



Facing financial reality together: Concordia's 2025-26 budget

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The new landscape

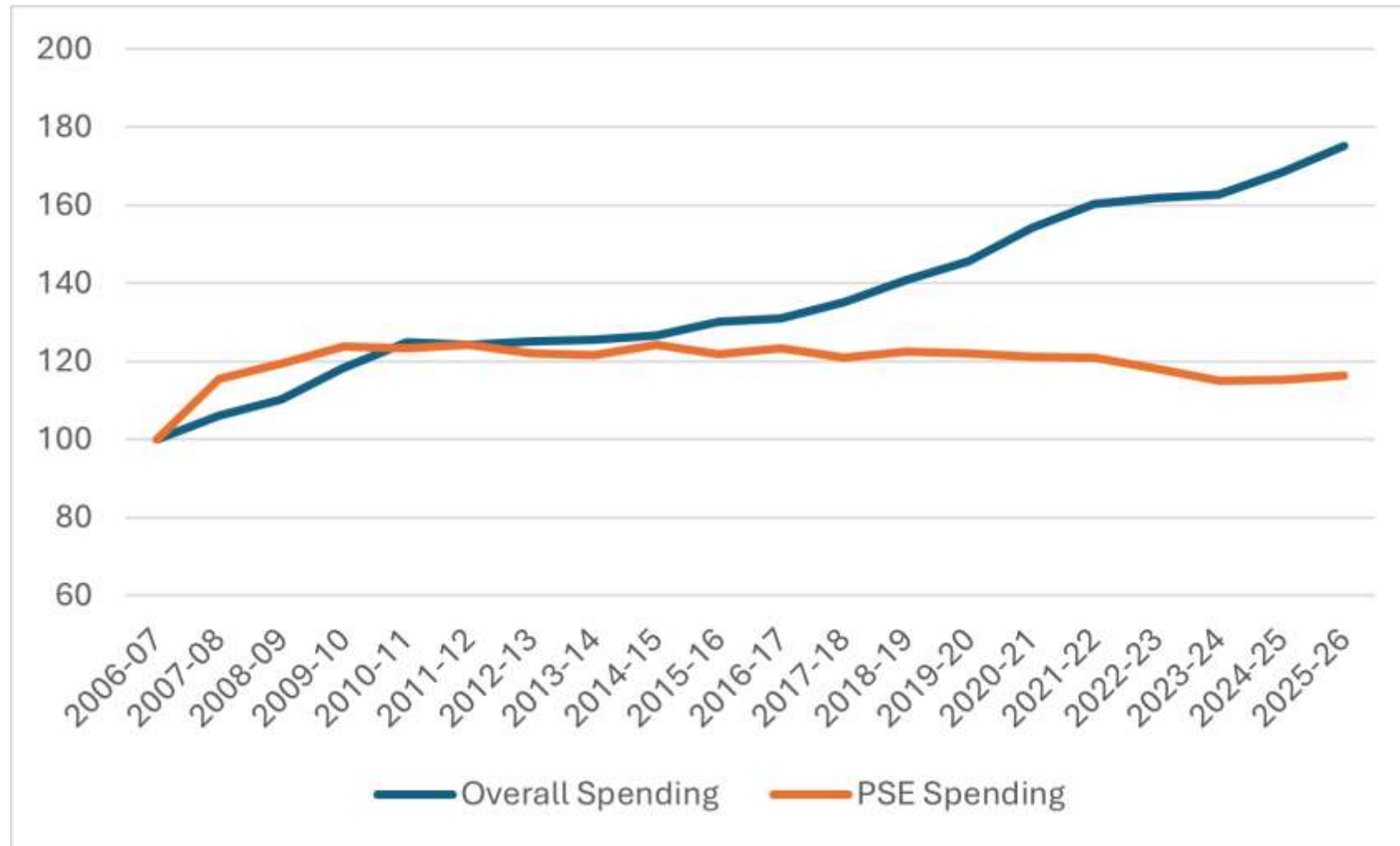
- 1. Decrease in provincial government funding**
- 2. Changes in the funding formula for higher education (2023-24) and impacts**
- 3. Immigration caps and visa restrictions impacting enrolment**

One and five-year changes to budgeted provincial transfers to institutions (2025-26)



Source: Alex Usher, One Thought to Start Your Day

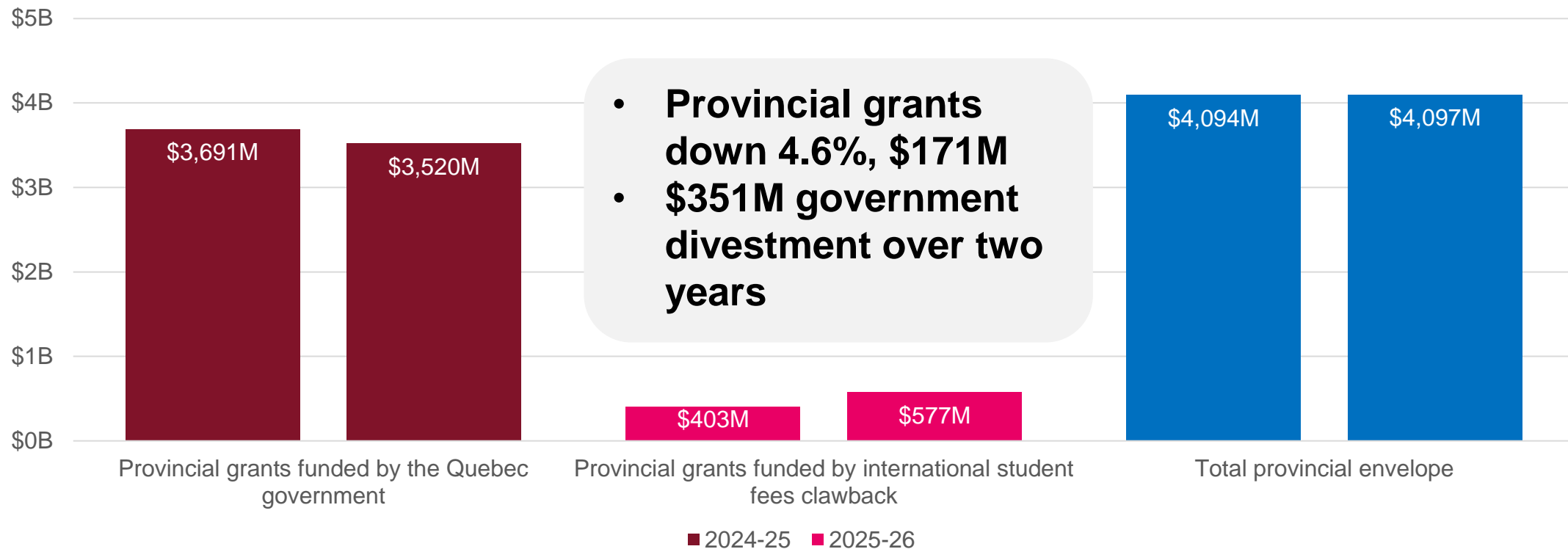
Growth in provincial spending vs. post-secondary funding in Canada (2006-07 = 100)



