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Business Plan

2026 – 2027

**LOYALiST
COLLEGE**

Table of Contents

02 Introduction

03 Land Affirmation

03 Vision, Mission, Values and Mindsets

05 Strategic Initiatives/Business Plan for 2026-2027

Strategic Pillar 1: Nurturing talent and potential

Strategic Pillar 2: Advancing innovative and flexible learning and applied research

Strategic Pillar 3: Strengthening connections and impact

06 Report on the Annual Budget

Context for the Budget

07 2026–2027 Budget

Loyalist College Budget 2026–2027

Loyalist College Draft 2026–2027 CFIS Statement

10 Discussion of Major Revenues and Expenditures

12 Loyalist College 2026–2027 Capital Budget

Capital Funding

Capital Expenditures



Introduction

Loyalist College is now operating in a very different environment than in recent years. New fiscal realities, changing enrolment patterns, and a more focused program mix have required us to make significant changes to how we operate. Over the past year, we have taken deliberate steps to realign our structures, priorities and resources.

These decisions have been difficult, and at times disruptive, but they have been necessary to support the sustainability of the college.

This year marks an important transition. Loyalist is now a smaller institution with a sharpened focus in key program areas. While our scale has changed, our role has not. We remain committed to supporting learners, employers and communities across our region, and to serving as a key driver of workforce development.

Our focus is now on operating effectively within this reality. Across the college, employees are adapting to new ways of working, new processes and new expectations. Their professionalism, care and accountability are what make this transition possible. This year's work is centred on stabilizing our operations, rebuilding confidence and strengthening how we deliver on our mandate.

At the core of our decisions is a continued commitment to access and quality. Students in our region should be able to pursue a high-quality post-secondary education close to home. Employers should be able to rely on a local educational partner that understands their needs and supports their growth. Loyalist College continues to play this role in the communities we serve.

This Business Plan is guided by Strategic Plan 2030 and informed by our values of Caring, Accountable, Inclusive, Creative and Engaging. It is also shaped by our commitments to Truth and Reconciliation; Equity, Diversity and Inclusion; and Sustainability. It sets out the college's key objectives and priorities for the year ahead, along with the operating and capital resources required to support them. Reflecting a more defined program mix and a constrained fiscal environment, it aligns institutional goals with available funding. The sections that follow provide context for the college's budget, outline planned investments and describe how the college will measure progress over the coming year. Together, they present a clear and disciplined approach to aligning resources with priorities and supporting the college's continued progress.



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 Huron-Wendat 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



Caring

We attend to, and focus on, the individual and collective success of our students, faculty, staff and community by providing deep and broad supports.



Creative

We design customized solutions for the real-world challenges that face our students, faculty, staff, and industry and community partners.



Engaging

We build relationships by using all relevant communication channels to listen and respond to our students, faculty, staff, and industry and community partners.



Inclusive

We eliminate barriers to the full and meaningful participation of all our students, faculty, staff, and industry and community partners, in the activities of the college.



Accountable

We are each responsible for our individual actions and for contributing to the collective success of the college.

Mindsets

Mindsets are the guiding perspectives or attitudes that will shape how we approach challenges, make decisions and create strategies, influencing our actions and culture in all areas of work and life.



Truth and Reconciliation

A commitment to acknowledging the truth of historical and ongoing impacts of colonialism on Indigenous Peoples and taking action towards meaningful reconciliation through education, partnership and respect for Indigenous Knowledges and perspectives.



Equity, Diversity and Inclusion

An intentional approach to ensuring that all individuals, regardless of their background or identity, have equitable access to opportunities, are valued for their diversity, and experience an inclusive and accessible environment that supports their success, well-being and sense of belonging.



Sustainability

An ongoing commitment to environmental, social and economic responsibility, aligned with the United Nations Sustainable Development Goals, ensuring that our actions contribute to the well-being of future generations and strengthen the health of our planet and communities.



Strategic Initiatives/ Business Plan for 2026-2027

Nurturing Talent and Potential

- Improve awareness, accessibility and consistent use of key communication channels for students and employees to support alignment, trust and engagement.
- Strengthen employee recognition to foster an inclusive, positive employee experience and a strong sense of belonging across all employee groups.
- Build leadership and people management capability to reinforce accountability, support continuous improvement and enhance performance practices.
- Increase opportunities for diverse student voices to shape programs, services and operations in support of student success.

Advancing Innovative and Flexible Learning and Applied Research

- Advance a program delivery model that broadens access, supports diverse learning pathways and enables sustainable program delivery.
- Optimize the academic program mix through regular review of program health to guide decisions on program continuation and strategic investment in new programs aligned with workforce demand and financial sustainability.
- Broaden applied research that is academically aligned and deepens community partnerships.

