Annual Budget Report

2025/2026

Board Approved May 9, 2025

2025/2026 BUDGET REPORT

FOREWORD

This report is intended to provide a comprehensive review and summary of the process, consultations, and results of the Trent University 2025/2026 Budget for the Operating and Ancillary Funds.

Trent's administration has attempted to pursue a budget development process that enhances the degree of transparency, communication, and input of all constituencies of the University community. This report captures the key elements and content of the development process, including consultation outcomes and specific impacts of budget decisions on the various academic, non-academic, and ancillary units of the University.

It is our intention to produce a summary report annually, and circulate it widely, in order that the budget and underlying program activity of the University can be better understood and assessed.

Your comments and feedback are welcome.

Tariq Al-idrissi, Vice President, Finance and Administration
Cheryl Turk, Associate Vice President, Finance

EXECUTIVE SUMMARY

The current fiscal environment can be characterized as challenging and uncertain. Government grant revenue remains fixed, domestic tuition rates continue to be frozen, government restrictions on international enrolment have been expanded to apply to both undergraduate and graduate students, there is a heightened competition for domestic enrolment, and costs continue to escalate. Universities are under increasing Ministry oversight with operating funding linked to performance metrics and action plans determined by assessed financial health risks under the Financial Accountability Framework.

For 2025/2026, Trent is conservatively anticipating total student enrolment will decrease by 6.5% to 12,342.2 full-time equivalents (FTEs), a decrease of 863.7 FTEs from 2024/2025, and continue to decline in 2026/2027 until stabilizing at just over 12,000 FTEs in 2027/2028. Much of this decline relates to international enrolment, which is expected to decline over the next couple of years to about 15% of total enrolment. These enrolment projections are still expected to exceed the adjusted corridor mid-point used in the current Ministry funding model.

Under the recently-signed Strategic Mandate Agreement for 2025-2030, Trent's corridor increased by nearly 27% resulting in additional annual funding of $12.7 million to address enrolment above the previous corridor and to retain STEM enrolments. The University's total operating funding is expected to remain fixed at nearly $63 million throughout the 5-year agreement. Funding is also linked to performance metrics, with 5% of the performance-based grant at risk if targets are not met, and to accountability requirements, with 5% of total funding at risk if not in compliance. In addition to this funding, the University also receives Special Purpose Grants, which may change from year to year depending on Ministry priorities, and time-limited funding under the new Post-secondary Education Sustainability Fund. Total government grants are expected to represent 34% of total budgeted operating revenue in 2025/2026.

The current Tuition Fee Framework, which was recently extended to April 2027, mandates tuition fees for domestic students continue to be frozen at 2019/2020 rates, which were reduced by 10% compared to 2018/2019 fees. Trent was successful in obtaining approval to increase domestic tuition fees by 7.5% in three programs through the Tuition Anomalies initiative. International fees are not regulated by the province. In an effort to maintain market rates and remain competitive yet affordable, Trent's Board of Governors approved an increase in international tuition rates of 3% to 8% depending on the type of student and program. The University conservatively included a provision for possible lost international tuition revenue to mitigate the potential impact of the restrictions placed on international study permits by the Federal government. Tuition revenue is projected to generate 61% of the University's total operating revenue in 2025/2026.

With this fiscal environment of uncertainty and declining enrolment, it is challenging to achieve and maintain a balanced budget for this planning cycle while investing in strategic priorities. The Preliminary Operating Budget prepared in Fall 2024 projected a deficit of over $23 million in 2025/2026, growing to over $40 million by 2028/2029 before implementing any mitigation strategies or factoring in recent funding announcements. Action must be taken in 2025/2026 to avoid significant budget deficits in the near future and to remain financially sustainable for the long term.

To address the pending financial challenges, the University is taking a multi-year, multi-faceted approach that includes strategic departmental discretionary budget reduction strategies, academic program scrutiny, exploration of additional and/or alternative revenue sources, identification of further operating efficiencies and a comprehensive reassessment of prior year appropriations.

The approved budget reduction strategies of $9.8 million achieve a 6.3% reduction in departmental compressible operating budgets in 2025/2026. These budget reductions are strategic in nature, rather than across-the board reductions, and are guided by the following principles:

- Protecting the academic mission, reputation and quality of programs.
- Protecting the quality of the student experience.
- Maintaining the University's culture with the least impact on faculty and staff.
- Minimizing risk exposure.

The University is making new strategic investments of approximately $3.1 million, which represents a 2% increase in departmental compressible operating budgets. These investments focus on the following:

- Enhancing recruitment and related supporting services.
- Maintaining the University's aging infrastructure.
- Maintaining student services.
- Replacing faculty retirements.
- Increasing Dean's support for PhD students.
- Dealing with inflation and cost increases in information technology.

As a result of the above approved budget reductions and strategic investments and with the newly announced annual STEM funding and one-time Ministry funding, the operating budget for 2025/2026 is nearly balanced. The University will need to use some of its operating pressures contingency appropriation to balance in the short-term. This appropriation will be fully depleted by 2027/2028 if further actions are not undertaken. The University has established three working groups to implement recruitment and conversion strategies, identify opportunities for further budget reductions and explore new revenue sources.

The 2025/2026 Operating and Ancillary Budgets were approved by the Board of Governors on May 9, 2025.

FISCAL ENVIRONMENT, BUDGET DEVELOPMENT PROCESS, AND TIMELINES

The comprehensive budget planning process for fiscal 2025/2026 began in September 2024 with discussions with various groups in the University community regarding the current fiscal environment, the budget process, and timelines.

Fiscal Environment

The current fiscal environment is challenging and uncertain as universities are operating in unprecedented context of restrictions and constraints:

- Government operating grant revenue remains fixed for at least the next two years with no mechanism for ongoing funding of enrolment exceeding the corridor midpoint in the University's Strategic Mandate Agreement with the Ministry.
- Domestic tuition rates continue to be frozen until at least 2026/2027 under the provincial Tuition Fee Framework; these fees were mandated in 2019/2020 at 10% less than fees charged in 2018/2019.
- Federal government announcements over the past year have put increasing restrictions on international student study visas and work permits. These restrictions, which have been expanded to apply to both undergraduate and graduate students, have had an impact on Canada's reputation and ability to attract international students. This, in turn, is creating a heightened competition for domestic enrolment.
- Economic pressures persist as compensation costs and operating expenses continue to escalate.
- Universities are under increasing Ministry oversight as operating funding is linked to performance metrics under the Strategic Mandate Agreement and the Ministry's Financial Accountability Framework determines a university's action plan and report back requirements based on certain financial health metrics.

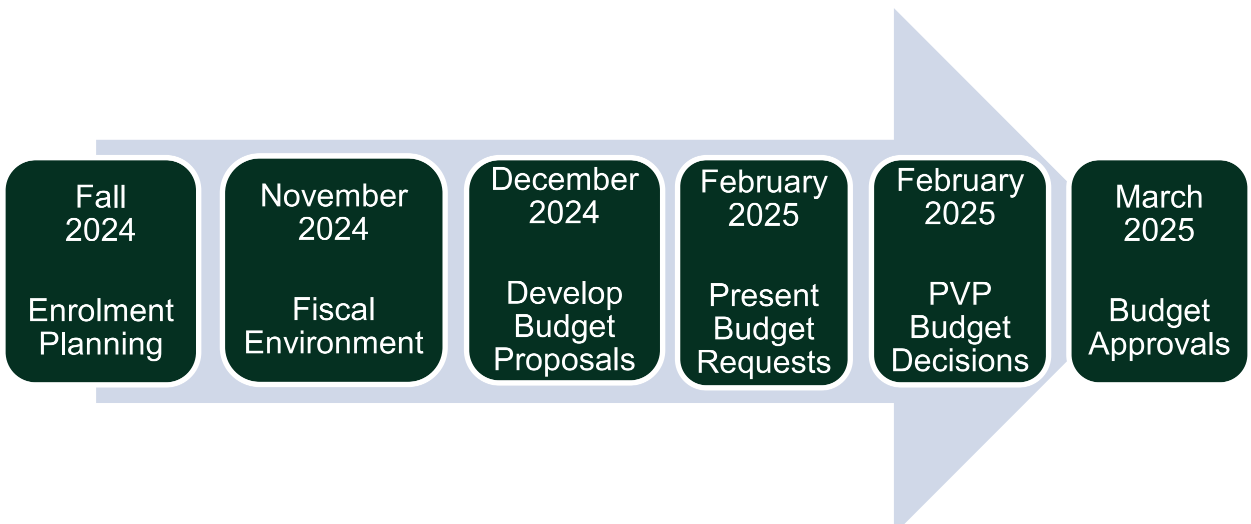
With this fiscal environment of uncertainty, it is challenging to achieve and maintain a balanced budget for this planning cycle while investing in strategic priorities. Action must be taken in 2025/2026 to avoid significant budget deficits in the near future and to remain financially sustainable for the long term.

Budget Development Process

For the 2025/2026 budget cycle, Trent continued multi-year budgeting at the budget developer level as a way to promote longer-term planning and more efficient use of critical resources required to address projected enrolment and to align with the University's strategic direction and academic plan. Multi-year planning is key for Trent to strategically plan its future financial sustainability. The fiscal years included in this planning cycle are:

- May 1, 2025 to April 30, 2026 (2025/2026)
- May 1, 2026 to April 30, 2027 (2026/2027)
- May 1, 2027 to April 30, 2028 (2027/2028)

The initial year of this budget cycle includes proposals at a more detailed level as decisions focused on year one of the plan. Plans for the second and third years offer an order of magnitude for planning purposes only. Multi-year plans are subject to annual review each fall to ensure the assumptions remain reasonable and/or up to date for additional known changes or new expectations.

