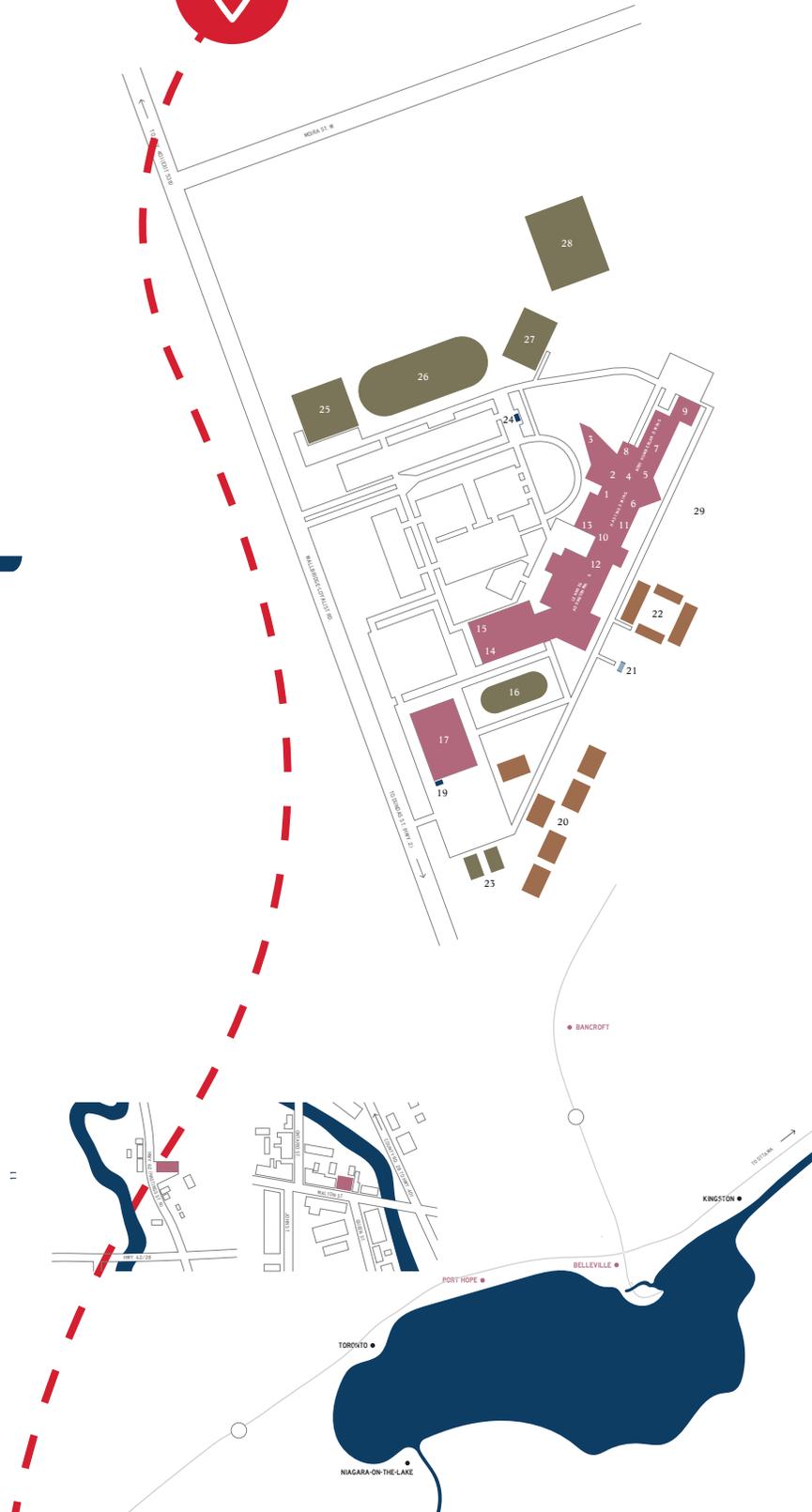


LOYALIST

COLLEGE OF APPLIED ARTS
AND TECHNOLOGY

Business Plan

2021-2022



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**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 postsecondary 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.

