



SUBJECT	2024-2025 UBC Budget
SUBMITTED TO	Finance Committee
MEETING DATE	March 13, 2024
SESSION CLASSIFICATION	Recommended session criteria from Board Meetings Policy: OPEN
REQUEST	APPROVAL REQUESTED IT IS HEREBY RESOLVED that the Finance Committee recommends that the Board of Governors approve as circulated the 2024-2025 UBC Budget.
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 Rob Einarson, Associate Vice-President Finance & Operations, UBC Okanagan Bhushan Gopaluni, Vice-Provost and Associate Vice-President Faculty Planning Helen Yung, Comptroller David Shorthouse, Executive Director, Academic Initiatives Lucy Li, Associate Director, Strategic Implementation Annie Mullins, Manager, Strategic Initiatives

PRIOR SUBMISSIONS

The Board of Governors considers the University’s budget annually, most recently in [March 2023](#).

EXECUTIVE SUMMARY

UBC stands as one of Canada's most globally recognized and influential centers of academic and research excellence. As we look towards 2024-2025, both UBC and the broader higher education sector face challenges arising from geopolitical tensions, broad economic shifts, and sector-specific issues, contributing to instability and uncertainty.

Despite these challenges, UBC remains in a healthy financial position, with a focus on ensuring financial sustainability and resilience while promoting positive social and economic impact. A cautious, realistic, and proactive approach is being adopted in the short term, while safeguarding and maintaining the university's academic mission.

The UBC Budget represents the financial plan for the university, providing a roadmap for allocating the university’s revenues against anticipated expenses for the coming fiscal year.

The university’s consolidated budget projects annual revenues of \$3.8 billion, of which \$2.7 billion are from the university’s core operations (which does not include research funds, capital funds, etc.). Adjusting for unrestricted surpluses in research and endowments, as well as a net investment in capital, the university expects a consolidated surplus for fiscal 2024-2025 of \$94 million as detailed in the following table:

<i>(in \$millions)</i>	2022/23 Actuals	2023/24 Forecast	2024/25 Budget
Revenues			
Government of British Columbia	1,041	1,176	1,289
Tuition	1,004	1,035	1,086
Other	1,319	1,371	1,427
	3,364	3,582	3,802
Expenses			
Salaries & benefits	2,080	2,252	2,409
Non salaries	1,201	1,245	1,299
	3,281	3,497	3,708
Surplus / (deficit) of revenues over expenses	83	85	94

While there is a \$94 million consolidated accounting surplus, the entire surplus is not available for cash distribution. For example, the internally restricted research funds are committed to support new faculty hires and start-up; returns from internally restricted endowment funds are reinvested.

While the operating budget is anticipated to be balanced at the organizational level, it is important to recognize the growing cost pressures faced by faculties and administrative units. The university is continuing to develop and expand new revenue sources while exploring operational efficiencies to fortify UBC's financial sustainability.

The 2024-2025 budget is strategically crafted to both ensure long-term financial sustainability and further the university's mission of inspiring people, ideas, and actions towards creating a better world. With this context in mind, we are pleased to recommend the 2024-2025 Budget for The University of British Columbia for approval by the Board of Governors.

APPENDICES

1. 2024-2025 UBC Budget

PRESENTATIONS

1. UBC FY2024-2025 Budget



MARCH 2024

2024/25 Budget



THE UNIVERSITY OF BRITISH COLUMBIA

2024/25 Budget: Contents

Letter from the President	3	3. Consolidated Budget	20
1. Executive Summary	4	Introduction	20
Introduction	4	Capital Budget: Overview	23
UBC's Budget Process	4	Research Budget: Overview	24
Allocation Framework	5	Endowment Budget: Overview	25
Context for the 2024/25 Budget	6	4. Consolidated Statements for Board Approval	27
Assumptions	6	5. Appendices	29
Risks and Sensitivities	7	I) UBC's Budget Process: Extended Detail	29
Key Considerations for Financial Planning	8	II) Investments that Advance UBC's Academic Mission	31
The 2024/25 Budget	8	III) UBC Vancouver: Extended Detail	36
2. Operating Budget	10	IV) UBC Okanagan: Extended Detail	42
Introduction	10	V) Related Entities	48
University Operating Revenues	11	VI) Capital Budget: Extended Detail	49
University Operating Expenses and Reserves	15	VII) Research Budget: Extended Detail	52
Vancouver Campus Operating Budget: Overview	18	VIII) Endowment Budget: Extended Detail	53
Okanagan Campus Operating Budget: Overview	19		

We acknowledge that UBC's campuses and learning sites are situated on the traditional, ancestral and unceded territories of the Musqueam, Squamish and Tsleil-Waututh, and on the traditional, ancestral, unceded territory of the Syilx Okanagan Nation and their peoples.



Letter from the President

From humble beginnings in 1915, UBC has grown into one of the most impressive and most impactful centres of academic and research excellence in Canada, and indeed in the world. I am truly grateful to have joined this remarkable institution and deeply honoured to work alongside our talented faculty, dedicated staff, and outstanding passionate students, as they bring the academic mission of the university to new heights.



When I think of the biggest challenges that our world faces, I know the way forward can only be forged here and in great universities around the world—through research and scholarship in both the arts and the sciences, and through our students going out into the world smarter and wiser than we were.

At the outset of this year's budget report, I want to acknowledge that we are living in challenging times. Geopolitical tensions, broader economic conditions and issues specifically impacting higher education converge to create a measure of instability and uncertainty for the future, both at UBC and beyond. In this difficult context, universities are more important than ever as a space where new, transformative ideas can emerge, and where different viewpoints can co-exist and be discussed respectfully and peacefully with the aim of finding solutions.

Ensuring the financial sustainability of UBC is always a priority, but this is especially true in the environment. The revenues that sustain our academic mission and operations are at risk of being impacted by a variety of factors, and we also face significant cost pressures that we are actively managing. We are being cautious, realistic and proactive in the short-term, with our efforts focusing on protecting and sustaining the academic mission of the university.

Despite the challenges we face, UBC remains in a healthy financial position. Budget 2024/25 will continue to advance the university's vision of inspiring people, ideas, and actions for a better world. We are also committed to furthering our progress on important priorities, including transforming learning and pushing the boundaries in research, advancing our EDI goals and our commitments to Truth and Reconciliation, holistically supporting our students, and fighting against climate change.

As such, the financial plan for 2024/25 takes a prudent financial management approach to ensure that our limited resources are directed towards initiatives that advance our academic mission. Our financial strategy will continue to honour UBC's diverse and inclusive community, and will always strive to further enhance our shared vision of excellence in teaching, learning, and research.

Sincerely,
Benoit-Antoine Bacon
President and Vice-Chancellor

1. Executive Summary

UBC's budget represents the financial plan for the university, providing a roadmap for allocating the university's revenues against anticipated expenses in the coming fiscal year.

The budget process is a collaboration between the UBCV Provost and UBCO Deputy Vice-Chancellor, who lead the alignment of the budget to UBC's academic strategy, with central finance (VP Finance & Operations) and the distributed faculty and administrative unit finance teams.

The primary aim of the annual budget process is to advance the long-term health and vitality of UBC's academic mission and to support the university's strategic aspirations (as identified in [Shaping UBC's Next Century, Strategic Plan 2018 – 2028](#)). The budget is guided by the Government of BC's

Mandate for UBC and informed by relevant economic and political factors, risk assessments, and assumptions.

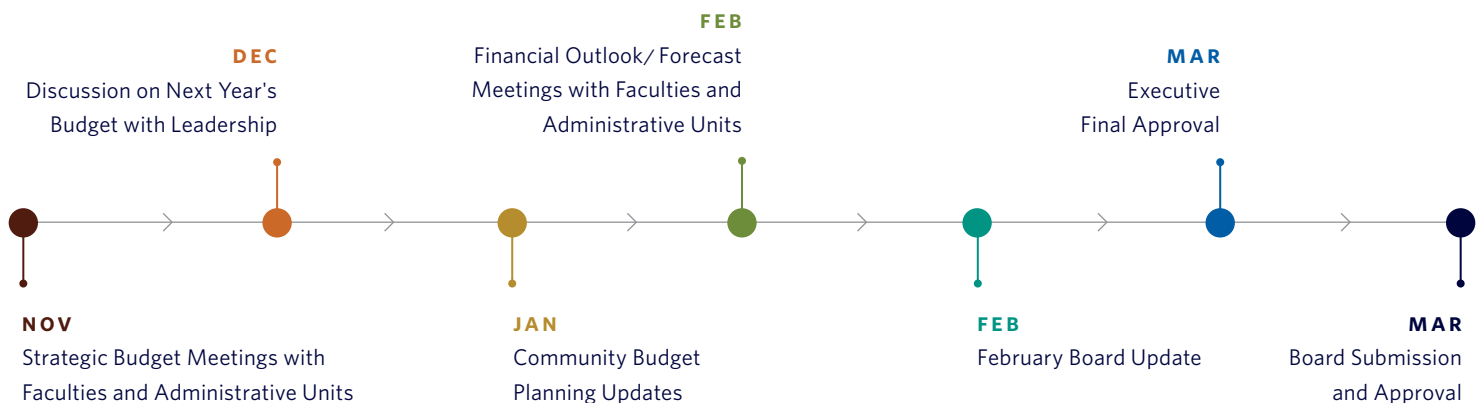
The budget process involves many months of collaborative planning across UBC's faculties, administrative units, and stakeholders on both campuses, culminating in the presentation of the budget proposal to the Board of Governors for approval. The university's budget model and planning processes are described in more detail in this report.

UBC's Budget Process

The budget model used at UBC is decentralized, meaning that faculties and administrative units are responsible for managing budgets within their respective portfolios. The university's faculty and central finance teams are constantly reviewing their budgets with the goal of advancing UBC's Strategic Plan. The budget for each main campus is determined separately, but both are combined in this report with supporting details provided for each.

The development of UBC's budget is a collaborative and thorough process that ensures financial planning across the university is aligned with the university's academic mission and priorities. In the fall, strategic planning meetings with the university's faculties and administrative units kick off the process with a "year-in-review" and forward-looking discussion. The process ends with the final UBC Executive recommendation of the budget proposal for approval by the Board of Governors. Further detail on UBC's budget process is available in [Appendix I](#).

UBC'S BUDGET PROCESS



Allocation Framework

UBC's operating budget assigns unrestricted funding to cover the core academic and operating expenses of the university. This revenue includes the provincial operating grant, domestic and international tuition, income earned on investments and cash, returns from land development, and revenues from sales and services (mainly from ancillary operations).

Revenue generated by central units and ancillaries across both campuses, including student housing, food services, the UBC Bookstore, and parking, directly supports university operations. Many faculties also receive funding directly from

non-core activities, which are managed locally to support their operations (including non-credit tuition). Full information on university revenues is included in the [Operating Budget](#) section.

UBC also receives restricted funding, mainly in the form of research grants and endowments, and this funding needs to be spent on predetermined expenses (e.g., research, professorships, capital projects, and student bursaries).

Restricted and unrestricted funding together constitute the consolidated budget, as visualized in the diagram below.

OPERATING FUND

\$2.7 Billion

Funding for academic programming and supports, student supports, core university services, and ancillary operations (e.g., residences, food services, etc.)

NON-OPERATING FUNDS

\$1.1 Billion

Research, capital, endowment, and other restricted funding



Context for the 2024/2025 Budget

Like many institutions, UBC is facing headwinds in the coming year given geopolitical uncertainties and ongoing challenging global rates of inflation. Higher than expected inflation rates in Canada, as well as their flow-through impact on supply chains, have led to a significant rise in construction costs, equipment, commodities and library collections.

On the labour side, which accounts for approximately 75% of UBC's operating expenditures, the university benefits from the considerable relief provided through provincial funding for General Wage Increases (GWI), which is incorporated within the university's operating grant. This does not, however, entirely neutralize rising labour costs, as salary increases due to merit or progression through the ranks must be absorbed internally (an approximately 2% to 3% unfunded gap in salary expenses annually).

Despite these challenges, UBC remains in a healthy financial position, committed to investing in and advancing the university's academic mission and continuing to innovate as a global leader in post-secondary education. University leadership is taking a realistic and proactive approach to managing and mitigating risks as necessary, to ensure our limited resources are optimized to make the biggest impact in support of teaching, learning, and research, and to safeguard UBC against potential long-term challenges we may see in the next few years.

Assumptions

As part of the budget development process, the university outlines key assumptions for units across the organization to use as they develop their local financial plans. These assumptions apply to all proposed budget allocations, as well as projections made by faculties and units from both campuses (Vancouver and Okanagan). Major assumptions used in the development of the 2024/25 budget include:

- 1. Enrolment:** Facing uncertainties in international undergraduate enrolment for Winter 2024, both campuses are using current year actuals, along with observed application trends, to forecast next year's enrolment. The administration has modelled various scenarios based on possible impacts and will actively monitor through the budget year with a focus on optimizing applications and yield rate.
- 2. Tuition:** As approved by the Board of Governors in December 2023, tuition increases are budgeted at 2% for all domestic students. International students will see increases of 3% for continuing students and 5% for new students, except for continuing international graduate students enrolled in programs with standard rate tuition, which will increase by 2%.
- 3. Government Grants:** It is assumed that the provincial government grant for 2024/25 will be consistent with prior-year funding, adjusted for any new approved student seat allocations to UBC, as well as a 2% General Wage Increase (GWI) and a Cost-of-Living Adjustment (COLA) of 0.5% to 1%.
- 4. Inflation:** A general Consumer Price Index (CPI) rate of 3% is assumed for 2024/25. Other more granular rates are applied where increases are forecasted to be higher than this, such as for utilities at approximately 7% per annum for the next five years.
- 5. Capital Assets:** Major capital asset additions are based on the construction completion schedule of Board-approved capital projects, as well as planned capital priorities. General additions (e.g., computers and equipment) are as projected by units across both campuses.
- 6. Routine Maintenance:** The budget includes \$53.1M in routine maintenance funding, of which 75% is provided by the provincial government (\$39.8M), and 25% is self-funded (\$13.3M).

Risks and Sensitivities

UBC is susceptible to internal and external risk factors that may influence financial outcomes in 2024/25. These are monitored carefully by the university as part of ongoing financial and operational diligence.

- 1. Enrolment:** Global economic uncertainties, rising geopolitical tensions, and heightened competition in the sector are impacting international undergraduate enrolment. The 2024/25 budget has been conservatively adjusted to reflect these factors in support of prudent financial management. Student visa changes announced in January 2024 by Immigration, Refugees and Citizenship Canada (IRCC) could influence the number of international students at UBC, and the full impact of this policy change on international student demand will be unclear well into the summer months. UBC is actively engaged in advocacy with the province and IRCC and will monitor enrolment through the budget year with a view to mitigating impacts.
- 2. Inflation:** Global inflation rates at a level unprecedented in recent decades have had a material impact on UBC's operating expenses and capital construction costs. [The Bank of Canada's early 2024 forecast](#) suggests a gradual decline in inflation, stabilizing at around 3% for the year, with a return to the target rate of 2% expected in 2025. However, unpredictable economic factors could sway inflation from these projections and potentially impact UBC's operating expenses and capital costs.
- 3. Capital Project Costs:** Current market conditions have resulted in significant cost escalation due to a high level of construction activity that has reduced contractor availability and bid coverage. This trend poses a risk to the completion of existing and future capital projects. Escalation contingencies continue to be included in capital project cost estimates to manage this risk.
- 4. Contractual Compensation Increases:** The increases in salaries established in collective agreements with various unions (i.e., progression through the ranks and merit increases) create a constant upward pressure on the university's budget. These contractual obligations for salary increments must be absorbed within the existing budget framework.
- 5. Employment Market and Cost of Living:** UBC has a reputation as a top employer across the province and beyond, and the ability to attract and retain talent is key to the university's success. Increased competition in the labour market for critical positions and a higher cost of living in BC may increase overall compensation costs.
- 6. Administrative Unit Budgets:** Since the COVID-19 pandemic UBC's central operating units have made budget adjustments to preserve the core functions of teaching and research, ensuring that the impact to faculties is as limited as possible. Despite these efforts, as financial pressures mount and the room for reducing non-essential spending narrows, the administration may need to consider careful recalibration of certain programs and administrative services. This approach is aimed at sustaining our commitment to excellence, while prudently navigating the current financial landscape.
- 7. Foreign Exchange:** The university has recurring financial commitments that are often paid in US dollars and other foreign currencies (e.g., library acquisitions). Any unfavorable changes in the exchange rate put financial strain on units that make such purchases.
- 8. Investment Portfolio Performance:** The university has considerable investments in its Endowment and Working Capital Funds, managed through [UBC Investment Management](#). Market fluctuations can have a significant impact on investment returns and the resulting endowment and investment income.

Key Considerations for Financial Planning

UBC's core mission is to advance teaching, learning and research, while supporting the health and well-being of students, faculty, and staff. In addition to fortifying the university's long-term financial sustainability, our planning is designed to protect and enhance our academic mission, drive positive social change, and holistically support students.

The direct distribution of revenues to UBC's academic units is part of the university's strategy to ensure our faculties remain well-supported. UBC also has several major ongoing investments—such as the President's Academic Excellence Initiative (PAEI) and the [Integrated Renewal Program \(IRP\)](#)—that move the university forward and critically support teaching, learning and research. Investments in new academic facilities and research infrastructure, such as the [School of Biomedical Engineering](#) and [Gateway Buildings](#) in Vancouver and the [x̌al sic snpǎnwix^wtn](#) building in the Okanagan, also support UBC's growth as a world-class university.

These long-term investments, resourced through the central operating fund, the TREK Endowment, or other strategic funds (the Academic Excellence Funds on the Vancouver campus

and the Excellence Fund in the Okanagan) require ongoing financial support that limits the availability of discretionary funding in the next few years. However, commitment to the university's mission continues to be reflected in our investments at the university-wide level, as well as those built into the fabric of our faculty- and unit-level financial plans.

