



SUBJECT	BUDGET FISCAL 2020-2021
SUBMITTED TO	BOARD OF GOVERNORS
MEETING DATE	April 16, 2020
SESSION CLASSIFICATION	Recommended session criteria from Board Meetings Policy: OPEN
ACTION REQUESTED	IT IS HEREBY REQUESTED that the Board of Governors approve: <ul style="list-style-type: none"><i>i.</i> continuation of the 2019-2020 base budget allocation;<i>ii.</i> release of incremental funding for necessary and urgent Category 1 priorities totaling \$36.1 million (UBCV) and \$9.2 million (UBCO) as identified in Appendix 4 of the attached Budget Summary presentation;<i>iii.</i> release of \$7.9 million for student initiatives sourced from the domestic student tuition increment;<i>iv.</i> release of up to \$8 million to support priority initiatives to advance the Indigenous Strategic Plan (ISP) implementation (\$2m), Sustainability and Climate Action (\$1 million), and President's Academic Excellence Initiative (PAEI) (\$5 million);<i>v.</i> release of an additional \$15 million (UBCV) and \$5 million (UBCO) as contingency to address unexpected costs that arise from COVID-19; and,<i>vi.</i> deferral of the 2020-2021 budget to a future meeting once assessment of the financial impact of COVID-19 can be completed, with interim updates presented to the Finance Committee as additional information is available.
SUBMISSION DATE	March 23, 2020
LEAD EXECUTIVE	Peter Smailes, Vice-President Finance & Operations
SUPPORTED BY	Andrew Szeri, Provost and Vice-President Academic, UBC Vancouver Karamjeet Heer, Comptroller Steve Bow, Assistant to the Comptroller David Shorthouse, Executive Director, Academic Portfolio Initiatives Pam Ratner, Vice-Provost and Associate Vice-President Enrolment & Academic Facilities Lucy Li, Project Manager, Strategic Initiatives Office (SIO) Rob Einarson, Associate Vice-President Finance & Operations, UBC Okanagan

PRIOR SUBMISSIONS

The subject matter of this submission was considered in preliminary form by the Finance Committee at the February 6, 2020 meeting (closed session).

EXECUTIVE SUMMARY

The recent global emergence of COVID-19 is a material event that may fundamentally impact the university finances. While the impact of the outbreak is not comprehensively incorporated into this budget report due to its rapidly changing impact, UBC is monitoring the situation and evaluating possible financial effects, as well as preparing various operational contingency approaches should they be required.

Due to COVID-19, the University decided not to proceed with the regular budget and instead to hold back central funding to address any costs and revenue shortfalls that result from the pandemic. For example, The Vancouver Summer Program has already been cancelled and many conference and housing reservations have also been cancelled. While there may be savings such as reduced travel and purchase of supplies, it is unlikely this will make up for the additional costs and revenue shortfalls. In order to keep the University operating, a continuation of the 2019/20 base budget allocations is proposed and only limited funding will be released as well as a significantly larger contingency fund to address COVID-19 cost pressures. Once an assessment of the financial impact of COVID-19 can be completed a revised budget will be presented for approval with interim updates presented to the Finance Committee as additional information is available. Our expectation is that the revised budget will be presented for approval shortly after the first fiscal quarter at the latest.

In line with this approach, approval is requested for the following priorities:

1. Incremental funding totaling \$36.1m (UBCV) and \$9.2m (UBCO) for necessary and urgent Category 1 priorities as identified in Appendix 4 of the attached Budget Summary presentation.
2. Student Initiatives totaling \$7.9m, funded from the domestic student tuition increment will be allocated as this was a prior commitment agreed to as part of the 2% domestic tuition increase.
3. Up to \$8m in order to support strategic priority initiatives is required, including; the Indigenous Strategic Plan implementation (\$2m), Sustainability and Climate Action (\$1m), President's Academic Excellence Initiative (\$5m).
4. In addition, \$15m (UBCV) and \$5m (UBCO) is required as contingency to address unexpected costs that arise from COVID-19.

The urgent and necessary Category 1 priorities were selected based on the following principles:

1. Risk to the university;
2. Compliance policy and/or regulatory requirements;
3. Tied to an existing person's salary; and
4. Required student financial support, such as bursaries and scholarships.

The attached materials identify the pre-COVID-19 budget plan that was finalized after extensive consultation and is for information only. The University was presenting the consolidated budget that projects a \$60m surplus for the year. This includes the University's operating budget as well as the impact of unrestricted research and endowment surpluses, and the impact of University funded investment in capital.

The operating budget is projecting a deficit of \$22m due to planned one-time investments from accumulated reserves, notably the Academic Excellence Funds, capital investments on the Okanagan campus and one-time expenses for the enterprise-wide IT systems. Operating revenue has increased by \$83m from 2019/20 (\$2,294m) to 2020/21 (\$2,377m). This includes increases in international tuition revenue and provincial funding for general wage increases, which are largely allocated directly to support Faculties and operating units. A total of \$77m (\$45m for Vancouver & \$22m for Okanagan) is available for strategic investment.

An additional \$111m (\$98m for Vancouver & \$13m for Okanagan) is available in the Academic Funds to support teaching, research and student experience.

Routine Capital - Core Building Maintenance Plan identifies \$48m of expenditures, of which funding from the Province totals \$38m.

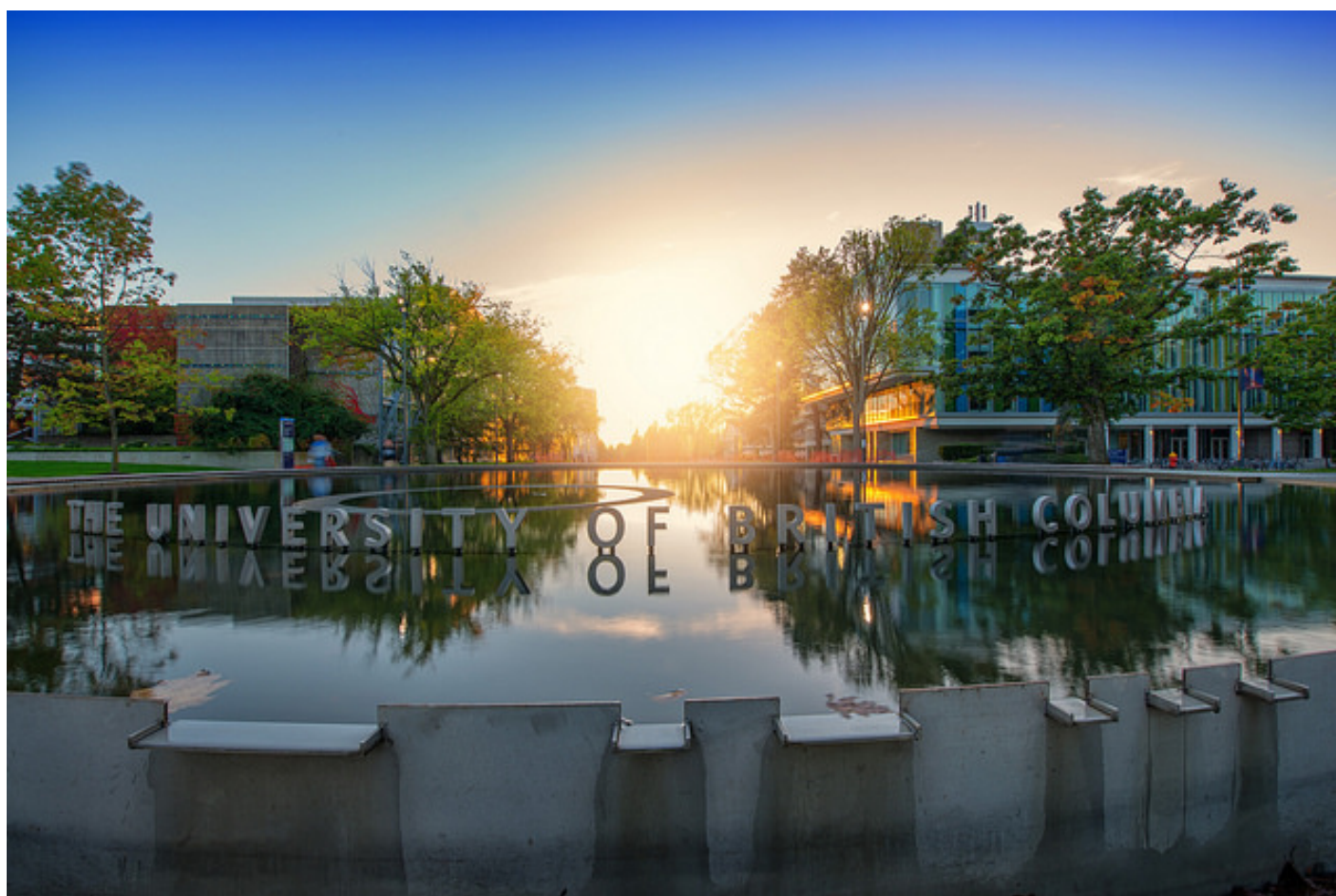
Attached

1. 2021-2021 Budget
2. UBC Budget 2020-2021 Summary

2020/2021 BUDGET

APRIL 2020

*Submission to the University of British Columbia
Board of Governors*



THE UNIVERSITY OF BRITISH COLUMBIA

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1. Executive Summary

Overview

We are pleased to present the 2020/21 Budget Report for The University of British Columbia.

Please Note: This report does not incorporate the risks and financial implications as a result of COVID-19 as the impact is changing daily. As information becomes available, the budget will be updated.

UBC ranks among the leading public universities in the world, and contributes extensively to the economic and wider prosperity of British Columbia, as well as Canada and beyond. The annual budget supports the collective vision, purpose, values, and goals of the institution as identified in the university's strategic plan (*Shaping UBC's Next Century, Strategic Plan 2018 – 2028*). This Budget Report presents the operating and consolidated budget for the university, which aims to continue the university's ongoing endeavors and identify new opportunities for extending research, teaching, and community engagement.

The UBC Consolidated Budget reflects the operations of both campuses of the university, including capital spending and income earned from land development proceeds, research, and endowments.

CONSOLIDATED BUDGET FISCAL 2020/21

(in \$millions)

Operating Revenue

Provincial government grants	823	893	929
Tuition	815	893	943
Others	1,090	1,159	1,158

Total Operating Revenue

2,728	2,945	3,030
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Operating Expenses

Salaries & benefits	1,566	1,728	1,830
Non Salaries	1,025	1,127	1,140

Total Operating Expenses

2,592	2,855	2,970
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Reserve (drawdowns)/ additions

136	90	60
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The university's consolidated budget assumes annual revenues of \$3b of which \$2.4b are from the university's core operations. Adjusting for unrestricted surpluses in research and endowments, as well as a net investment in capital, the university expects a consolidated surplus for fiscal 2020/21 of \$60m as detailed in the table above.

Within the consolidated budget, there is a planned operating deficit of \$22m, which is the result of one-time investments from accumulated reserves, notably the Academic Excellence Funds, capital investments on the Okanagan campus, and continued expenses for enterprise-wide IT systems.

Risk Assessment and Economic Environmental Scan

International

UBC is a globally-recognized centre for teaching, learning, and research, and an important contributor to the landscape of international education. The institution is consistently ranked as one of the top 20 public universities in the world, and this position has created opportunities for UBC to attract talented students and researchers from over 160 countries, as well as opening doors for the university to engage with global challenges that have far-reaching impact. In 2019, UBC was ranked number one in the world for taking urgent action to combat climate change and its impacts, according to Times Higher Education (THE). In December 2019, UBC's Board of Governors also endorsed the university's declaration on the climate emergency, and a process to assess options to responsibly divest the university from investments connected to fossil fuels has been initiated.

International issues, including global health and the world economy, have an obvious potential to impact the university in a variety of ways, including effects on enrolment and operations. The recent global emergence of COVID-19 is a recognized risk against the trajectory of the university. While the impact of the outbreak is not comprehensively incorporated into this budget report because of its recency, UBC is monitoring the situation and evaluating possible financial effects, as well as preparing various operational contingency approaches should they be required. At the time of writing, emerging data suggests that some units may need to forego revenue because of event or program cancellation, and others may have forfeited deposits and have possible other expenses arising from late cancellations.

International student enrolment continues to show strong demand at UBC, although the impacts of recent global health concerns are yet unknown. Enrolment, combined with increases in international tuition, has provided an important source of revenue for the university. This revenue base now supports the UBC Academic Excellence Funds, and contributes to student financial aid as well as UBC's strategic investments.

Domestic

While the overall economic environment UBC faces in the year ahead continues to be constrained in a number of aspects, it does include an uplift in funding from the provincial government for general wage increases, a continuing commitment to improving routine capital funding (deferred maintenance on academic facilities), and significant contributions to several building projects in partnership with the federal government's Strategic Investment Fund.

Changes in BC's provincial government also bring an element of uncertainty to forecasting future funding patterns. While the BC NDP continue to run a minority government, this uncertainty continues to generate an added element of risk to UBC.



To support academic excellence and improve capacity for and quality of research, UBC has launched the President's Academic Excellence Initiative (PAEI). Through this initiative, UBC will achieve a targeted increase in the professorate across all faculties.

UBC

The university's main campuses in Vancouver and the Okanagan are home to world-class facilities that foster cutting-edge research, innovative entrepreneurship, and boundless academic and extracurricular opportunities. The campuses, as well as UBC's satellite locations around British Columbia, also represent important social and economic contributions to their respective communities and beyond. The university projects 50,978 undergraduate (+1.3 per cent) and 9,542 graduate students (+1.7 per cent) in fiscal 2020/21.

Strategic Investments

Priority Operating Investments

The 2020/21 Budget includes a number of new investments in strategic priorities and operating initiatives. Incremental operating revenue will provide the capacity to meet an increasing number of important needs and opportunities. The new investments support the priorities of UBC that directly align to each of the Core Areas of the UBC Strategic Plan.

The recommendations for new investments are the result of extensive consultations across the Vancouver campus that included senior leadership, faculty, staff, and students. A budget advisory group conducted a thorough review of the detailed proposals, including feedback from the group consultations, and provided their recommendations to the Provost & Vice-President Academic, the Vice-President Finance and Operations, and the Executive.

The areas selected for new funding follow the Core Areas identified in the UBC Strategic Plan, which include:

- Core Areas
 - *People and Places*
 - *Research Excellence*
 - *Transformative Learning*
 - *Local and Global Engagement*

- Sustainment/Compliance/Operations/Risk Mitigation

In fiscal 2020/21, a total of \$45m has been recommended for the Vancouver campus, and in some cases system-wide, with some of the most notable investments being in the President's Academic Excellence Initiative (PAEI), the development and implementation of the Indigenous Strategic Plan, UBC's response to promoting sustainability and climate action, IT systems and infrastructure, student health and wellness, continuing to expand our physical presence, and classroom upgrades. The Okanagan campus is recommending \$22.3m in strategic investments.

Excellence Funds

UBC is a globally recognized centre of research and educational excellence, and its goal is to enhance this excellence through targeted strategic investments on both campuses. In February 2016 the university created specially designated excellence funds known now as the Academic Excellence Funds (AEF) and the UBC Okanagan Excellence Fund, to support UBC's ambition to become Canada's best university over the next decade.

The funds support strategic initiatives that will enhance and amplify current efforts in key areas to ensure UBC is:

- Recruiting and retaining exemplary students, faculty and staff
- Building and supporting world class research infrastructure to enable innovative, cutting-edge research
- Providing an excellent student learning experience for domestic and international students, at the graduate and undergraduate levels, both inside and outside the classroom

While the Okanagan campus continues to maintain a single fund to support all academic and administrative initiatives, the Vancouver Academic Excellence Funds reflect the updated stratification, approved by the Board for fiscal year 2019/20, as follows:

- Strategic Excellence Fund
- Revenue Sharing Fund
- Student Financial Aid Fund
- Academic Capital Fund
- Integrated Renewal Project Fund

A total of \$80m of funding is planned for the Vancouver campus in fiscal 2020/21, with some of the most notable investments being: the President's Academic Excellence Initiative and the implementation of the Indigenous Strategic Plan (both of which are funded from the AEF as well as base operations); additional support for shared research platforms; and continued support for Student Financial Aid (SFA). A total of \$10.5m is also planned for the Okanagan campus.



Continued investment in UBC's Integrated Renewal Program, as well as in the new Integrated Service Centre initiative, will provide critical updates to and support for the university's HR, Finance, and Student systems.

Base Operations

UBC uses a decentralized budget model, meaning that faculties and administrative units are responsible for balancing local budgets within their respective areas. The university's core revenues are fully allocated towards the cost of continuing current base operations, as well as investing in new strategic initiatives to meet university priorities. Operating revenues for 2020/21 are forecasted to increase by \$83m (from \$2,294m in fiscal 2019/20 to \$2,377m in fiscal 2020/21), which will be allocated to faculties, the Academic Excellence Funds, and strategic initiatives.

Alignment to UBC's Strategic Priorities

All of the university's base budget activities are driven by the vision set out in UBC's Strategic Plan (*Shaping UBC's Next Century 2018 - 2028*). Because of the decentralized model, faculty and administrative unit budgets are reviewed in a series of consultations in October/November, as well as during a cross-functional planning-focussed budget retreat in January. This helps to ensure that financial planning across the university is aligned to UBC's strategic priorities and encourages collaboration and knowledge-sharing across all academic and administrative groups.

Operating Revenue

UBC's operating revenue is generated from government grants, tuition revenue, land proceeds, and faculty and central unit revenues. The provincial grant has in recent years increased only for funded general wage increases (GWI) for core operations and incrementally funded seats for specific programs, with any funding required for strategic initiatives provided from incremental tuition and business revenues.

Operating Costs

The Operating Budget, covering the core academic operations of the university, includes investments in new programs and services, as well as providing resources necessary to maintain current activities.

UBC continues to be challenged in meeting some growing unfunded cost pressures of our teaching, research, and support services.

Savings from efficiencies continue to make an important contribution to providing the capacity for both new investments and maintaining current activity levels. The university will need to continue to focus on the delivery of ongoing efficiencies to optimize its teaching, learning, and research outcomes.

The capital program for fiscal 2020/21 continues to be extensive, with \$460m of total expenditure budgeted. A notable feature in the year ahead is the continuation of funding from the provincial government for "routine capital", which is augmented by a 25 per cent matching contribution from UBC. This expenditure principally focuses on the deferred maintenance associated with university facilities, and is estimated to be \$59m in fiscal 2020/21.

Major building projects under development include the Pacific Residence (Walter Gage Infill Site), Brock Commons Phase 2, the Okanagan Nechako Housing Commons and Skeena Residence, the BioEnergy Facility Expansion, the Wesbrook Child Care Centre, the Arts Student Centre, the School of Biomedical Engineering Building, and the Gateway Building. Please refer to Appendix VI Capital Details for further information.

UBC's existing student, finance, and human resources enterprise IT systems were implemented over 20 years ago and are in progress of being updated through an extensive systems renewal. The university is committing \$28.5m of recurring funds in this year's budget, with a further \$5m planned in fiscal 2021/22 to finance the replacement of these systems.



Innovative sustainability policies and plans, including the Green Building Action Plan and the Climate Action Plan, continue to guide the university toward making positive environmental contributions.



2. Introduction — UBC’s Budget Process

The UBC Budget represents the financial plan for the university — it serves as a roadmap for allocating all of the university’s revenues against anticipated expenses. It uses the prior year’s allocations as a baseline to identify recurring funding, and considers enhancement requests and the distribution of incremental revenues to fund strategic initiatives and manage cost pressures.

The model used at UBC is decentralized, meaning that faculties and administrative units are responsible for balancing budgets within their respective portfolios. The university’s financial teams — both centrally and distributed — are constantly reviewing base budgets against the priorities of UBC’s Strategic Plan, and the budget approach for 2020/21 has also included a strategic review (base plus incremental) of individual faculties and VP portfolios with the university’s academic and administrative leadership.

The budget process includes the following key assumptions with regard to revenues and expenses:

- Funding from the provincial government
- Tuition levels and student numbers
- Revenue forecasts from other sources
- Salary and benefit increases
- Other cost increases, based on changes to the consumer price index (CPI) or the Higher Education Price Index, and currency exchange rates

These budget assumptions (summarized in Appendix I) include all proposed budget allocations, as well as projections made by faculties and units from both campuses (Vancouver and Okanagan) of expected results for the year, including any plans for drawdowns of reserves. The budget for each campus is determined separately, but both are combined in this report, with supporting details provided for each.

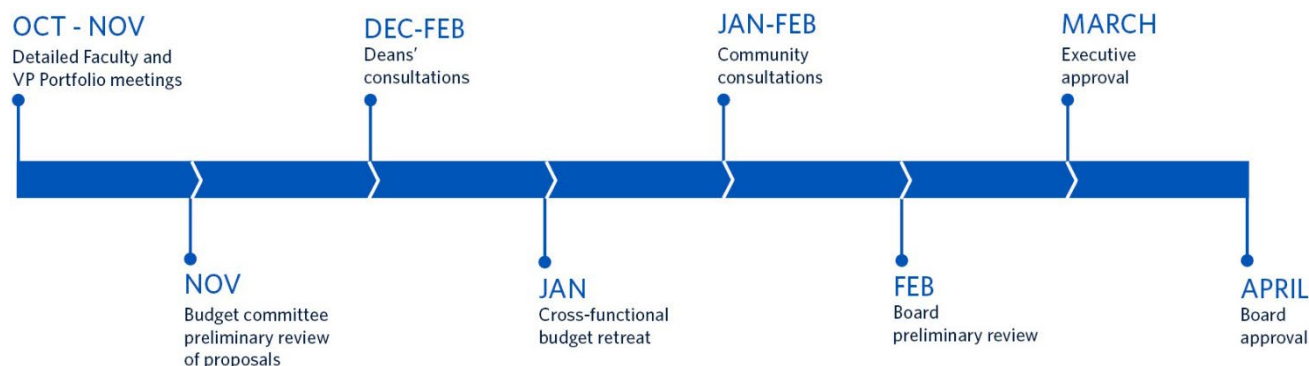
The Budget Process

Extensive consultation and engagement with the university community is a cornerstone of the budget process, to ensure the successful combination of university-wide projections and analysis with faculty and administrative unit plans. In addition to the budget review processes indicated above, this year UBC’s financial teams have collaborated with:

- Deans
- Associate Deans
- Academic heads/directors of units/AVPs
- Elected student leadership
- Senior Staff
- Senate Budget Sub-Committees of the Budget Committee of the Council of Senates (Vancouver and Okanagan)
- Executive
- Indigenous leadership

Extensive consultation and engagement with the university community is a cornerstone of the budget process.

A general timeline illustrating the budget development process is as follows:



The Budget is presented for the approval of UBC's Board of Governors, and covers the fiscal year from April 1, 2020, to March 31, 2021.

Budget Framework

The most significant component of the university's Consolidated Budget is the Operating Budget, which covers the core academic operations of UBC. This report also covers all other areas comprising the consolidated financial statements of the university, including research, endowment, and capital expenditure. The intention of the Budget Report is to illustrate how these pieces link together, as well as the financial targets for each.

A simple picture of the university's Consolidated Budget for fiscal 2020/21 is as follows:



Plans for capital expenditure are summarized later in this report, including projections for major projects approved separately by the Board of Governors, as well as other planned minor capital and information technology projects.

The Operating Budget includes income received by the university to support core academic operations. This revenue includes the provincial operating grant, domestic and international tuition, investment income earned on cash and investments, research overheads and indirect costs of research funds received from the federal government, and investment income earned from land development proceeds. It also includes other revenue generated by central units and ancillaries across both campuses that directly support those operations, including student housing, food services, the UBC Bookstore, and parking. Many faculties also receive funding directly from non-core activities, which are managed locally to support their operations.

The financial target for the Operating Budget is to achieve a near balanced result. This means that operating revenue and expenditures (which include ongoing capital costs and internal loans for capital projects) are at equivalent levels.

The province of British Columbia provides an operating grant totaling an estimated \$732m to the university to support the teaching of domestic undergraduate and graduate students in selected programs. Of this, \$653m is designated for UBC Vancouver and \$79m for UBC Okanagan.



Implementation of UBC's Indigenous Strategic Plan, which incorporated extensive consultation with university faculty, staff, students, community, and Indigenous stakeholders, will begin in 2020.

The provincial operating grant funds the enrolment of 30,013 full-time domestic undergraduates and 5,827 graduate students in Vancouver, and 7,059 students overall in the Okanagan. There are some specific enrolment targets, primarily in the health sector, sciences, and engineering. UBC expects to exceed the provincial enrolment targets by approximately 1,624 domestic undergraduate students and 3,578 graduate students (please note this number includes international graduate students).

UBC allocates tuition received to the faculties and to student financial aid (SFA) via an established formula. We allocate approximately 7.5 per cent of incremental

tuition to support student financial aid for both international and domestic students. Of the remaining graduate and domestic undergraduate tuition, 75 per cent flows directly to the faculties to support direct teaching costs. Of international undergraduate tuition, after SFA allocation, two thirds is directed to the Academic Excellence Funds, with 65 per cent of the remainder flowing directly to the faculties to support direct teaching costs. Remaining tuition revenue is allocated for strategic priorities and core and support services.

3. Operating Budget

The Operating Budget for fiscal 2020/21 (Vancouver and Okanagan combined) is projecting a deficit of \$22m, as summarized in the statement below.

OPERATING BUDGET FISCAL 2020/21

(in \$ millions)

	2018/19 Actuals	2019/20 Forecast	2020/21 Plan
Operating Revenue			
Government grants and contracts			
Government of Canada	33	33	33
Province of British Columbia	637	700	732
Other governments	-	-	1
Student fees - Domestic	374	386	393
Student fees - International	441	507	550
Non-government grants, contracts and donations	12	13	10
Investment Income	72	78	80
Sales and services	539	577	578
Total Operating Revenue	2,108	2,294	2,377
Operating Expenses			
Salaries - Academic	482	509	540
Salaries - Student services	60	62	64
Salaries - Staff	512	576	625
Total Salaries	1,054	1,147	1,229
Employee benefits	183	207	216
Total Salaries and Benefits	1,237	1,354	1,445
Supplies and sundries	244	290	294
Cost of goods sold	43	48	50
Scholarships, fellowships and bursaries	97	107	120
Travel and field trips	26	30	30
Professional and consulting fees	62	71	62
Grants and reimbursements to other agencies	1	4	1
Utilities	57	55	52
Total Operating Expenses	1,767	1,959	2,054
Excess (deficiency) of revenues over expenses	341	335	323
Transfers to (from) non-operating funds	77	95	100
Change in invested in capital assets	223	216	245
Net change in unrestricted fund balance	41	24	(22)
Accumulated reserves - opening	285	325	349
Accumulated reserves - closing	326	349	327

Total revenue is budgeted to increase by \$83m (3.6 per cent) with the most significant increase arising from international tuition. Expenses are expected to increase by approximately \$129m (5.7 per cent), due to a range of factors including salary obligations.

Operating Revenue

The Operating Budget includes all unrestricted revenue received by the university. The majority of this revenue is managed and allocated through the budget process, but a smaller portion is generated directly by faculties and central support units. The total operating revenue in fiscal 2020/21 is \$2,377m.

OPERATING REVENUE (in \$ millions)	UBC Total				UBC Vancouver				UBC Okanagan			
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Plan vs. Forecast	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Plan vs. Forecast	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Plan vs. Forecast
Government grants and contracts												
Government of Canada	33	33	33	-	32	32	32	-	1	1	1	-
Province of British Columbia	637	700	732	32	566	624	653	29	71	76	79	3
Other governments	-	-	1	1	-	-	1	1	-	-	-	-
Student fees - Domestic	374	386	393	7	331	340	346	6	43	46	47	1
Student fees - International	441	507	550	43	390	442	474	32	51	65	76	11
Non-government grants, contracts and donations	12	13	10	(3)	11	12	10	(2)	1	1	-	(1)
Investment Income	72	78	80	2	72	78	80	2	-	-	-	-
Sales and services	539	577	578	1	529	567	568	1	10	10	10	-
Total Revenue	2,108	2,294	2,377	83	1,931	2,095	2,164	69	177	199	213	14

Government Grants

The government of Canada grant represents the Federal Research Support Fund. The provincial grant is the primary source of funding for domestic undergraduate and some graduate teaching. Operating revenue is up \$32m in fiscal 2020/21, largely due to funding for general wage increases for all bargaining units, and FTE growth in biomedical and technology-related programming expansion.

Tuition Income

Student enrolment

The university is projecting a total enrolment of 60,520 student FTEs in fiscal 2020/21 across both campuses, with details as follows:

Student Enrolment

Student FTE	Fiscal 19/20			Fiscal 20/21 (Projected)			Change
	Vancouver	Okanagan	Total UBC	Vancouver	Okanagan	Total UBC	
Undergraduate							
Domestic	31,600	6,901	38,501	31,560	7,017	38,577	0.2%
International	10,534	1,594	12,128	10,680	1,721	12,401	2.3%
Subtotal	42,134	8,495	50,629	42,240	8,738	50,978	0.7%
Graduate							
Domestic	5,228	581	5,809	5,375	563	5,938	2.2%
International	3,243	330	3,573	3,279	325	3,604	0.9%
Subtotal	8,471	911	9,382	8,654	888	9,542	1.7%
Total	50,605	9,406	60,011	50,894	9,626	60,520	0.8%

New-to-Program Student Intake*

Student Headcount	Fiscal 19/20			Fiscal 20/21 (Projected)			Change
	Vancouver	Okanagan	Total UBC	Vancouver	Okanagan	Total UBC	
Domestic	11,518	2,678	14,196	11,545	2,832	14,377	1.3%
International	3,775	687	4,462	3,771	731	4,502	0.9%
Total	15,293	3,365	18,658	15,316	3,563	18,879	1.2%

*includes internal UBC transfer students

Domestic tuition

In fiscal 2019/20 undergraduate enrolment was 31,600 FTE at the Vancouver campus and 6,901 FTE at the Okanagan campus. There is slight growth in planned enrolment for fiscal 2020/21 at both campuses. The plan assumes a two per cent rate increase.

International tuition

The enrolment plan for undergraduates reflects an average increase of 2.3 per cent FTE growth and the rate increases (three per cent for continuing students and four per cent for new students). Intake for fiscal 2020/21 is expected to increase by 0.9 per cent, compared to the fiscal 2019/20 intake of first-year and transfer students.

The international growth and rate increases for both graduate and undergraduate will bring an additional \$43m across both campuses.

Graduate tuition

The Vancouver campus budget reflects a two per cent tuition rate increase for domestic students and higher increases in certain professional programs for international students. It also includes growth in professional programs, largely in the Faculties of Applied Science, Education, Arts, Land and Food Systems, and the Sauder School of Business. The Okanagan campus budget reflects a two per cent tuition rate increase.

Other revenue

Sales and Services

Sales and services includes the dividend to the university from ancillary operations (including student housing and hospitality, parking, food services and the bookstore), lease income, and the General Municipal Service Levy (GMSL) charged to businesses on campus. It also includes revenue from fee-for-service activities across campus, bill back revenue in IT services, and the Faculty of Medicine.

Ancillaries are expected to be financially self-sustaining, including setting aside funds for capital renewal and providing a financial dividend to the university to be invested in important strategic priorities.

Investment income

Investment income represents income earned on cash and operating investments, internal loans, and construction project financing. The earnings are netted against interest payments on external debt, the Student Housing Finance Endowment, and the endowment borrowing for Orchard Commons. Overall volatility is mostly a function of the variability in working capital balances and the distribution of those balances. For example, delays in construction will reduce the interest earned on construction deficits whilst increasing interest earned on operating investments. The exposure to interest rate risk is minimal due to fixed rates of interest on internal loans and external debt.

Investment revenue in fiscal 2020/21 is expected to be higher than that in fiscal 2019/20. This is due to some expected increases in overall cash reserves which will then be invested in new internal loan advances.

Operating Expenditures

OPERATING EXPENDITURES (in \$ millions)	UBC Total				UBC Vancouver				UBC Okanagan			
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Plan vs. Forecast	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Plan vs. Forecast	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Plan vs. Forecast
Salaries - Academic	482	509	540	(31)	429	453	477	(24)	53	56	63	(7)
Salaries - Student services	60	62	64	(2)	55	56	57	(1)	5	6	7	(1)
Salaries - Staff	512	576	625	(49)	476	535	576	(41)	36	41	49	(8)
Total Salaries	1,054	1,147	1,229	(82)	960	1,044	1,110	(66)	94	103	119	(16)
Employee benefits	183	207	216	(9)	167	189	195	(6)	16	18	21	(3)
Total Salaries and Benefits	1,237	1,354	1,445	(91)	1,127	1,233	1,305	(72)	110	121	140	(19)
Supplies and sundries	244	290	294	(4)	231	275	277	(2)	13	15	17	(2)
Cost of goods sold	43	48	50	(2)	43	48	50	(2)	-	-	-	-
Scholarships, fellowships and bursaries	97	107	120	(13)	85	93	102	(9)	12	14	18	(4)
Travel and field trips	26	30	30	-	23	26	26	-	3	4	4	-
Professional and consulting fees	62	71	62	9	60	68	59	9	2	3	3	-
Grants and reimbursements to other agencies	1	4	1	3	1	4	1	3	-	-	-	-
Utilities	57	55	52	3	54	52	49	3	3	3	3	-
Total Expenses	1,767	1,959	2,054	(95)	1,624	1,799	1,869	(70)	143	160	185	(25)
Transfers to (from) non-operating funds	77	95	100	(5)	68	85	87	(2)	9	10	13	(3)
Change in invested in capital assets	223	216	245	(29)	208	192	219	(27)	15	24	26	(2)
Total Operating Expenditures	2,067	2,270	2,399	(129)	1,900	2,076	2,175	(99)	167	194	224	(30)

Salaries and benefits

The increase in salaries and benefits includes amounts related to general wage increases and benefits, progress through the ranks (PTR) for faculty, merit increases for staff, and market adjustments. The remainder of the increase is primarily due to the annualized financial impact of prior-year new hires, as well as the fiscal 2020/21 hiring plan for both faculty and staff at both campuses. For faculties, there will be approximately 184 new searches which translates to an equivalent of 133 FTE. For staff, the fiscal 2020/21 plan includes approximately an additional 384 FTE across both campuses. This increase will be invested largely in staff and faculty committed to research, teaching, and student support, and in building services as we add to our student residences and academic facilities.

Supplies and Sundries

The increase in supplies and sundries is primarily due new facilities costs, lab maintenance costs, and initiatives at the Okanagan campus (Truth and Reconciliation commitments, Okanagan Public Humanities Hub), partially offset by a decrease in the forecasted year-end adjustments made in fiscal 2019/20.

Scholarships, Fellowships, and Bursaries

The increase in scholarships, fellowships, and bursaries is primarily due to increases for international and domestic undergraduate awards (increased support for Indigenous students for post-baccalaureate programs and Centennial Scholar awards), as well as graduate student financial awards.

Professional and Consulting Fees

Professional and consulting fees in fiscal 2019/20 is higher primarily due to full implementation of the Procurement Modernization program, completion of strategic reviews and the vendor/purchase order clean-up project in preparation for the Workday implementation, as well as the impact of new one-time mid-year initiatives.

Transfers to (from) Non-operating Funds

The operating budget includes interfund transfers to and from other university funds that form part of the Consolidated Budget, including Research and Capital (e.g. the provision of support for research projects contained in the Research Fund).

Invested in Capital Assets

Invested in capital assets have been identified at the departmental level across the university. These are funded from current revenue, though — in some cases — units have reserve funds to support this spending. Invested in capital assets includes library collections acquisitions, routine equipment and furnishings, and minor renovations funded locally, but not spending on major capital buildings. It also includes the principal and interest payments on any internal loans that will be repaid during the year. The increase observed this year is primarily due to direct allocation in fiscal 2020/21 of routine capital funding, building renovations (Buchanan Tower, Freddie Wood Theatre, Kenny Building, UBC Life Building, Okanagan Plant Growth Facility), lab renovations (Anthropology photo lab, Geography flume lab), and a decrease in the forecasted year-end adjustments made in fiscal 2019/20.



Funding for the construction of a new Arts Student Centre will provide much-needed amenities to support the learning, social, collaboration and innovation space needs of the diverse Faculty of Arts student community.

4. UBC Vancouver

Strategic Initiatives

The following tables summarize the calculation of the revenue available for allocation, after pre-determined allocations to faculties, the Academic Excellence Funds (AEF), and Student Financial Aid (SFA), and the proposed allocations for the Vancouver campus:

UBC VANCOUVER - OPERATING BUDGET

Fiscal 2020/21 - Proposed Budget Allocations

(In \$ millions)

Fiscal 2020/21 Outlook	One-time	Recurring	Total Fiscal
Incremental revenue			
International Tuition (Graduate and Undergraduate)	-	37.6	37.6
Domestic Tuition (Graduate and Undergraduate)	-	6.6	6.6
Provincial Grant	-	30.1	30.1
Ancillary dividends, Business revenue	2.0	.4	2.4
Investment	.7	3.1	3.8
Land development proceeds for Academic Renewal Program	-	15.0	15.0
Operating's prior year surplus and recurring reserve	.4	17.6	18.0
	3.1	110.4	113.5
Less			
Tuition allocations:			
Faculties	-	18.0	18.0
Student Financial Aid	-	3.3	3.3
Academic Excellence Fund	-	13.1	13.1
AVED grant allocations:			
FTE growth in Computer Sci, Biomed Eng, Manu Eng	-	2.0	2.0
Salaries provision	-	23.8	23.8
Commitments			
Add'l funding for Students	2.2	-	2.2
Contingency	(1.5)	7.6	6.0
	.7	67.8	68.4
Total available for allocations	2.4	42.6	45.0

Incremental revenues are projected to increase by \$113m for fiscal 2020/21, of which \$110m is recurring. As previously described, some of that increase is allocated to the faculties, the AEF and SFA, as well as pre-commitments approved by the board, with the remaining \$45m of additional revenue available for fiscal

2020/21, creating an opportunity for UBC Vancouver to fund various strategic priorities and operating initiatives.

UBC VANCOUVER - OPERATING BUDGET

Fiscal 2020/21 - Proposed Budget Allocations

(In \$ millions)

Fiscal 2020/21 Outlook	One-time	Recurring	Total Fiscal
Proposed Allocations			
Local & Global	2.7	4.5	7.1
People & Places	5.1	4.0	9.1
Research Excellence	(4.2)	24.6	20.4
Transformative Learning	.2	.9	1.0
Sustainment/Compliance/Operations/Risk	(1.2)	8.5	7.3
Total Proposed Allocations	2.5	42.5	45.0

The recommendations for fiscal 2020/21 are the result of extensive consultations across campus that included senior leadership, faculty, staff, and students. A budget advisory group conducted a thorough review of the detailed proposals and provided their recommendations to the Provost and the Vice-President, Finance and Operations based on the feedback received through the consultation process. The recommendations are aligned with the priorities outlined in UBC's Strategic Plan.

Core Areas

People and Places

Funding is proposed to continue implementation of UBC's Focus on People and Wellbeing frameworks, as well as the Inclusion Action Plan; to develop the Campus Plan 2050; to provide continued support for the University Neighbourhood Association; and to further support the rapid transit office in promoting the extension of the transit corridor to UBC. Funding will also be made available to support market adjustments for some administrative staff salaries, and an alignment of contributions to the staff pension plan.

