



Budget Summary Report 2017-2018

May 18, 2017

1.0 Introduction

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

http://w3.stu.ca/stu/administrative/vp_financial/documents/BudgetDevelopmentReport2017FINAL.pdf.

The Budget Development Report 2017 was presented to the University's Committee on the Budget (PACB) and described the context and challenges of developing the 2018 budget. The principles which guided the development of the budget recommendations were:

- x The need to achieve a balanced budget where expenditures do not exceed revenues;
- x 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; and
- x The desirability of allocating resources to areas that support the strategic directions of the University.

The Budget Development Report 2017 also 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 was discussed at the PACB.

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

The 2017 Strategic Plan includes Financial Sustainability as a strategic priority. The PACB developed recommendations which were approved by the Board of Governors on May 6, 2017. The following sections of this report provide a summary of the approved operating, ancillary, endowment, and capital budgets for St. Thomas University for the fiscal year 2018.

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.

In the fall of 2013, the Province and St. Thomas University agreed to a five-year 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 2016~~17~~ is at the same level as it was in 2014~~5~~. 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.

Further to the February 2017 provincial budget and 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
- x

(NOTE: The above table reflects the tuition for New Brunswick students. At Mount Allison University and UNB, these students receive a rebate on the base tuition to cap tuition at a 2% increase compared to 2016. 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 2016/17 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 2016/17 international tuition fees at similar primarily undergraduate universities outside of Atlantic

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- 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:

Historically, there has been a price differential at Forest Hill (higher price of \$365 in 2016 for Harrington due to the significant improvements made as part of its renewal. Approved residence fees are as follows:

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

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

Operating Grant	WFTE*	Total Grant/ WFTE	% of Average
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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 197~~75~~ 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
2016/2017

* 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 2015/16).

University	Canadian tuition
UdeM	5,716
UPEI	5,860
	

Ending April 30, 2018

Budget

	Budget	Budget	Forecast	(S)	%
Revenues					
MPHEC Operating Grant	12,302,600	12,180,800	12,180,800	121,800	1.00%
MPHEC Fiscal Transfer to UNB	1,921,200	1,902,200	1,902,200	19,000	1.00%
Total	14,223,800	14,083,000	14,083,000	140,800	1.00%
Expenses					
Instruction	6,152,500	6,152,000	6,152,000	500	0.01%
Student Services	1,750,200	1,750,200	1,750,200	0	0.00%
Other Operating	420,700	426,700	420,000	6,700	1.58%
Administrative	5,900,400	5,553,100	5,553,100	347,300	5.89%
Total	14,223,800	14,083,000	14,083,000	140,800	1.00%
Net Change	0	0	0	0	0.00%

St. Thomas University
Ancillary Budget

Schedule II

For Budget Year Ending 12/31/2015

The image shows a budget table for St. Thomas University. The table is mostly blank, with some faint grid lines and illegible text visible. The text is too small and blurry to read accurately. The table appears to be organized into columns and rows, typical of a budget spreadsheet. There are some faint numbers and text visible, but they are not legible. The table is set against a background of horizontal color bands: light blue at the top, followed by cyan, green, yellow, orange, and red at the bottom.

