

LOYALiST COLLEGE

BUSINESS PLAN

2025–2026



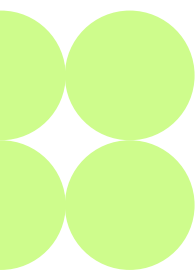


TABLE OF CONTENTS

Introduction	1
Vision, Mission, Values	2
Strategic Initiatives/Business Plan for 2025–26	3
Nurturing Talent and Potential	4
Advancing Innovative and Flexible Learning and Applied Research	5
Strengthening Connections and Impact	6
Report on the 2025–26 Annual Budget	7
Context for the Budget	8
2025–26 Budget	10
Loyalist College Budget 2025–26	11
Loyalist College Budget 2025–26 CFIS	12
Discussion of Major Revenues and Expenditures	13
Loyalist College 2025–26 Capital Budget	17
Capital Funding	18
Capital Expenditures	19



INTRODUCTION

Loyalist College, like many institutions in Ontario's college sector, is facing a period of significant change. The challenging decisions we are required to make today are necessary responses to shifting fiscal realities. These decisions, while difficult, must not define who we are. Rather, they reflect our commitment to adapt with purpose and lead with resilience.

At Loyalist, our approach has been strategic and future focused. We're not just asking what services or programs can no longer be delivered as they once were—we're asking how we can deliver them differently. How can we reimagine our operations and leverage the creativity, expertise, and dedication of our people to serve our students and communities in innovative ways? Every decision we make now is guided by a singular goal: to position Loyalist College for success over the next five years and into the future.

As we move through this necessary process of fiscal rightsizing, we have been heartened and inspired by the strong support from our community. Municipalities across our region have passed resolutions in support of the college. Our alumni have reached out to offer help, and our business partners have affirmed the essential role Loyalist plays in driving local and regional prosperity. While we have had to make sacrifices, our community has stood with us—not just in solidarity, but in celebration of our shared purpose.

This kind of collective support is rare, and it is a testament to the deep connections we have built. It reinforces our identity as a true community college, and we are proud to serve and grow with the people of this region. We are not only a college in this community; we are this community's college.

But we know that resilience alone is not enough. We must move forward with renewed purpose—grounded in our values and aligned with our vision for the future. That's why 2025 marks not only a time of transition but also a time of opportunity: the launch of our new Strategic Plan. Loyalist College's Strategic Plan 2030 reaffirms our core values - Caring, Accountable, Inclusive, Creative, and Engaging - while introducing three new guiding mindsets that will shape our decisions and actions:

- Truth and Reconciliation
- Equity, Diversity, and Inclusion
- Sustainability

Anchored by three strategic pillars, our new Strategic Plan will serve as the foundation for this year's business plan and will guide us through the next chapter of Loyalist College's journey. The following objectives for this year's business plan are measured and responsible and are the first step in moving Loyalist College strategically forward.

LAND AFFIRMATION

Loyalist College is built upon the lands governed by the Dish with One Spoon wampum agreement. We affirm and thank the Haudenosaunee, Anishinaabeg, and HuronWendat nations for their continued caretaking of the land. We offer respect to Indigenous people from all nations who call this area home. We honour traditional knowledge keepers, past, present, and future

VISION

Advancing our communities through transformative learning and collaborative leadership.

MISSION

Empowering learners to realize their potential through responsive and accessible education, applied research, and strategic partnerships that drive social advancement.