Research Excellence

In line with the Terms of Reference of the Academic Excellence Funds, extensive investment in Research Excellence is covered in the Academic Excellence Funds section. Incremental operating fund support for Research Excellence includes: proposed funding for a pilot of the Canada's Dimensions Program; innovation UBC supporting translation of research into socio-economic impact; enhanced support for doctoral students; and additional support for UBC's library collections, including monographs (which are impacted by fluctuations in the US exchange rate).

Transformative Learning

Funding is proposed for: continued support for the expansion of the first-year experience, including the Collegia program and Jump Start; investment in the Centre for Accessibility; the provision of additional International Student Advisors; the creation of a Student Substance Use Prevention and Campus Recovery Program, a community health and wellness partnership with Amazon Web Services, and additional mental health nursing

resources for students; as well as enhancing learning technology tools and support at the Centre for Teaching and Learning Technology.

Local and Global Engagement

Funding is proposed for the implementation of UBC's Indigenous Strategic Plan; further commitments to expand the UBC Connects program; work to strengthen the UBC-Musqueam relationship; continuation of increased support for fundraising to expand the giving and alumni network; development of the Operational Sustainability & Climate Action Plan; enhanced support for the Residential School History & Dialogue Centre; and the UBC Carnegie Elective Classification for Community Engagement.

Sustainment/Compliance/Operations/Risk Mitigation

Funding is proposed for the continued upgrading of classroom and learning spaces; for developing responsible investing strategies; for the upgrade, replacement, and renewal of major IT platforms that have university-wide impact (IRP/AEP); for continued matching for the provincially-funded routine maintenance program; for supporting a waste strategy and water quality monitoring protocol; for augmenting the UBC security team; and for enhancing strategic enrolment management for undergraduate admissions and recruitment.

Academic Excellence Funds (AEF)

The university is a globally recognized centre of research and educational excellence, and our goal is to enhance this excellence through targeted strategic investments on both campuses. The Vancouver Academic Excellence Funds (AEF) were established in February 2016 to support the university's ambition to become Canada's best university over the next decade.

The funds support strategic initiatives that will enhance and amplify current efforts in key areas, to ensure the university is:

- a) Recruiting and retaining exemplary faculty members, students and staff
- b) Building and supporting world class research infrastructure to enable innovative, cutting-edge research
- c) Providing an excellent student learning experience for domestic and international students, at the graduate and undergraduate levels, both inside and outside the classroom

The key principles underlying the allocation of the funds are:

1. Excellence – funds must support UBC's goal of being Canada's best university
2. Sustainability – funds may not be invested in permanently recurring expenditures
3. Strategic nimbleness – the allocation process will recognize the need to capitalize on new opportunities and changing circumstances quickly
4. Effectiveness – funds may be used to leverage additional funding – for example, donations or grants that require matching funds
5. Openness – members of the academic community will be invited to attend forums to provide advice to the Provosts on strategic uses of the funds and prioritization of initiatives
6. Accountability – metrics will be developed to measure the impact and outcomes of all allocations

7. Transparency – the Provosts will report annually to the university community and especially to the Board of Governors and Senate Budget Committees on the impact and outcomes of the funds.

The AEF reflect the updated stratification, approved by the Board for fiscal year 2019/20, as follows:

- Strategic Excellence Fund
- Revenue Sharing Fund
- Student Financial Aid (SFA) Fund
- Academic Capital Fund
- Integrated Renewal Project (IRP) Fund

In summary, for fiscal 2020/21, a total planned spend of \$80m against a fiscal allocation of \$72m will result in an \$8m use of accumulated reserves because of delayed spend in the past. This will still result in an accumulated ending reserve of \$18.6m available for one-time spend to address one-time opportunities as need arises. A report of the past year's activity and planned uses for each fund is presented as follows.

A. Strategic Excellence Fund (SEF)

Achievements in Fiscal 2019/20

In fiscal 2019/20, \$53m of the SEF was allocated to be spent with actuals projected to come in at \$44m. Slower than planned spending of \$9m resulted from delays in the recruitment of strategic hires and the staffing of units, including some associated with the Digital Research Initiative. This created a one-time surplus of funds to carry forward, which provides flexibility and the ability to support additional initiatives that would further strengthen our core mission of academic excellence. It also provided one-time funding to invest opportunistically in keeping with the principle of strategic nimbleness and to support the implementation of actions arising from the Strategic Plan.

Below are highlights of key investments made in fiscal 2019/20 in support of the core areas outlined in UBC's Strategic Plan.

People and Places

The diversification of the domestic undergraduate pool is a priority for UBC, and we continue to invest funds to promote UBC to students outside of the province — most notably in Ontario. Investment was also made in support of the “scholars” community through the provision of needs-based financial support and a community home for the student scholars. Youth in Care support has been established to provide guidance for students who were formerly in government care, enrolled on a tuition waiver, to ensure that they achieve a positive educational outcome.

UBC's launch of the Blue & Gold Campaign for Students has been very successful. The purpose of the campaign is to raise funds to support those students who are determined to make the world a better place. Not all students have the same opportunities; hence, support from UBC is available to help them realize their potential by giving them access to a life-changing education. The SEF is providing matching funds of up to \$5m over a five-year period, which has resulted in 100 per cent of the goal being achieved. Discussion is underway to consider increasing the matching amount available from the Academic Excellence Funds.

The International Doctoral Fellowship is a new award developed to recruit international students who are similar in calibre to domestic Tri-Council funding agency awardees. The fellowship provides funding for a total

of five years — a \$30,000 stipend plus tuition for four years. 69 students received the award in fiscal 2019/20 (65 received the award in fiscal 2018/19).

UBC continues to attract outstanding academic talent with funds allocated to recruit and support strategic hires for the new School of Biomedical Engineering. Three of the six President's Excellence Chairs recruited arrived in 2019. The conclusion of these searches is expected within the next few years. The Canada 150 Research Chairs, funded by the federal government in December 2017, will be funded until 2025. Four chairs were granted to UBC for recruitment. UBC successfully attracted world-renowned academic experts in the following fields: medical genetics, computer systems, psychology, and biodiversity. Funding for the Prescribed Interest Loan Program (PIRL) continues to be a significant factor in reducing the barriers to successful recruitment.

2019/20 Investment: \$8.8m

Research Excellence

Support for research clusters is a major initiative and continues to be a significant annual investment for established and emerging clusters of researchers (those that are nationally ranked as global leaders and those that show great potential for further achievement). The Clusters of Research Excellence program fosters collaboration and catalyzes established and emerging interdisciplinary groups of researchers to have a more significant impact than they could otherwise have.

UBC is committed to supporting the development of digital research infrastructure both from an operational and capital perspective. UBC Advanced Research Computing (ARC) is a UBC-wide service to help computational and data-intensive researchers use local, regional, and national advanced research computing infrastructure and services, and access and comply with standards for data management. The UBC ARC team is seen as a model in Canada for the services it provides to researchers. For UBC scholars, the SEF investment provides local capacity and expertise, as well as access to domain and systems analysts.

Entrepreneurship@UBC (e@UBC) supports the next generation of UBC entrepreneurs by helping them to learn about entrepreneurship and to develop transformative, investible ventures. The program is open to UBC faculty members, students, staff, and recent alumni. e@UBC provides support for developing entrepreneurs and mentoring support for ventures.

2019/20 Investment: \$27.4m

Transformational Learning

Investment continues to be made for undergraduate academic programs to support experiential and integrative learning opportunities. This includes the development of pathways for capstone experiences and interdisciplinary opportunities with local and international components. Investment was made in the development of a central hub to support all faculties and to provide a coordinated strategic approach to experiential and integrative learning. Further resources were allocated to help strengthen experiential learning through mutually beneficial community-university relationships to ensure UBC has a solid foundation for continued and enhanced success. The Jump Start pilot was expanded to support all first-year students with in a multi-day orientation to introduce new students to the university, their faculty and new friends. A fourth collegium — a home for commuting first-year students — was also developed during the year. Funding was provided to support the renovation costs incurred to relocate an offsite clinic back to UBC that will enable integrative learning opportunities and collaboration among the health and social sciences faculties. This is a two-year initiative.

2019/20 Investment: \$3.6m

Local and Global Engagement

The recruitment and retention of Indigenous students continue to be top priorities for UBC. Funds have been committed to support the recruitment of both undergraduate and graduate Indigenous students and to ensure that they are well supported once on campus through the hiring of advisors dedicated to addressing their academic needs and to supporting faculty in the development and delivery of Indigenous curricula.

The Indigenous Research Support Initiative (IRSI) is based on the premise that more effective research and greater mutual understanding can be developed from identifying, developing, and supporting research practices that proceed from respectful relations between researchers and Indigenous communities. The IRSI is designed to bring attention to newer approaches to research that are more likely to address Indigenous communities' needs and priorities in ways that respect their interests and autonomy. Funding provided enabled the recruitment of three staff members for the unit.

2019/20 Investment: \$2.1m

Strategic Plan Enablement

The first call for strategic pilot proposals resulted in over 70 proposals with a total value of \$17m being submitted for adjudication. The review resulted in 20 proposals being funded with a value of \$4.6m to commit over three years. To date, half of the costs of these multi-year projects has been incurred. During the year, the Program for Undergraduate Research Experience (PURE) competition was also held for the first time of which \$1.5m in funds were provided for 17 projects.

2019/20 Investment: \$2.1m

New Commitments for Fiscal 2020/21

People and Places

An outstanding university is defined by the quality and diversity of the students and faculty it attracts. UBC continues to commit funds to support the recruitment and retention of both.

The Blue & Gold Campaign for Students continues into its third year, and the SEF continues to provide matching funds for new gifts to support Blue & Gold Campaign priorities. Funds committed for graduate student support continue to grow until a steady state is reached in fiscal 2021/22 at \$8m.

Awards recognizing exemplary faculty continue to be funded by the SEF with the renewal of the Distinguished University Scholars Program and the UBC Killam Professors program. To continue to enable UBC's commitment to recruit and retain exemplary faculty, funding has been committed to support the Housing Action Plan; housing costs continue to be a major barrier to attracting faculty to Vancouver and retaining them.

A major initiative that will start in fiscal 2020/21 is the recently Board-approved President's Academic Excellence Initiative (PAEI). Significant funding from the SEF has been allocated to support the first phase of the program. The accelerated phase of the initiative will support the recruitment of new faculty members to the Vancouver campus within the next three years. Funds have been set aside to support salary costs, space infrastructure costs, research support, student support, and associated research and library infrastructure costs. Funds also have been set aside to provide matching support for new donor-endowed chairs and professorships, which will be part of Phase 2 of the PAEI.

2020/21 Allocation: \$17.5m

Research Excellence

The research action plan developed by the VP Research and Innovation continues to support established and emerging research clusters, including innovation and knowledge mobilization, as major initiatives for the university.

UBC has committed to developing digital research infrastructure to provide faculty the ability to enhance their research productivity and accelerate time to discovery and innovation. The infrastructure to support the capital investment will be developed further in the coming year as space is made available to house these services.

In February 2018, the Government of Canada announced five successful applicants in Canada's \$950m Innovation Superclusters Initiative. UBC is a founding member of the successful BC-based Canada's Digital Technology Supercluster. Investment from the SEF provides UBC's matching support for the initiative.

2020/21 Allocation: \$17.7m



Significant funding has been provided to help develop the capital and operating infrastructure for UBC's Advanced Research Computing (ARC) initiative, which supports the computational and data-intensive needs of researchers.

Transformative learning

Students desire a career path that is integrative of all that they have become at UBC. An action plan that was developed through consultation with students and the faculties by the VP Students last year identified areas of focus. UBC continues to support the expansion of experiential learning programs in the areas of clinical, legal, and health education. Funds have been committed to further support the expansion of co-op programs. New for fiscal 2020/21, an allocation of funding for the Student Initiative will support the creation of an endowment fund to support, in perpetuity, services for student-identified needs, such as mental health and food security.

Last year, a report was received from the Alma Mater Society (AMS) that identified areas of focus which were consistent with the action plan developed by the VP Students. These commitments continue to be funded from the SEF. These include funding for Open Educational Resources to alleviate the high cost of learning materials for students and an expansion of the on-campus Work Learn program. An off-campus Work Learn pilot project has also been initiated, which broadens the availability of work experience so that all students have the option of participating in experiential learning.

Increased investment in classroom scheduling processes and systems will come into full gear in the coming years. This will improve the student experience by promoting student success as more course selection and fewer schedule conflicts can enable faster completion times. It will also improve transparency and enable better access to data for more effective decision making by the university academic community.

2020/21 Allocation: \$8.7m

Local and Global Engagement

In advance of the approval and implementation of the Indigenous Strategic Plan (ISP), funds have been committed to invest in initiatives well-aligned to the plan. This will allow us to move quickly with the implementation of the ISP once it is approved, and to identify opportunities for further funding. The plan identified recruitment, curriculum, and research support infrastructure as needing to be established to attain the goals identified in the UBC Strategic Plan. Additional funding to support activities such as dissemination of information and community engagement, as well as outreach and mentorship, have also been committed. In addition to the initiatives identified in the ISP, several faculty initiatives supporting the Indigenous community have been funded. These include support for the development of Indigenous education for graduate and undergraduate programs offered by the Faculty of Education and the Peter A. Allard School of Law, as well as the development of a Traditional Land Management Centre by the Faculty of Forestry.

2020/21 Allocation: \$5.1m

Strategic Plan Enablement

A funding envelope continues to be set aside for an annual open call for strategic pilot projects that emphasize the core areas of the UBC Strategic Plan. For fiscal 2020/21, an open call for proposals will be announced to support the following themes: Great People, Interdisciplinary Education, and Indigenous Engagement.

2020/21 Allocation: \$4.2m

B. Revenue Sharing Fund

The Revenue Sharing Fund was created to provide support to faculties and academic units that have limited access to international tuition or have other restrictions that affect their financial sustainability. Allocations to be made include unfunded salary increases, new initiatives that are campus-wide, and support for other cost pressures. As is the case with the SEF, this funding is not meant to be ongoing, but to assist in bridging for start-up situations. Longer-term commitments (>7 years) can be made; however, this constrains the ability to fund new initiatives. Similar to the SEF, no more than 40 per cent of the funding will be committed against longer-term commitments (i.e., funding >7 years). This fund, year over year, is the residual of the total Academic Excellence Funds, once the SEF, Academic Capital Fund, Student Financial Aid Fund, and IRP Fund allocations have been established.

Achievements in Fiscal 2019/20

People and Places

Faculty salary support was provided to the faculties with limited access to international tuition to support their increasing annual salary costs. A plan was implemented to provide incremental salary support over three years, at which time it will be reassessed. Strategic hiring support continues for Law and Education to enable them to recruit new faculty members to replenish their base faculty complement.

2019/20 Investment: \$2.4m

Transformational Learning

Dentistry and Pharmaceutical Sciences are both undertaking changes to the delivery of their curricula. By upgrading the delivery platform for clinical support for dental students, Dentistry will be able to offer a much improved and enhanced learning experience. The recently approved Bachelor of Pharmaceutical Sciences program will start to accept students in fiscal 2020/21, which will require infrastructure and operational bridging support until the program reaches its steady state cohort of 200 in four years' time. The Revenue Sharing Fund

also supports the Faculty of Graduate and Postdoctoral Studies' Public Scholars Initiative (PSI). This groundbreaking initiative supports UBC doctoral students to move beyond "skills training" and extracurricular experience and reimagines PhD pathways that legitimize and integrate broader conceptions of scholarship and scholarly products within the core of doctoral education and dissertation research.

2019/20 Investment: \$1.4m

New Commitments for Fiscal 2020/21

People and Places

Continued support for strategic hires for faculties that have limited access to international tuition has been committed for Education and Law. Funding for library support of scholarly writing and incremental library salary costs have also been committed. Supporting the sustainment of salary costs for those faculties with limited ability to benefit from international students will continue into years two and three. An investment to support the President's Academic Excellence Initiative has been made to provide the infrastructure needed to support faculties in the accelerated phase of the initiative.

2020/21 Allocation: \$8.1m

Local and Global Engagement

Continued funding will support a fully digital dental laboratory, which supports the teaching and the delivery of dental care and the implementation of the new Bachelor of Pharmaceutical Sciences program over a four-year ramp-up period. Funding for the Faculty of Graduate and Postdoctoral Studies' Public Scholars Initiative continues. A new Provost's initiative will start in fiscal 2020/21 to provide matching start-up funding to support faculty projects and ideas that will bridge to financial sustainability. The focus for the first year will be on projects that will transform the delivery of curricula to students.

2020/21 Allocation: \$4.0m

C. Student Financial Aid (SFA) Fund

Due to changes in the implementation of the Canada Student Loan and Student Aid BC programs, UBC students' unmet need increased significantly and greater demand was placed on UBC's bursary system. In complying with UBC's Policy LR10, *Access to the University of British Columbia*, wherein it is stated that no eligible student will be prevented from commencing or continuing their studies for financial reasons alone, the administration provided more funding to alleviate the shortfall of student financial aid. As a result of a new bursary process implemented in fiscal 2019/20, which ensures that students with the most unmet need are best supported, the current envelope, from the SFA Fund, provides a sustainable funding source and enables other SFA programs to be developed.

2020/21 Allocation: \$4.3m

D. Academic Capital Fund

To support UBC's strategic hires and to provide an enriched student learning experience, UBC needs to provide necessary teaching and research space, and up-to-date equipment. Several academic buildings need seismic retrofitting to bring them up to current building code. Some academic programs are severely constrained because their current facilities are not sufficiently large or appropriate. The Academic Capital Fund is used to provide funds to assist academic units in paying off debt associated with their capital projects. Matching funds provide donor incentives or complement faculty resources. This fund has enabled capital

projects to move forward and to address the unprecedented inflation of capital costs associated with delays in construction. Upgrades and new development of academic infrastructure will have a positive benefit for years to come. Priority capital projects that require funding to enable construction to proceed are: the School of Biomedical Engineering Building, the Gateway Building (for the School of Kinesiology, Nursing, UBC Health, and Integrated Student Health Services), and the Sauder Graduate School expansion, all of which, if given Board 3 approval by the Governors, are projected to be completed at the earliest in fiscal 2022/23. Debt servicing commences once occupancy is achieved. While the fund is growing its funding envelope prior to that time, other capital projects of smaller magnitude (<\$5m) will be considered for debt servicing if they support the UBC Strategic Plan (e.g. the Indigenous Strategic Plan and the planned First Nations House of Learning expansion).

2020/21 Allocation: \$5m

E. Integrated Renewal Project (IRP) Fund

Along with the need for new buildings and equipment infrastructure, IT systems supporting the UBC community need to be upgraded. Administrative systems at UBC are at least 20 years old and have not been updated to reflect the advances of technology in the past decades. This has resulted in reliance on paper-based processes that are inefficient and not sustainable. Demands from students, faculty, and staff require our systems to better support them. Starting fiscal 2020/21, a fixed envelope of \$10m is identified as an ongoing funding requirement to supplement operational funding to advance and maintain our technology platform. A review of the amount is to be conducted in intervals of three years to assess the effectiveness of UBC in keeping up to date with technological change.

2020/21 Allocation: \$10m

Academic Excellence Funds at UBC Vancouver

The following tables provide a summary of the five funds comprising the Academic Excellence Funds. The first table lists and subtotals the first three funds, and the second table begins with the sub-total from the first table.

UBCV (in \$thousands)	Strategic Fund			Revenue Sharing Fund			Student Financial Aid Fund			Sub-Total Academic Fund		
	Plan Fiscal 19/20	Forecast Fiscal 19/20	Plan Fiscal 20/21	Plan Fiscal 19/20	Forecast Fiscal 19/20	Plan Fiscal 20/21	Plan Fiscal 19/20	Forecast Fiscal 19/20	Plan Fiscal 20/21	Plan Fiscal 19/20	Forecast Fiscal 19/20	Plan Fiscal 20/21
Total Funding Available	40,872	40,872	42,507	13,249	11,129	7,889	6,350	6,350	6,604	60,471	58,351	57,000
Local and Global	2,626	2,128	5,138	-	-	195	-	-	-	2,626	2,128	5,333
Transformative Learning	4,833	3,588	8,693	1,583	1,392	3,988	-	-	-	6,416	4,980	12,681
People and Places	9,475	8,767	17,520	7,429	2,365	8,081	6,350	4,885	4,311	23,254	16,017	29,912
Research Excellence	33,908	27,435	17,767	-	-	-	-	-	-	33,908	27,435	17,767
UBCV (in \$thousands)	Sub-Total Academic Fund			Academic Capital Fund			Integrated Renewal Project			Total Academic Fund		
	Plan Fiscal 19/20	Forecast Fiscal 19/20	Plan Fiscal 20/21	Plan Fiscal 19/20	Forecast Fiscal 19/20	Plan Fiscal 20/21	Plan Fiscal 19/20	Forecast Fiscal 19/20	Plan Fiscal 20/21	Plan Fiscal 19/20	Forecast Fiscal 19/20	Plan Fiscal 20/21
Total Funding Available	60,471	58,351	57,000	-	-	5,000	-	-	10,000	60,471	58,351	72,000
Local and Global	2,626	2,128	5,333	-	-	-	-	-	-	2,626	2,128	5,333
Transformative Learning	6,416	4,980	12,681	-	-	-	-	-	-	6,416	4,980	12,681
People and Places	23,254	16,017	29,912	-	-	-	-	-	10,000	23,254	16,017	39,912
Research Excellence	33,908	27,435	17,767	-	-	-	-	-	-	33,908	27,435	17,767
Strategic Pilot Enablement	2,000	2,074	4,246	-	-	-	-	-	-	2,000	2,074	4,246
Total Expenses	68,203	52,634	69,939	-	-	-	-	-	10,000	68,203	52,634	79,939
Net Surplus/Deficit	(7,732)	5,717	(12,939)	-	-	5,000	-	-	-	(7,732)	5,717	(7,939)
Opening Carryforward	20,145	20,821	26,538	-	-	-	-	-	-	20,145	20,821	26,538
Ending Carryforward	12,413	26,538	13,599	-	-	5,000	-	-	-	12,413	26,538	18,599

UBC Vancouver Faculties and Departments – Allocations and Projected Expenses

The following tables show the fiscal 2020/21 projected operating surplus/deficit, non-operating transfers, and capital assets investment.

Summary

UBC Vancouver (in \$000s)	Revenue	Expenses	Operating Surplus/ (Deficit)	Non-operating transfers	Invested in Capital Assets	Reserve (Drawdowns)/ Additions	Ending Reserve Balance	(Drawdowns) Addition
Faculties	1,000,735	947,834	52,901	2,296	33,246	17,359	277,487	
Student Financial Aid	82,947	94,444	(11,497)	(10,998)	3	(502)	6,822	
Central Support units (incl ancillaries)	1,080,497	828,343	252,154	94,997	185,573	(28,416)	(7,387)	
Total UBC Vancouver	2,164,179	1,870,621	293,558	86,295	218,822	(11,559)	276,922	

Of the revenue for the fiscal 2020/21 budget, 46 per cent belongs to faculties, 4 per cent belongs to student financial aid, and 50 per cent belongs to central support units, including ancillaries.

The total reserve drawdown for the Vancouver campus is \$12m.

Faculties and Departments

Overall, the net position of the faculties is a projected addition of \$17m.

UBC Vancouver (in \$000s)	Revenue	Expenses	Operating Surplus/ (Deficit)	Non-operating transfers	Invested in Capital Assets	Reserve (Drawdowns)/ Additions	Ending Reserve Balance	(Drawdowns) Addition
Faculties	1,000,735	947,834	52,901	2,296	33,246	17,359	277,488	
Faculty of Applied Sciences	103,839	89,943	13,896	5,340	4,058	4,498	43,213	
Faculty of Arts	198,632	185,227	13,405	4,411	5,884	3,110	48,422	
Sauder School of Business	101,948	95,309	6,639	147	2,502	3,990	28,841	
Faculty of Dentistry	33,955	31,110	2,845	(671)	2,616	900	6,204	
Faculty of Education	59,213	57,272	1,941	(616)	1,863	694	11,185	
Faculty of Forestry	28,701	27,337	1,364	179	928	257	9,432	
Graduate & Postdoctoral Studies	5,384	6,060	(676)	(482)	117	(311)	1,612	
Faculty of Land & Food Systems	24,137	20,753	3,384	1,141	2,335	(92)	14,800	
Allard School of Law	16,375	18,761	(2,386)	(1,943)	250	(693)	(2,082)	
Faculty of Medicine	241,531	244,027	(2,496)	(10,475)	6,799	1,180	79,790	
Faculty of Pharmaceutical Sciences	24,329	22,347	1,982	(1,150)	2,709	423	12,370	
Faculty of Science	162,691	149,688	13,003	6,415	3,185	3,403	23,701	

The addition to the Faculty of Applied Science reserve is primarily due to the high international-to-domestic ratio of tuition revenues. The faculty, through its commitment to the pursuit of excellence, has and will continue to invest in new infrastructure and space for its expansion of research initiatives and new programs.

The addition to the Faculty of Arts reserve is attributed to the growth in tuition revenues. The reserve will be invested in the expansion of faculty and staff positions, as well as supporting the President's Academic Excellence Initiative.

The addition to the Sauder School of Business reserve is primarily due to enrolment increases in all graduate professional programs, new professional program implementation, and revenue stream diversification. The school is planning to invest in the new Robert H. Lee Graduate School building (construction to begin 2023).

The addition to the Faculty of Dentistry reserve is largely due to renovations and hiring delays, which will occur in the following years.

The addition to the Faculty of Education reserve is due to higher international program revenues. The faculty will invest in the new Kinesiology building and new faculty start-up costs.

The addition to the Faculty of Forestry reserve is the result of lower one-time costs. The faculty plans to use this reserve to support the Academic Renewal Initiatives, new faculty research start-up, and the development of new academic programs.

The drawdown in the Graduate and Postdoctoral Studies reserve is due to one-time renovation costs, short-term project costs, and term staff positions (two to three years).

The drawdown in the Faculty of Land and Food Systems reserve is primarily caused by one-time capital expenditures.

The Allard School of Law is projecting a structural deficit. The school will require ongoing support from the university until such time that it is permitted to increase the Juris Doctor tuition beyond the 2 per cent cap.

The addition to the Faculty of Medicine reserve is driven by the School of Biomedical Engineering (jointly run with the Faculty of Applied Science) with the ramp-up in student cohorts. This surplus is due to timing of the future building loan.

The addition to the Faculty of Pharmaceutical Sciences reserve is due to the launch of the Bachelor of Pharmaceutical Sciences program and support from the Academic Excellence Funds. The faculty is planning to invest in faculty hires, program development, capital investments, and award matching.

The addition to the Faculty of Science reserve is primarily from projected savings due to varying start dates of 32 new faculty members from the current hiring program. The faculty is planning to utilize the reserve in startup, space renovation, and bridging to retirement.

Overall, the faculties at the Vancouver campus are in a healthy financial situation, aside from a few faculties that are under budget pressure. International student growth continues to be a key driver of revenue that helps to balance the budget. Faculties are continually examining their cost structures by finding more effective ways to deliver their core academic programs while enhancing the quality of teaching, research and student support. The university continues to support faculty enhancement through hiring plans and new programs such as the Academic Renewal Program.

Student Financial Aid

UBC Vancouver (in \$000s)	Revenue	Expenses	Operating Surplus/ (Deficit)	Non-operating transfers	Invested in Capital Assets	Reserve (Drawdowns)/ Additions	Ending Reserve Balance	(Drawdowns) Addition
Student Financial Aid	82,947	94,444	(11,497)	(10,998)	3	(502)	6,822	
SFA Graduate	21,950	28,276	(6,326)	(6,096)	-	(230)	2,502	
SFA Undergraduate Domestic	19,247	23,233	(3,986)	(4,000)	-	14	2,609	
SFA Undergraduate International	29,252	28,592	660	-	-	660	2,007	
Workstudy, Go Global - SFA, Int'l Tuition Award	12,498	14,343	(1,845)	(902)	3	(946)	(296)	

The small drawdown to the Student Financial Aid reserve is due to higher utilization of the reserve. Minimum reserves are still required to be maintained, as advised by internal auditors, in order to support multi-year awards and to have emergency funds available for unanticipated events.

Central Support Units (including ancillaries)

UBC Vancouver (in \$000s)	Revenue	Expenses	Operating Surplus/ (Deficit)	Non-operating transfers	Invested in Capital Assets	Reserve (Drawdowns)/ Additions	Ending Reserve Balance	(Drawdowns) Addition
Total Support units (incl ancillaries)	1,080,497	828,343	252,154	94,997	185,573	(28,416)	(7,388)	
Provost and VP Academic	244,487	219,886	24,601	(3,827)	28,276	152	40,798	
Library	43,859	29,440	14,419	(906)	17,422	(2,097)	2,687	
Information Technology	99,700	89,008	10,692	(700)	8,591	2,801	13,251	
Extended Learning	15,301	13,942	1,359	340	353	666	1,726	
Enrolment Services	15,811	17,485	(1,674)	(1,532)	110	(252)	(138)	
International Student Initiative	8,650	8,936	(286)	(65)	-	(221)	962	
Vantage College	19,626	17,788	1,838	-	1,726	112	2,580	
Centre for Teaching, Learning and Technology	9,481	10,973	(1,492)	(791)	45	(746)	1,415	
Other Provost and VP Academic units	32,059	32,314	(255)	(173)	29	(111)	18,315	
VP Students	327,298	247,255	80,043	2,516	79,175	(1,648)	28,047	
Athletics and Recreation	36,886	34,654	2,232	788	2,189	(745)	(2,654)	
AVP Student Health and Wellbeing	8,176	8,361	(185)	(100)	21	(106)	438	
Student Housing and Community Services	263,343	184,800	78,543	2,422	76,888	(767)	28,631	
Student Engagement	12,172	12,713	(541)	(594)	53	-	580	
Other VP Students units	6,721	6,727	(6)	-	24	(30)	1,052	
VP Finance and Operations	186,092	163,737	22,355	4,800	21,512	(3,957)	5,716	
Energy and Water	55,976	48,598	7,378	-	7,105	273	1,847	
Building Operations and Infrastructure Dev't	93,113	76,046	17,067	5,122	13,435	(1,490)	1,497	
Other VP Finance and Operations units	37,003	39,093	(2,090)	(322)	972	(2,740)	2,372	
Academic Excellence Funds	77,000	10,400	66,600	56,529	17,300	(7,229)	19,310	
Governance	12,142	14,381	(2,239)	(100)	414	(2,553)	1,952	
VP Development and Alumni Engagement	33,005	32,787	218	-	218	-	(96)	
VP Health	2,969	2,478	491	160	55	276	3,259	
VP External Relations	28,928	31,486	(2,558)	(810)	534	(2,282)	2,312	
VP Research and Innovation	42,051	44,399	(2,348)	(3,564)	1,961	(745)	9,102	
VP Human Resources	28,766	30,999	(2,233)	-	248	(2,481)	2,898	
Campus Wide Expenses	97,759	30,535	67,224	39,293	35,880	(7,949)	(120,686)	

The Provost and Vice-President Academic is projected to be balanced in fiscal 2020/21. Some units in the portfolio are spending more one-time funds on their capital facilities, which is offset by the surpluses of other units with delayed spend in areas where new funding was received for start-up, sustainment and new initiatives.

The drawdown in the Vice-President Students reserve is primarily to support the Blue & Gold Campaign.

The drawdown in the reserve for Vice-President Finance and Operations is being driven primarily by delays in the implementation of the Service Delivery Model (which delayed anticipated savings from prior year), a continuing deficit issue within Building Operations, and the newly established Integrated Service Centre (in support of the Integrated Renewal Program).

The drawdown in the Academic Excellence Funds reserve is due to a one-time investment into the student endowment, as well as start-up funding for the President's Academic Excellence Initiative.

The drawdown in the Governance reserve is mainly driven by underfunded legal fees and underfunded operating costs for the Office of Enterprise Risk and Assurance.

The drawdown in the Vice-President External Relations reserve represents both the recurring and one-time deficit as a result of the delay in the Catalyst Initiative. This deficit is partially offset by higher Campus and Community Planning permit revenue and a reduction in capital expenditures.

The drawdown in the Vice-President Research and Innovation accumulated reserve is driven by positions finally hired that were planned in prior years.

The drawdown in the Vice-President Human Resources reserve is due to a continuing deficit issue with the Independent Investigations Office (now fully staffed), additional roles supporting the expansion of HR services and programs, Equity and Inclusion Office seminars and programs that were not completed in fiscal 2019/20, and additional expenses incurred under the Rent-Geared-to-Income program.

The Campus Wide Expenses drawdown is primarily due to project costs for the Integrated Renewal Program, which will be recovered in future years.

Overall, central support units are expected to generate 50 per cent of the total revenue. This revenue is mostly driven by ancillary services, including Student Housing and Community Services. Drawdowns in the central support units are expected to total \$28m as units plan to utilize a portion of their accumulated reserves. The majority of drawdown is due to costs relating to the Integrated Renewal Program and the Academic Excellence Funds. The remainder is due to one-time items and do not reflect ongoing commitments.

5. UBC Okanagan

Strategic Initiatives

The following tables summarize the calculation of the revenue available for allocation after pre-determined allocations to faculties, the Okanagan Excellence Fund and Student Financial Aid, and the proposed allocations for the Okanagan campus:

UBC OKANAGAN - OPERATING BUDGET

Fiscal 20/21 Budget on a Differential Basis

(In \$ millions)

Fiscal 20/21 Outlook	One-time	Recurring	Total Fiscal
Incremental revenue			
International tuition	-	10.7	10.7
Domestic tuition	-	0.6	0.6
Provincial grant	-	2.7	2.7
Other revenues	-	0.1	0.1
Prior year surplus and recurring reserve	26.5	7.8	34.3
	26.5	21.9	48.4
TREK endowment allocation	5.7	-	5.7
Balance available for allocation	32.2	21.9	54.1
Less:			
Faculty share of tuition growth	-	(3.6)	(3.6)
Excellence fund	-	(3.7)	(3.7)
Student Financial Aid	-	(0.8)	(0.8)
Grant funding to faculties and units (GWI and FTE growth)		(2.8)	(2.8)
Faculty academic support	(4.0)	(1.5)	(5.5)
Capital reserve for future investments	(11.2)	-	(11.2)
Operating contingency fund	(2.3)	(1.9)	(4.2)
	(17.5)	(14.3)	(31.8)
Balance available for allocations	14.7	7.6	22.3

Incremental revenues are projected to go up by \$14.1m for fiscal 2020/21, with \$34.3m carrying forward from fiscal 2019/20, including capital reserves of \$9.2m, committed to help address the campus' space shortage, and a \$7.5m recurring balance from stronger-than-anticipated international enrollments in fiscal 2019/20. After allocations to faculties, Student Financial Aid (SFA), and the Academic Excellence Fund, with a further \$11.2m

held for future capital investments, \$22.3m remains for strategic operating and capital priorities in fiscal 2020/21.

UBC OKANAGAN - OPERATING BUDGET

Fiscal 20/21 Budget on a Differential Basis

(In \$ millions)

Fiscal 20/21 Outlook	One-time	Recurring	Total Fiscal
Proposed allocations			
People and Places	10.7	3.3	14.0
Research Excellence	-	0.6	0.6
Transformative Learning	1.6	0.7	2.3
Local and Global Engagement	1.0	0.7	1.7
Sustainment/Compliance/Operations/Risk Mitigation	1.4	2.3	3.7
Total proposed allocations	14.7	7.6	22.3

The recommended allocation of the incremental net revenue available for fiscal 2020/21 is summarized into the following categories, consistent with the UBC Strategic Plan:

Core Areas

People and Places

For fiscal 2020/21, the majority of available resources are committed to capital spending to develop additional capacity for both academic and administrative needs, and for staff hires to enhance services and meet operational growth pressures.

Planned capital projects include build-outs of Innovation Precinct Buildings 1 and 2, formerly 1540 and 1545 Innovation Drive, and infrastructure to connect the campus locations, as well as renewal of athletic facilities. These projects, along with those currently underway and planned as future builds, including the addition of an Interdisciplinary Collaboration and Innovation building, will begin to enable the campus to realize the longer-term Outlook 2040 vision.

To support the immediate space shortfall, significant efforts are being made to return academic space to faculty use, with allocations in fiscal 2020/21 to support renovations and equipment to intensify existing administrative spaces. To manage the numerous capital projects and space requirements, investments are being made in the Infrastructure Development and Campus Planning departments.

To ensure central support services are progressing to meet the needs of the increased student enrolment and staff and faculty complement, additional resources are allocated, including commitments to Human Resources to pilot a Work Reintegration & Accommodation Program, and to University Relations for portfolio-specific communications support. Further investments are made to Information Technology to build system-level processes, including the introduction of a common ticketing system with UBC Vancouver.

Research Excellence

Fiscal 20/21 investments focus on continued research excellence through investments in research computing staff and maintenance of Advanced Research Computing (ARC) infrastructure. Funding also promotes partnerships supporting innovation, knowledge, and resource sharing, as well as new initiatives to enhance research support.

Transformative Learning

To enhance student experience, investments are being made to support student orientation and transitions, as well as health and wellness, by extending clinic hours and adding personnel. Funding is also allocated for academic support, including strategic planning resources in the Provost's Office, staff resources for the Centre for Teaching and Learning and Centre for Scholarly Communication, and Enrolment Services, including positions to support class scheduling, academic records and registration, and degree audit services, in response to the growth in student enrolment. An additional commitment, following discussions with the UBC Students' Union Okanagan, is being made to improve student spaces throughout campus to promote collaboration and foster a sense of community.

Local and Global Engagement

Implementation of our Truth and Reconciliation commitments are demonstrated with allocations to promote Indigenous engagement, including additional personnel for the Aboriginal Programs and Services department, and support for the operations of the Advisor on Indigenous Affairs and Indigenous Community Liaison.

Funding is assigned to develop opportunities for engagement with local communities, including a Community Librarian, continued support for the university's presence in downtown Kelowna with the Innovation Centre, extended support for the Canadian Institute for Inclusion and Citizenship, and the introduction of alumni innovation fund and awards.

Sustainment/Compliance/Operations/Risk Mitigation

Funding is allocated to maintain adequate core services and personnel in central support units. These units include health, safety and environment, facilities management, security, information technology, and finance. Further investments are made for cybersecurity, routine capital expenditures, including an annual roof replacement program, and operational support for new academic and administrative spaces.

UBC Okanagan Excellence Fund

The UBC Okanagan Excellence Fund was established in February 2016 to support the university's ambition to become Canada's best university over the next decade. At this time, the Okanagan campus continues to maintain a single fund to support all academic and administrative initiatives, and has not yet stratified as the Vancouver campus did in fiscal 2019/20.

The Excellence Fund supports strategic initiatives that will enhance and amplify current efforts in key areas, to ensure the university is:

- a) Recruiting and retaining exemplary faculty members, students and staff
- b) Building and supporting world class research infrastructure to enable innovative, cutting-edge research
- c) Providing an excellent student learning experience for domestic and international students, at the graduate and undergraduate levels, both inside and outside the classroom.

