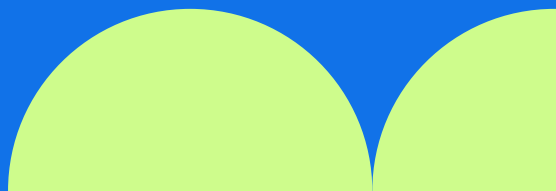


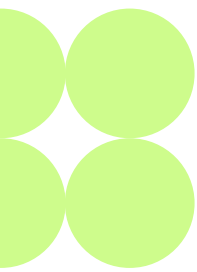


# LOYALiST COLLEGE

## BUSINESS PLAN

2024–2025





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# LOYALIST COLLEGE'S STRATEGIC CONTEXT

Our Strategic Plan reflects our aspirations to establish Loyalist as a Destination College, while we also respond to the major trends and issues that shape Ontario's post-secondary sector.

Loyalist College has many intersecting stakeholders. Our core mandate is to provide an empowered learning and applied research network that connects – and creates shared value for – our students, industry, and community. At Loyalist College, we understand that our continued growth and success will be based on the deep relationships that we build with the people and organizations around us.

Loyalist College is located on the territory of the Huron-Wendat, the Anishnaabeg, and the Haudenosaunee people. We acknowledge our shared obligation to respect, honour, and sustain these lands and the natural resources contained within.

## VISION

Loyalist College will be Ontario's Destination College, known locally, nationally, and internationally as a deliberate choice of students, faculty, and staff, where their experiences are enabled by an engaged and supportive culture.

## MISSION

Loyalist College empowers students, faculty, staff, and partners through experiential, economic, cluster-based applied programs and research that provide career-ready graduates for, and knowledge transfer to, industry and the community.

## VALUES



# STRATEGIC DIRECTIONS

Loyalist College will prioritize three strategies that build on what makes us special and will take us to the next level of delivering excellence for our students, faculty, staff, and industry and community partners.

**1** To become a Destination College, Loyalist College is committed to providing innovative educational programming that creates career-ready graduates and is responsive to market needs. Loyalist College will create cluster-aligned programs and applied research to pursue a differentiated, market-driven, regionally focused, cluster-based framework to learning and applied research that supports and enables student, faculty, staff, industry, and community growth and development.

**2** Loyalist College will deliver an outstanding student experience by providing an inspiring, well-rounded, and real-world student experience that offers choice and opportunities within and beyond the classroom.

**3** Loyalist College will strengthen organizational development and capacity by ensuring that required structures, resources, and funding are in place and aligned to meet the needs and expectations of students, faculty, staff, industry, community, and the growing College.





# STRATEGIC INITIATIVES/ BUSINESS PLAN FOR 2024–25



The college has continued to build out its team and has invested in key infrastructure initiatives at its campuses in Belleville and Port Hope.

This business plan represents the continuation of previous investments and the first year of a multi-year investment plan. This plan will look out 5 years with a view of ensuring affordability while making strategic investments where necessary to continue to grow enrolment and develop programs appropriate for the local economy and labour market.

This year started with plans for expansion of international enrolment while balancing programs to continue to attract domestic students. The federal government then made the decision to cap international enrolment. As a result of these governmental measures, and for a



period of at least two years, international student enrolment numbers are capped and directly pegged to domestic enrolment and labour market aligned academic programs. These measures will also result in the sunseting of Loyalist's Public College Private Partnership (PCPP) with Toronto Business College. Loyalist College has assessed the impact to its multi-year plan and has made the necessary adjustments to ensure it can make it through the two-year announced reduction and enhance its resilience should the previous levels of international enrolment not be reinstated.

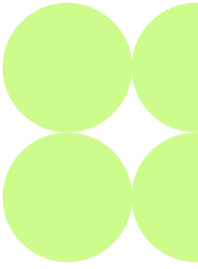
Taking a cautious approach to the first year of enrolment reductions, the college will continue to invest in necessary infrastructure for student success and facility modernization where necessary. Investments and new programs will be measured against the college's multi-year plan.