As a university and a community, we are committed to furthering our progress in important areas that distinguish UBC. These include inspiring and enabling students through excellence in transformative teaching, mentoring, advising and student experiences. We will continue to push the boundaries in research and lead globally in discovery, scholarship, and creative endeavours. Simultaneously, we commit to advancing our EDI goals and our commitments to Truth and Reconciliation, and to being a leader in sustainability and the fight against climate change. [Appendix II](#) provides many examples of how UBC is enhancing its academic mission through investments and initiatives across the organization.

The 2024/25 Budget

UBC's operating budget—the unrestricted funds that cover the university's core operations and activities—is projecting a balanced position in 2024/25, continuing to ensure the university's long-term financial stability. While the operating budget is anticipated to be balanced at the organizational

level, it is important to recognize the growing cost pressures faced by faculties and administrative units. The university is continuing to develop and expand new revenue sources while exploring operational efficiencies to fortify UBC's financial sustainability.

OPERATING BUDGET (in \$ millions)

The surplus/deficit position of the university, at an operating level

	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
Operating Fund Revenues	2,327	2,494	2,676
Operating Fund Expenses	2,169	2,358	2,547
Total Revenues less expenses	158	136	129
Interfund Transfers and Internal Transactions	76	70	58
Investments in Capital Assets	67	68	71
Operating Surplus / (Deficit)	15	(2)	-

The consolidated budget (below) incorporates the operating budget as well as non-operating funds that are set aside for specific purposes. At a consolidated level UBC is projecting a

surplus of \$94M. UBC is required by the BC provincial government to maintain a balanced (or surplus) financial position on a consolidated basis.

CONSOLIDATED BUDGET (ALL FUNDS) (in \$ millions)

*The consolidated surplus/deficit position of the university
(i.e. the incorporation of operating and non-operating revenues and expenditures)*

	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
Consolidated Revenues	3,364	3,582	3,802
Consolidated Expenses	3,281	3,497	3,708
Consolidated Surplus / (Deficit)	83	85	94



2. Operating Budget

UBC's Operating Budget (Vancouver and Okanagan combined) shows a balanced position for 2024/25, as summarized in the income statement below.

OPERATING BUDGET (in \$ millions) <i>UBC's revenues, expenses, and accumulated reserves at an operating level</i>	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
Operating Revenues			
Government of British Columbia	827	942	1,047
Tuition	1,003	1,035	1,086
Other*	497	517	543
Total Revenues	2,327	2,494	2,676
Operating Expenses			
Salaries and benefits	1,626	1,769	1,917
Non salaries	543	589	630
Total Expenses	2,169	2,358	2,547
Subtotal: Revenues less Expenses	158	136	129
Less			
Capital transfers	138	129	78
Research transfers	52	52	61
Internal transfers and activities	(47)	(43)	(10)
Operating Surplus / (Deficit)	15	(2)	-
Accumulated reserves - opening	404	419	417
Accumulated reserves - closing	419	417	417

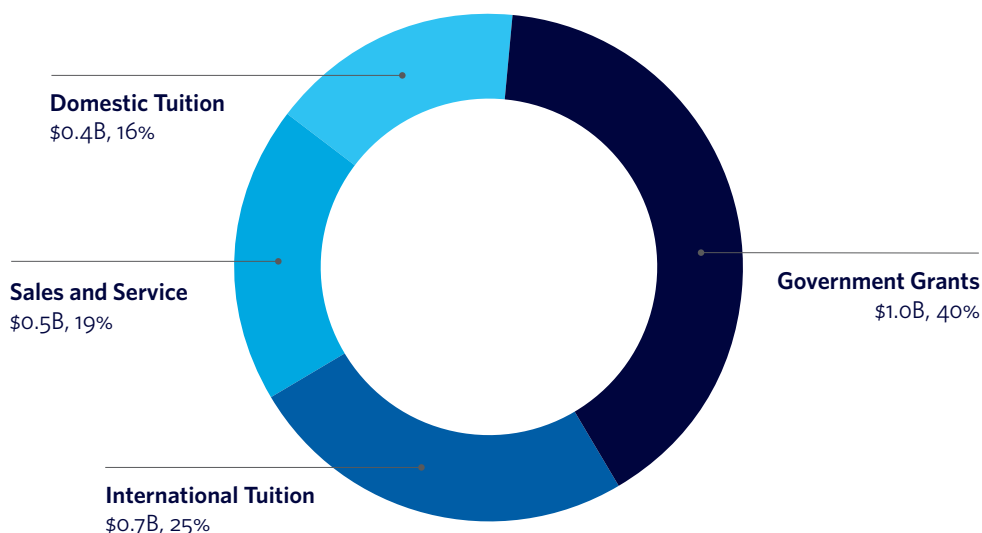
*Other mainly includes sales and services revenue

University Operating Revenues

Anticipated at \$2.7B, the total operating revenue for 2024/25 comes from three primary sources: government grants, tuition fees, and sales and services. While the majority of this revenue is systematically managed and allocated

through the budget process, a smaller fraction is directly generated by faculties and central support units (flowing immediately back to support the academic mission). Information detailing UBC's revenues follows below.

2024/25 OPERATING PLAN REVENUE - UBC TOTAL



Note: non-gov't grants, contracts and donations, plus investments income values are relatively too small to be depicted on the diagram

OPERATING REVENUES (in \$ millions)	UBC TOTAL			UBC VANCOUVER			UBC OKANAGAN		
	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
<i>UBC's main sources of revenue, represented as a total and by campus</i>									
Government grants & contracts									
Government of Canada	35	34	35	33	32	33	2	2	2
Government of British Columbia	827	942	1,047	741	838	937	86	104	110
Other governments*	1	-	1	1	-	1	-	-	-
Student fees—domestic	393	401	424	341	348	369	52	53	55
Student fees—international	610	634	662	529	553	580	81	81	82
Sales & services — External	453	472	503	446	464	495	7	8	8
Non-government grants, contracts and donations	16	15	13	14	14	12	2	1	1
Investment income—external	(8)	(4)	(9)	(8)	(4)	(9)	-	-	-
Total Revenue	2,327	2,494	2,676	2,097	2,245	2,418	230	249	258

*Other governments revenue represents funding mainly from Natural Resources Canada for 2024/25

GOVERNMENT GRANTS

The university receives a substantial operating grant from the Province of British Columbia, totaling an estimated \$1,047M (up \$105M from \$942M in 2023/24). This grant is specifically allocated to support the teaching of domestic undergraduate and graduate students in select degree-granting programs. Of this amount, \$937M is designated for UBC Vancouver, while \$110M is allocated for UBC Okanagan.

The increase in this year's grant is largely attributed to the estimated \$53M allocated for General Wage Increases (GWI) across all university bargaining units. There is also an additional \$9.6M for FTE growth in health, tech and medical expansion programs on both campuses. A projected deferral of \$46M of the operating grant to restricted capital in 2023/24 also contributes to the \$105M increase for 2024/25, as a similar deferral is not planned in 2024/25 (and the current budget year returns to pre-deferral levels).

The provincial operating grant plays a critical role in funding the full-time equivalent (normal load FTE) enrolment of domestic students. In Vancouver, it supports 30,597 full-time domestic undergraduate students and 6,077 graduate students, while in the Okanagan, it funds 7,153 domestic undergraduate students and 157 graduate students. In 2024/25, UBC anticipates surpassing the provincial enrolment targets by approximately 3,362 domestic undergraduate students and 4,368 graduate students to meet growing demand from students across the country.

The Government of Canada grant, budgeted at \$35M, represents the [Federal Research Support Fund](#) for the university. This allocation remains consistent with prior years, providing important support for the advancement of research and scholarships.



TUITION REVENUE AND STUDENT ENROLMENT

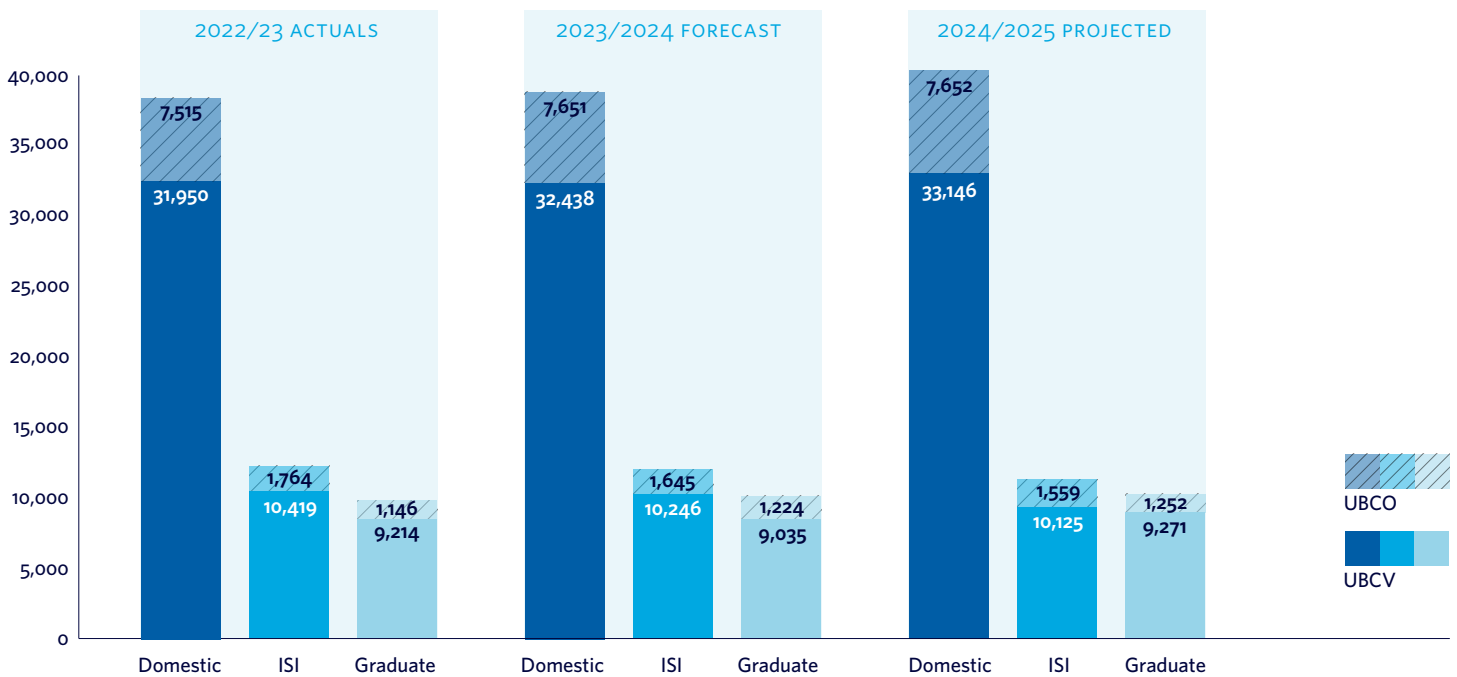
Tuition revenue is projected at close to \$1.1B. While domestic enrolment is expected to slightly increase, we are anticipating that international enrolment may experience some decrease in volume due to policy changes, competition in the sector, macro-economic conditions, and global geopolitical tensions. However, the potential impact of this volume decrease has

been offset by approved tuition rate increases, resulting in an overall slight increase in international tuition revenue.

The university is projecting a total enrolment of 63,005 student FTEs in 2024/25 across both campuses, with details in the following chart.

ENROLMENT

Trends in student enrolment as a total, by campus, and by domestic/international/graduate



- Domestic Enrolment and Tuition Revenue:** Planned domestic undergraduate enrolment is 33,146 FTE on the Vancouver campus and 7,652 on the Okanagan campus for 2024/25. This leads to a slight planned increase of 709 FTE overall compared to the prior year (with the growth concentrated on the Vancouver campus). Domestic graduate student enrolment is projected at 5,600 FTE on the Vancouver campus and 629 on the Okanagan campus for 2024/25, resulting in a planned increase of 163 FTE overall compared to the prior year (NB: enrolment figures used to calculate tuition revenue are fiscal 30-credit FTE).

Budget 2024/25 reflects a 2% domestic tuition rate increase, as was approved by the UBC Board of Governors in December 2023, resulting in an increase to domestic undergraduate tuition revenue of \$10M and an increase in domestic graduate tuition revenue of \$5M when compared to prior year.

Non-credit fees are also projected to increase by \$3M, reflecting growth in various non-credit programs in [Extended Learning](#) and the faculties.

- International Enrolment and Tuition Revenue:** Planned international undergraduate enrolment is 10,125 FTE on the Vancouver campus and 1,559 FTE on the Okanagan campus. The enrolment plan reflects a slight decrease of 207 undergraduate FTE from the prior year, mainly on the Okanagan campus and in the Faculty of Arts and the Faculty of Land and Food Systems on the Vancouver campus. International graduate student enrolment is projected at 3,671 FTE on the Vancouver campus and 623 on the Okanagan campus for 2024/25 (total increase of 101).

Incorporating the approved tuition rate increases (3% for continuing international students and 5% for new students, 2% for continuing international graduate students), total increases of \$20M in international undergraduate student revenue and \$8M in international graduate student tuition revenue are expected across both campuses when compared to prior year.

Non-credit fees are also projected to increase by \$5M, mainly from the [Vancouver Summer Program](#) and Extended Learning.

In 2023/24, there was a \$4M one-time reclassification of historical tuition between domestic and international graduate tuition, with no impact to the bottom line. This change has a favourable impact on domestic tuition (unfavourable impact on international tuition) in the 2024/25 budget when compared to 2023/24 forecast.

THE TUITION ALLOCATION MODEL ('TAM')

Enrolment numbers included in the 2024/25 Budget are informed by Senate-approved targets and discussions between academic leadership and admissions teams. Tuition revenue received by the university is allocated throughout the university via an established formula—Tuition Allocation Model (TAM).

The TAM allocates tuition revenue across several key areas: Student Financial Aid (SFA), faculties, the operating fund, and Academic Excellence Funds (UBCV) / Excellence Fund (UBCO). While the distribution strategy varies slightly between domestic and international tuition, it adheres to a formula-based approach.

SALES AND SERVICES — EXTERNAL

This category includes ancillary operating revenue in housing and hospitality services, fee-for-service activities, and bill-back revenue generated through Faculties.

Sales and services revenue in 2024/25 is expected to be \$29M higher than the prior year, primarily due to \$16M in increased activity in various ancillary business units, and \$12M in increased fee-for-service activities in various faculties including the Faculties of Medicine, Applied Science, and Arts. Additionally, inflationary increases related to both student housing and food services have contributed to this growth, as costs have necessitated increases in prices.

INVESTMENT INCOME — EXTERNAL

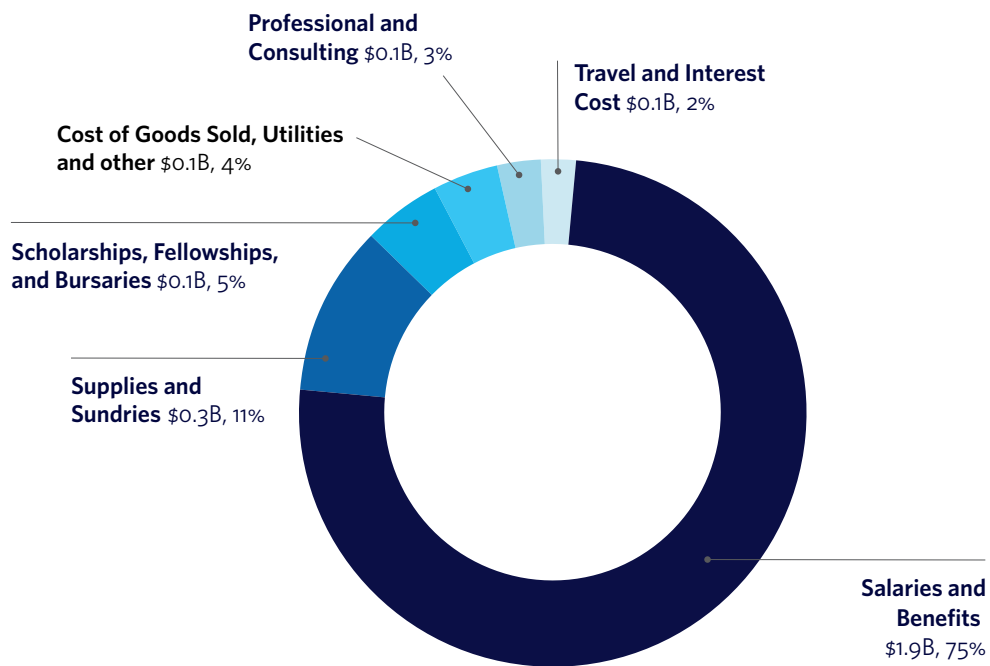
The interest income earned is being distributed from the operating fund to the Student Housing Financing Endowment (SHFE). The negative balance is the result of the transfer to SHFE being higher than the incoming investment income. The planned decrease, compared to 2023/24, is due to a higher transfer and lower interest income expected.

University Operating Expenses and Reserves

Total expenses of \$2.7B are predominantly attributed to salaries and benefits, which represent approximately 75% of UBC's total expenditures. Driving efficiencies within this large expenditure pool, as well as actively managing discretionary spending, are strategies employed by the university through

the budget process with the goal of producing a balanced result. Information relating to key expense drivers (Salaries and Benefits, Supplies and Sundries, and Scholarships, Fellowships, and Bursaries) is outlined over the few pages.