Source: Alex Usher, One Thought to Start Your Day

Ongoing provincial divestment in higher education: two years running

Revenue sources: 2024–25 vs. 2025–26



Understanding the structural deficit

- Our revenues are **declining for the first time**, while **costs continue to rise** — especially salaries, contracts and inflation.
- Salary increases under the Government Salary Policy are not funded. This mismatch has a **\$12M annual impact** that the university must absorb.

Understanding the structural deficit (cont'd)

- Despite deep cuts across the university, rising costs and reduced revenues mean we still face a structural deficit of **\$84M**. The measures in our 2025–26 budget bring this down to the **\$31.1M** target set in the approved recovery plan — but do not eliminate the deficit.
- Deficits are not about waste — they reflect a **misalignment between funding and expenses**.
- We've met our recovery plan targets for two years, but the gap continues to grow.

Recovery plan approved by the Ministère de l'Enseignement supérieur and Board (\$M)

Fiscal year	Surplus (deficit) at year-end
2021-22	12.9
2022-23	(31.4)
2023-24	(29.1)
2024-25	(34.5)
2025-26	(31.6)
2026-27	(26.5)
2027-28	(15.3)
2028-29	Balanced budget

Note: It remains important to comply with the recovery plan, even as new structural pressures have emerged since it was first approved. Changing direction now could risk credibility, a downgrade to Concordia's credit rating and an increase in borrowing costs.

Why can't we just contain it?

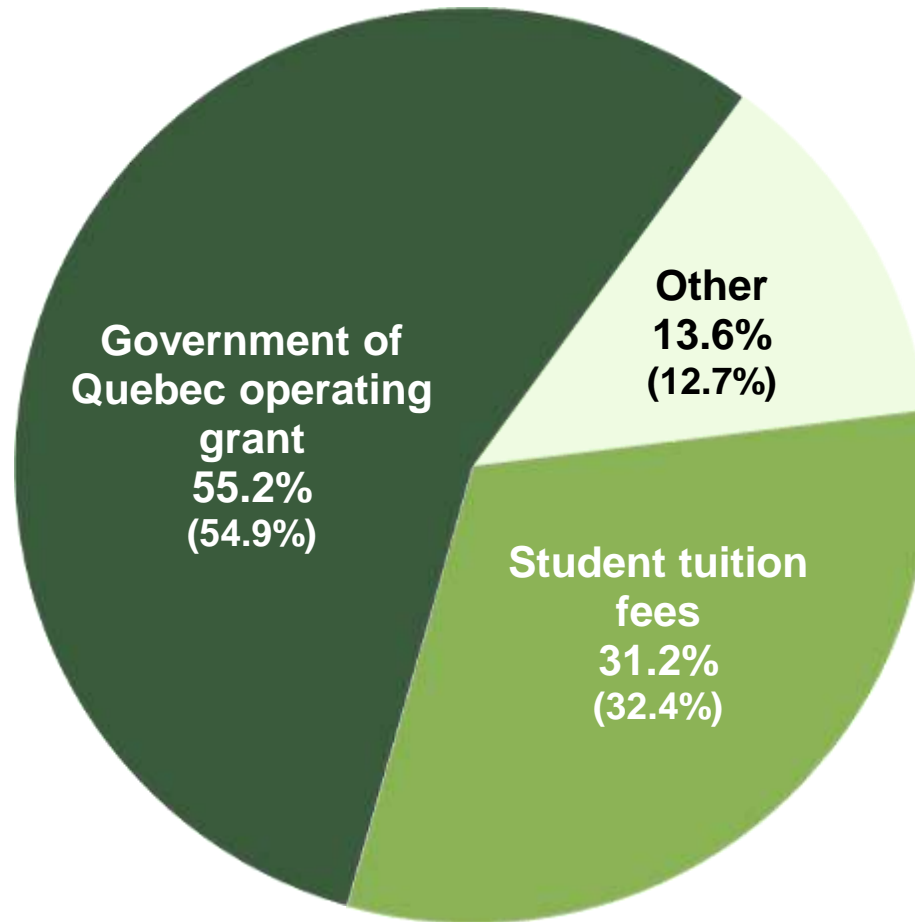
- **Workforce costs = ~72% of our total budget.**
- Most remaining expenses are either fixed or tightly constrained.
- We do reduce costs wherever possible — any small initiatives are important but we need to solve big structural issues.
- In a context where traditional sources of revenue are diminishing, further action is needed. We need to seek out new sources of revenue, and we need to make hard decisions about rethinking our operations.