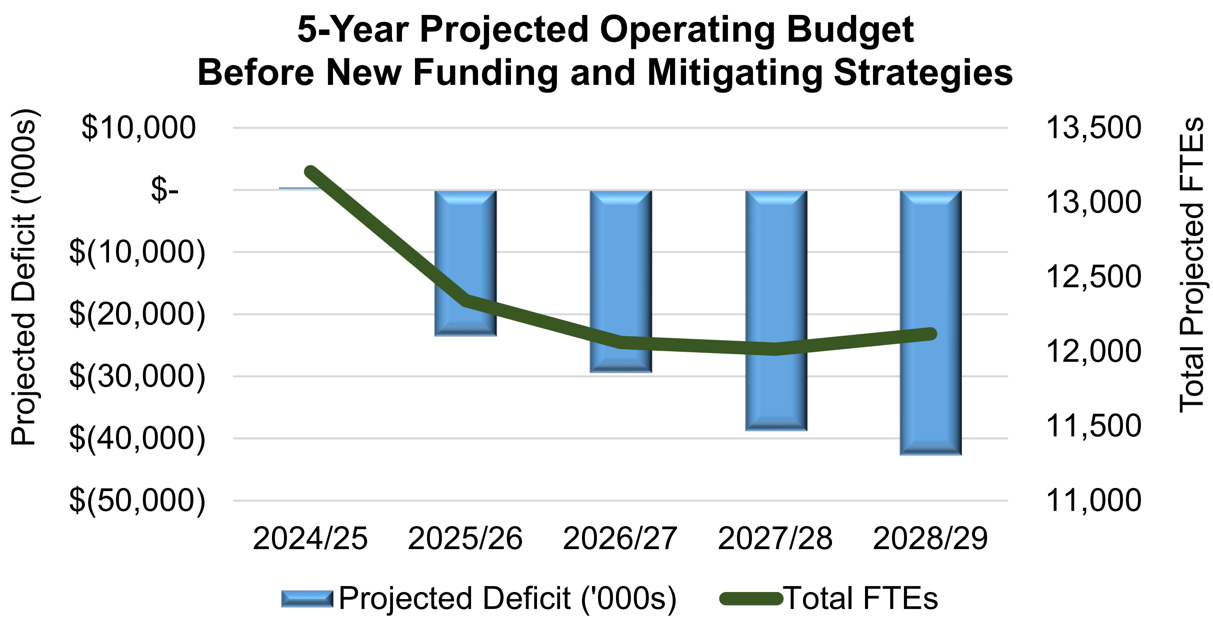


The budget process began in September 2024 as the University modelled enrolment projections for the next few years under various scenarios. The Enrolment Modelling Working Group, comprised of academic and administrative managers, proposed enrolment projections based on a comprehensive analysis and taking into consideration new challenges and anticipated factors. The recommended enrolment projections used for planning purposes were brought forward to the President and Vice Presidents Committee and the Strategic Enrolment Management Committee for review and approval.

Also in the Fall 2024, the University prepared an overview of the current fiscal environment, identifying a wide range of internal and external factors for consideration in determining the fiscal constraints that will challenge the University and their potential implications on budget planning.

Based on the current fiscal environment, the University developed financial assumptions for budget planning purposes. Financial Services updated the prior year's base budget to reflect salary escalation, inflation and other known changes in staffing and other expenses. One-time budget adjustments, for example, time-limited investments or in-year budget reduction strategies, were removed. Revenues and associated student financial aid and other enrolment-related expenses were updated in alignment with the approved conservative enrolment projections.

Based on the key enrolment and financial planning assumptions described in more detail later in this document, the resulting Preliminary Base Budget (before funding announced in March 2025) indicated a significant operating deficit for 2025/2026. A sensitivity analysis for future years indicated declines in enrolment resulting in decreased net tuition revenue which will negatively impact the financial resiliency of the University if mitigating strategies are not implemented.



To address the pending financial challenges, the University is taking a multi-year, multi-faceted approach that includes the following:

- Strategic departmental discretionary budget reduction strategies that align with established guiding principles.
- Academic program scrutiny to develop new or modify existing program offerings to better align with labour market demands and enhance partnerships to recapture enrolment.
- Pursue initiatives that will generate additional revenues and/or create alternative revenue sources.

- Pursue further operating efficiencies, although benchmarking (source: CAUBO Financial Landscape Data) indicates Trent is already one of the most efficient universities in its comparator group
- Review prior year appropriations to reassess needs and identify funds that could be rediverted to the operating pressures contingency to help offset operating deficits in the short-term.

With the above in mind, operating budget owners were asked to model budget reduction strategies of 2%, 4% and 6% while ancillary services were asked to model increased contributions to the operating budget. For each reduction strategy identified, budget owners were requested to describe how the budget adjustments would be achieved, how they aligned with the guiding principles, and any potential negative impacts on the level and quality of academic programs, services provided and/or students.

Proposals for new investments were limited to those of the highest importance. For each new investment proposal, budget owners were required to identify the rationale supporting the investment, how they aligned with the University's strategic priorities, and to indicate how such new investments would be accommodated within the departmental budget. Where this was not possible, they were asked to indicate the impact and risk associated with not proceeding with the proposed new investment initiative.

Budget developers received their updated departmental preliminary base budget, guidelines, and key planning assumptions, including multi-year enrolment projections, in November 2024. The budget packages also included business case templates to aid in the qualitative and quantitative analysis of proposed budget reduction strategies or recommended new strategic investments, as outlined above, and a budget presentation template. Finance provided support to budget owners, as needed, regarding the estimation of their in-year forecasts and the development of their budget adjustment requests.

In early February 2025, budget owners presented details of their submitted proposals to the President and Vice-Presidents Committee (PVP) for their consideration. Each budget developer was required to include in their presentation details and rationale for proposed budget reduction strategies and strategic investments, including potential impacts, and a high-level summary of their department's 2024/2025 in-year financial performance and forecast to year end, including their proposed use of any unspent budget where a surplus was anticipated or mitigating strategies if projecting a deficit.

Before deliberating on the budget proposals, PVP reviewed the preliminary enrolment projections to confirm the validity of the underlying assumptions and made adjustments to the Preliminary Base Budget as appropriate to provide a more accurate estimate of the financial situation for better decision making. PVP was strategic in its decision making, accepting departmental budget reduction strategies in whole or in part at various percentage levels depending on alignment with the guiding principles and potential impacts to academic programs, services and students, and recommending new strategic investments in alignment with the University's priorities.

Timelines

The table below sets out the timelines and consultative meetings held throughout the budget process.

Preliminary Enrolment and Financial Planning Discussions	
Enrolment Modelling Working Group	September 10, 17, 24, 2024
President / Vice President Committee	October 7 and 29, 2024 and November 4 and 11, 2024
Strategic Enrolment Management Committee	October 8, 2024
Fiscal Environment, Process and Timelines Consultations	
Special OPSEU Joint Committee	October 24, 2024
Provost's Planning Group	November 12, 2024
Special TUFA Joint Committee (FISC)	November 12, 2024
Administration Planning Group	November 20, 2024
Faculty Board	November 22, 2024
Finance and Property Committee	November 26, 2024
Colleges and Student Services Committee	December 4, 2024
Board of Governors	December 6, 2024
Budget Preparation	
Guidelines and budget packages provided to Budget Owners	November 14, 2024
Budget submissions due to Financial Services	December 19, 2024
Compilation of submissions distributed to Vice Presidents	January 31, 2025
Presentations to President / Vice President Committee	February 10 to 13, 2025
President / Vice President Committee review of proposals	February 13 and 24, 2025

Draft Budget Update Discussions	
Provost’s Planning Group	March 25, 2025
Special TUFA Joint Committee (FISC)	March 26, 2025
Special OPSEU Joint Committee	March 27, 2025
Administrative Planning Group	April 3, 2025
Faculty Board	April 4, 2025
Senate	April 8, 2025
Budget Approvals	
Finance and Property Committee	March 18, 2025
Board of Governors	March 28, 2025
Revised Budget Approvals	
Finance and Property Committee	April 28, 2025
Board of Governors	May 9, 2025

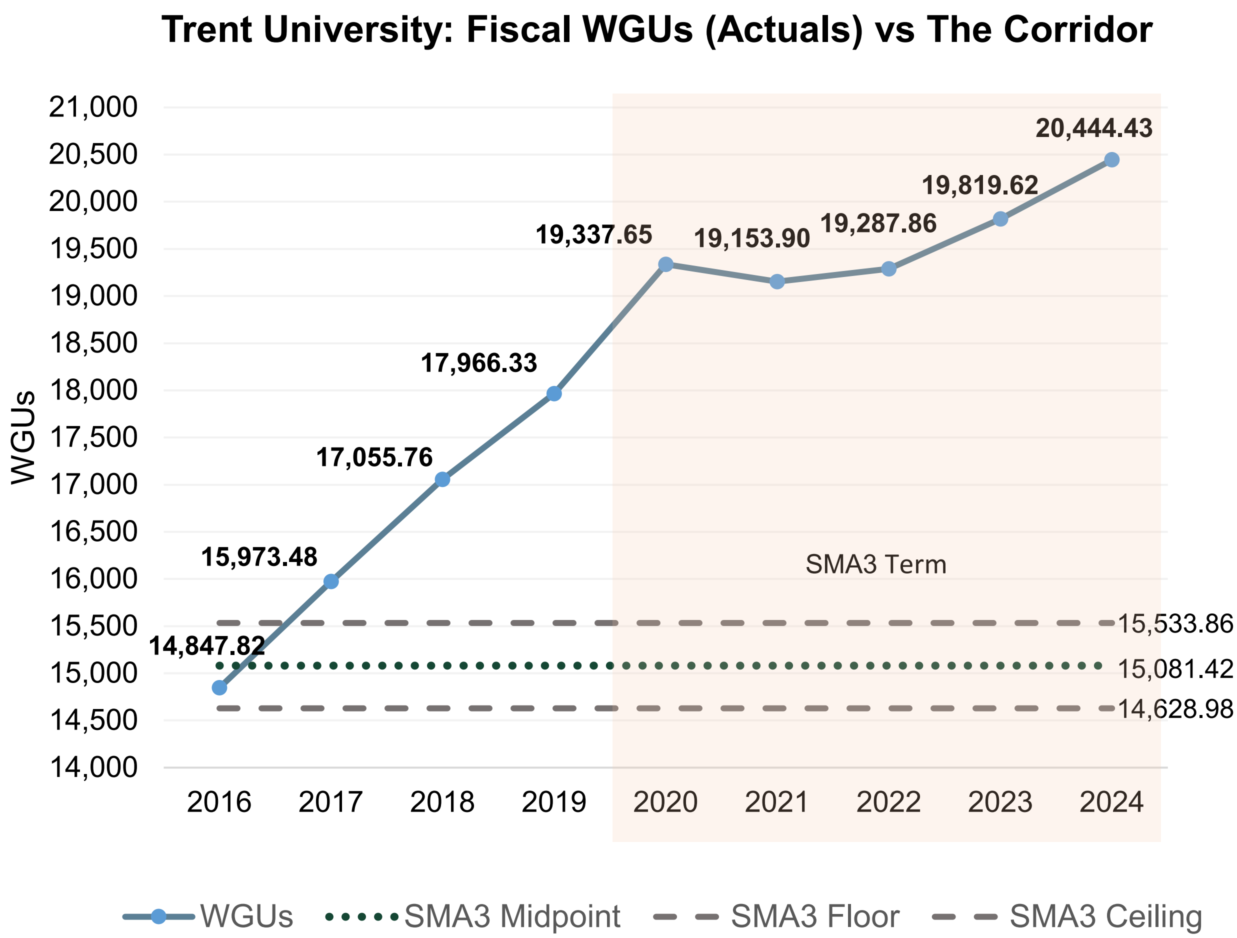
KEY BUDGET ASSUMPTIONS

Given the current fiscal environment, the Operating and Ancillary Budgets are based on key enrolment and financial planning assumptions, described in more detail in this section.

Enrolment

The key driver in the University's planning is student enrolment as this generates the majority of the University's operating revenue through tuition fees (which represent over 65% of operating revenue) and is a key determinant in enrolment-based provincial operating grants. Resources required for academic programming are determined by the number and types of students. Other university operations and support services, as well as ancillary services, are significantly influenced by the student population.

Trent's enrolment has far exceeded its established corridor since before the Strategic Mandate Agreement for 2020-2025 was fully implemented.