2024/25 OPERATING PLAN EXPENSES - UBC TOTAL



OPERATING EXPENSES AND RESERVES <i>(in \$ millions)</i>	UBC TOTAL			UBC VANCOUVER			UBC OKANAGAN		
	<i>UBC's primary expenses represented across main categories as a total and by campus, as well as available reserves</i>	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET	2022/23 ACTUALS	2023/24 FORECAST
Total Revenues (see Operating Revenues)	2,327	2,494	2,676	2,097	2,245	2,418	230	249	258
Salaries - academic	593	633	681	523	553	597	70	80	84
Salaries - staff	680	758	835	623	691	763	57	67	72
Salaries - student Employees	85	95	97	74	84	86	11	11	11
Total Salaries	1,358	1,486	1,613	1,220	1,328	1,446	138	158	167
Employee benefits	268	283	304	242	255	276	26	28	28
Total Salaries and Benefits	1,626	1,769	1,917	1,462	1,583	1,722	164	186	195
Supplies and sundries — external	238	265	282	221	244	264	17	21	18
Costs of goods sold	47	50	53	47	50	53	-	-	-
Scholarships, fellowships and bursaries	115	120	126	98	103	108	17	17	18
Travel and field trips	20	23	25	17	20	22	3	3	3
Professional and consulting fees	66	70	77	64	68	75	2	2	2
Grants and reimbursements to other agencies	2	8	9	2	8	9	-	-	-
Utilities	35	34	37	32	31	34	3	3	3
Interest on long term debt—external	20	19	21	20	19	21	-	-	-
Total Expenses	2,169	2,358	2,547	1,963	2,126	2,308	206	232	239
Subtotal: Revenues less Expenses	158	136	129	134	119	110	24	17	19
Transfers to (from) non-operating funds	155	153	136	134	125	123	21	28	13
Internal activities	(79)	(83)	(78)	(79)	(84)	(79)	-	1	1
Change in investment in capital assets	67	68	71	60	64	66	7	4	5
Operating Surplus / (Deficit)	15	(2)	-	19	14	-	(4)	(16)	-
Accumulated Reserves—Opening	404	419	417	336	355	369	68	64	48
Accumulated Reserves—Closing	419	417	417	355	369	369	64	48	48

SALARIES AND BENEFITS:

The increase of \$14.8M in salaries and benefits costs (as compared to prior year) includes progression through the ranks (PTR) increases for faculty, merit increases for staff, any applicable market adjustments, General Wage Increases (GWI) and benefits (which are funded through the provincial grant).

The remainder of the increase seen within salaries and benefits is primarily due to the annualized financial impact of prior-year new hires (i.e., individuals who are hired part way through the previous fiscal year), the filling of vacancies, and select strategic hires based on the 2024/25 hiring plans for both faculty and staff on both campuses. Approximately 84 faculty and 243 staff positions are planned across both campuses, filling vacancies due to turnovers and strategic hires. Most of the increases will go to staff and faculty focused on teaching and student support, as well as the expansion of ancillary services due to the opening of Brock Commons Residence and Recreation North Building and anticipated increases to summertime program activities.

SUPPLIES AND SUNDRIES AND COST OF GOODS SOLD:

The \$20M increase in supplies and sundries and cost of goods sold over the prior year forecast is primarily due to deferred spending for various campus-wide initiatives, an increase in the self-insured portion of insurance claims, and inflationary impacts across all portfolios.

SCHOLARSHIPS, FELLOWSHIPS, AND BURSARIES:

UBC aims to meet all domestic student SFA needs and provides funding for all student financial support through the TAM. In 2024/25 UBC is budgeting \$126M for scholarships, fellowships, and bursaries, an increase of \$6M compared to the prior year forecast. Increases can be seen within the Faculty of Science for planned new scholarships aimed at attracting both master's and PhD students; the Sauder School of Business for graduate programs; and the Student Financial Aid portfolio predominantly for entrance awards, Presidential Scholars Awards for Indigenous students, increased support for bursaries, increases to four-year fellowships.

TRANSFERS TO (FROM) NON-OPERATING FUNDS:

The decrease in transfers to non-operating funds over the prior year forecast is primarily due to several large one-time transfers in fiscal 2023/24 within the capital fund related to Great Northern Way, the privacy and information security project, and UBCO's investment in downtown Kelowna. This reduction is partially offset by the impact of the prior year's payback of routine capital and increased transfers to the research fund to support faculty start-ups and initiatives.



Vancouver Campus Operating Budget: Overview

The Vancouver campus operating budget is projecting a balanced position in 2024/25. Revenues are projected to be at \$2.4B, a 7.7% increase from the 2023/24 forecast. The growth in revenue is primarily driven by increases in government grants related to General Wage Increases (GWI), additional seats for targeted programs, ancillary services, and tuition increases. This increase in operating revenue supports salaries

and other rising operating costs, including transfers to support faculty hires and start-ups as well as capital projects such as replacing and upgrading labs, classrooms and spaces for research and teaching needs.

Full detail relating to the operating budget on the Vancouver campus is available in [Appendix III](#).

UBC VANCOUVER CAMPUS OPERATING BUDGET (in \$ millions)	2022/23	2023/24	2024/25
<i>Revenues, expenses, and accumulated reserves on the Vancouver campus at an operating level</i>	ACTUALS	FORECAST	BUDGET
Operating Revenues			
Government of British Columbia	741	838	937
Tuition	870	901	949
Other*	486	506	532
Total Revenues	2,097	2,245	2,418
Operating Expenses			
Salaries and benefits	1,462	1,583	1,722
Non salaries	501	543	586
Total Expenses	1,963	2,126	2,308
Subtotal: Revenues less Expenses	134	119	110
Less			
Internal transfers and activities, and capital expenditures**	115	105	110
Operating Surplus / (Deficit)	19	14	-
Accumulated Reserves — Opening	336	335	369
Accumulated Reserves — Closing	355	369	369

*Other revenues include mainly sales and services and land development income.

**Includes net transfers between funds, internal loans, internal revenues and expenses, and capital expenses.

Okanagan Campus Operating Budget: Overview

The Okanagan campus operating budget, as seen below, is projecting an overall balanced position for 2024/25. This reflects an increase of \$16M from the 2023/24 forecast that is largely due to a \$24M one-time transfer to capital in 2023/24 for UBCO Downtown, reductions to administrative unit recurring budgets of \$2.8M, and ending of term expenditures of \$1.8M for 2024/25.

These decreases in costs are offset by increased salaries and benefits expenses projected for 2024/25, largely due to contractual increases and lower position vacancies anticipated

for the coming year. Increases to revenues include additional funding from the province for targeted seat allocations as well as General Wage Increases (GWI) for employees. The tuition rate increases of 5% for new international students, 3% for continuing international students, and 2% for domestic students are partially offset by projected lower international student enrolment compared to the prior year. Full detail relating to the operating budget on the Okanagan campus is available in [Appendix IV](#).

UBC OKANAGAN CAMPUS OPERATING BUDGET (in \$ millions)	2022/23	2023/24	2024/25
<i>Revenues, expenses, and accumulated reserves on the Okanagan campus at an operating level</i>	ACTUALS	FORECAST	BUDGET
Operating Revenues			
Government of British Columbia	86	104	110
Tuition	133	134	137
Other*	11	11	11
Total Revenues	230	249	258
Operating Expenses			
Salaries and benefits	164	186	195
Non salaries	42	46	44
Total Expenses	206	232	239
Subtotal: Revenues less Expenses	24	17	19
Less			
Internal transfers and activities, and capital expenditures**	28	33	19
Operating Surplus / (Deficit)	(4)	(16)	-
Accumulated Reserves — Opening	68	64	48
Accumulated Reserves — Closing	64	48	48

*Other revenues include mainly sales and services and land development income.

**Includes net transfers between funds, internal loans, internal revenues and expenses, and capital expenses.

3. Consolidated Budget

The university's consolidated budget projects annual revenues of \$3.8B, of which \$2.7B are from the university's core operations (which does not include non-operating funds such as research and capital funds).

Adjusting for unrestricted surpluses in research and endowments, as well as net investment in capital, the university expects a consolidated surplus for 2024/25 of \$94M as detailed in the table below:

CONSOLIDATED STATEMENT OF OPERATIONS—BY OBJECT (in \$ millions)	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
<i>UBC's revenues and expenses represented as high level categories, demonstrating the consolidated surplus/deficit position of the university (i.e. total operating and non-operating funds)</i>			
Revenues			
Government grants and contracts			
Government of Canada	373	380	396
Province of British Columbia	1,041	1,176	1,289
Other governments*	32	34	37
Other contributions**	226	220	231
Student fees	1,004	1,035	1,086
Investment income	104	98	101
Income from Government Business Enterprises	15	40	26
Sales and services	482	508	548
Amortization of deferred capital contributions	87	91	88
Total Revenues	3,364	3,582	3,802
Expenses			
Salaries and benefits	2,080	2,252	2,409
Operating costs — other	543	575	609
Capital asset amortization	246	248	249
Cost of goods sold	48	50	53
Scholarships, fellowships and bursaries	175	180	188
Grants to third parties	168	173	179
Debt service costs	21	19	21
Total Expenses	3,281	3,497	3,708
Annual Surplus from Operations	83	85	94

*Other governments includes local governments, governments of other provinces, or other countries.

**Other contributions includes non-government grants and donations.

Within the consolidated budget there is a planned balanced operating fund position, discussed in the prior operating budget section, which compares favorably to the forecasted operating deficit of \$2M in Q3 of 2023/24. Non-operating funds are budgeted to provide an \$94M surplus from UBC’s Endowment, unrestricted research funding, and net investment in capital

adjustments. It is important to note that the consolidated surplus is an accounting surplus only and does not reflect funds available for spending on university operations.

The components of the consolidated surplus are as follows:

INCOME STATEMENT ANALYSIS BY FUND TYPE (in \$ millions)

This table shows the operating and non-operating components of the consolidated surplus

	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
UBC Vancouver	19	14	-
UBC Okanagan	(4)	(16)	-
Total Operating Funds	15	(2)	-
Endowment funds	15	-	19
Research and other funds	(22)	32	22
Related organizations	12	17	2
Net investment in capital	63	38	51
Consolidated Surplus	83	85	94



Total Operating: Balanced position in 2024/25.

Endowment Funds: The surplus of \$19M represents the returns on unrestricted Endowment Funds (TREK), plus any endowed transfers from faculties, operations, and so forth. The \$19M increase in this value is also reflective of an increase in land rental income from UBC Properties Trust that was not transferred in the 2023/24 forecast.

Research and Other Funds: The surplus in research and other funds of \$22M is primarily driven by the unspent balances from unrestricted research funds that have been transferred from the faculties in support of start-up research for newly hired scholars.

Related Organizations: Surplus includes proceeds from the land leases that have been issued for development by UBC Properties Trust. These funds are received and allocated to UBC's Endowment at the beginning of the lease, and the revenue is recognized in the Statement of Operations over the lease period (99 years). UBC Properties Trust records land rental income, less any financing costs, and transfers the revenue to Endowment Funds (TREK).

Net Investment in Capital (NIC): The NIC is a summary of the total capital investments by the university, and how those investments are funded. The surplus in NIC of \$51M is broken down as follows:

NEW INVESTMENT IN CAPITAL (in \$ millions)

This table shows the financial statement impact of the University's investment in Capital

	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
Capital asset additions	417	652	555
Less funded externally (includes internal loans)	(195)	(457)	(343)
Depreciation	(246)	(248)	(249)
Less amortization of deferred capital contributions	87	91	88
Financial Statement Impact	63	38	51



Capital Budget - Overview

The university makes significant ongoing capital investments to support learning and research, and to create an outstanding student experience. Capital expenditures for 2024/25 are budgeted as follows:

CAPITAL EXPENDITURE (in \$ millions) <i>UBC's capital expenditures (in-year investments) represented by high level category</i>	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
Building and Property:			
Major buildings	160	353	236
Routine capital	51	53	53
Building renovations and additions	49	40	44
Site improvements*	10	12	17
	270	458	351
Research and other equipment, and furnishings	86	121	146
Information technology	46	58	43
Library acquisitions	15	15	15
Total Capital Expenditures	417	652	555

*Site Improvements includes upgrades to roads, lots, sewer, gas, water and electrical assets.

The majority of buildings and property capital expenditures are under the management and control of UBC Facilities, with additional capital expenditures overseen by Student Housing & Community Services (SHCS). Faculties and administrative units may also commission other (usually minor) building projects. The design, construction, renovation and upgrades of all buildings and property projects at UBC are managed either by UBC Properties Trust or UBC Project Services (within UBC Facilities).

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

- **Major buildings:** This includes new buildings or major renewal projects greater than \$5M, approved by the Board of Governors.
- **Routine capital:** This includes core maintenance projects funded in part by the Ministry of Post-Secondary Education & Future Skills (PSFS), with projects typically less than or equal to \$5M. This program is also approved by the Board of Governors. UBC Building Operations and

Energy & Water Services (both within UBC Facilities) identify and prioritize projects under this program based on facility condition and building user input.

- **Department-funded capital (Building Renovations and Additions):** This includes building renovations and additions less than or equal to \$5M that are commissioned and funded directly by faculties and administrative departments. Projects greater than or equal to \$2.5M require UBC Executive approval.
- **Infrastructure Impact Charge (IIC) and Community Amenity Charge (CAC) Program (Site Improvements):** This includes capital infrastructure projects (utility, public and community infrastructure projects) funded through charges on campus development. This program is also approved by the Board of Governors.

Full detail relating to the Capital Budget, including detail relating to major capital projects, is available in [Appendix VI](#).

Research Budget - Overview

UBC consistently ranks as one of the world's top research universities, and is projected to attract \$753M in total research funding in 2024/25 (up from \$708M in 2023/24). External funding for research directly supports UBC's researchers in producing impactful results and enables essential related support staff and students.

Please note that while these awards are in many cases funded over a multi-year research period, the information below is what is expected to be received by the university within the 2024/25 budget year.

RESEARCH AWARDS BY FUNDING SOURCE (in \$ millions) <i>Restricted funding awarded to university research at UBC, by funding entity</i>	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
Government (Tri-Agency)	235	241	238
Government (Other Agencies)	215	208	240
Non-Profit	228	188	208
Industry	69	71	67
Research Awards—Total	747	708	753

UBC's total research funding in 2024/25 is expected to increase within normal fluctuations compared to 2023/24, with expected growth in the "Government (Other Agencies)" and "Non-Profit" categories, and relatively stable levels of funding for the Tri-Agency and Industry sectors.

The university invests in supporting UBC researchers to be more competitive in funding competitions to ensure the necessary resources are in place to advance research programs. UBC support includes proposal development and review services provided through the Office of the Vice-President, Research and Innovation's Support Programs to Advance Research Capacity (SPARC), and the Institutional Programs Office (IPO). By working with SPARC, assistant professors in science and engineering applying to the Natural Sciences and Engineering Research Council of Canada (NSERC) have been 1.6 times more likely to receive funding. A similar rate of improved success is seen for faculty applying to the Canadian Institutes of Health Research (CIHR) Project

competition. IPO-supported programs such as the John R. Evans Leaders Fund have an average success rate of 80%.

Another source of university support is through sponsored research. Sponsored research partnerships are vital for advancing knowledge, fostering innovation, and bridging the gap between UBC and other sectors. UBC's sponsored research significantly contributes to knowledge advancement, innovation, and sectoral connections. The university's focus on innovation, alongside the federal government's push for partnered and applied research funding, is anticipated to boost sponsored research funding at UBC. This increase will come with greater complexity, however, due to research security measures mandated by the Government of Canada.

Further information relating to UBC's Research Budget, including research awards by faculty, is available in [Appendix VII](#).

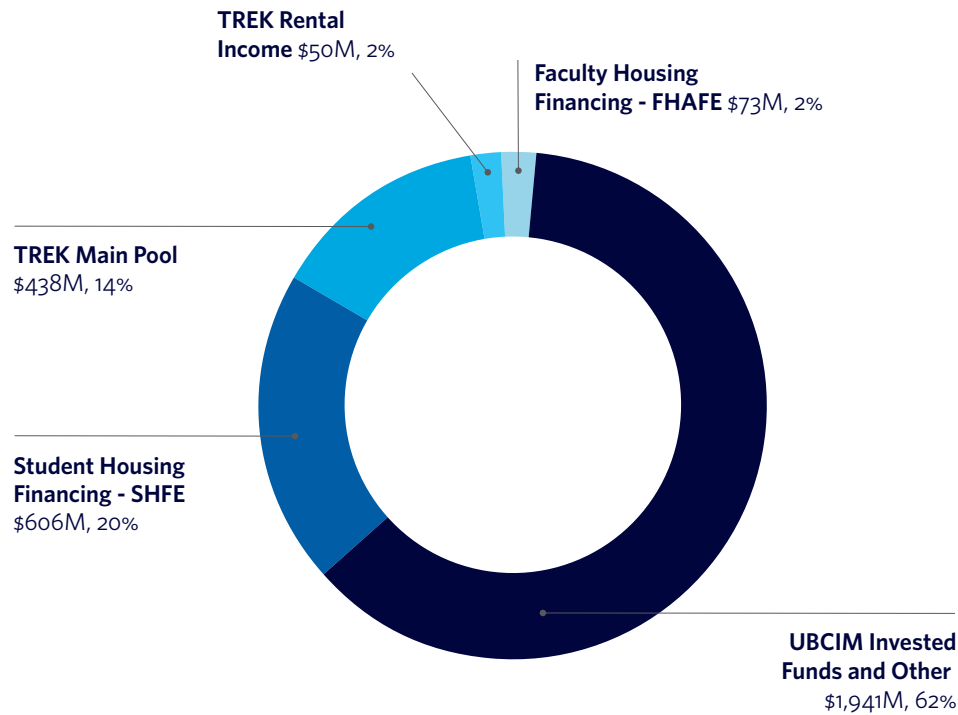
Endowment Budget - Overview

The university's Endowment Funds consist of endowed gifts, bequests, donations, land lease proceeds and rental income from land development. Approximately \$2.4B of the Endowment Funds, including TREK, TREK Rental Income and Peter Wall Legacy are invested by UBC Investment Management (UBCIM). These funds support the university's

academic mission, student financial awards, academic and research initiatives, student housing, and capital projects.

