



<b>SUBJECT</b>	<b>UBC ATHLETICS AND RECREATION STRATEGIC PLAN AND IMPLEMENTATION UPDATE</b>
<b>MEETING DATE</b>	<b>FEBRUARY 7, 2019</b>

Forwarded on the Recommendation of the President

**APPROVED FOR SUBMISSION**

Santa J. Ono, President and Vice-Chancellor

**FOR INFORMATION**

<b>Report Date</b>	January 18, 2019
--------------------	------------------

**Presented By** Andrew Parr, Interim Vice-President Students  
 Kavie Toor, Senior Director, Facilities, Recreation and Sport Partnerships  
 Gilles Lepine, Senior Director, Athletics Director

**EXECUTIVE SUMMARY**

UBC Athletics and Recreation delivers outstanding sport and recreation experiences for students, staff, faculty and the community of the UBC Vancouver campus. The UBC Athletics and Recreation department, comprised of programmers, coaches, athletes, students, and administration, supports everything from physical activity and student-led sport, through to inter-university and national competition at the highest level.

UBC Athletics and Recreation is a vital part of UBC campus life and culture and enhances the experience of students and community members. Approximately 500 annual events and activities play a key role in building community, creating social connections, and inspiring school spirit. This work is guided by the Department’s strategic vision: *a healthy, active and connected community where each person is at their personal best and proud of their UBC experience*, and three strategic documents: the Athletics Strategic Framework (Board Approved in 2015), the Recreation Strategic Framework and Gameplan, A&R’s Facilities Strategy (Board Approved in 2017). These Athletics and Recreation strategies play a vital role in moving forward key strategies from the UBC Strategic Plan: Shaping UBC’s Next Century, most notably:

- Strategy 1:** Great people – Inspiring great student leaders, athletes and industry leaders
- Strategy 2:** Inspiring spaces– Innovative sport and recreation spaces to host programs/events and bring the UBC and greater community together
- Strategy 3:** Thriving Communities – Creating opportunities to enhance wellbeing through physical activity and social connection
- Strategy 4:** Inclusive excellence – National leadership in inclusive recreation and varsity sport equity
- Strategy 15:** Student Experience – Creating opportunities for students to build community and feel a sense of belonging
- Strategy 18:** Alumni Engagement – Increase alumni and donor engagement and funding

**Strategic Context**

Athletics and Recreation has achieved great success locally, across Canada and globally.

In addition to the positive impacts to health and wellbeing, the student experience and community building, listed below are some key successes:

- Over 2.3m student engagements annually through events and programs
- 110 National Championship titles
- 65+ Olympic medalists
- 142 Academic All Canadians in 2017 (average over 80%)
- The 2 largest recreation events in Canada
- The largest Athletics and Recreation business operation in Canada (over \$18M)

More detailed goals are identified in the strategic frameworks included in the appendices.

**Challenges with Implementing Strategic Frameworks**

UBC Athletics and Recreation proudly self-generates the highest percentage of business revenue in Canada with 57% of the department’s revenue from business activities (events, camps, programs, concerts and rentals) and donations, totaling \$18M. Student fees supply the department with a further 36% of the department funding. The fee per student is 9<sup>th</sup> in the country of 12 similar sized programs (details in Appendix 1), and is capped at 2% annual increases by government mandate. Currently just 7% of the department funding is derived from UBC central sources.

This funding model is challenged by a large debt service and inflationary expenses, which exceed revenue increases from the capped student fee. While business revenues have increased significantly, there is limited further growth potential, and so demands cannot be met simply through self-generated funds. We are currently collaborating and working closely with the administration, student and alumni on solutions to implementing the strategic framework and are confident solutions will be realized to allow the vision to unfold.

With a greater investment made by UBC into Athletics and Recreation there will be a realized return on that investment in 5 ways:

- 1) Enhanced sport excellence for all teams
- 2) Equitable funding of genders and teams
- 3) Increased engagement and fundraising from alumni
- 4) Greater spectator participation, related school spirit and student experience
- 5) Increased physical activity supporting improved health and wellbeing of the campus community

More detailed goals are identified in the strategic frameworks included in the appendices.

