

The background is a solid red color. In the top right and bottom right corners, there are two overlapping white circles. In the bottom left corner, there is one white circle. The text is centered on the left side of the page.

LOYALiST COLLEGE

Business Plan & Budget

2022-2023

An aerial photograph of a university campus, likely the University of Georgia, showing various buildings, a large white dome structure, and surrounding greenery. A large red circle graphic is overlaid on the lower half of the image, containing the text. A smaller red circle is also present in the bottom right corner of the red graphic.

**In a World
Obsessed With
BIG**



**We Are
SMALL**

Loyalist College Strategic Context	01
Strategic Directions	02
Strategic Initiatives/Business Plan for 2021-22	03
• Strengthen the definition of Destination College and implement key drivers	06
• Deliver an Outstanding Student Experience	08
• Strengthen Organizational Development and Capacity	10
Report of the 2022-23 Annual Budget	12
• 2022-2023 Budget	15
• Loyalist College Draft 2022-2023 Budget	16
• Loyalist College Draft 2022-2023 CFIS Statement	17
• Discussion of Major Revenues and Expenditures	18
Loyalist College 2022-23 Capital Budget	24
• Capital Expenditures	25
• 2022-23 Capital Budget Summary	27

Loyalist College's Strategic Context

Our Strategic Plan reflects our aspirations to establish Loyalist College as a Destination College, while being responsive to the major trends and issues that are shaping Ontario's post-secondary industry.

Loyalist College operates at the intersection of many stakeholders. The College's core mandate is to provide

an empowered learning and applied research network which 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.

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.

Values

Caring, Creative,
Engaging,
Inclusive,
Accountable.

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.

Strategic Directions

Loyalist College has three strategic directions 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.

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 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.

1

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.

2

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 a growing College.

3

Strategic Initiatives/Business Plan for 2021-22

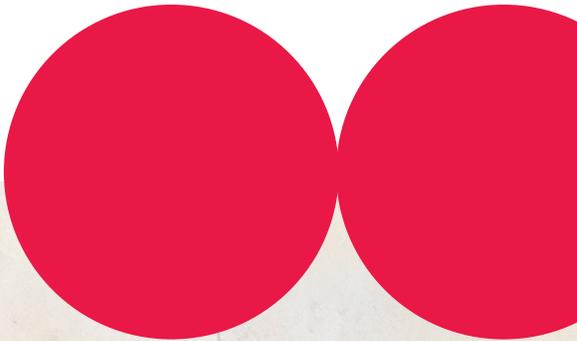
The COVID-19 pandemic has tested the resilience and ingenuity of the entire Loyalist College community for two years. We have successfully navigated the pandemic by falling back on our core values, specifically those of a **caring** and **accountable** institution. It is now time to put the pandemic behind us and move forward. Loyalist College has managed its fiscal house throughout the pandemic and is now in a position to dramatically move forward on key strategic initiatives.

The business plan and associated investments show the College's desire to renew and grow. Aggressive enrollment targets have been set, key positions will be filled, strategic planning will be taking place and significant investment will be made in campus renewal. This will be a transformative year for the college benefiting students, alumni, staff, the business partners and our community.