The college is in the process of renewing its strategic plan; the timing of the plan renewal during this time of significant change will help leadership to make informed decisions based on broad consultation and expert advice.

While we continue to work toward our Destination College aspirations and provide both exceptional academic programming and outstanding student experiences, we will also increase integration with our community, continue our leadership in applied research, and cultivate and maintain the strength that is our people.



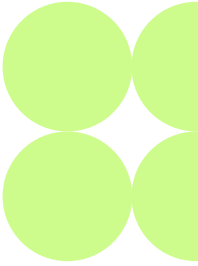
# STRENGTHEN THE DEFINITION OF DESTINATION COLLEGE AND IMPLEMENT KEY INITIATIVES



- Create academic identities for all locations to inform new program development.
- Redevelop Loyalist Training and Knowledge Centre (LTKC) including rebranding such that our skills practice better aligns with the changing needs of our community and industry partners.
- Build out an Advancement Office including staff, tools, and equipment to continue to develop and grow our supports for students, staff, and the college community.
- Continue to advance infrastructure improvements to support academic excellence and housing support for students that aligns with enrolment.
- Continue to build out regional relationships to grow academic, employment and growth opportunities for students.



# DELIVER AN OUTSTANDING STUDENT EXPERIENCE

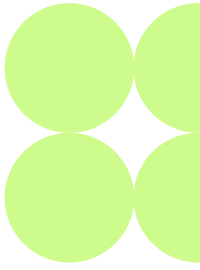


- Establish the College's framework for Graduate Attributes to inform the development and delivery of programs that effectively prepare students with employability and life skills that will help them succeed in their careers and personal lives. These include citizenship and social responsibility, Indigenous and cross-cultural understanding, entrepreneurship and technology, health and wellness, and ecological literacy.
- Redesign career services to enhance student employment outcomes, employer engagement, alignment with industry needs, skills development, tailor service through an inclusion, equity and accessible lens, and foster alumni engagement.
- Establish a culture of student safety through the development of a sexual violence and prevention training module for students, creation of a safe sport plan for athletes, and the establishment of a student conduct and accountability office.
- Review and evaluate the service standards with the goal of better optimizing the student health centre services, ensuring they meet the diverse health and wellness needs of our student population.





# STRENGTHEN ORGANIZATIONAL DEVELOPMENT AND CAPACITY



- Enhancement of Multi-year Operational Planning capability to include tools and processes for:
  - Strategic Enrolment Plan to support operational planning.
  - Human Resource Information Systems (HRIS), Client Relationship Management (CRM) and scenario-based planning tools.
- Completion of the Strategic Plan to include a focus on EDI.
- Expand experiential learning, including work integrated learning, to develop career-ready graduates.
- Launch new college-wide website that incorporates our rebranding and the associated look and feel.



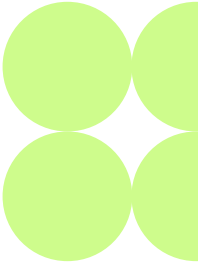


# REPORT ON THE 2024–25 ANNUAL BUDGET





# CONTEXT FOR THE BUDGET



The 2023-24 year introduced two significant changes to the Ontario post-secondary landscape. Each of these changes introduced lasting financial challenges to post-secondary institutions – one change that will reduce colleges' revenues, the other will increase their expenses. The former is a restriction to international student visas.

On Jan. 22, 2024, Immigration, Refugees and Citizenship Canada (IRCC) announced Canada-wide changes to the International Student Program. The announced

measures, which will be in place for two years, are aimed at reducing the number of international student permit applications across the country. For 2024, they are expected to result in approximately 360,000 approved study permits, a decrease of 35% from 2023. Other major changes that directly impact Loyalist include:

- Students enrolled in a program of study that is part of a curriculum licensing arrangement (i.e., in a Public College Private Partnership (PCPP) like the one Loyalist shares with Toronto Business





