



Date: June 4, 2026

Re: 2026-2027 Approved Operating Budget and Ancillary Budget

The 2026/27 budget is being developed in a context of continued financial pressure across the postsecondary sector, requiring careful balance between fiscal sustainability and the University's academic and strategic priorities.

Like many institutions in Ontario, Lakehead University faces ongoing constraints related to enrolment uncertainty, operating funding and rising costs, while remaining committed to delivering high-quality education, research, and student support.

This budget reflects a disciplined and transparent approach to resource allocation, prioritizing academic and strategic investments, and operational efficiencies to ensure the institution's long-term financial health.

The impact of federal policy changes to international study permits continues to significantly impact Lakehead's operating budget. Like other postsecondary institutions across Canada, Lakehead is experiencing declines in applications due to the ongoing reputational damage these policy changes have caused.

The University also acknowledges the recent postsecondary funding announcement from the Government of Ontario, which includes a new tuition fee framework that allows for a 2% increase to domestic tuition. While this provides some additional flexibility and a measure of financial relief, the impact is modest relative to ongoing structural pressures, including inflationary cost increases and broader constraints on revenue. Accordingly, the 2026/27 budget recognizes both the benefit of this change and the continued need to advance cost containment and revenue diversification strategies.

Lakehead University's commitment to financial sustainability continues to be evidenced by strong financial performance metrics, sound governance and strong financial management. Advocacy efforts will continue with the provincial government as we leverage competitive proposal submissions in the coming months.

The President's Advisory Committee on Financial Sustainability will continue the important work that began in the prior year. The 2026/27 budget includes targeted savings anticipated from recommendations made by the Advisory Committee to the President, and which the President has accepted.

As required by the Board of Governors, Lakehead University presents a balanced operating budget. The budget planning process for 2026/27 fully reflects our integrated budget development model and exhibits a transparent, consultative, and accountable integrated budgeting process.

2026/27 Operating Budget

The 2026/27 Operating Budget and supporting departmental budgets are attached (Attachment A). Please note, the 2026/27 budget includes changes in presentation, most notable are as follows:

- Sessional budgets have been removed from the faculties and are now presented as a consolidated total;
- Graduate Assistantships (GAs) now reflect funding for domestic and international GAs. Previously this line included only the domestic GA budget as well funding support for domestic graduate students;
- Other funding support for domestic graduate students is now presented within Scholarships and Bursaries, consistent with the treatment of similar funding for international graduate students;
- International GA funding, previously included in the SEM Initiative Fund, is now reflected within Graduate Assistantships, as noted above; and
- The budget for utilities at the Orillia Campus is now included in Utilities, rather than Orillia Campus – Support.

For comparative purposes, these presentation changes have been applied to the 2025/26 Approved Budget and do not impact the overall bottom line.

The following summarizes changes compared to 2025/26.

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 8,763 full-time equivalent students (FTE) compared to 2025/26 actual results of 8,285 and is comprised of the following:

Domestic – Undergraduate	6,601
Domestic – Graduate	786
International – Undergraduate	595
International – Graduate	781
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Total Projected FTE 2026/27	8,763

The increase of 478 FTE over 2025/26 actual results is attributable to continued strong domestic demand in specific undergraduate and graduate program areas, offsetting projected declines in international undergraduate and graduate enrolment. The projected enrolment in 2026/27 also includes enrolment in programs at the new Barrie STEM Hub.

The 2026/27 enrolment projections consider intake and persistent rates at the baccalaureate, master's, and PhD levels, based on multiple data sources and assumptions.

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 8.7% to a total of \$176.8 million. The increase in revenue is due to an increase in grants, domestic tuition, and other revenue that is partially offset by a reduction in international tuition revenues.

Operating grants have increased by \$12.1 million, due to the following:

- Increases from the new university funding model that includes resetting corridor midpoints, adjustments to program weights (WGU), and increase to the Small and Northern Rural Grant;
- One-time funding for start-up costs for the Collaborative Doctor of Veterinary Medicine Program (CDVMP); and
- Permanent funding for some special purpose grants that have now been rolled into base operating funding.

Domestic tuition revenue is projected to increase by 12.2%. This is reflective of a strong increase in projected undergraduate enrolment as well the 2% increase in domestic tuition rates and anomalous tuition fee increases for Business, Engineering, and Law programs.

International student tuition revenue is projected to decrease by 11.2% compared to the prior year. This is due to continued declines in undergraduate and graduate international student enrolment offset by modest increases in tuition rates for incoming students and limited tuition increases for continuing students.

Other revenue is projected to increase by \$1.9 million, which is primarily due to one-time funding from the City of Barrie to support the launch of the new Barrie STEM Hub.