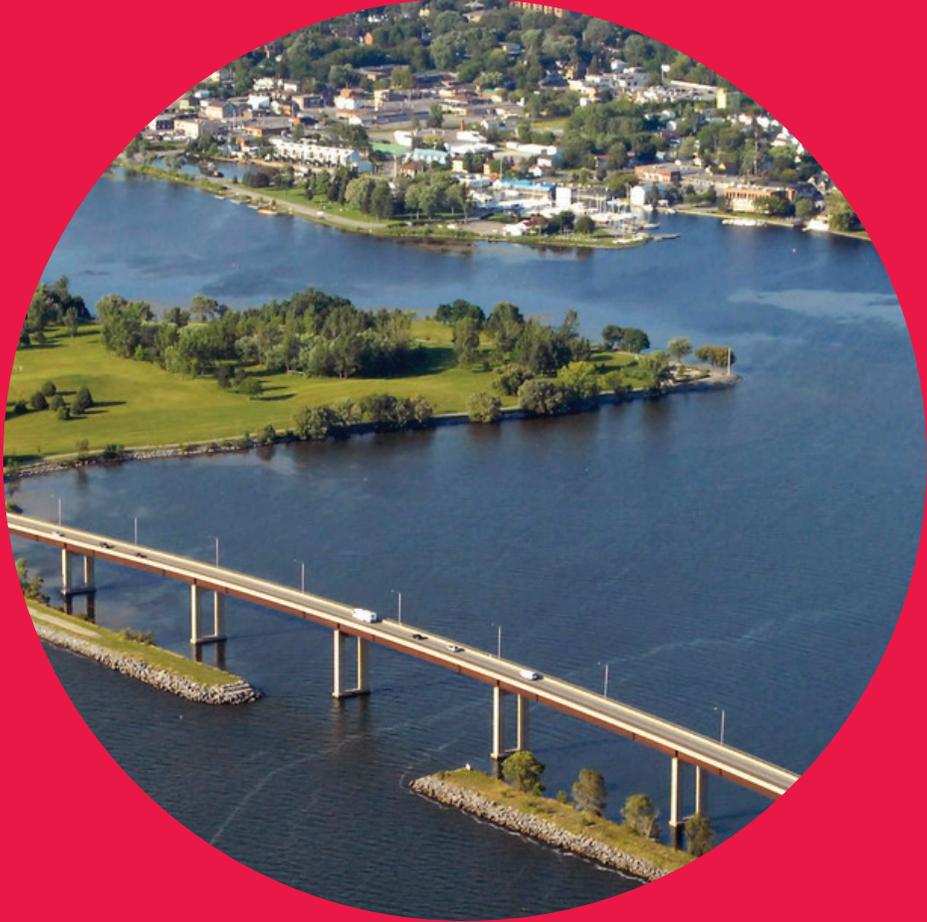
We must continue to accelerate the journey of being a Destination College; provide exceptional academic programming, outstanding student experiences, increase integration with our community, continue our leadership in applied research, and maintain the strength that is our people.

Investments are well thought out, strategic in nature, and the appropriate risk and fiscal due diligence has been completed to ensure that Loyalist can adjust, if needed, to any external event that may impact overall revenue or expense projections.

Our multi-year objectives will be realized through a series of specific annual objectives, which will meet the unique challenges of a post pandemic environment.