Sources of revenue for 2025-26 (2024-25 Q3 in parenthesis)

Grants

Government of Quebec grants (\$334M) represent 55.2% of revenue
(similar to other anglophone universities)

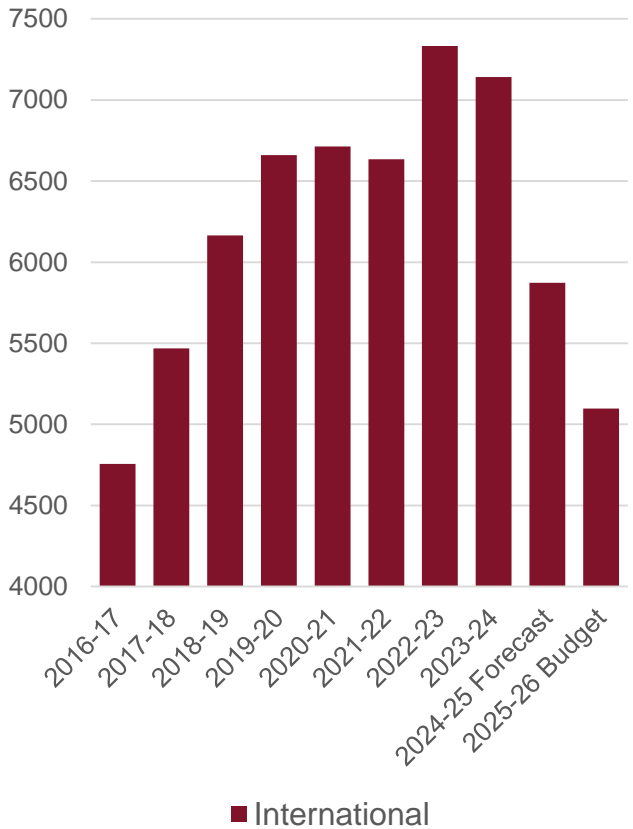
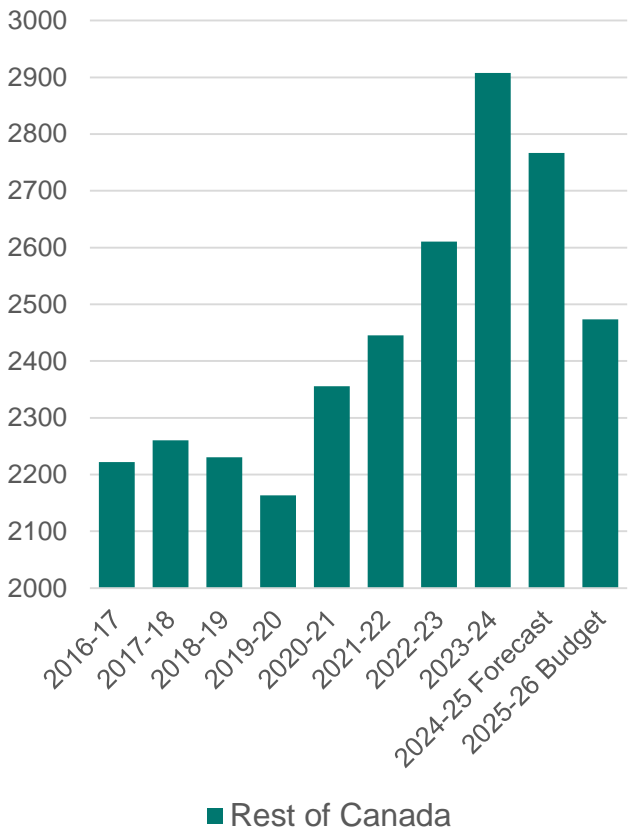
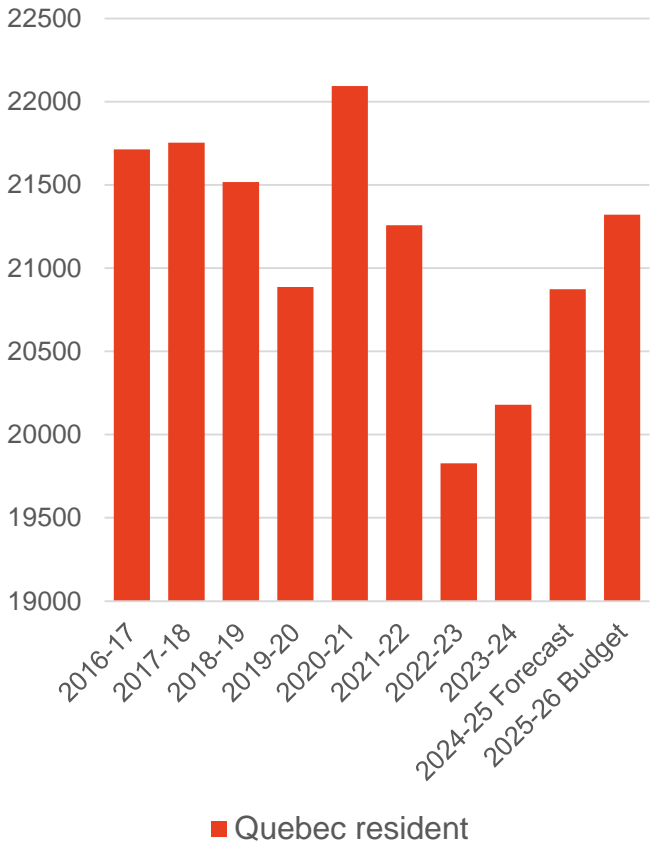
Note: Francophone Quebec universities network average: 69% of total revenue