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 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 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.
- 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.
- 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.



STRATEGIC INITIATIVES/ BUSINESS PLAN FOR 2021-22

The COVID-19 pandemic has tested the resilience and ingenuity of the entire Loyalist College community over the past year. We have successfully navigated the pandemic by falling back on our core values, specifically those of a caring and accountable institution. Loyalist College has done what it can to support its students with outstanding online learning delivery, safe face-to-face labs, food security and financial support. Our staff have shown incredible resilience in their ability to work from home (and on campus when required), all while providing quality education and support to our students. Loyalist College is a community college and that has been on full display during the past year as shown in the countless individual and institutional initiatives taken on by our students, staff and the College itself. Throughout all of this, Loyalist College was accountable to the objectives and budget outlined in the 2020-21 business plan.

However, as we move into the 2021-22 fiscal year the College must transition back to a new normal, a post-COVID-19 normal. This business plan understands that more than 50% of the fiscal year will be spent dealing with COVID-19 protocols but will also spend 50% transitioning and functioning in a new post-pandemic reality. It also accounts for the flow-through impacts of COVID-19 from the last fiscal year.

Safety and fiscal management continue to be the priorities for fiscal 2021-22. We will continue to ensure the highest level of safety of our staff and students, support our community, and provide high-quality academic programming. We will, however, experience a challenging recruitment season with frozen tuition fees.

The plan is for Loyalist College to come out of the pandemic stronger than when we entered it. We must continue the journey to be a Destination College, provide exceptional academic programming, provide an outstanding student experience, continue our leadership in applied research, and maintain the strength that is our people.

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



Strengthen the definition of Destination College and implement key drivers

- Deliver high-quality program spaces.
 - New Mechatronics lab
 - Initiate construction on new Culinary spaces including innovative spaces to support bio-economy initiatives
 - Continue classroom renewals creating first-class teaching and learning spaces
- Develop an enrolment management plan that will see Loyalist College significantly grow enrolment by 2025.
- Undertake a branding review for Loyalist College to support reputational and enrolment growth.
- Develop an international recruitment plan that allows Loyalist College to diversify its current international enrolment and facilitates students staying in our community upon graduation.
- Instigate, fund, mentor and scale businesses in the Quinte region focused on economic diversification and job creation. Through this effort, develop an entrepreneurial strategy for Loyalist College that includes but is not limited to makerspaces, ENACTUS, accelerators, Startup Canada Chapter, hack-a-thons and pitch competitions.
- Launch new programs across all Schools that both meet industry demand and position Loyalist as a Destination College for the new economy. Currently, we are looking at a minimum of 21 programs to be launched in 2021-2022, pending approval for all programs is received. Some examples, include:
 - Cybersecurity
 - Artificial Intelligence and Data Science
 - Financial Technology
 - Business – Finance and Analytics
 - Global Project Management
 - Electromechanical Engineering Technician – Mechatronics
 - Heating, Refrigeration and Air Conditioning – Techniques and Technician
 - Honours, four-year BScN program with bridging for Personal Support Worker and Registered Practical Nursing graduates
 - Emergency Management and Incident Response
- Complete design and start construction on a three-year capital construction program that will enhance Health and Wellness Services, Varsity/ Recreation facilities, student spaces and Culinary.
- Start implementation of a new on-campus Food Services package that meets the needs of the Loyalist College community.
- Link the College to the City of Belleville bike/ pedestrian trail system further integrating the College into the Belleville active transportation network.
- Continue implementation of accessibility plan.
- Establish a community hub for remote workers and entrepreneurs.
- Development of a Campus Master Plan.



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.

- Define the graduate attributes and how they will be measured within and outside of the curriculum.
- Develop a plan for the investment of student ancillary fee associated with the attributes.

We will support a student culture and environment that is diverse, resilient, and that promotes health and well-being. We will:

- Ensure a continued safe environment for our students engaged in student life activities and accessing student facilities.
- Develop a diverse set of clubs and recreational activities in which students can participate.
- Develop and roll out an effective peer mentorship program.
- Ensure a vibrant student orientation within the parameters of public health.
- Ensure all programming is developed to align with a Destination College.

