



# **Financial Sustainability Roadmap**

## Annual Report

**2024-25**

The background image shows a large, modern lecture hall or auditorium. In the center, there is a stage with a large white screen displaying a presentation. Several people are seated on the stage, and a podium is visible. The audience, seen from behind, fills the foreground and middle ground, seated in rows of chairs. The room has a high ceiling with exposed ductwork and lighting fixtures. The overall atmosphere is professional and academic.

---

## Land Acknowledgement

Algonquin College campuses in Ottawa, Perth and Pembroke are located on the traditional unceded, and unsurrendered territory of the Anishinàbe Algonquin People. The Algonquin People have inhabited and cared for these lands since time immemorial. We take this time to express our gratitude and respect to them and to the land for all that it has provided and will continue to provide.

As a post-secondary institution, we acknowledge the harms done to Indigenous peoples and are committed to learning from the past. We pledge to promote healing and resilience as we move forward in partnership with the Algonquin Nations, First Nations, Métis, and Inuit peoples in a spirit of reconciliation.

While we recognize that territorial acknowledgements are only one step in cultivating greater respect and inclusion of Indigenous Peoples, we commit to accompanying these words with actions. We are dedicated to building a future and community that is better for all.

We pledge to continue exploring and making meaningful contributions to the Truth and Reconciliation Commission of Canada's Calls to Action.

# Table of Contents

MESSAGE FROM THE VICE PRESIDENT, FINANCE AND ADMINISTRATION	4
THE FINANCIAL FUTURE	6
FINANCIAL SUSTAINABILITY ROADMAP	7
2024-25 HIGHLIGHTS	8
LOOKING AHEAD	10
APPENDIX A: FINANCIAL SUSTAINABILITY ROADMAP	11
APPENDIX B: FINANCIAL SUSTAINABILITY METRICS	12

# Message from the Vice President, Finance and Administration

Dear Colleagues,

The 2024 calendar year brought unprecedented financial challenges to post-secondary education in Canada.

Eighteen months ago, in January 2024, Immigration, Refugees and Citizenship Canada (IRCC) unexpectedly announced a significant and immediate 35 per cent reduction in new international study permits and eliminated post-graduate work permit (PGWP) eligibility for students enrolling through Public College-Private Partnership (PCPP) arrangements. This decision sent shockwaves through the sector, particularly in Ontario, where international enrolment revenues have been essential in offsetting stagnant provincial funding and the ongoing tuition freeze, which has held tuition rates at 2015 levels.

In response to recommendations from the Blue-Ribbon Panel on Postsecondary Financial Sustainability, the Ontario Ministry of Colleges, Universities, Research Excellence and Security (MCURES) announced \$1.3 billion in additional funding over three years. While this investment was welcomed, it fell short of addressing systemic underfunding. Furthermore, the domestic tuition freeze, first implemented in 2019, was extended through to 2027. Despite these challenges, Algonquin College remained agile. The College maintained a balanced 2024-25 Annual Budget, resulting in a modest increase to Algonquin College's reserve account.

As 2024 progressed, additional announcements by IRCC instituted additional restrictions to study permits and post-graduate work permits. These steps created even more uncertainty for institutions and their learners, further intensifying the financial challenges facing the College.

Despite these challenges, the College remains committed to financial sustainability and learner success. Responses include identifying additional cost savings, exploring alternate revenue sources, expanding capacity in post-graduate work permit-eligible programs, and aligning operations with revised enrolment expectations.

These targeted actions—such as program adjustments, cost efficiencies, and revenue diversification—are key to maintaining the College's financial health while continuing to serve the needs of students and the broader community.

Throughout the year, progress continued to advance the College's Financial Sustainability Roadmap. Key achievements include the development of a new Capital Debt Management Policy to align with the College's risk tolerance, and to ensure robust governance over, and management of capital debt. The College also established minimum contribution margin requirements for contract activity to ensure external partnerships and development opportunities meaningfully support the financial sustainability of Algonquin College.



The College also participated in a third-party review through the Provincial Ministry's Efficiency and Accountability Fund (EAF). This initiative focuses on identifying long-term efficiencies and enhancing student and community outcomes. Some of the recommended efficiency initiatives identified through this project will be implemented over the following years.

