Every Budget is a Choice – Lakehead University

Executive Summary

Lakehead University has the money. It chooses not to spend it on faculty.

The university has posted eight surpluses in the last ten years and collected $50.4 million in unexpected tuition revenue since 2019. Its primary reserve ratio of 34.1% sits at the top end of the healthy range, well above what financial stability requires.

Meanwhile, faculty have experienced:

- A 13% increase in the student-to-faculty ratio since 2021-22
- A virtually flat faculty complement while enrolment grew by nearly 600 students
- Salaries near the bottom of our peer group, including $8,900 less than Laurentian at the assistant rank

New provincial funding will add more to the university's bottom line. The Ontario Government has announced $6.4 billion in postsecondary operating funding over four years. Institutions will receive a 30% increase in operating grants on average. Lakehead is also eligible for additional funding for small, northern, and rural institutions.

The university is financially strong. It has the resources to address our two biggest priorities: complement and compensation. The administration chooses not to.

This document reviews the evidence from Lakehead's own financial statements, Ministry metrics, peer salary data, and the new provincial funding announcement so LUFA members have a clear picture as we enter bargaining.

Part I: Purpose of Document

Lakehead University is in a strong financial position. Eight surpluses in ten years. $50.4 million in unexpected tuition revenue over six years. A primary reserve ratio of 34.1%, which is the top of the healthy range. New provincial funding will add significantly more: a 30% increase in operating grants on average, plus additional funding for northern institutions. Meanwhile, faculty have seen a 13% increase in the student-to-faculty ratio, a virtually flat faculty complement while enrolment grew by nearly 600 students, and salaries that lag our peers. The university has significant financial capacity. This document reviews the evidence from Lakehead's own financial statements, Ministry metrics, and peer salary data so LUFA members have a clear picture as we enter bargaining.

Part 2: Background Context

2.A. Provincial Underfunding

LUFA acknowledges that Ontario's Universities operate in a structurally underfunded environment. The province remains last among Canadian provinces in per-student university funding, and the Ontario Confederation of University Faculty Associations estimates universities need an additional $3 billion annually to reach the national average.[1]

However, context matters. Like many of Ontario universities, Lakehead is not insulated from these pressures. But those pressures do not eliminate **institutional discretion**. Even in a constrained environment, universities make choices about what to protect, what to defer, and what to prioritize. This is especially true now, with significant new provincial funding flowing to the sector. The evidence below shows that Lakehead has chosen to accumulate surpluses and reserves rather than invest adequately in faculty working conditions and by extension, student learning conditions.

2.B. Surpluses/Deficits and Investment Volatility

This report refers to the total *surplus* or *deficit* as the annual excess of revenues over expenses as reported in Lakehead's audited financial statements. These totals include investment gains or losses from Lakehead's investment funds. In years with a strong market performance, investment gains inflate reported surpluses. In years with weak market performance, investments create or enlarge deficits, even if Lakehead's operating activities are stable.

It is important to distinguish between total surplus/deficit and operating performance. Investment loss does not constitute a budget choice in the same way that decision about hiring, salaries, and reserves do. However, investment gains do reflect the size and