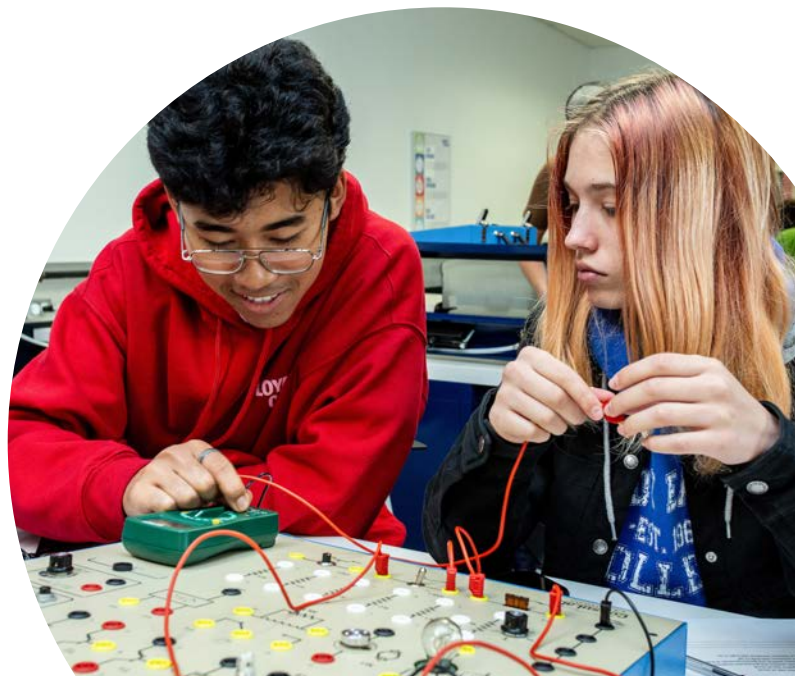
College) will no longer be eligible for a post-graduation work permit (PGWP) for studies starting after May 15, 2024;

- The application allocation applies to first-year incoming international students and stipulates the total number of study permit applications that Loyalist can submit for 2024-2025 (Spring 2024, Fall 2024 and Winter 2025);
- The application allocation presumes an approval rate from IRCC based on Loyalist's approval rate for 2023;
- While the allocation itself cannot be shared publicly, it was informed by several factors, including our 2023-2024 first-year domestic student enrolment, labour market needs and international student enrolment in high-priority programs (e.g., STEM, Health Human Resources, Construction/Trades, Hospitality, and Childcare), and our international student study permit approval rate for 2023;
- We must ensure that we enroll the same number (or more) of first-year international students in the high-priority programs of study as compared to 2023-2024;
- Effective immediately, there is a moratorium on enrolling international students in one-year business/management programs for the next two years (e.g., Business, Business Management, Office Administration, Global Business Management, etc.); and
- Each college must attest to the fact that it has appropriate housing options available for new international students (e.g., a guaranteed spot in on-/off-campus

housing OR a dedicated housing contact to support new international students with finding accommodations in the community).

These new restrictions have implications for Loyalist across a wide array of dimensions. From a financial perspective, in the 2023-24 fiscal year, Loyalist's PCPP gross revenue + international student tuition revenue totalled just over \$101.5M. This revenue accounts for more than 60% of the college's total gross revenue in 2023-24. This revenue stream is being directly impacted by the changes implemented by IRCC in 2024 for the next 2 years.

The second major change with multiyear financial implications introduced in the 2023-24 fiscal year was the ruling that deemed Bill 124 unconstitutional. This resulted in corrective measures to full-time salaries across all employee groups, including part-time. Those corrective measures involved adjustments to retroactively adjust salaries to wage levels that would have been attained in the prior year had Bill 124 not been in effect.



The financial impact of these upward adjustments to salaries is profound for Loyalist and, more broadly, the post-secondary sector. Salary and benefit expenses comprised approximately 2/3 of non-PCPP expenses for Loyalist in 2023-24. There is also the enduring impact for absorbing increases to those salary expenses that, in some cases, exceed 7.5% year over year vs 2023 pre-Bill 124 projected wage rates.