UBCO (in \$thousands)	Academic Excellence Fund			
	2018/19 Actuals	2019/20 Q3 Forecast	2020/21 Plan	Change (Plan vs Forecast)
Total Funding Available	6,269	10,080	13,768	3,688
Local and Global Engagement	786	822	1,613	791
Transformative Learning	422	1,752	1,234	(517)
People and Places	1,603	1,040	1,495	455
Research Excellence	2,285	3,308	3,205	(102)
Strategic Plan Enablement	-	2,058	2,903	845
Total Commitments	5,096	8,978	10,450	1,472
Net Surplus / (Deficit)	1,174	1,102	3,318	2,216
Opening Carryforward	1,058	2,231	3,334	1,102
Ending Carryforward	2,231	3,334	6,652	3,318

Achievements in Fiscal 2019/20

In fiscal 2019/20, the Okanagan Excellence Fund increased to \$10.1m, driven by strong enrolment of international students. This provided the opportunity to expand commitments, support the need for additional space, and enable our campus to progress toward the Outlook 2040 vision and implement the strategic plan. Examples of some of the investments made in fiscal 2019/20 in support of the four core areas of the UBC Strategic Plan are noted below:

People and Places

Support continues for the recruitment and retention of faculty. Funding to ensure that our campus offers competitive start-up funds and attracts faculty with our outstanding academic and research opportunities continues to be a priority. Additional funds were allocated towards a retention funding strategy for outstanding scholars.

Funding was also committed to support top international graduate students through the International Doctoral Fellowship and International Doctoral Partial Tuition Awards.

2019/20 Investment: \$1.0m

Research Excellence

The commitment to support clusters of research excellence continues through the Eminence Program, as developed by the VP Research, in line with the UBC Okanagan Strategic Research Support Plan. Investment in these clusters allows UBC Okanagan to attract and retain top researchers and trainees, and will support interdisciplinary approaches that address major research issues. The Eminence Program is designed to support clusters that leverage existing strengths and will catalyze research and knowledge creation initiatives to attract further external opportunities.

Funds have also been committed to support the planning, development, and start-up costs for new shared facilities and infrastructure opportunities, and to provide funding for the operation, maintenance, repairs, and upgrades of equipment used in UBC facilities that support research.

The university committed to support the development of digital research infrastructure to provide faculty the ability to enhance their research productivity and accelerate time to discovery and innovation. This is crucial in support of recruiting and retaining outstanding faculty whose research requires digital research infrastructure support.

2019/20 Investment: \$3.3m

Local and Global Engagement

New for fiscal 2019/20 was the Graduate Dean's Aboriginal Entrance Fellowship, which funds up to eight one-time merit-based awards of \$10,000 to incoming full-time Aboriginal graduate students entering a thesis-based full-time graduate degree program. Further support was committed to enhance Aboriginal engagement, with the Aboriginal Undergraduate Research Mentorship and Aboriginal Programs and Services Event and Program Manager, as well as continued support for the Indigenous Summer Scholars Program and international Indigenous student exchange.

2019/20 Investment: \$0.8m

Transformative Learning

Continuing with investments made in the prior year, funds were committed to build upon the success of the Aspire Learning and Teaching (ALT) Fund to support and foster curriculum change and innovative teaching practices to promote more flexible, interdisciplinary, experiential, and collaborative programs. In addition, funds were committed to support the expansion of co-op and work study programs so that all students have the option to participate in experiential learning opportunities.

In fiscal 2019/20, funding was awarded to Health and Exercise Science and Nursing programs to support laboratory modernization and equipment renewal, in order to ensure students are provided with current technology to facilitate hands-on learning.

2019/20 Investment: \$1.8m

Strategic Plan Enablement

Funds were allocated to support initiatives identified in the UBC Strategic Plan and the 2040 Outlook for the Okanagan campus. With an emphasis on space and capital planning, to address the intense academic space needs of the campus, funds were contributed towards the Innovation Precinct and Plant Growth Facility projects.

2019/20 Investment: \$2.0m

Commitments for Fiscal 2020/21

People and Places

Support continues for the recruitment and retention of faculty. Funding to ensure that our campus offers competitive start-up funds and attracts faculty with our outstanding academic and research opportunities continues to be a priority. Funds will be used towards international doctoral fellowships and partial tuition awards, a coordinator for competitive sport club and community programs, and a student recruiter advisor for rural populations.

2020/21 Allocation: \$1.5m



Ministry support for external borrowing is enabling the Nechako Housing Commons and the new Skeena Residence to go forward on the Okanagan campus.

Research Excellence

Significant investments to support clusters of research excellence through the Eminence Program will continue, in line with the UBC Okanagan Strategic Research Support Plan. An increasing amount is also dedicated to the Principal's Research Chairs program, which aligns with the federal Canada Research Chairs program, to support research and creative scholarship in all areas and disciplines, and to enable research excellence, promote research intensifications, and generate international recognition of UBCO for its research achievements.

Funds have also been committed to continue supporting the planning, development and start-up costs for new shared facilities and infrastructure opportunities, and to provide funding for the operation, maintenance, repairs, and upgrades of equipment used in UBC facilities that support research. Allocations include resources to support the planning and business development for the onset of Innovation Precinct 1.

2020/21 Allocation: \$3.2m

Transformative Learning

Funds continue to be committed to support the expansion of co-op and work study programs so that all students have the option to participate in experiential learning opportunities.

In fiscal 2020/21, funding will continue to be invested to expand supplemental learning support programming, to assist students in the development of learning and study skills, learning space enhancements, and equipment to relieve pressures identified within mature programs. A new graduate student internship program will also be introduced.

2020/21 Allocation: \$1.2m

Local and Global Engagement

Support continues for initiatives committed to in the previous years, including the Graduate Dean's Aboriginal Entrance Fellowships, the Aboriginal Undergraduate Research Mentorship, and the Aboriginal Programs and Services Event and Program Manager. New allocations have been made for operationalization of Truth and Reconciliation Commission (TRC) commitments and the development of a new Indigenous Language Fluency degree, which will specialize in the preservation of the nsyilxcən language.

2020/21 Allocation: \$1.6m

Strategic Plan Enablement

A funding envelope has been set aside, with an emphasis on space and capital planning, to address the intense academic space needs of the campus and develop a funding model to build a down payment towards the future Interdisciplinary Collaboration and Innovation (ICI) building.

2020/21 Allocation: \$2.0m

UBC Okanagan Faculties and Departments – Allocations and Projected Expenses

The following tables show the fiscal 2020/21 projected funding and expenses by unit, and the projected net change in reserve balances. Revenue includes both government grant and tuition allocations, as well as operating revenues generated directly by the faculties and central support units

Summary

UBC Okanagan (in \$000s)	Revenue	Expenses	Operating Surplus/ (Deficit)	Non-operating transfers	Invested in Capital Assets	Reserve (Drawdowns)/ Additions	Ending Reserve Balance	(Drawdowns) Addition
Faculties	101,745	92,244	9,501	2,467	4,896	2,138	17,159	
Student Financial Aid	16,855	17,681	(826)	0	0	(826)	684	
Support units (incl ancillaries)	93,981	73,897	20,084	10,769	21,567	(12,252)	32,117	
Total UBC Okanagan	212,581	183,822	28,759	13,236	26,463	(10,940)	49,960	

The total reserve drawdowns for the Okanagan campus are \$10.9m, of which \$12.3m reflects central support for capital initiatives, and \$0.8m for planned use of Student Financial Aid reserves, offset by a \$2.1m addition to faculty reserves, for anticipated strategic initiatives in future years.

Faculties/School/College

UBC Okanagan (in \$000s)	Revenue	Expenses	Operating Surplus/ (Deficit)	Non-operating transfers	Invested in Capital Assets	Reserve (Drawdowns)/ Additions	Ending Reserve Balance	(Drawdowns) Addition
Faculties	101,745	92,244	9,501	2,467	4,896	2,138	17,159	
Irving K. Barber School of Arts and Sciences	42,890	38,615	4,275	1,316	1,341	1,618	9,032	
School of Engineering	17,608	14,300	3,308	616	3,110	(418)	3,194	
Faculty of Creative and Critical Studies	13,593	13,258	335	50	80	205	393	
Okanagan School of Education	4,284	4,074	210	9	5	196	1,859	
College of Graduate Studies	1,177	1,178	(1)	10	2	(13)	134	
Faculty of Health and Social Development	15,749	14,618	1,131	342	50	739	191	
Faculty of Management	6,444	6,201	243	124	308	(189)	2,356	

The largest contributor to the overall growth in faculty reserves, is the Irving K. Barber School of Arts and Sciences. Effective July 1, 2020, the faculty will separate into two autonomous faculties: the Irving K. Barber Faculty of Arts and Social Sciences (FASS), and the Irving K. Barber Faculty of Science (FoS). Until this time, the faculty has moderated the pace of significant investments and academic hiring pending permanent leadership and the finalization of academic renewal plans. The current reserves for these faculties are being held to provide for a commitment of funds available to the two new faculties and their deans for start-up investments. The source of the faculties' net surplus position for fiscal 2020/21 is the forecasted growth of international undergraduate students and annual tuition rate increases.

Reserves held in the Okanagan School of Education primarily relate to salary savings from position vacancies realized in fiscal 2019/20, resulting from a delayed faculty hire and unplanned leaves of absence.

The drawdown to the School of Engineering reserves is primarily due to investment in capital to support anticipated renovations and equipment to outfit their new space at Innovation Precinct 1.

The fiscal surplus to the Faculty of Health and Social Development reflects receipt of funding in fiscal 2020/21 to support academic priorities and offset an opening deficit balance caused by limited international student enrolment and rising faculty salary costs. The faculty will be working to review programs for efficiencies and new funding opportunities.

The drawdown to the Faculty of Management is primarily due to one-time capital expenditures for investment in the Wine Sensory Laboratory and lower projected enrolment for the Master of Management Program.

Central Support Units (including ancillaries)

UBC Okanagan (in \$000s)	Revenue	Expenses	Operating Surplus/ (Deficit)	Non-operating transfers	Invested in Capital Assets	Reserve (Drawdowns)/ Additions	Ending Reserve Balance	(Drawdowns) Addition
Total Central Support units (incl ancillaries)	93,981	73,897	20,084	10,769	21,567	(12,252)	32,117	
Provost and Vice-Principal Academic	20,019	14,772	5,247	196	1,471	3,580	9,193	
Library	4,958	3,414	1,544	0	1,443	101	503	
Excellence Fund	3,818	500	3,318	0	0	3,318	6,652	
Enrolment Services	5,017	4,858	159	0	17	142	314	
International Student Initiative	1,017	1,041	(24)	0	0	(24)	37	
Centre for Teaching and Learning	1,193	1,156	37	0	5	32	179	
Other Provost and Academic units	4,016	3,803	213	196	6	11	1,508	
AVP Finance and Operations	33,192	29,070	4,122	(242)	9,222	(4,858)	2,801	
Campus Operations and Risk Management	15,639	13,202	2,437	0	7,820	(5,383)	1,086	
Information Technology	7,717	6,962	755	(272)	1,142	(115)	50	
Parking Services	4,694	3,455	1,239	0	253	986	1,466	
Other AVP Finance and Operations units	5,142	5,451	(309)	30	7	(346)	199	
AVP Students	13,699	13,906	(207)	0	230	(437)	1,401	
Athletics and Recreation	4,041	4,022	19	0	172	(153)	1,031	
Other AVP Student units	9,658	9,884	(226)	0	58	(284)	370	
Deputy Vice-Chancellor and Principal	9,665	9,215	450	97	15	338	566	
Office of the Deputy Vice-Chancellor	2,079	1,830	249	87	5	157	181	
Development and Alumni Engagement	2,231	2,185	46	0	5	41	131	
Human Resources	2,287	2,109	178	0	5	173	172	
University Relations	3,068	3,091	(23)	10	0	(33)	82	
Vice-Principal Research and Innovation	9,067	5,252	3,815	4,231	1,056	(1,472)	963	
Innovation Precinct	8,530	249	8,281	7,500	5,281	(4,500)	(3,000)	
Campus Wide Expenses	(191)	1,433	(1,624)	(1,013)	4,292	(4,903)	20,193	

The drawdown of \$12.3m for Central Support Units is primarily due to one-time capital spending to develop additional capacity for both academic and administrative needs.

Projects planned against Campus Wide Expenses and Innovation Precinct reserves for fiscal 2020/21 include the build-out of Innovation Precinct Buildings 1 and 2, infrastructure to connect the campus locations, and renewal of student spaces and athletic facilities.

Additional capital spending is planned under Campus Operations and Risk Management, where drawdowns reflect completion of projects initiated in fiscal 2019/20, including the Plant Growth facility, Office Modular 1, and Daycare expansion.

The drawdown of reserves in the Vice-Principal Research and Innovation portfolio relates to multi-year funded positions to support Innovation UBC initiatives, allocation of Aspire faculty recruitment for projected faculty hires, and planned strategic research infrastructure spending.

Offsetting the drawdowns is an addition to the ending reserves of the Excellence Fund. This balance is anticipated to be allocated during fiscal 2020/21 to support implementation of the strategic plan as new applications develop throughout the year.

Ending reserve balances for Central Support Units include amounts to be redistributed for strategic initiatives and contribution to future capital projects, including the construction of an Interdisciplinary Collaboration and Innovation building.

Student Financial Aid

UBC Okanagan (in \$000s)	Revenue	Expenses	Operating Surplus/ (Deficit)	Non-operating transfers	Invested in Capital Assets	Reserve (Drawdowns)/ Additions	Ending Reserve Balance	(Drawdowns) Addition
Student Financial Aid	16,855	17,681	(826)	0	0	(826)	684	
SFA Graduate	4,088	4,526	(438)	0	0	(438)	0	
SFA Undergraduate Domestic	6,909	6,879	30	0	0	30	218	
SFA Undergraduate International	5,189	5,491	(302)	0	0	(302)	351	
Workstudy, Go Global - SFA	669	785	(116)	0	0	(116)	115	

Fiscal 2020/21 revenue includes allocations from the TREK endowment to increase need-based financial aid for domestic students, to include Aboriginal Access Studies students in the bursary program and add a winter term two bursary as is offered at UBC Vancouver. Support from TREK is also committed to increase the funding available for graduate student merit-based awards. The fiscal operating deficit reflects the timing of incremental funding in relation to award disbursements. The ending reserve balance of \$0.7m will be held by the respective units and used to ensure the needs of students are being met.



The UBC Wine Research Centre is conducting pioneering research in enology and viticulture.

6. Consolidated Financial Budget

The Consolidated Statement of Operations (by function) and the Consolidated Statement of Net Debt require formal Board approval as these components are required for inclusion in the university's audited annual financial statements under Public Sector Accounting Board guidelines. The Consolidated Statement of Operations (by object) and Consolidated Statement of Financial Position are provided below for information only.

(By Object)
(in \$millions)

Revenues

Government grants and contracts

	Fiscal 18/19 Actual	Fiscal 19/20 Forecast	Fiscal 20/21 Plan	Variance
Government of Canada	305	313	322	9
Province of British Columbia	823	893	929	36
Other governments	20	22	24	2
Other contributions	176	181	182	1
Student fees	815	893	943	50
Investment income	97	98	105	7
Income from Government Business Enterprises	4	4	6	2
Sales and services	404	448	426	(22)
Amortization of deferred capital contributions	85	93	93	1

2,728	2,945	3,030	85
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Expenses

Salaries & benefits	1,566	1,728	1,830	102
Operating costs - other	475	528	528	-
Capital asset amortization	209	231	236	5
Cost of goods sold	46	51	47	(4)
Scholarships, fellowships and bursaries	147	159	173	14
Grants to third parties	128	137	135	(2)
Debt service costs	21	21	21	-

2,592	2,855	2,970	115
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Annual surplus from operations

136	90	60	(30)
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The consolidated statement of operations reflects a 2020/21 surplus of \$60m. This is an accounting surplus only and does not reflect funds available for spending. The components are as follows:

INCOME STATEMENT ANALYSIS

(in \$millions)

	Fiscal 19/20 Forecast	Fiscal 20/21 Plan	Variance
UBC Vancouver faculties	30	25	(5)
UBC Vancouver administrative units	(10)	(37)	(27)
UBC Okanagan	5	(11)	(16)
	24	(23)	(48)
Deferred land lease revenue	9	10	1
Endowment surplus	7	5	(2)
Research and other funds	27	21	(6)
Related organizations	-	(2)	(2)
Net investment in capital	23	49	26
Surplus	90	60	(30)

- Reserve drawdowns represent spending by units from reserves on capital projects
- Deferred land lease income, \$10m: proceeds from leasing land for development is allocated to the endowment as it is received, and the revenue is recognized in the Statement of Operations over the period of the lease, 99 years
- Endowment surplus, \$5m: this represents amounts that will never be spent, but are added to the principal of endowments to ensure that the spending allocation increases in future years to keep up with inflation
- Surplus from net investment in capital: when the university acquires tangible assets, this spending creates a surplus in the Statement of Operations in the year of acquisition (although the cash is spent), as the related expense flows through as depreciation in subsequent years. The breakdown is as follows:

NET INVESTMENT IN CAPITAL

(in \$millions)

	Fiscal 18/19 Actual	Fiscal 19/20 Forecast	Fiscal 20/21 Plan
Capital asset additions	363	367	460
Less funded externally	(130)	(112)	(133)
Depreciation	(208)	(231)	(236)
Less amortization of deferred capital contributions	85	93	93
Financial Statement Impact	110	117	184
Less funded from internal loans	(80)	(132)	(173)
Plus internal loan payments	47	38	38
Net internal loans	(33)	(94)	(135)
Net investment in capital	77	23	49

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (unaudited)

Presented in Classified Statement of Financial Position Format
(in \$millions)

	Mar 31, 2020 Forecast	Mar 31, 2021 Plan
ASSETS		
Current Assets		
Cash and cash equivalents	100	86
Accounts receivable	226	231
Operating investments	769	724
Investments in Government Business Enterprises	109	106
Other current assets	34	35
	<u>1,238</u>	<u>1,181</u>
Non-Current Assets		
Endowment investments	1,922	2,006
Capital assets	3,662	3,886
	<u>5,584</u>	<u>5,893</u>
TOTAL ASSETS	<u>6,822</u>	<u>7,074</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	319	326
Current portion of debt	6	8
	<u>325</u>	<u>333</u>
Non-Current Liabilities		
Employee future benefits	10	10
Deferred other restricted contributions	542	553
Non-current portion of debt	339	351
	<u>891</u>	<u>914</u>
Total Liabilities	1,216	1,247
Net Assets		
Accumulated surplus	2,321	2,416
Deferred capital contributions	1,575	1,615
Deferred land lease revenue	1,031	1,080
Deferred endowment contributions	678	717
Accumulated remeasurement gains		
	<u>5,606</u>	<u>5,827</u>
TOTAL LIABILITIES AND NET ASSETS	<u>6,822</u>	<u>7,074</u>

7. Documents Requiring Board Approval

Under public sector accounting board guidelines, certain approved budget information is required for inclusion in the year-end financial statements. These two documents are the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Changes in Net Debt.

The Consolidated Statement of Operations and Accumulated Surplus below reflects the same consolidated income statement included in Section 6, although the expenses are reflected by function, rather than by object. This mirrors the way that the information is presented in the financial statements. To derive the information by function, the university makes various assumptions about which operating units should be reflected within each category.

CONSOLIDATED STATEMENT OF OPERATIONS (By Function)

(in \$millions)

Revenues

Government grants and contracts

	Fiscal 19/20 Forecast	Fiscal 20/21 Plan	Variance
Government of Canada	313	322	9
Province of British Columbia	893	929	36
Other governments	22	24	2
Other contributions	181	182	1
Student fees	893	943	50
Investment income	98	105	7
Income from Government Business Enterprises	4	6	2
Sales and services	448	426	(22)
Amortization of deferred capital contributions	93	93	0

2,945 3,030 85

Expenses

Learning	1,371	1,437	66
Research	518	524	6
Facilities	416	427	11
Students	371	401	30
Community Engagement	74	77	3
Administration	105	104	(1)

2,855 2,970 115

Annual surplus from operations

90 60 (30)

External endowment donations

25 25 -

Annual surplus

115 85 (30)

Accumulated surplus, beginning of period

2,206 2,331 125

Accumulated surplus, end of period

2,321 2,416 95

**CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
YEAR END MARCH 31**

(in \$millions)

	Fiscal 19/20 Forecast	Fiscal 20/21 Plan	Change
Annual surplus	115	86	29
Exclude items not affecting net debt:			
Endowment donations and transfers	(25)	(25)	-
	90	61	29
Acquisition of tangible capital assets	(364)	(460)	96
Amortization of tangible capital assets	231	236	(5)
	(133)	(224)	91
Acquisition of inventories held for use ¹	-	-	-
Acquisition of prepaid expense ¹	-	-	-
Consumption of inventories held for use ¹	-	-	-
Use of prepaid expense ¹	-	-	-
	(43)	(163)	120
Net remeasurement gains ²	4	9	(5)
Self-supported subsidiary other comprehensive income ²	-	-	-
Increase in net debt	(39)	(154)	115
Net debt, beginning of year	(2,325)	(2,364)	39
Net debt, end of year	(2,364)	(2,518)	154

Notes

1. UBC does not manage inventory and prepaids at a consolidated level or budget activity for these items.

2. The budget for investment income is prepared using high level assumptions around management of investment balances; this does not extend to detailed forecasts around individual investment holdings.

Appendix I – Key Budget Assumptions

1. Provincial funding is based on funding received in fiscal 2020/21 plus increases for general wage increase (GWI) in line with the Provincial mandate.
2. Undergraduate domestic and most graduate tuition rates are budgeted to increase by 2 per cent. International undergraduate tuition rates will increase by 3 per cent for continuing students and by 4 per cent for new students. Some international professional tuition rates will increase by greater amounts approved by the Board.
3. The budget for endowment returns reflects the target return of 6.65 per cent for the Main Pool and 6.15 per cent for the Sustainable Future Pool of which 75 per cent is projected to be realized, and 25 per cent is projected to be unrealized. For the Main Pool, the target is based upon our spend rate of 4.0 per cent, an administrative cost recovery of 0.65 per cent, and an allowance for inflation of 2.0 per cent. For the Sustainable Future Pool, the spend rate is 3.5 per cent for TREK Impact established from land lease proceeds and 3.75 per cent for endowments established from donor contributions starting April 1, 2019. The administrative cost recovery for TREK Impact is 0.65 per cent and 0.40 per cent for existing and future donor funded endowments. The spend rate for the Sustainable Future Pool will be reviewed on or before March 31, 2021. Inflation is estimated at 2.0 per cent. The inflation amount is added to the endowment principal each year to protect the purchasing power of the endowment. There is potential for significant volatility in the markets, and changes of fund manager by IMANT could trigger significant realized gains.
4. Net land development proceeds to be added to SHFE are projected to total \$58m during the year. As well, the distribution of rental income from UBC Properties Trust is projected to be \$9m.
5. Capital asset additions are based on the construction completion schedule of Board-approved capital projects, as well as the planned capital priorities. General additions (computers and equipment) are as projected by units across both campuses.
6. The budget includes Routine Maintenance funding from the Provincial government of \$38m.

Appendix II - Financial Risks

Provincial Operating Grant

The Provincial Operating Grant has not yet been confirmed for fiscal 2020/21.

Global Health

International issues, including global health and the world economy, have an obvious potential to impact the university in a variety of ways, including effects on enrolment and operations. The recent global emergence of COVID-19 is a recognized risk across many areas of the university. Given the rapid speed at which things are developing, the impact of the outbreak is not comprehensively incorporated into this budget report.

UBC's administration is working closely with our faculties and administrative units to develop financial impact and mitigation strategies, including modeling various scenarios that assess changes to tuition (for both international and domestic students), sales and services decreases as drastic measures to promote "social distancing", and investment income tied to the recently volatile markets. We are also strategizing with regards to available funds that can be released in stages based on need to support all areas through these extraordinary circumstances.

The administration is aware that some units will need to forego several important sources of revenue because of event or program cancellation, and that others have forfeited deposits and incurred other expenses arising from late cancellations, but the detailed implications of these realities are still under review.

International Student Enrolment

The impact of COVID-19 on international enrolment is still being assessed. With the recognition that any shortfall in enrolments would result in a reduction of revenue, the pre-COVID-19 estimated enrolments have been used in the 2020/21 budget.

Over the past several years the university has increased the intake of international undergraduate students, and while the intake in 2020/21 only shows a modest increase, the total enrolment is forecasted to increase by 2.3 per cent as cohorts move through the system. The university has also been increasing international tuition rates to better align with Canadian peers, resulting in an approximately 8.5 per cent revenue increase in fiscal 2020/21. Given the increases in international tuition over the past several years, international tuition now accounts for approximately 23 per cent (\$550m) of total operating revenue (\$2.4b).

Information Systems Upgrade

As reported, the university is undertaking a major systems renewal program to replace the aging Student, Human Resources and Finance systems (Integrated Renewal Program). Given the magnitude of the financial investment and the scope of the implementation, there is potential risk of cost overruns and negative operational impact from the required change management. To mitigate these risks, the university has implemented a robust governance structure for the project, established a strong Project Management Office (PMO) to monitor and report progress and engaged an external quality assurance firm to identify, monitor and report program risks to Executive Sponsors and the Audit Committee of the Board.

Foreign Exchange Risk

The foreign exchange rate of the Canadian dollar in comparison to the US and other currencies puts financial stress in numerous areas. These include Library acquisitions which are purchased primarily from the US,

faculty recruitment since we compete internationally for the best faculty, research equipment, construction costs, and IT systems development and maintenance costs.

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Appendix III - Research

The Sponsored Research Fund accounts for all research transactions, the majority of which are funded externally. The use of external funding is restricted by the sponsor, donor or granting agency and is intended to support the research activities of principal investigators in their areas of expertise. The fund also includes some restricted activities funded from internal sources. These activities are typically for start-up purposes or represent residual balances from expired research projects, which are retained by the principal investigators.

Restricted funds are only recognized as income when the funding received is spent in accordance with the restrictions stipulated by the funding agreement so that revenues match expenditures, resulting in no change to the bottom line. For this reason, the research revenues reported in the university's consolidated financial statements may vary considerably from the amounts awarded to the university during any given year.

Unrestricted research funding will have an immediate impact on the reported bottom line each year to the extent that the funding has not been spent.

The table below presents the Sponsored Research Fund budget for fiscal 2020/21.

Research Award by Faculty 2020/21

<i>(In \$thousands)</i>	Government (Tri-Agency)	Government (Other agencies)	Non-Profit	Industry	Total
Applied Science	24,701	15,638	7,318	11,050	58,707
Arts	15,800	5,708	6,032	213	27,754
Dentistry	2,659	1,006	554	137	4,356
Education	3,563	2,376	1,733	127	7,798
Forestry	5,483	7,039	3,549	744	16,815
Land and Food Systems	2,419	1,596	1,572	995	6,581
Law	710	52	630	15	1,407
Medicine	99,973	77,799	125,244	42,680	345,695
Pharmaceutical Sciences	1,856	1,708	2,480	525	6,568
Sauder School of Business	2,303	487	1,025	319	4,133
Science	57,597	32,474	18,027	6,208	114,305
UBC Okanagan	9,371	9,692	5,811	1,703	26,577
Other Faculties	69	19,214	1,240	2,064	22,586
Total	226,505	174,788	175,213	66,779	643,284

Appendix IV - Endowment

The university's Endowment Funds consist of endowed gifts, bequests, donations, and land lease proceeds. Approximately \$1.9 billion of the Endowment Funds, including TREK and TREK Impact, are invested by UBC Investment Management Trust Inc. (IMANT). These funds support the university's academic mission, student financial awards, academic and research initiatives, student housing, and capital projects.

The land lease proceeds endowments include the TREK, TREK Impact, Student Housing Financing (SHFE) and Faculty Housing Assistance Financing (FHAFF) endowment funds. TREK and TREK Impact support the UBC mission and advance its charitable goals. SHFE was established in 2012 to invest in new student residences. FHAFF was established in February 2017 to facilitate the recruitment and retention of outstanding faculty members. In addition to providing financial support for student residences and faculty recruitment, the land lease proceeds endowment funds currently support the Faculty of Pharmaceutical Sciences capital project, the Stem Cell Lab Biomedical Research Centre capital project, the Faculty of Medicine's Faculty Renewal, the Fitness Facility Expansion in the Old SUB, UBC's Brand Positioning campaign, the Enterprise wide IT renewal project UBC Okanagan and Academic Enhancement.

Other gifts, held separately from the IMANT invested funds, include the Peter Wall Endowment, the Vancouver Foundation funds held for the benefit of the university and the Merilees Chair for the Study of Democracy fund.

(in \$millions)	Total (including SHFE and FHAFF)			IMANT Invested Funds (excluding TREK AND TREK IMPACT)		Land Lease Proceeds (TREK, TREK IMPACT, SHFE and FHAFF)	
	2018/19 Actuals	2019/20 Q3 Forecast	2020/21 Plan	2019/20 Q3 Forecast	2020/21 Plan	2019/20 Q3 Forecast	2020/21 Plan
Endowment market value							
Endowment capital account	2,011	2,256	2,403	1,453	1,513	803	890
Stabilization account	291	300	262	248	239	52	23
Balance	2,302	2,556	2,665	1,701	1,752	855	913
Endowment spending							
Investment income	93	95	101	57	60	38	41
UBCPT rental distributions	9	9	9	-	-	9	9
Operating expenses	(86)	(103)	(118)	(56)	(58)	(47)	(60)
Internal transfers to endowment capital	4	6	13	6	13	-	-
Surplus (deficit)	20	7	5	7	15	-	(10)

The capital account balances represent external donor, internal university contributions, and inflation adjustments recorded to maintain the purchasing power of endowment capital over time.

The stabilization account balances reflect the value of endowments that have been generated through returns that are above target levels. It is a measure of the amount that is currently in the endowment fund above the inflation adjusted principal balances as a protection against future market downturns.

For unrestricted endowment funds, investment income includes only realized returns. For restricted endowment funds, investment income includes total returns to the extent of expenses incurred. The excess is deferred and recorded on the Statement of Financial Position until the period in which the related expenses are incurred.

Appendix V - Related Entities

The consolidated financial statements reflect the assets, liabilities, revenue, and expenses of organizations that are controlled by the university. All related organizations are consolidated, with the exceptions of UBC Properties Trust (UBCPT) and Great Northern Way Campus Trust, which are reported using the modified equity method.

The organizations that are fully consolidated into the financial statements of the university are:

- UBC Foundation – established to encourage philanthropic support for the university;
- American Foundation – established to encourage philanthropic support of the university;
- Hong Kong Foundation – established to encourage philanthropic support of the university;
- UK Foundation – established to encourage philanthropic support of the university;
- UBC Society for the Education of Young Children, a not-for-profit organization that maintains and operates an educational program for young children;
- UBC Asia Pacific Regional Office – a Hong-Kong based association formed to promote and advance the academic and research interests of the university and its partners in the Asia Pacific region; and
- UBC Investment Management Trust – manages the investment assets of the university's endowment and operating funds, and the staff pension plan.

UBCPT is the most significant subsidiary of the university. In addition to managing a portfolio of rental assets and providing project management services on capital projects, UBCPT carries out real estate development activities for the benefit of the university. Through UBCPT, the university sells pre-paid leases on certain properties to third parties for a period of 99 years. The proceeds from land leases have historically been directed to an internal endowment fund (TREK) and used to support the university's priorities.

Appendix VI - Killam Endowment Funds

In 1965, The University of British Columbia was fortunate in receiving various Killam Trusts, which were created pursuant to the last will and testament of the late Dorothy J. Killam. The trust funds were established at the Canada Council, Dalhousie College and University, The University of Alberta, The University of British Columbia (UBC) and The Montreal Neurological Institute. Subsequently, part of the fund bequeathed to The University of Alberta was transferred to The University of Calgary.

Annual budgets for the Killam Endowment Funds held at the university require the approval of the UBC Board of Governors. They are based on the Killam spending guidelines and calculated using a spending allocation of 3.5 per cent of the preceding three years average market value of the funds. The fiscal 2020/21 spending budget is as follows:

In \$thousands

Program spending

	Killam General	Killam Memorial Salary	Izaak Walton Killam Memorial for Advanced Studies	Total
Research and scholarly activities	163	-	-	163
Faculty research fellowship awards	940	656	-	1,596
Bridge funding for academic priorities	161	-	-	161
Post-doctoral awards	-	-	426	426
Pre-doctoral awards	-	-	426	426
Graduate Studies administration	-	-	64	64
Total 2020/21 budgeted spending allocation	1,264	656	916	2,836

Appendix VII – Capital Details

The university makes significant on-going capital investments to support its learning and research mission, and to create an outstanding student experience.

Capital Expenditure and Funding for 2020/21 is budgeted as follows:

CAPITAL EXPENDITURE <i>(in \$millions)</i>	Fiscal 18/19 Actual	Fiscal 19/20 Forecast	Fiscal 20/21 Plan
Building and Property:			
Major buildings	67	93	169
Routine capital	53	59	59
Building renovations and additions	82	42	61
Capital infrastructure ¹	12	12	12
	214	206	301
Research equipment	53	66	62
Other equipment and furnishings	41	10	13
Information technology	41	72	72
Library	15	12	12
Total Capital Expenditure	364	367	460

1. Capital infrastructure includes improvements to roads, lots, sewer, gas, water and electrical assets

CAPITAL FUNDING <i>(in \$millions)</i>	Fiscal 18/19 Actual	Fiscal 19/20 Forecast	Fiscal 20/21 Plan
Funding Source:			
Ministry (KDF/COA)	35	30	55
Ministry - Routine capital	39	38	38
Federal - CFI	19	23	25
Federal - SIF	8	-	-
Donations	30	20	15
	131	112	133
Internal Sources			
Unit/Central	147	116	127
Infrastructure impact charges	7	7	27
Internal loans	80	132	173
	234	255	327
Total Funding	365	367	460

Buildings and Property

The majority of buildings and property capital expenditure is under the management and control of Infrastructure Development, with additional capital expenditures overseen by Student Housing & Hospitality Services. Faculties and administrative departments also commission other building projects, normally of a minor nature. The design, construction, renovation and upgrades of all buildings and property projects are project managed by either UBC Properties Trust or UBC Project Services (Infrastructure Development).

Projects are organized according to type, scope and required approval level:

- Major buildings – this includes new building or major renewal projects greater than \$5m, approved by the Board of Governors.
- Routine capital – includes core maintenance projects funded in part by the Ministry of Advanced Education, Skills and Training (AEST), with projects typically less than or equal to \$5m. This program is approved by the Board of Governors. Building Operations and Energy & Water Services identify and prioritize projects under this program based on facility condition and building user input.
- Infrastructure Impact Charge (IIC) and Community Amenity Charge (CAC) Program – this includes utility, public and community infrastructure projects funded through charges on campus development. This program is approved by the Board of Governors.
- Department-funded capital – includes renovation and upgrade projects less than or equal to \$5m that are commissioned and funded by faculties and administrative departments. This work is recorded under “Funded from available reserves.” Projects greater than or equal to \$2.5m require UBC Executive approval.

Major Buildings

There are currently eight major building projects in design or construction and for which capital expenditures will be incurred in fiscal 2020/21. Three of these are partially funded through the Federal Strategic Infrastructure Funding (SIF). Projects include:

2020/21 Major Building Projects

(in \$millions)

Building Project	Total Budget	2020/21 Estimated Cost	Estimated Completion Date
Pacific Residence (Walter Gage Infill Site)	160	70	21-Jul
Brock Commons Phase 2	163	30	22-Sep
UBC Okanagan Housing Commons & Skeena Residence	76	40	20-Aug
BioEnergy Facility Expansion Project	20	15	20-Sep
Wesbrook Child Care Centre	5	4	20-Sep
Arts Student Centre	11	4	21-Jul
School of Biomedical Engineering Building	138	3	23-Sep
Gateway Building	189	3	24-Jul

These projects provide renewed or expanded infrastructure to address the following needs:

- Academic program changes and enrolment growth

- Research activity and grant awards
- Student housing demand
- Deferred maintenance and seismic upgrade requirements to ensure safe and reliable facilities
- Transportation and utility infrastructure capacity requirements

Further details on major building projects are provided in the Capital Projects Update report, which is included in the docket for each meeting of the Board of Governors.

Routine Capital – Core Building Maintenance

The Ministry of Advanced Education, Skills and Training (AEST) increased Routine Capital funding to address much needed capital maintenance in campus buildings. UBC (both campuses) received \$38.1M from AEST in 2019/20 and is notionally scheduled to receive the same amount in 2020/21. AEST has specified that these funds are to be directed toward the reduction of deferred maintenance in core academic facilities and that the overall package of projects in each year must be cost-shared between AEST and UBC on a 75%/25% basis.

Infrastructure Development coordinates the development of the annual plan with Building Operations and Energy & Water Services, who set the program of specific projects based on facility condition assessment and input from department administrators regarding building user priorities. Synergies are sought with other infrastructure renewal and modernization requirements such as learning space upgrades, accessibility upgrades, and seismic upgrades.

The first category, Major Maintenance and Rehabilitation Projects, includes campus-wide maintenance and rehabilitation projects consisting of roof and envelope repairs, elevator retrofits, electrical infrastructure projects, fire and life safety system retrofits, minor interior refit projects (such as flooring replacements and washroom refurbishments), and utilities infrastructure improvements. Individual projects in this category will cost less than the \$5.0m Board approval threshold.

Example projects in this category for 2020/21 include:

- Linear Assets/UNY substation - \$4.83m
- BUTO – 11th, 12th- \$4.05m
- Electrical maintenance - \$3.48m
- Learning space maintenance - \$3.05m
- Architectural maintenance - \$2.86m
- Mechanical maintenance - \$2.63m
- UBCO central heating plant upgrade - \$1.17m

The next eligible category for work is whole-building renewal projects to address the full range of deferred maintenance items in targeted buildings. Macleod teaching spaces have been moved to UBC Life building for the duration of the construction in 2019/20 and 2020/21. Addressing the significant deferred maintenance and seismic risk in the Macleod Building will improve the safety, extend the useful life, and improve the system reliability of this core academic building.

Whole building renewal projects are larger in scope and fall above the \$5.0m threshold. The Macleod Building renew project, for example, is estimated at approximately \$48m. Given the necessity to plan and execute these projects in very tight timelines, it was previously agreed that they be approved by the Board, as part of the annual university budget approval process.

The following table provides a high-level breakdown of the 2020/21 AEST-supported Routine Capital programs for the UBC Vancouver and Okanagan campuses. AEST has allocated funding using a formula based on the amount of deferred maintenance at each campus.

2020/21 ROUTINE CAPITAL PROJECTS
(in \$millions)

	AEST 75%	UBC 25%	TOTAL
Vancouver Campus			
Major Maintenance & Rehabilitation Projects	24.3	8.1	32.4
Museum of Anthropology	6.2	2.1	8.3
Macleod building	11.2	3.7	14.9
Minor Maintenance & Rehabilitation Projects	1.6	0.5	2.1
Total - Vancouver Campus	43.3	14.4	57.7
Okanagan Campus			
Major Maintenance & Rehabilitation Projects	1.1	0.3	1.4
Total - Okanagan Campus	1.1	0.3	1.4
Routine Capital Projects - UBC Total	44.4	14.8	59.2

Information Technology

Major Systems Projects

These include the university's capital investments in enterprise-wide systems either to create new capabilities or upgrade existing systems to extend useful life. The required investments in major systems replacements and upgrades are essential for the university to maintain its level of service in a rapidly changing technology environment, and is considered a major risk factor if the systems were allowed to decline.