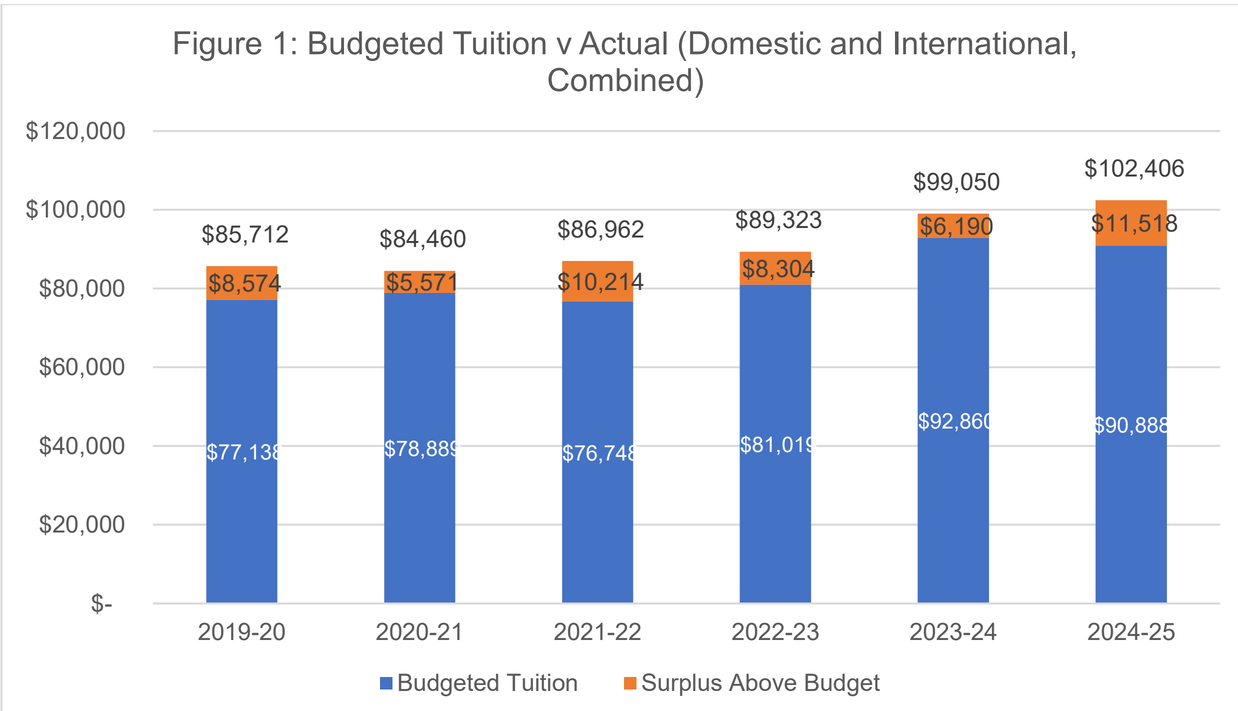
[1] https://ocufa.on.ca/press-releases/ontario-professors-say-new-funding-for-universities-a-step-towards-stability-more-work-needed/

performance of the University's asset base, which is in itself is the result of past choices to accumulate instead of spending.

Part 3: The University's Finances are Sound

3.A. Tuition Revenue Consistently Exceeds Budgeted Projections

Between 2019 and 2025, actual tuition revenue exceeded budgeted projections every single year.[2]



This consistent over performance is not random. Whether it is conservative budgeting or stronger than expected enrollment, each year the University's administration has access to millions of dollars in unanticipated tuition funds. Over the past 6 academic years, the sum of this surplus tuition was $50.4 million (the total of the orange bars in Figure 1).

3.B. Consistent Surpluses and Strong Financial Capacity

Over the past decade, Lakehead reported total surpluses in eight of ten years. The only deficits occurred in 2015-16 (-$8.1 million) and 2021-22 (-$16.7 million). The latter is an anomaly likely tied to one-time pandemic costs and a downward swing of $25 million in investment income; it was immediately followed by three consecutive surpluses, the largest of which ($13.5 million in 2024-25) represented 5.49% of revenue. From 2015 to 2025, Lakehead has a $30.7 million surplus. See the table below[3]:

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[2] https://www.lakeheadu.ca/faculty-and-staff/departments/services/finance/avp-financial-services/financial-statements
[3] See *Note 2*

Table 1 - Lakehead Budget Surpluses 2015-2025 ($000s)

Year	Surplus/Deficit	% of Revenue
2015-16	-$8,107	-4.96%
2016-17	$6,973	3.77%
2017-18	$1,984	1.07%
2018-19	$7,516	3.58%
2019-20	-$2,187	-1.09%
2020-21	$14,456	7.29%
2021-22	-$16,729	-9.05%
2022-23	$4,106	1.89%
2023-24	$9,164	4.00%
2024-25	$13,511	5.49%

3.C. Key Financial Indicators Show Strength

This report examines Lakehead University's financial performance over the past fiscal year, using standard metrics from Ontario's Ministry of Colleges and Universities. Each metric is defined, benchmarked, and then applied to Lakehead's most recent data.