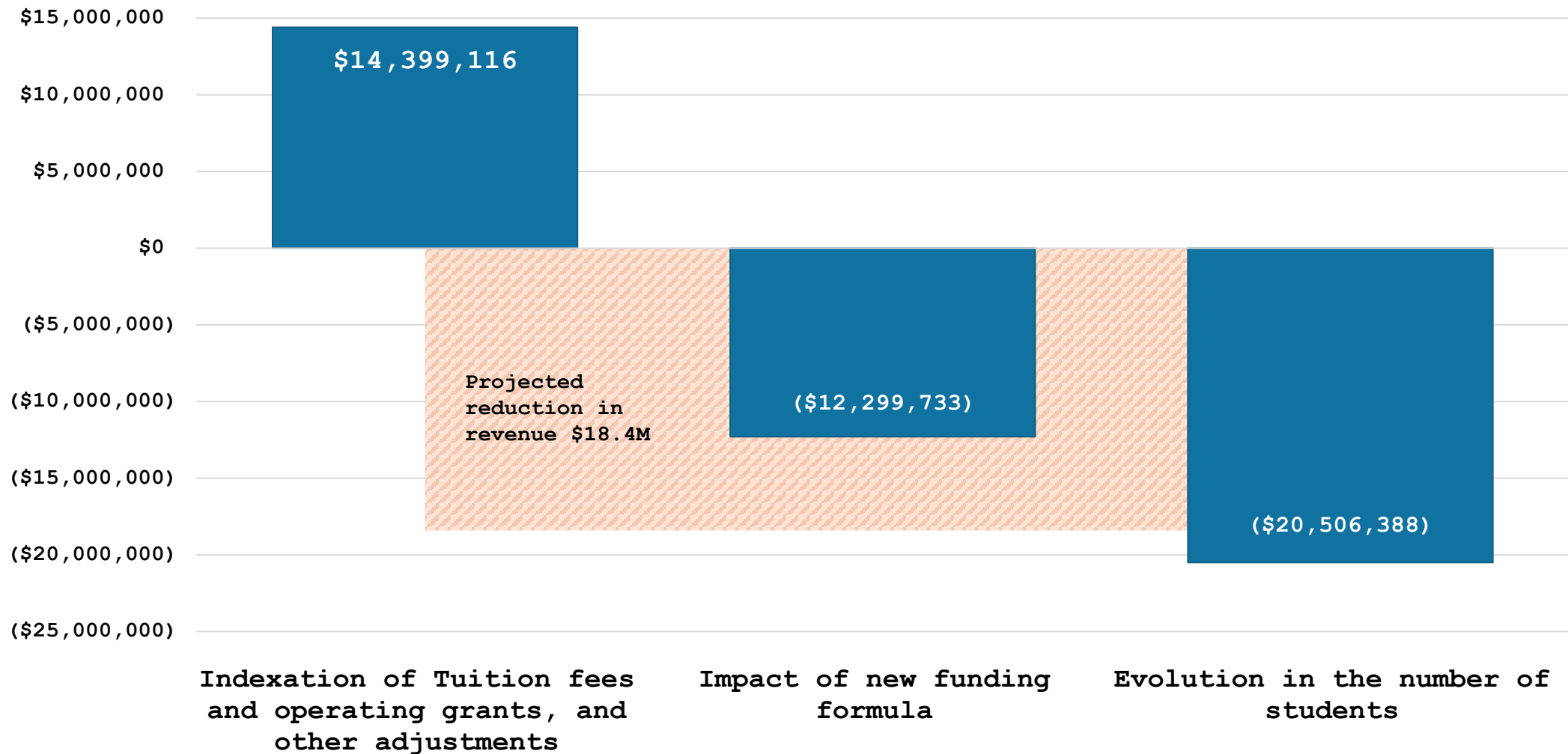
Other sources

44.8% (\$271M) of our revenues depend on the number of students, combined with revenues from ancillary services like residences, conferences, commercial rentals, etc.

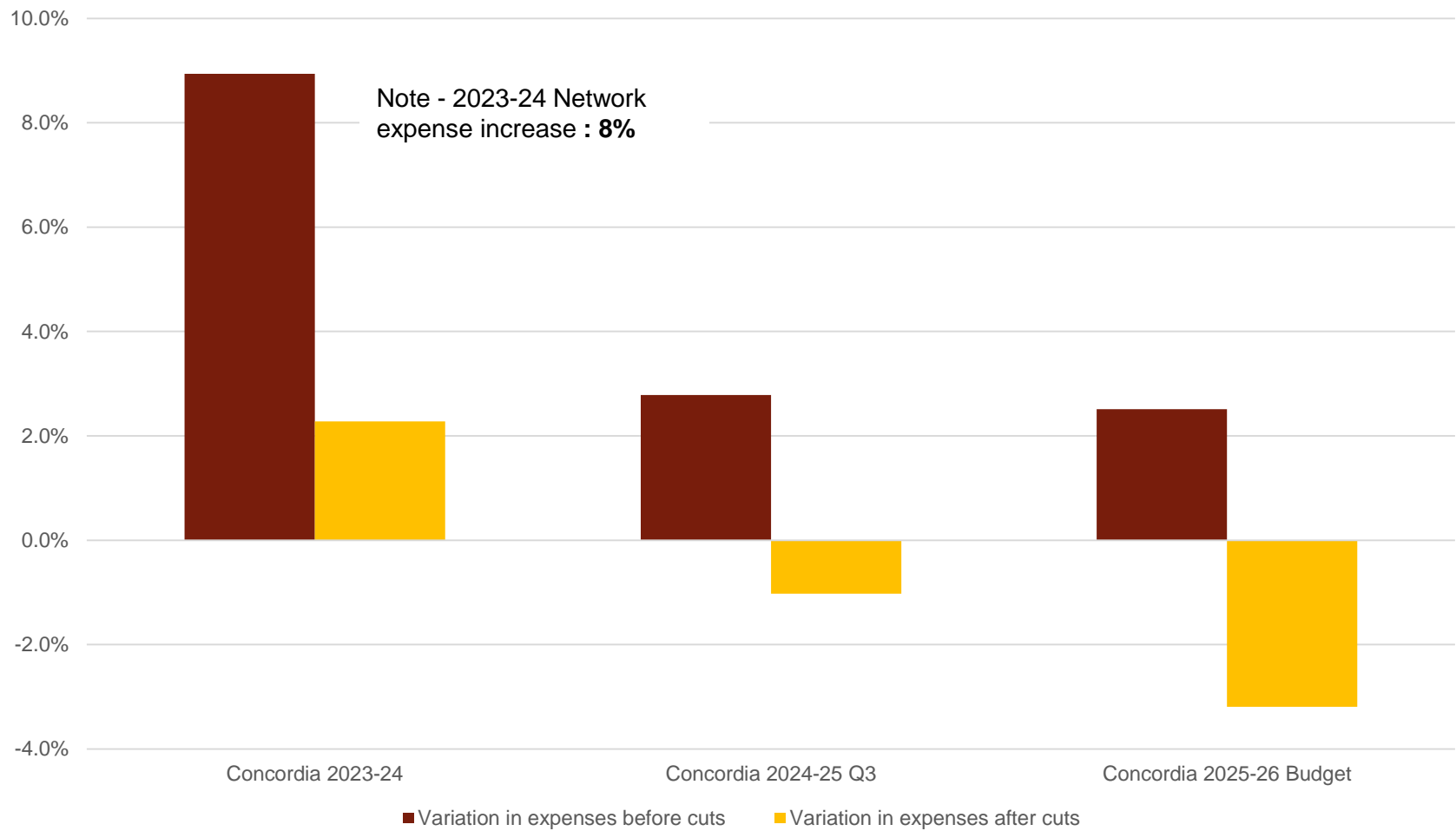
Concordia's enrolment by geography (full-time equivalent students)