**Attachments:**

1. Background
2. Benchmarks
3. Appendices

STRATEGIC CORE AREAS SUPPORTED

- People and Places     
  Research Excellence     
  Transformative Learning     
  Local / Global Engagement

**DESCRIPTION & RATIONALE**

The Athletics and Recreation Department is a key part of campus life and the student experience, with approximately 500 annual events and activities that play a key role in building community, creating social connections, improving health and wellbeing and inspiring school spirit.

The department is guided by three strategic frameworks: the Athletics Strategic Framework (Board Approved in 2015), the Recreation Strategic Framework and Gameplan, A&R's Facilities Strategy (Board Approved in 2017).

Currently, the Athletics and Recreation Funding Model is significantly challenged to deliver on the strategic goals outlined in the department's strategic frameworks due to its over reliance on business revenues.

**BENEFITS**

Learning, Research,  
Financial,  
Sustainability &  
Reputational

If the department was in a position to deliver on the goals outlined in its strategic frameworks, it would result in the following benefits:

Reputational:

-Gender and team equity for the department's 25 varsity programs.

Financial:

-Increased confidence and engagement from alumni, donors and community members.

Wellbeing:

-Increased physical activity levels on campus

Campus Experience:

-Improved community building and social connection

**RISKS**

Financial,  
Operational &  
Reputational

If the department is unable to deliver on the goals within its strategic frameworks, it risks the following:

Financial Risks:

-Several teams will not operate without running substantial financial deficits.

-Department inflationary costs will exceed revenue growth requiring reductions in programs or teams.

Operational Risks:

-Student demands for programs related to health and wellbeing will not be met.

Reputational Risks:

-Inequities in gender and teams become more visible with greater transparency.

-Community and alumni loss of confidence if reduce or cut programming or varsity teams.

-Negative response similar to the Sport Review in 2012 is possible if we don't move towards a sustainable financial model.

**FINANCIAL**

Funding Sources,

Financial proposal is with the UBC Finance Committee.

Impact on Liquidity

Details of the request found in the Attachment section of this report.

**SCHEDULE** Fiscal 2019/2020

## Background

This report is focused on UBCV. With regards to UBCO, the Athletic departments are quite different and, in fact, compete against each other in sport. Both campuses require strong Athletics and Recreation support, but leadership from both campuses have agreed that integration will not take place in this report. UBCV will fully support the development of a UBCO Athletics and Recreation strategy, which will be delivered to the UBC Executive when complete.

## Athletics Program Background

In 2012, the Athletics & Recreation Department was operating as an ancillary with an unsustainable financial model. The University directed the department to undergo a Sport Review. The objective of the Sport Review was to align the department with the UBC vision of excellence, by reducing the number of varsity teams, leaving those that remained with modern support structures and a stable financial position that would support sport excellence and success.

The process was extremely controversial and ultimately the University directed the Athletics and Recreation Department to maintain 25 of 29 teams. As a result, the department continues to experience similar financial and public relationship challenges today as it did in 2012.

Since the Sport Review, the department developed an Athletics Framework, approved by the Board of Governors in 2015, to guide its new strategic direction and achieve success in four key priority areas:

1. Student Athlete Success
2. Athletic Excellence
3. Community Engagement
4. Alumni Engagement

Since the department implemented the Strategic Framework, it has made strides in achieving objectives within each of these framework's four priority areas.

- In 2017, UBC had 142 Academic All Canadians (approximately 25% of our athletes have an average over 80%)
- UBC has also won 110 national championships, more than any other varsity sports program in Canada, and at the international level, UBC athletes have won 65 Olympic medals including 19 gold.
- On campus, Athletics & Recreation continues to raise school spirit through athlete event attendance and festival events, which engage a wide variety of partners at marquis events and have been selling out in recent years. Over 45,000 fans attend varsity games on an annual basis, and Athletics and Recreation facilities are used by hundreds of thousands of community members who take part in sport camps, attend concerts and participate in events.
- Efforts to increase alumni engagement have also resulted in selling out key fundraising events such as Millennium Breakfast.