A breakdown of total endowment resources for 2024/25 by fund type, as well as market value and change in endowment reserve, follows below:

ENDOWMENT COMPOSITION:



Note: Details of TREK Endowment refer to [Appendix VIII](#).

ENDOWMENT MARKET VALUE <i>(in \$ millions)</i>	TOTAL ENDOWMENTS			UBCIM INVESTED FUNDS AND OTHERS (EXCLUDING TREK)			TREK ENDOWMENT (TREK, TREK RENTAL INCOME, SHFE & FHAFE)		
	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
<i>This table shows the market value of UBC's Endowment fund and stabilization account (i.e. the capitalized value of resources received above or below the expected investment return) over three years</i>									
Endowment capital account	2,645	2,770	2,920	1,583	1,668	1,753	1,062	1,102	1,167
Stabilization account	184	187	188	183	187	188	1	-	-
Balance	2,829	2,957	3,108	1,766	1,855	1,941	1,063	1,102	1,167

Note: Approximately \$2.4B of the Endowment Funds, including TREK, TREK Rental Income and Peter Wall Legacy are invested by UBC Investment Management (UBCIM).

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 Funds above the inflation adjusted principal balances as a protection against future market downturns.

CHANGE IN ENDOWMENT RESERVE <i>(in \$ millions)</i>	TOTAL ENDOWMENTS			UBCIM INVESTED FUNDS AND OTHERS (EXCLUDING TREK)			TREK ENDOWMENT (TREK, TREK RENTAL INCOME, SHFE & FFAFE)		
	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
<i>This table describes UBC's endowment revenues and expenditures and transfers to capital funds</i>									
Investment income	112	122	130	68	77	84	44	45	46
Operating expenses	(114)	(125)	(133)	(70)	(78)	(86)	(44)	(47)	(47)
Internal transfers in to endowment capital	17	3	22	1	2	2	16	1	20
Surplus (Deficit)	15	-	19	(1)	1	-	16	(1)	19

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.



4. Consolidated Statements for 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—By Function below reflects the same consolidated income statement included previously, although the expenses are reflected by function,

rather than by object. This mirrors the way that the information is presented in UBC's annual 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) AND ACCUMULATED SURPLUS <i>(in \$ millions)</i>	2023/24 FORECAST	2024/25 BUDGET	VARIANCE
<i>UBC's revenues and expenses represented by function, demonstrating the consolidated surplus/deficit position of the university (i.e. total operating and non-operating funds)</i>			
Revenues			
Government grants and contracts			
Government of Canada	380	396	16
Province of British Columbia	1,176	1,289	113
Other governments	34	37	3
Other contributions	220	231	11
Student fees	1,035	1,086	51
Investment income	98	101	3
Income from Government Business Enterprises	40	26	(14)
Sales and services	508	548	41
Amortization of deferred capital contributions	91	88	(3)
Total Revenues	3,582	3,802	221
Expenses			
Learning	1,795	1,912	117
Research	528	583	55
Facilities	468	460	(8)
Students	450	471	21
Community engagement	88	96	8
Administration	168	187	19
Total Expenses	3,497	3,709	212
Annual Surplus from Operations	85	94	9
External endowment donations	25	30	5
Annual Surplus	110	124	14
Accumulated surplus, beginning of period	2,551	2,661	110
Accumulated Surplus, End of Period	2,661	2,785	124

The Consolidated Statement of Changes in Net Debt reflects the university's ability to cover expenses and capital purchases with current revenues or financing. Reductions in Net Debt

indicate that the university is meeting its expense and capital obligations.

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

Year End March 31 (in \$ millions)

Reflects the University's ability to cover expenses and capital purchases with current revenues or financing

	2023/24 FORECAST	2024/25 BUDGET	CHANGE
Annual surplus	110	124	14
Exclude items not affecting net debt:			
Endowment donations and transfers	(25)	(30)	(5)
	85	94	9
Acquisition of tangible capital assets	(652)	(555)	97
Amortization of tangible capital assets	248	249	1
	(404)	(306)	98
Acquisition of inventories held for use*	-	-	-
Acquisition of prepaid expense*	-	-	-
Consumption of inventories held for use*	-	-	-
Use of prepaid expense*	-	-	-
	(319)	(212)	107
Net remeasurement gains**	27	24	(3)
Self-supported subsidiary other comprehensive income**	-	-	-
Increase in net debt	(292)	(188)	104
Net debt, beginning of year	(2,702)	(2,994)	(292)
Net Debt, End of Year	(2,994)	(3,182)	(188)

Notes:

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

**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.

5. Appendices

Appendix I: UBC's Budget Process— Extended Detail

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. UBC uses a decentralized budget model, with the prior year's allocations set as the baseline of recurring funding for each academic and administrative unit (i.e. their "base budget"). Faculty and

administrative unit budgets are reviewed independently before being consolidated by the central finance team.

The development of UBC's budget is a collaborative effort including all university academic and administrative units, as well as key stakeholder groups within the UBC community. This year budget process activities included:

WHEN	WHAT
September - October	<ul style="list-style-type: none">▪ Strategic budget meetings with academic leadership on the Okanagan campus▪ Financial overview and budget process update for the UBC Okanagan Senate, and the Academic Building and Resource Committee
November	<ul style="list-style-type: none">▪ Strategic budget meetings with faculty leadership on the Vancouver campus▪ Executive budget planning session with administrative leadership
January	<ul style="list-style-type: none">▪ A dedicated full-day budget retreat for Deans and VPs▪ Budget planning updates for:<ul style="list-style-type: none">- The UBC Vancouver Senate Budget Sub-Committee- Senior academic and administrative leaders from across UBC's Vancouver campus- Senior leaders and Deans from across UBC's Okanagan campus- Elected student leadership- The Indigenous Strategic Plan Executive Advisory Committee (ISPEAC)- Representatives from historically, persistently, or systemically marginalized groups in the UBC community
February	<ul style="list-style-type: none">▪ Budget planning update for the UBC Okanagan Senate Academic Building and Resource Committee▪ Individual financial outlook/forecast meetings with faculties and administrative units. These meetings review the more accurate unit-level budget based on the third quarter forecast ("Q3") and prior year actual results.
March	<ul style="list-style-type: none">▪ UBC Executive final approval▪ Submission to the UBC Board of Governors

These activities ensure that financial planning across the university is aligned with UBC's academic mission, its strategic priorities and encourages collaboration and knowledge sharing across all academic and administrative groups.

Faculties manage within their base budgets, augmented by funding from the Tuition Allocation Model (TAM), business revenue (if any), and resources from the Academic Excellence Fund (AEF) in Vancouver and the Excellence Fund (EF) in the Okanagan. Administrative portfolios also manage within their

base budgets, supplemented by discretionary funding for strategic initiatives (if/when available) and in some cases supplemented by Academic Excellence Funding.

The final budget proposal is presented for approval to UBC's Board of Governors, and covers the fiscal year from April 1, 2024, to March 31, 2025.



Appendix II: Investments that Advance UBC's Academic Mission

The university's financial plan aims to advance the academic mission and support the strategic aspirations as outlined in [Shaping UBC's Next Century, Strategic Plan 2018 - 2028](#).

Initiatives are in motion across the organization that are pushing UBC forward, including innovating through teaching, learning and research, driving positive social change, and advancing our holistic support for students.

The following content shares information relating to various investments—both university-wide and from the faculty and unit level—that are supporting UBC's vision of inspiring people, ideas, and actions for a better world.

Paving the way for world-changing teaching, learning, and research

Investing in UBC's faculty complement is a key driver of academic transformation, and there are a variety of recruitment programs underway that advance the university's mission. The President's Academic Excellence Initiative (PAEI) is one such example—a carefully developed plan for academic growth that has been underway since 2020/21 (concentrated primarily on the Vancouver campus). The focus of the program is an unprecedented recruitment effort, which is also providing academic supports and related infrastructure for new and existing faculty members and graduate students.

Since [renowned neurobiologist Freda Miller joined UBC](#) as the PAEI's first recruit, over \$60M has been invested to transform research across both campuses, with 40 new faculty members so far added to the university's complement. PAEI is primarily funded through a combination of the Academic Excellence Funds (AEF), central operating funds, and TREK Endowment Funds, with an additional \$24M planned to move the initiative forward in 2024/25. 21 chairs and professorships have also been made possible through PAEI via match funding from philanthropic gifts.

Investments in new spaces also advance the academic mission. On the Okanagan campus, in addition to significant investments in faculty recruitment, critically needed research and teaching facilities are being developed on the main

campus and at the future downtown Kelowna location. Currently under construction, the [xəl sic snpaḥnwixʷtn building](#)—a \$118M, 158,000 square foot project including 11 classrooms and teaching spaces, as well as 41 laboratories—will be the home for [UBCO's Interior Salish Languages program](#). On the Vancouver campus, the new \$190M [Gateway Building](#) will support teaching, learning, and health promotion while serving as the new home of UBCV's School of Nursing, School of Kinesiology, and Integrated Student Health Services.

Driving Positive Social Impact

Sustaining our Commitments to Truth and Reconciliation and the Indigenous Strategic Plan: In 2024/25 UBC will continue moving the university's [Indigenous Strategic Plan](#) forward, both through university-wide initiatives and through faculty- and unit-led developments. Across both campuses, the Indigenous Strategic Initiatives fund has flowed close to \$8M in support of projects launched by students, faculty, and staff.

On the Okanagan campus, the [Bachelor of Language Fluency in Interior Salish Languages](#) is the first program of its kind, and recently celebrated its [first cohort of graduates](#). UBCO has committed nearly \$1.2M to support this initiative as it expands to add additional languages. UBCO also has an Indigenous Engineering PhD cohort pilot underway, focused on Indigenous housing and infrastructure, and is committing \$750K to the first phase of development for an outdoor classroom intended to advance Indigenous teaching and research on campus. All of this work is in addition to a focus on Indigenous faculty recruitment, and ongoing staff positions that are enabling Indigenous initiatives on the Okanagan campus.

On the Vancouver campus, active recruitment of Indigenous faculty and support staff has been ongoing and continues to be a priority across all faculties. Development and sustainment of various academic programs and initiatives is also underway, including (but not limited to):

- The [Indigenous Land Stewardship \(B.I.L.S.\) program](#) and the [Haida Gwaii Institute](#) through the Faculty of Forestry
- [Indigenous Community Planning \(ICP\)](#) through the School of Community and Regional Planning
- [Indigenous Legal Studies](#) and the [Indigenous Community Legal Clinic](#) at Allard School of Law (over \$1.1M of investment in 2024/25)
- [Pathway to NITEP](#) and the [Masters of Indigenous Education](#) in the Faculty of Education
- The [UPROOT Community-Based Approach to Decolonizing and Indigenizing the Pharmacy Curriculum](#) in Pharmaceutical Sciences

Promoting Anti-Racism and Inclusive Excellence: UBC's commitment to equity, diversity, and inclusion is reflected in the [Strategic Equity and Anti-Racism \(StEAR\) Framework](#), which guides the university-wide approach to the implementation of equity and anti-racism priorities. \$4.4 M annually supports the [Equity and Inclusion Office](#) in this work with the UBC community, aimed at building an environment where equity and inclusion are embedded in all aspects of academic, work, and campus life.

Across both campuses, IBPOC hiring programs are also adding diverse perspectives to UBC's faculties, colleges, and schools. Initiatives supporting this priority include (but are not limited to):

- [The Beyond Tomorrow Scholars Program](#), which supports recruitment and scholarships for Black Canadian students
- \$1.4M in 2024/25 for the dedicated [Office of Respectful Environments, Equity, Diversity, and Inclusion](#) in the Faculty of Medicine
- \$460K in 2024/25 to support the [Centre for Workplace Accessibility](#) through the VP Human Resources portfolio
- Over \$240K through 2023/24 and 2024/25 for dedicated EDI staff in the Faculty of Health and Social Development at UBCO

- [Dedicated awards through the Allard School of Law](#) that support students who are Indigenous, Black, and Persons of Colour
- The hiring program for black faculty, funded through the VP Academic portfolio, which aims to deepen representation of black faculty members across academic units at UBC Vancouver (\$4.2M invested over 7 years)
- The recent addition of nine new faculty members at UBCO, who have joined the university through specific IBPOC recruitment efforts

Promoting Sustainability and Climate Action: UBC is investing in various initiatives and academic programs that hope to mitigate the climate emergency and enhance national and global sustainability efforts. The Allard School of Law is a key partner in the [Canadian Climate Law Initiative](#), which engages with boards of directors and trustees to ensure businesses understand their legal duties with respect to climate change (\$1.6M across 2023/24 and 2024/25). The Faculty of Arts is funding research relating to various aspects of social change and adaptation/mitigation through the [Centre for Climate Justice](#) (\$40K annually). The \$1.5M [Climate Emergency Fund](#) administered through the [UBC Sustainability Hub](#) has enabled initiatives through seven campus partners focused on student action on climate justice.

As an organization, UBC is also focused on improving sustainability across all campus sites. On the Okanagan campus major projects are underway to make significant improvements to campus district energy systems, including over \$1M for energy retrofit program investments over the past five fiscal years, \$3.2M to add necessary capacity for new and existing buildings, and a planned \$3.5M decarbonization project for central heating and cooling needs. Energy conservation efforts are also in progress across the Vancouver campus, such as the Beatty Biodiversity Museum (\$115K) and the Biodiversity Research Centre (\$200K). Other investments include zero emissions vehicles to support campus operations, EV charging stations, and a new campus furniture re-use program.

Enabling Holistic Support for Students

Holistically supporting students is a key consideration of UBC's 2024/25 financial planning, and many innovative scholarship and bursary programs are in place across UBC that directly provide financial support for students (more information on Student Financial Aid is available in [Appendices II and III](#)). Many initiatives are also underway that support student affordability, health and well-being, and accessibility, among other aspects of the student experience. They include:

- Supporting the recommendations of [Student Affordability Task Force Report](#) to lower financial barriers for existing and incoming students (\$2.3M from 2024 to 2027)
- \$2M in continued funding to expand supports related to student mental health and wellbeing
- \$130K through the VP Research portfolio to support student training and mentorship through entrepreneurship@UBC
- \$33M from 2024 to 2027 to enable the Undergraduate Bursary Top-up Program for domestic students
- \$4M from 2024 to 2031 to expand the [Work Learn Program](#)
- \$800K in 2024/25 to support the Disability Resource Access Fund on the Okanagan campus

Investments from the Strategic Funds

Academic Excellence Funds (UBCV) and the Excellence Fund (UBCO) are intended to enhance UBC's long-term research and educational excellence by:

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

Academic Excellence Funds (AEF): Vancouver Campus

In 2024/25, \$71.4M in funding from the AEF is planned across initiatives on the Vancouver campus that advance UBC's priorities and academic mission. Highlights of recent and planned investments include:

Academic Transformation and Research: In 2024/25 funding from the AEF will support many initiatives, including [Advanced Research Computing](#) (ARC); the hiring of [President's Excellence Chairs](#); [Research Cluster](#) competitions, grants and awards; the [Integrated Renewal Program](#) (IRP); and capital projects like the [Gateway Building](#) and the [School of Biomedical Engineering Building](#).

Supporting Students: Funding from the AEF supports the [Learning Technology Hub](#) as well as various open education resources for students (including the [OER Excellence and Impact Awards](#)). It also supports graduate student fellowships (the President's Recruitment/International Doctoral Fellowship Award and expansion of the [UBC Public Scholars Initiative](#)), increased funding to hire students through the [Work Learn program](#), and resources to expand the [Jump Start orientation program](#) for first-year students. The AEF also provides match funding to donor contributions for bursary awards related to the [Student Affordability Task Force](#).

Indigenous Reconciliation: The AEF provides funding to support the implementation of UBC's [Indigenous Strategic Plan](#), including the [Indigenous Research Support Initiative \(IRSI\)](#). Funding also directly supports students through contributions to [šxʷta:təxʷəm](#), the Indigenous Student Collegium; Indigenous graduate student fellowships; financial aid for Indigenous students; and support roles including an Admissions Advisor, a Community Liaison Manager for Indigenous students, and an Indigenous Education and Advancement Manager/Director. On the faculty side, funding for a dedicated hiring program supports recruitment of up to four new Indigenous faculty members each year.

Equity, Diversity, and Inclusion: The AEF provides funding to support a variety of EDI initiatives, including the BPOC Faculty Hiring Program, the [Community-University Engagement Support Fund](#), the [Centre for Asian Canadian Research and Engagement](#), the Supporting Emerging Indigenous & Black Scholars Program, and BPOC Graduate Excellence Awards.

Climate Action and Sustainability: Funding from the AEF supports work through [UBC's Sustainability Hub](#) based on the recommendations of the 2021 [Climate Emergency Task Force \(CETF\) report](#). This unit is focused on inspiring people to act upon the planet's most urgent challenges and supports [SEEDS initiatives](#) as well as teaching and research. AEF funding is also being leveraged to support the [Centre for Climate Justice](#), and to expand the [Beaty Biodiversity Museum](#).

Excellence Fund (EF): Okanagan Campus

On the Okanagan campus a total of \$19.5M of EF funding is planned for 2024/25 in support of initiatives that advance UBC's priorities and academic mission. Highlights of recent and planned investments for the coming year include:

Academic Transformation and Research: The EF provides ongoing support for the [Principal's Research Chairs program](#), continued investment in research excellence programs ([Aspire](#), [Eminence](#), the Research and Innovation Patent Fund, and the Research Infrastructure Fund) and academic programs (implementation of the [Masters of Design](#), the [Doctor of Education](#), and [Interdisciplinary Graduate Studies](#)). Continued investment from the EF is also supporting the capital requirements for two major academic projects (the [x̌əl sic snpa̓xnwix^wtn building](#) and [UBCO Downtown](#)) which contain significant expansion for research and teaching.

Supporting Students: The EF supports the [minimum funding guarantee for PhD students](#), the Professional Master's Program Awards, the International Doctoral Fellowship, the [Work Study program](#), the International Impact Scholarship, and a graduate student internship program.