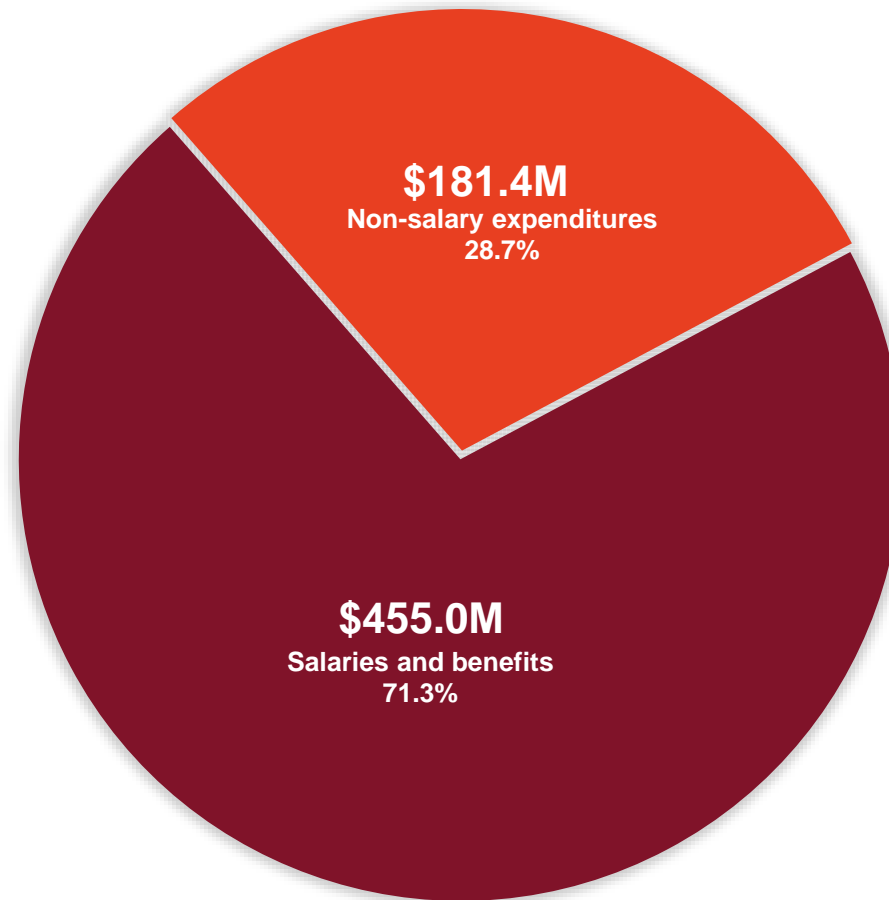
Revenue reconciliation 2025-26 budget vs. 2024-25 Q3