The Financial Sustainability Roadmap will continue to be realigned to reflect ongoing mitigation efforts and adapt to a rapidly evolving environment. By advancing key initiatives, Algonquin College is strengthening its financial resilience and adaptability in a dynamic post-secondary landscape.

I would like to thank the Algonquin College leadership team and community for their support of the Financial Sustainability Roadmap, and ongoing efforts to maintain a sustainable future for the College.



Grant Perry  
Vice President, Finance and Administration



# The Financial Future

The mission of Algonquin College: to transform hopes and dreams into lifelong success will continue to be at the heart of all decisions that the College will make as it responds to the fiscal challenges facing Ontario's post-secondary sector.

Algonquin College, like many institutions across Ontario and Canada, is facing a financial sustainability crisis driven by a convergence of external pressures and longstanding structural challenges. The impact of domestic tuition freezes, capped international enrolment, inflationary cost increases, and a stagnant funding model has placed significant strain on the College's ability to operate within its means while continuing to deliver high-quality education and services.

In response, the College will make difficult but necessary decisions. These changes will require courage, collaboration, and a willingness to reimagine how we deliver programs and services. While the path forward will be challenging, inaction is not an option. Failing to act swiftly will result in Algonquin College being faced with a growing structural deficit in the very near future.

To safeguard our mission and ensure the long-term viability of our institution, we must act decisively, anchoring every decision in our strategic priorities and our commitment to learners. The College will be required to make a series of difficult, strategic, and often transformational decisions across multiple areas. Some of these changes have already begun to have impacts on our College, while other changes will be introduced over time. These may include:

- **Program and Service Rationalization:** Suspending or consolidating academic programs that do not meet enrolment, contribution, or strategic relevance thresholds.
- Exiting non-core or underperforming services to focus resources on areas that directly support student success and institutional priorities.
- **Workforce Adjustments:** Reducing staffing levels where necessary, particularly in areas impacted by service or program changes. Restructuring departments to improve efficiency, reduce duplication, and align capacity with institutional needs.
- **Revenue Diversification:** Pursuing new revenue-generating opportunities, including partnerships, contract training, and philanthropic initiatives.
- Optimizing enrolment strategies within policy constraints to improve contribution margins.
- **Cost Containment and Efficiency:** Reducing discretionary spending and non-essential activities, improving procurement practices and leveraging shared services or automation where possible.
- **Asset Optimization:** Consolidating, repurposing or disposing of underutilized facilities and reinvesting proceeds in priority areas.
- Reviewing capital projects to ensure alignment with strategic needs and financial capacity.
- **Technology and Process Transformation:** Investing in digital solutions that streamline operations and enhance service delivery.
- Standardizing and simplifying processes to reduce cost and improve turnaround times.

# Financial Sustainability Roadmap

The Financial Sustainability Roadmap, introduced in 2021, continues to support and strengthen Algonquin College's strong financial stewardship.

The Roadmap is guided by eight core themes:

Financial Management Policy Framework	Revenue Growth
Cost Containment	Capital Asset Strategy
Human Capital	Portfolio Analysis
Partnership Strategy	Continuous Improvement

Since the introduction of the Roadmap, many actions have taken place to support the long-term financial sustainability of the College across all the themes, including the development of a strategic workforce planning model, an administrative services benchmarking review, the establishment of a portfolio analysis process, as well as the development of a partnerships framework.

In the Fall of 2024, the Algonquin College Executive Team participated in a Fiscal Sustainability Academy with Deloitte Canada in support of a prioritized approach to the Financial Sustainability Roadmap.

At this stage in our Financial Sustainability Roadmap, Algonquin College confirmed that some of the themes were ready to be transitioned out of pilot mode into operationalized ways of working. The themes operationalized include Human Capital, Financial Policy Framework, and Partnership Strategy.

The remaining prioritized themes remaining on the Financial Sustainability Roadmap would be Portfolio Analysis, Capital Asset Strategy, Continuous Improvement, with Revenue Growth and Cost Containment underpinning these themes as an underlying goal for all.

The emergence of new challenges over the past year, notably changes in Canadian immigration policy affecting the ability to effectively recruit international students significantly impacted the post-secondary sector's financial sustainability.