Indigenous Reconciliation: Funding from the EF supports the [Bachelor of Language Fluency in Interior Salish Languages](#), an Indigenous Engineering PhD cohort pilot, Indigenous Graduate Entrance Fellowships, an Indigenous Research Mentorship program, as well as various key staffing roles that directly support Indigenous students.

Equity, Diversity, and Inclusion: The EF supports UBCO’s Black Resource Centre and the [Beyond Tomorrow Scholars Program](#), as well as an IBPOC faculty recruitment program that has brought nine outstanding scholars to the Okanagan campus.

Climate Action and Sustainability: The EF provides funding for the [Campus as a Living Lab](#) program, which explores innovative solutions to global sustainability issues.

AEF/EF INVESTMENTS (2024/25) (in \$ thousands)

Investments made from Academic Excellence Funds (AEF) on the Vancouver Campus, and the Excellence Fund (EF) on the Okanagan Campus in support of strategic initiatives at UBC

	UBC TOTAL	UBC VANCOUVER ACADEMIC EXCELLENCE FUNDS (AEF)	UBC OKANAGAN EXCELLENCE FUND (EF)
Student priorities	8,087	7,172	915
Indigenous reconciliation	7,907	6,495	1,412
Equity, diversity and inclusion	2,965	2,255	710
Academic transformation and research excellence	70,268	53,948	16,320
Climate action and sustainability	1,704	1,554	150
Total AEF/EF Investments	90,931	71,424	19,507



Appendix III: Vancouver Campus— Extended Detail

The following tables show the 2024/25 projected operating surplus/deficit, non-operating transfers, internal activities, and capital assets investment for the Vancouver campus. The total reserve addition for the Vancouver campus is nil, consisting of a net \$27.9M addition to Campus-Wide Expenses, \$16.3M to

AEF, \$2.5M to PAEI and \$1.9M to Student Financial Aid. This is offset by a drawdown from administrative units of \$27.7M and \$20.9M from faculties and schools. Details are included in the sections below.

UBC VANCOUVER CAMPUS: OPERATING BUDGET - 2024/25 <i>(in \$ thousands)</i> <i>UBCV's projected operating surplus/ deficit, and ending reserve balance (with transfers and capital asset investment)</i>	REVENUES	EXPENSES	OPERATING SURPLUS/ (DEFICIT)	TRANSFERS & INTERNAL ACTIVITIES	INVESTED IN CAPITAL ASSETS	RESERVE ADDITION/ (DRAWDOWN)	ENDING RESERVE BALANCE
Faculties and Schools	1,226,090	1,222,368	3,722	5,444	19,228	(20,950)	291,503
Administrative Units	950,243	885,862	64,381	49,130	42,947	(27,696)	18,633
Student Financial Aid	92,083	100,494	(8,411)	(10,354)	-	1,943	37,103
Academic Excellence Funds (AEF)	88,424	2,427	85,997	69,695	-	16,302	78,347
President's Academic Excellence Initiative (PAEI)	27,037	309	26,728	24,097	143	2,488	26,845
Campus Wide Expenses	34,231	97,317	(63,086)	(93,946)	2,949	27,911	(83,520)
UBC Vancouver	2,418,108	2,308,777	109,331	44,066	65,267	(2)	368,911

Academic Excellence Funds (AEF): This important program is utilized to fund investments that advance UBC's strategic priorities, particularly those that enhance teaching and research, as well as advance Indigenous reconciliation, EDI, and climate change. A net surplus is planned as funding continues to increase for the year along with a continued slower spend rate related to prior-committed initiatives (such as capital projects that are taking longer to complete, therefore deferring the debt servicing to later years).

President's Academic Excellence Initiative (PAEI): PAEI reflects UBC's commitment to elevating its research impact. A net surplus is planned as the rate of onboarding in the faculty hiring program is slower than anticipated in the original modelling of the program. This increase in reserves will help to support the funding needs over the term of the program and will start to be drawn down once the full program is in place.

Campus Wide Expenses: This category encompasses university-wide revenues, programs, and activities that are managed centrally, as well as multiple programs managed by administrative units. Centrally-managed activities include funding provisions, the recapture of IT expenses, internal activities that are offset, and internal loan principal repayments. Programs managed by administrative units also include insurance reserves, capital projects, and various health benefits.

The addition to reserves is mainly due to funding provisions for General Wage Increases (GWI) and contingency. This is partially offset by IT expense recapture, as well as increases in small capital projects, insurance and benefits claims.

Faculties and Schools

While some academic units are financially stabilized, various faculties on the Vancouver campus are managing either one-time or recurring budget pressures in 2024/25. The university continues to support faculty enhancement through

hiring plans as well as initiatives resourced through the Academic Excellence Funds, PAEI, and the TREK Endowment. Overall, the net position of the faculties is projecting a total drawdown of \$20.9M as follows.

UBC VANCOUVER FACULTIES AND SCHOOLS: OPERATING BUDGET - 2024/25 <i>(in \$ thousands)</i> <i>The projected operating surplus/deficit, as well as ending reserve balance (with transfers and capital asset investment), for UBCV's faculties and schools</i>	REVENUES	EXPENSES	OPERATING SURPLUS/ (DEFICIT)	TRANSFERS & INTERNAL ACTIVITIES	INVESTED IN CAPITAL ASSETS	RESERVE ADDITION/ (DRAWDOWN)	ENDING RESERVE BALANCE
Faculty of Applied Science	124,898	118,710	6,188	10,536	5,143	(9,491)	34,617
Faculty of Arts	231,886	240,790	(8,904)	(1,946)	3,025	(9,983)	27,237
Sauder School of Business	126,545	113,483	13,062	7,749	2,658	2,655	20,704
Faculty of Dentistry	37,026	34,284	2,742	1,877	543	322	5,367
Faculty of Education	71,753	74,855	(3,102)	3,880	396	(7,378)	13,497
Faculty of Forestry	36,408	36,530	(122)	(469)	500	(153)	4,751
Graduate and Postdoctoral Studies	6,170	7,903	(1,733)	(854)	94	(973)	328
Faculty of Land and Food Systems	27,166	27,140	26	1,000	432	(1,406)	7,992
Allard School of Law	19,992	24,056	(4,064)	(2,669)	50	(1,445)	(6,401)
Faculty of Medicine	315,921	316,583	(662)	(13,284)	4,210	8,412	123,240
Faculty of Pharmaceutical Sciences	30,119	30,173	(54)	(228)	38	136	14,359
Faculty of Science	198,206	197,861	345	(148)	2,139	(1,646)	45,811
All UBCV Faculties and Schools	1,226,090	1,222,368	3,722	5,444	19,228	(20,950)	291,502

Supplementary notes for individual academic units:

Faculty of Applied Science: The planned reserve drawdown is mainly driven by one-time expenditures on capital projects to replace and upgrade labs, classrooms, and existing building footprints in support of research and teaching needs. While there is significant increasing demand for additional undergraduates, a combination of the new federal restricted study permit cap and current infrastructure constrains potential future growth.

Faculty of Arts: The planned reserve drawdown reflects a combination of slower growth in tuition revenues, (particularly international undergraduate) increased capital expenditures and workforce labour costs. The faculty has initiated several steps to move towards a more structurally balanced position.

These include the strategic attrition of eighteen faculty tenure stream positions to reduce annualized salary and benefit costs, limits on staff hiring, an increase in the cohort size in two professional graduate degree programs, and the exploration of strategies to increase undergraduate domestic student intake targets. Additional financial mitigations will also be required over the next couple of years to move the faculty's finances into a more sustainable position.

Sauder School of Business: The planned addition to the reserve is primarily driven by higher projected enrolments for all credit and non-credit programs, including the full-time MBA, MBAN (Master of Business Analytics), provincial Future Skills programs, and the Vancouver Summer Program (VSP).

Faculty of Education: The planned reserve drawdown reflects a combination of a pre-planned spend for the Gateway building, strategic hires and research, a decrease in non-credit international tuition revenue, and increases in both salary and non-salary costs.

Faculty of Land and Food Systems: The planned reserve drawdown is due to various hires in faculty positions and related start-up contributions.

Allard School of Law: The Allard School of Law continues to manage a structural deficit position, as incremental tuition revenue only partially offsets rising salary costs and non-salary inflationary increases. The School continues to work with the Provost's Office to address the recurring funding gap and is exploring opportunities for revenue growth.

Faculty of Medicine: The planned addition to the reserve is largely driven by increased visa (foreign post-graduate MD) trainees and a temporary surplus from provincial funding in advance of the expansion of both the Master of Occupational Therapy and Master of Physical Therapy (MPT) programs.

Faculty of Science: The planned reserve drawdown is driven by increased start-up costs for new faculty hires, as well as renovations for the Chemistry Clean Energy Research Centre and Michael Smith Laboratories.

Administrative Units

Overall, Vancouver administrative units are projecting a \$27.7M drawdown of reserves. This is in large part due to inflationary pressures, investments in strategic initiatives and positions, as well as deferred activities from prior years.



UBCV ADMINISTRATIVE UNITS: OPERATING BUDGET - 2024/25 <i>(in \$ thousands)</i> <i>The projected operating surplus/deficit, as well as ending reserve balance (with transfers and capital assets investment), for UBCV's administrative units</i>	REVENUES	EXPENSES	OPERATING SURPLUS/ (DEFICIT)	TRANSFERS & INTERNAL ACTIVITIES	INVESTED IN CAPITAL ASSETS	RESERVE ADDITION/ (DRAWDOWN)	ENDING RESERVE BALANCE
Provost and VP Academic	230,107	237,053	(6,946)	(23,541)	21,194	(4,599)	4,301
Information Technology	74,052	105,345	(31,293)	(35,216)	8,018	(4,095)	(1,889)
Library Services	47,946	35,585	12,361	(361)	13,520	(798)	1,839
Enrolment Services	18,405	19,459	(1,054)	(692)	86	(448)	(2,464)
Office of the Provost and VP Academic	14,665	11,730	2,935	1,207	(685)	2,413	6,915
International	5,491	6,635	(1,144)	(1,167)	20	3	(788)
Vantage College	7,963	4,940	3,023	2,499	15	509	1,445
Other VP Academic Units	61,585	53,359	8,226	10,189	220	(2,183)	(757)
VP Students	389,148	263,462	125,686	121,656	15,661	(11,631)	(22,084)
Student Housing and Community Services	312,215	188,799	123,416	117,166	14,204	(7,954)	(33,291)
Athletics and Recreation	39,735	35,790	3,945	4,082	1,163	(1,300)	(1,128)
Student Health and Wellbeing	15,442	14,404	1,038	(134)	216	956	2,576
Student Affairs	13,446	13,772	(326)	(3)	36	(359)	958
Other VP Students Units	8,310	10,697	(2,387)	545	42	(2,974)	8,801
VP Finance and Operations	177,310	204,465	(27,155)	(28,079)	4,523	(3,599)	11,597
AVP Facilities	117,919	139,715	(21,796)	(24,968)	2,184	988	2,777
AVP Finance and Operational Excellence	24,621	27,790	(3,169)	(2,167)	79	(1,081)	446
Safety and Risk Services	17,642	16,854	788	(1,168)	2,194	(238)	(1,148)
Other VP Finance and Operations Units	17,128	20,106	(2,978)	224	66	(3,268)	9,522
Governance	10,046	12,619	(2,573)	193	47	(2,813)	(2,164)
VP Development and Alumni Engagement	44,348	43,391	957	819	138	-	(1,443)
VP Health	3,041	2,484	557	432	7	118	5,344
VP External Relations	29,067	34,561	(5,494)	(3,572)	458	(2,380)	901
VP Research and Innovation	39,905	49,813	(9,908)	(9,811)	858	(955)	11,634
VP Human Resources	27,271	38,014	(10,743)	(8,967)	61	(1,837)	10,547
All UBCV Administrative Units	<u>950,243</u>	<u>885,862</u>	<u>64,381</u>	<u>49,130</u>	<u>42,947</u>	<u>(27,696)</u>	<u>18,633</u>

Supplementary notes for individual academic units:

Provost and VP Academic: The planned reserve drawdown is primarily related to the delay of prior year funded activities to the current fiscal year, full year costs of vacant positions filled in the current year, and unfunded inflationary impacts on costs related to salaries, library collections, and software licenses. Mitigation strategies include reviewing the need to hire and rehire due to attrition, continuing to defer capital spend and maintenance where possible, and assessing current services being offered (and the funding model tied to those services).

The VP Academic portfolio has several key priorities for 2024/25 which include: operationalizing the Black and Indigenous Faculty hiring programs, initiating Year 3 of funding calls in support of the Indigenous Strategic Plan, continuing the collaboration with Amazon Web Services (AWS) on the Cloud Innovation Center (which has provided tremendous opportunities to students who gain valuable hands on experience that enhance their career opportunities), and continuing the Learning Technology Hub in support of student academic learning.

VP Students: A planned reserve drawdown is primarily related to the utilization of accumulated reserves as well as payment of ancillary financial contributions that support broader UBC activities.

The VP Students portfolio continues to be guided by the priorities established within the UBC Student Plan. Funding identified as part of a previous year's zero-based Budget exercise, as well as accumulated reserves derived through vacancy savings, are being utilized to further enhance the work of the portfolio. Areas of focus include: staffing for the Accessibility Test Centre, Jumpstart Program affordability, a Strategic Projects and Evaluation Team, Organizational Development and Learning, Career Centre service improvements, supports for the Beyond Tomorrow Scholars Program, expansion of EDI and IBPOC Strategic Initiatives, as well as the Innovative Projects Fund.

The ancillary business units in VPS have recovered from downturns related to COVID-19. Summer business has also returned to both UBC Conferences & Accommodation and UBC Athletics & Recreation. However, remote work options

for employees have resulted in less on-campus demand for parking services, compared to pre-COVID-19 levels. Food Services at the Vancouver campus continues to realign its service offerings and at UBC Okanagan, a further review of food operations will be undertaken.

Student Housing on both campuses have full occupancy at the start of each fall academic term, and high occupancy levels continue throughout the year. The UBC Bookstore is further focusing on merchandise sales to support its operations, as course and trade book sales diminish with the prominence of online educational material. Targets within the Campus Vision 2050 Plan, which include significant Student Housing growth over the next ten-year period, are being advanced.

Additionally, an expansion of Student Housing at UBCO is also being considered. With current high construction costs, new or innovative approaches to design and financing are required in order to meet the Campus 2050 and UBC Okanagan expansion targets.

VP Finance and Operations (VPFO): The planned reserve drawdown is primarily driven by costs arising from prior year initiatives that are carrying forward into 2024/25, new efficiency initiatives that will produce future cost reductions, strategic positions to meet workload or critical requirements, and cost pressures from salary progressions and inflation. This is partially offset by budget mitigation strategies implemented throughout the portfolio. Short-term mitigation strategies to date have included strategic hiring lags, rationalization of non-labour costs, and delays of non-critical maintenance. The VPFO reserve will be used to maintain services to the university, but permanent strategies and optimization opportunities are being explored to bring the portfolio to a balanced position.

Governance: The planned reserve drawdown for 2024/25 is mainly driven by underfunded legal fees across the university which is partially offset by deferred spending of funds received for anti-racism initiatives.

VP External Relations: Use of reserves is planned to offset structural deficits in Ceremonies, Communications, Government Relations & Community Engagement, and the Learning Exchange, as well as to fund previous commitments for the Musqueam Relationship Agreement. The budget includes mitigation strategies to partly reduce unit structural deficits.

VP Human Resources: The planned reserve drawdown is primarily due to previously funded Centre for Workplace Accessibility (CWA) activities that will continue in 2024/25. This is coupled with the addition of key positions held back in prior years and a slight increase in operating costs due to inflation.

Student Financial Aid

The planned addition to reserves is primarily driven by increases in funding for both domestic and international students, partially offset by planned increases in spending on bursaries and merit awards. Although there are no anticipated service-level changes planned in 2024/25, existing award programs are constantly being reviewed to ensure the needs of students are being met and new awards are being implemented to address student affordability issues. As government funding for loans and programs is expected to drop back to pre-COVID-19 levels in a few years' time, planning is underway to ensure a consistent funding envelope is available to maintain the level of financial support that meets the needs of UBC students.

UBCV STUDENT FINANCIAL AID: OPERATING BUDGET - 2024/25 <i>(in \$ thousands)</i> <i>The projected operating surplus/deficit, as well as ending reserve balance (with transfers and capital asset investment), for Student Financial Aid at UBCV</i>	REVENUES	EXPENSES	OPERATING SURPLUS/ (DEFICIT)	TRANSFERS & INTERNAL ACTIVITIES	INVESTED IN CAPITAL ASSETS	RESERVE ADDITION/ (DRAWDOWN)	ENDING RESERVE BALANCE
Student Housing	1,400	1,565	(165)	-	-	(165)	157
Work Integrated Learning	4,151	5,068	(917)	(600)	-	(317)	-
Go Global	1,000	1,142	(142)	-	-	(142)	2,250
Domestic	20,318	17,338	2,980	(50)	-	3,030	16,859
Graduate	30,781	41,174	(10,393)	(10,554)	-	161	14,845
International Student Initiative	34,433	34,207	226	850	-	(624)	2,993
Total UBCV Student Financial Aid	92,083	100,494	(8,411)	(10,354)	-	1,943	37,104

Appendix IV: Okanagan Campus— Extended Detail

UBC's Okanagan campus is projecting a balanced position for 2024/25. The drawdown of reserves in Faculties, Central

Support Units, and Student Financial Aid is offset by an increase in Campus-Wide Expenses reserves.