UBC Varsity Alumni have a strong affinity and give back financially to the University at a higher rate than other UBC Alumni. This is likely due to their experience as part of a community. From the past fiscal year, UBC **Athletics Alumni gave back at a rate of 7.4%, vs. 2.8% for UBC alumni as a whole. We believe a stronger commitment from UBC to support Athletics and Recreation will result in stronger alumni engagement and increased donor potential.**

## Recreation Program Background

According to the Public Health Agency of Canada, Canada is facing a public health epidemic with recent research revealing that more than 90% of Canadian children are not meeting currently physical activity guidelines in Canada. Canada also ranks amongst the highest of OECD countries for adult obesity rates.

We also know that students at UBC are experiencing health, well-being and social connection challenges (UBC Student Experience Survey). Data shows that students who participated in UBC recreation programs are more likely to feel a sense of community and belonging. Furthermore, students who participate in recreation programs are more likely to show signs of confidence about the future and their capabilities, including describing their general health as higher and understand the importance of physical wellbeing in supporting academics and life. These students have also reported higher levels of resiliency to cope with the demands of life, deal with stress, and are comfortable reaching out for support.

The Recreation program has had tremendous success in reaching and connecting with students through the over 2.2 million annual student visits to recreation programs and facilities. Over 25,000 of the student participants are unique users, but this still leaves a significant portion of UBC's student population who are not engaged in important health and community building activities.

The department has developed a Recreation Strategic Framework to address these challenges. The strategic framework seeks to connect further with first year students, marginalized populations and off-campus groups to increase recreation access and participation.

This is a significant opportunity to improve the health and wellbeing of students, faculty and staff in our community. The most vital recreation need for the UBC community is the need for recreation facilities. GamePlan identified the need and strategy to deliver a recreation facility to UBC. This need is captured in the GamePlan strategy (please see below and appendix 5). The GamePlan strategy identified the most important 'capital' needs and a strategy to work towards delivering those. This strategy identified a glaring deficiency related to student recreation space. This project need of \$55M has been supported through a \$22.5M student referendum and the project has received Exec 2 support.

There is also a significant community component to UBC Recreation's programming. In addition to the thousands of community members who engage in programming at UBC, the University Neighbourhood Association (UNA) have a longstanding agreement with UBC and are active users of the recreation facilities on campus. UNA access identified through the University Neighbors Agreement focuses on access to community oriented programs and facilities. The majority of UNA residents access the UBC Aquatic Centre, the Doug Mitchell Thunderbird Sports Centre, UBC Tennis Centre and Student Recreation Centre. UNA residents also take advantage of discounted access to youth camps, varsity events and community oriented sport groups. The UNA has historically provided 15% of the neighbourhood levy to UBC for access to recreational amenities. This contribution was reduced to 7.5% in 2016 due to the downloading of fire department costs to the UNA and a University decision to reduce the Athletics and Recreation fee to cover this cost. The service, programming and access remain in place.

## Facilities Background via GamePlan (Athletics and Recreation 20-Year Facilities Strategy)

The UBC GamePlan: 20-year Recreation and Athletics Facilities Strategy was developed to support UBC's commitment to the well-being of the university community and beyond. The GamePlan process began in 2015 and concluded in spring 2017. During this time, UBC employed public engagement, targeted outreach, technical analysis, and financial

evaluation to identify five key areas where existing facilities do not meet the campus community's current or future needs: 1) fitness space; 2) gymnasium space; 3) aging facilities (War Memorial Gymnasium and Thunderbird Stadium; 4) support facilities; and 5) academic synergies with the School of Kinesiology. In response to the GamePlan work, in 2017 students overwhelmingly approved a student referendum to fund \$22.5M towards a new recreation centre.

The most important need identified through game plan was student recreation space. Existing fitness facility space on the UBC Vancouver campus is insufficient to meet current demand. Current fitness facility space amounts to 0.37 sf/student, significantly lower than other peer Canadian universities which range from 0.45 to 1.35 sf/student. The ARC fitness centre space located in the UBC building has provided a good short-term solution to fitness needs. Prior to the completion of this facility, UBC offered .15 sf/student, which was the lowest in Canada.

A relocated Thunderbird Stadium was also identified in the strategy and the Stadium Road Neighborhood Plan work has commenced and is near completion. The Stadium Road Neighborhood Plan has identified two new potential locations for Thunderbird Stadium, both of which have the Stadium located on East Mall. The Thunderbird Stadium project planning will commence at the conclusion of the Stadium Road Neighborhood Plan process. The donor funded Baseball stadium project has been completed and is serving both community and high performance programs.