These new challenges led Algonquin College to identify many short-term financial sustainability measures in support of the institution's financial health.

In the year ahead, the Financial Sustainability Roadmap will be realigned to respond to rapid changes in the operating environment, ensuring continued prioritization of financial sustainability initiatives. Through prioritization of financial sustainability initiatives, Algonquin College can foster resilience and adaptability in an ever-changing post-secondary landscape.



# Initiative Highlights

## Strategic Workforce Planning

Over the past year, work continued with the implementation of seven pilots across four departments, using a rigorous, data-driven approach to assess workforce supply and demand, conduct gap and surplus analyses, evaluate workforce skills, and develop action plans to mitigate risk and support informed strategic workforce decisions.

A clear framework connecting Workforce Planning to the College's Strategic Plan was also established. This framework emphasized a shift in mindset – from reactive staffing to proactive planning – encouraging departments to think long-term about capability and capacity needs. In addition, reporting and insights were enhanced, alongside the evaluation of technology solutions to support workforce planning.

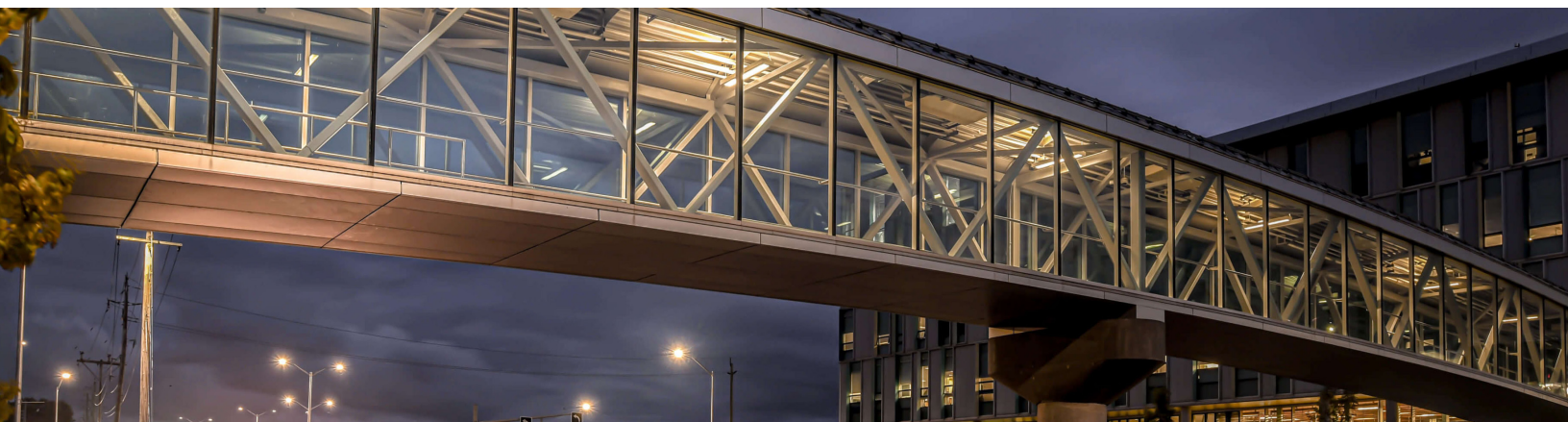
From a skills and talent development perspective, the team continued to optimize the use of skills heat maps, Workday career profile features, and succession planning templates.

The project team also developed tailored workforce planning tools, comprehensive guides, frameworks, and specialized training sessions to build internal capability and promote consistent, effective workforce planning practices across the organization. This year saw a shift toward greater data awareness, with people leaders involved in the pilot increasingly viewing workforce optimization as a shared responsibility with Human Resources.

## Portfolio Analysis

Continued efforts were made to analyze and report on margin trends through Net Contribution Margin Analysis, providing valuable insights to support informed decision-making. Several recommendations identified through the Portfolio Analysis were implemented, including initiatives related to the Business Development and Corporate Training Unit, and with the Campus Services areas of Residence and Parking Services. Additionally, a review was undertaken to gain a deeper understanding of the composition of Contract Activity within the Commercial Activity grouping.