UBC OKANAGAN CAMPUS: OPERATING BUDGET 2024/25 <i>(in \$ thousands)</i> <i>UBCO's projected operating surplus/ deficit, and ending reserve balance (with transfers and capital asset investment)</i>	REVENUES	EXPENSES	OPERATING SURPLUS/ (DEFICIT)	TRANSFERS & INTERNAL ACTIVITIES	INVESTED IN CAPITAL ASSETS	RESERVE ADDITION/ (DRAWDOWN)	ENDING RESERVE BALANCE
Faculties, Colleges, and Schools	122,581	126,359	(3,778)	(1,850)	747	(2,675)	23,467
Central Support Units (including ancillaries)	108,184	92,502	15,682	13,857	4,613	(2,788)	9,146
Student Financial Aid	13,002	18,586	(5,584)	(4,064)	-	(1,520)	1,335
Campus Wide Expenses	13,761	2,099	11,662	4,677	-	6,985	14,602
UBC Okanagan	257,528	239,546	17,982	12,620	5,360	2	48,550



Faculties, Colleges, and Schools

Overall faculty reserves are being drawn down by \$2.7M, mainly due to ongoing salary increases and the addition of 5 FTE targeted hires to support new Masters of Biotech and Bachelor of Applied Science in Computer Engineering programs. Faculty reserves will be used to support planned

upcoming minor capital investments, and to address inflation and self-funded salary increases (which are anticipated to outpace revenue growth) as academic units implement intermediate-term plans to address shortfalls.

UBCO FACULTIES, COLLEGES, AND SCHOOLS: OPERATING BUDGET - 2024/25	REVENUES	EXPENSES	OPERATING SURPLUS/ (DEFICIT)	TRANSFERS & INTERNAL ACTIVITIES	INVESTED IN CAPITAL ASSETS	RESERVE ADDITION/ (DRAWDOWN)	ENDING RESERVE BALANCE
<i>(in \$ thousands) The projected operating surplus/deficit, as well as ending reserve balance (with transfers and capital asset investment), for UBCO's academic units</i>							
Irving K. Barber Faculty of Arts and Social Science	22,595	24,756	(2,161)	(257)	30	(1,934)	4,392
Irving K. Barber Faculty of Science	29,059	29,013	46	617	189	(760)	2,940
Faculty of Creative and Critical Studies	14,222	17,635	(3,413)	(2,284)	52	(1,181)	(3,180)
Okanagan School of Education	5,917	5,821	96	12	10	74	2,041
College of Graduate Studies	1,777	1,788	(11)	26	-	(37)	32
School of Engineering	23,889	20,503	3,386	1,328	411	1,647	14,144
Faculty of Health and Social Development	18,139	19,646	(1,507)	(1,513)	50	(44)	1,365
Faculty of Management	6,983	7,197	(214)	221	5	(440)	1,733
All UBCO Faculties, Colleges, and Schools	122,581	126,359	(3,778)	(1,850)	747	(2,675)	23,467

Supplementary notes for individual academic units:

Faculty of Arts and Social Sciences (FASS): A projected \$1.9M drawdown of reserves is mainly due to declining international student enrolment and ongoing contractual salary increases. Reserves will be used to support operations as the faculty develops strategies to ensure sustainability and growth.

Faculty of Science: The projected reserve drawdown of \$0.8M is due to 1 faculty and 1 staff hire to support the new Masters of Biotech program, in addition to contractual salary increases. These increases are being partially offset by new ministry seat funding and tuition rate increases.

Faculty of Creative and Critical Studies: The planned reserve drawdown of \$1.2M is due to ongoing salary increases

outpacing current projected growth in tuition revenue. Due to this projected deficit, no new hires are currently planned for 2024/25. The faculty continues to work on developing new programs and credentials that will attract students as well as cost containment strategies.

School of Engineering: A projected \$1.6M increase in reserves in 2024/25 is mainly due to modest increases in both undergraduate and graduate enrolment in addition to new ministry funding for targeted seats. This increase in funding is partially offset by 4 FTE faculty hires to support the new Computer Engineering program, as well as contractual salary increases and transfers out to capital for investments in Advanced Battery and Pouch Cell research facilities.

Okanagan School of Education: A projected \$74K increase to reserves is due to the successful development and approval of Doctor of Education (EdD), starting summer 2024, growing the English Foundation Program and new delivery of on-line Masters of Education, while deliberately streamlining all costs of program delivery and salaries.

Faculty of Health and Social Development: A small projected drawdown of reserves in 2024/25 is mainly driven by two new research-stream faculty hires, as well as two new director hires for the School of Nursing and the School of Health and Exercise Science. These increases are being partially offset by new ministry funding for targeted nursing seats as well as tuition rate increases.

Faculty of Management: A projected \$440K drawdown of reserves in 2024/25 is mainly driven by one new research-stream faculty hire and associated research allowance. The faculty is preparing to roll out a new Minor in Management (under development), and a new five-year dual degree Master's of Management program.



Central Support Units, Ancillaries, and Campus-Wide Expenses

The drawdown of \$2.8M for Central Support Units is primarily due to timing of term initiatives and necessary minor capital

expenditures funded by reserves. The limited incremental funding will support inflationary pressures on core campus services and infrastructure.

UBCO ADMINISTRATIVE UNITS: OPERATING BUDGET - 2024/25 <i>(in \$ thousands) The projected operating surplus/deficit, as well as ending reserve balance (with transfers and capital asset investment), for UBCO's administrative units</i>	REVENUES	EXPENSES	OPERATING SURPLUS/ (DEFICIT)	TRANSFERS & INTERNAL ACTIVITIES	INVESTED IN CAPITAL ASSETS	RESERVE ADDITION/ (DRAWDOWN)	ENDING RESERVE BALANCE
Provost and VP Academic — Academic Support Units	34,375	17,477	16,898	15,214	1,575	109	1,839
Library	5,253	4,025	1,228	(147)	1,538	(163)	143
Excellence Fund	15,694	-	15,694	15,393	-	301	363
Enrolment Services	4,135	4,160	(25)	2	5	(32)	-
International Student Initiative	1,461	1,423	38	38	-	-	-
Centre for Teaching and Learning	1,244	1,287	(43)	1	7	(51)	158
Other Provost and VP Academic Units	6,588	6,582	6	(73)	25	54	1,175
AVP Finance and Operations	38,068	37,020	1,048	1,033	1,238	(1,223)	2,153
Campus Operations and Risk Management	16,141	16,634	(493)	8	32	(533)	(136)
Infrastructure Development	924	1,348	(424)	(385)	150	(189)	147
Information Technology Services	9,195	9,277	(82)	(627)	864	(319)	432
Business Operations	5,592	3,720	1,872	1,438	192	242	1,306
Other AVP Finance and Operations Units	6,216	6,041	175	599	-	(424)	404
AVP Students	18,597	20,320	(1,723)	(1,752)	1,750	(1,721)	2,088
Athletics and Recreation	5,045	5,273	(228)	(935)	1,750	(1,043)	1,091
Other AVP Student Units	13,552	15,047	(1,495)	(817)	-	(678)	997
Deputy Vice-Chancellor and Principal	10,423	10,551	(128)	59	5	(192)	560
Office of the Deputy Vice-Chancellor and Principal	1,860	1,721	139	105	-	34	440
Development and Alumni Engagement	2,438	2,396	42	1	-	41	126
Human Resources	2,475	2,552	(77)	(75)	5	(7)	(6)
University Relations	3,650	3,882	(232)	28	-	(260)	-
Vice-Principal Research and Innovation	5,584	5,997	(413)	(697)	45	239	2,573
Innovation Precinct	1,137	1,137	-	-	-	-	(67)
All UBCO Administrative Units	108,184	92,502	15,682	13,857	4,613	(2,788)	9,146

Supplementary notes for individual administrative units:

Provost and Vice-President Academic: This unit is projecting a balanced budget for 2024/25 after implementing a 4% recurring budget reduction and specific mitigation strategies to balance the Excellence Fund. Reserves are mainly held in the Provost Office for Aspire Learning and Teaching Fund initiatives.

AVP Finance and Operations: The planned \$1.2M drawdown of reserves reflects required contract increases and planned project spending under Campus Operations and Risk Management, and Infrastructure Development, as well as completion of minor projects under the Construction Management Office and required technology hardware upgrades in IT.

AVP Students: A planned \$1.7M reserve drawdown is primarily driven by third party grants and donations (which are committed expenditures) and Excellence Fund initiatives, as well as required capital replacements of Nonis Soccer Field's turf and bleachers for UBCO's gymnasium. The remaining

reserves balance primarily relates to Athletics & Recreation and will continue to be spent on upcoming facility maintenance, as well as maintaining the playoffs and basic equipment reserves.

Deputy Vice-Chancellor and Principal: A drawdown of reserves relates to the completion of campus promotion and advertising activities within University Relations in support of recruitment efforts, (carried over from 2023/24) and the continued spend for Excellence Fund initiatives.

Vice-Principal Research and Innovation: The addition to VPRI's reserve balance is due to a reduced forecast for Excellence Fund Initiatives (Aspire and Eminence) supporting research-stream faculty hires, as a result of decreased faculty hiring plan activity.



Student Financial Aid

The planned 2024/25 reserve drawdown represents returned surplus from 2023/24 that arose due to increased Provincial and Federal student loans reducing demand for support.

Declining international student enrolment has resulted in the launch of two new awards to stimulate recruitment efforts, with a projected spend increase of approximately \$1M. This increased spend is partially offset by \$0.5M of budget cuts

relating to the Deputy Vice Chancellor Scholarship, which is being re-imagined for 2024/25. The budget includes continued support from the Excellence Fund for fellowships, PhD minimum funding programs, and the new Graduate Research Scholarship, which replaced the Entrance Scholarships. See the table below for more information.

UBCO STUDENT FINANCIAL AID: OPERATING BUDGET - 2024/25	REVENUES	EXPENSES	OPERATING SURPLUS/ (DEFICIT)	TRANSFERS & INTERNAL ACTIVITIES	INVESTED IN CAPITAL ASSETS	RESERVE ADDITION/ (DRAWDOWN)	ENDING RESERVE BALANCE
<i>(in \$ thousands) The projected operating surplus/deficit, as well as ending reserve balance (with transfers and capital asset investment), for Student Financial Aid at UBCO</i>							
Graduate SFA	3,052	6,368	(3,316)	(2,382)	-	(934)	368
Okanagan Enrolment Services SFA	3,247	4,355	(1,108)	(240)	-	(868)	348
International Student Initiative (ISI) SFA	6,040	6,642	(602)	(1,000)	-	398	619
Workstudy, Go Global SFA	663	1,221	(558)	(442)	-	(116)	-
Total UBCO Student Financial Aid	<u>13,002</u>	<u>18,586</u>	<u>(5,584)</u>	<u>(4,064)</u>	<u>-</u>	<u>(1,520)</u>	<u>1,335</u>

Appendix V: Related Entities

UBC's 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/American Foundation/Hong Kong Foundation/UK Foundation:** Established to encourage philanthropic support for the university.
- **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.
- **entrepreneurship@UBC Management Inc:** Manages the university's investments in start-up ventures.
- **UBC Investment Management Trust (UBCIM):** Manages the investment assets of the university's endowment and operating funds, and the staff pension plan.

UBC Properties Trust (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 university's benefit. 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, and with the establishment of the Student Housing Financing Endowment Fund (SHFE), the proceeds are now directed to that fund to support the development of student housing on both campuses.

Appendix VI: Capital Budget – Extended Detail

There are currently fourteen major capital projects in design or construction and for which capital expenditures will be incurred in 2024/25. Projects include:

MAJOR CAPITAL PROJECTS (2024/25) (in \$ millions)	TOTAL BUDGET	2024/25 BUDGET*	ESTIMATED COMPLETION
<i>This table shows the major capital projects in design or construction and for which capital expenditures will be incurred in 2024/25</i>			
Lower Mall Precinct Student Housing Redevelopment & Exp - Phase 1 & 2	565	1	'27-Dec
Gateway Building (Nursing, Kinesiology, UBC Health, ISHS)	190	63	'24-Dec
Brock Commons Phase 2	166	11	'24-Jun
Sauder School of Business Power House Expansion	147	18	'27-Mar
School of Biomedical Engineering	139	43	'24-Dec
Interdisciplinary Collaboration & Innovation Building - UBCO	119	43	'25-Dec
Recreation Centre	68	18	'24-Nov
Beaty Biodiversity Centre Addition	45	19	'25-Apr
Learning Exchange (Purchase & TI)	19	6	'25-Jun
UNY Switchgear Renewal	15	3	'24-Nov
Applied Science Digital Design Studio	13	1	'25-May
Food & Beverage Innovation Centre	12	1	'24-Apr
School of Biomedical Engineering (SBME) - Clean Room Tenant Improvements	7	6	'24-Dec
Orchard Commons: Child Care Space Expansion	6	1	'26-May
Total	1,511	236	

*2024/25 budget does not include Non-Capital Project Costs

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

Routine Capital

The Ministry of Post-Secondary Education & Future Skills (PSFS) increased Routine Capital funding to address much needed capital maintenance in campus buildings. UBC as a whole received \$39.8M from PSFS in 2023/24 and is notionally scheduled to receive another \$39.8M in 2024/25. PSFS 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 PSFS and UBC on a 75% / 25% basis.

Capital Planning & 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 following table provides a high-level breakdown of the 2024/25 PSFS-supported Routine Capital programs for the

UBC Vancouver and Okanagan campuses. PSFS has allocated funding using a formula based on the amount of deferred maintenance at each campus.

Some major routine capital projects include the Museum of Anthropology Great Hall Renewal, the Anthropology and Sociology building, and renovations to the Jack Bell Building.

ROUTINE CAPITAL PROJECTS (2024/25) (in \$ millions)

This table shows a high-level breakdown of the 2024/25 ministry supported routine capital programs for both campuses

	MINISTRY	UBC	TOTAL
	75%	25%	
Vancouver Campus			
Major Maintenance and Rehabilitation Projects	18.7	6.3	24.9
Museum of Anthropology - Great Hall Renewal	6.9	2.3	9.2
Jack Bell Building	9.8	3.3	13.0
Anthropology and Sociology Complex	2.0	0.7	2.7
Minor Maintenance & Rehabilitation Projects	20.2	6.7	27.0
	38.9	13.0	51.9
Okanagan Campus			
Major Maintenance and Rehabilitation Projects	0.9	0.3	1.2
	0.9	0.3	1.2
Routine Capital Projects — UBC Total	39.8	13.3	53.1

Information Technology

Major systems projects include the university’s capital investments in enterprise-wide systems either to create new capabilities or to 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 are 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:

- **Integrated Renewal Program (IRP) Student:** Workday Student will be the anchor system replacing our current student information system. This renewed, reliable, and secure student information system will serve as a foundation to support UBC’s academic mission both today and into the future. It is scheduled to complete on November 30, 2024. The IRP Student project 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, and a new way of working. The HR and Finance modules of IRP have been implemented, with further refinements ongoing.

- **Other Enterprise-Wide Systems:** Phase two of the Adaptive Insights forecasting and budgeting system has been successfully completed, as well the decommissioning of the prior program, Hyperion.

Research Infrastructure

Research infrastructure contains a wide range of research-related capital expenditure commitments, primarily related to major and minor equipment needs, and 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.



Appendix VII: Research Budget – Extended Detail

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.

External research funds enable UBC researchers to produce meaningful research and fund staff and students. The variation in research funding amounts from year to year is due to the availability of different large-scale funding programs, such as Innovation Fund awards from Canada Foundation for Innovation (CFI), and Large-Scale Applied Research awards from Genome Canada amongst others.

RESEARCH AWARDS BY FACULTY 2024/25 <i>(in \$ thousands) This table shows breakdown of research funds by faculty and funding source</i>	GOVERNMENT (TRI-AGENCY)	GOVERNMENT (OTHER)	NON-PROFIT	INDUSTRY	TOTAL
Applied Science	26,578	27,559	11,700	12,725	78,561
Arts	19,691	4,447	8,275	227	32,639
Dentistry	2,408	393	245	38	3,084
Education	4,487	1,173	2,356	36	8,051
Forestry	3,951	5,628	4,858	415	14,852
Land and Food Systems	3,270	2,617	2,348	798	9,034
Law	1,219	893	810	31	2,953
Medicine	108,691	120,377	135,326	40,710	405,104
Pharmaceutical Sciences	4,493	1,073	3,325	599	9,490
Sauder School of Business	2,703	692	905	836	5,135
Science	46,561	41,896	20,557	7,371	116,385
UBC Okanagan	13,873	11,919	12,455	2,049	40,296
Other Faculties/Admin Units	51	20,895	4,855	1,239	27,040
Faculty Research Awards - Total	237,976	239,562	208,015	67,074	752,624

Appendix VIII: Endowment Budget— Extended Detail

The land development endowments include the TREK, TREK Rental Income, Student Housing Financing (SHFE) and Faculty Housing Assistance Financing (FHAFE) Endowment Funds. TREK and TREK Rental Income support the UBC mission and advance its charitable goals. SHFE was established in 2012 to invest in new student residences, and FHAFE 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 development Endowment Funds currently support various strategic initiatives including the President’s Academic Excellence Initiative (PAEI), the Faculty of Medicine’s Faculty Renewal, the Rent-Geared-to-Income program, Faculty of Pharmaceutical Sciences capital project, the Stem Cell Lab Biomedical Research Centre capital project, the Fitness Facility Expansion in the Old Students’ Union Building, the Integrated Renewal Program (IRP), and the student financial support initiative for UBC Okanagan.

Other gifts, held separately from UBCIM invested funds, include the Vancouver Foundation funds held for the benefit of the university, the Merilees Chair for the Study of Democracy fund and the Gordon and Gladys Sherlock Prize fund.

Investment Income on Land Development

The Endowment Lands were provided 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 developments on this land starting in the 1990s. The capital was invested and the net income was available to support the resourcing of 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 determined by the President. 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 land development on the Endowment Lands: TREK and TREK Rental Income, which reside in the Main Pool of Endowment Funds managed by UBC Investment Management, the Student Housing Financing Endowment (SHFE) and the Faculty Housing Assistance Financing Endowment (FHAFE).