Although exceeding the funding corridor, new intake and total enrolment for 2024/2025 fell short of budget expectations, the flow through of which will negatively impact overall enrolment over the next few years. Much of this shortfall is due to the decline in international enrolment.

The international student landscape in Canada is evolving rapidly, driven by various political, economic, and regulatory factors. In January 2024, the Federal government announced a Canada-wide reduction of 35% (50% in Ontario) on the number of international student study permits for undergraduate students (degree-seeking and post-graduate certificates) for the next two years and introduced a new process for Provincial Attestation Letters for students, including increased financial means thresholds. Over the past year, a series of further announcements have expanded the limitation on study permits to graduate students, applied a further 10% reduction on national study permits issued, placed more restrictions on student and spousal work permits, updated requirements for certificate programs to align with labour markets, and slowed the visa processing for key countries. These restrictions have resulted in negatively impacting Canada's reputation and universities' ability to attract international enrolment thereby creating a heighted competition for domestic enrolment.

The Enrolment Modelling Working Group undertook a comprehensive review of the prior year enrolment modelling and proposed revisions to the underlying assumptions and enrolment projections based on historical trending, changes in the current environment, new initiatives, new and/or expanding academic programs, international recruitment successes and challenges, and other known or anticipated factors.

Senior Administration also modelled various scenarios for enrolment intake over the next four years. These scenarios ranged from continued decline to constant intake to enrolment recovery over various time periods to enrolment growth. The enrolment projections were updated based on the February 1, 2025 final enrolment count and further enrolment sensitivity analyses that indicated declines in enrolment were likely to continue.

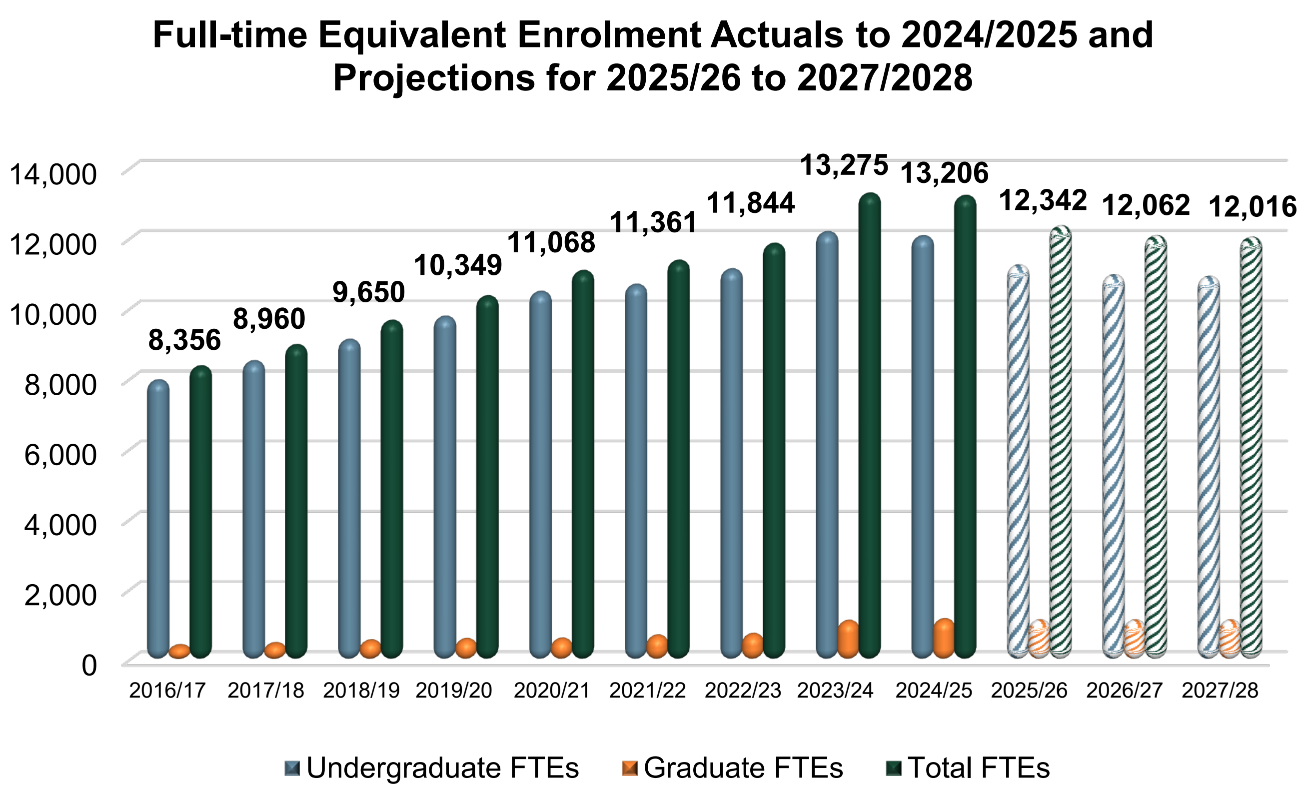
For budget planning purposes, enrolment projections are based on a conservative approach which will allow the University to plan sufficient resources and address capacity challenges while ensuring the budget is flexible to respond to unmet enrolment targets should there be any.

The three-year enrolment projections used for budget planning are based on the following assumptions:

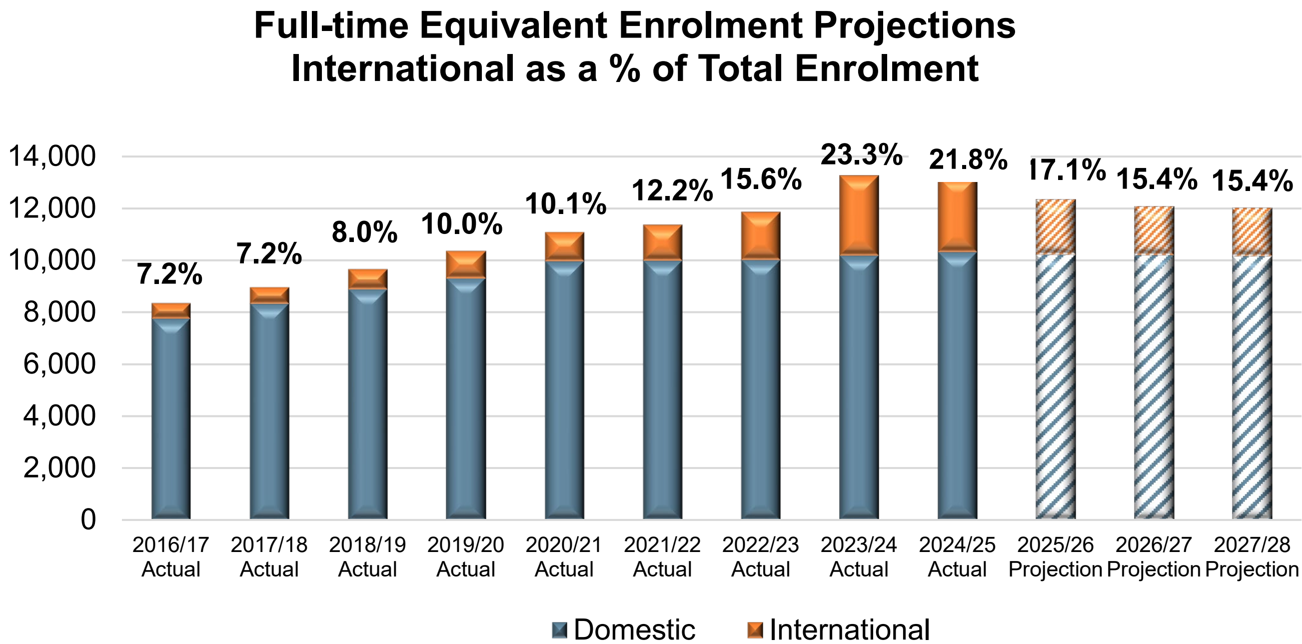
- Undergraduate domestic degree-seeking intake will increase from 2024 levels at both campuses. With the onboarding of new programs and enhanced recruiting strategies, Peterborough undergraduate domestic intake is planned to increase by 7.5% while Durham undergraduate intake is expected to increase by 11.4% in 2025. Trent is anticipating domestic intake will grow annually by 1% in each subsequent year.

- Undergraduate international degree-seeking intake will begin recovering in 2025, followed by increases at half of the 2024 to 2025 increase in future years.
- Undergraduate post-graduate certificates (PGCs) are the most impacted by the series of federal immigration announcements as most of this enrolment is international. The budget projects intake in PGCs will decrease by 75% in 2025. The impact of lower intake in 2024 and 2025 has been modelled on flow through.
- Nursing, Bachelor of Education, and Upper-Year Social Work intake will be held constant at current 2024 levels or capped enrolment.
- Continuation rates are based on the average of the last three full years (all post-pandemic).
- Graduate enrolment growth has been modelled for select high-demand programs. Enrolment in all other graduate programs will continue to be stable.

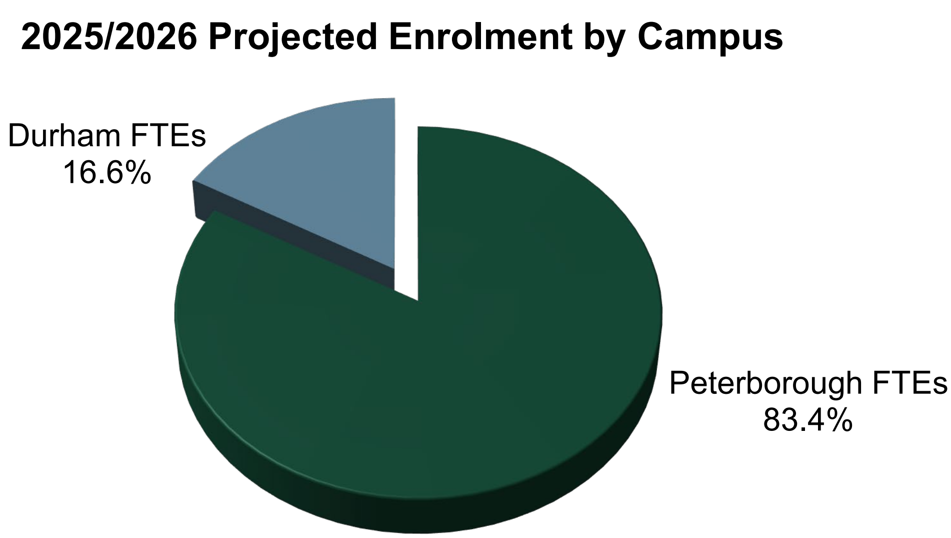
Overall, Trent is projecting total student enrolment will decrease by 6.5% to 12,342.2 FTEs in 2025/2026, a decrease of 863.7 FTEs from 2024/2025. Enrolment is expected to continue to decline in 2026/2027 until stabilizing at just over 12,000 FTEs in 2027/2028.



With the continuation of restrictions on international student study and work permits, total international enrolment is expected to decline next year before stabilizing around 15% of total enrolment.



As the majority of the post-graduate certificate programs are offered in Durham and these programs are primarily international, student enrolment at the Durham campus is expected to experience a decline from 17.1% of total enrolment in 2024/2025 to 16.6% of total enrolment in 2025/2026.