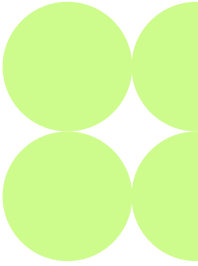
VALUES



STRATEGIC INITIATIVES/ BUSINESS PLAN FOR 2025–26



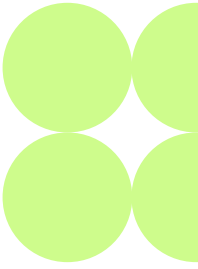
NURTURING TALENT AND POTENTIAL



- Redefine the student experience to align with changing demographics, evolving needs and institutional sustainability by identifying and implementing key improvements in service access, student satisfaction and engagement outcomes.
- Enhance competency and demonstrate institutional commitment to reconciliation, equity, diversity, inclusion and accessibility by delivering ongoing learning opportunities for the college community and integrating Indigenous priorities and equity-centred approaches into strategic planning and decision-making processes.
- Foster a culture of continuous learning by leveraging the knowledge and expertise of employees to support peer-to-peer development, strengthen internal knowledge, and nurture the growth and potential of all staff.
- Collaborate with employees, students, and community partners to review how experiential learning is designed and delivered and identify changes that can improve equitable access and relevance for students from diverse backgrounds and abilities.
- Advance the student Co-Curricular Record (CCR) by broadening the range of recognized activities and enhancing its visibility as a tool for personal and professional development, increasing both student and employer awareness of its value.
- Revise the existing recognition and appreciation programs to ensure employees feel valued and supported.



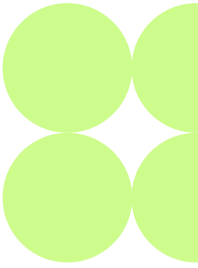
ADVANCING INNOVATIVE AND FLEXIBLE LEARNING AND APPLIED RESEARCH



- Expand applied research through collaboration with faculty and industry. Grow relationships with Indigenous communities and applied research.
- Expand flexible learning opportunities that incorporate varied delivery modes (e.g., online, hybrid, HyFlex, in-person), alternative scheduling options, and pathways to support the diverse needs of learners across different areas of expertise.
- Broaden our region-wide series of hands-on, creative learning experiences that welcome residents, visitors, and other community participants of all ages and backgrounds.
- Implement a technology-enabled solution that improves the learner experience by simplifying registration and access to non-standard non-credit credentials.



STRENGTHENING CONNECTIONS AND IMPACT



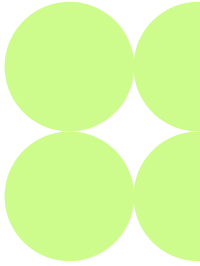
- Develop and implement a comprehensive institutional sustainability plan that balances targeted cost reductions with strategic revenue generation, with the goal of achieving a balanced budget aligned with current and evolving operating conditions.
- Build meaningful and respectful relationships with all Indigenous nations and communities within our region, fostering pathways to shared, mutually beneficial initiatives.
- Increase student engagement through expanded opportunities for community involvement and leadership development, empowering students to contribute both in and beyond the classroom.
- Position Loyalist as a welcoming community hub by exploring new opportunities to open our campuses and locations to external partners and groups, whether through meetings, collaborative initiatives, or inclusive events that celebrate diversity and foster a sense of belonging.



REPORT ON THE 2025–26 ANNUAL BUDGET



CONTEXT FOR THE BUDGET



The 2025-2026 budget for Loyalist College has been developed in the context of extraordinary and unprecedented challenges. The 2024–2025 academic year marked a pivotal moment not only for Loyalist, but for the entire Ontario college sector. The federal government’s January 22, 2024, Immigration, Refugees and Citizenship Canada (IRCC) policy changes triggered a rapid and severe disruption in the international student market. While the announced caps were concerning, it was the broader collapse of international student demand—fueled by ongoing and

unpredictable policy shifts—that dealt the most significant blow.

For more than a decade, the growth in international student enrolment has not only contributed essential tuition revenue to support the delivery of domestic programs and capital improvements, but has also enriched the academic and cultural life of our campuses—helping rural colleges like Loyalist continue offering accessible, high-quality education to learners across Hastings, Northumberland, Prince Edward, and Lennox & Addington coun-



ties. With that funding source no longer viable, Loyalist now relies almost entirely on a funding formula which has remained largely unchanged since 2015. We are grateful for the temporary provincial sustainability funding; however, it is limited in both scope and duration and does not address the long-standing structural funding shortfalls in the Ontario public college sector. While these structural challenges persist, we remain committed to working in partnership with the provincial government and across the sector to identify sustainable, long-term funding solutions that will support the continued success of our college and enable us to meet the evolving educational needs of our regions and communities. Faced with these stark realities, Loyalist was compelled to make extremely difficult decisions during the winter of 2025. These decisions—while painful—were necessary to safeguard the college's future. The 2025–2026 budget is a product of this moment of reckoning. It is a transitional, deficit budget that enables Loyalist to restructure, reduce operational costs, and reimagine how we deliver high-quality education and services in a more sustainable way.