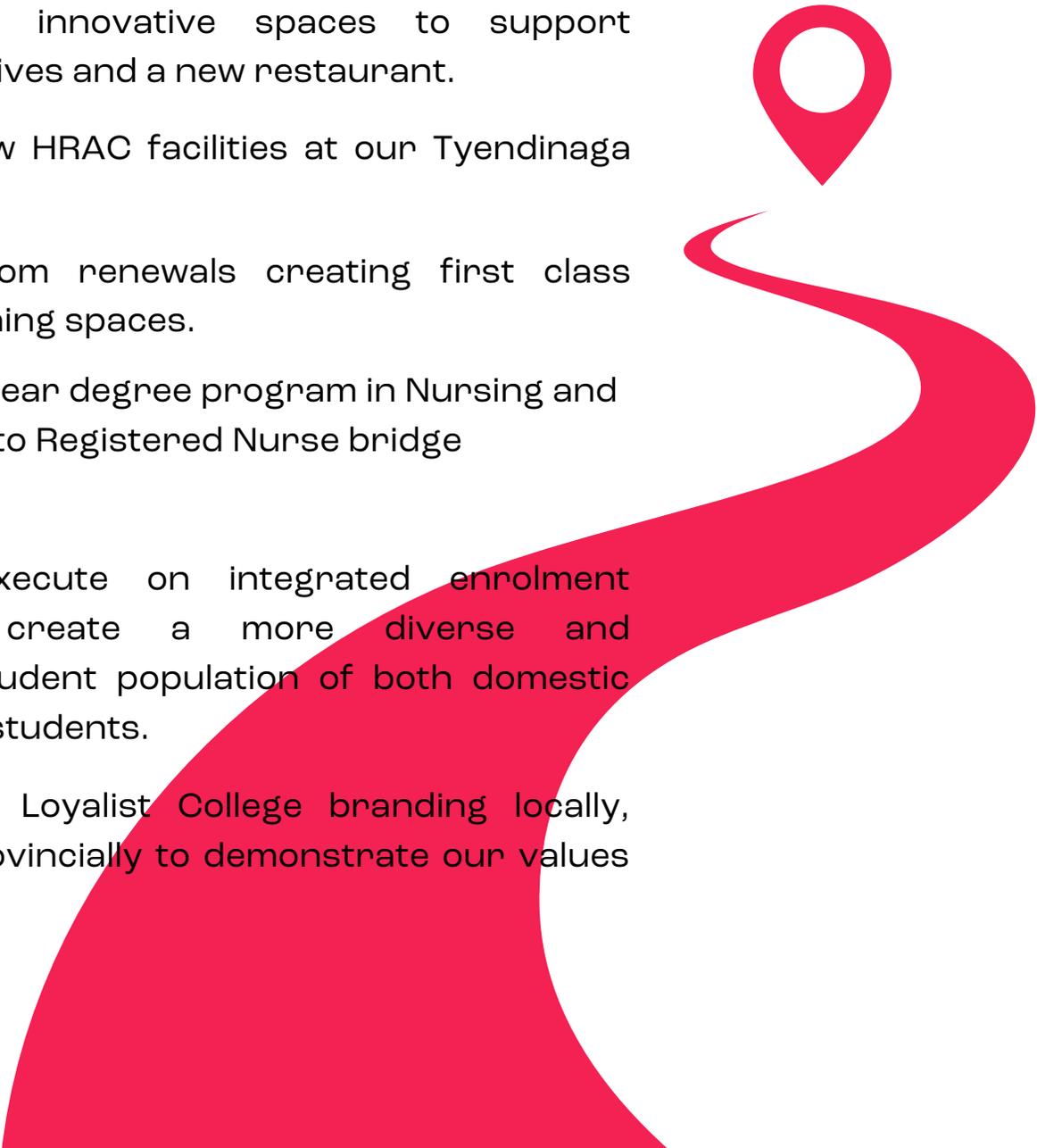


ACCELERATE | **LOYALIST COLLEGE**



Over the next 12 months, key conversations are planned to reflect and plan based on what we have learned over the last 24 months. This includes an examination of how can we improve the lives of our students, employees and our community.

Strengthen the definition of Destination College and implement key drivers

- Completion of an academic planning process that will look deep into the existing catalog of programming and create a plan for enhancement and expansion. The plan will also identify key strategic initiatives required to support the College's strategic plan.
 - Deliver high-quality program spaces, including:
 - Complete Phases I & II of construction on new culinary spaces including innovative spaces to support bioeconomy initiatives and a new restaurant.
 - Completion of new HRAC facilities at our Tyendinaga location.
 - Continue classroom renewals creating first class teaching and learning spaces.
 - Launch of a full 4 year degree program in Nursing and Practical Nursing to Registered Nurse bridge program.
 - Enhance and execute on integrated enrolment activities that create a more diverse and representative student population of both domestic and international students.
 - Drive home new Loyalist College branding locally, regionally and provincially to demonstrate our values and pride.
- 

- Create new space for students, staff and community to enjoy and benefit from, including:
- Completion of new Varsity facilities including change rooms and a therapy centre.
- Open the new Health and Wellness facility providing common health care space.
- Open a new technology base Makerspace.
- Open a new Spa and Massage Therapy centre in the new Health and Wellness facility.
- Complete a new outdoor Sports Centre that will support basketball, beach volleyball, tennis and work-out space. Our varsity field will be updated with new stands and a press box and there will be a new fully lit grass playing field, large enough for CFL Football to be constructed.
- Start construction on a new double gym facility.
- Creation of a Destination College Fund and Committee to develop programming at an elevated level in support of the Destination College vision.
- Focus on campus internationalization activities including food, music, festivals and décor.
- Expand entrepreneurial remote and business accelerator work space locations across the region.
- Continue to advance a culture of innovation and entrepreneurship both in the region and inside Loyalist College.
- Complete a campus master planning exercise focusing on the near term but also with a long-term horizon.
- Complete a specific Library planning exercise.

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 to help them succeed in their careers and personal lives. These include citizenship and social responsibility; Indigenous understanding; cross-cultural understanding; entrepreneurship and technology; health and wellness; and ecological literacy.

- Engage in robust regional, provincial and national industry outreach campaigns to advance clusters, graduate attributes and new academic programming.
- Execute on a plan to for the investment of student ancillary fee associated with the graduate attributes.

Deliver an Outstanding Student Experience

Support a student culture and environment that is diverse, resilient, and that promotes health and well-being.

Ensure a continued safe environment for students engaged in Student Life activities and accessing student facilities.

Develop a diverse set of clubs and recreational activities for students to participate in.

Develop a new Residence and Student Life business plan.