In the face of these two simultaneous pressures on revenue and expense, Loyalist is continuing its efforts to ensure that we:

- Focus on delivering first-class teaching and learning experiences that our students and communities have come to expect from Loyalist;
- Accurately and prudently monitor, model, and make adjustments to detailed multi-year financial projections;
- Examine strategies for enhancing efficiencies on college operating expenses; and
- Explore alternate revenue streams.

It was against this backdrop that the College's 2024-25 Draft Budget was developed. Base budgets were developed across each of the College's divisions through collaborative meetings with senior College leadership. Enrolment projections incorporated a variety of new elements to reflect the evolving landscape and new requirements. Academic leadership worked closely with strategic enrolment, finance, and registrarial teams to develop budgets that captured these changes.

The effects of these changing circumstances are reflected in the 2024-25 Draft Budget. Just as the Academic Leadership team adapted their 2024-25 draft budgets to mirror the evolving landscape of a post – January 22nd world, so did the leadership team within the Student Life division. Their budgets adapted to the changes projected in student ancillary offerings for 2024-25, including increased full-time student numbers and increased student on-campus presence at Loyalist's Belleville and Port Hope campuses. This translates into greater resource needs to continue the provision of the same outstanding student experience that the Student Life team has been delivering to Loyalist students.

Internally, the College continues to build on our mission of being a destination of choice for faculty and staff who experience an engaged and supportive culture. Equity, diversity, and inclusion (EDI) initiatives and efforts are underway, with the College continuing to build its EDI division and planning a wide array of initiatives for 2024-25. The College's investment into its Institutional Effectiveness division will serve to further this mission to be a Destination College by enhancing the information flows and alignment of activities with the College's operational goals.

# 2024–25 BUDGET

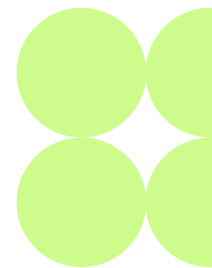


The draft budget for 2024–25 has a projected surplus of \$787,500. While domestic enrolment levels are projected at record levels, the financial impact of the restrictions to international student visas is profound. Meanwhile, operating expense levels have increased, as Bill 148 impacts have driven cost of labour upward.

The College will be strategic and thoughtful in any increase to its current allocation framework. The postsecondary landscape is in a state of considerable flux. With such

a high proportion of the College's revenue directly tied to enrolment, current gross revenue levels are prone to change from year to year. Accordingly, the College has been deliberate in its investments with long-term financial implications. Any such investments would only be undertaken after scrutiny in the context of 3 and 5 year financial projections.





# LOYALIST COLLEGE

## DRAFT BUDGET 2024–25

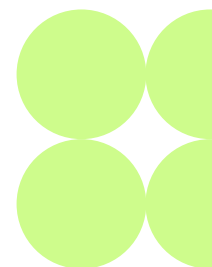
### Full Fiscal Year

	2023/24 Actual	2023/24 Budget	2024/25 Budget	Variance
Grant Revenue	25,574,560	26,883,012	28,580,303	1,697,291
Tuition Fees	42,950,282	44,211,937	45,502,021	1,290,084
Other Student Fees	2,045,206	2,146,734	2,070,671	(76,063)
Other Revenue	8,715,722	7,365,592	5,366,927	(1,998,665)
Amortization of Deferred Capital Contributions	3,151,932	3,315,000	3,363,895	48,895
<b>Total Operating Revenue</b>	<b>82,437,703</b>	<b>83,922,276</b>	<b>84,883,817</b>	<b>961,541</b>
<b>Net Contribution</b>				
<b>Envelope Contributions</b>	<b>(828,679)</b>	<b>(822,851)</b>	<b>(1,180,912)</b>	<b>(358,061)</b>
<b>Entrepreneurial Total Contributions</b>	<b>11,198,943</b>	<b>12,473,224</b>	<b>12,648,109</b>	<b>174,885</b>
<b>Ancillary Total Contributions</b>	<b>163,573</b>	<b>(552,941)</b>	<b>(611,610)</b>	<b>(58,669)</b>
<b>Total Net Revenue</b>	<b>92,971,540</b>	<b>95,019,708</b>	<b>95,739,404</b>	<b>719,696</b>
<b>Expenses</b>				
Academic & Student Services	43,188,653	43,680,293	46,670,466	(2,990,173)
Administration, Governance, Strategic Planning, Transformation & EDI	22,086,278	23,511,138	25,717,412	(2,206,274)
Amortization of Capital Assets	7,073,634	10,075,000	10,891,000	(816,000)
College wide	13,158,302	11,931,690	11,673,026	258,664
<b>Total Operating Expenses</b>	<b>85,506,867</b>	<b>89,198,121</b>	<b>94,951,904</b>	<b>(5,753,783)</b>
<b>Net Surplus (Deficit) for the year</b>	<b>7,464,673</b>	<b>5,821,586</b>	<b>787,500</b>	<b>(5,034,086)</b>