Evolution of expenses from 2023-24 to 2025-26

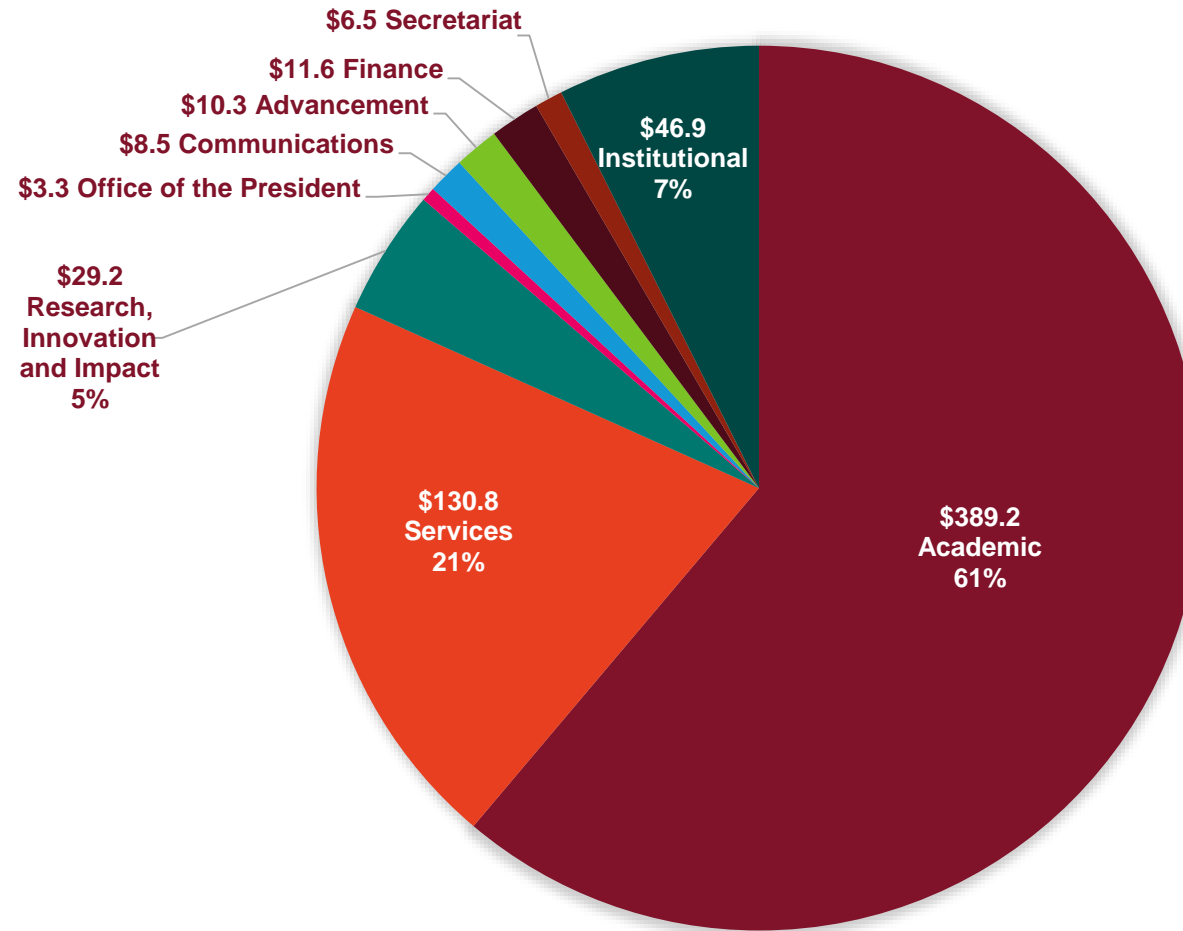


Projected expenses 2025-26



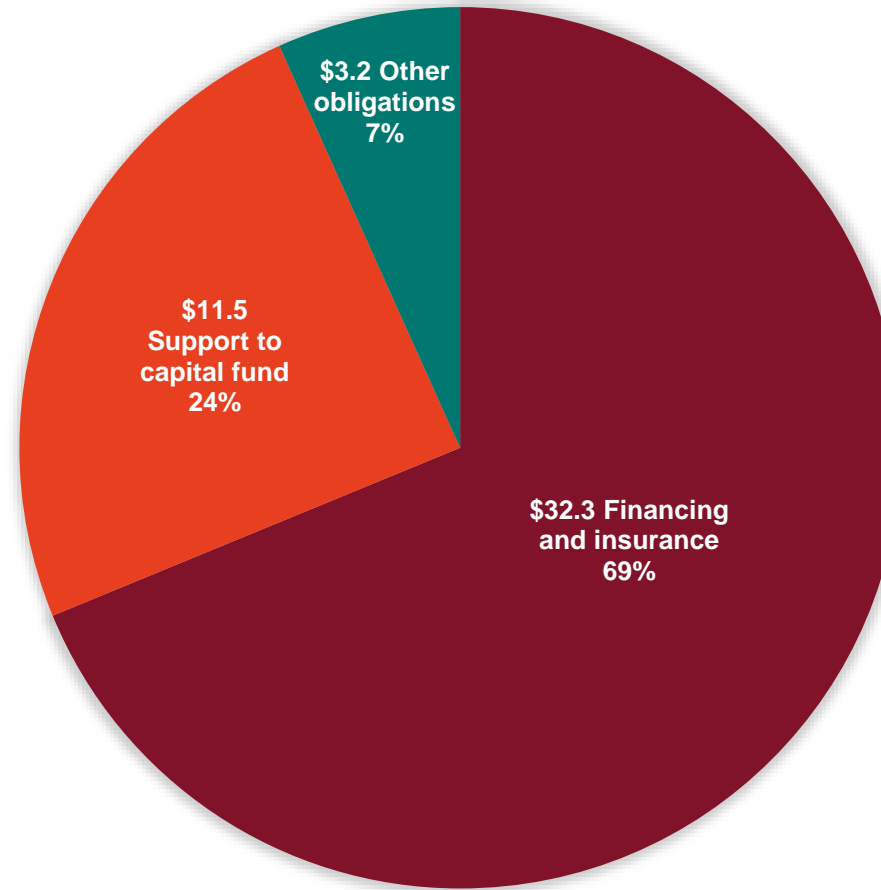
Total expenses
\$636.4M

2025-26 operating budget (\$M)



