



SUBJECT	2024-2025 Budget Process Overview and Key Considerations
SUBMITTED TO	Finance Committee
MEETING DATE	November 20, 2023
SESSION	OPEN
REQUEST	For information only - No action requested
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 Bhushan Gopaluni, Vice-Provost and Associate Vice-President Faculty Planning, UBC Vancouver Rob Einarson, Associate Vice-President Finance & Operations, UBC Okanagan Helen Yung, Comptroller David Shorthouse, Executive Director, Academic Initiatives

PRIOR SUBMISSIONS

The Finance Committee receives the Budget Process Overview briefing annually, most recently in [November 2022](#).

EXECUTIVE SUMMARY

The UBC Budget represents the financial plan for the university. It serves as a roadmap for allocating the university's revenues against one-time and recurring expenses and strategic investments to ensure the university's long-term financial sustainability and support UBC's academic mandate. The budget process aligns UBC's financial approach with the university's strategic and operating plans.

In accordance with the *University Act*, the President must prepare and submit to the Board of Governors an annual budget. The process to develop UBC's budget, prior to the President's review and approval, is the University Executive's responsibility.

The university's primary commitment and value is to deliver high-quality education and support services to all our students. As key stakeholders, students must have a voice in the budget process. Therefore, through elected student leaders and annual consultation, students will provide input into the university's budget priorities.

UBC is also committed to being a global leader in advancing Truth and Reconciliation with Indigenous Peoples and the United Nations Declaration on the Rights of Indigenous People by implementing UBC's Indigenous Strategic Plan (ISP). Engagement and consultation on the annual budget development to support the ISP will occur through the annual budget process.

The budget process will include numerous other stakeholders, including equity-deserving groups, faculty leadership and staff leadership.

The attached presentation provides an overview of the timeline and process, and key considerations for the FY24-25 budget.

PRESENTATIONS

1. Fiscal 2024-2025 Budget Process Overview and Key Considerations

FISCAL 2024-25 BUDGET PROCESS OVERVIEW & KEY CONSIDERATIONS

November 20, 2023

GAGE AVERILL, PROVOST & VICE-PRESIDENT ACADEMIC, UBC VANCOUVER

FRANK LAEZZA, VICE-PRESIDENT FINANCE & OPERATIONS

LESLEY CORMACK, DEPUTY VICE CHANCELLOR & PRINCIPAL, UBC OKANAGAN



ANNUAL BUDGET PROCESS



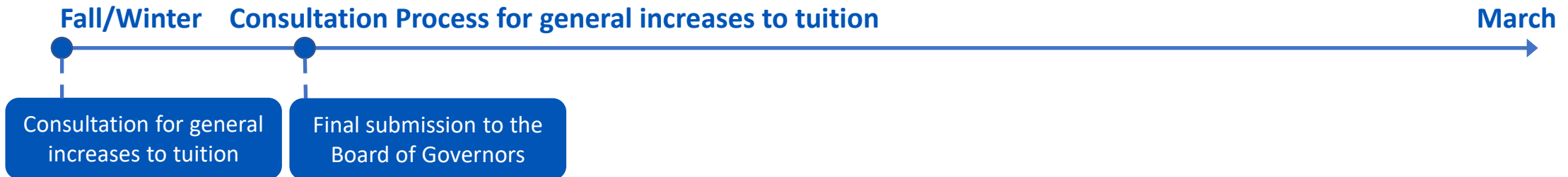
Strategic Budget Planning with Faculties and Administrative Units

Nov Finance Committee Meeting

- Budget process overview and key considerations
- Results of the tuition consultation with students
- Recommendation for approval of 2024/25 tuition and fee increases in December BOG meeting

Board Approval

- Budget recommendation from the Finance Committee for approval





KEY CONSIDERATIONS FOR FY24/25 BUDGET

- Enrolment for FY24/25:
 - Changing global geopolitical landscape will impact student demand from certain regions
 - Inflation impact on family income
- Tuition consultation for FY24/25 concludes November 2.
- Proposed tuition increases (5% new international, 3% continuing international, and 2% domestic) are being assumed for budgeting purposes.
- Following student consultation, the resulting tuition increase proposal will be submitted to the Board for approval in December 2023
- Recommended tuition increases will, if approved, enable UBC to sustain investments in key priorities
- Ancillary operations have resumed pre-pandemic activity, and we assume the same for FY24/25

INFLATIONARY COST PRESSURES AND RISKS



Inflationary cost pressures that are not funded through government grants:

Labour (2-3.5% in FY23/24)

- While GWI/COLA provides considerable relief, it does not entirely neutralize the cost impact.
- Self-funded labour costs include increases in cost of faculty and staff merit and career progression as per labour agreements
- Residual amounts fall upon individual Faculty and VP units for absorption through efficiencies.

Non-Labour (4-8% in FY23/24)

- Costs associated with major capital projects, renovations, and equipment increase significantly quarter over quarter in line with industry standards.
- Average utilities and commodities costs (including electricity/natural gas and water) are forecast to increase approximately 7% per year over the next 5 years.
- Average annual increases in software costs (including increases in license pricing and new tools to support various modes of teaching and learning) have been in the range of 20-30%.



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