A minimum contribution margin threshold on contract activity was established to ensure that revenue-generating contracts contribute meaningfully to financial sustainability.





## Financial Policy Framework

In April 2021, the Financial Sustainability Roadmap was published. The document outlined eight areas of focus for the College to review and action to help ensure long-term financial sustainability. One of these areas of focus was a Financial Management Policy Framework intended to ensure the College has the safeguards and controls in place to support financial sustainability.

This past year, current Algonquin College policies were assessed compared to the best practice Financial Management Framework for Higher Education. Next steps to continue to align our financial policy framework were endorsed by the Executive team in October 2025.

A policy outlining the uses and controls around the incurrence of debt was identified as a gap in the College's control framework.

In February 2025, a new Board Governance Policy was developed and approved, the Capital Debt Management Policy, which establishes the College's risk tolerance for capital debt and ensures processes for acquiring, monitoring, and reporting on capital debt are operational.

## Capital Asset Strategy

Ongoing review of the College's space utilization is a key component of supporting long-term financial sustainability. Through the Flexible Spaces Office Space Trial program, 8,718 sq. ft. of space was identified for repurposing. This past year, this identified space was repurposed for student learning spaces, supporting the space required to create an Immersive Lab.

Vacant space in Building A was reallocated to develop new Science Labs to support College programs.

## Cost Containment

College mitigation measures to address forecasted budget deficits over the past year included the suspension of 37 academic programs, a decision to close the Perth, Ontario Campus by August 2026, the exit from the Algonquin College Corporate Training Centre, reductions in operational expenses, withdrawal from non-essential activities, and voluntary workforce reduction initiatives.

## Financial Sustainability Metrics

Five of the financial sustainability metrics for finance, space, people and technology improved over the previous year with 4 of the 12 metrics meeting future state targets.

# Looking Ahead

## Initiatives Continuing & Starting in 2025-26

This coming year, the Financial Sustainability Roadmap will be realigned to respond to rapid changes in the operating environment, ensuring continued prioritization of financial sustainability initiatives. Revenue and Margin Growth, and Cost Containment will continue to be the foundation for our financial sustainability initiatives, and the operationalized initiatives of Human Capital, Financial Policy Framework, and Partnership Strategy will continue.

## Efficiency and Accountability Fund Initiatives

The College is participating in the Efficiency and Accountability Fund (EAF) Initiative, funded by the Ministry of Colleges, Universities, Research Excellence and Security supporting the identification of efficiencies in areas such as governance, administration and student services, academic programming, physical assets and facilities, collaborative procurement and revenue generation. The outcome of this review will be a report that includes a set of recommendations on sustainability and efficiency opportunities to consider for implementation.

## Capital Asset Strategy

The Efficiency and Accountability Fund (EAF) initiative included Physical Assets and Facilities as a focus area, and included recommendations to further develop the College's space strategy, in support of financial sustainability. As part of the implementation plan phase, the Office Space Strategy will be developed in alignment with College direction.

## Portfolio Analysis

Ongoing review of the College's commercial activities in support of financial sustainability continues. This review is focused on identifying opportunities to improve the efficiency, effectiveness, and overall contribution of these activities to the College's long-term financial health.