Ensure a vibrant student orientation within the parameters of public health.

Ensure all programming is developed to align with a Destination College.

Strengthen Organizational Development and Capacity

- Ensure that the College's policies, processes, tools, and resources support Loyalist's Destination College aspiration and that we are recognized as an employer of choice, regionally and beyond.
- Review and revise the structures that support recruitment and hiring to enable the College to attract and retain diverse, talented, and qualified personnel across all employee groups and functions.
- Embed the principles of equity, diversity and inclusion across the organization and provide people-centred supports that enrich the personal and professional journeys of all employees, at every stage of their career. Continue to support College Council leadership in identifying the approach the College must take in EDI.
- Develop the appropriate human resource structures around the schools to facilitate strategic work among the leaders.
- Enhance relationships with local K-12 system to expand partnerships and programming, and work in collaboration and mutual support of overall objectives.



- Undertake a comprehensive review of student and academic policies.
- Identify and expand alternative revenue sources: Execute on business plan to expand Loyalist College satellite operations/campuses.
- Continue expansion of Loyalist College operations in Toronto.
- Invest in organizational, faculty, and staff development, health and wellness.
- Continued enhancement of document management strategy.
- Creation of a dedicated Institutional Research Office that supports all college leaders.
- Continued execution integrated planning model, including a risk management framework.
- Integration of budget support analysts into every department.
- Continued enhancement of the enterprise risk registry that risk is addressed in all Loyalist College departments with an alignment to the Strategic Risks identified by the college executive.
- Sustained commitment to Strategic Enrolment Management. Create an understanding that everyone supports and can help in the recruitment of students.
- Continued push for international diversification of student body.
- Expansion of traditional recruitment catchment areas.
- Implementation of a rolling, multi-year, enrollment plan that aligns with the academic plan and facility enhancement priorities.
- Creation of a formal quality review mechanism for Loyalist College in Toronto that aligns with findings from the Ontario Auditor General.



Report of the 2022-23 Annual Budget

Setting the Context:

About 84% of core operating revenue to the College is derived from student enrolment in the form of operating grants from the government, student tuition, and other fees. Much of this revenue stream is directed and regulated by government with limited flexibility for colleges to increase revenue.

In 2017-18, the government began the implementation of the corridor funding model for the college sector. The corridor funding model is designed to create stability and funding predictability. This funding methodology ensures grant revenue remains constant if enrolment remains within +3% or -7% of the enrolment midpoint. The midpoint is calculated from the average of the 2016-17, 2017-18, and 2018-19 weighted funding units (WFU). Each college is funded at their Midpoint level of WFU enrolment, if their moving average, based on a two-year slip, three-year average, falls within the aforementioned +3% to -7% range. This model allows for predictability on core grant funding but it also means there is no incremental grant funding for growth in domestic enrolment or for change in program mix. This model also presents a challenge as the college system suffered a multi-year reduction in domestic enrollment during COVID-19. These impacts will continue for years after COVID-19, as the flow-through enrollment in years 2 and 3 will continue to be lower than normal.

In 2020-21, the Ministry of Colleges and Universities (MCU) had planned to implement a new funding model incorporating the College's next round of the Strategic Mandate Agreement (SMA3). This model substantially modifies the funding allotments across three funding "bins"; an enrolment bin which corresponds to domestic, funded enrolment; a differentiation bin which is based on Key Performance Indicators (KPI) defined in the Colleges SMA3 submission, and a Special Purposes bin which contains targeted grants for initiatives such as disability supports, Indigenous student supports, and mental health supports.

The differentiation bin will be based on the weighted scoring of 10 KPIs, as selected and submitted within the College's SMA3 submission. As the proportion of grant associated with the differentiation envelope grows, the proportion of grant associated with the enrollment envelope will fall. The amount received from the Special Purpose grant is expected to remain constant.

The implementation of the new funding model has been pushed back another year and the corridor model will remain the active funding formula. However, metrics will be collected that will enable colleges to better predict any future funding impacts.

In 2020-21 the College fully launched the Loyalist College in Toronto campus, in partnership with Toronto Business College. This Public College Private Partnership (PCPP) creates international student enrollment targets

for the Toronto campus at a 2:1 ratio to the international student enrollment on the Belleville Campus. The net revenue generated from the PCPP is to be invested into the home campus located in Belleville. In 2022-23 it is expected that revenue from the PCPP will reach its full potential of providing strategic investment funding.