War Memorial Gymnasium remains a challenge from a funding perspective. The 67-year-old War Memorial Gymnasium is past its useful life cycle and is currently operating on borrowed time. The need for Athletics and for Kinesiology is well recognized and supported, however a funding strategy is required to bring this project to fruition.

**Goals of the Framework:**

1. Equitable funding of teams and genders
2. Elimination of the necessity to have varsity athletes having to pay to play and creation of greater scholarship opportunities for varsity athletes.
3. Greater alumni and donor participation.
4. Improvement of Physical Activity levels
5. Creation of a sustainable funding model and the elimination of teams at risk from a financial perspective, and establishment of a mechanism to manage inflationary cost increases.

**SWOT – Athletics and Recreation**

**Strengths:** Huge student reach on campus – over 2.3M annual student visits; varsity program success (over 110 National Championships); innovative recreation programming; leadership in health and wellbeing; success and growth of festival traditions: Homecoming, Day of the Longboat, Storm the Wall, Winter Classic etc.; significant increase in digital reach; high level of student employment; highest business revenue of any university of Canada, at \$18M

**Weaknesses:** Unsustainable funding model; gender and team inequity; recreation space challenges; UBC wide coordination of programs; limited off-campus offerings; fee for service model; aging facilities.

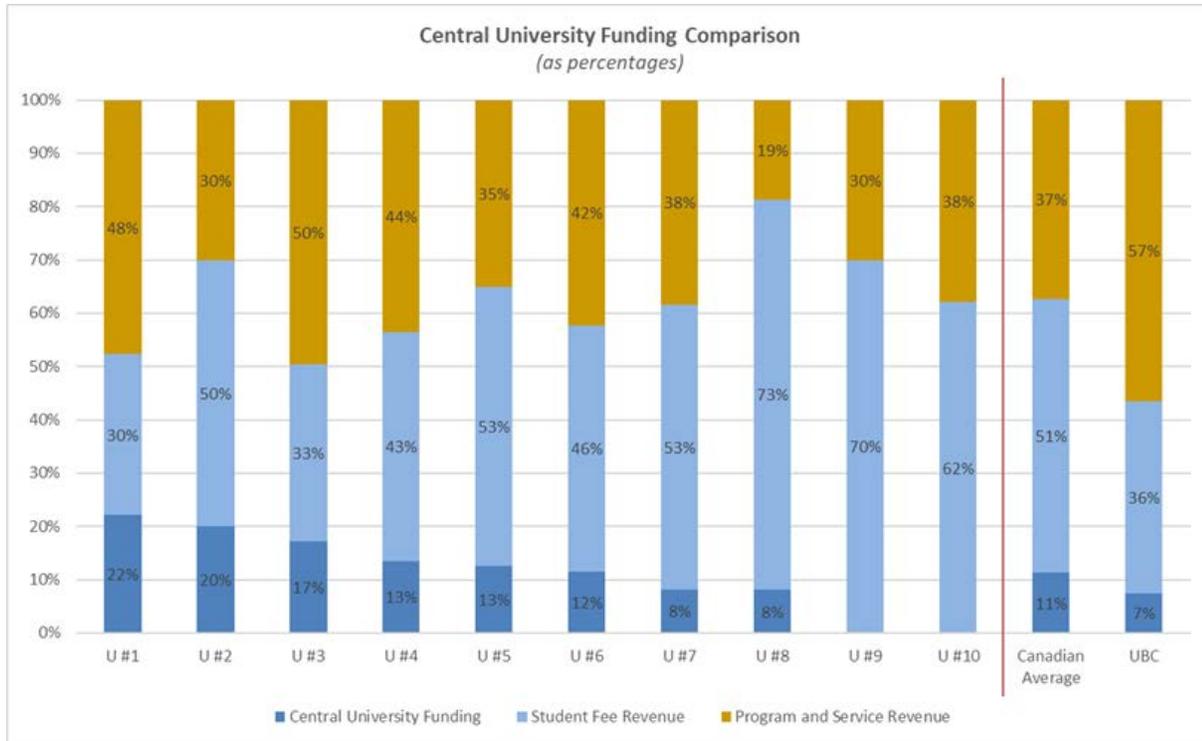
**Opportunities:** Enhanced student experience impact; supporting Wellbeing at UBC via greater physical activity opportunities; greater alumni engagement; expand festivals; increase participation and collaboration both on and off campus; coordinated approach to youth activities.

