

Budget Summary Report 2017-2018

1.0 Introduction

An initial Budget Development Report 20118 document was produced and communicated to the University community in February 2017. The report is available at:

http://w3.stu.ca/stu/adminis_trative/vp_financial/documents/BudgetDevelopmentReport2017FIN_AL.pdf.

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

The Budget Development Report 201718also requested input with respect to the financial challenges outlined in the Report, as well as input with respect to international tuition fees. The feedback received as a result of the Budget Development Report as discussed at the PACB.

To further the campus discussion on budget development, the PACB held a Town Hall meeting on March 23, 2017At this meeting, a status update on our budget development plan to date was provided, and proposed strategies to help address the operating deficiwere presented. Approximately fifty (50) people attended, including PACB members, staff, faculty, and a representative of the New Brunswick Student Alliance.

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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 rovincial Government operating grant and tuition fees. The expenditure categories are those used genally for university reporting in Canada. At St. Thomas, salaries represent approximately 75% of operating expenditures.

In the fall of 2013, the Province and St. Thomas University agreed to a five ar domestic tuition fee schedule as part of a large agreement that included a positive adjustment to the operating grant of \$225,000 (representing a 1.7% increase).

The provincial operating grant of \$14 million in 201617 is at the same level as it was in 20165. Since the operating grant represents narly 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.

Further to the February 2017 provincial budgetand in follow up correspondence, the Provincial Government announced its intention to reach agreements with publicly-funded universities to establish four-year schedules for tuition and operating grant funding. (Please note that this coming year will be

graduates; a relatively small endowment; and uncertainty of capital markets that affect endowment/investment income.

The fiscal year that just ended (20162017) is expected to produce the following financial results:

x A forecasted deficit of \$808,000 in the General Operating Fund (before interfund transfers); and

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(NOTE: The above table reflects the tuition for New Brunswick students. At Mount Allison University and UNB, these students receive a rebate on the baseition to cap tuition at a 2% increase compared to 20136. The tuition fees for Canadian students who are not from New Brunswick and who attend UNB and Mount Allison University are reflected in Appendix III.)

Appendix III provides a comparison of 201617 tuition fees of domestic and international students at Maritime Universities which shows that St. Thomas had the third lowest domestic tuition fees (after Université de Moncton and UPEI), and fifth lowest international tuition fees at \$13,747 (after Université Sainte Anne, Université de Moncton, UPEI, and Mount Saint Vincent University). International tuition fees tend to be lower in Atlantic Canada. Examples of 201617 international tuition fees at similar primarily undergraduate universities outside of Atlantic

- o A \$367 increase that would bring tuition fee levels to
 - f \$6,643 for Arts programs
 - f \$9,175 for Education
 - f \$9,375 for Social Work
- o A \$756 increase that would bring tuition fee levels to:
 - f \$14,503 for international students
- o A \$50 increase for the following compulsory fees:

Х	Vanier and Holy Cross double room rate:	\$5,177
Χ	Vanier and Holy Cross single room rate:	\$7,191
Χ	Chatham and Harrington double room rate:	\$5,549
Χ	Chatham and Harrington single room rate:	\$7,563
Χ	Windsor Street:	\$4,182

Š < %

charged to the Scholarship Endowment. This represents a 13.7% draw and will continue an overuse of the Scholarship Endowment.

5.0 Capital Expenditures Budget

The 2017

APPENDIX I New Brunswick Universities Operating Grant Support 20162017

Total

Operating Grant/ % of Grant WFTE* WFTE Average

APPENDIX II MPHEC Policy on Operating Deficits

Operating Deficits

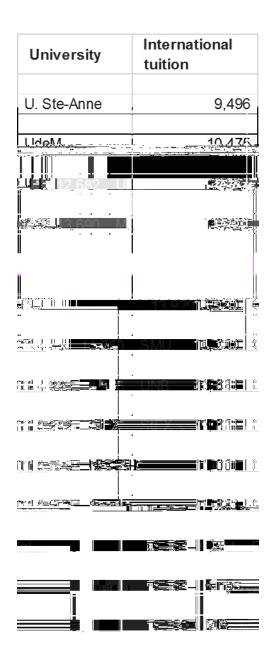
It is a policy of the MPHEC that institutions should not incur an operating deficit. However, where an institution has accumulated a deficit subsequent to 197475 in excess of 2.0% of annual operating grants, the following policy applies:

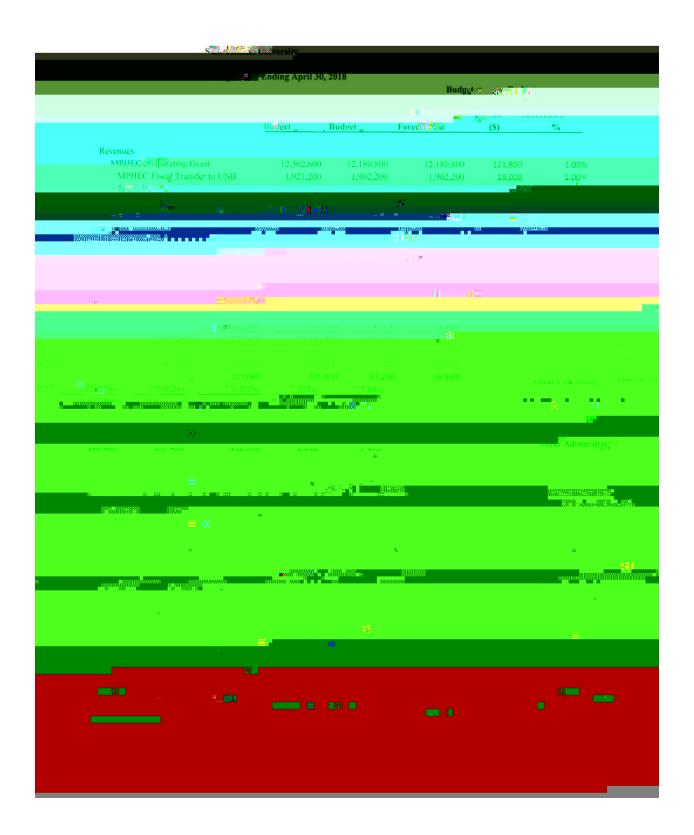
(1) Any such accumulated operating deficits must be reduced by a minimum of 2% of the next year's operating grant, up to the amount of the accumulated deficit. Institutions have the option of using operating funds or presenting a

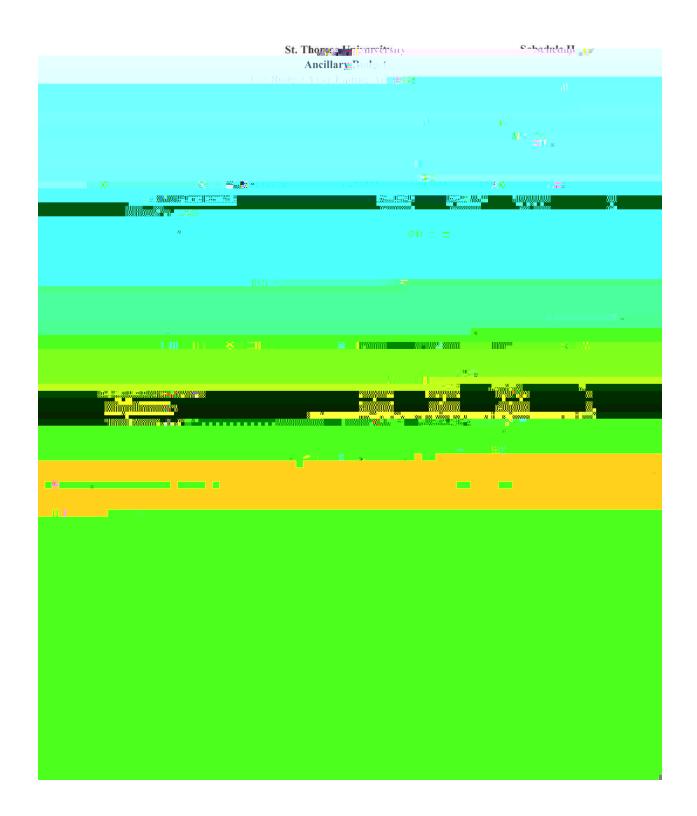
APPENDIX III Tuition Fees for a Bachelor of Arts 20162017

* New Brunswick students at UNB and Mount Allison University receive a rebate on the base tuition to cap tuition at a 2% increase (compared to 201516).

University	Canadian tuition
UdeM	5,716
UPEI	5,860







Schedule III