Government Grants and Accountability Agreements

The development of the **Strategic Mandate Agreement 2025-2030** (SMA4) began in Fall 2024 with the University signing its 5-year agreement with the Ministry commencing with fiscal 2025/2026 in June 2025. SMA4 is designed to advance three strategic objectives: improve education and economic outcomes of students, improve outcomes for communities, and support sector stability and accountability. SMA4 focuses on accountabilities for funding, including corridor funding under the Enrolment Envelope, priority funding for Science, Technology, Engineering and Mathematics (STEM) programs, and performance-based funding under the Differentiation Envelope.

The Enrolment Envelope is based on a corridor midpoint measured in weighted grant units (WGUs)[1] to incentivize stable domestic enrolment. The corridor midpoint for SMA3 was established using 2016/2017 eligible (primarily domestic) undergraduate and graduate enrolment as the base year adjusted slightly for 2018/2019 graduate growth. For all universities, the enrolment corridor had a range of +/- 3% from this corridor midpoint. There is no mechanism for funding enrolment growth under the current funding formula. Enrolment-based funding is reduced if enrolment falls below the corridor floor. Trent's SMA3 (2020-2025) corridor midpoint was 15,081.42 WGUs.

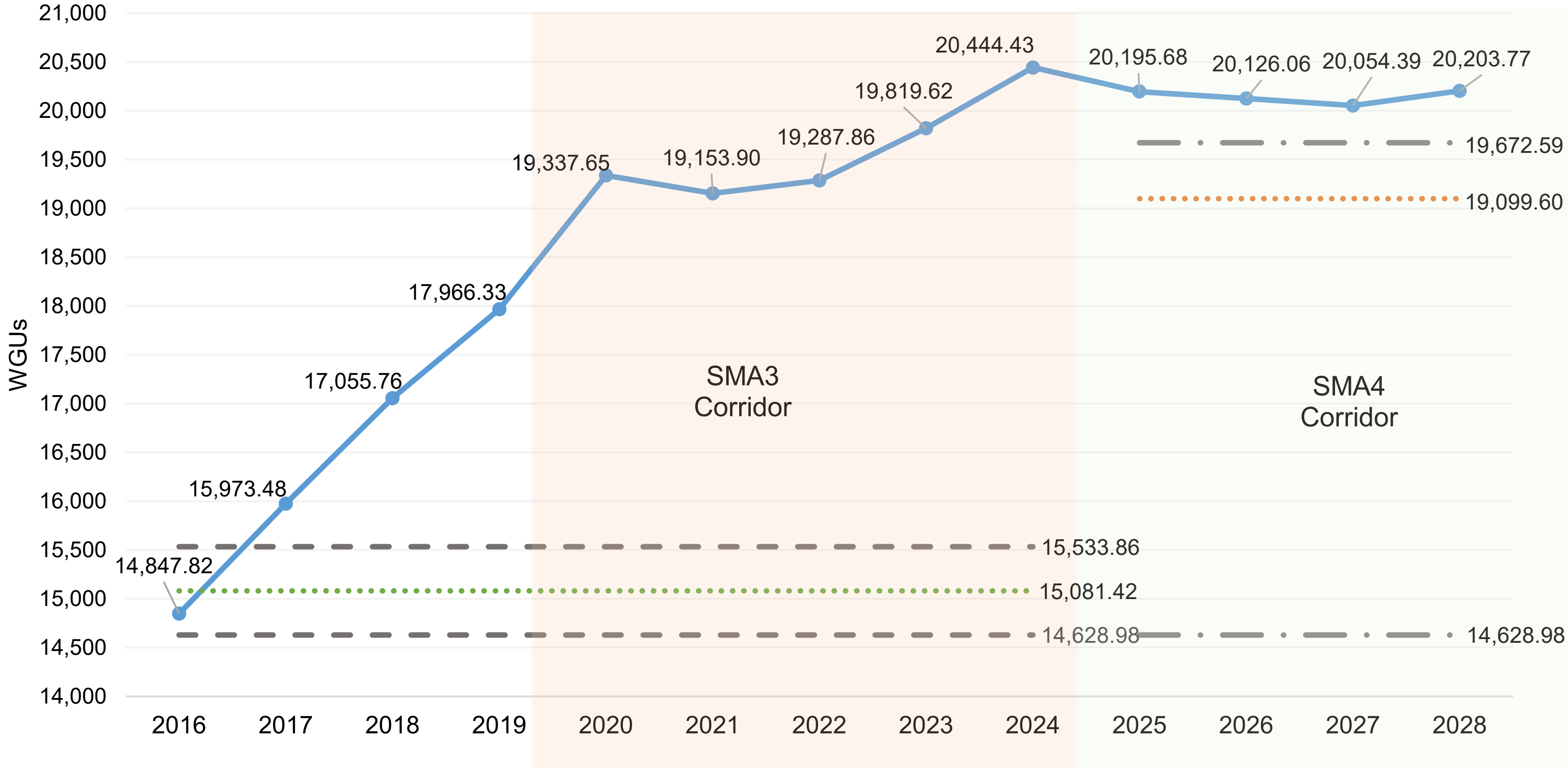
In late March 2025, the Ministry announced an annual sector-wide investment of $150 million starting in 2025/2026 to support the continued delivery and enhancement of STEM programming at Ontario's colleges and universities. The allocation is to address institutions whose enrolment has increased above the level funded in SMA3 and to support institutions in retaining STEM enrolments. This priority funding is operationalized through an adjustment to the SMA4 corridor midpoint. Trent's allocation resulted in an increase of 4,018.18 WGUs, bringing the SMA4 corridor midpoint to 19,099.6 WGUs. The corridor ceiling will remain at 3% above the midpoint and the corridor floor, lowered by Trent's historical 5-year average STEM enrolment lagged by one year in 2025/2026, will revert to the same level as in SMA3 for 2026-2027 to 2029/2030.

	SMA3	**SMA4**				
	2020-2025	**2025-2026**	**2026-2027**	**2027-2028**	**2028-2029**	**2029-2030**
Ceiling	15,533.86	19,672.59	19,672.59	19,672.59	19,672.59	19,672.59
Corridor Midpoint	**15,081.42**	**19,099.60**	**19,099.60**	**19,099.60**	**19,099.60**	**19,099.60**
Floor	14,628.98	7,997.89	14,628.98	14,628.98	14,628.98	14,628.98

Trent's enrolment projections, when converted to WGUs, are still expected to exceed the increased corridor midpoint during SMA4.

[1] Weighted Grant Units (WGUs) are the basic units of measurement for per-student funding in the Ontario postsecondary system's corridor model. WGUs vary from program to program of study to reflect the relative cost of program delivery.

Trent University: Fiscal WGUs (Actuals) vs The Corridor Midpoint



WGUs include spring, summer, fall and winter WGUs in the given year.

The midpoint is based on eligible WGUs and includes Master's and PhD funded growth, but excludes Collaborative Nursing and capped program overages.

The SMA3 corridor was fully implemented in 2020. SMA4 corridor will be implemented in 2025.

WGUs · SMA3 Midpoint · SMA3 Floor · SMA3 Ceiling · SMA4 Midpoint · SMA4 Floor · SMA4 Ceiling

At current funding rates, the increase to Trent's corridor midpoint is equivalent to $12,716,334 annually and will support an additional 1,636.12 STEM learners per year. To ensure accountability for STEM funding, the University will be required to provide an annual report back to the Ministry on the use of funds, STEM enrolment, the number of STEM programs, and STEM program graduate outcomes, and to make an annual attestation related to the future development of commercialization metrics.

The Differentiation Envelope consists of funding based on SMA4-related accountabilities. Funding under this envelope will be kept stable at the system average of 60% of the total operating funding for the first two years of SMA4; the proportion for years 3 to 5 is pending a broader funding review in advance of year 3.

The Performance-based Grant (PBG) is a subset of the Differentiation Envelope. The PBG is determined using a performance-based funding mechanism designed to best support differentiated and continuous improvement, align with the principles and objectives for performance-based funding, and balance increasing the effectiveness and efficiency of institutions while supporting institutional strengths. This funding is linked to eight metrics which are aligned with two priority areas of the Ministry: (1) skills and job outcomes and (2) economic and community impact. The University established its own institutional strength/focus and institution-specific metric; the remaining metrics were pre-determined by the Ministry. Trent is evaluated each year against its own targets based on historical performance over the three most recent years. The targets and bands of tolerance are recalculated by the Ministry each year as part of the Ministry's continuous improvement approach. The University had the flexibility to weight the metrics that best reflect its differentiated strategic goals. These weightings identify the portion of performance-based funding at risk for each metric if the University does not perform within the established band of tolerance.

<u>Skills and Job Outcomes Metrics:</u>

1. Graduate Employment Rate in a Related Field
2. Graduation Rate
3. Graduate Employment Earnings
4. Experiential Learning

<u>Economic and Community Impact Metric:</u>

5. Community/Local Impact
6. Institutional Strength/Focus
7. Investment and Innovation-Related
8. Institution-Specific Metric

The PBG has been capped at the system-average of 25% of total operating funding for the first two years of SMA4. The PBG is planned to increase by 5% each year starting in year 3 reaching 40% of total funding at risk by the end of SMA4 (2029/2030). The total amount of PBG at risk is 5% of the total PBG due to the introduction of a stop-loss mechanism aimed at capping potential funding losses for a given institution to create additional stability for the sector and to facilitate planning and projection activities.

For the duration of SMA4, 5% of total SMA4-related operating grants (excluding time-limited funding) will be linked to accountabilities, including annual data reporting and attestations on research security, efficiency metrics, and skills and competencies assessments. If any one accountability requirement is not met, the University will lose 5% of its total operating funding. Compliance will be assessed annually.

Trent's total SMA4 operating funding[2] is as follows:

	Year 1 (2025-26)	Year 2 (2026-27)	Year 3 (2027-28)	Year 4 (2028-29)	Year 5 (2029-30)
Enrolment Envelope	$16,513,552	$16,513,552	$16,513,552	$16,513,552	$16,513,552
STEM Funding	$12,716,334	$12,716,334	$12,716,334	$12,716,334	$12,716,334
Performance-Based Grant	$15,791,662	$15,791,662	$18,949,994	$22,108,326	$25,266,659
Differentiation Envelope	$17,761,636	$17,761,636	$14,603,304	$11,444,972	$8,286,639
Total SMA-Related Funding	$62,783,184	$62,783,184	$62,783,184	$62,783,184	$62,783,184

Performance-Based Grant At Risk (5% of PGB)	$789,583	$789,583	$947,500	$1,105,416	$1,263,333
Accountability Funding At Risk (5% of Total)	$3,158,332	$3,158,332	$3,158,332	$3,158,332	$3,158,332

In addition to the above funding, the Ministry also provides funding via Special Purpose Grants and the Postsecondary Education Sustainability Fund (PSESF). Special Purpose Grants are separate grants aligned with Ministry priorities and are subject to specific accountabilities and processes. These grants are not necessarily dependent on enrolment and may change from year to year.