3. Expenditures

Consistent with revenues, total expenditures are expected to increase by 8.7% to a total of \$176.8 million.

Salary and benefits as a total are expected to grow by \$10.9 million or 8.8% over the prior year and are reflective of:

- Increases to base salary and benefits primarily due to provisions in collective agreements;
- New positions for the Barrie STEM Hub;
- Positions added to base budget that were previously funded by the Strategic Initiative Fund (SIF) or Strategic Enrolment Management Fund (SEM);
- New positions for the CDVMP;
- New positions that will be funded by new compulsory ancillary fees introduced by Student Affairs;
- Positions added to base budget that are funded by special purpose grants; and
- Reduction in annual special pension payments.

Other costs have increased by \$4.0 million or 13.8%. The increase includes costs attributed to the new Barrie STEM Hub, \$1.4 million of which is for one-time purchases of furniture, computer, and lab equipment, costs for the CDVMP project and costs associated with special purpose grants that are now in base budget.

Scholarships and bursaries have increased by \$0.5 million or 5.8%. The increase is from tuition set-aside requirements and is reflective of the projected increase in domestic student enrolment and increased tuition rates per the new provincial tuition fee framework outlined above.

Department recoveries have increased over the prior year by \$1.2 million or

20.9%. The majority of this increase is reflective of the new revenues that will be generated from the compulsory ancillary fees introduced by Student Affairs. The fees will fund new and expanded services for students in areas of Career Services, Financial Aid Services, and Academic Support.

The investment in the Strategic Initiatives Fund is consistent with the prior year at \$1.4 million. For 2026/27, long-term commitments previously funded by SIF of \$0.6 million have been moved to base budgets, allowing SIF funds to support initiatives aligned with the implementation of the University's new Strategic Plan, EvoLUtion, per its intended purpose.

Similarly, the investment in the Strategic Enrolment Management Initiative Fund is consistent with the prior year. Long-term commitments previously funded by the SEM Initiative Fund of \$0.6 million have been moved to base budget, allowing SEM funds to support investment in strategic initiatives aligned to the implementation of Strategic Enrolment Management, per its intended purpose.

Deferred maintenance 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 have decreased 0.6% to reflect 2026/27 actuals.

2026/27 Ancillary Budget

Ancillary services provide a vital service to students, staff, and faculty and contribute to a student's experience while attending University. Ancillary units are self-sustaining business enterprises providing goods and services to the University in support of core educational and research missions. They are not supported by the central university operating budget and are expected to break even or generate profit.

The global pandemic had a significant impact on Lakehead's ancillary operations with services such as Parking and Retail Operations only recently recovering to a point of sustainability. Lakehead's English Language Centre is currently undergoing an operational review; as a result, a budget has not been developed for 2026/27.

The projected contribution from ancillary services to the operating budget is \$1.3 million, consistent with the prior year. Total net revenue for ancillary services is projected at \$1.1 million.

Attachment B presents the budgets for Lakehead's ancillary services.

ATTACHMENT A - LAKEHEAD UNIVERSITY 26/27 OPERATING BUDGET <i>(compared with 2025/26 Approved Budget)</i>	2025/26 APPROVED **	2026/27 APPROVED
ENROLMENT Full Time Equivalent (FTE) Full Time Undergraduate Full Time Orillia Faculty of Law Total Undergraduate Domestic Graduate Domestic International Undergraduate International Graduate	8,501 3,829 2,117 234 6,180 691 661 969	8,763 3,971 2,366 264 6,601 786 595 781
REVENUE: Grants Tuition - Domestic Teacher's Education Policy Change Contingency Tuition - International Other	(000's) \$ 67,323 47,631 - 43,257 4,477	\$ 79,414 53,465 (890) 38,411 6,417
TOTAL REVENUE	162,688	176,818
EXPENSES: Salaries and Wages Other Costs Scholarships and Bursaries from Tuition Department Income and Cost Recoveries Strategic Initiatives Fund (SIF) Strategic Enrolment Management Initiative Fund (SEM) Deferred Maintenance Principal & Interest (net)	124,869 28,776 7,918 (5,874) 1,400 1,000 400 4,199	135,806 32,760 8,380 (7,102) 1,400 1,000 400 4,174
TOTAL EXPENSES	162,688	176,818
SURPLUS (DEFICIT)	\$ 0	\$ 0

LAKEHEAD UNIVERSITY
26/27 NET OPERATING BUDGET
(compared with 2025/26 Approved Budget)