Lakehead meets or exceeds Ministry benchmarks on four of the six core metrics (Net Income, Net Operating Revenue, Interest Burden, In-Year Surplus). It falls short on Viability Ratio and Expendable Net Assets, both of which are influenced by the same underlying negative figure. However, the university's Primary Reserve Ratio (34.07%) is strong, and its operating performance has been consistently positive. See Table 2 – Lakehead University Key Financial Indicator – 2024-25 Fiscal Year[4]:

Table 2 — Lakehead University Key Financial Indicators — 2024-25 Fiscal Year

Metric	**2024-25 Value**	**Ministry Benchmark**	**Status**
Net Income Ratio	5.49%	≥1.5%	✓ Exceeds
Net Operating Revenue Ratio	9.39%	≥5.0%	✓ Exceeds
Interest Burden Ratio	2.26%	≤3.0%	✓ Exceeds
Viability Ratio	-8.72%	≥30%	✗ Below
In-Year Surplus	$13.5M	≥$0	✓ Exceeds
Expendable Net Assets	-$8.2M	≥$50M	✗ Below
Primary Reserve Ratio	34.07%	20-35%	✓ Exceeds

[4] For more information on the ratios, *Financial Management in Ontario Universities*, Appendix 6: Ministry's Financial Health Indicators—Calculation, Definition, and Benchmark, Legislative Assembly of Ontario, 2022, p. 98. A note on 'Viability Ratio': The Ministry's $50 million benchmark for Expendable Net Assets (the numerator in the Viability Ratio) does not account for institutional size. A $50 million balance has different implications for a small institution like Lakehead than for a large institution like University of Toronto. The Primary Reserve Ratio (34.07%) is a more relevant indicator of Lakehead's ability to meet short- and medium-term financial challenges.

3.D. New Provincial Funding Will Add Significant Revenue

In February 2026, the Ontario Government announced a new $6.4 billion investment in postsecondary operating funding over four years[5]. Key elements of this announcement include:

- Operating grants to universities and colleges will increase by 30% on average.
- Base per-student funding will increase by at least 6% for all full-time university enrolments
- $284 million over four years has been set aside specifically for small, northern, rural, and Francophone institutions - a category that includes Lakehead.
- $1.7 billion will fund 70,000 additional seats in "in-demand programs."
- $3.3 billion will support "high-cost priority programs" through revised program weights.

While this is a significant investment, OCUFA notes that it will not be enough to move Ontario out of last place in per-student university funding[6]. However, for Lakehead specifically, this represents a meaningful new revenue stream - on top of the surpluses, unexpected tuition revenue, and reserves already documented in this report.

The administration cannot claim financial restraint when significant new provincial operating funds are flowing to the sector and to Lakehead specifically. This new funding only increases the university's capacity to invest in faculty complement and compensation.

Part 4: What does this mean for Faculty?

