's College	1041	1083	1104	1131	1065	1030	927	862	799	754	-287	-27.6%
UNB - F'ton	5373	5096	4993	5032	4935	4912	4815	4688	4598	4459	-914	-17.0%
UNB - SJ	1548	1595	1546	1561	1558	1453	1357	1321	1373	1470	-78	-5.0%
UPEI	2940	3035	3062	3086	3051	2920	2798	2666	2630	2728	-212	-7.2%
<b>Total</b>	<b>43882</b>	<b>44156</b>	<b>44456</b>	<b>44774</b>	<b>44411</b>	<b>43433</b>	<b>42142</b>	<b>41103</b>	<b>40436</b>	<b>39818</b>	<b>-4064</b>	<b>-9.3%</b>

Source: MPHEC Dataset STU\_DDB\_Enr2\_law\_separated.xlsx

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

Excludes Dalhousie, UdeM and UNB-F'ton Law

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

Institution	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Cum. Change	
											N	%
Acadia	408	354	335	349	380	369	377	390	431	448	40	9.8%
Cape Breton	229	254	313	545	637	657	584	577	533	652	423	184.7%
Dalhousie	635	755	1066	1283	1349	1519	1748	1892	2154	2362	1727	272.0%
Mount Allison	102	174	199	191	228	217	216	197	205	165	63	61.8%
MSVU	146	172	225	265	326	384	466	485	458	404	258	176.7%
Saint Mary's	854	1035	1147	1282	1483	1601	1615	1729	1862	1854	1000	117.1%
St. FX	191	249	247	250	226	206	209	227	282	257	66	34.6%
<b>St. Thomas</b>	<b>114</b>	<b>78</b>	<b>70</b>	<b>75</b>	<b>98</b>	<b>117</b>	<b>139</b>	<b>123</b>	<b>129</b>	<b>149</b>	<b>35</b>	<b>30.7%</b>
U de Moncton	325	431	465	494	594	710	731	718	606	547	222	68.3%
Sainte-Anne	33	48	39	38	38	42	67	144	140	94	61	184.8%
King's College	27	37	39	44	41	45	39	37	33	33	6	22.2%
UNB - F'ton	295	277	299	370	459	500	478	473	414	432	137	46.4%
UNB - SJ	256	260	277	432	416	352	295	302	216	201	-55	-21.5%
UPEI	267	286	355	387	399	444	480	556	657	772	505	189.1%
<b>Total</b>	<b>3882</b>	<b>4410</b>	<b>5076</b>	<b>6005</b>	<b>6674</b>	<b>7163</b>	<b>7444</b>	<b>7850</b>	<b>8120</b>	<b>8370</b>	<b>4488</b>	<b>115.6%</b>

Source: MPHEC Dataset STU\_DDB\_Enr2\_law\_separated.xlsx

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

Excludes Dalhousie, UdeM and UNB-F'ton Law

## Maritime Full-time Undergraduate Arts Enrolment 2008-2017

Institution	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Cum. Change	
											N	%
Acadia	908	887	952	1040	1067	1055	1015	937	970	958	50	5.5%
Cape Breton	909	924	849	747	767	719	606	597	560	518	-391	-43.0%
Dalhousie	2540	2662	2802	2864	2707	2533	2444	2348	2132	1982	-558	-22.0%
Mount Allison	1286	1364	1446	1420	1402	1280	1243	1250	1228	1132	-154	-12.0%
MSVU	1013	1009	998	993	1027	996	1032	972	980	968	-45	-4.4%
Saint Mary's	2529	2329	2373	2324	2246	2134	2013	1975	1978	1989	-540	-21.4%
St. FX	1460	1448	1339	1338	1226	1122	1103	990	970	870	-590	-40.4%
<b>St. Thomas</b>	<b>2160</b>	<b>2025</b>	<b>2045</b>	<b>2086</b>	<b>2010</b>	<b>1894</b>	<b>1740</b>	<b>1618</b>	<b>1586</b>	<b>1513</b>	<b>-647</b>	<b>-30.0%</b>
U de Moncton	668	662	654	673	667	651	619	657	695	700	32	4.8%
Sainte-Anne	87	82	104	90	90	59	45	43	23	19	-68	-78.2%
King's College	965	1003	1028	1057	985	944	834	769	714	675	-290	-30.1%
UNB – F'ton	1258	1164	1139	1076	1011	943	873	844	826	878	-380	-30.2%
UNB – SJ	660	735	707	680	659	571	516	460	437	501	-159	-24.1%
UPEI	1089	1132	1163	1156	1119	1025	944	808	800	822	-267	-24.5%
<b>Total</b>	<b>17532</b>	<b>17426</b>	<b>17599</b>	<b>17544</b>	<b>16983</b>	<b>15926</b>	<b>15027</b>	<b>14268</b>	<b>13899</b>	<b>13525</b>	<b>-4007</b>	<b>-22.9%</b>

Source: MPHEC Dataset Enr\_DDB2\_sans\_law.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