**Threats:** Reputational damage and disengagement; unsustainable financial model; completion of Thunderbird Stadium in Stadium Neighbourhood; aging War Memorial Gymnasium without financial capacity to renew or replace; limited opportunity to sustain business growth.

**Benchmarks**

Benchmark #1: Central university funding comparison (Canadian institutions)

- UBC receives a low % of central funding in comparison to other universities
- UBC generates 57% of revenue that supports Athletics and Recreation, which is the highest in the country



\*Please note universities provided financial information on a confidential basis.

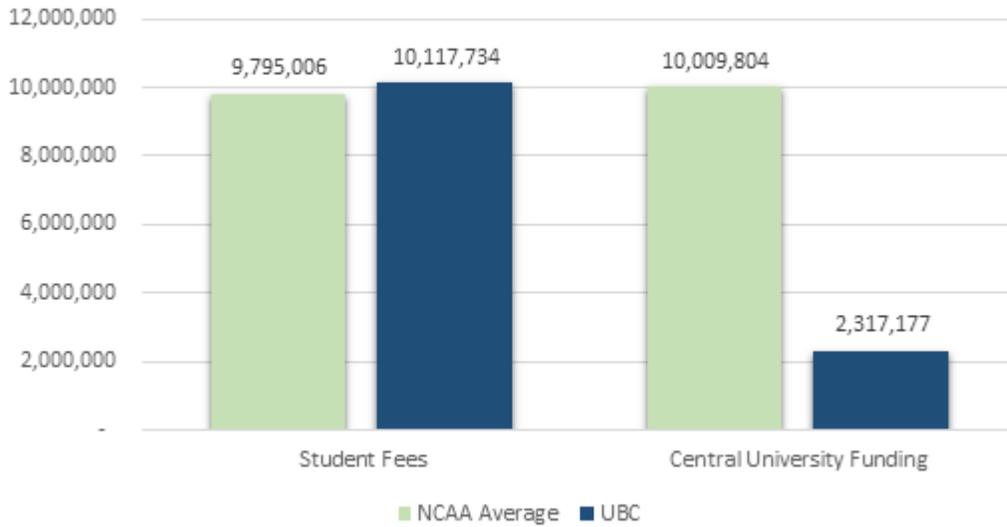
Benchmark #2: Central university funding comparison (American NCAA institutions with similar budgets)

NCAA data is included to illustrate two key points:

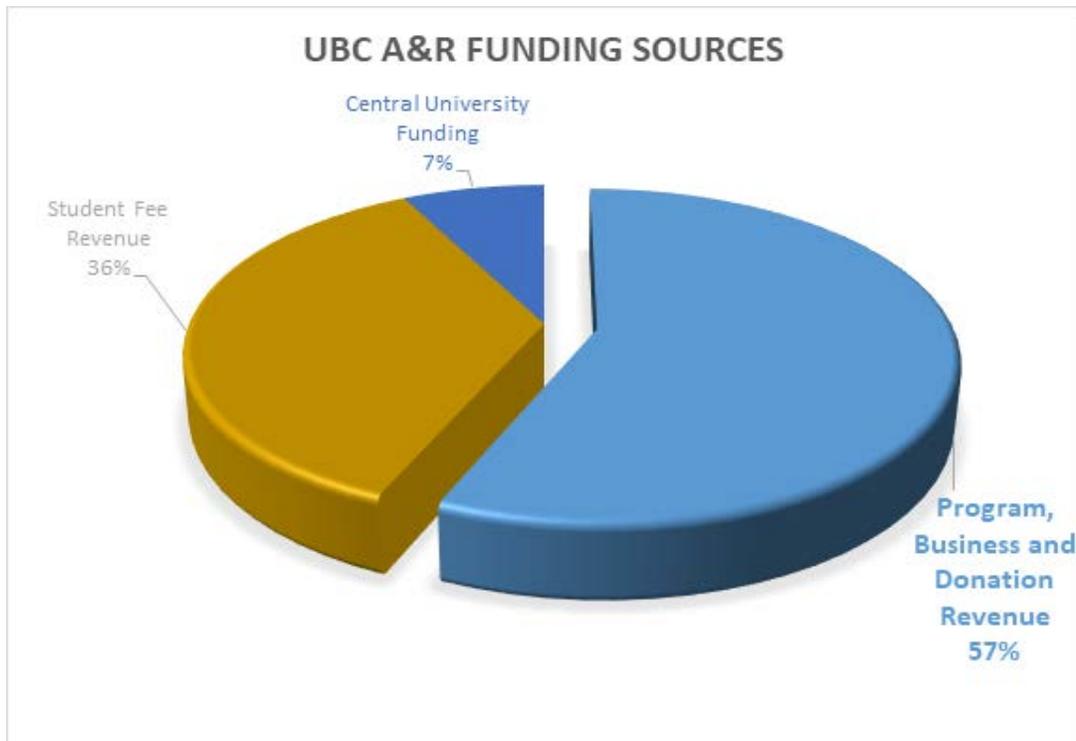
- Even in large revenue university markets, as is the case for NCAA Division I schools, central university funding is often required for financial sustainability. Our analysis of publicly available financial data shows that only 24 of 230 Division I NCAA schools (1.04%) would generate a net profit without central university funding.
- NCAA universities with comparable total revenue (28.5-31.5 mil) receive similar student fees and significantly greater central university funding.

### Student Fee and Central University Funding of A&R

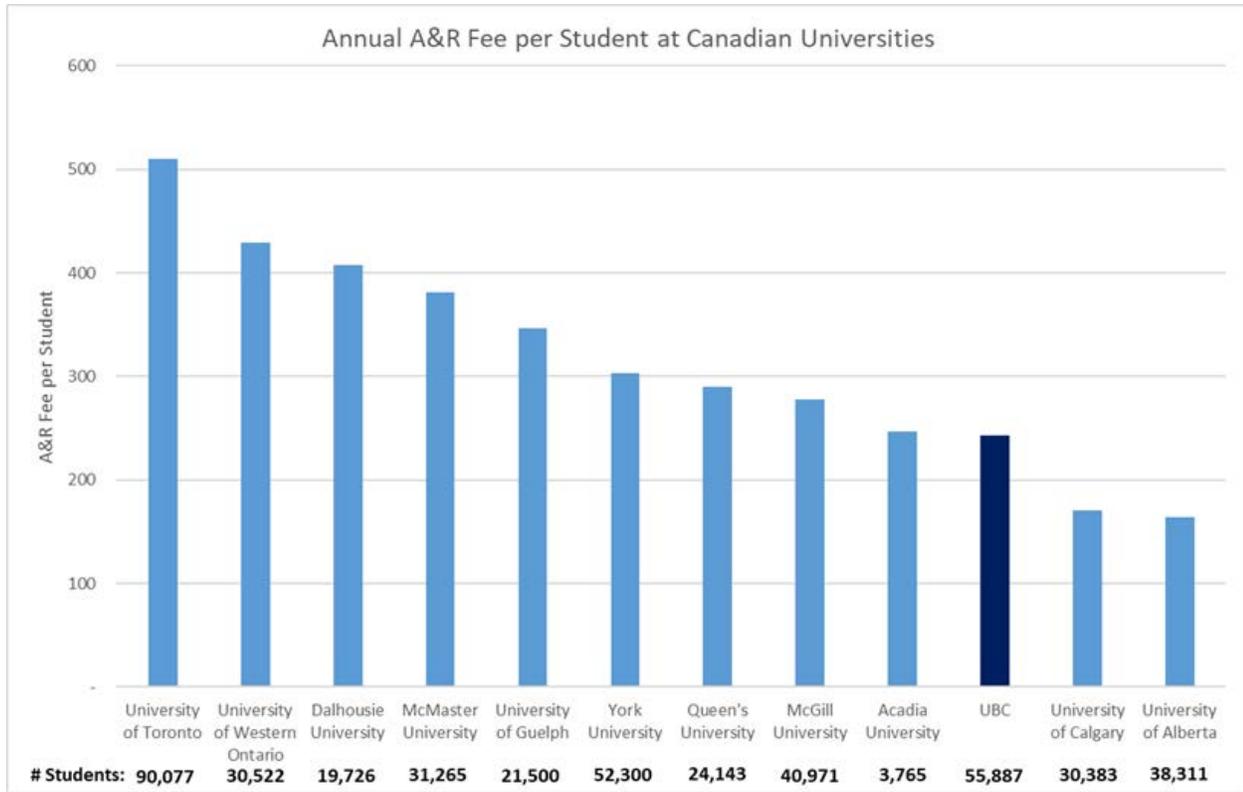
NCAA Schools w/ Similar Total Revenue (28.5-31.5M)