The Loyalist College annual budget was developed in a transparent and collaborative process with all College departments and schools. Budgets were built with a full expectation that Loyalist College will be returning to a more historic academic and support services delivery. This will mean a significant focus on face-to-face delivery of all activities. This change will also support the renewal of many campus life activities that have been on hold for the past two years.

For the 2022-23 planning period the College is looking forward and beyond the past two years of COVID-19. We have an aggressive, yet achievable, domestic and international recruitment strategy to begin a growth phase at the college. With the PCPP fully up and running, funding is available for significant investment back into the college. Capital budgets have been doubled, as have investments in strategic initiatives.

The College's strategic plan and strategic mandate agreement promote the vision of Loyalist College as a Destination College. These two strategic documents guide academic and financial priorities, and this budget is aligned with these plans.

The proposed budget for 2022-23 is showing a net surplus of \$6.973M. This surplus includes a significant revenue improvement from the College's PCPP and increased enrollment. Ancillary and non-PCPP related entrepreneurial contributions are lower than in previous years but investments are being made to create new business plans that will see renewed growth for 2023-24. Although a surplus exists the College will be very strategic in the allocation of any ongoing costs. COVID-19 and the possibility of new surges still exist and the college has allocated significant mitigation funding.

Loyalist College Draft 2022-2023 Budget

Full Fiscal Year

	2020/21 Actual	2021/22 Budget	2022/23 Budget	Variance
Grant Revenue	27,085,960	26,420,336	25,918,509	(501,826)
Tuition Fees	27,585,508	32,177,730	39,655,000	7,477,269
Other Student Fees	1,548,278	1,963,825	2,358,731	394,906
Other Revenue	1,909,141	1,516,847	2,260,747	743,900
Amortization of Deferred Capital Contributions	2,247,037	2,552,375	2,884,100	331,725
Total Operating Revenue	60,375,925	64,631,113	73,077,087	8,445,974
Net Contribution				
Envelope Contributions	529,503	1,444,476	(332,921)	(1,777,397)
Loyalist Training Knowledge Centre	163,052	579,724	136,845	(442,879)
LES	1,269,603	550,838	(486,333)	(1,037,171)
Public-Private Partnership	1,745,700	4,401,544	12,119,263	7,717,719
Entrepreneurial Total Contributions	3,178,354	5,532,106	11,769,775	6,237,669
Parking Lots	(160,207)	56,850	4,250	(52,600)
Scholarships	(60,678)	(80,000)	(80,000)	-
Bookstore	58,146	122,000	122,000	-
Cafeteria	27,486	(25,000)	-	25,000
Residence	(573,258)	621,662	196,443	(452,219)
Ancillary Total Contributions	(708,510)	695,512	242,693	(452,819)
Total Net Revenue	63,375,271	72,303,208	84,756,634	12,453,427
Expenses				
Academic and Student Services	33,030,473	37,720,632	39,313,906	(1,593,274)
Administration, Governance & Advancement	13,624,908	17,774,136	21,098,067	(3,323,930)
Amortization of Capital Assets	3,934,989	5,213,000	6,579,000	(1,366,000)
College-wide	7,155,535	8,104,262	10,791,909	(2,687,647)
Total Operating Expenses	57,745,905	68,812,030	77,782,881	(8,970,851)
Net Surplus (Deficit) for the year	5,629,366	3,491,177	6,973,753	3,482,575

Loyalist College Draft 2022-2023 CFIS Statement

	2020/21 Actual	2021/22 Budget	2022/23 Budget	Variance
Revenue				
MCU Grants and Other Government Grants	34,853,173	34,283,968	30,584,561	(3,699,407)
Tuition Fees	27,564,852	32,077,730	39,605,000	7,527,269
Private-Public Partnership Tuition	9,022,453	37,326,024	61,333,882	24,007,858
Student Fees	4,212,308	5,677,463	6,370,731	693,269
Ancillary	1,429,393	3,254,500	2,749,490	(505,010)
Other Revenue	8,418,274	8,691,975	6,298,841	92,393,134)
Amortization of Deferred Capital Contribution	2,247,037	2,552,375	2,884,100	331,725
Total Revenue	87,747,489	123,864,035	149,826,605	25,962,570
Expenditures				
Salaries and Benefits	50,145,721	58,613,382	63,151,371	(4,537,989)
Transportation and Communication Services	1,613,232	1,608,265	1,362,371	245,942
Maintenance, Utilities and Rentals	14,273,031	41,728,850	55,925,518	(14,196,668)
Supplies and Minor Equipment	4,678,456	5,267,094	6,905,897	(1,638,803)
Amortization Expense	1,928,069	3,028,002	2,449,009	578,993
Interest and Insurance	3,934,989	5,213,000	6,579,000	(1,366,000)
Other Expenditures	2,062,839	1,935,961	2,519,575	(583,614)
	3,481,788	2,978,304	3,960,159	(981,855)
Total Expenditures	82,118,124	120,372,858	142,852,852	(22,479,995)
Net Operating Surplus (Deficit)	5,629,365	3,491,177	6,973,753	3,482,576