# Appendix A: Financial Sustainability Roadmap



# Appendix B

## Financial Sustainability Metrics

	Metric Name	Formula/ Calculation	Future State Target	True North Target	Description
FINANCE	Return on Net Assets	Change in Net Assets during the fiscal year / Total Net Assets at the beginning of the fiscal year	8.0%	100.0%	Net Asset growth positions the College to sustain ongoing operations and investments.
	Viability Ratio	Expendable Net Assets/Long Term Debt	1.25	10	The viability ratio indicates the relative liquidity of the College and ability to pay debt obligations.
	Primary Reserve Ratio	Expendable Net Assets (internally restricted and unrestricted) / Total Expenses	0.4	5	Expendable Net Assets should be at least 0.4 or enough to pay for 5 months' expenses.
	Net Operating Revenue Ratio	Operating Surplus/ Total Operating Revenue	At least 10%	50.0%	Healthy operating margins ensure that the College earns sufficient revenues to deliver current programs/services, fund in year SIP and reserve cash for future needs.
SPACE	Facilities Condition Index	Total Deferred Maintenance Costs/ Current Replacement Value of Campus Facilities	Less than 5%	0.00%	Facilities Condition Index is a standard facility management benchmark that is used to objectively assess the current and projected condition of building assets on College campuses. These values are derived from the most recent College facilities assessments and the data is pulled from SLAMCap.
	Investment in Facilities as a % of Current Replacement Value	Annual Maintenance and Suitability Costs/Current Replacement Value of Campus Buildings	1.25% for Maintenance and 0.5% for Suitability	5% for Maintenance and 2% for Suitability	Includes annual operational maintenance costs (inc. contract maintenance), infrastructure envelope and space envelope costs. Industry standard is 2-5% for Maintenance and 2-4% for Suitability. Current Replacement Value is drawn from SLAMCap and includes all College physical assets.
	Assignable square meter per student	Total # of Assignable square meters/ Number of Full Time Post Secondary Registrations	2.40	1	The utilization rate of the College's assignable space is a metric that indicates the productivity of our facilities. Greater students served with less space leads to higher productivity. However, the quality of the student experience must also be measured and considered when developing new strategies to serve more students with less space .
PEOPLE	Vacancy Rate	# of Vacant Full Time Positions / Total number of Full Time positions available	6% or less	0%	Managing full time position vacancies to the lowest point possible helps ensure appropriate capacity and productivity required to effectively deliver College programs and services.
	Excess Vacation Liability	Total excess vacation liability is determined by calculating the sum of excess vacation days for full-time and fixed-term administrative employees, multiplied by each employee's respective daily compensation rate.	\$500,000 or less	\$0.0	Excess vacation liability refers to the financial obligation resulting from employees accumulating more vacation time than allowed. It must be monitored to ensure accurate financial reporting, manage costs, support employee well-being, and maintain operational stability.



# Appendix B

## Financial Sustainability Metrics

	Metric Name	Formula/ Calculation	Future State Target	True North Target	Description
TECHNOLOGY	IT Infrastructure Condition Index	(The total # of Infrastructure Devices within the Target Life Expectancy)/(Total Number of Hardware Devices)	100%	100%	<p>This metric measures the number of infrastructure devices that are not beyond end of life or are still being supported by the vendor as a percentage of the total number of infrastructure devices. The KPI represents the risk of hardware failure due to age, but also the risk of prolonged outages because the asset is no longer supported; this can lead to a lack of available expertise and spare parts to correct a failure.</p> <p>As of FY 2021-22 the scope has been changed to include cabling. As a result, cabling has been added to the denominator and numerator of the forecasted metrics for FY2021-22 and onward. Cabling was originally not included in metrics previous to FY2021-22 and will not be retroactively calculated.</p>
	IT Services Customer Satisfaction (Net Promoter Score)	Clients who have submitted a service request to the ITS Service Desk (via phone or email) are requested to complete an NPS survey. Approximately 10% of service requests result in a completed survey. This metric is the NPS calculation of all NPS scores received for the reporting year.	86	100	<p>This metric is tracked monthly and presented to CTC. However, only the annual number is provided to FSR to reflect actuals and forecasts for each year.</p> <p>Note: Upon reviewing our forecasts, the target and forecast has been lowered from 90 to 86. The rationale is that ITS believe a score of 86 is very high and very difficult to maintain and a score of 90 is not realistically feasible.</p>
	Cyber Security Maturity Rating	This metric is based on the Ernst and Young Cybersecurity Program Assessment method which was developed as an objective means to evaluating any organizations security program. Points are awarded for achieving levels of maturity across various Cyber Program categories (e.g. Awareness, Policy and Legislative Compliance). The overall score is on a scale from 1 to 5	2.5	5.0	<p>Areas reviewed in the assessment are as follows: • Architecture • Asset management • Awareness • Business continuity management • Data infrastructure • Data protection • Governance and organization • Host security • Identity and access management • Incident management • Metrics and reporting • Network security • Operations • Policy and standards framework • Privacy • Security monitoring • Software security • Strategy • Third-party management • Threat and vulnerability management</p>



“ Ensuring long-term future sustainability for the College is critical to the success of our mission and strategic goals. ”

Claude Brulé,  
President and Chief Executive Officer