This is not simply a year of cutbacks—it is a year of transformation. We must act decisively to create a more focused, entrepreneurial, and efficient Loyalist College. This includes completing organizational restructuring, diversifying revenue streams, and finding cost efficiencies in non-salary expenditures. While we acknowledge the challenges ahead, these steps are essential to reposition the college for long-term success.

Without Loyalist, access to post-secondary education in our region would be drastically diminished—forcing learners to pay significantly more elsewhere and reducing the likelihood that they return home to contribute to our local economy. Worse yet, some students may not be able to afford post-secondary education at all. That is not what our communities need—especially at a time when local industries are facing critical labour shortages and rural economies depend on a skilled, homegrown workforce.

Loyalist College plays a pivotal role in bridging the rural-urban divide in Ontario. This budget reflects the actions required to preserve that role. The decisions we are making today are not easy—but they are essential to ensure Loyalist continues to serve our learners, employers, and communities for generations to come.



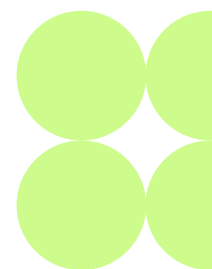
2025–26 BUDGET



The budget for 2025–26 has a projected deficit of \$14.4M. While domestic enrolment levels remain stable, the financial impact of recent changes to Canada's International Student Program—and the resulting rapid decline in international student enrolment—has been profound. This FY 25–26 reflects the teach-out of the college's Public College Private Partnership campus in Toronto and the numbers of international students at the Belleville and Port Hope campuses, which have been substantially lower than in previous years. Operating expenses

continue to increase and put pressure on the overall financial position of college.

The college will increase its funding cautiously, considering changes in the post-secondary landscape. With revenue largely tied to enrolment, annual fluctuations are expected. Therefore, investments with long-term financial impacts will only be made after careful review of three- and five-year financial projections.



LOYALIST COLLEGE

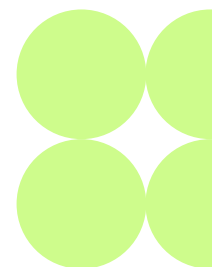
BUDGET 2025–26

Full Fiscal Year

	2023/24 Actual	2024/25 Midyear Projection	2025/26 Budget	Variance
Grant Revenue	25,574,560	29,161,763	29,674,419	512,656
Tuition Fees	42,950,282	46,432,544	28,872,488	(17,560,056)
Other Student Fees	2,026,686	1,890,120	1,677,333	(212,787)
Other Revenue	8,715,522	3,738,286	1,367,372	(2,370,914)
Amortization of Deferred Capital Contributions	3,151,932	3,254,437	3,275,412	20,975
Total Operating Revenue	82,418,983	84,477,150	64,867,024	(19,610,126)
<u>Net Contribution</u>				
Envelope Contributions	(828,379)	(1,386,065)	(701,812)	684,254
Entrepreneurial Total Contributions	11,217,364	11,253,059	3,531,136	(7,721,922)
Ancillary Total Contributions	163,573	(1,100,965)	(786,630)	314,335
Total Net Revenue	92,971,540	93,243,178	66,909,719	(26,333,460)
<u>Expenses</u>				
Academic & Student Services	43,188,653	48,468,404	43,511,109	4,957,295
Administration, Governance, Strategic Planning	22,086,278	25,458,945	20,383,946	5,074,999
College wide	13,158,302	10,490,059	6,622,135	3,867,924
Amortization of Capital Assets	7,073,634	10,320,307	10,793,000	(472,693)
Total Operating Expenses	85,506,867	94,737,715	81,310,190	13,427,525
Net Surplus (Deficit) for the year	7,464,673	(1,494,537)	(14,400,472)	(12,905,935)