Discussion of Major Revenues and Expenditures



Grant Revenue

The 2022-23 Budget is projecting a decrease of \$500K in grant revenue. This is primarily related to the reduction in COVID-19 funding from the provincial government, an increase in the international student hold back, and a one-time increase to the Small, Northern and Rural grant.

The Small, Northern, Rural grant is budgeted at \$4.1 million, plus a continuation of a \$2.4 million top-up with an additional \$1M in one-time funding for 2022-23.

Tuition & Ancillary Fees

In 2019, the Provincial Government announced that all colleges and universities are required to cut domestic tuition fees by 10% and that they would then remain frozen at that level for fiscal 2020-21. This freeze has since been extended through 2022-23. The impact of the 10% one-time tuition reduction in conjunction with the ongoing freeze to domestic tuition is foregone revenue in the 2022-23 budget of \$1.74M.

An increase of \$7.477M in tuition is projected and primarily driven by higher and more aggressive enrollment targets than that budgeted for in the 2021-22 budget. Enrollment has suffered in both 2020-21 and 2021-22 due to COVID-19. This creates flow-through enrollment challenges for an additional 2-3 years. A low year one enrollment will carry through to lower enrollment in years two and three. Very aggressive but realistic targets have been set to get Loyalist College back to a solid steady state quickly.

Enveloped, Entrepreneurial, and Ancillary Activity

Enveloped and Entrepreneurial activity fared well during fiscal 2021-22. For fiscal 2022-23 we do anticipate a significant drop in net contribution. Contracted service units will spend the year restructuring for next fiscal.

A significant increase in PCPP revenue is expected as Loyalist College in Toronto is expected to close in on its maximum enrollment target based on the 2:1 ratio. Net contributions from the Private Public Partnership are expected to exceed \$12M.

Ancillary operations were hit particularly hard by COVID-19 over the last two fiscal years resulting in net losses greater than anticipated during the budget process. With experience, operational impacts of the pandemic can be more accurately predicted. Ancillary operations are not expected to return to pre-COVID-19 contribution levels quickly and it is expected that ancillary operations will return to a net contributor in 2023-24.

Expenditures

With the exception of contractual obligations, baseline operating expense budgets were again held to a 0% increase. All schools and departments were able to hold the line on expense growth that enabled a strategic approach to one-time and ongoing expense growth. Taking existing operating funds and strategically targeting them on achievable goals will move the College forward on its vision of a Destination College.

The total salary and benefit expenses budgeted in the draft 2022-23 budget is \$63.151M, or 44% of total College budgeted expenses. The vast majority of these budgeted 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.

The total amortization expense on capital projects has increased by \$1.366M. This is a significant increase from previous fiscals and demonstrates the renewed investment into the College's facilities and equipment to benefit students, staff, and the local community. Further details on the capital budget is included later in this report.



Strategic Investments

- Through the 2022-23 budget process, a number of strategic investments were requested. The requests were reviewed and decisions were made to ensure that the enrolment plan can be supported, risks mitigated and strategic objectives– including an Outstanding Student Experience, a Strengthening of Organizational Development and Capacity, and Destination College– are addressed within the resources available.
- A focus of this year's budget were investments in key positions across the College that shore up key departments needed to move the Destination College vision and work forward. These included critical positions in People and Culture, Facilities, Finance, Applied Research, and Recruitment. Investments in the Academic division continue and in particular the addition of new full time faculty and staffing to support more strategic program growth and development.
- Operationally, significant investments are being made to support strategic grant submissions, create opportunities and supports for all students and support institutional research. To grow enrollment, one-time investments in both Marketing and Recruitment have been made to create brand awareness and open new markets for student recruitment.