The Integrated Renewal Program and the Other Enterprise-Wide Systems are financed through internal loans, in accordance with Board policy, while Minor Systems Upgrades and Lifecycle investments are funded from Information Technology's annual operating budget.

The major cost items over the period are:

a) Integrated Renewal Program (IRP)

The IRP unites previously independent projects, formerly known as Student Academic Systems Initiative (SASI), Procurement Modernization, HR and Finance Renewal to replace legacy systems. The IRP will implement one core platform for students, faculty and staff to conduct administrative tasks – resulting in a better user experience, a new set of tools, a new way of working, and improved reporting for informed decision-making. The configure and prototype, test and deploy stages are expected to be completed for the IRP in fiscal 2020/21 with a primary focus on the HR and Finance Systems while also laying the Architect plan for the Student System.

a) Other Enterprise-Wide Systems

Other Enterprise-wide systems are being implemented in conjunction with the IRP and include the following four systems:

Enterprise Data Integration (EDI) A project to implement an integration service to deliver data between applications and create a more coherent data integration strategy. This will replace thousands of individual integration points that exist today that pose a security risk and reduce analytic capability for the institution. Currently, the university is moving forward with several enterprise system refresh programs, specifically the IRP, Customer Relationship Management, Learning Technology Environment and many others. Inherent in all system implementations is the ability to trade business information between systems. These system refreshes will impact thousands of integration points within the UBC information system ecosystem and externally to hundreds of other communities of interest. To compound the issue, each system has a different business problem and data model, exacerbated by years of technical implementations and tools. In short, all of these integrations must be replaced and should be rationalized and updated into a common framework. Expected completion is in this upcoming fiscal year with Mulesoft as the selected cloud-based solution.

Privacy and Information Security Management (PrISM) This is a program of activity focused on reducing the IT security risk to the institution with the provision of the required tools, technologies and support. The program has two components: technology and community.

Research Equipment

Research projects contain a wide range of capital expenditure commitments, primarily related to major and minor equipment needs, and also IT equipment and software. Some major projects include building adaptations or renovations.

Library

The Library collections are integral to the past and future success of the university, and underpin the academic mission of world-leading learning, teaching and research. Because the majority of the university's collections are purchased in US currency, Canadian currency depreciation has placed pressure on the Library's ability to maintain its collection acquisition levels. Consequently, an additional \$2.0m has been allocated to maintain the current collection.

Appendix VIII – Investment Income on Land Development

The Endowment Lands were given to the university a century ago to fund a “margin of excellence” beyond what a publicly funded university could achieve. The university generated proceeds through developing land starting in the 1990’s. The capital was invested and the net income was available to support discretionary strategic priorities.

At the time, the Board had two objectives: first, to maintain the capital in perpetuity; second, to ensure the use of the income was not permanently restricted to specific purposes so that the annual cash flows could be used for strategic purposes the President of the day determined. This lack of restriction is illustrated in the TREK terms of reference dating back to 2002, which broadly states that “the income will be used to support the mission of the university.”

Four endowment funds have been established with the net proceeds of long-term leases: TREK which resides in the Main Pool of endowment funds managed by IMANT, TREK Impact in the Sustainable Future Pool managed by IMANT, the Student Housing Financing Endowment (SHFE) and more recently the Faculty Housing Assistance Financing Endowment (FHAFE).

Land Development Endowment

(in \$millions)

	2018/19 Actuals	2019/20 Q3 Forecast	2020/21 Plan	Increase / Decrease
Trek Endowment, in the Main Pool	381	388	379	(9)
Trek Impact, in the Sustainable Future Pool	16	33	43	10
Student Housing Financing Endowment Fund	324	391	439	48
Faculty Housing Financing Endowment Fund	33	43	52	9
	754	855	913	58

The \$9 million decrease in Trek represents approximately \$22 million of earnings net of \$31 million of spend allocations under the new \$52 million flat spend proposal.

The \$10 million increase in Trek Impact represents a Board approved \$10m transfer from SHFE. Under the \$52 million flat spend, all earnings are spent.

The \$48 million increase in SHFE is comprised of \$58 million estimated land lease proceeds and \$9 million of rental proceeds from UBCPT, net of \$10 million transferred to Trek Impact and \$9 million transferred to FHAFE. Under the \$52 million flat spend, all earnings are spent.

The \$9 million increase in FHAFE is made up of \$9 million transferred from SHFE. Under the \$52 million flat spend, all earnings are spent.

TREK and TREK Impact support the mission of the university generally and advance its charitable goals. SHFE was established to support student housing projects while the intention of FHAFE was to facilitate the recruitment and retention of outstanding faculty members. In all cases, earnings have been used to support strategic initiatives and up to March 31, 2020, preserve the principal value of the original contributions. The university also receives net proceeds from rental properties managed by UBC Properties Trust (UBCPT), which up to March 31, 2020, have been combined with the income from these endowments to support strategic initiatives.

At the June 2019 Board of Governors’ meeting, a review of the TREK-related spending policy was presented, illustrating an opportunity to unlock the value of the TREK-related assets while improving intergenerational equity. The review recommends converting the current spending policy for the TREK endowment from a 4%

spend rate to a flat real spend of \$52 million in fiscal 2020 dollars. Although it was determined at the June 2019 Board meeting that a decision to adopt the real spend strategy would be held pending until appropriate uses of the funds could be identified, the 2021 TREK Plan has been modelled on the flat spend in anticipation of its approval

These funds are not intended to be allocated permanently, but are used to support initiatives with limited life spans to maintain flexibility as to their use for future administrations. That said, a large portion has been allocated to support building projects which are university priorities but are not fully funded from other sources. Typically, funding is allocated to finance construction costs, which are amortized over periods of up to 30 years until the debt has been repaid, at which point the funding will become available for reallocation. On-going allocations below represent debt service payments to support the construction of various university buildings, such as the IK Barber Learning Commons, Allard Hall, the Centre for Comparative Medicine, the Life Sciences Building, the Iona Building, and the Student Nest.

More recently, as funding has become available, these endowments have supported other types of priorities, such as enterprise-wide renewal, the Faculty of Medicine's Faculty Renewal, Academic Enhancement, and matching funds.

The funds available from investment income on land development and funding allocations are summarized as follows:

Investment Income on Land Development

(in \$ millions)

	2018/19 Actuals	2019/20 Q3 Forecast	2020/21 Plan	Increase / Decrease
Funding sources, includes carryforward				
Balance carried forward	4.4	6.9	0.8	(6.1)
Trek 4.0% spend allocation	14.2	14.6	15.0	0.4
Trek Impact 3.5% spend allocation	0.5	1.0	1.1	0.1
SHFE 3.5% spend allocation	6.4	8.2	8.8	0.6
FHAFE 4.0% spend allocation	0.6	0.7	1.0	0.3
UBCPT rental distributions	8.8	8.8	0.0	(8.8)
Incremental allocations for the \$52m flat spend		4.0	26.1	22.1
Total funding	34.9	44.2	52.8	8.6
Funding allocations				
On-going debt service	22.5	22.7	22.7	
<u>New ongoing allocations</u>				
Internal loan - Enterprisewide IT renewal	2.0	4.0	4.0	
Medicine Faculty Renewal	1.1	6.1	7.0	
UBCO Student Financial Support		1.8	6.2	
	25.6	34.6	39.9	5.3
<u>Limited term allocations</u>				
Academic Enhancement	-	-	15.0	
Routine Capital match + classroom & learning space deferred maintenance and renewal	-	4.2	-	
UBC Brand Positioning Campaign & Speaker Series Support	1.8	2.0	-	
VPRI space renovation	-	1.4	-	
Pharmaceutical Sciences Building - Debt relief	0.3	0.3	0.3	
Rent Geared to Income Program	0.3	0.7	0.7	
UNA athletics	-	0.2	-	
	2.4	8.8	16.0	7.2
Total allocations	28.0	43.4	55.9	12.5
Funding available for further allocations	6.9	0.8	(3.1)	(3.9)

Appendix IX – Fiscal 2020/21 Plan to Fiscal 2019/20 Forecast by Faculty/Portfolio

PORTFOLIO ANALYSIS

(in \$thousands)

	2018/19 Actuals	2019/20 Q3 Forecast	2020/21 Plan	Change Plan vs Forecast
Faculty of Applied Sciences	5,814	6,709	4,498	(2,211)
Faculty of Arts	14,243	4,991	3,110	(1,881)
Sauder School of Business	3,208	3,697	3,990	293
Faculty of Dentistry	(948)	902	900	(2)
Faculty of Education	2,045	2,397	694	(1,703)
Faculty of Forestry	907	(2,366)	257	2,623
Faculty of Graduate & Postdoctoral Studies	420	134	(311)	(445)
Faculty of Land & Food Systems	3,202	3,627	(92)	(3,719)
Allard School of Law	(1,023)	(476)	(693)	(217)
Faculty of Medicine	4,330	1,301	1,180	(121)
Faculty of Pharmaceutical Sciences	3,197	2,882	423	(2,459)
Faculty of Science	1,919	5,777	3,403	(2,374)
Governance	(1,769)	5,600	(2,553)	(8,153)
Provost and VP Academics	9,238	11,658	152	(11,506)
Academic Excellence Funds	7,192	5,717	(7,229)	(12,946)
VP Development and Alumni Engagement	(441)	(455)	-	455
VP External Relations	(292)	(1,505)	(2,282)	(777)
VP Health	790	1,361	276	(1,085)
VP Finance and Operations	3,302	1,312	(3,957)	(5,269)
VP Human Resources	1,732	1,312	(2,481)	(3,793)
VP Research and Innovation	2,261	246	(745)	(991)
VP Students	(1,573)	(185)	(1,648)	(1,463)
Student Financial Aid	(234)	1,978	(502)	(2,480)
Campus Wide Expenses	(28,211)	(37,365)	(7,949)	29,416
Central Revenues - Vancouver	1,787	-	-	-
UBC Okanagan Academic Units	7,115	6,320	(256)	(6,576)
UBC Okanagan Admin & Campus Wide Expenses	2,369	(1,325)	(10,684)	(9,359)
Total Operating Surplus/ (Deficit)	40,580	24,244	(22,499)	(46,743)

Faculty of Applied Sciences

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	11,674	12,050	12,510	461
International	20,399	22,344	23,519	1,176
Graduate tuition	10,364	12,569	13,449	880
Operating allocation				
Recurring	41,797	44,677	45,962	1,285
One-time	973	1,178	705	(473)
	85,208	92,818	96,146	3,328
Departmental Revenue				
Government grants and contracts				
Province of British Columbia	600	490	0	(490)
Student fees - Domestic	3,658	3,520	3,020	(500)
Student fees - International	129	182	0	(182)
Non-government grants, contracts, donations	274	581	148	(432)
Sales and services	3,067	3,867	4,525	657
	7,729	8,639	7,693	(947)
Total Revenue	92,936	101,457	103,839	2,382
Operating Expenses				
Salaries - Academic	40,995	43,348	45,049	(1,701)
Salaries - Student services	3,607	3,974	3,913	61
Salaries - Staff	16,553	19,133	19,955	(822)
Total Salaries	61,155	66,455	68,917	(2,462)
Employee benefits	9,669	10,671	10,721	(50)
Total Salaries and benefits	70,824	77,126	79,638	(2,512)
Supplies and sundries	5,941	6,582	6,995	(413)
Scholarships, fellowships and bursaries	303	354	272	81
Travel and field trips	1,191	1,198	1,379	(181)
Professional and consulting fees	913	1,073	1,025	47
Utilities	577	683	634	49
Total Expenses	79,749	87,015	89,943	(2,927)
Excess (deficiency) of revenues over expenses	13,187	14,442	13,896	(546)
Transfers to (from) non-operating funds	4,826	4,669	5,340	(671)
Change in invested in capital assets	2,547	3,064	4,058	(993)
Net change in unrestricted fund balance	5,814	6,709	4,498	(2,211)
Accumulated reserves - opening	26,191	32,006	38,715	6,709
Accumulated reserves - closing	32,006	38,715	43,213	4,498

Overview

The faculty has planned for an operating surplus of \$4.5m for fiscal 2020/21, which is a decrease compared to both the prior-year surplus of \$5.8m and the current-year forecast of \$6.7m. Budgeted revenues show a favourable international-to-domestic ratio for tuition, along with volume growth for graduate programs. This is slightly offset by a conservative approach in departmental revenues, where there is success uncertainty around government grants and anticipatory decline in Vancouver Summer Program revenues due to the coronavirus outbreak at time of planning. With the accumulated reserves, the faculty plans to focus on one-time expenditures such as upgrading classroom and laboratory infrastructure, providing funding for sunk teaching

and administration costs to incubate new programs to self-sufficiency, providing increased support for research activities where applicable, and the planning of new buildings (including APSC One).

Key Drivers

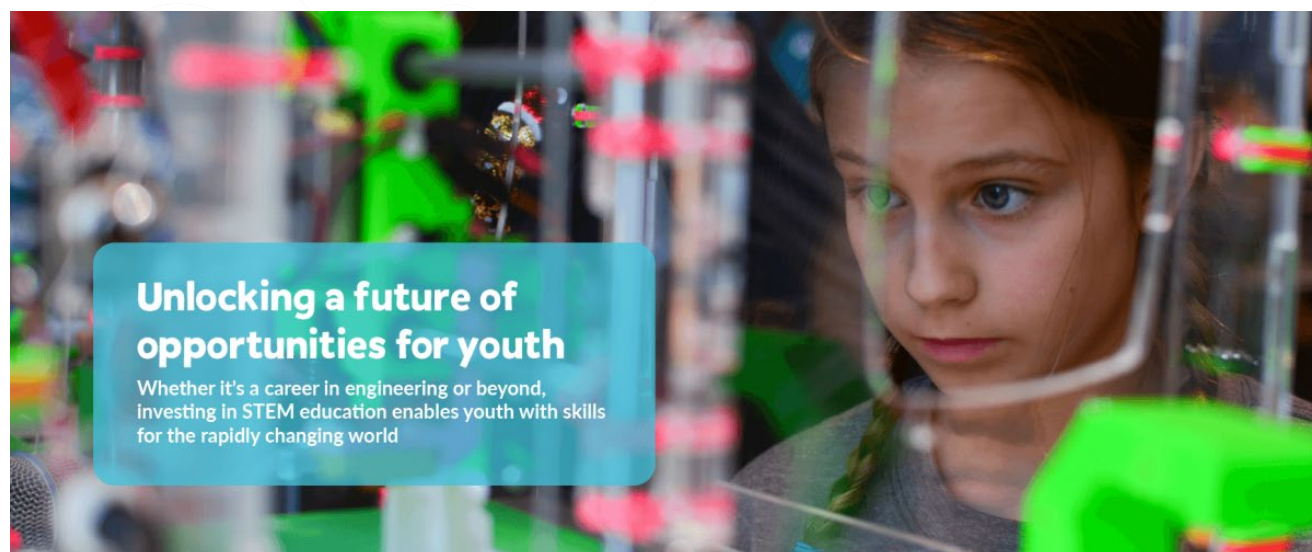
- **Grants** – There is no anticipation for grants due to success uncertainty with respect to receiving additional grant funding.
- **Tuition** – Overall, there is a favourable international-to-domestic ratio in terms of revenue generation.
 - TAM tuition – Anticipating growth over prior year due to increased international tuition in both undergraduate and graduate programs. Organic volume growth and rate increases planned for domestic undergraduate tuition. Favourable variance in graduate tuition due to volume growth in new Master of Engineering Leadership (MEL) and Master of Health Leadership and Policy (MHLP) programs.
 - Direct tuition – Conservatism around Vancouver Summer Program volume estimations due to coronavirus outbreak in China.
- **Sales and Services** – Planned increase in Geering Up volumes offset by planned conservatism in corporate donations for student teams.
- **Salaries and Benefits** – Increased spending a combination of planned net new faculty hires, net new staff hires, and contractual 2% salary increases.

Capital Expenditures

Increased planned expenditures include renovations and equipment renewal for laboratory spaces as tied to new programs and new faculty hires, maintenance on existing buildings, feasibility studies with respect to upcoming capital infrastructure investments.

Transfers to Non-Operating Funds

- **Research** – Start-up funds for new faculty hires (and support funding) budgeted at a higher level compared to current and prior year as tied to net new faculty hires. Based on rolling 12-month spending patterns at time of planning, faculty anticipates a research spending rate of approximately 90%, leaving just under \$514k unspent of the \$5.2m forecasted transfers.



Unlocking a future of opportunities for youth

Whether it's a career in engineering or beyond, investing in STEM education enables youth with skills for the rapidly changing world

Investments and expansion of the Geering Up outreach program in the Faculty of Applied Science improve access to STEM education and further UBC's core priority of furthering local and global engagement.

Faculty of Arts

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	35,395	36,041	36,752	711
International	66,737	71,064	74,781	3,717
Graduate tuition	7,892	8,567	9,455	889
Operating allocation				
Recurring	58,578	63,643	66,569	2,927
One-time	(13)	246	382	136
	168,589	179,559	187,939	8,380
Departmental Revenue				
Government grants and contracts				
Government of Canada	456	235	64	(171)
Province of British Columbia	136	28	0	(28)
Other governments	16	224	409	184
Student fees - Domestic	2,083	1,745	952	(792)
Student fees - International	596	592	638	46
Non-government grants, contracts, donations	561	590	446	(144)
Sales and services	9,043	8,507	8,184	(323)
	12,892	11,921	10,693	(1,228)
Total Revenue	181,481	191,480	198,632	7,152
Operating Expenses				
Salaries - Academic	91,296	97,210	104,081	(6,870)
Salaries - Student services	10,867	11,566	11,718	(153)
Salaries - Staff	24,370	26,904	30,368	(3,464)
Total Salaries	126,534	135,680	146,167	(10,487)
Employee benefits	20,042	22,783	24,168	(1,385)
Total Salaries and benefits	146,576	158,463	170,335	(11,872)
Supplies and sundries	4,507	4,689	4,816	(127)
Cost of goods sold	1,298	1,229	1,124	104
Scholarships, fellowships and bursaries	3,107	3,620	3,913	(293)
Travel and field trips	2,265	2,829	2,494	335
Professional and consulting fees	1,459	2,997	1,696	1,301
Utilities	736	815	849	(34)
Total Expenses	159,948	174,642	185,227	(10,585)
Excess (deficiency) of revenues over expenses	21,533	16,838	13,405	(3,434)
Transfers to (from) non-operating funds	3,787	7,964	4,411	3,553
Change in invested in capital assets	3,503	3,883	5,884	(2,001)
Net change in unrestricted fund balance	14,243	4,991	3,109	(1,882)
Accumulated reserves - opening	26,078	40,322	45,313	4,991
Accumulated reserves - closing	40,322	45,313	48,422	3,109

Overview

Operating revenues are expected to grow by nearly 4% generated primarily from international student tuition and provincial government funding from the sustainable services negotiating mandate. Highlights of the 2020/21 financial plan include growth in faculty and staff positions along with an escalation in capital project spending.

Key Drivers

- **Tuition** TAM tuition – ISI student FTE growth and slight increase in enrolments in professional degree programs.
- **Sales and Services** – Revenues have been lowered to reflect reduction in admission, rental and shop sales in Museum of Anthropology due to seismic work starting on the Great Hall in fiscal 2020/21
- **Salaries and Benefits** – Approximately 35 new growth positions for faculty and approximately 40 new growth positions for staff (primarily in Finance, Human Resources, Advising, and Instructional Support).

Other Major Variances

- **Professional and Consulting Fees** – Consulting costs related to the strategic review of the Finance and Human Resources operating models and the strategic review for Arts Academic Advising unit staffing have already been completed in fiscal 2019/20.
- **Student Fees** – Potential impact of corona virus on lowering revenues from Vancouver Summer and Future Global Leaders Programs.
- **Interfund Transfer In** – First year of Provost Academic Excellence Fund (AEF) transfers to Faculty of Arts coded as interfund transfers in.

Capital Expenditures

Major capital expenditures include: continued renewal of Buchanan Tower, Music Building renovations, Freddie Wood Theatre room renovations, Anthropology photo lab renovation, Geography flume lab renovation, and Kenny Building furnishings

Transfers to Non-Operating Funds

- **Research** – Supporting research activities (Heads/Directors research allowance, new faculty start-up, Canada Research Chair (CRC) overhead, Faculty of Arts and unit matching contributions
- **Capital** – \$3m – Arts Student Centre; additional \$500k – Kenny Building fourth floor facility renewal
- **Endowment** – Blue & Gold Campaign match, Belkin endowments to support staff salary
- **Specific Purpose** – Heaslip Award contribution.

UBC Sauder School of Business

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	9,137	9,237	9,423	186
International	23,731	24,545	25,343	798
Graduate tuition	10,392	11,669	13,514	1,845
Operating allocation				
Recurring	17,847	19,903	21,284	1,381
One-time	(710)	(4)	0	4
	60,396	65,350	69,564	4,213
Departmental Revenue				
Student fees - Domestic	28,479	29,060	29,549	489
Student fees - International	139	84	0	(84)
Non-government grants, contracts, donations	71	555	362	(193)
Sales and services	3,371	2,525	2,474	(51)
	32,060	32,223	32,384	162
Total Revenue	92,456	97,573	101,948	4,375
Operating Expenses				
Salaries - Academic	33,078	36,562	37,816	(1,254)
Salaries - Student services	2,541	2,857	2,819	37
Salaries - Staff	18,374	20,516	21,289	(773)
Total Salaries	53,994	59,935	61,925	(1,990)
Employee benefits	7,854	9,118	9,092	26
Total Salaries and benefits	61,847	69,053	71,017	(1,964)
Supplies and sundries	14,568	13,883	14,299	(416)
Scholarships, fellowships and bursaries	688	1,293	1,594	(300)
Travel and field trips	1,857	1,855	1,944	(90)
Professional and consulting fees	7,113	5,519	6,021	(502)
Utilities	418	211	433	(222)
Total Expenses	86,492	91,814	95,309	(3,495)
Excess (deficiency) of revenues over expenses	5,964	5,759	6,639	880
Transfers to (from) non-operating funds	814	1,020	147	872
Change in invested in capital assets	1,942	1,042	2,502	(1,459)
Net change in unrestricted fund balance	3,208	3,697	3,990	293
Accumulated reserves - opening	17,946	21,154	24,851	3,697
Accumulated reserves - closing	21,154	24,851	28,841	3,990

Overview

The BCom program is the largest academic program in the Sauder School of Business. Total enrolment projected for September 2020 has a net increase of 20 students — 40 additional domestic students, and a decrease of 20 international students. The professional graduate programs include: full-time MBA, Master of Management & Master of Business Analytics, Professional MBA, and Master of Management. B + MM and Dual Masters are all projected to have higher enrolments for the fiscal year. Sauder's Professional Program units (Executive Education, Continuing Business Studies, Real Estate Division, and Diploma Division) continue to show positive returns back to the Faculty. Faculty recruiting of six new faculty to replace retirements and additional staffing positions in business development and recruiting. Renovations to the David Lam Building offices was deferred from last fiscal year to this year.

Key Drivers

- **Grants** – Non-government grants from industry are projected to decrease for the Centre for Operations Excellence.
- **Tuition (TAM):**
 - Undergraduate domestic students account for 63% of the overall study body in our BCom program. Applications for the September intake increased this year and as a result we will be increasing our domestic intake by 40 students. International students account for 37% of the overall student body in the BCom program, and faculty intend to take in 20 fewer students.
 - Graduate Programs – Revenues include the full-time MBA, Master of Business Analytics, Master of Management, and B+MM and MM Dual degree programs. The Faculty has decided to increase staffing resources in the recruitment team to meet projected enrolment targets compared to the previous year.
- **Direct Tuition** – Professional Program units include the following: Continuing Business Studies (CBS), Executive Education (EE), Real Estate (RED), and Diploma Division (DAP). As units diversify their revenue streams, the Faculty sees an overall small increase from the previous fiscal year. The Vancouver Summer Program and International MBA program revenues have been scaled back by 20% due to the recent health concerns in China. Revenues from all of these programs cross subsidized our degree programs.
- **Sales and Services** – Increases in application fees for all Faculty's undergraduate and graduate programs.
- **Salaries and Benefits** – The Faculty continues in its efforts to hire six new tenured faculty to replace either retired or current vacancies. Addition of new staffing positions: Executive Education - Business Development, Robert H. Lee Graduate School – Recruiting, and Continuing Business Studies – Student Experience to manage increased programs and enrolments.

Other Major Variances

- **Supplies and Sundries** – Faculty continues to manage discretionary spending.
- **Scholarship, fellowships and bursaries** - Increase funding for bursaries and scholarships across all programs.
- **Professional and Consulting Fees** – Increased course offerings in our Professional Programs area results in hiring additional instructors.

Capital Expenditures

Capital expenditures include the refresh of classroom technology assets, and minor renovations in all three locations: Henry Angus, Graduate Student Centre (Sauder Annex), and Robson Square. Investment in the annual evergreen plan of all staff computer equipment. Renovations to the David Lam Building offices deferred from FY20 and plans for the Executive Centre at Robson Square to begin January 2021.

Transfers to Non-Operating Funds

- **Research** – An internal funded research grants program, start up grants for six new faculty and Distinguished Scholars program. Total amount transferred is \$700K and it is expected at least 25% of this will be spent during the fiscal year.
- **Endowment** – Matching funds to previously committed donation, a placeholder of \$250k has been allocated to endowment spending with the expectation that 75% will be spent during the fiscal year
- **Specific Purpose** – No transfers from the operating fund identified for this fiscal year.

Faculty of Dentistry

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	2,946	3,118	3,122	4
International	27	51	231	180
Graduate tuition	992	1,002	1,027	25
Operating allocation				
Recurring	8,863	9,656	10,025	369
One-time	(180)	735	(100)	(835)
	12,648	14,562	14,305	(257)
Departmental Revenue				
Government grants and contracts				
Student fees - Domestic	12,634	12,282	12,413	131
Student fees - International	596	492	657	165
Non-government grants, contracts, donations	736	781	722	(59)
Sales and services	5,563	6,022	5,857	(165)
	19,529	19,577	19,649	72
Total Revenue	32,177	34,139	33,955	(185)
Operating Expenses				
Salaries - Academic	11,690	12,749	12,962	(213)
Salaries - Student services	301	266	307	(41)
Salaries - Staff	7,159	7,388	7,646	(259)
Total Salaries	19,151	20,403	20,916	(513)
Employee benefits	3,216	3,318	3,413	(96)
Total Salaries and benefits	22,367	23,720	24,329	(608)
Supplies and sundries	5,104	5,735	5,217	517
Scholarships, fellowships and bursaries	7	3	10	(7)
Travel and field trips	494	521	531	(10)
Professional and consulting fees	1,430	1,025	852	174
Utilities	171	165	171	(5)
Total Expenses	29,572	31,170	31,110	60
Excess (deficiency) of revenues over expenses	2,605	2,970	2,845	(125)
Transfers to (from) non-operating funds	91	430	(671)	1,102
Change in invested in capital assets	3,462	1,637	2,616	(979)
Net change in unrestricted fund balance	(948)	902	900	(2)
Accumulated reserves - opening	5,350	4,402	5,304	902
Accumulated reserves - closing	4,402	5,304	6,204	900

Overview

The Faculty of Dentistry funding allocations represent 42% of overall revenues, while departmental revenues account for 58%. Of the departmental revenues, 67% are clinic and student fees and 33% are other revenue (mainly patient fees and donations). In addition to providing an exceptional learning environment for our students, the Dentistry clinic operations are a vital component as they attract significant revenues for the Dentistry faculty.

Key Drivers

- **Tuition:**
 - TAM tuition – Small increase of \$209k due to new international DMD students offset by a larger number of student graduating compared to new students.
 - Direct tuition – Increase of \$296k due to new international DMD students.
- **Sales and Services** – A decrease due to sessional programs in our Interprofessional Continuing Education unit.
- **Salaries and Benefits** – Increase of \$607k due to GWI increases and new hirings.

Other Major Variances

- **Supplies and Sundries** – A decrease due to one-time operational expenses in fiscal 2020/21.

Capital Expenditures

Relevant investments in renovations and equipment are expected. The following expenditures will be funded by the Academic Excellence Fund (AEF), \$500k for sterilizer replacement, \$150k for Digital Dentistry. Renovations for \$300k will be funded by the Faculty of Dentistry

Transfers to Non-Operating Funds

- **Research** – Start-up funds for \$100k.

Faculty of Education

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	10,396	10,460	10,665	205
International	2,325	2,404	2,482	78
Graduate tuition	6,523	6,756	7,013	257
Operating allocation				
Recurring	27,625	29,613	30,424	811
One-time	319	1,324	0	(1,324)
	47,188	50,558	50,584	27
Departmental Revenue				
Government grants and contracts				
Government of Canada	63	0	63	63
Province of British Columbia	600	1,003	240	(763)
Other governments	0	0	100	100
Student fees - Domestic	4,628	4,863	5,412	549
Student fees - International	644	457	600	143
Non-government grants, contracts, donations	404	841	463	(379)
Investment Income	0	6	0	(6)
Sales and services	1,993	1,716	1,752	36
	8,332	8,886	8,629	(257)
Total Revenue	55,520	59,444	59,213	(230)
Operating Expenses				
Salaries - Academic	31,957	34,106	35,330	(1,224)
Salaries - Student services	2,001	1,926	1,841	85
Salaries - Staff	6,754	7,088	7,680	(592)
Total Salaries	40,712	43,120	44,851	(1,731)
Employee benefits	6,168	6,781	6,614	168
Total Salaries and benefits	46,880	49,901	51,465	(1,564)
Supplies and sundries	2,545	2,205	2,589	(384)
Scholarships, fellowships and bursaries	696	709	975	(266)
Travel and field trips	1,168	1,676	1,140	537
Professional and consulting fees	720	783	857	(73)
Utilities	270	274	247	27
Total Expenses	52,278	55,549	57,272	(1,723)
Excess (deficiency) of revenues over expenses	3,242	3,895	1,941	(1,954)
Transfers to (from) non-operating funds	194	731	(616)	1,347
Change in invested in capital assets	1,003	767	1,863	(1,096)
Net change in unrestricted fund balance	2,045	2,397	694	(1,703)
Accumulated reserves - opening	6,048	8,093	10,491	2,397
Accumulated reserves - closing	8,093	10,491	11,185	694

Overview

The Faculty of Education will end fiscal 2019/20 in a surplus position primarily due to increase in one-time total revenues resulting from funding received from Central and the Ministry of Education for special projects. The faculty is planning to use the surplus funds to carry out initiatives consistent with the faculty's strategic plan, Learning Transformed 2019-2024. This includes significant investment in 13 new faculty hires for fiscal 2020/21, increased staffing investment in Educational Technology Services (ETS) unit to support distance and

online courses, staff support for Indigenous Education portfolio, and significant capital expenditure investments in the Scarfe Building to accommodate the new faculty and staff hires.

Key Drivers

- **Grants** – Anticipating significant reduction in several one-time Ministry grants for fiscal 2020/21.
- **Tuition:**
 - TAM tuition – Forecasted to be consistent with approved tuition increases.
 - Direct tuition – Forecasting slightly higher international program revenues due to postponed programs from fiscal 2019/20. These programs are expected to be carried out during fiscal 2020/21.
- **Sales and Services** – Kinesiology outreach program sales forecasted to be consistent as in prior years.
- **Salaries and Benefits** – Academic salaries are forecasted to be higher in fiscal 2020/21 due to several new faculty hires that are expected to start next year in addition to GWI and PTR costs. Staff salaries increase is anticipated for new staff positions in ETS, Indigenous Engagement portfolio, GWI, and merit increases.

Other Major Variances

- **Supplies and Sundries** – Forecasted slightly higher due to increase in faculty activities and international programs.
- **Travel and field trips** – General travel expenses are forecasted to be lower for fiscal 2020/21.

Capital Expenditures

The faculty is forecasting significant investment in capital expenditures in fiscal 2020/21 due to renovations in the Scarfe Building 3rd floor, NITEP space and upgrades to Ponderosa Research Commons space. These projects are expected to be completed in fiscal 2020/21. Capital expenditures will also continue for the move and renovation of the UBC Counselling Centre from New Westminster to the UBC Campus. This project is partially funded through the Academic Excellence Fund and is expected to be completed by summer of 2020.

Transfers to Non-Operating Funds

- **Research** – Funding for faculty start-up grants to increase due to significant new faculty hires for fiscal 2020/21. Other annual internal research awards are consistent with prior years.



UBC's Faculty of Education is partnering with the Nicola Valley Institute of Technology to deliver community-based master's degree programs supporting Indigenous knowledge and values.

Faculty of Forestry

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	1,947	1,918	2,088	170
International	7,053	7,670	8,376	706
Graduate tuition	1,937	2,213	2,335	122
Operating allocation				
Recurring	8,626	9,117	9,544	427
One-time	(132)	241	67	(173)
	19,431	21,159	22,410	1,251
Departmental Revenue				
Government grants and contracts				
Province of British Columbia	300	0	0	0
Other governments	4	0	0	0
Student fees - Domestic	640	655	350	(305)
Student fees - International	0	2	0	(2)
Non-government grants, contracts, donations	751	816	800	(16)
Investment Income	163	163	163	0
Sales and services	6,532	4,773	4,977	204
	8,390	6,408	6,290	(118)
Total Revenue	27,820	27,568	28,701	1,133
Operating Expenses				
Salaries - Academic	10,193	10,883	11,740	(857)
Salaries - Student services	1,553	1,645	1,668	(24)
Salaries - Staff	5,184	5,583	6,000	(417)
Total Salaries	16,930	18,110	19,408	(1,298)
Employee benefits	2,704	3,237	3,404	(167)
Total Salaries and benefits	19,634	21,347	22,812	(1,464)
Supplies and sundries	2,002	2,220	2,276	(56)
Scholarships, fellowships and bursaries	271	378	386	(8)
Travel and field trips	705	880	928	(48)
Professional and consulting fees	567	650	690	(40)
Utilities	227	240	245	(5)
Total Expenses	23,407	25,716	27,337	(1,621)
Excess (deficiency) of revenues over expenses	4,414	1,852	1,364	(488)
Transfers to (from) non-operating funds	2,968	3,305	179	3,126
Change in invested in capital assets	539	913	928	(15)
Net change in unrestricted fund balance	907	(2,366)	257	2,623
Accumulated reserves - opening	10,634	11,541	9,175	(2,366)
Accumulated reserves - closing	11,541	9,175	9,432	257

Overview

Fiscal 2020/21 will be a year filled with challenges and opportunities for the Faculty of Forestry. Guided by the UBC Strategic Plan framework and the Faculty's Strategic Plan for 2019–2029, the yearly priorities for Forestry include:

- Faculty succession planning (Dean, Associate Deans, Heads).

- Phase 2 Developments of the three strategic pilot projects: 1) Traditional Land Management Centre; 2) Cariboo Fire Education Centre (Williams Lake); 3) Haida Gwaii cross-cultural executive education program.
- Development of online master programs (fast forestry, conservation and bamboo).
- Recruitment of a CRC Chair in Indigenous Forestry.
- Implementation of Workday.

Key Drivers

- **Grants** – Total budget amount of \$800K includes recurring grants of \$600K from existing partnership agreements, and a new grant of \$200K for the Cross-Cultural Professional Development on Haida Gwaii.
- **Tuition:**
 - TAM tuition – On the undergraduate side, budgeted revenue for domestic is assumed at 2% rate increase and 5.2% FTE growth while ISI tuition has a 3.5% rate increase and 5.7% assumed FTE growth. The new undergraduate program BEST will be offered in Sep 2020 and is expected to bring in \$37K additional revenue. On the graduate side, budgeted revenue is assumed at 2% rate increase and 3.5% enrolment growth.
 - Direct tuition – Student fees include tuition from field camps and programs carried out at the Haida Gwaii Institute, with a budget total of \$350K. Tuition from Vancouver Summer Program is budgeted at zero due to recent novel coronavirus development.
- **Sales and Services** – Revenues from the two research forests is budgeted at \$4m, other revenues from the faculty's fee-for-service programs total \$1m.
- **Salaries and Benefits** – 3.0 FTE new faculty positions will be created and 3.0 FTE for existing faculty positions replacement. 2.0 FTE new staff positions are budgeted for the new Professional Education and International Collaboration unit.

Capital Expenditures

Capital expenditures for fiscal 2020/21 include the renovation cost for the purchased property at Williams Lake for the Cariboo Fire Education Centre (\$150K) and ongoing expenses for space maintenance & upgrade (\$615K).

Transfers to Non-Operating Funds

- **Research** – \$900K is budgeted for research support, of which \$400K is for existing internal research support programs and \$500K for new faculty start up. \$300K is estimated to be spent by year end.
- **Endowment** – \$200K is budgeted for endowment awards matching fund.



The Faculty of Forestry is developing a cross-cultural executive education program in Haida Gwaii that supports local and global engagement, as well as transformative learning.

Faculty of Graduate and Postdoctoral Studies (G+PS)

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Graduate tuition	216	230	236	5
Operating allocation				
Recurring	2,794	2,947	2,955	8
One-time	(44)	21	0	(21)
	2,966	3,197	3,191	(7)
Departmental Revenue				
Student fees - Domestic	1,766	1,968	2,065	98
Non-government grants, contracts, donations	17	9	0	(9)
Sales and services	155	150	128	(22)
	1,938	2,126	2,194	67
Total Revenue	4,904	5,324	5,384	61
Operating Expenses				
Salaries - Academic	375	401	558	(156)
Salaries - Student services	40	78	101	(23)
Salaries - Staff	2,723	3,255	3,454	(199)
Total Salaries	3,138	3,734	4,113	(379)
Employee benefits	580	714	845	(131)
Total Salaries and benefits	3,718	4,448	4,957	(509)
Supplies and sundries	345	347	399	(52)
Cost of goods sold	6	36	33	3
Scholarships, fellowships and bursaries	143	122	449	(327)
Travel and field trips	118	106	128	(22)
Professional and consulting fees	45	35	47	(12)
Utilities	45	49	47	2
Total Expenses	4,420	5,143	6,060	(918)
Excess (deficiency) of revenues over expenses	484	181	(676)	(857)
Transfers to (from) non-operating funds	7	5	(482)	487
Change in invested in capital assets	57	42	117	(75)
Net change in unrestricted fund balance	420	134	(311)	(445)
Accumulated reserves - opening	1,370	1,789	1,923	134
Accumulated reserves - closing	1,789	1,923	1,612	(311)

Overview

The Faculty of Graduate and Postdoctoral Studies (G&PS) supports graduate students, postdoctoral fellows, and the entire UBC graduate community in pursuit of a personal, professional, and academic experience second to none. Among other responsibilities, G&PS seeks to ensure a transparent, consistent, and equitable administration of graduate programs and awards, evaluation and quality assurance of graduate programs, advocacy for graduate and postdoctoral needs within the larger academic community, assistance with individual student and postdoctoral problems, and the provision of outstanding opportunities for professional development of graduate students, postdoctoral fellows, and faculty in their role as supervisors.