Total expense
budget
\$636.4M

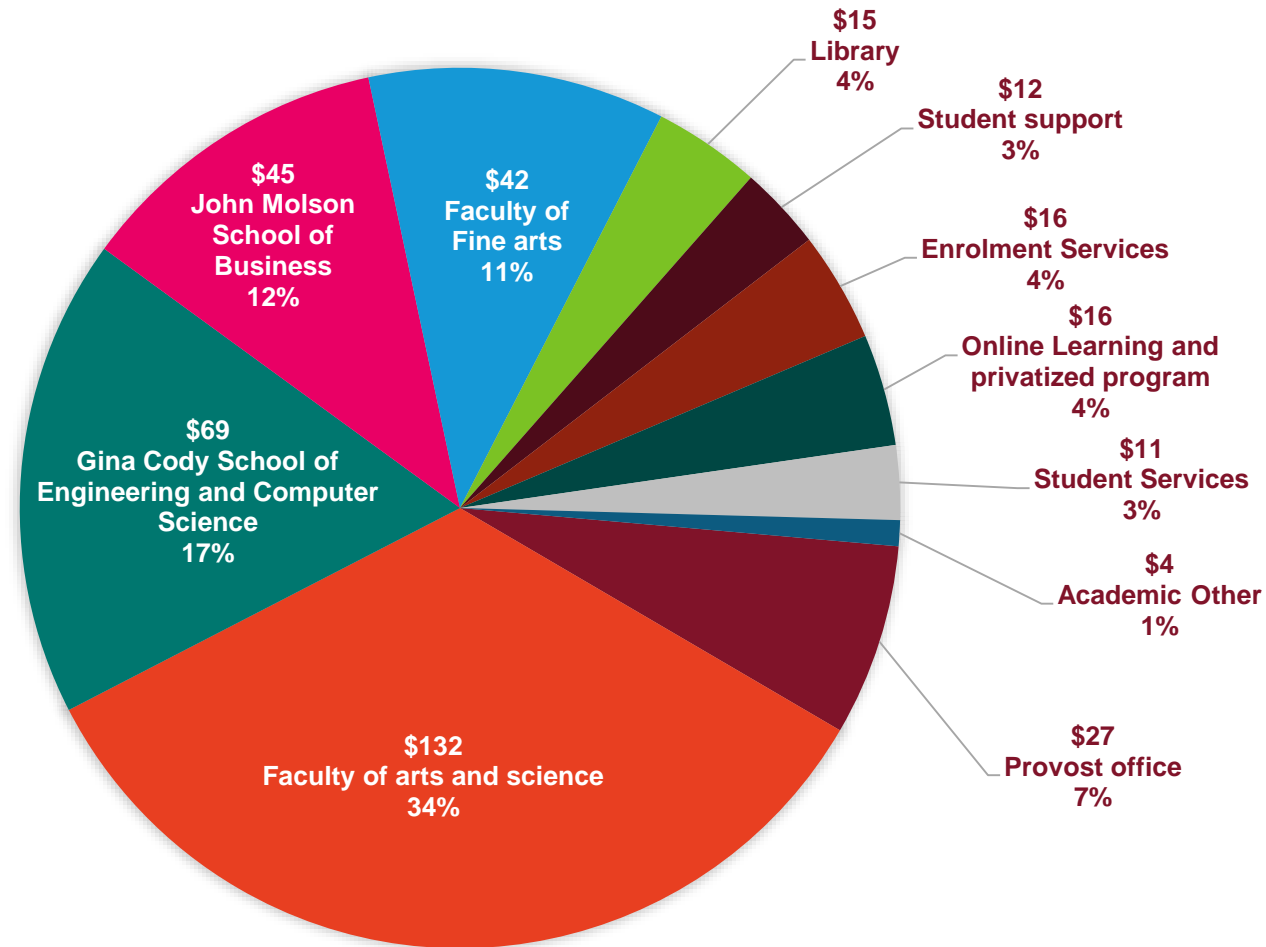
2025-26 institutional expenses budget (\$M)



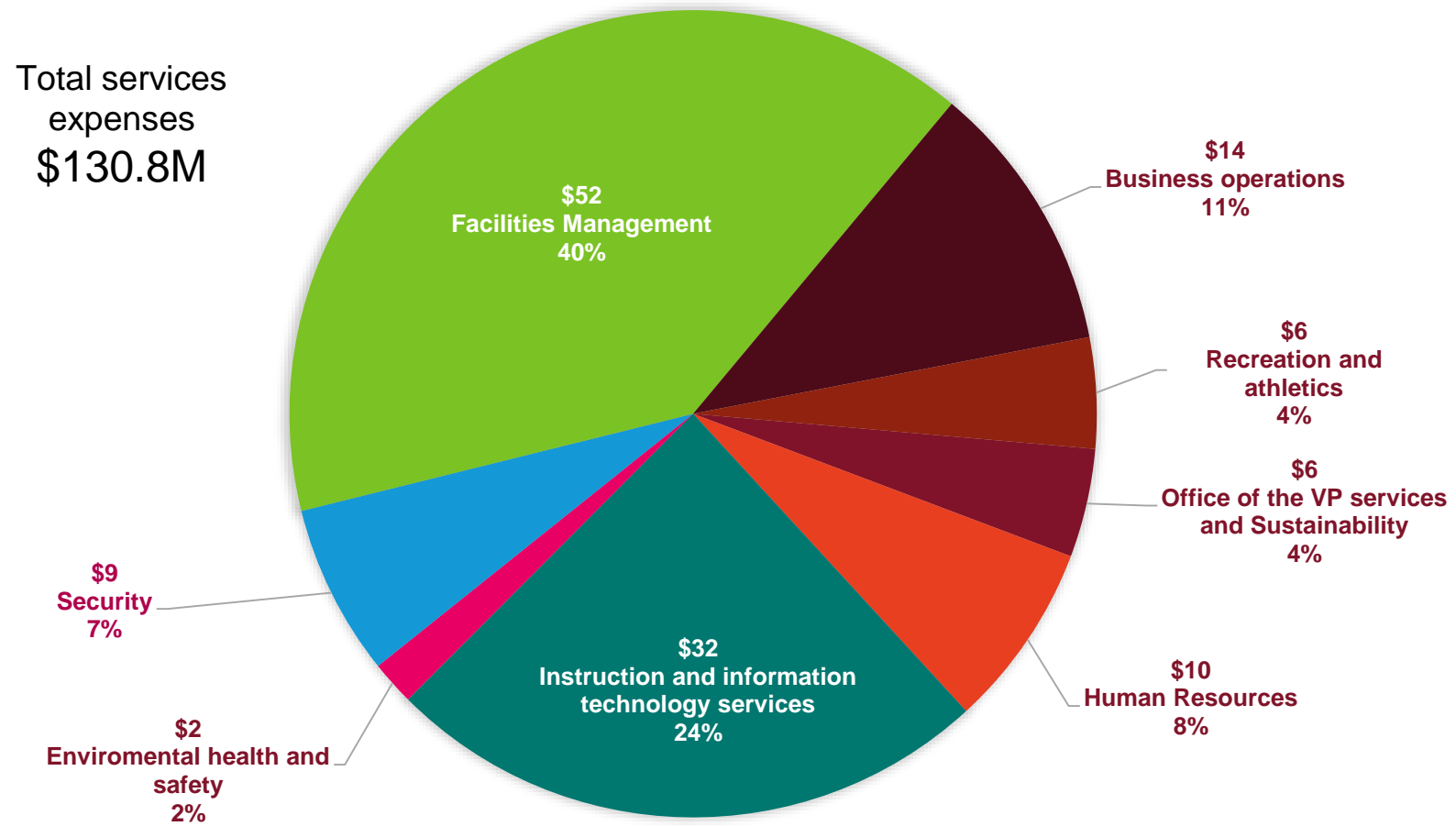
Total Institutional
expense budget
\$46.9M

2025-26 academic budget (\$M)

Total Academic
Expenses
\$389.2M



2025-26 services budget (\$M)



Expenses keep rising

- Salary increases at Concordia are negotiated with unions and associations and are guided in part by Quebec's Government Salary Policy (GSP).
- In 2023, the GSP increase was 6%, but the government funded only 2.7%
- This gap of \$ 12M is **recurrent** and must now be absorbed by Concordia. The **government will provide no funding** for salary increases in 2025–26.
- In addition, inflation, indexed contracts and tech requirements continue to raise costs.
- Core funding has not kept pace — and this is now unsustainable.