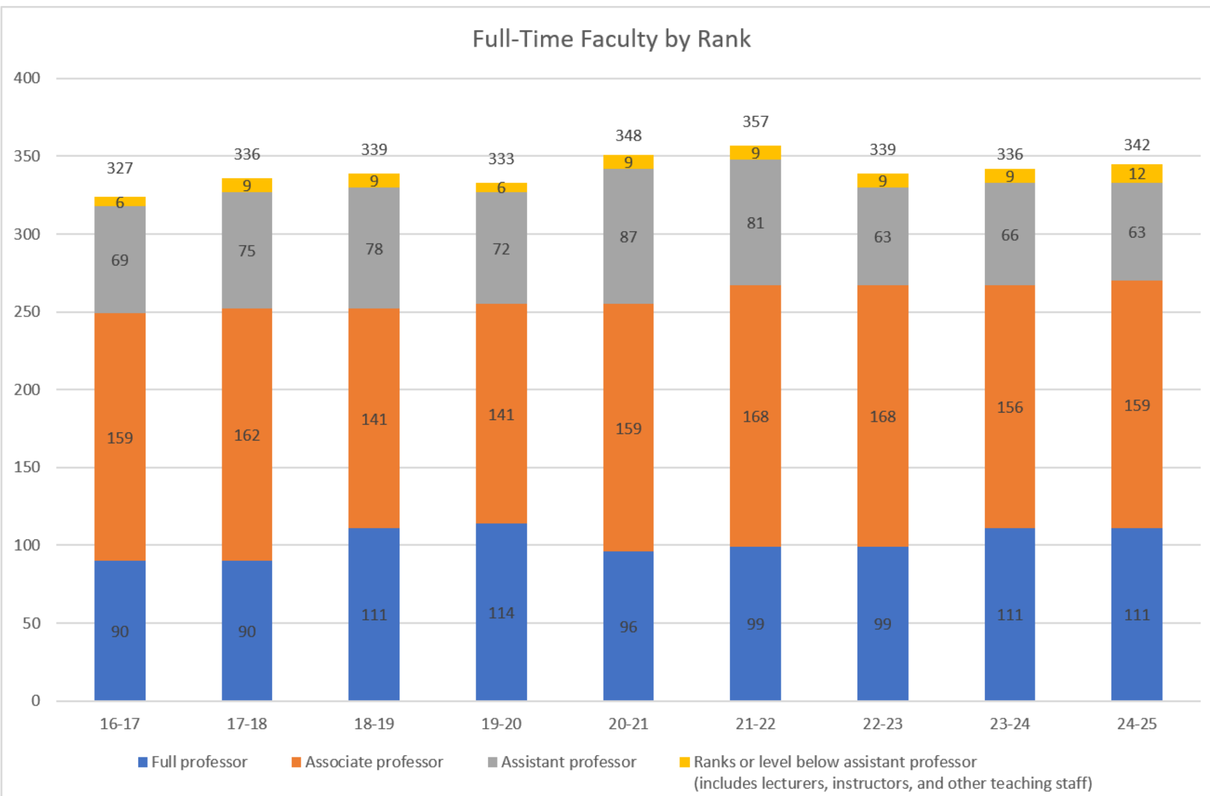
4.A. Enrolment Growth Has Outpaced Investment in Full-Time Faculty

Lakehead's FTE enrolment rebounded sharply after the pandemic, increasing from 6,828 in 2022-23 to 7,424 in 2024-25, a gain of 596 students (8.7%).[7]

[5] OCUFA Briefing Note: New University Funding Provides Increased Financial Stability at Greater Cost to Students, February 2026
[6] See *Note 5*
[7] https://drive.google.com/file/d/1Fm3KKN2mmtlXywY8ElS_UA7j7njmuVHK/view

Table 3 - Lakehead Univeristy FTE Enrollment		
	Total FTE Enrollment	**% Change**
2015-16	6,624	
2016-17	6,970	5.22%
2017-18	6,895	-1.08%
2018-19	7,073	2.58%
2019-20	7,171	1.39%
2020-21	6,851	-4.46%
2021-22	6870	0.28%
2022-23	6828	-0.61%
2023-24	7206	5.54%
2024-25	7424	3.03%
2025-26	7393	-0.42%

While FTE enrolment increases, Lakehead's Full-Time Faculty numbers have remained stagnant. Figure 2 – Full-Time Faculty by Rank[8]:



[8] Statistics Canada, Full-Time: University and College Academic Staff System (FT-UCASS). Note: The full-time faculty complement reported in Figure 2 is drawn from UCASS data. The LUFA membership list as of November 2024 shows 335 full-time faculty and 11 librarians. The difference reflects timing and classification differences between the two sources.