In support of UBC's mission to be one of the world's very best universities, the G&PS strives to elevate achievement and enhance the education of graduate students in a global context, providing:

- Responsive and responsible administration that is transparent, consistent, and equitable;

- An intellectual and social environment that enhances the quality of graduate education, based on the values of excellence and mutual respect;
- Superior service with activities and support programs for graduate students, postdoctoral fellows, faculty, and staff;
- Outstanding opportunities for professional development that enhance career options and encourage graduates and postdocs to contribute positively to a civil and sustainable society.

For fiscal 2020/21, a small deficit is planned as limited-term hires will be supported from accumulated reserves.

Key Drivers

- **Tuition** – Tuition here relates to the Interdisciplinary Studies Graduate School (ISGP) program, the net change is not material year over year.
- **Student Fees** - This represents student application fees for domestic and international graduate programs. For fiscal 2020/21, a \$20k budgeted growth relative to last year due to increase in number of applications and annual rate increase. Annually, application fee revenue collected and managed by G&PS is roughly \$2.4m. A portion of these fees are retained to support activity conducted by the unit.
- **Salaries and Benefits** – Salaries & benefits budgeted at \$5m is planned to be about \$509k higher than the prior year of which \$142k relates to Academic Excellence funded projects and \$237k due to new hires to improve existing operations and remainder is merit/progression salary increases.

Other Major Variances

- **Interfund Transfers In** – Fiscal 2020/21 transfer of \$482k is Academic Excellence funding for two of the G&PS projects that relate to student awards.

Capital Expenditures

Fiscal 2020/21 capital spend plan earmarked for office renovation at Thea Koerner House; originally planned for but did not proceed in fiscal 2019/20



Through UBC's Public Scholars Initiative, the Faculty of Graduate and Post-doctoral Studies continues to support doctoral students who wish to make purposeful contributions to the public good. Now in its fifth year, the program has sponsored 184 students in collaboration with 100 partners across 30 countries.

Faculty of Land and Food Systems

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	2,205	2,249	2,317	67
International	6,041	6,398	6,897	499
Graduate tuition	2,529	2,881	3,065	185
Operating allocation				
Recurring	5,960	6,666	6,929	264
One-time	419	338	(15)	(353)
	17,154	18,532	19,193	662
Departmental Revenue				
Government grants and contracts				
Government of Canada	0	4	0	(4)
Other governments	0	0	142	142
Student fees - Domestic	550	737	693	(44)
Student fees - International	54	12	0	(12)
Non-government grants, contracts, donations	109	348	30	(318)
Investment Income	3	0	0	0
Sales and services	4,266	4,133	4,078	(55)
	4,982	5,235	4,944	(291)
Total Revenue	22,136	23,767	24,137	370
Operating Expenses				
Salaries - Academic	7,124	7,220	8,062	(842)
Salaries - Student services	795	852	874	(23)
Salaries - Staff	4,638	5,107	5,595	(488)
Total Salaries	12,558	13,179	14,531	(1,352)
Employee benefits	2,008	2,276	2,606	(330)
Total Salaries and benefits	14,565	15,455	17,137	(1,682)
Supplies and sundries	2,151	2,239	2,510	(271)
Scholarships, fellowships and bursaries	109	136	155	(19)
Travel and field trips	221	247	327	(80)
Professional and consulting fees	209	214	411	(197)
Grants and reimbursements to other agencies	0	2	0	2
Utilities	192	186	212	(27)
Total Expenses	17,448	18,479	20,753	(2,274)
Excess (deficiency) of revenues over expenses	4,688	5,288	3,384	(1,904)
Transfers to (from) non-operating funds	660	797	1,141	(344)
Change in invested in capital assets	826	864	2,335	(1,470)
Net change in unrestricted fund balance	3,202	3,627	(92)	(3,719)
Accumulated reserves - opening	8,062	11,265	14,892	3,627
Accumulated reserves - closing	11,265	14,892	14,800	(92)

Overview

Last year, the faculty reviewed the key metrics of the Action Plan. In fiscal 2020/21, the faculty will keep addressing to the five priorities: Teaching, Student Learning and Engagement; Research Innovation and Excellence; Leadership and Community Engagement; Outstanding Work Environment; and Financial Sustainability. In addition to the cluster hire of three faculty positions in Plant and Soil Science, the faculty also successfully recruited one position in Plant Physiology. Furthermore, the faculty is working with Faculty of Arts

and Faculty of Education on joint hires. These new positions will increase faculty's capacity and help the Faculty's succession planning. The faculty's Wine Research Centre will continue its collaboration with UBC Okanagan in both teaching and research areas.

Key Drivers

- **Operating Allocation** – The increase in recurring funding resulted from SSM funding.
- **Tuition:**
 - TAM tuition – The projected tuition increases are mainly due to FTE growth in international undergraduate programs and the professional master programs with 4.5% and 1% increases, respectively.
 - Direct tuition – Impacted by coronavirus the vancouver summer program is expecting a potential revenue fall of \$137k. However the newly launched Aquaculture Certificate Program may become new source of revenue and bring down the adverse variances to \$44k.
- **Sales and Services** – The decrease in sales revenue is caused by potential revenue fall in Biometeorology Lab this year.
- **Non-Government Grants, Contracts and Donations** – The adverse variances are driven by one-time research funding received from SPCA in fiscal 2019/20 and the account code change of the compensation received from AAFC for Dairy Centre's market loss.
- **Government Grants, Contracts and Donations** – The favourable variances are due to account code change of the compensation received from AAFC for Dairy Centre's market loss.
- **Salaries and Benefits** – The increase of academic salaries is driven by start of the three cluster hires in Plant and Soil Sciences, one new position in Plant Physiology, and one joint hire with Faculty of Education. Staff salary variances are mainly due to new positions in Student Services, Grad Office, MFRE program, and Aquaculture Certificate Program.

Other Major Variances

- **Supplies and Sundries** – The increase of operation cost is due to re-investment in the three Professional Master Programs and faculty recruitment cost.
- **Professional and Consulting Fees** – \$120k one-time consulting fee planned for expansion of the Dietetics program. The increase of Dairy Centre's lease payment has also contributed to the variances.

Capital Expenditures

The variances are largely caused by the one-time expenditure of the purchase of the robotic milking system (\$1.8m) for the Dairy Education and Research Centre and the installation of four growth chambers in the MacMillan Building.

Transfers to Non-Operating Funds

- **Research** – The adverse variance is due mainly to the increased start-up funding for newly hired faculty members, transfer out of SPCA one-time research matching fund, and other research support for CRC/CFI/MSFHR.

Peter A. Allard School of Law

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	4,789	4,886	4,984	98
International	167	241	249	8
Graduate tuition	1,440	1,837	2,012	175
Operating allocation				
Recurring	7,481	8,257	8,592	335
One-time	311	358	100	(258)
	14,189	15,579	15,936	357
Departmental Revenue				
Student fees - Domestic	230	167	170	3
Non-government grants, contracts, donations	32	28	0	(28)
Sales and services	187	242	269	27
	449	437	439	2
Total Revenue	14,638	16,016	16,375	360
Operating Expenses				
Salaries - Academic	9,441	9,643	11,034	(1,390)
Salaries - Student services	104	78	81	(3)
Salaries - Staff	2,589	2,783	3,206	(423)
Total Salaries	12,134	12,504	14,320	(1,816)
Employee benefits	1,846	1,988	2,147	(159)
Total Salaries and benefits	13,980	14,493	16,468	(1,975)
Supplies and sundries	599	739	1,346	(607)
Scholarships, fellowships and bursaries	318	472	472	0
Travel and field trips	153	220	220	0
Professional and consulting fees	87	135	135	0
Utilities	126	121	120	1
Total Expenses	15,264	16,180	18,761	(2,581)
Excess (deficiency) of revenues over expenses	(626)	(164)	(2,385)	(2,222)
Transfers to (from) non-operating funds	270	313	(1,943)	2,256
Change in invested in capital assets	127	(1)	250	(251)
Net change in unrestricted fund balance	(1,023)	(476)	(692)	(216)
Accumulated reserves - opening	109	(914)	(1,390)	(476)
Accumulated reserves - closing	(914)	(1,390)	(2,082)	(692)

Overview

The Peter A. Allard School of Law is recognized as one of the leading law schools in Canada and internationally. The three-year JD program, accredited by the Federation Law Societies of Canada, currently enrolls about 200 students annually. With a strong commitment to access to legal education, the JD program has a long-standing Indigenous Legal Studies stream, with the highest number of Indigenous JD students of any Canadian law school (about 9% of the student population, 56 students across the three-year program). The law school's graduate program includes research LLM and Ph.D. programs and two one-year course-based professional LLM programs. The law school has 54 tenure-track faculty members and two vacancies, with two anticipated retirements. Non-tenure track faculty include 4 Lecturers (2.80 FTE), one term assistant professor, three Honorary Professors, and approximately 100 Adjunct Professors.

Over the past two years, the law school's strategic plan has been supported by the Provost's Office using Academic Excellence Funds. Academic Excellence Funds are not used to 'fill in' the structural deficit, but for staff, faculty, and non-salary activities associated with the law school's strategic priorities. In prior years these funds were reported centrally, however, in fiscal 2020/21, \$2.135m in funding will be transferred directly to the law school, and both the funding and expenses have been reflected in the above financial report.

Key Drivers

- **Tuition** – Domestic tuition for JD students is expected to increase by \$98k (2%) in fiscal 2020/21, which is in line with the 2% tuition rate increase. International tuition for JD students is expected to increase by \$8k (3.33%). Graduate tuition is expected to increase by \$175k (9.53%), which represents a 2% tuition increase and a 7.53% increase in enrollment in our Distance Learning courses.
- **Operating Allocation** – The fiscal 2020/21 recurring increase of \$335K includes funding from the BC Government for the Economic Stability Dividend of .75%, general wage increases (GWI), and the Extended Health Tax (EHT). The one-time decrease of \$258k reflects the completion of the following projects and commitments in fiscal 2019/20: video celebrating the 75th anniversary of the law school, funds to hire a research associate for our International Justice and Human Rights Clinic, and funding to cover the building loan shortfall.
- **Department Revenues** – Represents fee-for-service revenue such as application fees, visitor fees, rent, registration fees for career fairs, and sponsorships for competitive moots.
- **Salaries and Benefits:**
 - Academic salaries – The increase of \$1.391m includes the cost of hiring three new faculty in fiscal 2020/21; 2% general wage increases; 2% increase for career progress increases, performance salary adjustments, and merit; and the consolidation of \$897k in faculty salary expenses associated with the Academic Excellence Funds to support the law school's strategic plan (strengthen research output and impact).
 - Staff salaries – The increase of \$423k in fiscal 2020/21 includes: the cost to hire a new Student Advisor in the Career Services Office, 2% for general wage increases, merit increases, and the consolidation of \$301k in staff salaries which are associated with the Academic Excellence Funds, including the salaries of a Digital Communications Manager, Student Wellness Counsellor, Manager of Student Experience, and an Administrative Assistant (to enhance wellbeing and excellence for people at UBC and beyond).
 - Benefits – The increase of \$158k reflects the benefit costs of the faculty and staff who are paid from the Academic Excellence Funds.

Other Major Variances

- **Supplies and Sundries** – The increase of \$607k is mainly a result of consolidating the non-salary expenses of the Academic Excellence Funds with the Operating Fund. Major expenses include: \$155k to support for the Womens Legal Clinic (Transformational Learning), \$38k incremental rental cost for the renovated space at the Indigenous Community Legal Clinic in the downtown east side, and \$230k to support a new pilot post-graduation debt assistance program (to ensure access to legal education and career freedom).
- **Transfers (In)** – Includes \$2.135m in funding from the Academic Excellence Fund to support the law school's strategic plan.

Capital Expenditures

Includes \$250k to renovate the student washrooms to universal washrooms. (Inclusion: Embedding equity and diversity across university systems and structures).

Transfers to Non-Operating Funds

- **Research** – \$157k will be transferred to research to provide start-up funding and research and travel support for the new faculty hires.
- **Endowment** – \$35k in matching funds will be transferred to the Korean Foundation Endowment spending account.

DRAFT

Faculty of Medicine

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	16,046	16,660	17,356	696
International	819	1,308	1,350	42
Graduate tuition	6,155	6,057	6,197	140
Operating allocation				
Recurring	125,537	130,975	133,375	2,400
One-time	497	5,951	823	(5,128)
	149,054	160,951	159,101	(1,850)
Departmental Revenue				
Government grants and contracts				
Government of Canada	(14)	32	5	(27)
Province of British Columbia	(8,023)	(7,522)	(4,641)	2,881
Other governments	8	0	0	0
Student fees - Domestic	6,345	4,347	4,330	(16)
Student fees - International	100	291	240	(51)
Non-government grants, contracts, donations	3,428	3,204	2,565	(639)
Investment Income	376	674	341	(334)
Sales and services	73,864	80,697	79,589	(1,108)
	76,083	81,724	82,430	706
Total Revenue	225,137	242,675	241,531	(1,144)
Operating Expenses				
Salaries - Academic	92,840	97,155	103,319	(6,165)
Salaries - Student services	4,597	4,306	4,185	120
Salaries - Staff	54,925	60,749	63,022	(2,273)
Total Salaries	152,362	162,209	170,527	(8,317)
Employee benefits	25,065	27,981	29,125	(1,143)
Total Salaries and benefits	177,427	190,191	199,651	(9,460)
Supplies and sundries	16,355	22,868	21,612	1,256
Cost of goods sold	940	1,323	996	327
Scholarships, fellowships and bursaries	318	417	405	12
Travel and field trips	3,038	3,287	3,211	76
Professional and consulting fees	15,694	18,306	17,066	1,240
Utilities	977	1,116	1,087	30
Total Expenses	214,750	237,507	244,027	(6,519)
Excess (deficiency) of revenues over expenses	10,387	5,168	(2,496)	(7,664)
Transfers to (from) non-operating funds	542	(2,095)	(10,475)	8,380
Change in invested in capital assets	5,516	5,961	6,799	(838)
Net change in unrestricted fund balance	4,330	1,301	1,180	(122)
Accumulated reserves - opening	72,978	77,308	78,610	1,301
Accumulated reserves - closing	77,308	78,610	79,790	1,180

Overview

The faculty is expecting to complete fiscal 2020/21 with \$241.5m in revenue and \$240.3m in expenses for a net surplus of \$1.2m, representing 0.5% of the original faculty budget. Strategic elements include the near completion of the faculty renewal initiative to renew faculty appointments enabling excellence in education and research. Since fiscal 2017/18, the Faculty of Medicine has been undergoing a centrally-funded faculty renewal

process to address, in part, the significant loss of faculty members over the past decade. By the end of fiscal 2020/21, the faculty expects the hiring of 36 positions related to the first three rounds to be complete.

Key Drivers

- **Operating Allocation – One-time** – Decreases vs. forecast is largely due to \$6.4m mid-year funding allocation from Central in fiscal 19/20, offset by \$1m from Central in support of the Phillip Owens Professorship.
- **Government grants and contracts – Province of British Columbia** includes funding transfers out to the Island Medical Program and Northern Medical Program. The funding flows as a pass-through with the inflows recorded as recurring funding. The transfer out is largely offset by Alternative Payment Program (APP) funding from the Ministry of Health and the recognition of a one-time grant from the Ministry of Advanced Education, Skills and Training to support the expansion and distribution of the Master of Physical Therapy (MPT) and Master of Occupational Therapy program (MOT). The increase vs. forecast is largely due to the recognition of restricted surpluses in the Medical Expansion program and Space & Technology Renewal.
- **Tuition:**
 - Funding Allocations – Tuition – The faculty has approximately 1,150 medical undergraduate students and approximately 1,600 graduate students. Increases are driven by the School of Biomedical Engineering student FTE increasing by 94 in fiscal 2020/21 for \$0.4m. Rate increases account for the remaining growth of \$0.5m.
 - Student Fees includes the Vancouver Summer Program, the Master of Health Administration, and clinical electives. Tuition remains stable in fiscal 2020/21.
- **Sales and Services** for the faculty consist of \$32.4m in fee-for-service activities, \$33.1m bill-backs to health authorities, \$8.5m conference fees, and \$5.6m foreign trainee fees.
- **Salaries and Benefits** – The faculty is comprised of approximately 2,200 administrative support, technical/research and management, and professional staff, as well as approximately 650 full-time academic and over 9,000 clinical faculty members. Increase vs. forecast is largely driven by faculty renewal, and wage increases.
- **Supplies and Sundries** – Decrease vs. forecast is largely due to \$4.6m mid-year funding allocation in support of external partnerships in fiscal 2019/20 offset by overall cost inflation and expenses associated with the increase in fee-for-service activities.
- **Professional and consulting fees** – Decreases vs. forecast is largely due to \$1.8m mid-year funding allocation from Central, for clinical faculty payments in fiscal 2019/20.

Transfers to Non-Operating Funds

- **Research** – Transfers from operating funds consist primarily of start-up funding and research support.

Faculty of Pharmaceutical Sciences

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	9,627	10,054	10,261	207
International	0	0	149	149
Graduate tuition	147	176	181	5
Operating allocation				
Recurring	10,035	10,585	10,921	336
One-time	(70)	111	82	(30)
	19,739	20,926	21,594	668
Departmental Revenue				
Government grants and contracts				
Province of British Columbia	47	47	48	1
Student fees - Domestic	1,715	1,864	1,837	(27)
Student fees - International	1	0	0	0
Non-government grants, contracts, donations	220	286	289	3
Sales and services	1,561	538	561	23
	3,545	2,736	2,735	(1)
Total Revenue	23,284	23,662	24,329	667
Operating Expenses				
Salaries - Academic	10,707	11,379	12,215	(836)
Salaries - Student services	605	681	633	48
Salaries - Staff	3,416	3,836	4,602	(766)
Total Salaries	14,728	15,897	17,450	(1,554)
Employee benefits	2,526	2,856	3,027	(172)
Total Salaries and benefits	17,254	18,752	20,477	(1,725)
Supplies and sundries	750	781	942	(161)
Scholarships, fellowships and bursaries	5	4	4	1
Travel and field trips	150	155	192	(37)
Professional and consulting fees	585	541	656	(114)
Utilities	81	78	77	1
Total Expenses	18,824	20,311	22,347	(2,036)
Excess (deficiency) of revenues over expenses	4,460	3,351	1,982	(1,369)
Transfers to (from) non-operating funds	469	(438)	(1,150)	712
Change in invested in capital assets	795	907	2,709	(1,802)
Net change in unrestricted fund balance	3,197	2,882	423	(2,459)
Accumulated reserves - opening	5,868	9,065	11,946	2,882
Accumulated reserves - closing	9,065	11,946	12,370	423

Overview

The Faculty of Pharmaceutical Sciences is planning an overall surplus of \$423k for fiscal 2020/21. With the launch of the new Bachelor of Pharmaceutical Sciences (BPSc) in September, 2020 the faculty is well positioned to grow sustainably over the next five years. The faculty is making strategic investments in six new faculty hires this year, updating its classrooms and administrative spaces to support new programs and new hires, and moving forward with key pillars of its five-year strategic plan. The faculty is also benefiting significantly from nearly \$2.6m in support from the Academic Excellence Fund.

Key Drivers

- **Tuition:**
 - TAM tuition – \$207k domestic tuition increase is primarily from the approved 2% increase on existing programs. \$149k international tuition is from the “home” allocation to Pharmaceutical Sciences of BPSc students taking the first year Science curriculum.
- **Salaries and Benefits** – Faculty salaries \$836k increase is due to GWI and PTR costs, as well as six planned tenure-stream faculty hires anticipated to start in fiscal 2020/21. Staff salaries \$766k increase is due to GWI and merit, as well as six new hires to support the new BPSc program, student services, grants facilitation, and the graduate program renewal initiative.

Other Major Variances

- **Operating Allocation** – \$336k increase is from anticipated funding for GWI increases.
- **Interfund Transfers In** - \$2.6m in interfund transfers in includes funding from the Academic Excellence Fund to support the launch of the BPSc program, graduate program renewal, PTR costs, and start-up costs for new faculty hires.

Capital Expenditures

The faculty is investing \$1m (supported by the Academic Excellence Fund) into lab equipment and classroom space upgrades to support the new BPSc program, \$750k into space renovations to support other administrative and classroom growth needs, and \$250k for IT/AV renewal.

Transfers to Non-Operating Funds

- **Research** – \$1.4m in interfund transfers out includes start-up costs for new hires starting in fiscal 2020/21 and prior multi-year commitments to previous hires.



The new Bachelor of Pharmaceutical Sciences (BPSc) Program will prepare graduates for technical positions in the discovery, development, and production areas of the pharmaceutical, life sciences, biotechnology, and natural products industries.

Faculty of Science

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Undergraduate tuition				
Domestic	25,953	27,671	28,471	800
International	32,099	35,858	38,253	2,394
Graduate tuition	6,075	6,931	7,069	139
Operating allocation				
Recurring	65,182	69,967	72,254	2,287
One-time	(1,038)	231	585	354
	128,271	140,659	146,632	5,973
Departmental Revenue				
Government grants and contracts				
Government of Canada	1	0	0	0
Province of British Columbia	60	60	60	0
Student fees - Domestic	1,123	1,336	1,361	25
Student fees - International	20	8	0	(8)
Non-government grants, contracts, donations	748	1,071	1,231	160
Sales and services	12,457	12,408	13,407	999
	14,410	14,882	16,059	1,177
Total Revenue	142,681	155,541	162,691	7,150
Operating Expenses				
Salaries - Academic	67,051	71,921	76,387	(4,467)
Salaries - Student services	10,544	10,956	11,112	(155)
Salaries - Staff	26,060	29,138	30,299	(1,161)
Total Salaries	103,655	112,015	117,798	(5,783)
Employee benefits	16,073	18,375	18,458	(83)
Total Salaries and benefits	119,728	130,390	136,256	(5,866)
Supplies and sundries	8,197	5,803	8,265	(2,462)
Cost of goods sold	172	442	855	(414)
Scholarships, fellowships and bursaries	1,098	1,228	1,235	(7)
Travel and field trips	1,288	1,365	1,611	(246)
Professional and consulting fees	561	714	525	189
Grants and reimbursements to other agencies	213	184	185	(1)
Utilities	775	788	755	33
Total Expenses	132,034	140,914	149,688	(8,773)
Excess (deficiency) of revenues over expenses	10,647	14,627	13,004	(1,623)
Transfers to (from) non-operating funds	4,917	5,566	6,415	(849)
Change in invested in capital assets	3,812	3,284	3,185	98
Net change in unrestricted fund balance	1,919	5,777	3,403	(2,374)
Accumulated reserves - opening	12,602	14,520	20,298	5,777
Accumulated reserves - closing	14,520	20,298	23,701	3,403

Overview

The annual operating budget for the Faculty of Science is approximately \$160m and annual research funding is approximately \$120m. Enrolment is 8,428 undergraduate and 1,505 graduate students, plus many more students from other faculties who take science courses (45% of science teaching is to students from other faculties). Over 420 tenure stream faculty members are paid from operating funds.

Science is forecasting to be in a surplus position in fiscal 2020/21 as the hiring program of 32 searches currently underway will only have a partial year impact, due to varied faculty member start dates, on the costs recorded in that year.

Key Drivers

- **Operating Allocation** – The increase relates to expected funding from the province for general wage increases and also for 27 more computer science graduates.
- **Tuition**
 - TAM tuition – Science relies on rate increases, but more so on teaching increasing numbers of students, to fully fund contractual wage increases and faculty growth. Undergraduate incremental revenue increased from the prior year by \$3.3m as a result of \$1.1m from tuition rate increases and \$2.2m from teaching more students.
- **Sales and Services** – Represents departmental revenues (e.g. fee for service operations, Vantage College instructor funding, indirect cost of research recovery, royalties and revenue from the Botanical Gardens and Beaty Biodiversity Museum). The increase over Q3 forecast relates to inventory sales from Stores operations and potential royalties.
- **Salaries and Benefits** – Contractual increases, approximately \$2m for faculty, and strategic investments represent the change between years. Reinvestment in faculty positions is underway with 24 hires completed in fiscal 2019/20. A similar faculty hiring effort, 32 searches, is underway for fiscal 2020/21. Staff changes are the result of negotiated cost of living increases, market wage adjustments, and additions to key areas like the Life Sciences Institute.

Other Major Variances

- **Supplies and Sundries** – Technical and research supplies dominate this category. Costs are lower in fiscal 2019/20 due to a recovery of the previous year's over-expenditures from research accounts and also because the Teaching & Learning Enhancement Fund awards were received as an expense reduction that year. In fiscal 2020/21 maintenance charges relating to the renewed Biosciences and Hebb Buildings have been added.
- **Cost of Goods Sold** – Up compared to prior years as a result of a new Stores operation in the Life Sciences Institute.
- **Travel and Field Trips** – Costs are higher than in the previous year due to the robust hiring program underway.

Capital Expenditures

Capital Expenditures are lower in fiscal 2020/21 since in fiscal 2019/20 extra costs were incurred for the Hebb and BioSciences Buildings renewals.

Transfers to Non-Operating Funds

- **Research** – Transfers to research represent new faculty start-up commitments that will be made as part of the hiring process. These funds are used for equipment, renovations, and salaries, all of which help new faculty members become established at UBC. The higher amount in fiscal 2020/21 reflects the aggressive hiring program. The rate of expenditure of these funds depends on the new faculty member's start date and also on other sources of funding that may be available to them.

Governance

(in \$thousands)	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	10,913	11,721	11,736	14
One-time	267	3,321	336	(2,985)
	11,180	15,042	12,072	(2,970)
Departmental Revenue				
Non-government grants, contracts, donations	0	14	14	0
Sales and services	58	7,861	57	(7,804)
	58	7,874	71	(7,804)
Total Revenue	11,239	22,917	12,142	(10,774)
Operating Expenses				
Salaries - Academic	640	694	694	0
Salaries - Student services	8	12	12	(1)
Salaries - Staff	4,807	5,561	6,260	(700)
Total Salaries	5,455	6,266	6,967	(700)
Employee benefits	850	1,014	1,221	(207)
Total Salaries and benefits	6,305	7,280	8,188	(908)
Supplies and sundries	408	692	630	62
Scholarships, fellowships and bursaries	14	15	15	0
Travel and field trips	232	321	371	(50)
Professional and consulting fees	5,661	5,709	5,101	608
Grants and reimbursements to other agencies	3	2,600	0	2,600
Utilities	65	72	76	(4)
Total Expenses	12,688	16,690	14,381	2,309
Excess (deficiency) of revenues over expenses	(1,449)	6,227	(2,239)	(8,466)
Transfers to (from) non-operating funds	0	0	(100)	100
Change in invested in capital assets	319	627	414	213
Net change in unrestricted fund balance	(1,769)	5,600	(2,553)	(8,153)
Accumulated reserves - opening	674	(1,095)	4,505	5,600
Accumulated reserves - closing	(1,095)	4,505	1,952	(2,553)
Summary				
Surplus / (Deficit) by Sub-Portfolio				
Office of the University Counsel	(1,662)	5,231	(1,552)	(6,783)
President's Office	(538)	26	(300)	(326)
Board of Governors	(98)	290	(230)	(519)
Office of the Ombudsperson	10	(31)	(13)	18
Chief Audit and Risk Office	520	84	(458)	(542)
Grand Total - Surplus / (Deficit)	(1,769)	5,600	(2,553)	(8,153)

Overview

The Governance portfolio consists of the President's Office, Office of University Counsel (OUC), Office of Enterprise Risk and Assurance (OERA), Board of Governors (BOG), and Ombuds Office. OERA, previously known as Chief Audit Risk Office (CARO), underwent a name change during fiscal 2019/20 to better reflect its expanded focus on enterprise risk management and internal assurance. The portfolio received new funding in fiscal 2019/20 mainly to support the new OERA office and a number of new initiatives for the Board of Governors office, and to address underfunded legal costs.

A deficit of \$2.6m is projected for the whole portfolio for fiscal 2020/21, mainly driven by underfunded legal fees and planned utilization of carryforward to address projected operating deficits across the portfolio.

OUC expects to wrap up a specific legal settlement in the coming months and plans to distribute the resulting net proceeds to relevant faculties and admin units in fiscal 2020/21. The exact amount of the distribution is not available at this time and the affected units will still need to be identified.

Key Drivers

- **Operating Allocation** -The fiscal 2020/21 budget includes the following budget asks that have been recommended: \$130k to fund OUC's new Admin Manager position, \$106k to support BOG's new staffing structure, and \$100k to fund the President's Office's new Admin Coordinator for the President position. One-time funding provided in fiscal 2019/20 for mid-year asks were as follows: \$2.6m to address underfunded legal fees, \$415k to fund BOG's staffing changes and professional development for governors and staff, \$250k to cover OUC's outstanding office renovation costs, and \$200k to fund unanticipated Executive recruitment costs.
- **Sales and Services** – OUC received a \$7.8m legal settlement pertaining to a specific legal case during fiscal 2019/20.
- **Salaries and Benefits** – The unfavourable plan-to-forecast variance is mostly driven by staffing changes for OERA and the President's Office.

Other Major Variances

- **Professional and Consulting Fees** – The favorable plan to forecast variance is attributable to a specific legal case that is winding down in fiscal 2019/20 with no further related legal costs anticipated in fiscal 2020/21.
- **Grants and reimbursements to other agencies** – \$2.6m of the legal settlement received is payable to external parties and therefore has been accrued in fiscal 2019/20.

Capital Expenditures

OUC's office renovation has been completed in fiscal 2019/20. A notable capital project planned for fiscal 2020/21 is an AV system upgrade in the Old Administration Building boardroom.

Provost and VP Academic

(in \$thousands)	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	150,453	161,276	163,888	2,612
One-time	(3,730)	7,365	6,445	(919)
	146,723	168,641	170,333	1,693
Departmental Revenue				
Government grants and contracts				
Government of Canada	559	507	250	(257)
Province of British Columbia	415	427	0	(427)
Other governments	51	49	207	158
Student fees - Domestic	22,406	22,628	20,461	(2,167)
Student fees - International	22,481	23,225	19,890	(3,335)
Non-government grants, contracts, donations	122	297	514	217
Sales and services	32,836	33,016	32,832	(184)
	78,869	80,148	74,154	(5,994)
Total Revenue	225,593	248,789	244,487	(4,302)
Operating Expenses				
Salaries - Academic	18,079	18,380	19,997	(1,617)
Salaries - Student services	3,421	3,151	3,083	68
Salaries - Staff	86,223	93,638	102,543	(8,904)
Total Salaries	107,722	115,170	125,623	(10,453)
Employee benefits	19,344	22,178	23,640	(1,462)
Total Salaries and benefits	127,066	137,348	149,263	(11,915)
Supplies and sundries	38,840	48,788	50,313	(1,526)
Cost of goods sold	6,898	5,167	5,097	69
Scholarships, fellowships and bursaries	1,138	1,367	1,652	(285)
Travel and field trips	2,707	2,791	3,661	(870)
Professional and consulting fees	7,042	8,038	8,514	(475)
Grants and reimbursements to other agencies	288	358	499	(141)
Utilities	870	867	886	(18)
Total Expenses	184,849	204,725	219,885	(15,160)
Excess (deficiency) of revenues over expenses	40,743	44,064	24,602	(19,462)
Transfers to (from) non-operating funds	2,025	2,627	(3,828)	6,455
Interfund transfers - (In)	(466)	(52)	(5,280)	5,228
Interfund transfers - Out	2,490	2,679	1,453	1,226
Change in invested in capital assets	29,481	29,780	28,277	1,503
Debt service - Interest	1,344	1,307	1,290	17
Debt service - Principal	358	395	412	(17)
Capital expenditures	27,780	28,078	26,575	1,502
Interfund transfers - ECA	(1)	1	0	1
Net change in unrestricted fund balance	9,238	11,658	153	(11,505)
Accumulated reserves - opening	19,749	28,987	40,645	11,658
Accumulated reserves - closing	28,987	40,645	40,797	153

Summary						
Surplus / (Deficit) by Sub-Portfolio						
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast	Accumulated reserves - opening	Accumulated reserves - closing
Centre for Teaching, Learning & Technology	264	314	(747)	(1,061)	2,162	1,415
UBC Extended Learning	3,271	1,989	666	(1,323)	1,060	1,726
Enrolment Services	(320)	(174)	(252)	(78)	114	(138)
Information Technology	1,839	4,000	2,802	(1,198)	10,449	13,251
International Student Initiative	293	605	(221)	(825)	1,182	962
Library Services	842	1,913	(2,097)	(4,010)	4,784	2,687
Vantage College	1,636	(193)	112	305	2,469	2,580
VPA-Other	1,414	3,204	(110)	(3,314)	18,425	18,315
Grand Total - Surplus / (Deficit)	9,238	11,658	153	(11,505)	40,645	40,797

Overview

A small surplus planned in fiscal 2020/21, which is caused by a combination of reduced international summer revenue due to the coronavirus and reduced intake in Vantage College (\$5.5m), plus increased salary spend due to hiring delayed from prior year as project sustainment was deferred, refilling of librarian positions delayed, and new funding for staff hires in the Indigenous areas and a new Enrolment Services (ES) admission model to be implemented (\$11.9m salary including benefits), offset by reduced research commitments, capital spend and funding received from the Academic Excellence Fund (AEF)(\$7m), plus planned salary funding (\$1.2m).

Key Drivers

- **Tuition Revenue** – Vancouver Summer Programs (VSP), Extended Learning (ExL) High School Summer Programs, and Vantage College are planning reduced revenue streams (\$5.5m). For the summer programs, this is generally due to the novel coronavirus impacts in China that are causing delays in international students obtaining visas and the appropriate English testing. Registration and deposit dates have been extended to mitigate the impact.
- **Grants** – Additional funding received to support the new ES admissions model and various Indigenous initiatives within the portfolio to support recruitment and retention of students and Indigenous engagement in curriculum development and pedagogy.
- **Salaries and Benefits** – There was a delay in the IT sustainment hires that were planned for fiscal 2019/20 plus additional hires for new systems being implemented in fiscal 2020/21 resulting in an increase of approximately \$4.5m, which reflects annual salary inflation and market adjustments. In addition, funding was received for hires for Indigenous activities, like the Strategic Plan Implementation, Truth and Reconciliation, and other programming. Furthermore, there are plans to refill vacant Librarian positions, create the Program Development Unit in ExL, and staff the Cloud Innovation Centre (CIC), in addition to the dual-career hire supports by the Provost.

Other Major Variances

- **Travel and Fields Trips** – This increase is due to an initiative by ISI, ES, and VP International to recruit students from other international markets to help with student diversity.
- **Interfund Transfers In** - This is mainly funding from the AEF (\$4.6m for various initiatives, and classroom capital \$700k).

Capital Expenditures

The total is primarily Library Collections (\$14.4m) and IT & Library Capital projects (\$10m). The variance between current and prior year is primarily due to completed IT projects in fiscal 2019/20 totaling \$2.6m plus one-time capital investments to the CIC and Asia Pacific Regional Office (APRO) totaling \$900k, offset by an increase in Library Capital facilities projects of \$2m in fiscal 2020/21.

Transfers to Non-Operating Funds

- **Research** – Faculty research commitments of \$1.3m.

Academic Excellence Funds (AEF)

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	39,050	58,911	72,000	13,089
One-time	(155)	(560)	5,000	5,560
Total Revenue	38,895	58,351	77,000	18,649
Operating Expenses				
Salaries - Academic	1,729	3,992	0	3,992
Salaries - Student services	76	394	0	394
Salaries - Staff	1,372	4,594	1,600	2,994
Total Salaries	3,177	8,981	1,600	7,381
Employee benefits	445	1,679	350	1,329
Total Salaries and benefits	3,622	10,660	1,950	8,710
Supplies and sundries	5,109	4,209	5,200	(991)
Scholarships, fellowships and bursaries	2,736	10,064	3,250	6,814
Travel and field trips	81	167	0	167
Professional and consulting fees	131	353	0	353
Grants and reimbursements to other agencies	0	25	0	25
Utilities	1	4	0	4
Total Expenses	11,680	25,482	10,400	15,082
Excess (deficiency) of revenues over expenses	27,216	32,869	66,600	33,731
Transfers to (from) non-operating funds	9,930	12,637	56,529	(43,892)
Interfund transfers - (In)	0	(145)	(25,500)	25,355
Interfund transfers - Out	9,930	12,782	82,029	(69,247)
Change in invested in capital assets	10,094	14,516	17,300	(2,784)
Debt service - Interest	300	300	0	300
Debt service - Principal	0	0	0	0
Capital expenditures	9,794	14,216	17,300	(3,084)
Interfund transfers - ECA	0	0	0	0
Net change in unrestricted fund balance	7,192	5,717	(7,229)	(12,946)
Accumulated reserves - opening	13,629	20,821	26,538	5,717
Accumulated reserves - closing	20,821	26,538	19,310	(7,229)
Summary				
Surplus / (Deficit) by Sub-Portfolio				
Strategic Excellence Fund	7,192	5,717	(7,229)	(12,946)
Grand Total - Surplus / (Deficit)	7,192	5,717	(7,229)	(12,946)

Overview

Fiscal 2020/21 is planning a \$7.2m deficit in spending over the allocated funding of \$77m as delayed spend in previous years are catching up on projects that were committed in previous years for which funding has already been set aside in the reserve. Two major areas that receive significant funding support: a) Strategic Plan Enablement has \$4.3m reflected in the fiscal 2020/21 Plan, and b) The President's Academic Excellence Initiative (PAEI) also has a startup of \$25m planned in fiscal 2020/21 to enable the accelerated phase of recruiting 100 faculty members to progress, as planning for space and recruitment needs to start soon.

Key Drivers

- **Grants** – Funding for AEF is based on a per cent allocation of international tuition allocation where the incremental tuition increase is split 2/3 between the AEF and 1/3 to Central/Faculties based on a 35/65

split. International tuition rates are expected to increase to 4% for new students and 3% for continuing students plus expected enrolment growth estimated at 4.5% for international students. \$13m increase in funding is calculated based on the assumptions noted above.

- **Salaries and Benefits** – Funding has been set aside in fiscal 2020/21 to staff start-up for research and library operations in preparation for the PAEI to start.

Other Major Variances

- **Supplies and Sundries** – New Strategic Plan competitions are planned for fiscal 2020/21 to support the following themes – Great People, Interdisciplinary Education, and Indigenous Engagement – \$2.3m. This is in addition to the funding of the prior Strategic Pilot enablement for which the final \$2m of spend is planned for fiscal 2020/21 plus the cost of recruitment for the PAEI.
- **Scholarships, Fellowships and Bursaries** – Expense shows the funding support for graduate fellowships as a 25% tuition waiver will be implemented in fiscal 2020/21 to support graduate students on campus.
- **Interfund Transfers In** – Funding for the Academic Renewal Initiative.

Capital Expenditures

In fiscal 2019/20, a significant one-time capital spend of \$9.4m to support the Advance Research Computing (ARC), and a \$3m CERC laboratory renovation were completed. Fiscal 2020/21 planned spend represents significant funding support to PAEI of \$16.3m for renovations required to convert existing space to support the new faculty hires, plus commitments to date, which include matching support for another CERC capital project.