Provide Cluster-Aligned Programs and Applied Research

Demonstrated support for the advancement of clusters through the enabling of curriculum and programs in the defined clusters.



Strengthen Organizational Development and Capacity

Establish equity and diversity/inclusion

- Implement a Pay Equity review of F/T and P/T Support staff roles, creation of an updated plan identifying pay equity redress costs for the College ensuring structures and processes are in place for ongoing pay equity.
- Recraft the recruitment and hiring function.
- Initiate an Equity, Diversity and Inclusion approach that gains partners to build a formal EDI approach for Loyalist College.

Identify and expand alternative revenue sources

- Establish new revenue streams through applied research opportunities that fit within our identified clusters and tie to multi-disciplinary programs.
- Bring together a coalition of regional partners and rally the community around a compelling moonshot.

Invest in organizational, faculty, and staff development, health and wellness

- Review student academic policies and procedures to ensure that they allow due process for the student and are focused on student success.
- Operationalize a new program development unit that is a centralized support to faculty for teaching development, educational technology and program development and quality assurance.
- Operationalize organizational structure for External Relations and Business Development.
- Restructure of People and Culture addressing roles, data, files and process within People and Culture and between other departments.

- Enhance cybersecurity and IT infrastructure for enhanced use of educational technology.
- Development of an enhanced document management strategy.

Undertake a rebranding exercise to align with the Destination College vision

Develop an integrated planning model, including a risk management framework

- A program development process that includes a business case analysis on the program along the SMA targets and community/employer needs as well as program development process that will guide the decision on delivery, design and quality assurance.
- Complete version one of the enterprise risk registry.

Sustained commitment to Strategic Enrolment Management

- Development of program development process from business case through to design, delivery and quality assurance.
- Development of relationships with K-12 system in region.
- Stabilization of the public-private partnership into year two of the agreement.



REPORT OF THE 2021-22 ANNUAL BUDGET

Setting the Context for the Budget

Almost 94% of core operating revenue to the College is derived from student enrolment in the form of Operating grants from the government and 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 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 a change in program mix.

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. In 2020-21 the Ontario College system would see 25% of provincial operating grants coming from the differentiation bin, growing to 60% across the sector by 2024-25. As the proportion of grant associated with the differentiation envelope grows, the proportion of grant associated with the Enrolment 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 a 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-private partnership (PPP) creates international student enrolment targets for the Toronto campus at a 2:1 ratio to the international student enrolment on the Belleville campus. The net revenue generated from the PPP is to be invested into the home campus located in Belleville. In 2021-22 it is expected that revenue from the PPP will start to reach its full potential providing strategic investment funding.

The Loyalist College annual budget was developed in a transparent and collaborative process with all College departments and schools. COVID-19 will continue to impact the fiscal health of Loyalist College in the coming year. The flow-through impacts of the pandemic on domestic and more specifically international enrolment has created revenue uncertainty. However, operational costs associated with academic delivery, both remote and face-to-face, are now understood and more predictable.

For the 2021-22 planning period the College is committed to minimizing the impact of the pandemic on the budget and strategically investing in the future of the College. This budget includes reinvestments to support academic programming and educational technology, and a business development focus on growing alternative revenue from all areas including applied research and partnership. Additional funding continues to support the anticipated needs of supporting staff, students and community through the remaining months of the COVID-19 pandemic.

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

2021-2022 Budget

The proposed budget for 2021-22 is showing a net surplus of \$3.491M. This surplus includes a significant revenue improvement from the College's PPP and ancillary operations. Ancillary was hit particularly hard during the pandemic. The surplus is available to mitigate against any risk related to not meeting the enrolment plan that the budget is based on.