LOYALIST COLLEGE

BUDGET 2025–26 CFIS



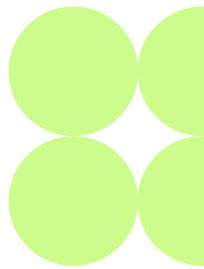
Revenue

MCU Grants and Other Government Grants	28,834,163	33,788,556	36,083,678	2,295,122
Tuition Fees	44,739,319	47,155,735	30,002,419	(17,153,316)
Private Public Partnership Tuition	67,560,869	49,801,165	10,565,951	(39,235,214)
Student Fees	6,495,295	6,736,588	5,498,441	(1,238,147)
Ancillary	3,102,235	3,738,062	3,970,094	232,032
Other Revenue	15,007,345	8,973,789	4,656,958	(4,316,831)
Amortization of Deferred Capital Contributions	3,151,932	3,254,437	3,275,412	20,975

Total Revenue

	2023/24 Actual	2024/25 Midyear Projection	2025/26 Budget	Variance
Total Revenue	168,891,159	153,488,332	94,052,953	(59,395,380)
Expenditures				
Salaries and Benefits	69,227,339	76,653,277	66,436,738	10,216,538
Transportation and Communication	2,216,217	2,496,545	1,194,896	1,301,650
PCPP Expenses	53,992,074	35,319,230	7,615,874	27,703,356
Services	10,093,197	11,634,858	7,941,918	3,692,940
Maintenance, Utilities and Rentals	6,447,283	7,660,686	7,018,562	642,124
Supplies and Minor Equipment	4,302,874	4,133,579	3,389,791	743,788
Amortization Expense	7,073,634	10,320,307	10,793,000	(472,693)
Interest and Insurance	4,348,505	3,457,393	2,389,791	1,067,602
Other Expenditures	3,725,362	3,266,993	1,672,854	1,594,140
Total Expenditures	161,426,485	154,942,868	108,453,425	46,489,444
Net Operating Surplus (Deficit)	7,464,673	(1,494,536)	(14,400,472)	(12,905,936)

DISCUSSION OF MAJOR REVENUES AND EXPENDITURES



Grant Revenue

Grant revenue in the 2025–26 budget has increased by a modest 2 percent, or \$513K, compared with the 2024–25 projection. While some of the yet-to-be-defined grant amounts are being projected conservatively in the 2025–26 budget against their 2024–25 projected amounts, those reductions are comfortably offset by gains that the college expects to realize on International Student Recovery (ISR) in 2025–26 grant dollars due to the college's decline in international enrolment.

Tuition and Ancillary Fees

There is a decrease of \$17.56M in tuition fee revenue versus 24–25 projections, due to steep declines in international enrolment. The changes to immigration and post-graduate work permits for international students, and the related implications on international students' demand for Canadian post-secondary education, have altered the Ontario and even Canadian post-secondary landscape. While Loyalist still plans to have a sizeable year 2 international cohort in 2025–26, year 1 international enrolment numbers are projected to decline steeply versus 2024–25, year 1 international enrolment counts. Domestic enrolment remains steady. The college has incorporated the impact of announced program suspen-

sions on enrolment projections and tuition revenue. The steep decline in international enrolment is similarly responsible for the \$213K decline in student ancillary fees.

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 (Public College Private Partnership) is similarly captured here in the college's Entrepreneurial Fund.

In the 2024–25 projection, these three funds contributed a net \$8.77M. In the 2025–26 budget, the college is planning for a \$2.04M net contribution from these same three funds. The college's PCPP is responsible for this decline. In Spring 2025, Loyalist College in Toronto (LCIT) will only have Semester 3 and 4 students. By Fall 2025, the final semester of Loyalist's PCPP, only Semester 4 students will be studying at LCIT. This reduction in PCPP activity offsets modest increases planned in the 2025–26 budget vs 2024–25 projection across a wide array of portfolios within these three funds.

Expenditures

Except for contractual obligations, baseline operating expense budgets have been adjusted to incorporate two major expense adjustments that unfolded in the 2024–25 fiscal year. The first major adjustment pertains to the largest single group of expenses that the college incurs: salary and benefits. The total salary and benefit expenses budgeted in the 2025–26 budget is \$66.44M. Outside of the college's PCPP (sunsetting) and amortization (non-cash) expenses, salary and benefit expenses comprise 74 per-

cent of total college budgeted expenses. Most of these budgeted salary and benefit expenses will be paid to employees whose compensation is governed by collective agreements. These collective agreements include provisions and projections for salary increases that have been included in all budget submissions across the college.