Transfers to Non-Operating Funds

- **General Operating Fund** – Change in the process as to how AEF funds are transferred to faculties as funds will be sent out via interfund transfer as opposed to cost recovery in the past.
- **Research** – Significant support for research start-up for strategic hires planned for the two remaining President's Excellence Chairs, CERC, and research support for the PAEI faculty hires.
- **Capital** – \$10m transfer to support the IRP initiative as per the terms of reference for the AEF.
- **Endowment** – \$8.6m is planned to be transferred to support the Student Endowment – \$5.6m, plus \$3m matching funds for faculty chairships and professorships.

VP Development and Alumni Engagement (DAE)

(in \$thousands)	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	25,879	28,879	29,259	380
One-time	(37)	535	3,600	3,065
	25,842	29,414	32,859	3,446
Departmental Revenue				
Non-government grants, contracts, donations	5	0	0	0
Sales and services	168	162	145	(17)
	173	162	145	(17)
Total Revenue	26,015	29,576	33,005	3,429
Operating Expenses				
Salaries - Student services	422	552	532	20
Salaries - Staff	16,764	19,077	21,056	(1,978)
Total Salaries	17,185	19,629	21,587	(1,958)
Employee benefits	3,058	3,742	4,016	(274)
Total Salaries and benefits	20,243	23,371	25,603	(2,232)
Supplies and sundries	4,621	5,118	6,330	(1,212)
Travel and field trips	443	588	481	107
Professional and consulting fees	371	623	285	338
Utilities	86	101	88	14
Total Expenses	25,764	29,801	32,787	(2,986)
Excess (deficiency) of revenues over expenses	251	(225)	218	443
Transfers to (from) non-operating funds	12	0	0	0
Change in invested in capital assets	680	229	218	12
Net change in unrestricted fund balance	(441)	(455)	0	455
Accumulated reserves - opening	800	359	(96)	(455)
Accumulated reserves - closing	359	(96)	(96)	0

Summary						
Surplus / (Deficit) by Sub-Portfolio						
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast	Accumulated reserves - opening	Accumulated reserves - closing
Advancement Services Office	(158)	164	(40)	(204)	164	124
AVP Alumni Relations & Affairs	154	(3)	0	3	(3)	(3)
Marketing and Communication Units	(60)	54	0	(54)	54	54
Strategic Initiatives Units	(457)	(354)	0	354	6	6
VP Development & Alumni Engagement Units	46	8	0	(8)	8	8
Centennial	0	0	0	0	0	0
Development Units	57	66	464	398	66	530
Campaign Plan	(23)	(389)	(424)	(35)	(389)	(813)
Grand Total - Surplus / (Deficit)	(441)	(455)	0	455	(96)	(96)

Overview

Development and Alumni Engagement (DAE) engages with donors and prospective donors to secure philanthropic support in support of UBC priorities. In partnership with the Alumni Association of the University of British Columbia, DAE engages alumni and delivers alumni programs in BC, Canada, and around the world. With our 337,000 alumni in 148 countries, they are UBC's largest constituent group.

This engagement and resulting philanthropic and volunteer support directly impacts the success of UBC students, faculty, and students.

DAE's recurring funding totals \$29.3m, an increase of \$380K from the prior year, supporting donor and alumni engagement activities across UBC's faculties and units on both campuses. Financial highlights for fiscal 2020/21 include:

- Launch of the second year of an ambitious seven-year growth plan to expand UBC's current fundraising and engagement goals to new sustainable levels from \$200m/year to \$300m/year and to increase the number of alumni engaged from 70,000/year to 100,000/year.

Key Drivers

- **Salaries and Benefits** – Total salaries and benefits are planned to be higher than the prior year with total plans to recruit an additional 26 FTE for the growth plan. Some of these growth positions have been filled in advance in fiscal 2019/20.
- **Supplies and Sundries** – Activities to support the growth campaign include a new UBC Giving website, preparation of campaign case for support, brand and collateral marketing materials, and planning and preparation for campaign launch activities in fiscal 2021/22.

Other Major Variances

- **Professional and Consulting Fees** – Professional and consulting fees are lower due to conclusion of the Campaign Feasibility Study and the work formerly undertaken by an external consultant has been rolled into the responsibilities of one FTE.

Capital Expenditures

Capital expenditures are comprised of desktop computers and upgrades on a regular replacement schedule.

VP External Relations

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	16,392	17,262	17,539	278
One-time	1,150	1,852	2,150	298
	17,543	19,114	19,689	576
Departmental Revenue				
Government grants and contracts				
Government of Canada	1	3	0	(3)
Province of British Columbia	125	120	100	(20)
Other governments	0	18	0	(18)
Non-government grants, contracts, donations	612	225	30	(195)
Sales and services	7,437	7,991	9,109	1,118
	8,175	8,356	9,239	882
Total Revenue	25,718	27,470	28,928	1,458
Operating Expenses				
Salaries - Academic	27	41	70	(29)
Salaries - Student services	262	242	286	(44)
Salaries - Staff	11,339	12,738	14,390	(1,652)
Total Salaries	11,628	13,021	14,746	(1,724)
Employee benefits	2,099	2,445	2,772	(327)
Total Salaries and benefits	13,727	15,466	17,518	(2,052)
Supplies and sundries	9,144	10,408	9,701	706
Travel and field trips	253	277	329	(52)
Professional and consulting fees	3,889	2,810	3,547	(737)
Grants and reimbursements to other agencies	25	141	175	(34)
Utilities	193	202	215	(13)
Total Expenses	27,231	29,304	31,486	(2,182)
Excess (deficiency) of revenues over expenses	(1,513)	(1,834)	(2,558)	(723)
Transfers to (from) non-operating funds	(1,746)	(1,583)	(810)	(773)
Change in invested in capital assets	525	1,254	534	720
Net change in unrestricted fund balance	(292)	(1,505)	(2,281)	(776)
Accumulated reserves - opening	6,390	6,098	4,593	(1,505)
Accumulated reserves - closing	6,098	4,593	2,312	(2,281)

Summary						
Surplus / (Deficit) by Sub-Portfolio						
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast	Accumulated reserves - opening	Accumulated reserves - closing
Campus & Community Planning	(420)	(514)	(237)	277	2,474	2,237
Ceremonies and Events	50	(114)	(380)	(266)	26	(354)
Communications	109	(175)	(308)	(133)	265	(43)
Government Relations & Community Engagement	(139)	140	(361)	(501)	451	90
Learning Exchange	190	(220)	(329)	(109)	276	(54)
Robson Square	162	(291)	4	295	120	124
VPER - Other	(245)	(331)	(670)	(339)	980	310
Grand Total - Surplus / (Deficit)	(292)	(1,505)	(2,281)	(776)	4,593	2,312

Overview

The Vice-President External Relations portfolio supports learning, research, and innovation through effective advocacy and communication, meaningful engagement, and the creation of vibrant and sustainable communities. The portfolio is made up of Campus and Community Planning (C+CP), Communications, Government Relations and Community Engagement, Ceremonies and Events, Learning Exchange, and Robson Square.

The portfolio is intentionally spending down its carryforward, planning a deficit of \$2.3m for fiscal 2020/21. The reserves have been and will continue to be used for the following: C+CP annual operating reserve (\$1m), Catalyst initiatives, C+CP deferred projects and initiatives, UBC Connects, and Robson Square and Learning Exchange renovations.

Key Drivers

- **Sales and Services** – Fiscal 2020/21 plan is higher than prior year mainly due to permit rate increases and increase in Robson Square lease revenue.
- **Salaries and Benefits** – There is a planned increase compared to current year for Rapid Transit, UBC Connects, Sustainability, Communications, and Community Engagement initiatives.

Other Major Variances

- **Supplies and Sundries** – Plan is less than fiscal 2019/20 mainly due to lower operational expenses relating to the end of the Brand Campaign, partially offset by increases in Event Planning, Public Engagement, Community-University Engagement Support (CUES), Robson Square lease payments, and Catalyst initiatives. In addition, there are one-time event costs relating to the Chancellor transition.
- **Professional and Consulting Fees** – Increase from fiscal 2019/20 is due to higher spending planned for Rapid Transit, Sustainability, UBC Connects speaker series, and Catalyst initiatives.
- **Interfund Transfers In** – Fiscal 2020/21 interfund transfers in consists of \$877k funding from the Academic Excellence Fund. The decrease from the current year is due to \$2m for the Brand Campaign that will not be received in fiscal 2020/21.

Capital Expenditures

Reduction in capital expenditures largely due to one-time fiscal 2019/20 spend on C+CP, Learning Exchange, and Robson Square renovations.

Transfers to Non-Operating Funds

- **Research** – Annual transfer of \$67k to Vice-President Academic and Provost Office for the backfill of the academic director and is anticipated to be spent by year end.
- **Capital** – Interfund transfers out has been reduced by \$350k for IIC MacInnes Field Maintenance and Volkoff Pathways.



The UBC Learning Exchange provides an innovative off-campus hub, engaging over 2,500 members of Vancouver's Downtown Eastside community, 2,000+ students, 80+ faculty, and 45+ community organizations.

VP Health

(in \$thousands)

Operating Revenue

Funding Allocations

Operating allocation

Recurring

One-time

Departmental Revenue

Non-government grants, contracts, donations

Sales and services

Total Revenue

Operating Expenses

Salaries - Academic

Salaries - Student services

Salaries - Staff

Total Salaries

Employee benefits

Total Salaries and benefits

Supplies and sundries

Scholarships, fellowships and bursaries

Travel and field trips

Professional and consulting fees

Utilities

Total Expenses

Excess (deficiency) of revenues over expenses

Transfers to (from) non-operating funds

Change in invested in capital assets

Net change in unrestricted fund balance

Accumulated reserves - opening

Accumulated reserves - closing

Summary

Surplus / (Deficit) by Sub-Portfolio

Health

Grand Total - Surplus / (Deficit)

2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
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1,785	2,955	2,969	14
3	2	0	(2)
1,788	2,957	2,969	12

0	2	0	(2)
52	0	1	0
52	2	1	(1)

1,840	2,959	2,969	10
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155	269	427	(158)
25	12	11	1
499	637	1,065	(428)

679	918	1,503	(585)
146	178	282	(103)

825	1,096	1,785	(689)
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55	68	445	(377)
0	3	5	(3)
2	13	52	(39)
21	82	165	(83)
22	22	26	(4)

925	1,284	2,478	(1,194)
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915	1,675	491	(1,184)
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125	165	160	5
0	150	55	95

790	1,361	276	(1,084)
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832	1,622	2,983	1,361
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1,622	2,983	3,259	276
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2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast	Accumulated reserves - opening	Accumulated reserves - closing
790	1,361	276	(1,084)	2,983	3,259
790	1,361	276	(1,084)	2,983	3,259

Overview

The Vice-President Health portfolio was established on July 1, 2018, which effected the transfer of UBC Health, an administrative unit previously under the Provost and Vice-President Academic, to the new VP Health portfolio.

UBC Health aims to strengthen the university's impact and capacity for excellence in health education and research by creating opportunities for improved wellbeing and patient outcomes, accelerated knowledge development and innovation, and greater training effectiveness. The unit works with all health and human service programs at UBC to facilitate collaborations across disciplines on both the Vancouver and Okanagan campuses, and to strengthen linkages with the provincial health authorities and other external partners. While the key priorities for UBC Health have been interprofessional education and interprofessional collaboration over the past decade, the mandate of the new VP Health portfolio has expanded to also include more systematic collaborations and integrated approaches related to health research and systems.

The VP Health portfolio is effecting changes to its governance model and setting strategic priorities in alignment with its three foundational pillars: Collaborative Health Education, Health Research, and Health Systems. Part-time appointments of a Director of Education and a Director of Research were made in January 2020, while the search for a Director of Health Systems is currently in progress. All three director positions are being filled as secondments by existing UBC faculty, at 0.3FTE each, on three-year terms. In addition, a strategic planning process for VP Health has started in February 2020, with broad consultations with internal and external stakeholder groups starting in April 2020 and running to the fall of 2020. The new strategic plan for VP Health is expected to be finalized by December 2020 and ready for implementation in January 2021.

To build and sustain the new portfolio, the Board of Governors approved an additional recurring budget of \$1.15m for fiscal 2019/20. Expenses in fiscal 2019/20 were lower than planned due to delays in recruitment of various leadership positions and the absence of a strategic plan. Once the new strategic plan is in place, it is expected that expenses will start to materialize as key priorities and projects related to the three foundational pillars take effect in fiscal 2020/21.

Key Drivers

- **Salaries and Benefits** – The fiscal 2020/21 plan reflects an increase in costs of salaries and benefits over the fiscal 2019/20 Q3 forecast, due to new staff positions to support emerging priorities and key initiatives in alignment with the new strategic plan for VP Health. The fiscal 2020/21 plan also includes a full year of salary costs for faculty director positions, whose appointments were delayed resulting in only partial-year appointments in fiscal 2019/20.

Other Major Variances

- **Supplies and Sundries** – Increased costs in fiscal 2020/21 to support emerging priorities and new initiatives.

Capital Expenditures

The fiscal 2020/21 plan reflects costs of computer equipment and renovations to modify existing office spaces for new staff positions

Transfers to Non-Operating Funds

- **Research** – Research allowances totalling \$160k per year have been approved for the Vice-President Health and Faculty Directors to support their roles as senior leaders in the VP Health portfolio.

VP Finance & Operations

(in \$thousands)	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	126,188	133,092	135,091	1,999
One-time	4,434	11,335	6,858	(4,477)
	130,622	144,427	141,949	(2,478)
Departmental Revenue				
Government grants and contracts				
Province of British Columbia	0	350	0	(350)
Non-government grants, contracts, donations	117	353	200	(153)
Investment Income	29	0	0	0
Sales and services	39,224	43,913	43,942	29
	39,370	44,617	44,142	(474)
Total Revenue	169,992	189,044	186,092	(2,952)
Operating Expenses				
Salaries - Academic	38	26	0	26
Salaries - Student services	63	140	28	112
Salaries - Staff	70,396	78,410	84,179	(5,769)
Total Salaries	70,497	78,577	84,207	(5,631)
Employee benefits	14,651	17,565	18,677	(1,112)
Total Salaries and benefits	85,147	96,142	102,885	(6,743)
Supplies and sundries	21,205	23,394	21,906	1,488
Cost of goods sold	33,794	34,489	34,403	86
Travel and field trips	258	321	340	(18)
Professional and consulting fees	3,784	5,123	2,742	2,381
Utilities	1,468	1,400	1,462	(61)
Total Expenses	145,657	160,869	163,737	(2,868)
Excess (deficiency) of revenues over expenses	24,335	28,175	22,355	(5,821)
Transfers to (from) non-operating funds	5,068	11,931	4,800	7,131
Change in invested in capital assets	15,965	14,933	21,512	(6,579)
Net change in unrestricted fund balance	3,302	1,312	(3,956)	(5,269)
Accumulated reserves - opening	5,058	8,361	9,673	1,312
Accumulated reserves - closing	8,361	9,673	5,717	(3,956)

Summary						
Surplus / (Deficit) by Sub-Portfolio						
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast	Accumulated reserves - opening	Accumulated reserves - closing
Building Operations including Capital	(1,098)	1,495	(1,530)	(3,025)	1,434	(95)
Energy and Water Services	768	540	274	(266)	1,573	1,847
Infrastructure Development	707	(541)	39	580	1,554	1,593
Financial Operations	1,997	(55)	(1,138)	(1,083)	2,107	969
Comptroller	92	(34)	(170)	(135)	870	701
Risk Management Services	525	(1,124)	278	1,402	649	927
VPFO - Other	311	1,030	(1,711)	(2,741)	1,486	(225)
Grand Total - Surplus / (Deficit)	3,302	1,312	(3,956)	(5,269)	9,673	5,717

Overview

The VP Finance & Operations (VPFO) portfolio includes Building Operations (BO), Energy and Water Services (EWS), Safety and Risk Services (SRS), Infrastructure Development (ID), Financial Operations (FO), VPFO Admin, Finance and Operational Excellence (FOE), Comptroller, Treasury, and the Integrated Service Centre (ISC).

Overall, the VPFO is budgeting a deficit of \$4m at the end of fiscal 2020/21 compared to the fiscal 2019/20 third quarter forecast surplus of \$1.3m. The \$5.3m variance is driven primarily by delays of savings associated with the Procurement Modernization program (being covered by carry-forward funding), \$1.5m one-time BO structural deficit funding received in fiscal 2019/20, and \$1.2m in ISC expenses budgeted to be incurred in fiscal 2020/21 (being covered by carry-forward funding).

Key Drivers

- **Grants** – Non-government grants are budgeted to decrease \$153k from fiscal 2019/20 primarily due to reduced incentives anticipated from BC Hydro and Fortis BC for energy conservation-related projects (the incentives were unusually high in fiscal 2019/20).
- **Sales and Services** – Primarily comprised of maintenance and custodial related fee-for-service work, Project Services works in support of campus-wide capital projects, provision of utilities to ancillaries and tenants, and credit card and other rebates. Overall sales and services are budgeted to be just \$29k higher than fiscal 2019/20 at \$43.9m. This is driven by an increase in BO fee-for-service activities of \$144k somewhat offset by a slight decrease of Project Services revenues of \$79k.
- **Salaries and Benefits** – Total salaries and benefits are budgeted to increase \$6.7m or 7% from fiscal 2019/20. This is primarily driven by BO, where vacancy savings achieved in fiscal 2019/20 are not budgeted to repeat in fiscal 2020/21 (as the positions have been filled), and FO, where new Buyers, Procurement Partners, and Strategic Sourcing roles have been added and will continue to be added in fiscal 2020/21. Additionally, new roles have been added in FOE as well as VPFO Admin and Comptroller to continue to drive improvements and efficiencies and support the significant workloads and change management activities across the portfolio.

Other Major Variances

- **Supplies and Sundries** – Supplies are budgeted to decrease \$1.5m or 6% primarily due to SRS projects completed in fiscal 2019/20 (mass care supplies, treatment vehicle outfitted, chemical waste disposal, and emergency website and communications updates). Additionally, BO's supplies budget has decreased by \$893k due to appropriate reclassification of operating expenses to capital anticipated in fiscal 2020/21.
- **Professional and Consulting Fees** – Professional and consulting fees are budgeted to decrease a significant \$2.4m or 46% from fiscal 2019/20 almost exclusively due to full implementation of the Procurement Modernization program and completion of the vendor/purchase order clean-up project in preparation for the Workday implementation (these two projects relied heavily on outside consultants). Additionally, ID is budgeting lower consulting fees as the Microsoft Nav project costing system conversion to Workday will be completed in fiscal 2019/20.
- **Cost of Goods Sold** – Cost of Goods Sold is budgeted to be fairly flat with fiscal 2019/20 as there are no significant new buildings coming online in fiscal 2020/21.
- **Interfund Transfers-In** – Budgeted to decrease from \$9.4m in fiscal 2019/20 to \$322k in fiscal 2020/21. This is primarily driven by the one-time transfers covering the Bioscience Undergraduate Teaching Labs upgrades and additional seismic studies/upgrades completed in fiscal 2019/20 as well as lower transfers to BO from Routine Capital covering unplanned renewal activities.

Capital Expenditures

Capital expenditures are budgeted to increase \$6.4m from fiscal 2019/20 primarily due to directly allocating the \$10.5m Routine Capital match funding to ID. As well, the ISC is budgeting \$741k in office renovations and furniture and computer purchases in fiscal 2020/21. Helping to offset these are purchases of classroom capital furniture and seismic study expenses incurred by ID in fiscal 2019/20, as well as completion of radiology lab renovations, office renovations, and new vehicle purchases by SRS in fiscal 2019/20.

Transfers to Non-Operating Funds

- **Capital** – Total transfers to capital-related activities are budgeted at \$5.1m, a reduction of \$16.2m from fiscal 2019/20. The main reason for this reduction is the new process whereby the Routine Capital match funding is directly transferred to the capital account in fiscal 2020/21 (rather than flowing through the BO operating account). As well, there is a \$4.7m reduction from seismic-related expenses and the Bioscience Undergraduate Teaching Labs upgrades completed in fiscal 2019/20.

DRAFT

VP Human Resources

(in \$thousands)	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	16,685	17,875	17,980	105
One-time	1,344	2,413	1,122	(1,291)
	18,029	20,288	19,102	(1,186)
Departmental Revenue				
Sales and services	7,546	9,898	9,663	(235)
	7,546	9,898	9,663	(235)
Total Revenue	25,576	30,186	28,766	(1,420)
Operating Expenses				
Salaries - Academic	56	73	81	(8)
Salaries - Student services	200	226	180	45
Salaries - Staff	16,263	19,789	21,521	(1,732)
Total Salaries	16,520	20,087	21,782	(1,695)
Employee benefits	2,672	3,414	3,766	(353)
Total Salaries and benefits	19,192	23,500	25,549	(2,048)
Supplies and sundries	1,601	2,484	2,630	(146)
Travel and field trips	185	324	279	45
Professional and consulting fees	2,630	2,455	2,411	45
Utilities	144	129	131	(1)
Total Expenses	23,752	28,894	30,999	(2,105)
Excess (deficiency) of revenues over expenses	1,823	1,292	(2,233)	(3,525)
Transfers to (from) non-operating funds	(288)	(706)	0	(706)
Change in invested in capital assets	379	686	248	438
Net change in unrestricted fund balance	1,732	1,312	(2,481)	(3,793)
Accumulated reserves - opening	2,336	4,067	5,379	1,312
Accumulated reserves - closing	4,067	5,379	2,898	(2,481)

Summary						
Surplus / (Deficit) by Sub-Portfolio						
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast	Accumulated reserves - opening	Accumulated reserves - closing
Human Resources	510	202	(2,339)	(2,541)	2,106	(233)
UBC Hiring Solutions	87	26	0	(26)	326	326
VPHR - Other	1,135	1,083	(142)	(1,225)	2,947	2,805
Grand Total - Surplus / (Deficit)	1,732	1,312	(2,481)	(3,793)	5,379	2,898

Overview

Human Resources (HR) provides support and advice to the UBC Faculties and Administrative Departments as well as a range of programs and services including recruitment and employment, learning programs, professional and personal development, labour relations, benefits administration, and the creation of HR policies and procedures.

Overall, HR is budgeting a deficit of \$2.5m at the end of fiscal 2020/21 compared to the fiscal 2019/20 third quarter forecast surplus of \$1.3m. The negative variance of \$3.8m is driven in large part by the \$1.7m one-time funding covering the Independent Investigations Office (IIO) structural deficit received in fiscal 2019/20, additional roles supporting the expansion of HR services and programs, Equity and Inclusion Office (EIO) seminars and programs not completed in fiscal 2019/20, and \$700k Rent-Geared-to-Income (RGI) funding received in fiscal 2019/20 (additional RGI funding is not budgeted as there should be sufficient funding to cover anticipated usage in fiscal 2020/21).

Key Drivers

- **Sales and Services** – Sales and services are budgeted to decrease \$235k from fiscal 2019/20 almost exclusively due to lower temporary placements provided through UBC Hiring Solutions (fiscal 2019/20 was an unusually high year) coupled with slightly lower program revenue.
- **Salaries and Benefits** – Salaries and benefits are budgeted to be \$2m higher than fiscal 2019/20 primarily due to annualization of new roles added in fiscal 2019/20 (particularly advisory services, career navigation and transition, independent investigations, and administrative support), non-repeating vacancy savings of \$900k in fiscal 2019/20, and GWI/merit of \$397k anticipated in fiscal 2020/21. These additional costs are slightly offset by lower temporary placement salary costs (commensurate with lower UBC Hiring Solutions revenue) and term positions funded through fiscal 2019/20 Mid-Year Asks.

Other Major Variances

- **Supplies and Sundries** – Budgeted to increase \$146k from fiscal 2019/20 due to additional usage of the RGI program (\$75k) and Equity Enhancement fund transfers to the university campus (\$56k).
- **Professional and Consulting Fees** – Budgeted to decrease \$45k primarily due to a reduction of outside consulting services driven by fiscal 2019/20 one-time Mid-Year Asks, somewhat offset by an increase in legal costs.
- **Interfund Transfers-In** – Transfers-in are budgeted to decrease \$719k from fiscal 2019/20 exclusively due to an absence of Endowment funding covering the RGI program in fiscal 2020/21 (as mentioned above, there should be sufficient funding carried forward at the end of this fiscal to cover fiscal 2020/21 expenses).

Capital Expenditures

Capital expenditures are budgeted to decrease \$438k primarily due to completion of the IIO renovations in Wesbrook Village in fiscal 2019/20. Renovations to the HR space in TEF 3 to provide additional workspace have been included in the fiscal 2020/21 budget

VP Research and Innovation

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	26,161	27,236	27,811	575
One-time	191	2,125	760	(1,365)
	26,352	29,361	28,571	(790)
Departmental Revenue				
Government grants and contracts				
Government of Canada	300	292	348	56
Non-government grants, contracts, donations	1,645	742	845	103
Investment Income	2,381	12	5	(7)
Sales and services	8,516	11,328	12,283	955
	12,842	12,374	13,480	1,106
Total Revenue	39,194	41,735	42,051	316
Operating Expenses				
Salaries - Academic	823	1,038	1,141	(103)
Salaries - Student services	261	279	259	20
Salaries - Staff	16,966	18,924	23,826	(4,902)
Total Salaries	18,050	20,241	25,225	(4,984)
Employee benefits	3,485	3,986	4,991	(1,005)
Total Salaries and benefits	21,535	24,227	30,217	(5,989)
Supplies and sundries	6,441	10,820	11,464	(643)
Cost of goods sold	933	943	974	(31)
Scholarships, fellowships and bursaries	1	2	1	1
Travel and field trips	386	483	475	8
Professional and consulting fees	1,678	2,265	1,121	1,144
Grants and reimbursements to other agencies	58	50	50	0
Utilities	218	169	98	71
Total Expenses	31,250	38,960	44,399	(5,440)
Excess (deficiency) of revenues over expenses	7,944	2,775	(2,348)	(5,123)
Transfers to (from) non-operating funds	4,811	(399)	(3,564)	3,165
Change in invested in capital assets	872	2,929	1,961	968
Net change in unrestricted fund balance	2,261	246	(745)	(990)
Accumulated reserves - opening	7,340	9,601	9,846	246
Accumulated reserves - closing	9,601	9,846	9,102	(745)

Summary						
Surplus / (Deficit) by Sub-Portfolio						
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast	Accumulated reserves - opening	Accumulated reserves - closing
Animal Care Services /Capital Replacement Fund	909	(257)	281	539	5,049	5,331
UBC-Press	5	2	5	2	135	139
University-Industry Liaison Office	(5)	(83)	(7)	76	7	0
VP Research & Innovation Office	615	1,465	(389)	(1,853)	3,918	3,529
Entrepreneurship at UBC	811	(45)	(76)	(31)	0	(76)
Advanced Research Computing	(537)	(16)	0	16	0	0
Sequencing Bioinformatics Consortium	365	(144)	(292)	(148)	155	(137)
VPRI - Other	98	(676)	(267)	409	582	315
Grand Total - Surplus / (Deficit)	2,261	246	(745)	(990)	9,846	9,102

Overview

The Vice-President Research and Innovation (VPRI) Office and its portfolio units are the support hub for UBC's Research and Innovation activities. It enables the environment to allow UBC researchers to obtain funding, apply that funding to generate new research results, and to then transition those results into socio-economic

impact. Some of VPRI's major initiatives for this fiscal year are to continue to foster the inter-disciplinary research excellence cluster program, to develop consortium models for university research infrastructure in the model of the Sequencing and Bioinformatics Consortium (SBC), to provide appropriate digital research infrastructure through local and national resources, and to grow support for the multiple pathways to take research to impact, including commercialization, entrepreneurship, partnerships, and knowledge exchange.

Overall, VPRI's units show a budgeted accumulated closing reserve of \$9.1m, of which \$5.3m is from Animal Care Services (ACS). ACS is required to establish a 10-year capital replacement fund that is dedicated to future equipment repairs and the gradual renewal of equipment of \$21.7m. Also, the Vice-President Research and Innovation Office (VPRIO) and Innovation UBC (UBCI) will use built-up budgeted reserves of \$3.5m to fund new staff that supports campus-wide initiatives, operationalize the innovation hubs at Robson Square and Okanagan, and increase support for implementing innovation strategies.

Key Drivers

- **Operating Allocation** – Decrease of one-time funding as the mid-year funding of \$1.7m was only for fiscal 2019/20, an increase due to new budget asks (Dimensions/2nd AVP/Mobility Grants) for fiscal 2020/21 for \$725k, and an increase in the Employee Health Tax (EHT) and General Wage Increases (GWI) for \$575k.
- **Grants** – Additional funding allocation to UBC Press from the Andrew W. Mellon Foundation for the newly launched RavenSpace for \$103k.
- **Sales and Services** – VPRI has several funding streams from its diverse portfolio which includes: royalty revenues; annual licensing fees; service and user fees (ACS/SBC/Plant Care Services - PLCS); and UBC Press sales. In fiscal 2020/21, UBC Press will have higher print book and agency sales of \$131k, and ACS will have increased animal care services of \$110k.
- **Salaries and Benefits** – Increase is due to new initiatives like the Dimensions Pilot Program (equity, diversity, and inclusion), new positions for various VPRI units, positions being paid for the full year versus being paid partially in fiscal 2019/20, and salary increases (GWI & Merit) which amounted to \$1m.
- Also, the Provost Office has changed the funding method as it relates to the Academic Excellence Fund (AEF). In fiscal 2020/21, they will transfer funding directly to VPRI units and will no longer use a cost recovery method. Advanced Research Computing (ARC), innovation UBC (UBCI), and Plant Care Services (PLCS) will have funding from AEF for salaries and benefits which will total \$5m.

Other Major Variances

- **Supplies and Sundries** – The Provost Office has changed the funding method as it relates to the AEF. In fiscal 2020/21, they will transfer funding directly to units and will no longer use a cost recovery method. Advanced Research Computing (ARC), VPRO, innovation UBC (UBCI), and Indigenous Research Support Initiative (IRSI) will have funding from AEF for UBC Robson rent, research cluster expenses, cloud storage for UBC ARC Sockeye research support, and Indigenous engagement events, which will total \$640k.
- **Interfund Fund Transfers (In)** – The Provost Office has changed the funding method as it relates to the AEF. In fiscal 2020/21, they will transfer funding directly to units and will no longer use a cost recovery method for \$14m.

Capital Expenditures

In fiscal 2019/20, capital expenditures were higher due to the one-time mid-year funding for lighting, venting and tractor upgrades for Plant Care Services (PLCS) for \$300k, along with high-performance computing and an upgrade to the Sanger sequencer laser for SBC for \$550k, both to be completed in fiscal 2019/20. Capital expenditures are expected to decrease in fiscal 2020/21.

Transfers to Non-Operating Funds

- **Research** – VPRI supports many *Research Excellence* initiatives which include Established & Emerging Clusters, Canada First Research Excellence Fund (CFREF) matching, Canada's Digital Technology Supercluster (CDTS), Global Research Excellence (GREx) Institutes, NSERC & SSHRC (Partnership/Strategic/CREATE) grant matching, UBC NCE Network Host support, Research Facility Support Grants (RFSG), and Collaborative Research Mobility Awards (CRMA). Total research transfers amount to \$13m. The large increase is due to the AEF transferring the funding directly to units and will no longer use a cost recovery method. There is an estimated unspent balance in fiscal 2020/21 of \$3.4m, but it is expected that a majority of the balance will be spent in the following fiscal year due to some two-year awards.

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VP Students

(in \$thousands)	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	26,265	29,906	30,421	515
One-time	356	4,053	1,986	(2,067)
	26,621	33,960	32,408	(1,552)
Departmental Revenue				
Government grants and contracts				
Government of Canada	62	83	50	(33)
Province of British Columbia	4,445	5,292	5,189	(102)
Other governments	0	0	0	0
Student fees - Domestic	11,506	12,166	12,332	166
Non-government grants, contracts, donations	1,056	587	613	26
Sales and services	247,324	267,500	276,705	9,205
	264,392	285,627	294,890	9,262
Total Revenue	291,013	319,587	327,297	7,710
Operating Expenses				
Salaries - Academic	481	492	718	(226)
Salaries - Student services	7,285	6,843	5,902	941
Salaries - Staff	77,021	89,154	93,320	(4,166)
Total Salaries	84,788	96,490	99,941	(3,451)
Employee benefits	18,430	22,107	22,620	(512)
Total Salaries and benefits	103,217	118,597	122,560	(3,963)
Supplies and sundries	56,643	65,971	65,848	123
Cost of goods sold	30,612	32,430	33,585	(1,155)
Scholarships, fellowships and bursaries	(4)	1	(2)	3
Travel and field trips	3,391	4,254	3,962	293
Professional and consulting fees	2,254	3,275	2,536	739
Grants and reimbursements to other agencies	410	536	273	263
Utilities	15,924	17,054	18,493	(1,438)
Total Expenses	212,448	242,119	247,254	(5,135)
Excess (deficiency) of revenues over expenses	78,565	77,468	80,043	2,575
Transfers to (from) non-operating funds	1,261	1,655	2,516	(861)
Change in invested in capital assets	78,877	75,997	79,174	(3,177)
Net change in unrestricted fund balance	(1,573)	(185)	(1,647)	(1,463)
Accumulated reserves - opening	31,452	29,879	29,695	(185)
Accumulated reserves - closing	29,879	29,695	28,047	(1,647)
Summary				
Surplus / (Deficit) by Sub-Portfolio				
Athletics and Recreation	1	261	(745)	(1,006)
AVP Student Health and Wellbeing	146	270	(106)	(375)
Student Housing and Community Services	(750)	(1,127)	(767)	360
Student Engagement	(695)	144	0	(144)
VP Students-Office	(276)	267	(30)	(298)
Grand Total - Surplus / (Deficit)	(1,573)	(185)	(1,647)	(1,463)

Overview

The VP Students has initiated the development of a new UBC Students Strategic Framework that aligns with UBC's Next Century Plan and builds upon existing institutional strategic plans. The work involves developing shared agendas and accountabilities to progress cross-cutting institutional priorities and strengthen alignment

and working relationships with and across VP Students units and UBC portfolios to provide students with an unparalleled student experience.

The VP Students has signaled the goal of creating an infrastructure to support and advance an integrated approach to student health and wellbeing.

In fiscal 2019/20, the VP Students Portfolio realigned Student Engagement, Student Health & Wellbeing, VPS Office, the ancillary business units, and made the decision to return to a single point of leadership for Athletics & Recreation to better align with the current and emerging needs of our diverse student body. A comprehensive approach for capital and infrastructure planning continues to be advanced, involving building maintenance and infrastructure planning including the continued Student Housing expansion plan at both campuses, two new food locations within the UBC Life building, a Commons block and dining facility at UBC Okanagan, as well as future projects, including integrated student health and wellbeing, a new student recreation facility, and improved spaces for student engagement within Brock Commons Phase 2. The VP Students portfolio and its stakeholders continue to foster a culture of engagement and inclusivity involving gender, equity, and diversity.

Key Drivers

- **Operating Allocation** – The Vice President Students portfolio has not received any additional funding for new initiatives as a result of the first round of the fiscal 2020/21 budget process. The two-year pilot study on food insecurity that began in fiscal 2019/20 received one-time funding for the next fiscal cycle and there is the expectation that funding will continue in the following year to allow for completion of the pilot study. Some funding received by Athletics & Recreation as one-time in fiscal 2019/20 will be converted to recurring funding. And as a result of one time mid-year funding received in fiscal 2019/20, the total fiscal 2020/21 funding is projected lower unless that process is repeated in fiscal 2020/21.
- **Grants** – BC Government grants related to the provision of Student Health Services and regulated Child Care, and are expected to remain in line with fiscal 2019/20.
- **Tuition** – The Vice President Students portfolio is not directly included in the allocation of Tuition to support the many student services that are provided by the various units.
- **Sales and Services** – The increase largely relates to full year operations in fiscal 2020/21 of Exchange Residence and UBC Okanagan Food Services as well as the opening of Skeena Residence in Fall 2020 at UBC Okanagan. The World Health Organization has recently issued health advisory alerts for coronavirus COVID-19 and the impact on both the summer conference travelers and student housing revenue is not known, with a potential for a \$3m reduction in sales.
- **Salaries and Benefits** – The increase relates to new ancillary operations described under Sales and Services as well as the projected 2% general wage increase mandate.

Other Major Variances

- **Cost of goods** – The variance between years is the result of introducing UBC-run food operations at UBC Okanagan part way through fiscal 2019/20.
- **Professional and Consulting Fees** – Fiscal 2019/20 mid-year funding was utilized for one-time special projects and there were higher promotion fees related to greater concert business in fiscal 2019/20. Several one-time initiatives occurred in fiscal 2019/20 related to the arrival of the new VP Students including creating a more effective executive structure and work related to a new strategic plan for students.
- **Utilities** – Combined utility rates are projected to increase 5.9% in fiscal 2020/21.

Capital Expenditures

- **Student Housing** – Fiscal 2020/21 involves a significant renovation of Monashee Residence at UBC Okanagan.
- **Food** – Fiscal 2020/21 involves two new food outlets within the UBC Life Building and a significant renovation at Place Vanier Dining

Transfers to Non-Operating Funds

- **Endowment** – \$2m is scheduled to be transferred as matching support for the Blue & Gold campaign.

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Student Financial Aid and Awards (SFA)

<i>(in \$thousands)</i>	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	75,776	79,553	82,947	3,393
One-time	3,627	169	0	(169)
	79,403	79,722	82,947	3,224
Departmental Revenue				
Government grants and contracts				
Government of Canada	0	11	0	(11)
Non-government grants, contracts, donations	1	9	0	(9)
	1	19	0	(19)
Total Revenue	79,404	79,742	82,947	3,205
Operating Expenses				
Salaries - Student services	4,993	4,756	6,666	(1,910)
Salaries - Staff	190	170	232	(62)
Total Salaries	5,183	4,925	6,898	(1,973)
Employee benefits	37	30	42	(12)
Total Salaries and benefits	5,220	4,956	6,941	(1,985)
Supplies and sundries	113	59	82	(23)
Scholarships, fellowships and bursaries	74,102	72,560	87,405	(14,846)
Travel and field trips	53	56	11	45
Professional and consulting fees	20	5	4	1
Utilities	0	0	1	(1)
Total Expenses	79,509	77,635	94,444	(16,809)
Excess (deficiency) of revenues over expenses	(105)	2,107	(11,497)	(13,604)
Transfers to (from) non-operating funds	129	128	(10,998)	11,126
Change in invested in capital assets	0	0	3	(2)
Net change in unrestricted fund balance	(234)	1,978	(502)	(2,480)
Accumulated reserves - opening	5,580	5,346	7,324	1,978
Accumulated reserves - closing	5,346	7,324	6,822	(502)

Summary						
Surplus / (Deficit) by Sub-Portfolio						
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast	Accumulated reserves - opening	Accumulated reserves - closing
SFA Graduate	843	22	(230)	(253)	2,732	2,502
SFA Undergraduate Domestic	53	1,761	14	(1,747)	2,595	2,609
Workstudy	(255)	332	(238)	(570)	123	(115)
SFA Undergraduate ISI	(536)	(230)	660	890	1,347	2,007
Go Global - SFA	(358)	(117)	(357)	(241)	296	(61)
International Tuition Award	18	209	(350)	(559)	230	(120)
Grand Total - Surplus / (Deficit)	(234)	1,978	(502)	(2,480)	7,324	6,822

Overview

In general, Student Financial Aid (SFA) funding comes from an allocation of domestic and international tuition for merit, need, and hybrid-based awards. Enrolment Services (ES) administers all need-based awards and undergraduate merit and Go Global awards. Faculty of Graduate and Postdoctoral Studies (G&PS) administers graduate merit-based awards. Student Development and Services administers the Work Learn Program.