# LOYALIST COLLEGE

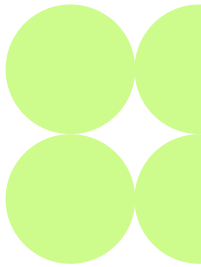
## DRAFT BUDGET 2024–25

### CIF STATEMENT



	2023/24 Actual	2023/24 Budget	2024/25 Draft Budget	Variance
<b>Revenue</b>				
MCU Grants and Other Government Grants	28,834,163	32,457,833	33,361,935	904,102
Tuition Fees	44,739,319	45,649,078	46,310,577	661,499
Private Public Partnership Tuition	67,560,869	65,230,714	52,417,724	(12,812,990)
Student Fees	6,495,295	6,211,116	6,766,514	555,398
Ancillary	3,102,235	2,667,175	3,181,738	514,563
Other Revenue	15,007,345	10,890,673	11,764,942	874,269
Amortization of Deferred Capital Contributions	3,151,932	3,315,000	3,363,895	48,895
<b>Total Revenue</b>	<b>168,891,158</b>	<b>166,421,589</b>	<b>157,167,325</b>	<b>(9,254,264)</b>
<b>Expenditures</b>				
Salaries and Benefits	69,227,339	70,981,298	74,392,292	(3,410,994)
Transportation and Communication Services	2,216,217	1,809,732	2,668,382	(858,650)
Maintenance, Utilities and Rentals	64,085,271	59,177,208	49,628,844	9,548,364
Supplies and Minor Equipment	6,447,283	6,594,963	7,381,054	(786,091)
Amortization Expense	4,302,874	4,081,998	4,742,332	(660,334)
Interest and Insurance	7,073,634	10,075,000	10,891,000	(816,000)
Other Expenditures	4,348,505	4,477,455	3,622,593	854,862
	3,725,362	3,402,350	3,053,328	349,022
<b>Total Expenditures</b>	<b>161,426,485</b>	<b>160,600,003</b>	<b>156,379,825</b>	<b>4,220,178</b>
<b>Net Operating Surplus (Deficit)</b>	<b>7,464,673</b>	<b>5,821,586</b>	<b>787,500</b>	<b>(5,034,086)</b>

# DISCUSSION OF MAJOR REVENUES AND EXPENDITURES



## Grant Revenue

The 2024–25 Draft Budget projects an increase of \$1.7M in grant revenue vs the 2023-24 Approved Budget. The announcement by the Ontario Ministry to invest heavily in the post-secondary sector in the wake of the financial challenges posed by the IRCC restrictions has resulted in provisions for increases to certain grant streams, including the College's Small, Rural, and Northern grant (SNR). Loyalist is also budgeting for an increase to its BScN grant in 24-25, directly correlated to increased full-time enrolment in this program. Finally, reduced full-time international student enrolment results in a decrease to International Student Recovery Holdback debits, thereby increasing grant revenue.