LOYALIST COLLEGE 2021-2022 PRELIMINARY BUDGET STATEMENT

	2020/21 Budget	2021/22 Draft Budget	Variance
Grant Revenue	\$24,739,178	\$26,420,332	\$1,681,154
Tuition Fees	\$25,387,611	\$32,177,731	\$6,790,120
Other Student Fees	\$1,878,394	\$1,963,825	\$85,431
Other Revenue	\$1,449,943	\$1,516,847	\$66,904
Amortization of Deferred Capital Contribution	\$2,488,000	\$2,552,375	\$64,375
Total Operating Revenue	\$55,943,126	\$64,631,110	\$8,687,984
Net Contribution			
Envelope Contributions	\$1,222,127	\$1,444,478	\$222,351
Loyalist Training and Knowledge Centre	\$194,291	\$579,724	\$385,433
LES	\$664,607	\$550,838	(\$113,769)
Public-Private Partnership	\$881,691	\$4,401,544	\$3,519,853
Entrepreneurial Total Contributions	\$1,740,589	\$5,532,106	\$3,791,517
Parking Lots	–	\$56,850	\$56,850
Scholarships	(\$80,000)	(\$80,000)	–
Bookstore	\$132,000	\$122,000	(\$10,000)
Dining Hall	–	(\$25,000)	(\$25,000)
Residence	(\$670,707)	\$621,662	\$1,292,369
Ancillary Total Contributions	(\$618,707)	\$695,512	\$1,314,219
Total Net Revenue	\$58,287,135	\$72,303,206	\$14,016,071
Expenses			
Academic and Student Services	\$39,548,274	\$43,662,411	(\$4,114,137)
Administration, Governance and Advancement	\$12,973,650	\$14,245,316	(\$1,271,666)
Amortization of Capital Assets	\$4,380,000	\$5,213,000	(\$833,000)
College-Wide	\$5,703,740	\$5,691,301	\$12,439
Total Operating Expenses	\$62,605,664	\$68,812,029	(\$6,206,365)
Net Surplus (Deficit) for the Year	(\$4,318,529)	\$3,491,178	\$7,809,707

LOYALIST COLLEGE 2021-2022 BUDGET CFIS STATEMENT

	2020/21 Budget	2021/22 Draft Budget	Variance
Revenue			
MCU Grants and Other Government Grants	\$31,581,423	\$34,283,968	\$2,702,545
Tuition Fees	\$30,361,715	\$37,755,194	\$7,393,479
Public-Private Partnership Tuition	\$10,114,650	\$37,326,024	\$27,211,374
Student Fees	\$6,668,292	\$6,056,572	(\$611,720)
Ancillary	\$1,951,769	\$3,284,500	\$1,332,731
Other Revenue	\$2,379,817	\$2,605,403	\$225,586
Amortization of Deferred Capital Contributions	\$2,488,000	\$2,552,375	\$64,375
Total Revenue	\$85,545,666	\$123,864,036	\$38,318,370
Expenditures			
Salaries and Benefits	\$52,287,914	\$58,673,385	(\$6,385,471)
Transportation and Communication Services	\$1,237,816	\$1,554,935	(\$317,119)
Maintenance, Utilities and Rentals	\$18,871,375	\$41,179,932	(\$22,308,557)
Supplies and Minor Equipment	\$4,699,796	\$4,145,632	\$554,164
Amortization Expense	\$2,344,635	\$2,959,302	(\$614,667)
Interest and Insurance	\$4,380,000	\$5,213,000	(\$833,000)
Other Expenditures	\$1,690,967	\$1,933,561	(\$242,594)
	\$4,351,692	\$4,713,108	(\$361,416)
Total Expenditures	\$89,864,195	\$120,372,855	(\$30,508,660)
Net Operating Surplus (Deficit)	(\$4,318,529)	\$3,491,181	\$7,809,710



Image was taken prior to the COVID-19 pandemic and therefore does not reflect current physical distancing safety measures.

DISCUSSION OF MAJOR REVENUES AND EXPENDITURES

Grant Revenue

The 2021/22 Budget is projecting an increase of \$1.681M in grant revenue. This is associated with special one-time COVID-19-related funding allocations. The International Student Recovery allocation has also been reduced due to lower international student enrolment.

The Small, Northern, Rural grant remains budgeted at \$4.1 million plus a continuation of a \$2.4 million top-up funding that is equivalent to what was budgeted in 2020-21.

Tuition and 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 2021-22. The impact of the 10% one-time tuition reduction in conjunction with the ongoing freeze to domestic tuition is foregone revenue in the 2021-22 budget of \$1.147M in domestic tuition.

