



Date: June 26, 2024
Re: 2024-2025 Approved Operating Budget

As we plan for the upcoming 2024-25 fiscal year, the global context in which we operate continues to remain complex. Most notable is the significant disruption to international enrolment resulting from changes to federal immigration policy, capping of international undergraduate student visa approvals, and changes to the post-graduate work permit requirements. Lakehead also remains impacted by financial pressures including a continued freeze on domestic tuition rates, and a competitive post-secondary environment.

In 2023, in response to the sector-wide financial sustainability challenges, the province struck a Blue Ribbon Panel. While the panel acknowledged the structural challenges facing the sector and made recommendations for significant increases to tuition and grant funding, the government's response has focused more on operational efficiencies.

In February 2024, the government announced \$1.3 billion in new funding over the next 3 years. This announcement was welcome news; however, analysts have indicated it represents about 20% of what was needed to stabilize the sector, well short of the Panel's recommendations.

Lakehead University's commitment to financial sustainability continues to be evidenced by strong financial performance metrics, sound governance, and strong financial management. Advocacy efforts with the provincial government have and will continue as we stress the unique position of Lakehead as the only comprehensive university in the north.

As required by the Board of Governors, Lakehead University presents a balanced operating budget; on June 26, 2024, the Board of Governors approved the 2024-25 balanced budget.

The budget planning process for 2024-25 fully reflects our integrated budget development model and exhibits a transparent, consultative, and accountable integrated budgeting process. While a structural deficit still exists, the addition of one-time targeted sustainability funding, resulting from the \$1.3 billion funding announcement, has contributed to a balanced budget.

Approved 2024-25 Operating Budget

The approved 2024-25 Operating Budget and supporting departmental budgets are attached. The following summarizes changes compared to 2023-24.

1. Enrolment

The majority of operating revenue is enrolment driven and is comprised of

provincial grants and tuition fees.

Total enrolment is projected to be 8,340 full-time equivalent students (FTE) compared to 2023-24 actual results of 8,131 and is comprised of the following:

Domestic – Undergraduate	5,825
Domestic – Graduate	685
International – Undergraduate	795
International – Graduate	1035
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Total Projected FTE 2023-24	8,340

The increase of 209 FTE from 2023-24 actual results is attributable to projected modest growth in domestic undergraduate as well as slight growth in international undergraduate and graduate.

These opportunities were determined through discussions with the Deans and the Provost and are expected to be achievable this fall.

Aggressive efforts to recruit domestic and international students will continue with a special emphasis, through strategic enrolment management, on enhancing student retention. In addition, Lakehead will continue to pursue opportunities to accommodate emerging demands in specific program areas.

2. Revenue

Total revenue is expected to increase by 8.1% to a total of \$164.0 million.

Operating grants have increased significantly over the prior year. This is due primarily to funds to be received as part of the Ministry's \$1.3 billion for the sector. This includes the following:

- MCU Post Secondary Education Sustainability Fund Across the Board Increase – \$1.4M
- MCU Post Secondary Education Sustainability Fund Top up Funding – \$5.7M
- MCU Northern Sustainability Fund additional one-time top up – \$2.1M

Domestic tuition revenue is projected to increase by 2.4%. This is reflective of a slight increase in projected enrolment as well as anomalous tuition fee increases for Business, Engineering, and Law programs. The government approved increases to these three programs in 2023-24 due to lower-than-sector-average tuition rates for comparable programs. Per the 2024-25 Tuition Fee Framework,

domestic tuition for Ontario remains frozen, apart from these anomalous programs.

International student tuition revenue is projected to increase by 2.2% versus the prior year. This is due to a slight projected overall decrease in international students offset by modest increases in tuition rates for incoming students and limited tuition increases for continuing students. In 2021-22, the University implemented an internal framework to guide the approach in setting international student tuition with the goal of providing more transparency and predictability for international students.

Lakehead's international tuition framework provides transparency and predictability for international students, as new student rates are determined in line with our market positioning on an annual basis, and increases for continuing students are set with a predetermined band.

Other revenue is projected to increase by \$0.3 million. This increase is reflective of recent year actuals in miscellaneous and other fees.

3. Expenditures

Total expenditures are expected to increase by 4.5% to a total of \$164.0 million.

Total compensation is expected to grow to \$124.0 million, representing an increase of 4.3% over the prior year. This increase is primarily due to provisions in collective agreements.

Other costs have increased by 7.5%. The increase is primarily due to inflationary adjustments and contingency to protect against enrolment volatility.

Scholarships and bursaries and department recoveries have slightly increased over the prior year.

The strategic initiatives fund is consistent with the prior year at \$1.4 million, allowing the University to continue to invest in critical strategic initiatives to support the strategic plan.

The Strategic Enrolment Management Initiative Fund, which represents the investment back to faculties for enrolment initiatives based on meeting critical enrolment targets, achievement of performance metrics and other SEM initiatives, is consistent with prior years.

Deferred maintenance also remains consistent with the previous budget. These funds are in addition to the funds Lakehead receives from the government under

the Facilities Renewal Program.

Lastly, debt payments are consistent with the previous year.