[2] Funding shown in the table are estimates based on the 2024/2025 final operating grant totals. Updates in Years 3-5 will be based on a broader funding review, decisions on performance-based funding proportions, and metric performance.

In February 2024, the Ontario government announced a $903 million investment over three years through the new Post-secondary Education Sustainability Fund (PSESF) starting in 2024/2025. Through this funding, all institutions received inflation-based increases applied to base operating grants, excluding special purpose grant funding (3% in 2024/025, 2% in 2025/2026 and 2% in 2026/2027). Trent's allocation of this time-limited funding is $2.5 million in 2025/2026 and nearly $3.6 million in 2026/2027. It is important to note these additional funding allocations may not continue beyond 2026/2027.

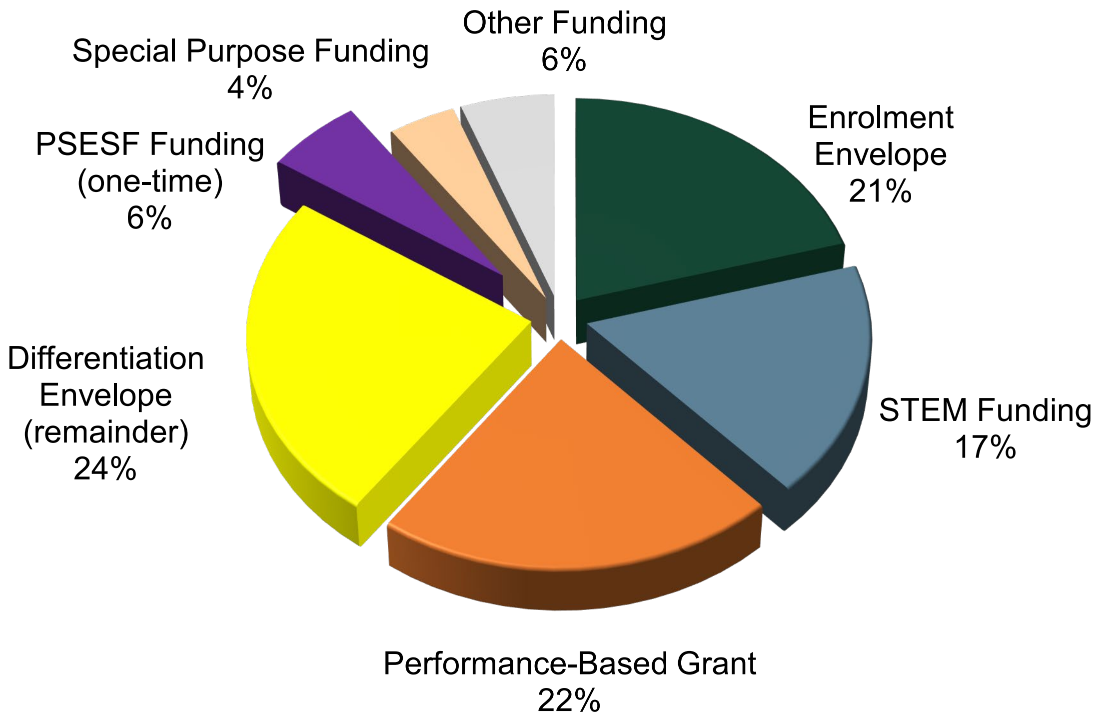
The Ministry's **Financial Accountability Framework** for universities was implemented for the 2023/2024 fiscal year. The Framework is closely aligned with the sector's ongoing commitment to the transparency of financial information and additional commitments to proactively monitor institutional financial health. It uses eight financial metrics/ratios and the University's credit rating to measure the financial health risk of universities across four categories: liquidity, sustainability, performance, and credit rating. A university's achievement on each metric is aggregated into an overall score that is then grouped according to one of four action plans: No Action, Low Action, Medium Action, and High Action. Based on the 2022/2023 and 2023/2024 financial health risk assessment, Trent has been ranked in the Low Action plan category based on its credit rating. As such, the University provided the required report back to the Ministry, including an analysis of the financial health metric results and the steps the University has taken to secure a second credit rating and restore its metrics to a lower-risk level.

In March 2025, the Ministry provided top-up funding through the PSESF to support institutions' ability to navigate through the current financial challenges and revenue impacts resulting from the change in international student enrolment. This top-up funding is based on an institution's updated financial health risk ratings. Trent's one-time top-up allocation for 2025/2026 is $1.7 million based on its medium risk rating, which was assessed based on its Low Action categorization under the Financial Accountability Framework and its classification as a small institution (less than 12,000 domestic FTEs). This top-up funding is in additional to the inflation-based allocations provided under the PSESF announced in February 2024.

For planning purposes, government grant revenue is based on the following assumptions:

- While the University is planning enrolment above the adjusted corridor mid-point, Trent has assumed enrolment growth will not be funded.
- The University expects to meet all required SMA4 metrics targets and accountability requirements throughout this budget cycle thereby avoiding any recovery of performance-based or accountability funding.
- Special purpose grants have been adjusted based on known changes at the time of planning and otherwise assumed constant.
- Other grants assumed in this budget are comprised of the Collaborative Nursing grant with Fleming College and the Research Support grant.

2025/2026 Budgeted Government Grants
$72.5 million



Note, international enrolment is not funded through government operating grants and most SMA4 metrics exclude international student enrolment. The Enrolment Envelope is reduced by the Ministry-required International Student Recovery fee of $750 (last updated in 2021/2022) per FTE for all international students.

Tuition Fees

The Tuition Fee Framework is governed by the provincial government and monitored through the annual Tuition Fee Compliance report. In November 2024, the Ministry announced a continuation of its existing tuition fee policy which stipulates that tuition fees for all publicly funded programs for all years of study for funding-eligible (primarily domestic) undergraduate and graduate students will remain frozen to the end of fiscal 2026/2027. This announcement means eight years of tuition fees held at 2019/2020 tuition rates, which were mandated to be 10% less than 2018/2019 fees.

Commencing in 2021/2022, the Ministry's Tuition Fee Framework gives institutions the flexibility to increase tuition rates for domestic out-of-province students in all years of study by up to 5% annually. The increase to domestic out-of-province fees does not generate material revenue for the University.

In early 2023, the Ministry considered tuition adjustments for certain programs with lower-than-sector-average tuition rates for comparable programs, referred to by the Ministry as Tuition Anomalies. Trent, like most Ontario universities, submitted an application for three programs, the maximum allowed, where domestic tuition rates were more than 15% lower than the sector average. Trent's application was approved in May 2023 allowing the University to apply an annual increase of 7.5% to tuition fees for the three Ministry-approved programs until the calculated sector average across comparable programs is reached. These increases can only apply to first-year students and can continue as these students proceed to higher years of their program. The Tuition Anomalies adjustments for the three Ministry-approved programs at Trent – Undergraduate Computer Science, Bachelor of Business Administration, and Bachelor of Science: Data Science – are included in tuition revenue in this budget cycle.

International fees are not regulated by the province and are subject to Board approval. There is a need to balance student affordability with perceived quality and reputation of academic programs in order to attract international students.

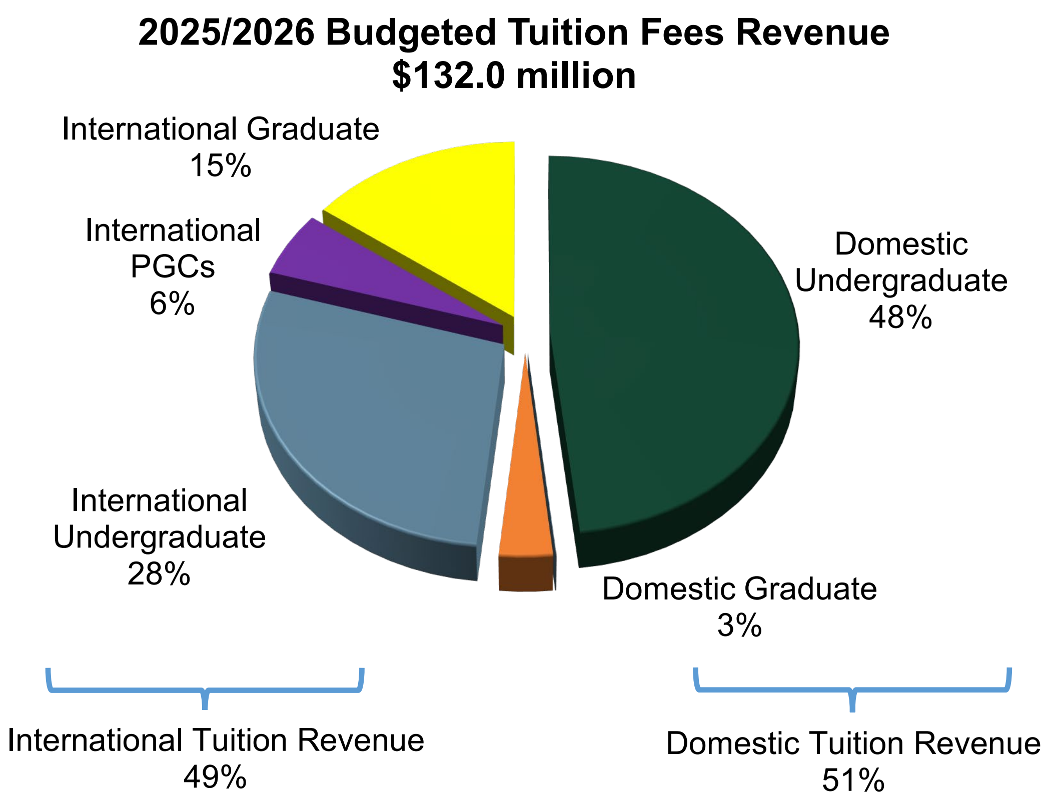
Based on a comparison of 2024/2025 international tuition rates in the Business and Arts programs category, Trent University's international undergraduate tuition fees for degree programs are currently second lowest in Ontario. In March 2025, in an effort to maintain market rates and remain competitive, Trent's Board of Governors approved the same increases to international undergraduate fees for 2025/2026 as implemented in the prior four years: 8% for incoming students (2021 to 2025 cohorts) and 5% for continuing students (pre-2021 cohort). These increases have been applied to each year of this budget cycle.

International rates for certificate programs were adjusted downward in 2021/2022 to be more comparable to market rates as the University strived to grow certificate programs and meet its internationalization objective. In alignment with last year's strategy, these program fees are assumed to increase by 5% each year of the planning cycle.

International fees for graduate programs are highly calibrated with market rates as the programs and fees were more recently established. Therefore, the Board of Governors approved an increase to 2025/2026 international graduate fees of 3% for research-based programs and 5% for professional programs to remain comparable to prevailing market rates. These increases have been applied to each year of this budget cycle.

In addition to regular tuition and incidental fees, students in co-op programs are applied a fee of $3,750 over the duration of the program (typically 5 payments of $750) to cover the costs associated with the operating and administration of the co-op program. Such costs include providing job search skills, career advising, developing quality co-op job opportunities, maintaining employer relationships, co-op employment processes, support of work terms and some central costs.