LAND DEVELOPMENT ENDOWMENT (in \$ millions) This table shows the components of the TREK Endowed Funds

	2022/23 ACTUALS	2023/24 FORECAST	2024/25 BUDGET
TREK, in the Main Pool	419	427	438
TREK Rental Income, in the Main Pool	29	30	50
Student Housing Financing Endowment Fund	548	568	606
Faculty Housing Financing Endowment Fund	68	77	73
	1,064	1,102	1,167

Compared to the prior year (2023/24), the \$11M increase in TREK represents approximately \$26M of earnings net of administrative cost recovery and \$15M of spend allocations. The \$20M increase in TREK Rental Income represents approximately \$20M of estimated rental distributions. The \$38M increase in SHFE is comprised of \$19M estimated land lease proceeds, \$32M of earnings and a \$6M cancelled transfer to FHAFE for 2023/24, net of \$19M of spend allocations. The \$4M decrease in FHAFE is made up of the \$6M cancelled transfer to SHFE for 2023/24, offset by \$2M of earnings net of spending allocations.

TREK and TREK Rental Income 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 preserve the principal value of the original contributions.

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 TREK-related assets while improving intergenerational equity. In 2021, the Board approved a change of the TREK spending policy from an annual 4% spend rate to a flat spend amount, increasing by 2% annually. A flat real spend amount of \$58.8M has been approved for fiscal 2024/25.

These funds are not intended to be allocated permanently but instead are used to support initiatives with limited life spans, to maintain flexibility 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 again for reallocation. On-going allocations below represent debt service payments to support the construction of various university buildings, such as the Irving K 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, the Rent-Geared-to-Income Program 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)	2022/23	2023/24	2024/25
<i>This table shows the funds available from investment income on land development and funding allocations</i>	ACTUALS	FORECAST	BUDGET
Funding sources, includes carryforward			
Balance carried forward	1.4	(3.7)	(7.6)
SHFE and FHAFE spend allocations	18.7	18.6	21.3
TREK spend allocations	31.5	35.6	37.5
Total Funding	51.6	50.5	51.2
Funding allocations			
On-going debt service	14.4	14.4	14.4
Other allocations			
Academic enhancement	15.6	15.9	16.2
Internal loan — IT projects	12.0	12.0	12.0
Medicine faculty renewal	6.8	6.8	6.8
UBCO student financial support	5.2	5.3	5.4
Central contingency	-	2.6	2.6
Rent Geared to Income Program	0.8	0.6	0.8
Pharmaceutical Sciences Building — debt relief	0.5	0.5	0.5
	40.9	43.7	44.3
Total Allocations	55.3	58.1	58.7
Ending Balance	(3.7)	(7.6)	(7.5)

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 UBC require the approval of UBC's Board of Governors. They are based on the Killam spending guidelines and calculated using a spending allocation of 3.75% of the preceding three years average market value of the funds. The fiscal 2024/25 spending budget is as follows:

KILLAM ENDOWMENT FUNDS (in \$ thousands)
This table shows the 2024/25 spending allocation of the Killam Endowment Funds

	KILLAM GENERAL	KILLAM MEMORIAL SALARY	IZAAK WALTON KILLAM MEMORIAL ADVANCED STUDIES	TOTAL
Program spending				
Research and scholarly activities	786	-	-	786
Faculty research fellowship awards	180	-	-	180
Bridge funding for academic priorities	444	-	-	444
Excellence in teaching and research	145	806	-	951
Post-doctoral awards	-	-	538	538
Pre-doctoral awards	-	-	538	538
Graduate studies administration	-	-	50	50
Total 2024/25 Budgeted Spending Allocation	1,555	806	1,126	3,487



THE UNIVERSITY OF BRITISH COLUMBIA

UBC FY2024-2025 BUDGET

FINANCE COMMITTEE

March 13, 2024

GAGE AVERILL, PROVOST AND VICE-PRESIDENT ACADEMIC, UBC VANCOUVER
LESLEY CORMACK, DEPUTY VICE-CHANCELLOR AND PRINCIPAL, UBC OKANAGAN
FRANK LAEZZA, VICE-PRESIDENT FINANCE & OPERATIONS



TABLE OF CONTENTS



Topic	Slide
FY24/25 Budget Outlook	3
FY24/25 Budget Process and Key Considerations for Financial Planning	4
FY24/25 Budget Assumptions	6
FY24/25 Budget Risks, Sensitivities and Mitigation Strategies	8
UBC's Allocation Framework	13
Proposed FY24/25 Budget and Key Drivers	14
Summary and Request for Approval	19
Appendices	21
UBCV Faculties & Central Administrative / Supporting Units Operating Budget	
UBCO Faculties & Central Administrative / Supporting Units Operating Budget	
Non-Operating Fund: Research, Endowment and Capital	

FY24/25 BUDGET OUTLOOK

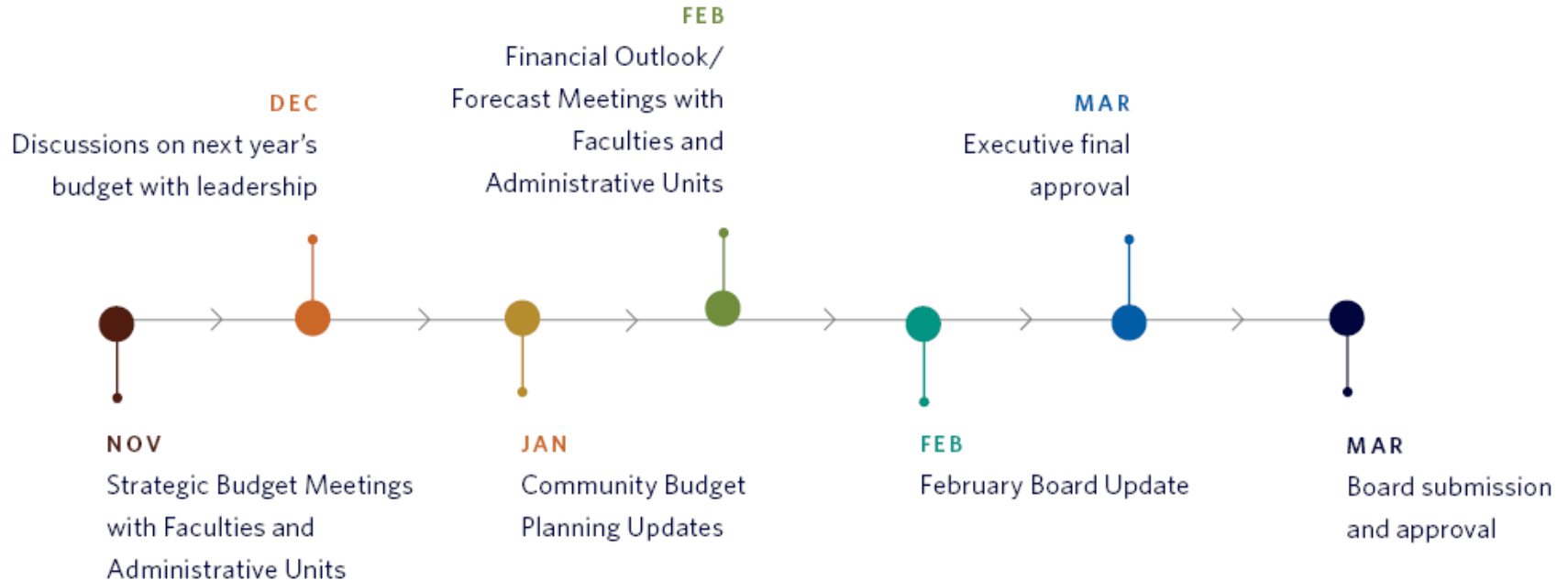
- UBC stands as one of Canada's most globally recognized and influential centers of academic and research excellence. As we look towards FY24/25, both UBC and the broader higher education sector face challenges arising from geopolitical tensions, broad economic shifts, and sector-specific issues, contributing to instability and uncertainty.
- Despite these challenges, UBC remains in a healthy financial position, with a focus on ensuring financial sustainability and resilience while promoting positive social and economic impact. A cautious, realistic, and proactive approach is being adopted in the short term, while safeguarding and maintaining the university's academic mission.
- The FY24/25 budget is strategically crafted to both ensure long-term financial sustainability and further the university's mission of inspiring people, ideas, and actions towards creating a better world.





WHERE WE ARE IN THE FY24/25 BUDGET PROCESS

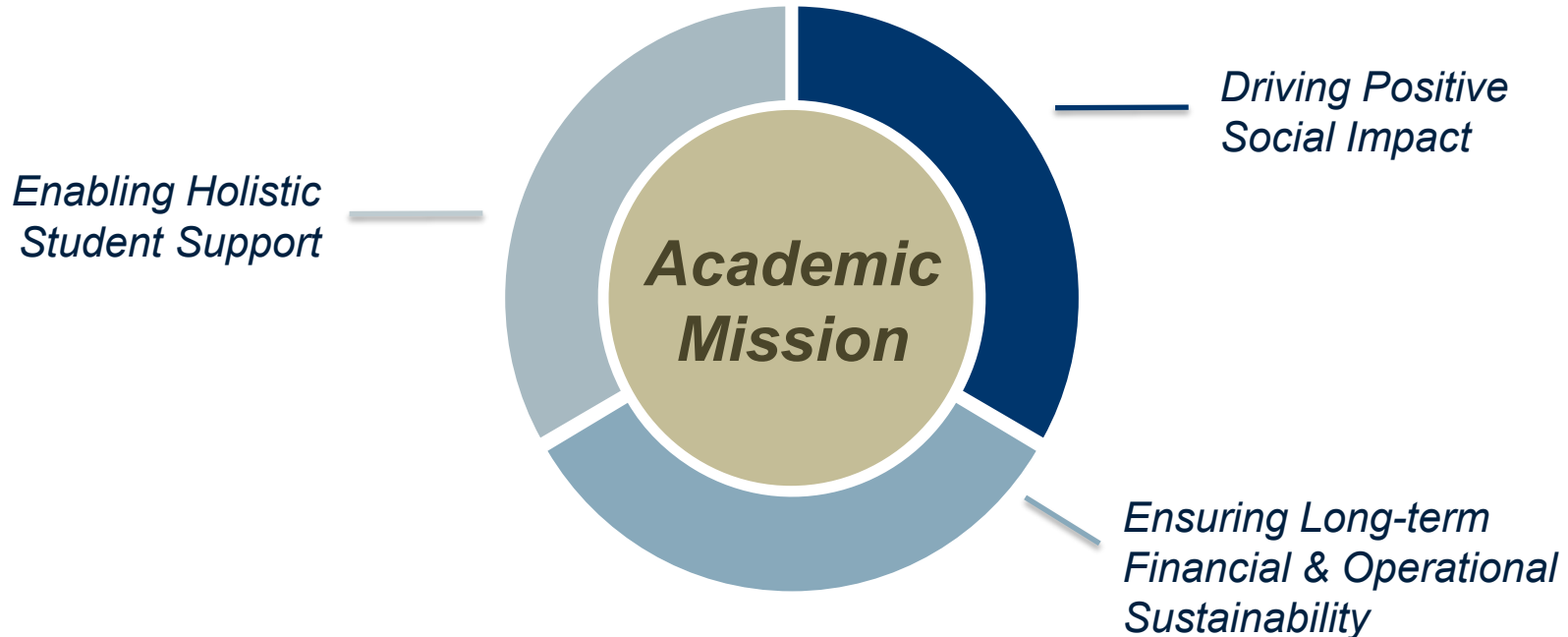
The development of UBC's budget is a collaborative and rigorous process that ensures financial planning across the university is aligned with the university's academic mission and priorities.





KEY CONSIDERATIONS FOR FINANCIAL PLANNING

The FY24/25 budget aims to enable the long-term financial sustainability of the university, and at its core, to enhance UBC's academic mission in the pursuit of **excellence in teaching, learning, and research**. Simultaneously, we strive to inspire positive social impact and provide holistic support for our students.





FY24/25 BUDGET ASSUMPTIONS – REVENUE

Enrolment: Facing uncertainties in international undergraduate enrolment for Winter 2024, both campuses are using current year's actuals, along with observed application trends, to forecast next year's enrolment. The administration has developed various scenarios while actively monitoring the situation and is focused on optimizing yield rates.

Tuition Rate Increases: Approved in December 2023, tuition rates will increase by 2% for domestic students, while international students will see increases of 3% for continuing students and 5% for new students, except for continuing international graduate students with standard rate tuition, which will increase by 2%.

Government Grants: Provincial government grants are based on prior-year funding adjusted for the General Wage Increase (GWI) in FY24/25 and new approved student seat allocations to UBC.

Other Revenue: The budget assumes a slight increase in other revenue, mainly driven by increases in housing, food services and other ancillary services, such as fee-for-service activities.



FY24/25 BUDGET ASSUMPTIONS – EXPENSES

Inflation: A general consumer price index (CPI) rate of 3% is assumed for 2024/25. Other more granular rates are applied where increases are forecasted to be higher than this, such as for utilities that are forecasted to increase approximately 7% per annum for the next five years.

General Wage Increase (GWI): It is assumed that funding to cover general wage increase (GWI) costs at 2% (plus Cost-of-Living Adjustment (COLA) at 0.5 to 1%) in 2024/25 will be received from the provincial government.

Labour Rate Increases: Faculty and staff merit and career progression increases, as codified in collective agreements, are approximately 2.5%. This is in addition to GWI and is funded internally.

Capital assets: 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.



FY24/25 BUDGET RISKS AND SENSITIVITIES

Enrolment: Global economic uncertainties, rising geopolitical tensions and heightened competition are impacting international undergraduate enrolment to varying extents. While UBC is actively managing yield, the FY25 budget has been conservatively adjusted to reflect these factors. However, decreases in year one international undergraduate student enrolment has multi-year financial impacts due to the cumulative effects of lost tuition.

The January 2024 IRCC student visa changes could further restrict the number of international students in BC. The scale of the impact of this policy change is currently unknown. Additionally, the cap has affected Canada's reputation as a welcoming destination for post-secondary students, and the effect of this shift may become more apparent in the coming years. UBC is actively engaged in advocacy with the province and IRCC to mitigate as much of the impact as possible; however, the recruitment landscape may be further challenged going forward.

Capital Project Costs: Current market conditions are resulting in significant cost escalation due to a high level of market construction activity that has reduced contractor availability and bid coverage. This trend poses a risk to the completion of existing and future capital projects. Escalation contingencies continue to be included in capital project cost estimates to manage this risk.



FY24/25 BUDGET RISKS AND SENSITIVITIES (CONT.)

Contractual Compensation Increases: The increases in salaries (merit and PTR) that have been codified in collective agreements with various unions create a constant upward pressure on the university's budget. This amounts to ~\$40m* each year, or 2-3% annual increase. These contractual obligations significantly strain the university's financial resources as they must be absorbed within the existing budget.

Administrative Unit Budgets: Since the pandemic, UBC's central operating units have made budget adjustments to preserve the core functions of teaching and research, ensuring that the impact to Faculties is as limited as possible. Despite these efforts, as financial pressures mount and the room for reducing non-essential discretionary spending narrows, the administration may need to consider careful recalibration of certain programs and administrative services. This approach aims to sustain our commitment to excellence, while navigating the current fiscal landscape with prudence.

Inflation: Unprecedented global inflation has had a material impact on UBC's operating expenses and capital construction costs. The Bank of Canada's early 2024 forecast suggests a gradual decline in inflation, stabilizing at around 3% for the year, with a return to the target rate expected in 2025. However, unpredictable economic factors could sway inflation from these projections and materially impact UBC's operating expenses and capital costs.

* Estimate based on FY23/24 Q3 forecast amount



FY24/25 BUDGET RISKS AND SENSITIVITIES (CONT.)

Foreign Exchange: The university has recurring financial commitments that are often paid in US and other foreign currencies. This includes significant library acquisitions paid in US dollars. Any unfavorable changes in the exchange rate put significant financial strain on units that make such purchases.

Investment Portfolio Performance: The University has considerable investments in its Endowment and Working Capital Funds, managed through UBCIM. Market fluctuations can have a significant impact on the investment returns and the resultant endowment and investment income in the University's budget.

Employment Market and Cost of Living: UBC has a reputation as a top employer across the province and beyond, and the ability to attract and retain talent is key to the university's success. Increased competition in the labour market for critical positions and a higher cost of living in BC may increase overall compensation costs.



FY24/25 BUDGET MITIGATION STRATEGIES — REVENUE

As the university monitors financial performance through the budget year, should the need materialize, a variety of strategies can be activated to mitigate impact including:

Adaptation to Market Demand: Strategies include developing additional new courses or degrees in emerging fields to attract students and meet workforce demands, and implementing early offers and continued refinement of merit-based entrance awards packages.

Diversification of Revenue Streams: Strategies include further exploring and developing alternative revenue sources beyond tuition and government funding.



FY24/25 BUDGET MITIGATION STRATEGIES — EXPENDITURE

Cost-Saving Measures/Operational Efficiencies: In recent years, a series of budget reductions have been introduced across administrative budgets on both campuses to balance the annual budget. If necessary, future strategies may involve further strategic reductions that minimize impact on the quality of education, research and services; resource assessment and optimization – such as physical facilities, equipment, and staff to eliminate inefficiencies and unnecessary expenditures; an evaluation of existing processes to identify additional opportunities to streamline and improve overall efficiency; and encouraging collaboration between faculty and units to reduce redundancies, share resources, and enhance overall productivity.

Business Intelligence Tools: Potential strategies include implementing data analytics and business intelligence tools to enable data-informed decision-making across the university. This can optimize resource allocation and enhance strategic planning.



UBC'S ALLOCATION FRAMEWORK (FY24/25 BUDGET)

OPERATING FUNDS

\$2.7 Billion

Funding for academic programming and supports, student supports, core university services, and ancillary operations (e.g. residences, food services, etc.)

NON-OPERATING FUNDS

\$1.1 Billion

Research, capital, endowment, and other restricted funding.