## Tuition and Ancillary Fees

There is an increase of \$1.3M in tuition fee revenue vs 23-24 budget amounts due to higher enrolment than was planned in the 2023–24 budget. There are three drivers of this increase. First, the College's Strategic Enrolment team is undertaking substantial recruitment efforts in the face of a fluid and dynamic post-secondary recruitment environment. The changes to immigration and post-graduate work visas that are unfolding in 2024 have altered the Ontario and even Canadian post-

secondary landscape. Second, the record enrolment that the College experienced, particularly among full-time first semester (i.e., Semester 1) students in Fall 2023, has resulted in substantially higher second-year tuition revenue for the 2024–25 budget than the College had budgeted for second-year tuition. Lastly, Loyalist's Port Hope campus is projecting an increase in full-time enrolment for 2024-25, the latter of which will be the first full cycle of enrolment at the campus.





### **Enveloped, Entrepreneurial, and Ancillary Activity**

Outside the College's Core Operating Fund, the Enveloped, Entrepreneurial and Ancillary funds are reflected on the budget statement as netted activity – i.e. the net of revenue less expense. In the case of each of these funds, they are captured as netted to reflect that the College receives revenue streams for a specific activity or specific set of activities. This includes portfolios such as Applied Research, student ancillary fee-funded activities, Ministry training programs, and student residences. The College's PCPP is similarly captured here in the College's Entrepreneurial fund.

In the 2023-24 budget, these 3 funds contributed a net \$11.1M. In the 2024-25 budget, the College is planning for a \$10.9 net contribution from these same 3 funds. The College's PCPP is the primary driver of this decrease, as the Spring 2024 semester marks the final intake of LCIT students for the College. Other meaningful changes for 2024-25 include an increase in gross activity in the College's Applied Research units, and increased expenses as part of the College's incremental budget request process for the College's Indigenous Centre and for Ancillary fee funded Student Experience portfolios.

### **Expenditures**

Except for contractual obligations, baseline operating expense budgets remain unchanged from 2023-24. All schools and departments were able to maintain status quo on non-salary expense growth. Contractual obligations were budgeted at the stipulated levels where and when

explicitly stated. When unknown, most contracts were allotted an inflationary 2.5% increase.

The total salary and benefit expenses budgeted in the draft 2024-25 budget is \$74.4M, or 61% percent of total College non-PCPP budgeted expenses. Most of the budgeted salary and benefit expenses will be paid to employees whose compensation is governed by collective agreements. These collective agreements include provisions for salary increases that have been included in all budget submissions across the College. Additionally, all Departments & Schools have budgeted their employees using the post-Bill 124 rate schedules.

The total amortization expense on capital projects has increased by \$816K. This increase is a result of the continued capital investment in the College's facilities and equipment to benefit students, staff, and the local community. Further evidence of this commitment to enhancing the College's facilities & equipment is found in the College's Draft 2024-25 Capital Budget.



### Incremental Budget Requests

Through the 2024–25 budget process, the College’s Executive team received a large number and dollar amount of incremental budget requests. The requests were reviewed, and decisions were made to ensure that the enrolment plan can be supported, that risks are mitigated, and that the College’s strategic objectives are being addressed within the resources available – particularly any investments that would require resources that extended into future years.

The incremental budget requests that have been included in the 2024-25 draft budget also focused on investments designed to:

- move the Destination College vision and initiatives forward
- deliver an outstanding student experience
- strengthen organizational development and capacity

### Risks to the Budget

- The Finance team is working collaboratively with Strategic Enrolment, Facilities, and senior leadership to develop realistic and insightful multiyear financial projections;
- Finance will hold monthly meetings with budget managers to improve oversight and resource management of their respective units; and
- For the first time in nearly a decade, Loyalist is prioritizing and dedicating resources towards more active cashflow management.

Enrolment, and its impact on tuition revenue, is the principal risk to the 2024-25 budget. The sensitivity of enrolment variance to surplus projection is significant. Such a small margin for error necessitates active monitoring of enrolment projections and regular touchpoints with key stakeholders. This is particularly true in such a dynamic landscape, as the post-secondary international recruitment market is slowly rebounding from a lengthy standstill during a period of uncertainty of immigration caps. To respond to this risk, numerous contingency and mitigation plans have been put in place to quickly respond to any major variation from the enrolment plan.