	2025/26 APPROVED **	2026/27 APPROVED
		(000's)
FACULTIES		
Faculty of Social Sciences and Humanities	13,579	14,131
Faculty of Sciences and Environmental Studies	16,526	18,246
Faculty of Health and Behavioral Sciences	14,220	14,942
Faculty of Business	4,832	5,046
Faculty of Education	7,483	7,840
Faculty of Engineering	10,003	10,862
Faculty of Natural Resources Management	3,044	3,120
Faculty of Law	4,077	4,150
Sessionals	7,650	8,349
LU/GEORGIAN PARTNERSHIP	600	600
Strategic Enrolment Management Initiative Fund (SEM)	1,000	1,000
Faculty subtotal	83,013	88,287
Provost & Vice President (Academic)		
Provost & Vice President (Academic)	1,372	1,154
Indigenous Student Success Fund (ISSF)	989	1,180
Credit Transfer (CTIG)	0	330
Ontario Post Secondary Access & Inclusion Program (OPAIP)	0	310
Miscellaneous Academic (includes Sustainability)	119	105
Ombudsperson	56	56
Provost and VP Academic subtotal	2,536	3,135
Academic Services:		
Indigenous Initiatives	433	455
Graduate Studies	799	827
Graduate Assistantships	5,165	5,165
Institutional Planning & Analysis	870	894
Library	5,681	5,693
Teaching Commons	739	876
Vice Provost Student Affairs	5,295	5,565
Academic Services subtotal	18,982	19,474
PROVOST AND VICE PRESIDENT (ACADEMIC) TOTAL	104,531	110,896
SCHOLARSHIPS, BURSARIES & FINANCIAL AWARDS	7,918	8,380
ORILLIA CAMPUS - SUPPORT	5,498	5,698
BARRIE STEM HUB	0	4,220
LAKEHEAD INTERNATIONAL	6,570	6,625
TECHNOLOGY SERVICES CENTRE	5,878	5,978
PRESIDENT		
Office of the President	600	602
Government Relations	222	227
Truth & Reconciliation	228	234
President subtotal	1,050	1,063

	2025/26 APPROVED **	2026/27 APPROVED
	(000's)	
CHIEF OF STAFF	193	204
AVP COMMUNICATIONS & MARKETING	1,369	1,447
UNIVERSITY SECRETARIAT	616	606
VICE PRESIDENT UNIVERSITY ADVANCEMENT		
Office of the Vice President	557	557
Alumni & Community Relations	848	843
Philanthropy	441	774
Stewardship	138	185
VP External Relations subtotal	1,983	2,359
VICE PRESIDENT RESEARCH & INNOVATION		
Office of the Vice President	474	724
AVP Research	270	277
Research Office	619	629
Research Facilitator - Int'l	96	99
Ingenuity	103	103
Instrumentation Laboratory	347	353
Economic Development & Innovation	357	367
VP Research & Innovation subtotal	2,266	2,551
VICE PRESIDENT ADMINISTRATION & FINANCE		
Office of the Vice President	384	439
Legal Counsel	264	267
Athletics	1,369	1,420
Risk Management & Access to Information	171	176
Office of Financial Services	2,676	2,809
Human Resources	1,633	1,751
Human Rights & Equity	364	378
Security Services	1,054	1,212
Physical Plant	5,788	5,805
VP Administration & Finance subtotal	13,703	14,256
Utilities	3,785	3,785
General	2,055	2,055
Deferred Maintenance	400	400
Tuition Waiver	580	580
Subtotal before Undernoted	158,396	171,104
Strategic Initiatives Fund (SIF)	1,400	1,400
Savings from Carry Forward Policy	(1,231)	0
Investment in Digitalization Initiatives	1,782	1,000
Carryforward unspent 2025/26 Digitalization	(1,782)	(860)
PAC FS Recommendations		
Improving Admissions Processes	(75)	0
Principal & Interest	4,199	4,174
Total	162,688	176,818

** For comparative purposes, some numbers within 2025/26 have been reallocated to match the presentation of 2026/27

**ATTACHMENT B - LAKEHEAD UNIVERSITY
2026-27 ANCILLARY BUDGET**

	2025/26 APPROVED	2026/27 APPROVED
Retail Operations		
Revenue	2,468	2,069
Expenses	2,468	2,063
	0	6
Residence		
Revenue	17,204	18,529
Expenses	12,297	13,581
Principal & Interest	2,657	2,657
	2,250	2,291
Food Services		
Revenue	498	498
Expenses	420	420
	78	78
Parking		
Revenue	750	1,246
Expenses	750	1,174
	0	72
Community Programming		
Revenue	-	189
Expenses	-	189
	-	0
English Language Centre		
Revenue	819	-
Expenses	819	-
	0	0
Operating Fund - Overhead Contribution	1,300	1,300
TOTAL INCOME	21,739	22,531
TOTAL EXPENSES	20,711	21,385
SURPLUS	1,028	1,146