



# News Release

For Immediate Release

April 13, 2022

## Laurentian Refused Provincial Funds That Could Have Prevented Immediate Cuts to Programs: Auditor General

(TORONTO) Laurentian refused financial assistance offered by the Ministry of Colleges and Universities that could have prevented the immediate cuts it made to its programs and staff in 2021, Auditor General Bonnie Lysyk stated in a short Preliminary Perspective on Laurentian University tabled in the Legislature today. Laurentian chose to file for creditor protection under the Companies' Creditors Arrangement Act (CCAA) on February 1, 2021. Soon afterward, it began to make cuts to programs that ultimately affected students, faculty and other staff.

"We believe that these immediate cuts and the impacts they caused the Laurentian community could have been prevented if the university had accepted help from the Ministry," said Lysyk. "These financial decisions should have been about the students, professors and other staff, first and foremost. That was clearly not the case."

While Laurentian had noted high faculty costs as the reason for its poor financial position, Lysyk found that the university's decisions, starting in 2009, to pursue multimillion-dollar capital expansion plans were the primary cause. The expansion required increased debt to finance capital projects without a realistic plan to raise the revenue needed for repayment. The rising cost to finance and repay the debt over the years that followed were significant, and negatively impacted the university's finances.

"A publicly funded university seeking creditor protection is unprecedented and should concern everyone," said Lysyk. "There have been huge impacts on the Laurentian community, and it could serve to impact the confidence people have in our public institutions. People should know the full story of why and how this happened to prevent it from happening again."

The Auditor General conducted this review at the request of the Standing Committee on Public Accounts.

"We plan to work with Laurentian's new Chair and Board of Governors to finalize a comprehensive special report and release it in the near future," said Lysyk. "We hope Laurentian can emerge from the CCAA proceedings as soon as possible with a Plan of Arrangement, and with a strengthened foundation it can use to attract and educate future students, recruit top educators and conduct world-class research".

The document is available here ([link](#)).

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