Strengthening Connections and Impact

- Activate campus spaces to enhance engagement with the broader community and strategic partners, while upholding academic priorities and the student and employee experience.
- Establish a coordinated and consistent approach to partnership and community engagement across the college, supported by Customer Relationship Management (CRM) tools.
- Improve institutional performance through increased availability of data, coordinated planning and clear accountability for financial and operational outcomes to support institutional sustainability and impact.

Report on 2026–2027 Annual Budget

Context for Budget

The 2026–2027 budget for Loyalist College has been developed in the context of a volatile and constrained post-secondary funding environment. Policy changes introduced by Immigration, Refugees and Citizenship Canada (IRCC) continue to have a sustained impact on the college's financial outlook resulting in significantly fewer international student applications and lower study permit approval rates. These conditions are outside the college's control and are now a defining feature of the operating reality for Ontario colleges.

While Loyalist had planned for a significant reduction in international enrolment as larger cohorts graduate, the combined impact of federal policy and declining demand has resulted in international enrolment projections well below the college's most conservative estimates. International tuition revenue, which had been critical to supporting programs, services and infrastructure, can no longer offset the longstanding underfunding of domestic post-secondary education.

The provincial government's recent funding announcement is welcomed and appreciated. However, this funding does not offset the scale of international student revenue loss or address the higher per-student costs associated with delivering programs in small, rural communities like Loyalist. As a result, Loyalist continues to operate within a funding framework where

revenues do not fully align with the cost of delivery.

In response, the college made a series of difficult decisions in the previous fiscal year, including program suspensions, organizational restructuring and workforce reductions. While the impact of these decisions was immediate, the full financial effect will continue into the current and upcoming fiscal years. This budget reflects early progress, but further work is required to align revenues with long-term expenses.

This budget represents a period of stabilization. Loyalist is moving toward a smaller, more efficient operating model, with a more defined program mix and a continued focus on cost control, revenue diversification and responsive program delivery that meets evolving learner and employer needs.

Loyalist College plays an important role in providing access to post-secondary education across Hastings, Northumberland, Prince Edward and Lennox & Addington counties. Without a local option, learners would face higher costs and greater barriers to participation in post-secondary education and employers would have reduced access to a skilled workforce.

This budget reflects the disciplined actions required to maintain that role. The decisions it contains are difficult, but necessary to support the college's financial stability and its continued service to learners, employers and communities.

2026–2027 Budget

The budget for 2026-27 has a projected deficit of \$7.9M. While domestic enrolment levels remain stable, the loss of international tuition revenue continues to negatively impact the college's financial position. Fiscal 2026-27 reflects the full elimination of revenue associated with the college's Public College Private Partnership campus in Toronto, while international student enrolment at the Belleville and Port Hope campuses continues to decline year over year.

Fiscal 2026-27 represents the first full year of the actions implemented in FY26 to address the sudden decline in international tuition revenue. These measures have included workforce

reductions, program adjustments and tighter control of discretionary spending. The budget also incorporates additional discipline through vacancy management, prioritization of core academic delivery and reductions in non-essential activities. Collectively, these actions reflect the college's necessary resizing to align operations with the new revenue reality.

Despite these actions, the college is projecting a deficit in FY27. However, the deficit is both controlled and reduced relative to FY26. It reflects the timing gap between revenue decline and the full realization of cost adjustments.



Loyalist College 2026–2027 Budget

	2024-25 Actual	2025-26 Midyear Projection	2026-27 Draft Budget	Variance
Grant Revenue	29,357,298	29,625,208	40,550,578	10,925,370
Tuition Fees	46,823,613	29,053,239	14,131,788	(14,921,451)
Other Student Fees	2,090,901	2,177,579	781,781	(1,395,798)
Other Revenue	4,379,461	1,486,242	606,719	(879,523)
Amortization - Deferred Capital Contributions	3,152,769	3,348,953	3,133,704	(215,249)
Total Operating Revenue	85,804,042	65,691,221	59,204,570	(6,486,651)
Net Contribution				
Envelope Contributions	(118,316)	(487,798)	793,073	1,280,871
Entrepreneurial Contributions	12,112,774	3,442,684	(267,345)	(3,710,029)
Ancillary Contributions	(730,868)	(23,031)	(383,026)	(359,995)
Total Net Revenue	97,067,632	68,623,076	59,347,272	(9,275,805)
Expenses				
Academic & Student Services	47,499,863	42,532,478	42,179,260	(353,218)
Administration, Governance & Strategic Planning	23,545,556	18,630,125	18,060,888	(569,237)
College wide	14,190,175	7,013,915	(2,237,710)	(9,251,625)
Amortization of Capital Assets	9,331,108	10,472,759	9,335,672	(1,137,087)
Total Operating Expenses	94,566,701	78,649,277	67,338,110	(11,311,167)
Net Surplus (Deficit) for the year	2,500,931	(10,026,201)	(7,990,838)	2,035,362