What we've done so far

- Over two years, we've implemented **\$96.9M** in cost reductions and additional revenue.
- Measures include:
 - Hiring freeze and reduced part-time contracts
 - Vacant position closures
 - Reduced non-essential travel and consulting
 - IT consolidation
 - Energy efficiencies
 - Certain academic operations scaled back
 - Pension fund transfers adjusted

Comparing sector cuts


2023-24 budget adjustments

- **Academic and research sectors: 7.8%**
- **Administrative sector: 7.8%**

2024-25 budget adjustments

- **Academic and research sectors: 3.8%**
- **Administrative sector: 8.1%**

This reflects a careful effort to protect teaching and research while maintaining operational sustainability.



Facing forward: Budget planning and action plan for 2025–26 and beyond

What's in the 2025-26 budget

Description	Budget 2025-26 (\$M)
Initial deficit	\$(84.0)
Savings – Central	\$15.4
Budget adjustments – All sectors – 7.2% (2024-25, academic and research – 3.8%, other sectors – 8.1%)	\$37.5
Deficit for 2025-26 (recovery plan = \$31.6M)	\$(31.1)

Concordia 2025-26 operating budget summary (\$M)

Description	2024-25 Q3 Forecasts	2025-26 Budget	Variance	
			Budget 2025-26 vs. 2024-25 Q3	%
Total Revenue	\$624.2	\$605.3	(\$18.9)	-3.0%
Expenses	(\$657.4)	(\$636.4)	(\$21.0)	-3.2%
Operating Deficit	(\$33.2)	(\$31.1)	\$2.1	-6.3%
Future benefits costs, excluded from the MES recovery plan framework	\$3.5	\$3.5	-	
Deficit per MES framework	(\$29.7)	(\$27.6)	\$2.1	-7.1%

Workforce and planning measures

- Continued hiring freeze in Fiscal Year 2025-26
- Closure of another **100** staff positions, currently vacant or opened through regular turnover (for a total of ~**200** positions closed over two years)
- Major construction is also limited, with a focus on critical maintenance and sustainability
- Capital investments reflect reduced fiscal capacity and compliance with debt and funding frameworks
- Under discussion:
 - Voluntary Retirement Program
 - Shared services
 - Reduced workloads
 - Layoffs, if required to meet targets

Academic cost: containment measures and revenue generation — Faculties, Library, Office of the Provost

- **Faculties and Library:**

- Cuts to academic operations – \$4.9M
- Cuts to workforce management – \$7.9M (includes tenure faculty)
- Cuts to general operations (non-salaried) – \$0.6M
- Provost and other sector cuts (total) – \$1.9M

- **Growth in enrolment:**

- Estimated impact on revenues generated by **new efforts** to increase enrolment – \$6.7M

Non-salary cost savings — some examples of key areas

Category	Amount
IT licenses and software decommissioning	\$0.8M
Security operations (patrols, centre desk)	\$0.6M
Energy efficiency initiatives	\$0.8M
Facilities maintenance and repairs	\$1.4M
Reduction in travel expenses	\$0.5M
Research program reductions/closures (ARRE, FOP)	\$0.7M
Pause in COLE operations	\$0.4M

Revenue and institutional initiatives supporting recovery

Investment returns

Increased returns from sustainable investment portfolio

\$2.0M

Business model review

Optimization of KnowledgeOne operations

\$3.0M

Pension fund transfers

Reduced transfers under new legislation, considering good financial health of the fund

\$3.0M

Benefits management redesign

Administrative changes (no impact on coverage)

\$0.8M

Ancillary contributions

Increased sector contributions

\$0.2M

Growth and recovery strategy

- Broadening our learner base — new audiences, new formats.
- Evaluating international and industry partnerships.
- Exploring new revenue streams, cautiously.
- Planning for multi-year budgeting.
- Long-term recovery plan continues through Fiscal Year 2028-29.

What's happening now

- **Aligning costs with revenues – shift of the business model**
 - Our 2025-26 budget reflects the need to operate within available funding.
 - We are absorbing lost revenue while covering cost increases related to inflation, salaries and operations — with no new external funding.
- **Implementing multi-year budget planning**
 - Multi-year budgeting will strengthen long-term decision-making and ensure that unit-level planning reflects institutional priorities and financial constraints.

Long-term view of our future financial framework - \$M

		Projections		
	2025-26 Budget	2026-27	2027-28	2028-29
Total Revenue	\$605.3	\$596.7	\$602.8	\$608.8
Variance		-1.68%	0.77%	0.83%
Expenses	(\$636.4)	(\$658.4)	(\$646.4)	(\$642.3)
Variance		3.46%	-1.83%	-0.63%
Operating Deficit before additional effort	(\$31.1)	(\$61.7)	(\$43.6)	(\$33.5)
Additional effort		\$35.0	\$28.0	\$34.0
% of effort		5.5%	4.3%	5.3%
Operating Deficit as per recovery plan	(\$31.1)	(\$26.7)	(\$15.6)	\$0.5

Includes close to \$100M in measures to date. An additional \$100M is required by FY2028–29 to meet recovery plan targets.

The road ahead

- Recovery won't be quick — but it is **underway**.
- The university will continue to make careful, transparent decisions.
- We know these changes are difficult — but they are necessary.
- We are committed to engaging faculty and staff throughout the process.
- For more information, visit:
<https://www.concordia.ca/about/administration-governance/office-chief-financial-officer/budget-updates.html>

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