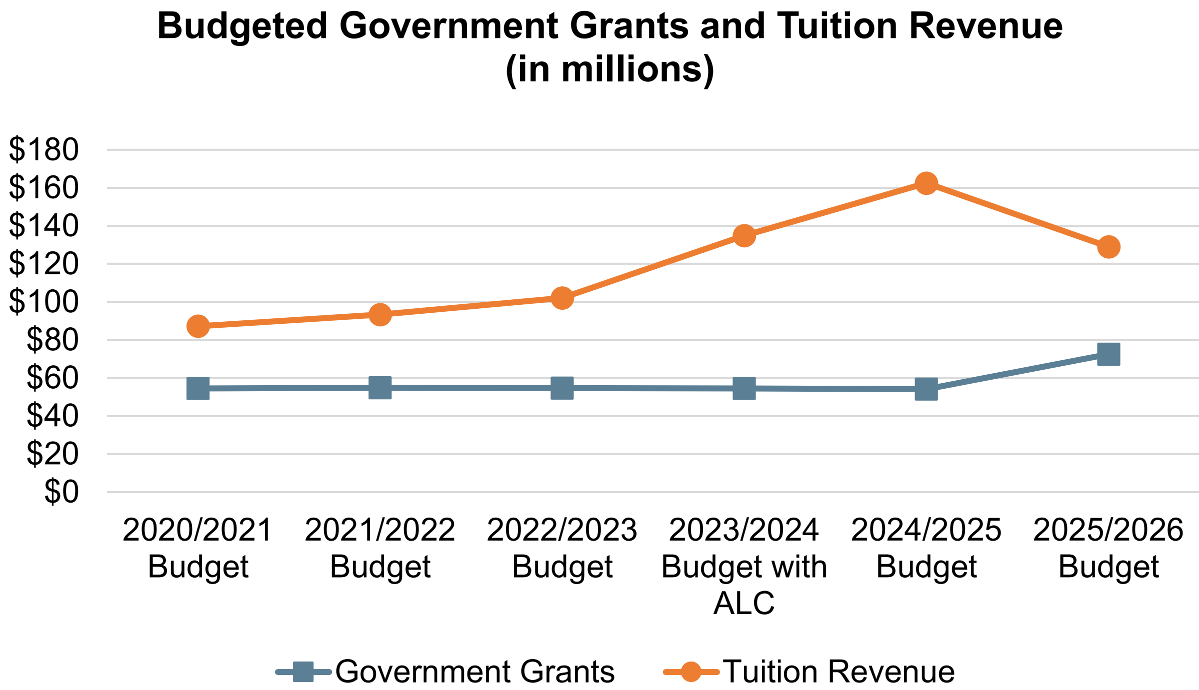
As illustrated below, international enrolment, projected at 17% of total enrolment, is anticipated to generate approximately 49% of the estimated tuition revenue in 2025/2026.



Given the uncertainties surrounding international enrolment and the enrolment sensitivity analyses completed, Senior Administration included a provision of $3 million to mitigate the potential loss of associated tuition revenue for the three years of this budget cycle. Should this provision not be required, in part or in whole, it will free up resources for other strategic initiatives to maintain or enhance quality academic programming, research activities and student experiences.

With fixed funding during the SMA3, the following chart depicts the University's increasing reliance on tuition-only revenue from enrolment. Between 2020/2021 and 2024/2025, the term of SMA3, budgeted tuition revenue grew 86.4% while government funding remained relatively constant.

The addition of STEM funding, time-limited PSESF funding, and the expected decline in international student enrolment provides some rebalancing in 2025/2026. Budgeted tuition revenue now represents 60.9% of total budgeted operating revenue (down from 73.2% last year), while government grants represent 34.2% of total budgeted operating revenue (up from 24.4% last year).



Student Financial Aid and Scholarships

Student financial aid and scholarship expense is a highly variable cost dependent primarily on student enrolment and the academic qualifications (entrance grades) of the student body. As enrolment changes, so too does this expense. The University has historically provided a high level of student aid relative to comparator universities, consistently standing at or near the top of university rankings in the percentage of its operating budget expended on scholarships and bursaries.

The Ministry requires universities to reserve a portion of additional revenue resulting from tuition fee increases to eligible domestic students to ensure that institutions can meet Student Access Guarantee requirements for need-based student aid and to provide other forms of assistance to students in need. For the purposes of budget planning for all three years in this budget cycle, tuition set-aside is estimated at 6.0% of tuition fee revenue for eligible domestic undergraduate and graduate students. For international undergraduate students, the University will also set aside an additional 2% of international undergraduate tuition fees revenue in each of the three years of this budget cycle for additional resources to support international students.

Due to the increased competition for domestic and international enrolment, the University is increasing its entrance and merit scholarship awards and re-instating full tuition for high achieving students, a strategy discontinued in 2018/2019. These changes are expected to augment recruitment efforts to offset the additional cost of the enhanced program. In addition, undergraduate international scholarships and fee waivers are estimated to be 4.9% of undergraduate international tuition revenue based on the average of the last three years and the need for increased support due to the current fiscal and political climate. These rates are used to estimate undergraduate scholarship expense for each of the three years in this budget cycle.

Graduate scholarship expense varies significantly, depending on the program. For research and thesis-based graduate programs, the University estimates expenses for graduate scholarships, research fellowships and awards are approximately 35.3% of the related tuition revenue. This estimated rate applies to both domestic and international graduate students. In addition, graduate international fee waivers and bursaries for international graduate students in research and thesis-based programs are estimated at 58.9% of international graduate tuition revenue. Both of these rates, which are based on changes to the scholarships and financial aid model in 2024/2025, are used for planning purposes throughout this budget cycle.

Salaries and Benefits

Across-the-board compensation increases for all union employee groups are based on collective agreements, as well as progression through salary grids. The average salary rate increases including merit and step increases range from 5.5% to 6.0%, depending on the employee group. The University has also accounted for increases to part-time casual salaries resulting from the 3.9% raise in minimum wage effective October 2024 and a further 2.0% increase effective October 2025.

The collective agreements for Trent University Faculty Association (TUFA), representing full-time faculty and professional librarians, and Ontario Public Service Employees Union (OPSEU), representing all non-academic employees, except supervisors and persons above the rank of supervisor, expired June 30, 2025. Negotiations for both groups will be in the summer and fall of 2025. The collective agreement for Canadian Union of Public Employees Unit 1 (CUPE1), representing part-time employees engaged in teaching, demonstrating, tutoring, or marking in the academic programs (except registered students), is settled to August 31, 2027. The collective agreement for Canadian Union of Public Employees Unit 2 (CUPE2), which represents all employees registered as students who are regularly employed for not more than 24 hours per week as Teaching Assistants, Academic Assistants, Markers, Proctors, Lab Demonstrators, or Lab Advisors in the academic programs, is settled to August 31, 2028. Salary escalations for years beyond existing contracts but within this budget cycle are assumed at rates provided by Human Resources.

Benefit costs vary by collective agreement and employee. Benefit rates used for planning purposes, including extended health care, dental, and long-term disability benefits, are expected to increase by 12.5% to 15% in 2025/2026 and by 7.5% to 20% for subsequent fiscal years depending on the type of benefit in accordance with estimates provided by the University's benefits consultant.

Pension Costs

Effective January 1, 2022, the TUFA Pension Plan previously sponsored by the University was converted to the University Pension Plan (UPP), a multi-employer jointly sponsored pension plan for the sector. On that date, the assets and liabilities for the TUFA Plan were transferred to the UPP, the accrual of benefits and contributions under the UPP commenced, and the TUFA Plan was terminated. Based on the average of contributions to the UPP for faculty, the budget estimates the University's normal cost at 10.5% of related payroll for the three years of this budget cycle.

The Staff Pension Plan was converted to the UPP effective January 1, 2025, with the assets and liabilities transferred to the UPP and the accrual of benefits and contributions under the UPP commencing on that date. As there was a wind-up surplus on conversion, the Staff Plan will not be terminated until such time as the wind-up assets are fully distributed. For this budget cycle, the University's normal cost for these members are budgeted at the employee level to improve the accuracy of the estimate.

On conversion of each Plan, solvency special payments were eliminated and the standby letters of credit previously used to address these payments expired. As specified in the Transfer Agreement with the UPP, Trent remains responsible for pre-conversion gains or losses relative to Trent's assets for a specified time period. The budget maintains a provision related to each Plan for estimated special fund payments that may be required.

The Supplementary Retirement Agreement, which provides top-up benefits, continues to be maintained by the University. Based on an increase in the number of retirees, the budget anticipates annual benefit payments of $1.805 million will be required from Trent as the plan assets are depleted.

Other Non-Salary Expenses

The University relies on international recruitment agents to help attract international students. Agency commissions are highly dependent on international enrolment and tuition revenue generated by Agents. The Operating Budget includes a provision for these fees of 4.8% of international undergraduate and graduate tuition revenue for degree-seeking and professional programs and 15% to 20% of undergraduate international tuition revenue for certificate programs.

Utility costs continue to escalate. Based on estimates provided by the University's energy consultants at the time of planning, the budget projects electricity, natural gas and water expenses will increase by 5.0%, 6.0% and 5.0%, respectively. A number of initiatives to reduce energy consumption have been implemented under the Energy Performance Contract. Savings related to the agreement will be used towards financing the project until fully paid in May 2031. Therefore, these savings will not be available to contribute to the budget during this planning cycle.

Insurance premiums are expected to increase by as much as 5.0% for property, liability and cybersecurity coverage based on discussions with Trent's insurance carriers. Such increases are reflective of the current fiscal environment.

With more challenging financial pressures faced by students, the University has budgeted a provision for bad debts of 0.79% of all tuition revenue based on prior year experience.

Certain non-salary expenses are subject to inflation, which has been estimated at 2.0% for this budget cycle to reflect the current economic environment. The University has assumed short-term investment returns on excess cash of 3.5% for 2025/2026, reducing to 3.0% thereafter.

In February 2017, Trent University refinanced its existing amortizing loans with non-amortizing debentures in order to provide the University with access to additional capital, to improve the overall flexibility in the Budget, and to reduce the effective cost of capital. The Board of Governors established an internally administered sinking fund with budgeted annual contributions to ensure sufficient funds are available from which to repay 100% of the principal of the debentures at maturity, February 17, 2057.

BUDGET STRATEGIES

Budget Reduction Strategies

Budget reduction and mitigation strategies developed by budget owners were guided by the following principles:

- Protecting the academic mission, reputation and quality of programs.
- Protecting the quality of the student experience.
- Maintaining the University's culture with the least impact on faculty and staff.
- Minimizing risk exposure.

After careful consideration of all presentations made to the President and Vice President Committee in early February 2025, approximately $9.8 million in proposed budget reduction strategies were approved, achieving a 6.3% reduction in departmental compressible operating budgets in 2025/2026. The budget reductions were strategic in nature, rather than across-the-board reductions, and considered expenses directly related to activity. Most areas were able to achieve between 4% and 6% in savings without a large impact to students and without compromising the quality of programs and services.