#### Benchmark #3: Athletics & Recreation Funding Sources



#### Benchmark #4: A&R student fees comparison (Canadian institutions)



Appendices

Athletics Strategic Framework

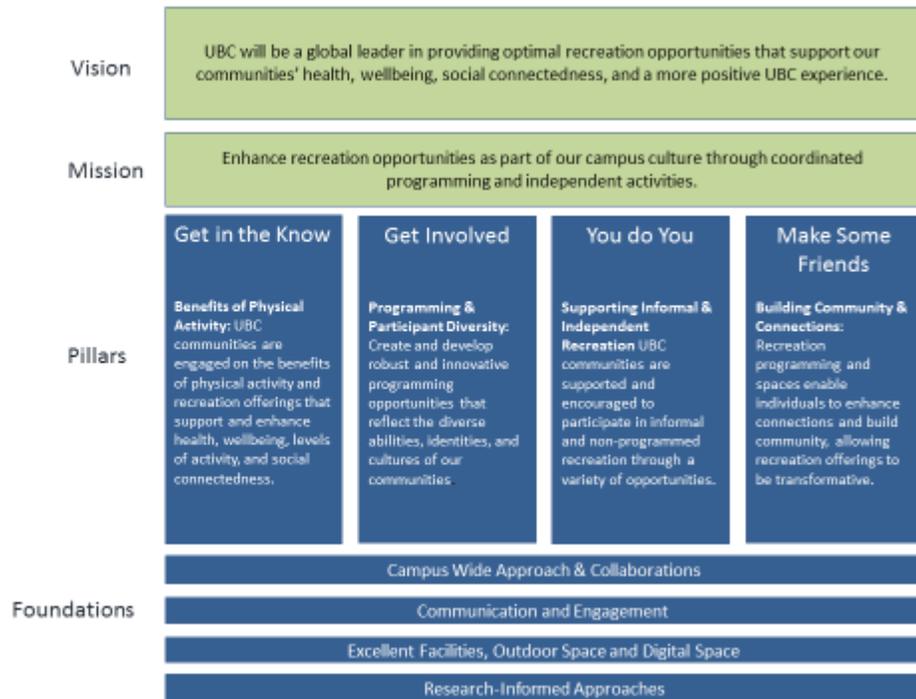
Strategic Framework for Athletics



A complete version of the Athletics Strategic Framework can be found here: [http://www.athleticsandrecreation.ubc.ca/files/2018/11/Athletics\\_Framework\\_11.20.2018.pdf](http://www.athleticsandrecreation.ubc.ca/files/2018/11/Athletics_Framework_11.20.2018.pdf)

Recreation Strategic Framework

Strategic Framework for Recreation



A complete version of the Recreation Strategic Framework can be found here:

[http://www.athleticsandrecreation.ubc.ca/files/2018/11/DRAFT\\_Rec\\_Framework\\_11.20.2018.pdf](http://www.athleticsandrecreation.ubc.ca/files/2018/11/DRAFT_Rec_Framework_11.20.2018.pdf)

GamePlan (Athletics and Recreation 20-Year Facilities Strategy)

A complete version of the GamePlan Strategy can be found here:

[https://sportfacilities2.sites.olt.ubc.ca/files/2017/03/GamePlan\\_Finalopt.pdf](https://sportfacilities2.sites.olt.ubc.ca/files/2017/03/GamePlan_Finalopt.pdf)