Loyalist College

2026–2027

CFIS Statement

	2024-25 Actual	2025-26 Midyear Projection	2026-27 Draft Budget	Variance
Revenue				
MCURES grants and other government grants	34,190,878	35,730,383	47,000,000	11,269,617
Tuition Fees	47,923,557	29,596,658	14,457,269	(15,139,389)
Private Public Partnership tuition	51,554,175	11,995,194	-	(11,995,194)
Student Fees	8,327,164	7,606,326	4,858,066	(2,748,260)
Ancillary	3,929,515	4,107,732	3,744,400	(363,332)
Other Revenue	8,828,864	5,573,467	5,020,722	(552,745)
Amortization of Deferred Capital Contributions	3,152,769	3,348,953	3,133,704	(215,249)
Total Revenue	157,906,922	97,958,713	78,214,161	(19,744,552)
Expenditures				
Salaries and benefits	77,606,372	63,254,437	55,138,647	(8,115,790)
Transportation and communication	1,955,186	1,382,770	1,485,304	102,534
PCPP Expenses	35,121,075	7,612,567	-	(7,612,567)
Services	12,535,129	8,412,066	7,204,843	(1,207,223)
Maintenance, utilities and rentals	7,103,119	7,454,034	6,996,579	(457,455)
Supplies and minor equipment	4,005,936	2,989,075	2,415,020	(574,055)
Amortization expense	9,331,108	10,472,759	9,335,672	(1,137,087)
Interest and Insurance	4,438,683	3,031,820	1,778,905	(1,252,915)
Other Expenditures	3,309,384	3,375,386	1,850,386	(1,525,357)
Total Expenditures	155,405,991	107,984,914	86,204,999	(21,229,915)
Net Operating surplus (deficit)	2,500,931	(10,026,201)	(7,990,838)	2,035,363

Discussion of Major Revenues and Expenditures

Grant Revenue

Grant revenue in the 2026-27 budget has increased by an estimated \$8M as a result of the announced funding model review. It should be highlighted that at the time of this document, the full impacts of the funding model review are still an estimate and will be refined further in the second quarter. It should also be noted that the funds allocated to these funding changes are not likely to fully flow to the college until late in the summer.

Tuition and Ancillary Fees

There is a decrease of \$14.9M in tuition fee revenue versus 2025-26 projections. The changes to immigration and post-graduate work visas 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. The good news is domestic enrolment remains steady. The college has incorporated the impact of announced program suspensions on enrolment projections and tuition revenue. The steep decline in international enrolment is similarly responsible for a corresponding 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 is similarly captured here in the college's Entrepreneurial Fund.

Expenditures

Except for contractual obligations, baseline operating expense budgets have been adjusted to incorporate two major expense adjustments that unfolded in the 2025-26 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 draft 2026-27 budget is \$55.1M. 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 2026-27, operating budgets have been updated to reflect the structural changes that the college has made to staffing levels. Accordingly, the \$8.1M reduction to salaries and benefits in the 2026-27 budget, compared to the 2025-26 projection, is the result of a continued period of employee layoffs in 2025–26.

The second significant adjustment to operating budgets reflects the continued commitment to significantly curtail spending. The college has eliminated non-essential expenditure, has delayed most updates to infrastructure and technology programs and evaluates all expenditures that are not absolutely necessary. For 2026-27 the college anticipates this spirit of fiduciary responsibility and conservatism will persist. Such savings have been reflected in the 2026-27 draft budget, spread across a variety of accounts and departments.

Before the one-time write-down of the Port Hope Campus, the total amortization expense on capital projects had increased by \$200K vs the 2025-26 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.

The decision to write down the leasehold improvements had the impact of decreasing the year-over-year amortization for Port Hope in the amount of \$1.3M. The final impact of amortization is a reduction of \$1.1M

Incremental Budget Requests

There have been no incremental budget requests for 2026-27 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 2026–27 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 Finance team is working collaboratively with all divisions 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, specifically international enrolment, and its impact on tuition revenue, is a significant risk to the 2026–27 budget. The sensitivity of enrolment variance to the 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 2026-2027 Capital Budget

The 2026–27 Capital Plan continues to invest in our academic and student support equipment and to address building maintenance requirements. The plan in FY 26-27 is funded uniquely through capital grants from the government and student ancillary fees and is limited to the update of college infrastructure and academic equipment.

Capital Funding

The adjacent 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)	\$220,000
Apprenticeship Capital Grant (ACG)	\$381,800
Facility Renewal Program (FRP)	\$2,610,000
Student Government	\$96,000
Total	\$3,307,800

Capital Expenditures

Academic Equipment (CERF and ACG) – \$601,800

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.

Building and Equipment Maintenance – \$2,610,000

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.

Student Projects – \$96,000

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