Budget Reduction (in thousands)	Permanent	Non-Permanent	Total Investment
Sciences academics and supports	$(1,388)		$(1,388)
Humanities & Social Sciences academics and supports	$(1,650)		$(1,650)
Durham academics and supports	$(2,229)	$ (5)	$(2,234)
Nursing and Education programs	$ (935)		$ (935)
Graduate studies (excluding student supports)	$ (153)		$ (153)
Co-op and experiential learning supports	$ (192)		$ (192)
Student supports	$ (370)		$ (370)
Library, academic and research supports	$ (367)		$ (367)
Information Technology	$ (273)		$ (273)
Recruitment, admissions, communications and external relations	$ (658)		$ (658)
Facilities Management, security and campus safety	$ (834)		$ (834)
Administrative units and expenses	$ (756)		$ (755)
Total Approved Budget Reductions	**$(9,805)**	**$ (5)**	**$(9,810)**

New Strategic Investments

Given the financial situation, budget owners were asked to prioritize new investment requests that align with the following priorities of the University:

- Attract enrolment growth, both domestic and international.
- Generate additional net revenue for the University.
- Mitigate risk.
- Maintain or improve service.
- Maintain or enhance institutional capacity.
- Build co-op and experiential learning opportunities.
- Ensure compliance with current legislation or health and safety protocols.
- Reduce existing costs.
- Enable the avoidance of future costs.
- Achieve operating efficiencies.

The University is making new strategic investments of approximately $3.1 million, which represent a 2% increase in compressible departmental budgets. These investments focus on the following:

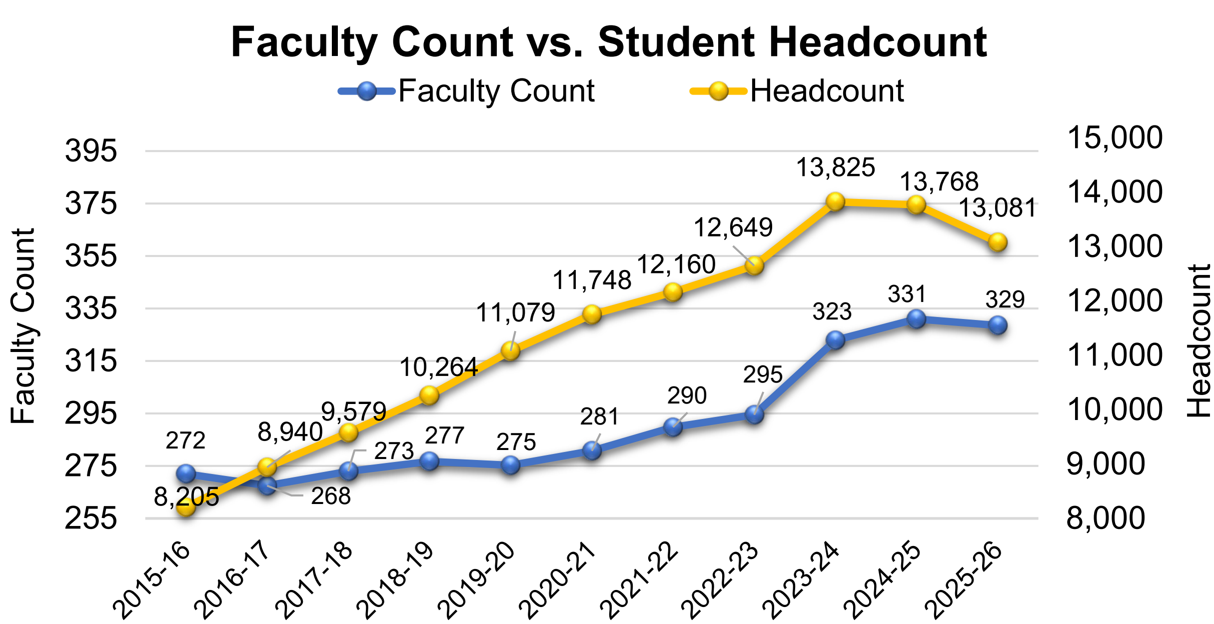
- Enhancing recruitment and related supporting services.
- Maintaining the University's aging infrastructure.
- Maintaining student services.
- Replacing faculty retirements.
- Increasing Dean's support for PhD students.
- Dealing with inflation and cost increases in information technology.

Strategic Investment (in thousands)	Permanent	Non-Permanent	Total Investment
Sciences academics and supports	$ 30		$ 30
Humanities & Social Sciences academics and supports	$ 249		$ 249
Durham academics and supports	$ 328		$ 328
Nursing and Education programs	$ 242		$ 242
Graduate studies (excluding student supports)	$ 105	$ 17	$ 122
Student recruitment and admissions supports	$1,154		$1,154
Student supports, including student financial aid	$ 87	$ 200	$ 287
Investment in information technology	$ 48	$ 32	$ 80
Resources for Facilities Management, security and campus safety	$ 416	$ 55	$ 471
Administrative units	$ 133		$ 133
Total Proposed New Strategic Investments	**$2,792**	**$ 304**	**$3,096**

The impact of these mitigation strategies is a net reduction in faculty positions of 11.87, the majority of which is through the reduction of limited-term appointments (by either not renewing contracts or closing positions that are vacant) to minimize the impact on permanent faculty. It is important to note that replacement appointments will be strategically placed where there is the most need, which may not necessarily be an exact replacement of the retirement or resignation.

	Tenure Track Positions (TT)	Limited Term Appointments (LTA)	Total Faculty
Retirements/ Resignations	-6.0		-6.0
Replacements	+5.0		+5.0
Conversions from Limited Term Appointment to Tenure Track	+1.0	-1.0	-
LTA contracts not renewed and vacant LTA positions closed	-	-10.87	-10.87
Net Reduction in Faculty Positions	**-**	**-11.87**	**-11.87**

One of the challenges of the 2025/2026 Operating Budget is to maintain the student to faculty ratio within the constrained fiscal environment. The student to faculty ratio is expected to improve slightly with the anticipated decline in student enrolment from approximately 42:1 in 2024/2025 to 40:1 in 2025/2026.

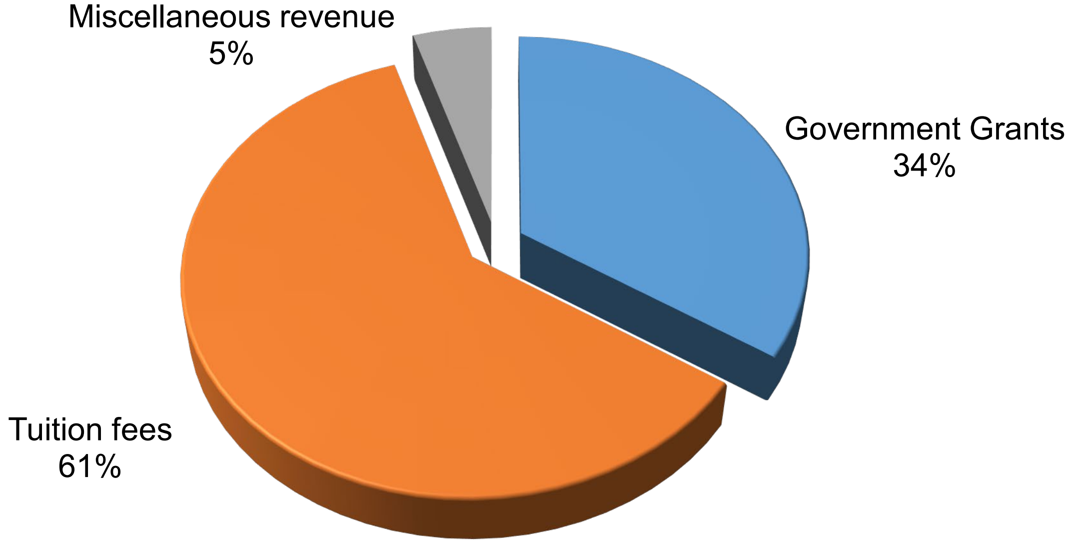


2025/2026 OPERATING BUDGET

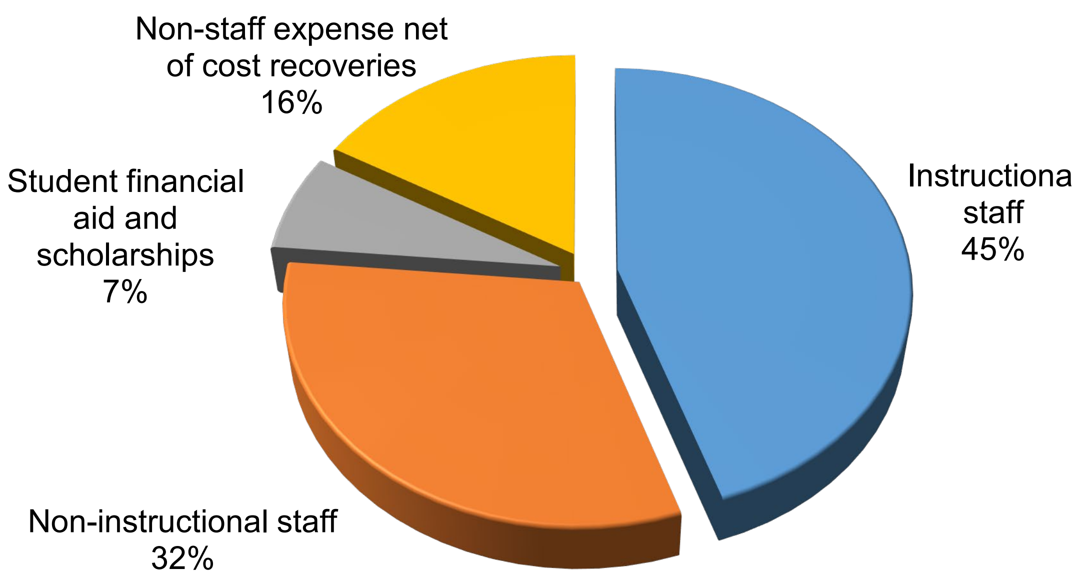
With the approved budget reduction strategies and new strategic investments, the 2025/2026 Operating Budget was projected to be in a deficit position when the Board of Governors first reviewed the budget in March 2025. With the newly announced annual STEM funding and one-time PSESF top-up funding announced at the end of March 2025, the operating budget for 2025/2026 is nearly balanced. The University will need to use some of its operating pressures contingency appropriation to balance in the short-term. The revised 2025/2026 Operating Budget was approved by the Board of Governors on May 9, 2025.