A series of new funding pots have also been established to support innovative student and staff projects, specialized Destination College events and programs, and support the internationalization of the campus.

The 2022-23 budget includes a number of identified risks. Many are minor and/or being properly mitigated as part of the new Enterprise Risk Management (ERM) program that the College undertook in 2020-21. These risks are being monitored through the ERM process and can quickly be escalated if mitigation efforts are not working.

However, it is the ongoing uncertainty around enrollment that creates the largest risk. With more space available in universities and an extremely hot job market, will domestic students go to college in the fall or make other choices. Although international travel is opening up, Visa backlogs remain a problem with Immigration, Refugees and Citizenship Canada (IRCC). Additionally, increased competition from private colleges and other PCPP's within large urban areas continue to challenge international recruitment to a smaller rural setting.

Numerous contingency and mitigation plans have been put in place to quickly respond to any major variation from the enrollment plan.

Loyalist College 2022-23 Capital Budget



The 2022-23 Capital Plan continues to invest in our academic, technology, and student support equipment and address deferred 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 deferred maintenance spending to rise to more appropriate levels. This year, Loyalist College will more than double its capital investment from fiscal 2021-22, accelerating the renewal of facilities and the creation of destination spaces.

Capital Funding

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

College Equipment and Renewal Fund (CERF)	\$250,000
Apprenticeship Capital Grant (ACG)	\$332,000
Facility Renewal Program (FRP)	\$1,756,100
Student Government/Amortization	\$1,035,000
Other	\$230,000
Amortization/PCPP	\$12,120,000
Amortization	\$4,291,350
Total	20,014,450

Academic Equipment - \$1,442,950

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 - \$1,035,000

These are projects that are identified by Student Government and funded by the student capital fees. The major investment this year will be on the development of an outdoor sports facility supporting tennis, basketball, volleyball and exercise. Other projects this year include a refresh of fitness centre equipment, student centre renovations and Pal/ Pioneer Café furnishings.



Technology - \$863,400

This expenditure supports the technology and infrastructure that supports students, faculty and staff in all of their daily technology-driven activities. This year, funding will be used to support the redesign and development of a new, feature-rich and innovative website that will provide easy access to information that showcases Loyalist College as a destination. Additional funding will be used to update some old and past useful life equipment.



Capital Expenditures

Grounds - \$2,827,000

The Belleville campus sits on over 200 acres of land. These acres include expansive naturalized areas to the north and east of the Kente building, to the parking lots, lighted walkways, gardens and trees to the west and south. Funding this year will create a new/additional premiere grass sports field to support additional recreational activities including tournaments and community engagement. Additionally, paving will occur in areas of the College that have seen significant degradation. A study will also be undertaken to review the north entrance from Wallbridge-Loyalist road. Lastly, the College will be installing EV level 2 charging stations.

Building & Equipment Maintenance - \$2,776,100

This includes funding for projects that are required in order 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. Similar to previous years, funding will focus on AODA upgrades, ACM remediation, new electronic door locks in residence, and numerous smaller building shell items (e.g. windows, doors, roofing).

Building Enhancement - \$11,070,000

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 esthetic of the facility. These projects have an impact on the facility-related Key Performance Indicators and the strategic objective of becoming a Destination College. This category includes the annual renewal of classroom space throughout the college.

This fiscal a number of projects will be funded to either complete or start. These include:

- Completion of phase I of the culinary teaching space expansion
- Completion of new culinary restaurant and three season patio
- Completion of varsity change rooms and rehab center
- Initiation of a new gym facility

A number of smaller renovations will also be taking place throughout the college to support staff and students.



2022-23 Capital Budget Summary

Capital Projects Renewal Fund (CERF)	Estimated Cost	Amortization Expense	External Revenue Funding	Funding Source
Academic Equipment	\$1,442,950	\$288,590	\$114,750	CERF/ACG/ Amortization
Student Projects	\$1,035,000	\$114,500	\$114,500	Student Reserves/ Ancillary
Technology	\$863,400	\$172,680		Amortization
Grounds	\$2,827,000	\$282,700	\$23,000	Other/Amortiza- tion
Building And Equipment Maintenance	\$2,776,100	\$147,055		Amortization
Building Enhancement	\$11,070,000	\$707,650	\$87,805	FRP/Amortization
Total	\$20,014,450	\$1,713,175	\$340,055	





**LOYALIST
COLLEGE**