FY24/25 CONSOLIDATED BUDGET – REVENUE AND EXPENDITURES



(in \$millions)

Revenues

Government of British Columbia
Tuition
Other

	2022/23 Actuals	2023/24 Forecast	2024/25 Budget
	1,041	1,176	1,289
	1,004	1,035	1,086
	1,319	1,371	1,427
	3,364	3,582	3,802
Expenses			
Salaries & benefits	2,080	2,252	2,409
Non salaries	1,201	1,245	1,299
	3,281	3,497	3,708
Surplus / (deficit) of revenues over expenses	83	85	94

- UBC is projecting consolidated annual revenues of \$3.8b, of which \$2.7b is the university’s operating budget.
- The University expects a consolidated surplus of \$94m, deriving entirely from the non-operating budget, which includes research, endowment and net investment in capital funds.



FY24/25 CONSOLIDATED BUDGET (ALL FUNDS)

(in \$millions)

	2022/23 Actuals	2023/24 Forecast	2024/25 Budget
Total Operating	15	(2)	0
Non-Operating			
Endowment surplus	15	-	19
Research and other funds	(22)	32	22
Related organizations	12	17	2
Net investment in capital	63	38	51
Surplus	83	85	94

- While there is a \$94m consolidated accounting surplus, these funds are restricted and are not available for the operating budget.
- The operating budget is projected to be in a balanced position.
- Net investment in capital reflects UBC's internally funded investments in its infrastructure to advance the university mission.



FY24/25 OPERATING BUDGET

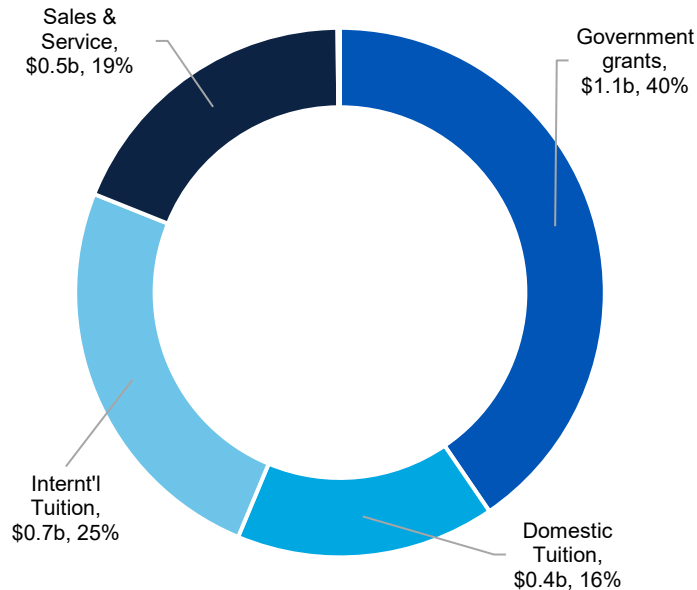
(in \$millions)

	2022/23 Actuals	2023/24 Forecast	2024/25 Budget
Revenues			
Government of British Columbia	827	942	1,047
Tuition	1,003	1,035	1,086
Other	497	517	543
	2,327	2,494	2,676
Expenses			
Salaries & benefits	1,626	1,769	1,917
Non salaries	543	589	630
	2,169	2,358	2,547
Net Operating Fund	158	136	129
Capital Transfers	138	129	78
Research Transfers	52	52	61
Internal transfers and activities	(47)	(43)	(10)
Surplus / (deficit) of revenues over expenses	15	(2)	-
Opening Reserves	404	419	417
Ending Reserves	419	417	417

The UBC Operating Budget reflects the operations of both campuses.

- The operating revenue is expected to grow by approximately \$182m, largely driven by increases in government grant (mainly GWI), tuition (mostly from carryover effects of prior year rate increases and strategic growth domestic undergraduate seat expansions in health and technology disciplines) and ancillary operations due to increases in activities and fee-for-service activities across the campuses.
- The operating expenses are anticipated to rise by \$189m, primarily due to contractual salaries and benefits increases, as well as the recruitment of strategic positions.

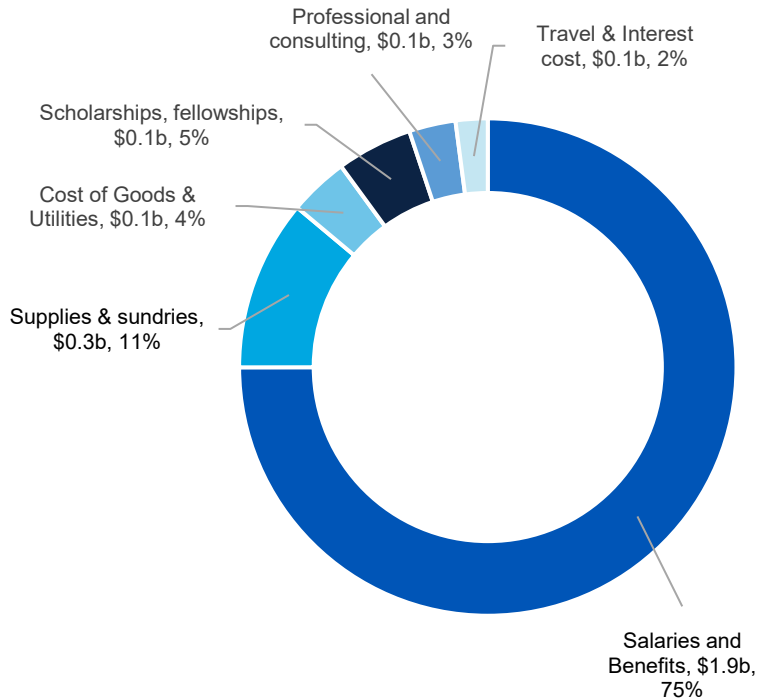
FY24/25 OPERATING BUDGET – KEY DRIVERS OF REVENUE



UBC's revenues are categorized into three primary sources: government grants, tuition fees, and sales and services.

- The government allocates an operating grant of approximately \$1.1b to support the education of domestic students. Aside from the province's additional funding for GWI under the Shared Recovery Mandate, this funding is expected to remain relatively stable.
- Tuition revenue, \$1.1b, is divided approximately 60/40 between international and domestic students. While domestic enrolment is expected to remain stable, international enrolment may trend negative due to policy changes, competition in the sector, macro-economic conditions, and geopolitical tensions
- Revenue from sales and services, mainly through ancillary operations such as student housing, food services, parking, and the bookstore, is expected to mirror the demand seen in FY23/24.

FY24/25 OPERATING BUDGET – KEY DRIVERS OF EXPENSES



- In line with other higher education institutions, UBC's operating costs are mainly attributed to salaries and benefits (~75% of total).
- Most UBC salaries are governed by collective agreements. For FY24/25, these existing agreements are expected to continue, with no anticipated unknown salary increases.
- The remainder of the expenses, such as supplies, utilities, and scholarships will likely remain stable, but can be subject to change by macro-economic influences like the global hyper-inflation from the last two years.

SUMMARY



- UBC ranks among the top 40 universities in the world. Despite some of the headwinds that we see, we will continue to attract outstanding faculty and students from around the world to advance the university's vision of inspiring people, ideas and actions for a better world.
- We will continue to support UBC's diverse and inclusive community as we strive to further enhance our shared vision of excellence in teaching, learning, and research.
- Strengthening UBC's financial sustainability and resilience is a priority for FY24/25. We are adopting a realistic and proactive approach in the near term to protect the academic mission and enable the university's long-term sustainability.
- The FY24/25 budget takes a prudent financial management approach to ensure that our limited resources are directed towards initiatives that advance our academic mission.



REQUEST FOR APPROVAL

The budget sets out the university's goals and strategies for the year ahead. The priorities will guide our decisions, actions and resource allocations.

Despite ongoing financial challenges, we will continue to prioritize investments that benefit students and drive UBC's strategic priorities forward.

IT IS HEREBY RESOLVED that the Finance Committee recommends to the Board of Governors approval of the FY24/25 UBC Budget.

APPENDICES



FY24/25 UBCV OPERATING BUDGET - FACULTIES



(in \$millions)

Revenues

Government grants and contracts
Tuition
Other

	2022/23 Actuals	2023/24 Forecast	2024/25 Budget
Government grants and contracts	466	552	562
Tuition	476	489	514
Other	137	139	150
	1,079	1,180	1,226

Expenses

Salaries & benefits
Non salaries

Salaries & benefits	907	1,033	1,079
Non salaries	116	120	143
	1,023	1,153	1,222

Net Operating Fund

Capital Transfers
Research Transfers
Internal transfers and activities

Capital Transfers	51	17	23
Research Transfers	27	33	39
Internal transfers and activities	(25)	(27)	(37)

Surplus / (deficit) of revenues over expenses

	3	4	(21)
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Opening Reserves

	307	310	314
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Ending Reserves

	310	314	293
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2024-2025 Budget Highlights

- Various Faculties are managing one-time and recurring budget pressures, and while the university continues to support the Faculties through Academic Excellence Funds (AEF), President's Academic Excellence Initiative (PAEI) and TREK Endowment, the Faculties are projected to draw down approximately \$21m from reserves.
- The planned reserve drawdown are mainly driven by expenditures such as supporting faculty hires and start-ups and capital projects including replacing / upgrading labs, classrooms and spaces for research and teaching needs.

FY24/25 UBCV OPERATING BUDGET – CENTRAL ADMIN/SUPPORT UNITS*



(in \$millions)

	2022/23 Actuals	2023/24 Forecast	2024/25 Budget
Revenues			
Government grants and contracts	275	286	375
Tuition	394	412	435
Other	349	367	382
	1,018	1,065	1,192
Expenses			
Salaries & benefits	555	550	643
Non salaries	385	423	443
	940	973	1,086
Net Operating Fund	78	92	106
Capital Transfers	77	89	54
Research Transfers	18	12	15
Internal transfers and activities	(32)	(19)	16
Surplus / (deficit) of revenues over expenses	16	10	21
Opening Reserves	29	45	55
Ending Reserves	45	55	76

2024-2025 Budget Highlights

- While the ending reserve reflects a \$21m increase, this is mainly due to surpluses in centrally managed funds, including AEF and PAEI, for funds that have been committed but the implementation pace of some programs has been slower than expected.
- Within this surplus, Vancouver administrative units are projecting a \$27.7m drawdown of reserves. This is in large part due to inflationary pressures, recruitment of strategic positions, new initiatives, as well as deferred activities from prior years.



FY24/25 UBCO OPERATING BUDGET – FACULTIES

(in \$millions)

	2022/23 Actuals	2023/24 Forecast	2024/25 Budget
Revenues			
Government grants and contracts	51	62	63
Tuition	56	56	58
Other	3	2	2
	110	120	123
Expenses			
Salaries & benefits	105	118	122
Non salaries	5	5	4
	110	123	126
Net Operating Fund	-	(3)	(3)
Capital Transfers	2	-	1
Research Transfers	3	2	2
Internal transfers and activities	(5)	(6)	(3)
Surplus / (deficit) of revenues over expenses	-	1	(3)
Opening Reserves	25	25	26
Ending Reserves	25	26	23

2024-2025 Budget Highlights

- Revenue increases are due to government grant increases and corresponding tuition for Nursing, Data Science and Engineering
- Salaries and benefits increased due to contractual increases and targeted strategic hires to maintain core academic programming
- Faculties are actively reviewing existing programs and considering new academic opportunities to help support a financially sustainable position

FY24/25 UBCO OPERATING BUDGET – CENTRAL ADMIN/SUPPORT UNITS



(in \$millions)

	2022/23 Actuals	2023/24 Forecast	2024/25 Budget
Revenues			
Government grants and contracts	35	42	47
Tuition	77	78	79
Other	8	9	9
	120	129	135
Expenses			
Salaries & benefits	59	68	73
Non salaries	37	41	40
	96	109	113
Net Operating Fund	24	20	22
Capital Transfers	8	23	-
Research Transfers	4	5	5
Internal transfers and activities	16	9	14
Surplus / (deficit) of revenues over expenses	(4)	(17)	3
Opening Reserves	43	39	22
Ending Reserves	39	22	25

2024-2025 Budget Highlights

- Increase in government grants for new seat expansion for targeted programs and GWI ministry funding
- Increase in salaries due to annual inflation, the addition of an in-house child-care program, expected return from leaves and position vacancies to be filled
- Capital Transfers reduced from 2023/24 due to one-time investment in UBC Downtown Kelowna
- Investments in recruitment and student experience and preserving of services that support the academic mission
- Continued monitoring of discretionary expenditures, and evaluation of processes and services to gain efficiencies

FY24/25 RESEARCH



Restricted research does not impact the university's surplus/deficit position

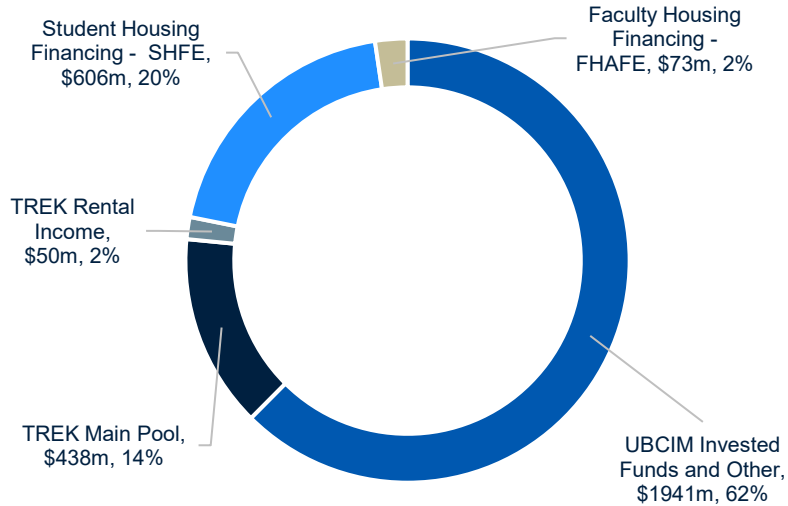
As a research powerhouse, UBC attracted over \$708m in sponsored (i.e. restricted) research funding in FY23/24, with projections to increase to \$753m in FY24/25.

Research Awards by Faculty (in \$millions)

	Government (Tri-Agency)	Government (Other)	Non-Profit	Industry	Total
Applied Science	26.6	27.6	11.7	12.7	78.6
Arts	19.7	4.4	8.3	0.2	32.6
Dentistry	2.4	0.4	0.2	-	3.0
Education	4.5	1.2	2.4	-	8.1
Forestry	4.0	5.6	4.9	0.4	14.9
Land and Food Systems	3.3	2.6	2.3	0.8	9.0
Law	1.2	0.9	0.8	-	2.9
Medicine	108.7	120.4	135.3	40.7	405.1
Pharmaceutical Sciences	4.5	1.1	3.3	0.6	9.5
Sauder School of Business	2.7	0.7	0.9	0.8	5.1
Science	46.6	41.9	20.6	7.4	116.5
UBC Okanagan	13.9	11.9	12.5	2.0	40.3
Non-Faculty Units	0.1	20.9	4.9	1.2	27.1
	238.2	239.6	208.1	66.8	752.7



FY24/25 ENDOWMENT



Endowment Market Value (in \$millions)

Endowment capital account
 Stabilization account
Balance

	Total Endowments		
	2022/23 Actuals	2023/24 Forecast	2024/25 Budget
Endowment capital account	2,645	2,770	2,920
Stabilization account	184	187	188
Balance	2,829	2,957	3,108

The university's Endowment funds consist of endowed gifts, bequests, donations, and land lease proceeds. The unrestricted endowment includes proceeds from land leases and the approved flat spend to further UBC's academic mandate. The restricted endowment is reserved strictly for contributions from donors. Both funds add up to approximately \$3.1b in total. These funds support the university's academic mandate, student financial awards, academic and research initiatives, student housing (SHFE), and capital projects.



FY24/25 CAPITAL EXPENDITURES

(in \$ millions)

	2022/23 Actuals	2023/ 24 Forecast	2024/25 Plan
Buildings & Property			
Major Buildings	160	353	236
Routine Capital	51	53	53
Building Renovations and Additions	49	40	44
Site Improvements*	10	12	17
	<u>270</u>	<u>458</u>	<u>350</u>
Research infrastructure - BCKDF	60	85	114
Information Technology	45	57	44
Furnishing & Equipment	26	37	32
Library Acquisitions	15	15	15
Total Capital Expenditures	<u>416</u>	<u>652</u>	<u>555</u>

*Site Improvements incl upgrades to roads, lots, server, water and electrical assets

Project Name	Total Budget	2024/25 Cost**	Estimated Completion
Lower Mall Precint Student Housing Redevelopment & Exp - Phase 1 & 2	565	0.5	Dec-27
Gateway Building (Nursing, Kinesiology, UBC Health, ISHS)	190	63.0	Dec-24
Brock Commons Phase 2	166	10.8	Jun-24
Sauder School of Business Power House Expansion	147	18.3	Mar-27
School of Biomedical Engineering	139	42.5	Dec-24
Interdisciplinary Collaboration & Innovation Building - UBCO	119	43.4	Dec-25
Recreation Centre	68	18.3	Nov-24
Beaty Biodiversity Centre Addition	45	18.8	Apr-25
Various Projects < \$20m**	72	20	Various
	<u>1,512</u>	<u>236</u>	

* 2024/25 Estimated Spend does not include Non-Capital Project Costs

** Learning Exchange, UNY Switchgear renewal, APSC Digital Design Studio, Food & Beverage, Orchard Commons Child Care space expansion

UBC makes significant ongoing capital investments, with support from the province for routine maintenance, to advance its learning and research mandate, and to create an outstanding student experience.

- There are eight major capital projects in design or construction on which capital expenditures will be incurred in FY24/25.
- There are also major planned IT costs, including Workday Student module and other enterprise-wide systems, as well as increased investments in research infrastructure to support the diverse research needs across campuses.



THE UNIVERSITY OF BRITISH COLUMBIA

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