Currently, SFA is projecting a deficit of \$502k after a contribution from the Academic Excellence Fund of \$11m to support domestic undergraduate, graduate, and work-study SFA. Due to changes implemented by the BC Student Loan program, this has caused an imbalance between funds available for awards. UBC is addressing

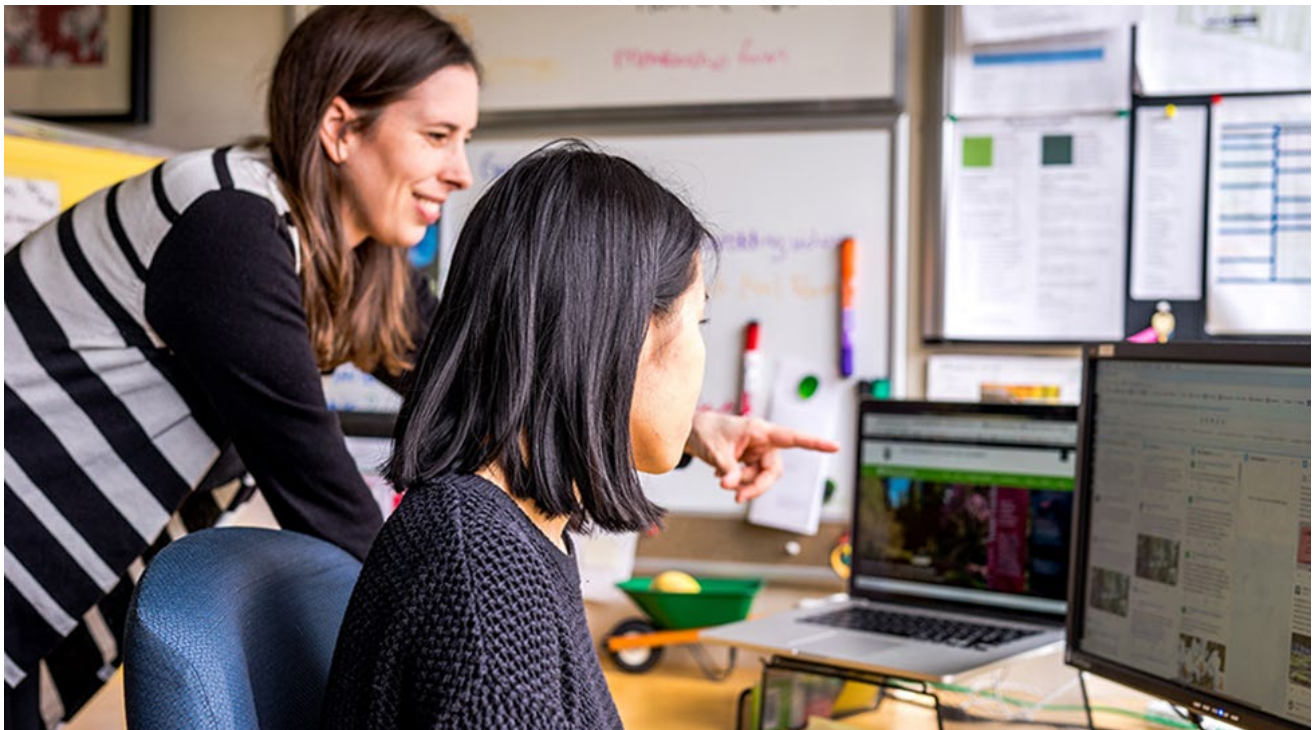
this through an internal process review to ensure changes made by the government in the BC Loans program do not impact student's ability to attend UBC and that the support is available for those who have the highest unmet need. A reserve of \$6.8m is less than 10% of the total annual spend of close to \$80m that is advised to be kept as contingency for unexpected student needs that may arise during the year.

Key Drivers

- **Operating Allocation** – GPO Funding Allocation increased by approximately \$3.3m recurring in plan 2020/21. This funding is allocated from domestic and international undergraduate tuition.
- **Salaries and Benefits** – Student salaries are for the Work Learn program, which provides a subsidy to departments that are awarded Work Learn students. There has been funding support provided by the Academic Excellence Fund to give growth to this program. Staff salary represents various positions that help administer Graduate Student travel and International Student awards.
- **Interfund Transfers** - \$11m transferred from the Academic Excellence Fund to support Student Financial Aid is reflective of the new model that utilizes interfund transfers as opposed to cost recovery of expense.

Other Major Variances

- **Scholarships, fellowships and bursaries** – \$11m of the \$14.8m increase is related to the new model that utilizes interfund transfers as opposed to cost recovery of expense for graduate fellowships and undergraduate bursary and awards. \$3.7m relates to additional awards to be offered for international undergraduate awards and domestic undergraduate due to new allocated funding. Domestic undergraduate awards include increased support for Indigenous students for post-baccalaureate programs (\$500k) and Centennial Scholar awards (\$500k). For international students, \$1.2m is for International Student awards and \$560k is for the International Partial Tuition Awards (IPTS)



Student Financial Aid at UBC is collaborating with the First Nations House of Learning, the Centre for Accessibility, the Centre for Community Engaged Learning, and the Centre for Student Involvement & Careers to expand the university's Work Learn program by offering an off-campus stream that will improve equitable access to workplace experiences.

Campus Wide Expenses (Vancouver)

(in \$thousands)	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast
Operating Revenue				
Funding Allocations				
Operating allocation				
Recurring	43,792	66,519	47,121	(19,398)
One-time	(5,581)	(35,898)	15,200	51,098
	38,211	30,621	62,321	31,700
Departmental Revenue				
Student fees - Domestic	755	880	1,856	976
Student fees - International	851	940	0	(940)
Non-government grants, contracts, donations	192	402	300	(102)
Investment Income	266	209	0	(209)
Sales and services	11,247	3,816	4,020	204
	13,311	6,247	6,176	(71)
Total Revenue	51,522	36,868	68,497	31,629
Operating Expenses				
Salaries - Academic	27	(4,992)	(5,000)	8
Salaries - Student services	340	391	384	7
Salaries - Staff	1,251	801	3,067	(2,266)
Total Salaries	1,618	(3,800)	(1,549)	(2,251)
Employee benefits	4,309	66	(1,160)	1,226
Total Salaries and benefits	5,927	(3,734)	(2,709)	(1,025)
Supplies and sundries	24,382	34,173	30,794	3,379
Cost of goods sold	(31,934)	(28,036)	(26,884)	(1,152)
Travel and field trips	2,035	1,740	1,626	114
Professional and consulting fees	1,404	3,547	1,450	2,097
Grants and reimbursements to other agencies	266	207	0	207
Utilities	30,279	26,765	23,072	3,693
Total Expenses	32,359	34,662	27,349	7,313
Excess (deficiency) of revenues over expenses	19,163	2,206	41,148	38,942
Transfers to (from) non-operating funds	27,688	36,888	39,294	(2,406)
Change in invested in capital assets	19,684	2,685	9,806	(7,121)
Net change in unrestricted fund balance	(28,209)	(37,367)	(7,952)	29,415
Accumulated reserves - opening	(37,281)	(71,418)	(108,786)	(37,368)
Accumulated reserves - closing	(65,490)	(108,785)	(116,738)	(7,953)

Summary						
Surplus / (Deficit) by Sub-Portfolio						
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast	Accumulated reserves - opening	Accumulated reserves - closing
Central Benefits	(2,949)	127	254	127	733	987
UBCV Contingency	(1,959)	(13,977)	1,632	15,609	2,368	4,000
Central Commitments	2,788	(1,001)	2,382	3,383	2,017	4,399
Insurance Reserves	(271)	403	(343)	(746)	1,639	1,296
Central Activities	9,017	(2,801)	3,158	5,959	(19,814)	(16,656)
IT Projects	(34,835)	(39,118)	(37,035)	2,083	(114,729)	(151,764)
University-wide Adjustments	0	19,000	22,000	3,000	19,000	41,000
Grand Total - Surplus / (Deficit)	(28,209)	(37,367)	(7,952)	29,415	(108,786)	(116,738)

Overview

Campus Wide Expenses, which encompass several university-wide programs and reserves, is planning an overall deficit of \$8m for fiscal 2020/21. \$21m of university-wide adjustment is planned for fiscal 2020/21, which reduced salaries, benefits, and supplies expenses. This adjustment is used to address the university's conservativeness and was forecasted at \$19m in fiscal 2019/20.

Key Drivers

- **Salaries and Benefits** – These accounts are used for high level adjustments to the university's forecast.

Other Major Variances

- **Supplies and Sundries** – The variance is due to a change in forecasted year-end adjustment, offset by the university-wide adjustments made to address the university's conservativeness.
- **Professional Fees** – The variance reflects a change made to the forecasted year-end adjustments.
- **Utilities** – A reclassification of Cost of Goods Sold to Supplies and Utilities expenses was made to eliminate costs related to internal sales.

Capital Expenditures

A new capital threshold policy reclassified \$8.8m of capital expenditures to supplies expense. This is partially offset by \$907k, which is the estimated amount of equipment (mainly computer equipment) that faculty are expected to charge to the Faculty PD fund.

Transfers to/from Other Funds

- **Endowment** – \$4.2m has been transferred out for the Blue & Gold campaign.
- **Capital** – An estimated \$63.6m has been budgeted for IT and Integrated Renewal Program expenses. This is an increase from fiscal 2019/20.

UBC Okanagan

(in \$thousands)	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast		
Operating Revenue						
Departmental Revenue						
Government grants and contracts						
Government of Canada	1,045	1,226	1,226	0		
Province of British Columbia	71,012	76,095	78,670	2,574		
Other governments	1	0	0	0		
Student fees - Domestic	43,255	46,363	46,878	515		
Student fees - International	50,641	65,297	75,984	10,687		
Non-government grants, contracts, donations	599	541	203	(338)		
Sales and services	10,121	9,846	9,620	(226)		
	176,674	199,368	212,581	13,213		
Total Revenue	176,674	199,368	212,581	13,213		
Operating Expenses						
Salaries - Academic	52,772	56,372	63,069	(6,696)		
Salaries - Student services	5,447	6,132	6,808	(676)		
Salaries - Staff	36,355	41,148	48,960	(7,812)		
Total Salaries	94,575	103,653	118,837	(15,185)		
Employee benefits	16,095	18,474	20,765	(2,292)		
Total Salaries and benefits	110,670	122,126	139,603	(17,476)		
Supplies and sundries	12,391	14,133	16,279	(2,145)		
Scholarships, fellowships and bursaries	12,173	13,763	17,748	(3,985)		
Travel and field trips	3,320	3,616	3,864	(247)		
Professional and consulting fees	1,921	3,345	2,923	422		
Grants and reimbursements to other agencies	12	10	0	10		
Utilities	3,218	3,218	3,405	(187)		
Total Expenses	143,706	160,212	183,821	(23,609)		
Excess (deficiency) of revenues over expenses	32,968	39,156	28,760	(10,396)		
Transfers to (from) non-operating funds	8,766	10,367	13,236	(2,870)		
Change in invested in capital assets	14,718	23,794	26,463	(2,668)		
Net change in unrestricted fund balance	9,484	4,995	(10,939)	(15,934)		
Accumulated reserves - opening	46,421	55,905	60,900	4,995		
Accumulated reserves - closing	55,905	60,900	49,961	(10,939)		
Summary						
Surplus / (Deficit) by Sub-Portfolio						
	2018/19 Actuals	2019/20 Forecast	2020/21 Plan	Change Plan vs Forecast	Accumulated reserves - opening	Accumulated reserves - closing
Faculties	4,616	2,767	2,137	(629)	15,015	17,152
Provost and Vice-President Academic	2,221	1,896	3,580	1,684	5,612	9,193
Vice-Principal Research and Innovation	278	157	(1,473)	(1,630)	2,436	963
Innovation Precinct	0	1,500	(4,500)	(6,000)	1,500	(3,000)
Deputy Vice-Chancellor and Principal	351	14	340	326	227	567
AVP Finance and Operations	1,980	156	(4,857)	(5,012)	7,657	2,800
AVP Students	80	145	(437)	(583)	1,839	1,401
Student Financial Aid	(727)	769	(827)	(1,596)	1,511	684
Campus-Wide Expenses	684	(2,409)	(4,903)	(2,495)	25,104	20,201
Grand Total - Surplus / (Deficit)	9,484	4,995	(10,939)	(15,934)	60,900	49,961

Overview

The fiscal 2020/21 deficit reflects continued capital spending to develop additional capacity for both academic and administrative needs, as well as significant faculty and staff hiring to meet the enrollment growth experienced over recent years. Future academic plans include a stabilization of this enrollment to current levels and a corresponding leveling off of tuition growth.

The largest proportion of the projected closing faculty reserves of \$16.6m are held by the Irving K. Barber School of Arts and Sciences (IKBSAS) at \$9m. Effective July 1, 2020, the Faculty will separate into two autonomous faculties, the Irving K. Barber Faculty of Arts and Social Sciences (FASS) and the Irving K. Barber Faculty of Science (FoS). Until this time, the Faculty has moderated the pace of significant investments and academic hiring pending permanent leadership and the finalization of academic renewal plans. The current reserves for these faculties are being held in part to provide for a commitment of funds available to the two new faculties and their deans for startup investments. Other Faculties' reserves are minor and reflect reasonable contingency balances.

Faculties are working on development of programs listed in the Outlook 2040, such as the Indigenous Language Fluency degree, which will specialize in the preservation of the *nsyilxcən* language. This program (start-up phase for fiscal 2020/21, enrollment expected for fall 2021) and others being worked on will require some initial investment as they evolve.

A large percentage of the UBCO central administrative closing reserves of \$24.1m have been committed to help address the campus's space shortage, including \$10m allocated towards the proposed ICI building project.

Key Drivers

- **Undergraduate and Graduate Tuition** – Enrollment growth of 8% for international undergraduate over fiscal 2019/20, and tuition rate increases of 2% for domestic, 3% for continuing, and 4% for new international undergraduate students.
- **Province of BC** – Increase due to Ministry of Advanced Education, Skills and Training grant for technology full-time equivalent (FTE) expansion of 20 FTE in Manufacturing Engineering and 24 FTE in Computer Science, and projected General Wage Increases (GWI).
- **Capital Expenditures** – Continuation of projects initiated in fiscal 2019/20 to address the space shortage, including UBCO Plant Growth Facility, Office Modular 1 (OM1), Innovation Precinct 1 (IP1), and Innovation Precinct 2 (IP2) building fit-outs. Renovations and equipment planned to support research and faculty growth and return academic space to Faculty use, with new space pressures arising from the split of IKBSAS. Additional initiatives include renewal of athletic facilities and investments to update student spaces.
- **Salaries and Benefits** – Increase from fiscal 2019/20 due to projected salary increases, including GWI and faculty and staff merit and progression, as well as planned hiring for new and vacant positions:
 - Approx. 24 new faculty positions, including 16 research active faculty.
 - Approx. 38 new staff positions, including 11 Faculty support, and 27 in administrative units including Aboriginal Programs and Services, Health and Wellness, Enrollment Services, IT Services, and operational support for facilities, infrastructure development, and health and safety.

Other Major Variances

- **Sales and Services** – Slight decrease from fiscal 2019/20 due to exclusion of Food Services, which transitioned to UBCV on July 1, 2019, and receipt of a one-time energy rebate in fiscal 2019/20.
- **Supplies and Sundries** – Increase over fiscal 2019/20 for initiatives under the Excellence Fund including implementation of our Truth and Reconciliation commitments, an Okanagan Public Humanities Hub pilot, and academic learning space enhancements. Fiscal 2020/21 includes the addition of a new faculty (split of IKBSAS), investment in professional degree development, and the initial year of Innovation Precinct operations, along with operating inflation such as service contract increases.
- **Scholarships, Fellowships and Bursaries** - Increase over fiscal 2019/20 supported by spending allocation from the TREK endowment, including \$0.4m to need-based bursaries and \$1.5m for graduate

students, as well as growth of international financial awards proportionate to the enrollment and tuition increase planned.

Transfers to Non-Operating Funds

- **Research** – \$6.8m transferred out to unrestricted research with an estimated \$2.4m to be spent in fiscal 2020/21.
- **Capital** – \$7.7m transferred out with an estimated \$6.7m to be spent in fiscal 2020/21 for the construction of Innovation Precinct 1.

UBC BUDGET 2020-2021 SUMMARY

March 27, 2020

ANDREW SZERI, PROVOST AND VICE-PRESIDENT ACADEMIC, UBC VANCOUVER
PETER SMAILES, VICE-PRESIDENT FINANCE & OPERATIONS
DEBORAH BUSZARD, DEPUTY VICE-CHANCELLOR AND PRINCIPAL, UBC OKANAGAN





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• Appendix 3: UBC's Budget Process (Recap)	
• Appendix 4: Category 1 Budget Requests For Funding	



KEY RISK: COVID-19 IMPACT TO BUDGET

- International issues, including global health and the world economy, have an obvious potential to impact the university in a variety of ways, including effects on enrolment and operations.
- The recent global emergence of COVID-19 is a recognized risk across many dimensions. Given the rapid speed at which things are developing, the impact of the outbreak is not incorporated into this budget report.
- However, the administration is working closely with the Faculties and Units to develop financial impact and mitigation strategies, including modeling various scenarios that assess changes to tuition (both international and domestic students), sales and services decreases as drastic measures to promote “social distancing”, and investment income tied to the recently volatile markets, as well as understanding the available funds that can be released in stages based on need to support Faculties and Units through these extraordinary circumstances.
- The administration is aware that some units need to forgo several important sources of revenue because of event/program cancellation and others have forfeited deposits and other expenses arising from late cancellations, but the detailed implications are current under review.



KEY RISK: COVID-19 IMPACT TO BUDGET CONTINUED

- Due to the level of budget uncertainty surrounding COVID-19, the fiscal 2020/21 budget is presented for information only.
- To manage the financial exposure related to COVID-19, the administration is proposing the following:
 - Continue with the 2019/20 budget allocations
 - Release the incremental funding for necessary and urgent priorities i.e. the asks that are associated with risk / compliance or regulatory requirement / tied to an existing person's salary / student financial support (Appendix 4)
 - The administration will provide regular financial update to the Board related to COVID-19 situation and present an updated budget along with the analysis of the key changes to the 2020/2021 initial budget at no later than the end of the first fiscal



REQUEST FOR APPROVAL

- The administration is requesting that the Finance Committee recommend that the Board of Governors:
 - Approve a continuation of the 2019/20 budget allocations,
 - Release incremental funding for necessary and urgent Category 1 priorities as identified in Appendix 4 (\$36.1m and \$9.4m for UBCV and UBCO respectively);
 - Release \$7.9m for student initiatives sourced from domestic student increments;
 - Release up to \$8m to support priority initiatives to advance the Indigenous Strategic Plan implementation (\$2m), Sustainability and Climate Action (\$1m) and President's Academic Excellence Initiative (\$5m)
 - Release an additional \$15m (UBCV) and \$5m (UBCO) as contingency to cover unexpected costs that arise from COVID-19; and
 - Defer the approval of the 2020/2021 budget to a future meeting of the Finance Committee once an assessment of the financial impact of COVID-19 can be completed with interim updates presented to the Finance Committee as additional information is available

PURPOSE AND STRATEGIC PLAN ALIGNMENT





PURPOSE OF THE CONSOLIDATED BUDGET

- Ensures that the annual consolidated budget is balanced
- Maximizes the allocation of resources that directly support UBC's Strategic Plan, *Shaping UBC's Next Century*
- Fulfills the requirements of the 2020 Mandate letter from the Province
- Advances the long-term health and vitality of the academic mission by providing the appropriate resources



KEY PRIORITIES FOR FY 20/21 – UBCV

The budget process has been revised to not only align with the UBC Strategic Plan, but also the five priorities identified at the September BoG retreat. It is important to note that there a number of additional long-term strategies that UBC continues to pursue, including IRP, transformative teaching and learning enhancements, implementation of Inclusion Action Plan and International Strategic Plan, and initiatives to attract, engage and retain a diverse global community of outstanding students, faculty and staff.

Priority	Description	Sample Initiatives
Indigenous Engagement	Support the objectives and actions of the renewed Indigenous Strategic Plan (ISP)	ISP implementation support, Indigenous Research Support Initiative (IRSI), Indigenous Engagement open call, FNHL TRC programming, Indigenous Collegium, visiting curators program, international collaboration/cluster on digital systems, additional enrolment services, admissions, and recruitment advisors, and cross-cultural professional development at Haida Gwaii.
President's Academic Excellence Initiative (PAEI)	PAEI is an initiative aimed at extending the research impact of UBC. It is focused on the professors who conduct the research, and on the various supports that the University provides them with to aid in their intellectual leadership	Faculty renewal, doctoral student partial tuition waiver, additional library collections, shared research platforms such as ARC, animal care, CFI/JELF support, additional research support services such as SPARC, ORS, Ethics, and new FTEs for faculty and staff housing and relocation services office
Research Excellence	Strengthen shared infrastructure and resources to support research excellence	Dimensions Pilot, Canada 150 Chairs, Distinguished University Scholars support, Canada Excellence Research Chairs, Advanced Research Computing support, Plant Care services, Cluster and mobility programs, Public Humanities Hub, President's Excellence Chairs, Canadian Digital Technology Supercluster, and innovation UBC
Sustainability and Climate Action	Sustainability encompasses many activities at UBC across teaching, research, operations and community. The initial focus on activities related to climate action, responsible investment, wellbeing and campus operations.	Responsible investing consulting (including divestiture of funds related to fossil fuel), waste strategy, electric patrol vehicles, operational sustainability and climate action planning, climate emergency response, reinvestment in learning spaces, water quality monitoring, centre for accessibility, and mental health nurse
Leveraging and Enhancing Our Physical Presence	Support the ongoing development of sustainable, healthy and connected campuses and communities by promoting regional prosperity, affordability, and sustainability through a regional transit network that connects research and education, health, employment and housing destinations	Rapid Transit Office, accessibility shuttle, UBC Connects, UNA, UBC Carnegie Canadian pilot, TEF space expansion, New Public Realm Maintenance, UBC Sauder Philanthropy Program in Kenya, Community-University Engagement Support pilot, off campus work learn, Creative Destruction Lab – West,

KEY PRIORITIES FOR FY 20/21 – UBCO

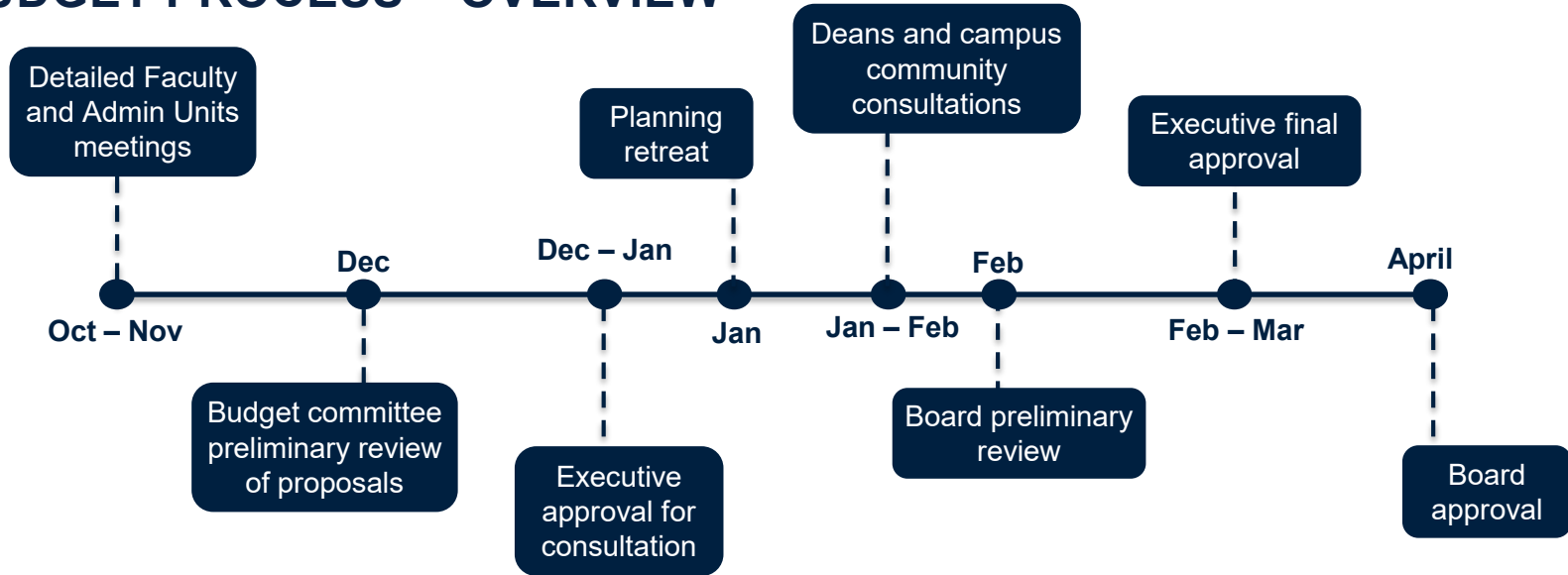


Priority	Description	Sample Initiatives
Indigenous Engagement	Support the objectives and actions of the renewed Indigenous Strategic Plan (ISP)	TRC commitments, Aboriginal Programs and Services personnel, Indigenous Community Liaison, Graduate Dean's Aboriginal Entrance Fellowships, Language Fluency degree, Integrated Student Advisor/Facilitator, Integrated Learning Analyst and Coordinator, Inclusion of Aboriginal Access Studies under general bursary.
President's Academic Excellence Initiative (PAEI)	PAEI is an initiative aimed at extending the research impact of UBC. It is focused on the professors who conduct the research, and on the various supports that the University provides them with to aid in their intellectual leadership	Faculty renewal, doctoral student partial tuition waiver, additional library collections, shared research platforms such as ARC, animal care, CFI/JELF support, additional research support services such as SPARC, ORS, Ethics, and new FTEs for faculty and staff housing and relocation services office
Research Excellence	Strengthen shared infrastructure and resources to support research excellence	Advanced Research Computing support, Knowledge Exchange Specialist, Research Infrastructure, research clusters via Eminence program, NSERC research support, Presidents Research Chair
Sustainability and Climate Action	Sustainability encompasses many activities at UBC across teaching, research, operations and community. The initial focus on activities related to climate action, responsible investment, wellbeing and campus operations.	Support for student, staff and faculty wellbeing, with allocations to Health and Wellness for clinic service expansion, additional academic and accessibility advisors, a Physical Activity and Wellbeing Coordinator, and Workplace Health Specialist. Commitments to promote sustainability with energy saving capital initiatives, personnel to the energy, waste management and health, safety and environment teams, support for the climate action plan, multi-hazard assessment, space intensification for efficient use of available space, learning Space enhancements and accessibility improvements.
Leveraging and Enhancing Our Physical Presence	Support the ongoing development of sustainable, healthy and connected campuses and communities by promoting regional prosperity, affordability, and sustainability through a regional transit network that connects research and education, health, employment and housing destinations	Innovation Precinct Building 1 and 2 build-outs (formerly Innovation Drive 1540 and 1545), infrastructure to connect campus locations, Athletic Facility Renewal, student space improvements, Co-op program, Makerspace, Infrastructure Development office, office modular.

BUDGET PROCESS – WHERE WE ARE NOW



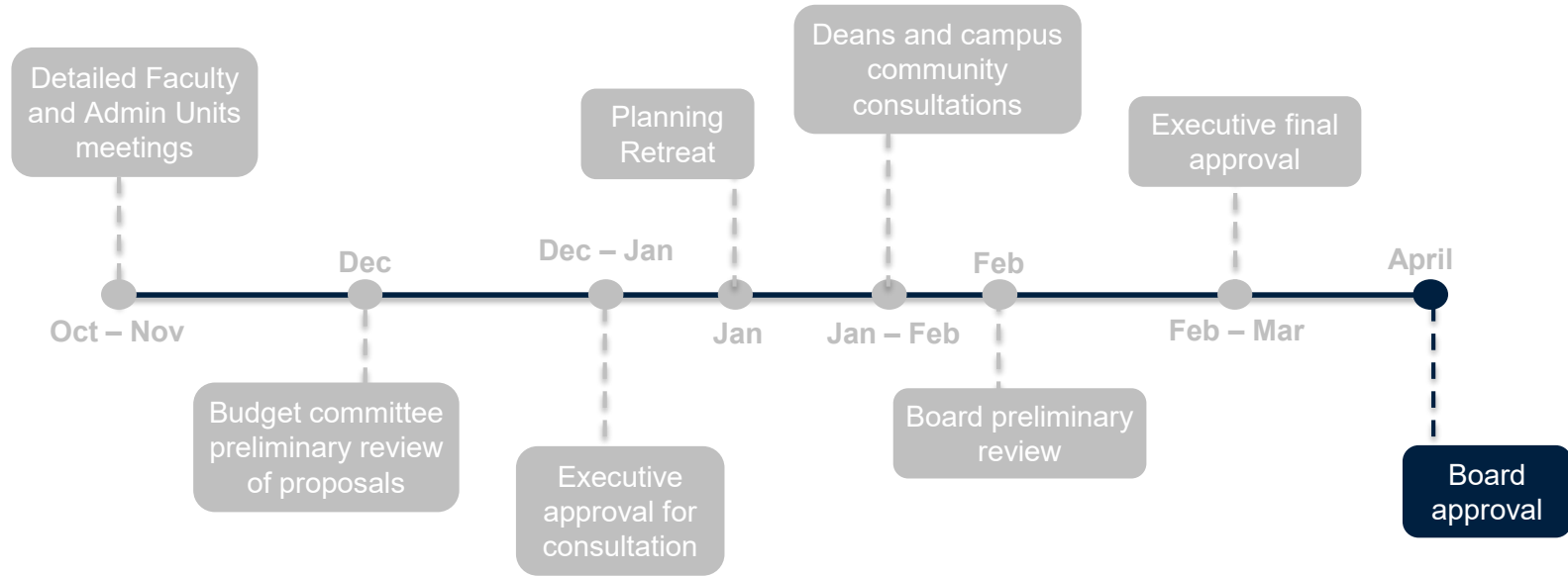
BUDGET PROCESS – OVERVIEW



The annual budget process is iterative and consultative – incorporating multiple engagement and feedback sessions with the community constituencies and the Executive team.

The entire process takes over six months to complete and starts with detailed one-on-one meetings with each of the Faculties and Administrative Units for a “year-in-review” and forward-looking discussions, the development of the “straw” proposal for community consultation, bi-annual budget retreat to increase cross-portfolios information sharing and collaboration opportunities, a series of consultation meetings with community members across the campuses to seek input on the “straw” proposal allocations, and ends with the final executive recommendation for BoG approval.

BUDGET PROCESS – WHERE WE ARE NOW



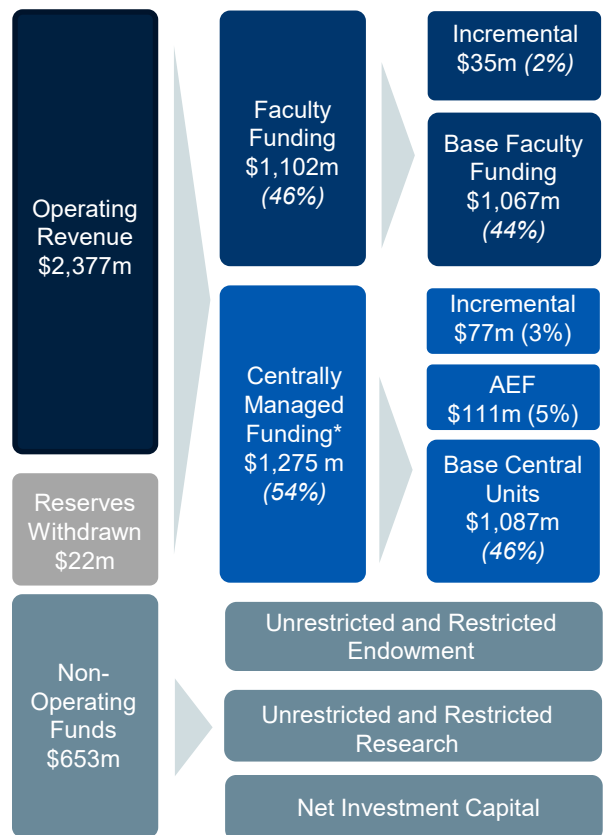
Each year, following Faculty and VP Portfolio presentations on financial status and budget requests, the proposed budget for approval is developed and informed by community consultation input, priority ranking from the units and VPs, as well as alignment with the UBC’s strategic priorities, which include the **implementation of Indigenous Strategic Plan, PAEI, Research Excellence, Sustainability and Climate Action, and Leveraging Physical Presence**, in addition to strategies from prior year including Great People, Research Support, Educational Renewal and Systems Renewal.

UBC FY 20/21 BUDGET OVERVIEW





CONSOLIDATED BUDGET BREAKDOWN



Through the Tuition Allocation Model (TAM) and supplemented by Centrally Managed Funding through requests for additional funding via the annual budget process, the Faculty Funding supports:

- About 60,000 student FTEs, 5,700 faculty members (including clinical) and 11,600 staff (including students staffing)
- 17 Faculties, 14 Schools, and 85 institutes and centres

With a balanced budget model, only the incremental revenue and Academic Excellence Funds portions are under consideration as part of the annual budget process for enhancement requests as well as to support strategic initiatives and alleviate cost pressures, examples of key activities include:

- PAEI
- Indigenous Strategic Plan implementation
- Responsible investing consulting and climate emergency response
- Addressing food insecurity and student mental health & wellness
- Shared research platforms and IRSI expansion
- IRP

The base is the starting point to identify recurring funding, the centrally-managed base includes funding for all Central Units and ancillary services, such as Student Housing and Hospitality Services

*Centrally managed funding includes funding for Central Units and ancillary services.

FUNDING CONTEXT – FY 20/21



- Government grant funding for general wage increases (GWI) and program expansion in Biomedical Engineering, Advanced Manufacturing Engineering, and Computer Science programs have increased for FY 20/21. Additionally, the Province will provide \$38m (\$36m for routine maintenance and \$2m for the carbon neutral project), with \$21m (\$12m for routine maintenance and \$9m for the carbon neutral project) to be contributed by UBC, as a match.
- For both campuses, there is limited domestic undergraduate student enrolment FTE growth (0.7%) while international undergraduate student enrolment FTE growth is projected at 2.9%. The BoG approved tuition rate increases are as follows:
 - A rate increase of 2% for both new and continuing domestic undergraduate students; and
 - A rate increase of 4% for new and 3% for continuing international undergraduate students.
- UBC has ratified new salary agreements for the Faculty Association, BCGEU, CUPE 116 & IUOE 115, although is still negotiating contracts with AAPS and remaining CUPE. The results of bargaining may impact FY 20/21 budget.
- Any prior year surplus may be utilized in FY 20/21, i.e. “carried forward”, to ensure a balanced budget. ¹⁵



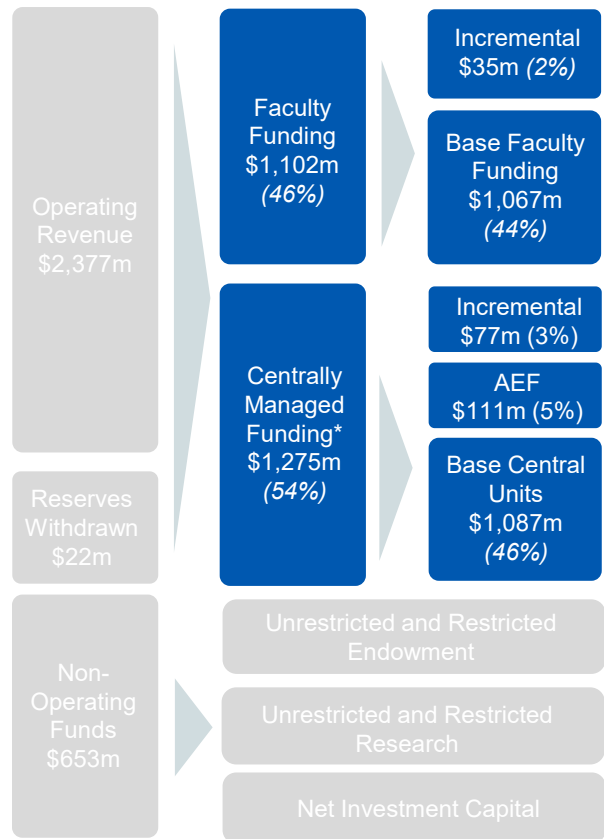
CONSOLIDATED BUDGET OVERVIEW

While there is a \$60m consolidated accounting surplus, which is not available for distribution, Faculties and Central Units are drawing \$22m from reserves to maintain operations, recruit new faculty, refresh aging infrastructure, and support strategic initiatives.

	FY 18/19 Actual	FY 19/20 Forecast	FY 20/21 Plan
Revenues			
Government grants and contracts	1,148	1,228	1,275
Tuition	815	893	943
Sales and services	404	448	426
Investment and others	361	376	386
Total Revenues	2,728	2,945	3,030
Expenses			
Salaries & benefits	1,566	1,728	1,830
Scholarships, fellowships and bursaries	147	159	173
Capital asset amortization and debt services	230	252	257
Other Operating	649	716	710
Total Expenses	2,592	2,855	2,970
Net	136	90	60



INCREMENTAL CENTRALLY MANAGED FUNDING



Each year, the Central Units (by VP) and Faculties are responsible for developing balanced budgets for their respective portfolios. The base budget is based on the prior year budget allocation, which identifies recurring funding, i.e. **Base Faculty and Base Central Unit Funding are pre-determined based on prior year's allocations.**

Incremental Faculty Funding is allocated via the TAM and business revenues (if any), and is distributed within each Faculty at the discretion of the Faculties.

Each year the Incremental Centrally Managed Funding is available for allocation through the budget process, and must take into consideration pre-committed allocations to Faculties, Academic/Excellence Funds, and Student Financial Aid, prior to assessing the proposed asks for both campuses.