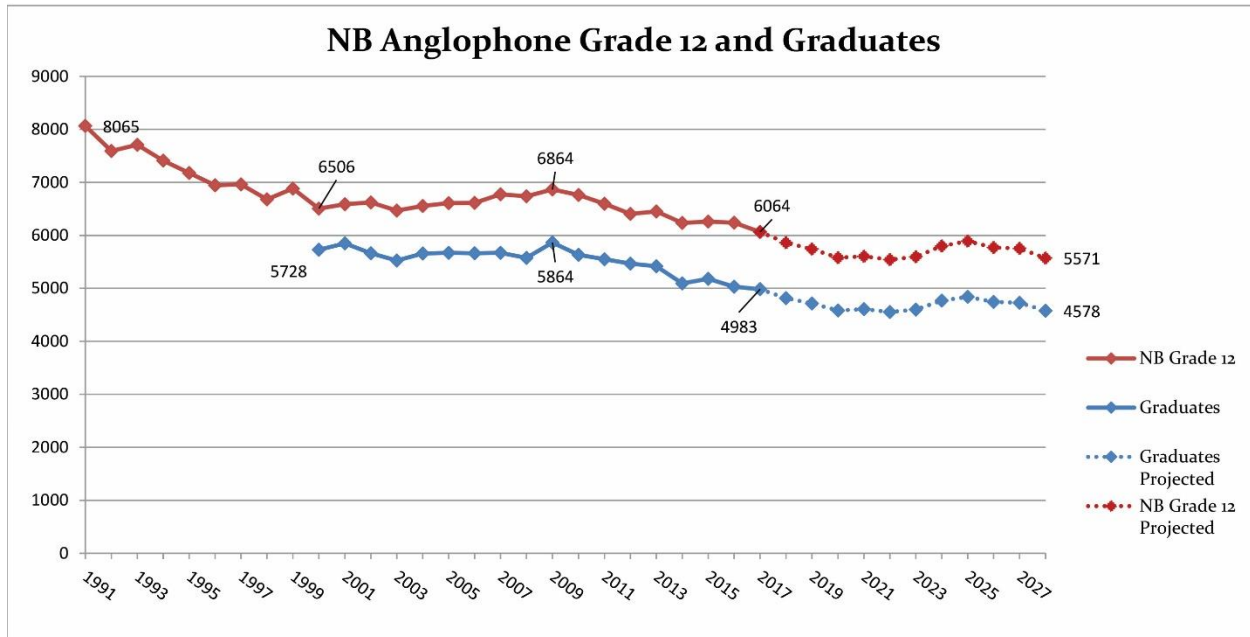
## Share of Maritime Full-time Undergraduate Arts Enrolment

Institution	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Acadia	5.2%	5.1%	5.4%	5.9%	6.3%	6.6%	6.8%	6.6%	7.0%	7.1%
Cape Breton	5.2%	5.3%	4.8%	4.3%	4.5%	4.5%	4.0%	4.2%	4.0%	3.8%
Dalhousie	14.5%	15.3%	15.9%	16.3%	15.9%	15.9%	16.3%	16.5%	15.3%	14.7%
Mount Allison	7.3%	7.8%	8.2%	8.1%	8.3%	8.0%	8.3%	8.8%	8.8%	8.4%
MSVU	5.8%	5.8%	5.7%	5.7%	6.0%	6.3%	6.9%	6.8%	7.1%	7.2%
Saint Mary's	14.4%	13.4%	13.5%	13.2%	13.2%	13.4%	13.4%	13.8%	14.2%	14.7%
St. FX	8.3%	8.3%	7.6%	7.6%	7.2%	7.0%	7.3%	6.9%	7.0%	6.4%
<b>St. Thomas</b>	<b>12.3%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>11.9%</b>	<b>11.8%</b>	<b>11.9%</b>	<b>11.6%</b>	<b>11.3%</b>	<b>11.4%</b>	<b>11.2%</b>
U de Moncton	3.8%	3.8%	3.7%	3.8%	3.9%	4.1%	4.1%	4.6%	5.0%	5.2%
Sainte-Anne	0.5%	0.5%	0.6%	0.5%	0.5%	0.4%	0.3%	0.3%	0.2%	0.1%
King's College	5.5%	5.8%	5.8%	6.0%	5.8%	5.9%	5.6%	5.4%	5.1%	5.0%
UNB – F'ton	7.2%	6.7%	6.5%	6.1%	6.0%	5.9%	5.8%	5.9%	5.9%	6.5%
UNB – SJ	3.8%	4.2%	4.0%	3.9%	3.9%	3.6%	3.4%	3.2%	3.1%	3.7%
UPEI	6.2%	6.5%	6.6%	6.6%	6.6%	6.4%	6.3%	5.7%	5.8%	6.1%

Source: MPHEC Dataset Enr\_DDB2\_sans\_law.xlsx

"Arts" includes CIP Groups General Arts, Humanities, Social and Behavioural Sciences and Law, Visual and Performing Arts  
Excludes UNB Law, and STU students in Education and Mathematics