(in thousands)	2024/2025 Budget	2025/2026 Budget	Change	
Government grants	$ 54,145	$ 72,522	$ 18,377	33.9%
Tuition fees	$162,539	$132,013	$(30,526)	-18.8%
Provision for lost tuition revenue	$(10,000)	$ (3,000)	$ 7,000	70.0%
Miscellaneous revenue	$ 8,846	$ 10,245	$ 1,399	15.8%
TOTAL REVENUE	**$215,530**	**$211,780**	**$ (3,750)**	**-1.7%**
Instructional staff	$ 94,271	$ 95,692	$ 1,421	1.5%
Non-instructional staff	$ 62,923	$ 67,439	$ 4,516	7.2%
Student financial aid	$ 15,963	$ 14,940	$ (1,023)	-6.4%
Non-staff expense	$ 51,102	$ 44,433	$ (6,669)	-13.1%
Sub-total	$224,259	$222,504	$ (1,755)	-0.8%
Cost recoveries	$ (8,678)	$ (9,071)	$ (393)	4.5%
TOTAL NET EXPENSE	**$215,581**	**$213,433**	**$ (2,148)**	**-1.0%**
NET REVENUE (DEFICIT)	**$ (51)**	**$ (1,653)**	**$ (1,602)**	
Change in internally restricted/ Use of operating pressures contingency	$ 250	$ 1,653	$ 1,403	
ANNUAL EXCESS REVENUE OVER EXPENSE	**$ 199**	**$ NIL**	**$ (199)**	

Breakdown of 2025/2026 Operating Revenue



Breakdown of 2025/2026 Operating Expenses



MULTI-YEAR PLANNING

The major planning assumptions for years two and three remain consistent with the key budget assumptions for the 2025/2026 fiscal year as previously outlined. The high-level budget projections for 2026/2027 and 2027/2028 have also been adjusted for salary escalation and inflation estimates, annualization of the approved budget reduction strategies and new investments in 2025/2026, and the removal of one-time amounts no longer applicable. **These future-date projections do not include any additional budget reduction strategies or new strategic investments to address changes in the enrolment projections on which these budgets are predicated**.

(in thousands)	2025/2026 Budget	2026/2027 Projection	2027/20278 Projection
Government grants	$ 72,522	$ 72,240	$ 68,562
Tuition fees	$132,013	$130,364	$135,000
Provision for lost tuition revenue	$ (3.000)	$ (3.000)	$ (3.000)
Miscellaneous revenue	$ 10,245	$ 8,672	$ 7,623
TOTAL REVENUE	**$211,780**	**$208,276**	**$208,185**
Instructional staff	$ 95,692	$ 100,073	$105,035
Non-instructional staff	$ 67,439	$ 70,628	$ 74,153
Student financial aid	$ 14,940	$ 15,184	$ 15,835
Non-staff expense	$ 44,433	$ 43,810	$ 42,737
Sub-total	$222,504	$229,695	$237,760
Cost recoveries	$ (9,071)	$ (9,228)	$ (9,390)
TOTAL NET EXPENSE	**$213,433**	**$220,467**	**$228,370**
NET REVENUE (DEFICIT)	**$ (1,653)**	**$(12,191)**	**$(20,185)**
Use of operating pressures contingency	$ 1,653	$ 12,191	$ 18,456
ANNUAL EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	**$ NIL**	**$ NIL**	**$ (1,729)**

In order to balance the operating budget and mitigate future expected deficits, it will be necessary to draw down on the operating pressures contingency. In December 2024, Senior Administration conducted a comprehensive review of prior year appropriations to reassess needs and identify funds that could be rediverted to the operating pressures contingency to help offset operating deficits in the short-term. These reallocated funds combined with the existing operating pressures contingency funds established through appropriation of prior years' unspent operating budgets are expected to total $32.3 million at April 30, 2025. Based on the 2025/2026 approved budget and future projections, the operating pressures contingency fund is predicted to be fully depleted by the end of 2027/2028, leaving a deficit of approximately $1.7 million in that fiscal year.

Recognizing the use of operating pressures contingency funds is time-limited and does not address the on-going financial challenges, the University has established three working groups to help identify and develop longer-term strategies to regain financial sustainability. The work of these groups will be used to inform the budget planning for the 2026/2027 budget cycle. The three working groups are:

1. Enrolment Task Force – established in late 2024 to implement recommendations from an external consultation on improved recruitment and conversion strategies.
2. Cost Containment and Reduction Working Group – established in late March 2025 with the objective of identifying opportunities where significant budget reductions could be undertaken.
3. Revenue Generation Strategy Working Group – established in late March 2025 with the objective of identifying opportunities for new revenue sources, including executive training, summer programming and offshore Trent education.

2025/2026 ANCILLARY BUDGET

Ancillary departments also prepared budgets following the same budget planning principles set out for operating budget developers.

In accordance with the Board-approved ancillary fees protocol, the allowable inflationary increase in ancillary fees without approval from Colleges and Student Services Committee (CASSC) or a student referendum is the lessor of 3% or CPI. The applicable CPI at the time of budget planning was 1.6%. Fee increases between 3% and 20% require approval from CASSC while fee increases greater than 20% require a student referendum.

For 2025/2026, the following fee increases, which were reviewed by the relevant advisory committees and approved by CASSC (where necessary), have been factored into the Ancillary Services budgets:

- **Housing** – These fees are amenities based and include a laundry fee initiated in 2018/2019 to offset the capital costs of purchasing equipment. The average fee increase in Peterborough Symons is 5.0% to 9.0% to align with comparable institutions. Fees at Peterborough Traill College will increase 2% to 12%. Durham residence fees will increase by 3% to 6% pursuant to a third-party agreement. To achieve the 95% occupancy target for Durham, a residence incentive will be provided with the estimated cost of $0.7 million covered by the Operating Fund.

- **Student Food Services** – The dining fees are comprised of a spending value, an overhead fee and a fee for orientation week meals. Any unused spending value carries forward to the next year. Traditional dining fees will increase by 7.1% and suite style plans will increase by 9.2%. Even with these increases, dining fees at Trent remain one of the lowest in the country.

- **Athletics Fees** – These fees, excluding the Athletics capital flat fee, will increase by 3.6%.

- **Colleges Fees** – These fees will increase by 3.5%.

- **Parking** – Permit fees will increase by 5.9% to 6.0%. Trent will also maintain a pay and display parking rate of $2 per hour and provide day permits for $12.00 per visit. Introduced this year is an hourly rate of $1 per hour for economy lot, with a day permit of $6.00 per visit.

- **Student Services** – These fees will increase from 1.6% to 9.8% depending on the type of fee.

- **Convocation and Alumni Relations** – These fees will increase by 1.6%.

- **TrentU Card** – The fee for new cards will increase by 14.6% to $11.80.

- **English as a Second Language** – Program fees will increase by 3.0% with the fees for writing conferences increasing by 7.5%.

- **Other Miscellaneous Fees** – These fees will increase by 1.6% to 3.0% depending on the type of fee.

Ancillary Operations Funded Primarily from Student Fees

The departmental surpluses, if any, of ancillary operations funded primarily from student fees, including Housing, Student Food Services, Athletics, Colleges, Parking, Student Health Services, Orientation, Campus Card, Durham Campus Fee and Durham Transit Pass, are set aside at year end to fund future projects or initiatives of the respective departments to provide direct benefit to students. The exception is any surpluses generated by Athletics, which contribute directly to the Operating Fund to help offset the cost of prior capital expansion and deficits borne by the Operating Budget. This year, these ancillary services expect to transfer over $1.1 million to their reserves.

For 2025/2026, Athletics is anticipating a deficit of $0.9 million as lower community memberships are anticipated. This expected deficit has been factored into the Operating Budget.

These ancillary services are typically charged an administration overhead fee of 6.62% to help offset the cost of administrative support provided from Operations. This year, the expected ancillary administrative overhead contribution to the Operating Budget is nearly $2.7 million.

Ancillary Operations Contributing to the Operating Fund

The annual surplus of several ancillary operations, including English as a Second Language (ESL), Conferences/Catering, Campus Print, Campus Store, and Advanced Qualifications may be transferred to the Operating Fund or retained in reserves to help fund future equipment or capital needs. For 2025/2026, these ancillary services are expected to transfer nearly $1.4 million to their reserves.

For 2025/2026, it is anticipated these ancillary operations will have a net surplus of over $0.6 million and will contribute over $0.3 million in administration overhead fees. These amounts have been factored into the Operating Budget.

Total Ancillary Operations Contribution to the Operating Fund

Overall, ancillary services are planning to contribute over $2.7 million to the Operating Fund and are expected to transfer nearly $2.5 million to reserves in 2025/2026.

Ancillary Operations Funded Primarily from Student Fees

Funded by Students (in thousands)	Housing	Student Food Services	Athletics	Colleges	Parking	Other	Total
Revenue	$18,518	$11,459	$ 5,149	$ 3,074	$ 1,626	$ 3,414	$43,240
Expenses Staff Non-Staff	 ($ 5,685) ($10,912)	 ($ 911) ($9,806)	 ($3,846) ($2,014)	 ($2,038) ($ 766)	 ($ 496) ($ 675)	 ($1,489) ($1,731)	 ($14,465) ($25,904)
Surplus (Deficit) from Ancillary Operations	**$ 1,921**	**$ 742**	**($ 711)**	**$ 270**	**$ 455**	**$ 194**	**$ 2,871**
Administrative Overhead Contribution to Operating Fund	($1,335)	($ 531)	($ 220)	($ 217)	($ 205)	($ 191)	($ 2,699)
Transfer to Reserves	($ 586)	($ 211)	n/a	($ 53)	($ 250)	($ 3)	($ 1,103)
Surplus (Deficit) Transferred to Operating Fund	**$ 0**	**$ 0**	**($ 931)**	**$ 0**	**$ 0**	**$ 0**	**($ 931)**

Ancillary Operations Contributing to the Operating Fund

Contributing to Operating (in thousands)	ESL Program	Conferences & Catering	Campus Print	Campus Store	AQ Program	Total
Revenue	$ 1,200	$ 666	$ 975	$ 304	$5,800	$8,945
Expenses Staff Non-Staff	 ($ 600) ($ 180)	 ($ 435) ($ 243)	 ($ 550) ($ 339)	 ($ 42) ($ 19)	 ($4,121) ($ 100)	 ($5,748) ($ 881)
Surplus (Deficit) from Ancillary Operations	**$ 420**	**($ 12)**	**$ 86**	**$ 243**	**$ 1,579**	**$ 2,316**
Administrative Overhead Contribution to Operating Fund		($ 44)	($ 65)		($ 237)	($ 346)
Transfer to Reserves			($ 21)		($ 1,342)	($ 1,363)
Surplus (Deficit) Transferred to Operating Fund	**$ 420**	**($ 56)**	**$ 0**	**$ 243**	**$ 0**	**$ 607**

Total Ancillary Operations Contribution to the Operating Fund

(in thousands)	Ancillary Services Funded Primarily by Students	Ancillary Services Contributing to the Operating Fund	Total
Revenue	$43,240	$8,945	$52,185
Expenses	($40,369)	($6,629)	($46,998)
Surplus (Deficit) from Ancillary Operations	**$ 2,871**	**$2,316**	**$ 5,187**
Administrative Overhead Contribution to the Operating Fund	($ 2,699)	($ 346)	($ 3,045)
Transfer to Reserves	($ 1,103)	($1,363)	($ 2,466)
Surplus (Deficit) Transferred to Operating Fund	**($ 931)**	**$ 607**	**($ 324)**
Total Contributions to the Operating Fund re: Administrative Overhead + Surplus (Deficit)	**$ 1,768**	**$ 953**	**$ 2,721**