



SUBJECT UBC Budget

SUBMITTED TO Board of Governors

MEETING DATE March 31, 2023

SESSION CLASSIFICATION Recommended session criteria from Board Meetings Policy:
OPEN

REQUEST APPROVAL REQUESTED

IT IS HEREBY RESOLVED that the Board of Governors approves:

- i.* the continuation of the 2022-2023 base budget allocation;
- ii.* the release of \$800,000 for food security initiatives as specifically identified in the draft 2023-2024 UBC Budget; and,
- iii.* the deferral of the 2023-2024 UBC Budget to a future meeting of the Finance Committee, once the revised budget is ready, with interim updates or funding requests to be presented to the Finance Committee as required.

LEAD EXECUTIVE Frank Laezza, Vice-President Finance & Operations

SUPPORTED BY Lesley Cormack, Deputy Vice-Chancellor and Principal, UBC Okanagan
Gage Averill, Provost and Vice-President Academic, UBC Vancouver
Rehan Sadiq, Provost and Vice-President Academic, UBC Okanagan
Yale Loh, Interim Vice-President Finance & Treasurer
Rob Einarson, Associate Vice-President Finance & Operations, UBC Okanagan
Matt Boydston, Interim Comptroller
David Shorthouse, Executive Director, Academic Initiatives
Lucy Li, Associate Director, Strategic Implementation
Sarah Goold, Treasury Manager, Financial Planning & Analysis

PRIOR SUBMISSIONS There are no prior submissions.

EXECUTIVE SUMMARY

In consideration of current economic circumstances and its potential impact on the university’s longer term position, and following a discussion at the Finance Committee meeting on March 22, 2023, the Administration has requested an additional period of time to review the key assumptions included within the 2023-2024 Budget. This assumptions review is driven by continuing inflationary challenges and economic uncertainty from global events impacting the university as well as to ensure all funding sources are utilized as effectively as possible.

As a result, the Finance Committee deferred the approval of the 2023-2024 UBC Budget. However, to guarantee that normal operations of the university are not impacted by the review, the Finance Committee recommended approval of continuation of the 2022-2023 base budget, a release of \$800,000 for food security initiatives, and the deferral of the 2023-2024 UBC Budget to a future meeting of the Finance Committee with updated funding requests as required.

Working with the campus community, the review actions will focus primarily on the following:

Operating Funding:

- Review funding sources, including operating contingency, the Academic Excellence Fund/Excellence Fund, and the Trek Endowment, identified in the 2023-2024 Budget to ensure long-term sustainability and strategic utilization;
- Review potential for additional operating funding reductions above the 1% identified for administration units.

Salaries and Benefits:

- Review 2023-2024 Budget staff recruitment plans including assumed hire dates and criticality of all positions to determine if delays in hiring are possible without causing risk to the university;
- Review general turnover or vacancy savings embedded within the budgets of the faculty and administrative units to determine whether historical trends have been taken sufficiently into account.

Discretionary Spend:

- Review of discretionary spend items to determine potential cost savings opportunities (such as travel expenditures).

Funding from the Trek Endowment through the Flat Spend will also be reviewed to ensure that the Trek Endowment is not at risk, the funding level is sustainable and intergenerational equity continues to be maintained. The Trek Endowment encompasses all of the land distribution proceeds, both strata and rental income, from the development of the residential neighbourhoods on the Vancouver campus. Funding from the Trek Endowment can be used to advance the mission of the university, which broadly can include funding for education, research, student financial aid, construction and maintenance of facilities, provision of equipment and supplies, and debt service among other expenses.