## APPENDIX E



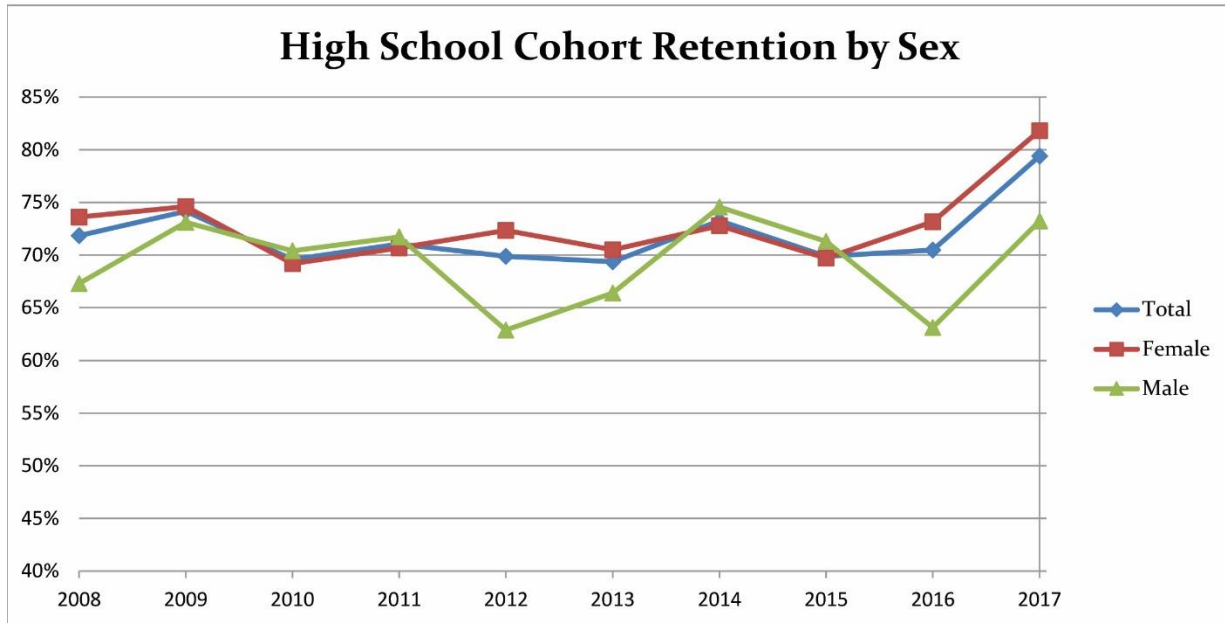
Source: Projection by Office of Institutional Research based on Dept. of Education and Early Childhood Development Summary Statistics 2001-02 to 2017-18



## APPENDIX F

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

Cohort Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total	79.4%	70.5%	69.9%	73.3%	69.4%	69.9%	71.0%	69.6%	74.1%	71.8%
Female	81.8%	73.2%	69.7%	72.8%	70.5%	72.3%	70.7%	69.2%	74.6%	73.6%
Male	73.2%	63.1%	71.3%	74.6%	66.4%	62.9%	71.7%	70.4%	73.1%	67.3%



Source: Analysis of December 1 retention by Office of Institutional Research

## APPENDIX G

### Expenditures for St. Thomas University (Budget year ending April 30, 2019)

			<u>Acad.</u> <u>Expenses</u>
Budgeted Expenditures 2018-19	30,133,800		
<u>Fixed Costs</u>			
<u>Academic Expenses</u>			
FT Academic Wages-tenured and tenure-track including benefits	12,708,100		12,708,100
FT Academic Wages Sabbaticals	1,199,400		1,199,400
Professional Development Allowances	260,000		260,000
	14,167,500	47.0% (1)	14,167,500
<u>Non-Academic Expenses</u>			
FT Wages and benefits	5,736,500		349,900
Utilities	1,098,800		
Cleaning and security	538,900		
Fiscal transfer to UNB	1,940,400		
	9,314,600	30.9%	349,900
Total fixed costs	23,482,100	77.9%	14,517,400
<u>Semi-fixed costs</u>			
PT Academic wages	2,142,900		2,142,900
Limited term FT Academic wages	630,300		630,300
Supplies, telephone, postage	262,600		131,600
Graduation	67,300		67,300
Computing software/licenses	423,200		
University publications	60,000		
University memberships	118,500		33,500
Professional and banking fees	260,500		
Recruiting travel and supplies	302,900		
Communications	322,900	(2)	
Advancement	168,300		
Athletics	344,900	(3)	
Maintenance and repairs	361,000		
Academic department expenses	308,200		308,200
Academic recruiting and VP special projects	136,800		136,800
Student wages	246,700		
Administrative unit expenses	132,100		
Miscellaneous admin expenses	225,700		
Student services unit expenses	136,900		
	6,651,700	22.1%	3,450,600
Total budgeted expenditures	30,133,800	100%	17,968,000

- (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.