The student-to-faculty ratio has increased by 13% since its 2021-22 low. Total faculty complement grew by just 3 positions (0.9%) while enrolment grew by 596 students (8.7%). This means larger classes and heavier workloads for faculty.

4.B. Lakehead's Faculty Compensation Lags Behind Comparators, Despite High Budget Share

Lakehead's Administration may point to Lakehead's academic salary share of the operating budget as 34.7%, the 2nd highest among our 12 comparators[9]. A high budget share does not mean competitive pay. It can reflect a smaller total operating budget or different ways to classify items. What actually matters is salaries. See Table 4 – LUFA and Comparators Average Annual Salary by Rank 2024/25[10]:

Table 4 — LUFA and Comparators Average Annual Salary by Rank 2024-25 (sorted by Assistant Professor)

Institute	Full professor	Associate professor	Assistant professor
University of Ottawa	$207,950	$171,175	$142,475
Toronto Metropolitan University	$232,675	$191,550	$137,475
University of Ontario Institute of Technology	$203,650	$169,525	$130,675
Wilfrid Laurier University	$197,950	$173,375	$128,075
Brock University	$208,875	$172,875	$126,925
Laurentian University of Sudbury	$168,775	$143,925	$126,175
University of Windsor	$197,125	$156,525	$123,700
Trent University	$204,350	$171,050	$121,625
University of Guelph	$187,175	$152,825	$121,200
Lakehead University	**$182,225**	**$152,325**	**$117,275**
Nipissing University	$171,625	$145,450	$113,525

Carleton does not participate in UCASS. Lakehead ranks 9th of 11 for Full Professor, 9th for Associate, and 10th for Assistant Professor.

Lakehead ranks 9th for Full Professor, 9th for Associate, and 10th for Assistant Professor. Assistant professors at Lakehead earn $25,200 less (-17.7%) than the leader (uOttawa). Even compared to Laurentian, a university that recently emerged from insolvency, Lakehead pays its assistant professors $8,900 less. It is a choice to underinvest in faculty compensation.

4.C. What This Means for Faculty Workload and Compensation

When we step back, a consistent pattern emerges.

Lakehead has built a strong financial position: recurring surpluses, significant unexpected tuition revenue, mostly healthy Ministry ratios, low debt costs, and now new provincial funding flowing to the sector.

[9] LUFA's Collective Agreement cites LUFA's comparators as Brock, Carleton, Guelph, Laurentian, Nipissing, Ottawa, TMU, Trent, Wilfred Laurier, Windsor, UOIT

[10] UCASS Data - 2024/25

At the same time, faculty have experienced:

- A 13% increase in the student-to-faculty ratio since 2021-22
- A virtually flat total faculty complement (342 in 2024-25 vs. 339 in 2022-23) while enrolment grew by 596 students
- Increased reliance on contract lecturers to make up the gap in enrollment vs full-time faculty
- Salaries that rank near the bottom of our peer group

The university's financial strength and faculty working conditions are not unrelated. The choices that produced those surpluses and reserves have also meant larger classes, heavier workloads, and compensation that lags our peers.

4.D. What This Means for Upcoming Negotiations

This round of bargaining is an opportunity for the administration to demonstrate that its commitment to excellence includes a commitment to the faculty who deliver that excellence. The data show a university with consistent surpluses, strong reserves, low debt, millions in unexpected tuition revenue, and significant new provincial operating funds.

The question is not whether Lakehead has the capacity to invest in competitive salaries, adequate faculty complement, and sustainable working conditions. It clearly does. The question is whether the administration will choose to do so, and are we willing to insist that they do.