HIGHLIGHTS FROM BASE FACULTY FUNDING

- Deployed new strategic plans, including Faculty of Arts, Education, Forestry, Graduate and Postdoctoral Studies, Health and Social Development, and Library Strategic Framework, while others are in the process of redeveloping their plans, including Faculty of APSC, Dentistry, Science, and Creative and Critical Studies.
- Continued recruitment of new faculty members across all Faculties – notably in Faculty of Arts, Law, Medicine, Forestry, Pharmaceutical Sciences, Sauder and Science
- A number of new programs were launched / are in progress, including environmental engineering, bachelor of design in architecture, international Doctor of Dental Medicine program, Teachers Ed program in NITEP field centres, expansion of SAGE across UBCV campus, cross-cultural executive education program at Haida Gwaii, Bachelor of Science in Forest Bioeconomy Sciences and Technology (BEST), expansion of Registered Dietitians and Data Science programs, Bachelor of Pharmaceutical Sciences, MBA Technology and Analytics Leadership Track, and Progressive Aboriginal Relations (PAR) certification.
- Developed the Allard Law Post Graduate debt relief program
- Launched the new Public Humanities Hub (with support from AEF), School of Journalism, Writing and Media and feasibility study of refreshing the Graduate Life Centre
- Expansion of Faculty of Medicine's Physical Therapy and Occupational Therapy programs to the North, in collaboration with UNBC
- Faculty of Pharmaceutical Sciences co-developed an outreach program with the First Nations Health Authority (FNHA) and Indigenous communities that offers culturally-safe medication management for patients, honouring Indigenous knowledge systems and practices.
- \$2.6 m endowment funding received from Ministry of Agriculture for Food and Beverage Innovation Professorship
- Fundraising for key capital projects to alleviate space pressures across multiple Faculties – Education, APSC, Arts, Medicine, LFS and Sauder



HIGHLIGHTS FROM BASE CENTRAL UNITS

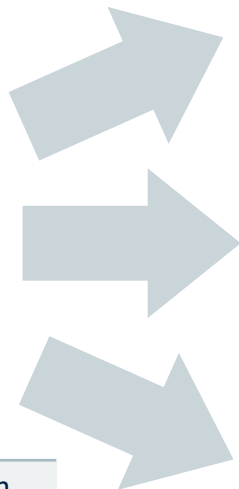
- Launched new university plans, including Wellbeing Framework, Focus on People Framework, UBC Okanagan 2040, VPFO Strategic Plan and Inclusion Action Plan, and in the process of launching new plans, including Indigenous Strategic Plan, International Plan, and VP Student Strategic Plan
- Developing and initiating the implementation of President's Academic Excellence Initiative
- Continued growth and evolution of research clusters (up to 27 clusters in UBCV and 11 in UBCO, including the newly launched Public Humanities Hub) and launch of two new shared research platforms – UBC Sockeye digital research infrastructure and Plant Care Services
- Expanded Indigenous Research Support Initiative (IRSI) to both campuses, and launch of Emeritus College (1st in Canada)
- Opened Exchange Residence, MacInnes Field Underground Parkade, UBC Exchange Transit Terminal, Graduate Research Commons / Koerner Library Interrelated projects, and three additional Collegia, including the first Indigenous Collegium at First Nations House of Learning
- Met the ambitious goal of \$100 m goal for Blue & Gold Campaign ahead of schedule and doubled the goal to \$200 m
- Implemented SC17 and expanded SVPRO and Independent Investigations Office
- Completing Collective Bargaining for faculty members, and initiating Collective Bargaining for AAPS
- Hosted Congress 2019 – over 10,000 attendees from 73 associations, with over 700 student volunteers
- Obtained local support, including Major's Council, Vancouver Council, and Musqueam Chiefs to support the commencement of rapid transit extension to UBC
- Completed the successful implementation of Service Delivery Model across portfolios and provided continued support for implementation of HR and Finance components of IRP

UBCV – PRELIMINARY INCREMENTAL CENTRALLY MANAGED FUNDING



Total Available Funding

\$153.2m
(6.4% of Operating Budget)



Prior Board approved commitment to Student Initiatives
\$6.8m *(0.3% of Operating Budget)*

Prior approved multi-year commitments

Academic Funds - \$64.3m *(2.7% of Operating Budget)*
Operating – \$11.0m *(0.5% of Operating Budget)*

Pre-committed funds are reserved for multi-year funding asks that were approved in prior years

Total Remaining Funding for fiscal 2020/21 Allocation

Academic Funds – \$26.8m *(1.1% of Operating Budget)*
Operating – \$29.3m *(1.2% of Operating Budget)*
TREK (Academic Renewal) - \$15.0m (0.6% of Operating)

Tuition	\$9.8m
Investment and dividends	\$6.2m
Provincial Government	\$4.3m
TREK (Academic Renewal)	\$15.0m
Academic Funds	\$71.8m
Carry Forward	\$46.1m

UBCO – TOTAL INCREMENTAL CENTRALLY MANAGED FUNDING



Total Available
Funding¹

\$35.4m
*(18% of Operating
Budget)*



Prior Board approved multi-year commitments
\$4.3m from Excellence Fund
(2.1% of Operating Budget)

Pre-committed funds are reserved for multi-year funding asks that were approved in prior years

Total Remaining Funding for FY 20/21 Allocation
Operating (including capital projects) – \$27.7m
(17.6% of Operating Budget)

Excellence Fund – \$3.4m
(1.7% of Operating Budget)

Tuition ²	\$3.3m
Provincial Government	\$0.2m
Excellence Fund ³	\$13.8m
Trek Endowment	\$5.7m
Carry Forward	\$12.4m

¹ Includes capital reserves held to address campus' space shortage.

² Balance after allocation to Faculty, Excellence Fund and Student Financial Aid.

³ UBCV has revised the Terms of Reference for the Excellence Fund to Academic Funds, while UBCO continues to support only the Excellence Fund.



UBCV FY 20/21 BUDGET OVERVIEW

PAEI	Total Number of Asks	4	Total Number of Asks	27	Research Excellence
	Total Recommended Value	\$25.5m	Total Recommended Value	\$28.8m	
Indigenous Strategic Plan	Total Number of Asks	29	Total Number of Asks	23	Sustainability & Climate Action
	Total Recommended Value	\$4.5m	Total Recommended Value	\$8.5m	
Leveraging Physical Presence	Total Number of Asks	16	Total Number of Asks	74	Other University Priorities
	Total Recommended Value	\$7.8m	Total Recommended Value	\$56.6m	
Sustainment / Compliance / Operations / Risk Mitigation					
		Total Number of Asks	39		
		Total Recommended Value	\$5.9m		

UBCO FY 20/21 BUDGET OVERVIEW

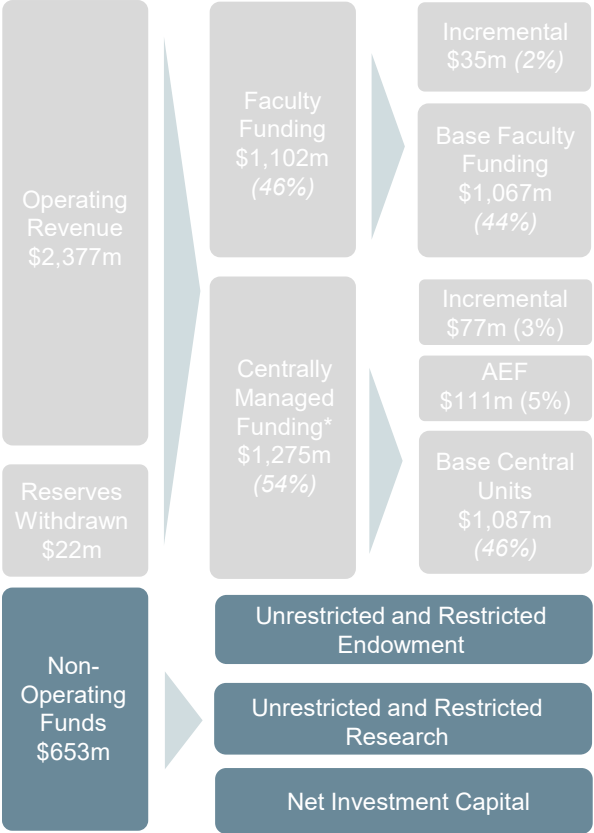


PAEI	Total Number of Asks	3	Total Number of Asks	20	Research Excellence
	Total Recommended Value	\$5.5m	Total Recommended Value	\$4.5m	
Indigenous Strategic Plan	Total Number of Asks	14	Total Number of Asks	19	Sustainability & Climate Action
	Total Recommended Value	\$2.1m	Total Recommended Value	\$1.7m	
Leveraging Physical Presence	Total Number of Asks	28	Total Number of Asks	46	Other University Priorities
	Total Recommended Value	\$11.8m	Total Recommended Value	\$6.4m	
Sustainment / Compliance / Operations / Risk Mitigation					

Total Number of Asks 39
 Total Recommended Value \$3.4m



NON-OPERATING FUNDS



Endowment Funds

The university's Endowment funds consist of endowed gifts, bequests, donations, and land lease proceeds. The unrestricted endowment, including proceeds from land leases and the \$52m BoG approved flat rate spend to further the academic mission. The restricted endowment is reserved strictly for contributions from donors. Both funds add up to approximately \$2.7 billion in total. **These funds support the university's academic mission, student financial awards, academic and research initiatives, student housing, and capital projects.**

Research Funds

The unrestricted research and restricted research funds account for all research transactions, the majority of which are funded externally. The use of these funds is **restricted by the sponsor, donor or granting agency** and is intended to support the research activities of principal investigators in their areas of expertise. **The fund also includes some unrestricted activities funded from internal sources. These activities are typically for start-up purposes** or represent residual balances from expired research projects which are retained by the principal investigators.

Capital Funds

The university makes significant ongoing capital investments to support its learning and research mission, and to create an outstanding student experience. When UBC acquires tangible capital assets, the spending appears as a surplus in the Consolidated Budget in the year of acquisition even though the cash is spent. This is referred to as net investment in capital.

SWOT AND POTENTIAL RISKS



BUDGET SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> • Process is consultative, transparent, and aligned with the UBC Strategic Plan and BoG priorities • Diverse revenues including strong provincial support • Tuition Allocation Model (TAM) incentivizes innovative academic programming, efficiencies and collaboration 	<ul style="list-style-type: none"> • Sub-inflationary constraints on tuition • Some Faculties cannot admit international students • Tuition for some programs out of alignment with peers, e.g. Law, Medicine • Limited ability to fund needed new and existing capital projects, including increasing seismic vulnerability
Opportunities	Threats
<ul style="list-style-type: none"> • Continue to expand revenue sources, e.g. new programs offered online, to executives and professionals • Diversify international student enrolment • “Bank” to provide insight into Faculty savings 	<ul style="list-style-type: none"> • Interruptions in international enrolment due to COVID-19 • Unfunded cost pressures in areas without access to revenue-generating opportunities

APPENDIX



APPENDIX I – KEY ASSUMPTIONS





KEY ASSUMPTIONS

- Provincial funding is based on funding received in FY 20/21 plus increases for general wage increase (GWI) in line with the Provincial mandate.
- Undergraduate domestic and most graduate tuition rates are budgeted to increase by 2 per cent. International undergraduate tuition rates will increase by 3 per cent for continuing students and by 4 per cent for new students. Some international professional tuition rates will increase by greater amounts approved by the Board.
- The budget for endowment reflects a target return of 6.65 per cent, of which 4 per cent is allocated to the University's operational costs, while 2 per cent is retained for inflation and 0.65 per cent for administrative cost recovery.
- Net land development proceeds to be added to the Student Housing Financing Endowment (SHFE) are projected to total \$58m during the year. As well, the distribution of rental income from UBC Properties Trust is projected to be \$9m.
- Capital asset additions are based on the construction completion schedule of Board-approved capital projects, as well as the planned capital priorities. General additions (computers and equipment) are as projected by units across both campuses.
- The budget includes Routine Maintenance funding from the Provincial government of \$38m.

APPENDIX II - UBC'S BUDGET MODEL





OPERATING BUDGET MODEL

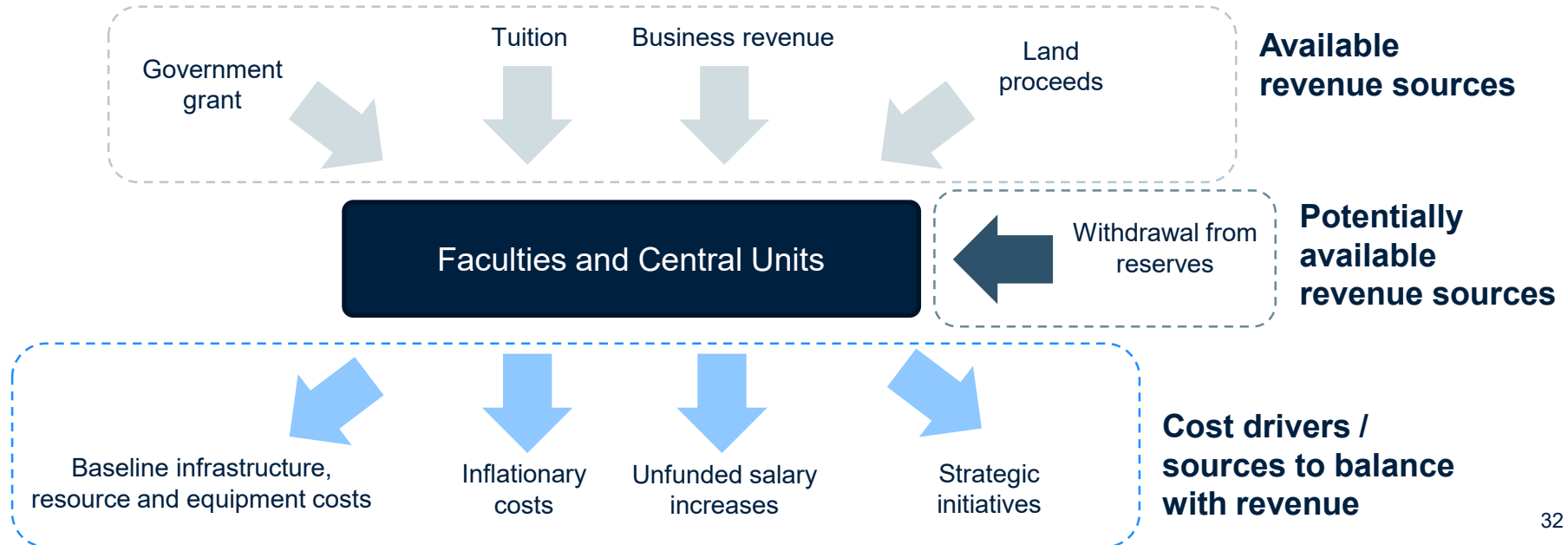
UBC uses a decentralized, balanced budget model, which means that

- Central Units (by VP) and Faculties are responsible for a balanced budget for their respective portfolios;
- The base budget is based on the prior year's budget allocation, which identifies recurring funding;
- Faculties are responsible for managing within their base budget plus allocations from the Tuition Allocation Model (TAM), business revenue (if any), and requests for funding from the Academic Funds/Excellence Fund;
- Central Units are responsible for managing within their base budget plus requests for funding from Central Administration to support strategic initiatives including allocations from the Academic Funds/Excellence Fund (inflationary cost pressures are typically absorbed);
- Allocation of incremental revenue is assessed based on alignment with UBC's Strategic Plan and ultimately approved by the President and the Board of Governors; and
- UBC Vancouver and UBC Okanagan share similar budget processes.



FINANCIAL FRAMEWORK FOR OPERATING BUDGET

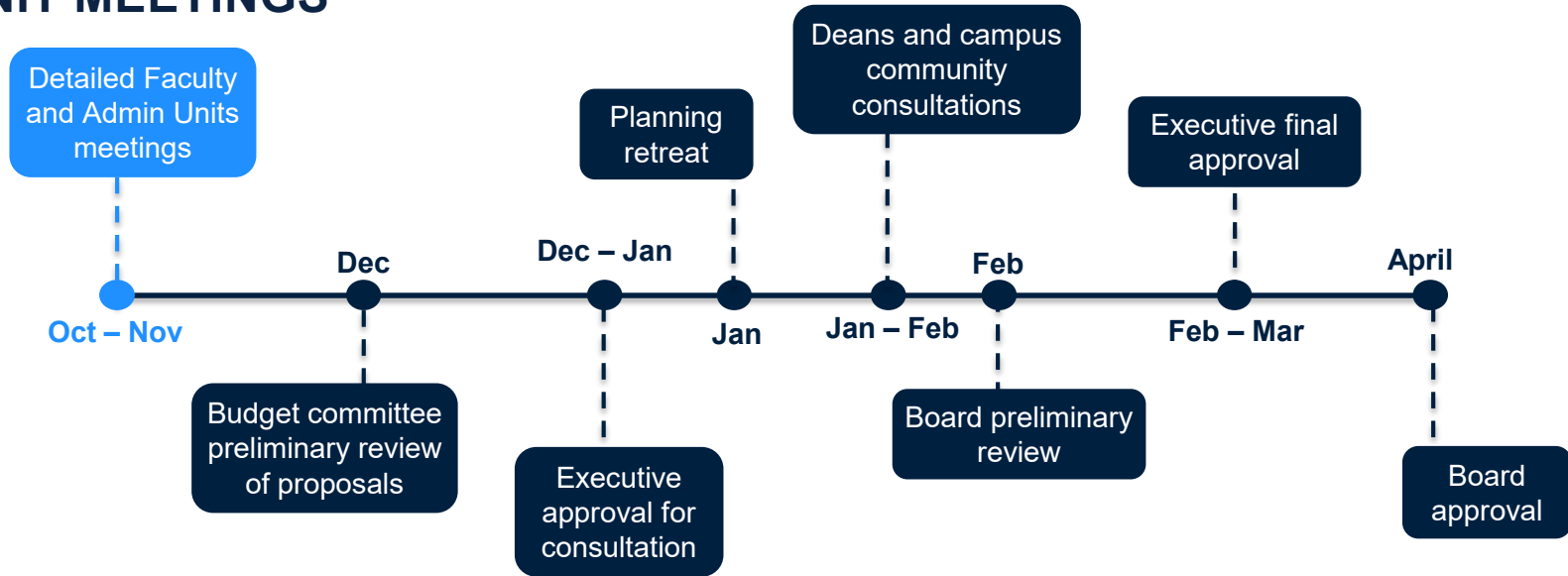
Each year, the Faculties and Central Units are faced with growing cost pressures in baseline operations, as well as unfunded compensation increases and non-labour inflation. All Faculties and Central Units identify initiatives that advance UBC's academic mission by investing in strategic initiatives. There are four available revenue levers, along with an optional short-term solution of withdrawing from reserves to meet cost pressures in order to balance the budget each year.



APPENDIX III - UBC'S BUDGET PROCESS



BUDGET PROCESS – DETAILED FACULTY AND ADMINISTRATIVE UNIT MEETINGS



The objective of the Faculty and Administrative Unit presentations is to give the Dean's/VP's an opportunity to provide an overview of their strategic direction, their successes & challenges, and the financial management of their area of responsibility.

FACULTY AND ADMINISTRATIVE UNIT REVIEW MEETINGS



All the Faculties and Admin Units present the following:

- SWOT analysis
- Key achievements of fiscal 2019/20 and analysis of prior year allocations of Centrally Managed Funds including impact/outcomes achieved
- Fiscal 2020/21 Annual plan
- Detailed financial forecast of prior year and proposed budget
- Variance analysis for fiscal 2019/20 forecast against 2020/21 plan
- Requests for support from the Centrally Managed Funds & the Academic Excellence Funds

See following slides for snap shots of these presentations.

EXAMPLE OF FACULTY BUDGET PRESENTATION

PHARMACEUTICAL SCIENCES SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> 2019 QS Rankings: #20 Worldwide, #2 in Canada Our faculty, staff and students; Excellent new faculty recruits in key areas of research State-of-the-art building/facilities PharmD program is class-leading Research strengths in health outcomes, drug delivery, pharmacology; developing pharmacy education theme Pharmacists Clinic (primary care; community outreach; Indigenous health; interprofessional education) Highly engaged clinical faculty/alumni 	<ul style="list-style-type: none"> Long-term structural deficit (no access to international tuition; building debt service; start-up costs) Lack of critical mass in research areas; some faculty unproductive in research Variable teaching loads; some faculty over-burdened; lack of integration Graduate Program needs refresh (underway) High cost of delivering PharmD program PharmD applicant pool could be larger/more diverse
Opportunities	Threats
<ul style="list-style-type: none"> Implementation of Strategic Plan (2017-2022) Bachelor of Pharmaceutical Sciences (pending Ministry approval) 	<ul style="list-style-type: none"> Research funding climate Failure to meet enrollment projections in new programs



20/21 ANNUAL PLAN – BOTTOM LINE AND RESERVES



	18/19 Actuals	19/20 Forecast (Q2)	20/21 Plan Working	Increase (Decrease) Plan vs. Forecast
Total Operating Revenue	23,284	23,595	24,357	762
Total Operating Expenses	19,268	20,791	22,559	1,768
Excess (deficiency) of revenues over expenses	4,016	2,804	1,798	(1,006)
Transfers to (from) non-operating funds				
Interfund transfers - (in)	(31)	(785)	-	785
Interfund transfers - Out	500	358	778	420
Change in invested in capital assets				
Debt service - Principal	179	190	191	1
Capital expenditures	171	217	1,082	865
Transfers to Reserves and ECA	-	-	-	-

KEY ACHIEVEMENTS – 2019/2020



Transformative Learning (Education Renewal / Practical Learning / Program Redesign)

- Senate/Board approval for the new Bachelor of Pharmaceutical Sciences (BPharm)
- Completed renovation of inpatient (hospital) simulated teaching lab

Research Excellence (Research Support / Collaborative Clusters / Research Culture)

- Launch of Data, Analytics, Statistics, and Informatics Unit
- Significant increase in research income (\$8M, a 41% increase)

Local & Global Engagement (Indigenous Education / Public Relevance)

- \$600k Pharmacist's Clinic collaboration with First Nations
- Underserved Communities initiative

People & Places (Great People / Inclusive Excellence)

- Hired net new CRC candidate; Faculty now holds 12 active research grants
- Established Pharmaceutical Sciences Equity, Diversity, and Inclusion Task Force

2020/2021 AT A GLANCE

Research Excellence (Collaborative Clusters / Research Support / Research Culture)

- Hire six new excellent tenure-track faculty
- Under new Associate Dean, Research, develop excellence in Faculty's core research themes

Transformative Learning (Education Renewal / Practical Learning / Program Redesign)

- Obtain Ministry approval and launch BPharm program
- Continue refresh of graduate training program & focus on strategic marketing of graduate programs
- Development of interdisciplinary clinical Master's underway
- Partnership with SPPH & Nursing for professional certificate program

People & Places (Great People / Inspiring Spaces)

- Renovate/refresh classroom and administrative spaces to support growth in teaching and research

Local & Global Engagement (Indigenous Engagement / Public Relevance)

- Continue the excellent work of our Underserved Communities Task Force
- Continue Pharmacist's Clinic partnership with FNHA

19/20 Q2 FORECAST TO 20/21 PLAN VARIANCE ANALYSIS



Revenues (> \$100k change)

- \$205k increase in domestic tuition (standard 2%)

3W1)

new PTR support)

then excluded pending Ministry approval / launch confirmation

12k GWI/PTR; Balance new tenure-track hires)

12k GWI/Merit; Balance new strategic staff roles)

above)

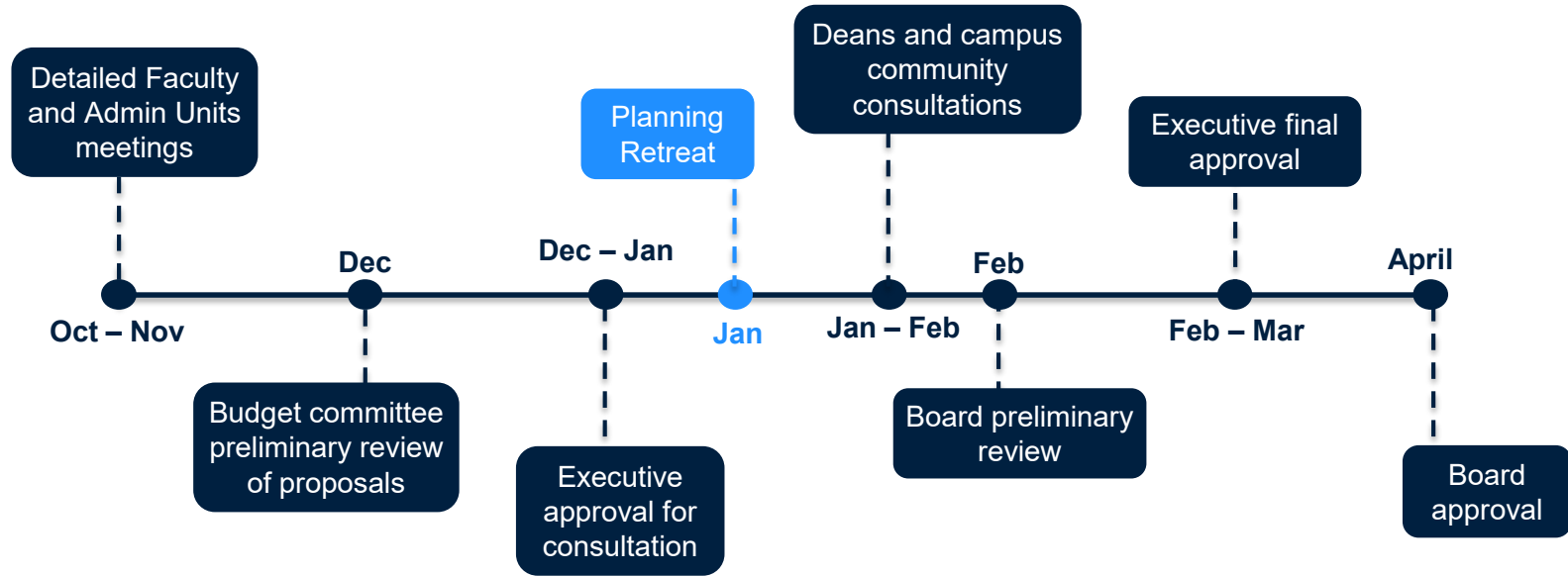
inflation, research equipment support, FNHA contract items)

innovations and IT/AV upgrades planned)

research (net start-up costs)

research (19-20 had one-time return of funds)

BUDGET PROCESS – PLANNING RETREAT



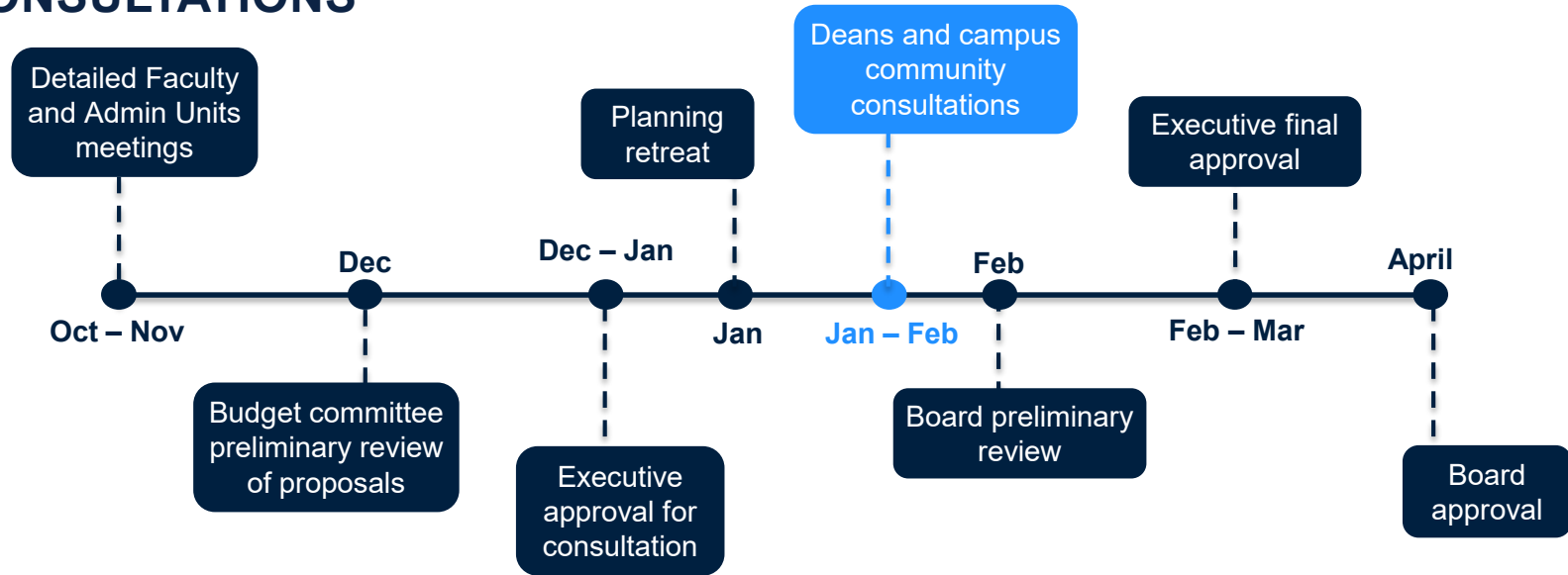
A cross-campus budget retreat took place on January 23rd and 24th, with Deans, Vice-Presidents, Business Officers and the budget team.

BUDGET RETREAT

There were a number of objectives that the budget retreat intended to accomplish:

- Opportunity for information sharing across Faculties and Administrative Units to celebrate key achievements from the past year and share upcoming strategic priorities to enable more ways to collaborate, share lessons learned, and more effectively use limited resources available.
- Review of the multi-year consolidated outlook and discuss potential short and long-term implications
- Discuss common challenges / risks faced by the Faculties and Administrative Units:
 - Diversification of tuition sources and opportunities to expand revenue streams
 - Global competition and high cost of living challenge recruitment and retention of top faculty members, graduate students and staff
 - Increasing need to strengthen research infrastructure to support current and future researcher demands
 - Limited space and/or declining facilities requiring critical upgrades, such as seismic, in some areas are slowing down the execution of long-term plans
 - Exposure to geopolitical environment and may be vulnerable to instability
- President's Academic Excellence Initiative
 - Short-term and long-term outlook of the Accelerate phase – and any immediate actions
 - Discussion of thematic and strategic areas of growth and where collaborations across Faculties could occur

BUDGET PROCESS – DEAN'S AND CAMPUS COMMUNITY CONSULTATIONS




Throughout January and February of each year, the budget committee takes the “straw” budget allocation and meets with each of the university community constituencies to seek feedback on the proposed budget. The community inputs are distilled into themes of strategic importance to the University, and the budget asks are reassess against the original criteria and the community themes for opportunities to adjust within limited funding available.

BUDGET PROCESS – CONSULTATION

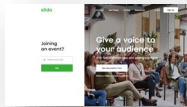
Key institutional groups are widely consulted on the budget and invited to provide input, including

- Elected Student Leadership;
- Deans;
- Associate Deans (Academic and Research);
- Finance Directors
- Heads and Directors;
- Senior Staff and AVPs;
- Senates;
- Indigenous Strategic Plan Implementations Committee; and
- Executive Team.



Top three themes that emerged from consultation:

- Increases in indigenous student, staff and faculty support
- Student health and wellness
- Learning enhancements



This year, each of the groups was asked to provide their feedback using [sli.do](https://www.sli.do) by identifying their top selections given limited number of “votes”. The results were consolidated and aggregated as input to develop the final recommended FY 20/21 budget.

APPENDIX IV - CATEGORY 1 BUDGET REQUESTS FOR FUNDING



CATEGORY 1 BUDGET REQUESTS FOR FUNDING – UBCV



Item #	Description	Recommended Fiscal Amount (\$ thousands)
1	Dean of law - Year 5 of 5	100
2	University Neighbourhood Association (UNA) - Year 4 of 4	500
3	Resourcing for Professor Ono laboratory	56
4	Manager, Insurance & Loss Prevention	160
5	Mandatory Water Quality Monitoring	130
6	UGME Clinical Faculty Salary Increase	214
7	Accessibility Shuttle Program (continuation)	201
8	Second AVP wages, benefits & administrative leave	375
9	Community Health Wellness Partnership with Amazon Web Services	743
10	CERC / CFREF Matching Funding - Year 4 of 6	1,650
11	Implementation of Academic Course Scheduling Modeling System - Year 4 of 4	157
12	Build the Youth in Care Support Program at UBC - Year 3 of 3	107
13	To centralize UBC core research facilities - Year 3 of 4	1,000
14	High Impact Faculty Hiring - Year 2 of 3 – Education	333
15	Establish recurring funding to support 50% of the difference between the Prescribed Interest Rate Loan and the Faculty Housing Endowment Loans	400

CATEGORY 1 BUDGET REQUESTS FOR FUNDING – UBCV



Item #	Description	Recommended Fiscal Amount (\$ thousands)
16	Recurring funding for the Faculty of Law for the faculty complement renewal to base levels	1,200
17	Funding for UBC's portion of the Canadian Digital Technology Supercluster Clusters - Year 3 of 5 for existing projects	500
18	Indigenous People Support Unit	400
19	President's Doctoral & recruitment students awards – wave 1	2,033
20	Canada 150 Chairs	1,420
21	President's Excellence Chairs	1,427
22	Biomedical School Faculty Support - existing position	706
23	CERC Support (Subramanian/Orjas) - existing positions	1,082
24	Faculty Strategic Hires	275
25	Faculty Retention Support	154
26	Aboriginal Student Support	75
27	Student Advisory Recruitment Support	72
28	On Line Education material access	250
29	Pilot Career Educated Advisor (Year 3 of 3)	54
30	Recurring Funding for PTR & merit to maintain librarian & support staff levels	630

CATEGORY 1 BUDGET REQUESTS FOR FUNDING – UBCV



Item #	Description	Recommended Fiscal Amount (\$ thousands)
31	Digital Research Infrastructure (DRI) operating investment - phase 2	3,700
32	Expansion of Law Clinical Legal Education program	528
33	Fund crucial key areas across UBC to support Indigenous Curriculum Development & to support Indigenous student recruitment & retention	655
34	University-wide writing studies courses: Start up and transition costs for transformation of curriculum programming	1,100
35	Sustained funding for the UBC Public Scholars Initiative - salary	100
36	The implementation of a fully digital dental laboratory to support the teaching and the delivery of care of current and future advances in Digital Dentistry	150
37	Additional bursaries and scholarships for students	6,000
38	Faculty PTR and Merit – Dentistry	121
39	Faculty PTR and Merit – Law	164
40	Faculty PTR and Merit – Pharmacy	190
41	Faculty PTR and Merit – Medicine	1,413
42	Faculty PTR and Merit – Education	492
43	Scholarly writing-library	250
44	University-wide writing studies courses: Transition cost to reduce class size caps from 35 to 30 for 50% of courses in Academic Year 19/20	500
45	Indigenous initiatives supporting FNHL, RSHDL, ES, and Library	1,569
46	PAEI – Accelerate Phase Graduate Student Partial Tuition Award	2,800
Total		\$36,136

CATEGORY 1 BUDGET REQUESTS FOR FUNDING – UBCO



Item #	Description	Recommended Fiscal Amount (\$ thousands)
1	TRC Commitments	635
2	Research support for new faculty hires (Aspire and Eminence clusters)	2,306
3	International graduate student financial aid	449
4	Research institute and facilities	310
5	President's Research Chair	372
6	Program for Undergraduate Research Experience (PURE)	94
7	Public Humanities Hub Okanagan and Press Play!	125
8	Okanagan Centre for Innovation lease	85
9	Irving K. Barber School of Arts and Science division to two Faculties	380
10	Strategic faculty hires	448
11	Provost and VP Academic Office strategic planning personnel	234
12	Records and registration manager	107
13	Centre for Teaching and Learning and Centre for Scholarly Communication positions	212
14	Health and Wellness clinic expansion	223
15	Human Resources workplace health specialist (3 year term)	327

CATEGORY 1 BUDGET REQUESTS FOR FUNDING – UBCO



Item #	Description	Recommended Fiscal Amount (\$ thousands)
16	Facilities, operations and security support	318
17	Infrastructure development office	552
18	IT cybersecurity and web designer/developer	194
19	Finance position continuation	141
20	Student activity and wellbeing, orientation and transitions positions	283
21	Administrative unit staff wage support	1,102
22	DVC and Principal Office onboarding and Office of Indigenous Affairs	351
Total		\$9,248



BUDGET UPDATE 2020-2021 (VANCOUVER AND OKANAGAN)

April 6, 2020

ANDREW SZERI, PROVOST AND VICE-PRESIDENT ACADEMIC, UBC VANCOUVER

PETER SMAILES, VICE-PRESIDENT FINANCE & OPERATIONS

DEBORAH BUSZARD, DEPUTY VICE-CHANCELLOR AND PRINCIPAL, UBC OKANAGAN



Initial FY 20/21 Budget



- Prior to COVID-19, the Faculties and Administrative Units planned to continue investing in strategic initiatives to advance the academic mission and the health and wellbeing of our students, staff and faculty
- The initial budget included a recommendation to allocate approximately \$188m of incremental centrally held funds to support current operations and key university priorities, including President's Academic Excellence Initiative ("PAEI") Research Excellence, Indigenous Strategic Plan ("ISP"), sustainability and climate action, and leveraging our physical presence

Current Financial Landscape



- COVID-19 has presented budget uncertainties and operational challenges that may materially impact UBC's financial situation
- Until the impact of COVID-19 can be assessed, the administration recommends the approval of an interim budget that will allow key initiatives to move forward and hold back central funding to address any costs and revenue shortfalls that result from the pandemic

Current Financial Landscape



- The focus of the “interim” budget is to redirect limited resources on urgent and necessary requests, while simultaneously ensuring that there is sufficient contingency to address unexpected costs that arise from COVID-19, as well as enabling key university priorities to continue
- Once a thorough assessment of the financial impact of COVID-19 can be completed, a revised budget will be presented for approval no later than the first fiscal quarter

Request for Approval



It is hereby requested that the Finance Committee recommend:

1. Approval of the continuation of 2019/20 budget allocations;
2. Release of incremental funding for urgent and necessary category 1 priorities, \$36.1m UBCV and \$9.4m UBCO;
3. Release of \$7.9m for student initiatives sourced from 19/20 domestic student tuition increments;

Request for Approval Continued



4. Release of up to \$8m to support priority initiative to advance the ISP implementation (\$2m), sustainability and climate action (\$1m) and PAEI (\$5m)
5. Release of \$15m (UBCV) and \$5 m (UBCO) contingency to manage unexpected COVID-19 costs; and
6. Deferral of the FY 20/21 budget to a future meeting of the Finance Committee

COVID-19 Financial Assessment



- Due to travel bans and government mandated health restrictions – the administration is:
 - Supporting Faculties in moving to online course delivery;
 - Supporting Admin Units that will forgo important sources of revenue; and
 - Working closely with the Faculties and Admin Units to accurately assess the financial impact and develop corresponding mitigation strategies

COVID-19 Financial Assessment Approach



- Work is underway to understand the breadth of impact by modeling a number of scenarios for when normal operations may resume – June 1st, Sept 1st and Jan 1st
- Four step approach
 1. Determine the impact of lost revenue and incremental expenses at Faculty and Admin Unit levels
 2. Develop strategies to minimize / mitigate impact identified
 3. Initiate the tracking and complete variance analysis
 4. Revisit the mitigation strategies and amend the corresponding actions

COVID-19 Financial Assessment Approach



- Steps 3 and 4 will be iterative, and will continue to be refined as we gain more insight into the developing situation
- Initial findings from the analysis will be presented at upcoming Board meeting