LAKEHEAD UNIVERSITY APPROVED 24/25 OPERATING BUDGET <i>(compared with 2023/24 Approved Budget)</i>	2023/24 APPROVED PROVISIONAL	2024/25 APPROVED
ENROLMENT Full Time Equivalent Full Time Equivalent - Undergrad Full Time Orillia Faculty of Law FTE Undergrad Domestic Full Time Grad Domestic International Undergrad International Grad	8,316 3,742 1,787 191 5,720 753 720 1,123	8,340 3,705 1,910 210 5,825 685 795 1,035
REVENUE: Grants Tuition - Domestic Tuition - International Other	(000's) \$ 58,474 42,824 46,218 4,177	\$ 68,397 43,869 47,291 4,477
TOTAL REVENUE	151,693	164,034
EXPENSES: Full Time Salaries and Wages Part Time Salaries and Wages Other Costs Scholarships and Bursaries fr Tuition Reinvestment Department Income and Cost Recoveries Strategic Initiatives SEM Initiative Fund Deferred Maintenance Principal & Interest	101,133 17,755 27,966 7,203 (5,181) 1,400 3,512 400 2,789	105,926 18,070 30,067 7,228 (5,359) 1,400 3,512 400 2,789
TOTAL EXPENSES	156,977	164,034
SURPLUS (DEFICIT)	\$ (5,284)	\$ (0.00)

**LAKEHEAD UNIVERSITY
APPROVED 2024/25 EXPENDITURES**

	2023/24 APPROVED PROVISIONAL	2024/25 APPROVED
		(000's)
FACULTIES		
Faculty of Social Sciences and Humanities	15,730	16,231
Faculty of Sciences and Environmental Studies	16,545	17,102
Faculty of Health and Behavioral Sciences	14,687	15,459
Faculty of Business	4,586	5,171
Faculty of Education	10,682	10,898
Faculty of Engineering	9,384	9,964
Faculty of Natural Resources Management	2,956	3,011
Faculty of Law	3,162	3,835
LU/GEORGIAN PARTNERSHIP	700	700
SEM INITIATIVE FUND	3,512	3,512
Interviews and Recruitment	100	100
Faculty subtotal	82,046	85,985
Provost & Vice President (Academic)		
Provost & Vice President (Academic)	859	874
Deputy Provost	207	210
Miscellaneous Academic (includes Sustainability)	105	112
Ombudsperson	54	49
Provost and VP Academic subtotal	1,226	1,244
Academic Services:		
Indigenous Initiatives	377	406
Dean of Graduate Studies	730	789
Graduate Assistantships	5,572	5,720
Institutional Planning & Analysis	724	831
Library	5,420	5,463
Teaching Commons	715	726
Vice Provost Student Affairs	5,120	5,285
Academic Services subtotal	18,658	19,219
PROVOST AND VICE PRESIDENT (ACADEMIC) TOTAL	101,929	106,449
PEFAL (Post Secondary Education Funding for Aboriginal Learners)	989	989
TRUTH & RECONCILIATION	218	223
SCHOLARSHIPS & BURSARIES FROM TUITION REINVESTMENT	7,203	7,228
ORILLIA CAMPUS - SUPPORT	5,400	5,581
LAKEHEAD INTERNATIONAL	4,718	4,795
TECHNOLOGY SERVICES CENTRE	5,831	5,816

	2023/24 APPROVED PROVISIONAL	2024/25 APPROVED
	(000's)	
PRESIDENT		
Office of the President	788	675
Gov Relations	213	218
Media Relations	152	309
President subtotal	<u>1,153</u>	<u>1,202</u>
CHIEF OF STAFF	270	238
UNIVERSITY SECRETARIAT	505	548
VICE PRESIDENT EXTERNAL RELATIONS		
Office of the Vice President	470	553
Alumni & Community Relations	548	594
Philanthropy	611	631
Stewardship	214	136
Marketing Support	571	586
Web Development Services	360	369
VP External Relations subtotal	<u>2,774</u>	<u>2,869</u>
VICE PRESIDENT RESEARCH & INNOVATION		
Office of the Vice President	466	473
AVP Research	253	258
Research Office	593	632
Research Facilitator - Int'l	91	94
Ingenuity	91	103
Instrumentation Laboratory	329	340
Economic Development & Innovation	342	355
VP Research & Innovation subtotal	<u>2,166</u>	<u>2,255</u>
VICE PRESIDENT ADMINISTRATION & FINANCE		
Office of the Vice President	376	382
General Counsel	232	257
Athletics	1,230	1,322
Risk Management & Access to Information	162	166
Office of Financial Services	2,559	2,659
Human Resources	1,166	1,337
Human Rights & Equity	319	342
Security	1,101	1,084
Physical Plant	5,938	5,773
VP Administration & Finance subtotal	<u>13,084</u>	<u>13,323</u>
Utilities	3,512	3,512
General	2,055	2,055
Deferred Maintenance	400	400
Tuition Waiver	580	580
Subtotal before Undernoted	<u>152,790</u>	<u>158,063</u>
Strategic Initiatives	1,400	1,400
One-time expenses (to be assigned)	0	1,782
Principal & Interest	2,789	2,789
Total	<u>156,977</u>	<u>164,034</u>