For 2025–26, operating budgets have been updated to reflect the structural changes that the college has made to staffing levels. Accordingly, the \$10.2M reduction to salaries and benefits in the 2025–26 budget, compared to the 2024–25 projection, is the result of a difficult period of employee layoffs in 2024–25.

The second significant adjustment to operating budgets reflects senior leadership's commitment to significantly curtail spending. Among other measures, in late Fall 2024, the college began requiring executive approval of all expenditures exceeding \$2,000. This commitment to austerity led to wide-spread savings vs planned expenditures. By the end of the 2024–25 fiscal



year, the college's core operating divisions had saved nearly \$3M, as compared with their 2024–25 projections. Moreover, each of the seven divisions represented had realized six-figure savings vs their 2024–25 projections, illustrating the widespread and uniform commitment to expense monitoring and reduction.

For 2025–26, the college anticipates this spirit of fiduciary responsibility and conservatism will persist. Such savings have been reflected in the 2025–26 budget, spread across a variety of accounts and departments.

For contractual commitments, the college budgeted these obligations at the stipulated levels where and when explicitly stated. When unknown, most contracts were allotted an inflationary 2.5 percent increase.

The total amortization expense on capital projects has increased by \$473K vs the 2024–25 midyear projection. 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. All capital projects will be completed this FY. Amortization expense will peak in FY 26–27 once all the construction in progress has been completed.

Incremental Budget Requests

There have been no incremental budgets requests for 2025–26 outside of minor adjustments to personnel required to deliver new programs. There will be a series of adjustments made to in-year funding which will be driven by the completion of academic facilities, but most of those will be adjusted at mid-year review.

Risks to the Budget

The budget for 2025–26 has been developed in recognition of the restrictions on spending that continue to be put in place and the central oversight required to ensure that any variances are contained, and risks mitigated quickly.

- The college's Finance team is working collaboratively with Strategic Enrolment, Facilities and senior leadership to develop realistic and insightful multi-year financial projections.
- Finance will actively monitor all spending



to ensure deviations to budgets and predictive cash flows remain within tolerance; and

- Loyalist is prioritizing and dedicating resources towards more active cashflow management.

Enrolment, and its impact on tuition revenue, is the principal risk to the 2025–26 budget. The sensitivity of enrolment vari-

ance 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.

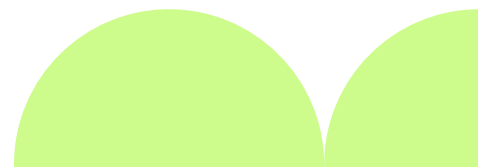


LOYALIST COLLEGE 2025–26 CAPITAL BUDGET



The 2025–26 Capital Plan continues to invest in our academic 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. 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 academic delivery.



Capital Funding

The following table summarizes 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)	\$276,750
Apprenticeship Capital Grant (ACG)	\$381,000
Facility Renewal Program (FRP)	\$2,414,100
Student Government	\$385,125
Amortization	\$17,425,000
Total	\$20,882,775



Capital Expenditures

Academic Equipment (CERF and ACG) — \$658,550

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 schools.

Building and Equipment Maintenance — \$2,414,100

This includes funding for projects that are required to perform regulatory and preventative maintenance in areas that are deemed to be in highest 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, as well as bathroom renovations throughout the college.

Student Projects — \$385,125

These are projects that are identified by Student Government and funded by the student capital fees. Projects this year will focus on improvements to student spaces including new and expanded spaces related to the new LEAF project.

Building Enhancement — \$17,425,000

These are capital projects to support facility enhancements that are not deemed a maintenance item but need to be completed to support the overall function and aesthetic of the facility. This is the last year of a multi-year capital enhancement plan which has revitalized many student-focused spaces within the college.





LOYALIST COLLEGE

Loyalist College

376 Wallbridge-Loyalist Rd.
Belleville, ON K8N 5B9

Email: info@loyalistcollege.com

Phone: 613-969-1913

Toll Free: 1-888-569-2547

TTY: 613-962-0633

loyalistcollege.com