An increase in of \$6.8M in full-time tuition is projected and primarily driven by higher enrolment than that budgeted for in the 2020-21 budget. However, the actual enrolment drop-off experienced in 2020-21 was not as large as expected and so the increase in the 2021-22 budget against prior year actual tuition is nominal. The flow-through with international into upper years is projected to be lower, and will create a challenge for tuition revenue. To combat some of these COVID-19 related enrolment flow-through challenges an aggressive domestic target has been set and a significant campaign will be funded to drive year one international numbers.

The provincial government's Ancillary Fee Optimization mandate, which requires colleges and universities to make certain ancillary fees optional, as opposed to mandatory, was implemented in 2019-20. Recent court decisions have overturned this mandate, however the province will appeal that decision. The fiscal impact of this mandate on the College was minimal in 2019-20. For 2021-22, all ancillary fees will remain mandatory, however, the overall impact on the budget is minor.

Enveloped, Entrepreneurial, and Ancillary Activity

Enveloped and Entrepreneurial activity fared well during fiscal 2020-21 and we anticipate them to remain strong and improving into fiscal 2021-22.

A significant increase in PPP revenue is expected as Loyalist College in Toronto is expected to close in on its maximum enrolment target based on the 2:1 ratio. Net contributions from the PPP are expected to exceed \$4.4M.

Ancillary operations were hit particularly hard last fiscal resulting in losses much greater than anticipated during the budget process. With a year of experience, operational impacts of the pandemic can be more accurately predicted. Although Ancillary Operations are not expected to return to normal contribution levels, it is expected that they will generate close to \$700K in net contribution to the College's net revenue and to their respective restricted reserves during fiscal 2021-22.

Expenditures

To weather the impacts of COVID-19 during fiscal 2020-21 a number of unsustainable cost containment measures were taken. These includes new staffing from gapped positions, incremental professional development, and renewed equipment and building maintenance. The budget has also been adjusted in anticipation of a new operating normal that includes significant increases in on-campus academic and student life programming.

The total salary and benefit expenses budgeted in the draft 2021-22 budget is \$58.673M, or 49% 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 \$833K year-over-year. This demonstrates the continued reinvestment in the College's facility, equipment and grounds to better serve our students, staff and community. Further detail on the capital budget is included later in this report.

Strategic Investments

Through the 2021-22 budget process, a number of strategic investments were requested. The requests were reviewed and decisions made to ensure that the enrolment plan can be supported, risks are mitigated and that strategic objectives including an Outstanding Student Experience, a Strengthening of Organizational Development and Capacity, and Destination College are being addressed within the resources available.

A focus of this year's budget is an investment in Business Development and External Relations. Investments will support the exploration and generation of new partners in applied research and entrepreneurship creating additional revenue sources for the College. Investments in the Academic division continue and in particular the implementation cloud-based LMS that will support blended and remote delivery or programs.

Investments in a Campus Master Planning exercise will help to guide the multi-year capital investment activity in the campus.

Students have also stepped up again this year to provided enhanced bursary opportunities. It is expected many students will continue to have ongoing fiscal challenges due to the pandemic.

To grow the College's domestic enrolment, investments are being made to support marketing and recruitment activities.

Risks to the Budget

The 2021-22 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. This risk are being monitored through the ERM process and can quickly be escalated if mitigation efforts are not working.

However, it is on the ongoing uncertainty around enrolment that creates the largest risk. Will domestic enrolment return to pre-pandemic levels and will international students be willing to study abroad if travel restrictions remain? Last fiscal saw a reduction in new international students and the flow-through impact will need to be balanced by strong first year enrolment numbers. Increased competition for international students by the large metropolitan areas has compounded the enrolment risk. Numerous contingency and mitigation plans have been put in place to quickly respond to any major variation from the enrolment plan.