# LOYALIST COLLEGE 2024–25 CAPITAL BUDGET



The 2024–25 Capital Plan continues to invest in our academic, technology, and student support equipment and to address building maintenance requirements. The plan is funded through capital grants from the government as well as through operating funding and reserves. Although there is infrastructure funding from the government, additional funding is still required to allow maintenance spending to

rise to more appropriate levels. This year Loyalist College will continue to invest in the renewal of facilities and creating spaces that support the Destination College vision.





## Capital Funding

The following table depicts the funding received for capital and equipment as well as the internal resources that are allocated for capital expenditures.

College Equipment and Renewal Fund (CERF)	\$194,200
Apprenticeship Capital Grant (ACG)	\$381,000
Facility Renewal Program (FRP)	\$2,211,500
Student Government/Amortization	\$703,840
Amortization	\$34,224,015
<b>Total</b>	<b>\$37,714,555</b>





## Capital Expenditures

### Academic Equipment – \$1,698,715

This expenditure will support the replacement, renewal, and addition of new equipment that supports academic programming throughout the College. Funding will support a cross-section of programs across all three schools.

### Student Projects – \$703,840

These are projects that are identified by student government and funded by the student capital fees. Projects this year include refreshes of computer equipment used by students, upgrades to the student activity centre, the Shark Tank as well as fitness and athletics equipment.

### Technology – \$1,525,500

This expenditure supports the technology and infrastructure that supports students, faculty, and staff in all their daily

technology-driven activities. This year, most of this funding will be used to support the continued implementation of a new HRIS system for the college. Other expenditures include the normal refresh of information technology infrastructure

### Grounds – \$1,550,000

The Belleville campus sits on over 200 acres of land that includes expansive naturalized areas to the north and east of the Kente building. The focus of this year's investment is on the upgrade and expansion of in ground civil infrastructure to support the continued expansion of the college and to support new and expanded facilities.



**Building and Equipment Maintenance —  
\$2,986,500**

This includes funding for projects that are required to perform regulatory and preventative maintenance in areas that are deemed to be in most need. A third-party Facilities Condition Assessment and current operational challenges are used to prioritize projects. As in previous years, funding will focus on upgrades required by the Accessibility for Ontarians with Disabilities Act (AODA) and other projects to ensure personnel safety. The projects include classroom renovations, signage, and window replacement.

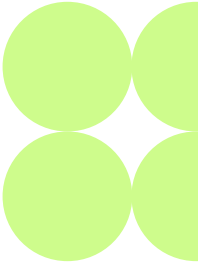
**Building Enhancement — \$29,250,000**

These are capital projects to support enhancements to the facility that are not deemed to be a maintenance item but need to be completed to support the overall function and aesthetic of the facility. These projects have an impact on the facility-related Key Performance Indicators and the strategic objective of becoming a Destination College.

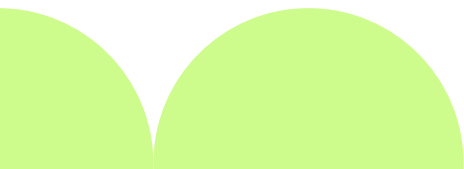




# 2024–25 CAPITAL BUDGET SUMMARY



Capital Projects	Estimated Cost	Amortization Expense	External Revenue Funding	Funding Source
Academic Equipment	\$1,698,715	\$339,745	\$575,200	CERF/ACG/ Amortization
Student Projects	\$703,840	\$140,770	\$140,770	Student Reserves/ Ancillary
Technology	\$1,525,500	\$305,100		Amortization
Grounds	\$1,550,000	\$155,000		Other/Amortization
Building and Equipment Maintenance	\$2,986,500	\$265,575		Amortization
Building Enhancement	\$29,250,000	\$1,462,500	\$2,211,500	FRP/Amortization
<b>Total</b>	<b>\$37,714,555</b>	<b>\$2,668,690</b>	<b>\$2,927,470</b>	







# LOYALiST COLLEGE

## **Loyalist College**

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