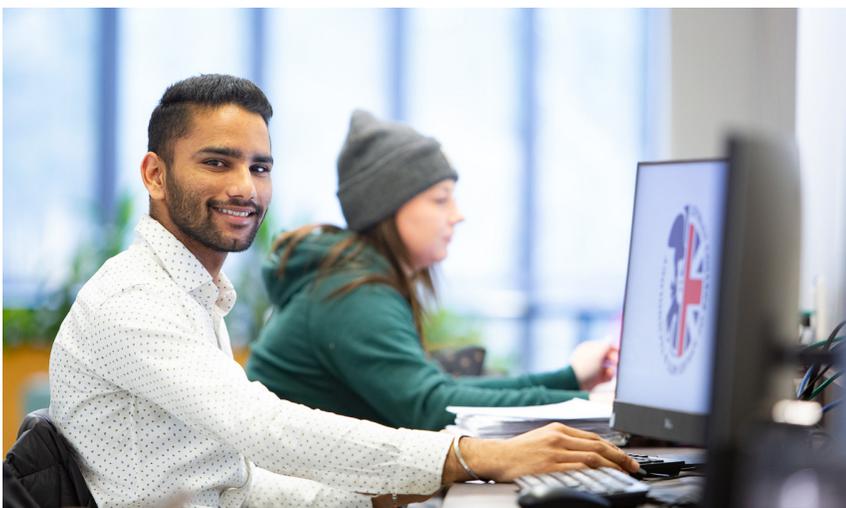
LOYALIST COLLEGE 2021-22 CAPITAL BUDGET

The 2020-21 Capital and Project Plan continues to invest in our academic, technology and student support equipment and to address deferred maintenance infrastructure 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.

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.

Funding Source	Amount
College Equipment and Renewal Fund (CERF)	\$410,000
Apprenticeship Enhancement Fund (AEF)	\$332,179
Facility Renewal Program (FRP)	\$1,756,000
Student Government/Amortization	\$183,000
Skills	\$450,000
Amortization/PPP	\$6,085,000
Amortization	\$87,000
Total	\$9,303,179



CAPITAL EXPENDITURES

Academic Equipment – \$842,179

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 – \$183,000

These are projects that are identified by Student Government and funded by the student capital fees. Projects this year include a refresh of fitness centre equipment, student centre renovations and a study for an outdoor recreational facility.

Technology – \$230,000

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 increase technology in the Library to support research and learning.

Grounds – \$630,000

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. A significant investment will be made in the primary sports turf field bringing it close to a premiere sports field that will hold additional sporting activities. Updated stand and press box will also be installed. Loyalist College will continue to address food security with an expansion of our fruit and vegetable garden with product going to the Loyalist College Food Cupboard. An expansion to the A'nó:wara Learning Circle is also planned.

Building and Equipment Maintenance – \$2,088,000

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. Funding will focus on a transformer replacement, AODA upgrades, ACM remediation, and numerous smaller building shell items (i.e. windows, doors, roofing).

Accessibility – \$330,000

Accessibility is a key goal for Loyalist College. It is important that our facilities are accessible to all students and staff. An accessibility audit was conducted and used to guide decisions on what projects are of the highest priority. The focus of this expenditure will replace the external stairway around Alumni Hall with an accessible access that also leads to the new outdoor Indigenous Centre.

Building Enhancement – \$5,000,000

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 year, some larger scale projects have been funded including a Mechatronics lab, a new Makerspace, Phase I expansion of our Culinary wing and replace of plumbing and washrooms in two Residence buildings. Each one of these enhancements moves us forward on our Destination College journey.



2021-22 CAPITAL BUDGET SUMMARY

Capital Projects	Estimated Cost	Amortization Expense	External Revenue Funding	Funding Source
Academic Equipment	\$842,179	\$168,436	\$168,436	CERF/Skills/AEF
Student Projects	\$183,000	\$13,100	\$13,100	Student Reserves/ Ancillary
Technology	\$230,000	\$46,000	-	Amortization
Grounds	\$630,000	\$104,500	-	Amortization
Building and Equipment Maintenance	\$2,088,000	\$104,400	\$87,000	Amortization/FRP
Accessibility	\$330,000	\$16,500	-	Amortization
Building Enhancement	\$5,000,000	\$265,000	\$17,500	Amortization/Skills
Total	\$9,303,179	\$717,936	\$286,036	

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