



SUBJECT	FY2025-26 Budget Process Overview and Key Considerations
SUBMITTED TO	Finance Committee
MEETING DATE	November 21, 2024
SESSION	OPEN
REQUEST	For information only - No action requested
LEAD EXECUTIVE	Gage Averill, Provost and Vice-President Academic, UBC Vancouver Lesley Cormack, Deputy Vice-Chancellor and Principal, UBC Okanagan Frank Laezza, Vice-President Finance & Operations
SUPPORTED BY	Bhushan Gopaluni, Vice-Provost and Associate Vice-President Faculty Planning, UBC Vancouver Helen Yung, Comptroller Rob Einarson, Associate Vice-President Finance & Operations, UBC Okanagan Samantha Reid, Associate Vice-President, Students (UBCV) Mike Vizsolyi, Executive Director, Employee & Labour Relations Alex Fiuza, VPFO Strategy & Transformation

PRIOR SUBMISSIONS

The Finance Committee receives the Budget Process Overview briefing annually, most recently in [November 20, 2023](#).

EXECUTIVE SUMMARY

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

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

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

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

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

The attached presentation provides an overview of the timeline and process, and key considerations for the FY2025-26 budget.

PRESENTATIONS

1. 2025-26 Budget Process Overview

2025/26 BUDGET PROCESS OVERVIEW

Update to Finance Committee – November 20, 2024

GAGE AVERILL, PROVOST AND VICE-PRESIDENT, ACADEMIC

LESLEY CORMACK, UBCO DEPUTY VICE CHANCELLOR AND PRINCIPAL

FRANK LAEZZA, VP FINANCE & OPERATIONS





AGENDA

- Budget Process Objectives
- 2025/26 Budget Process Overview
- 2025/26 Budget Context
- 2025/26 Budget Assumptions



BUDGET PROCESS OBJECTIVES

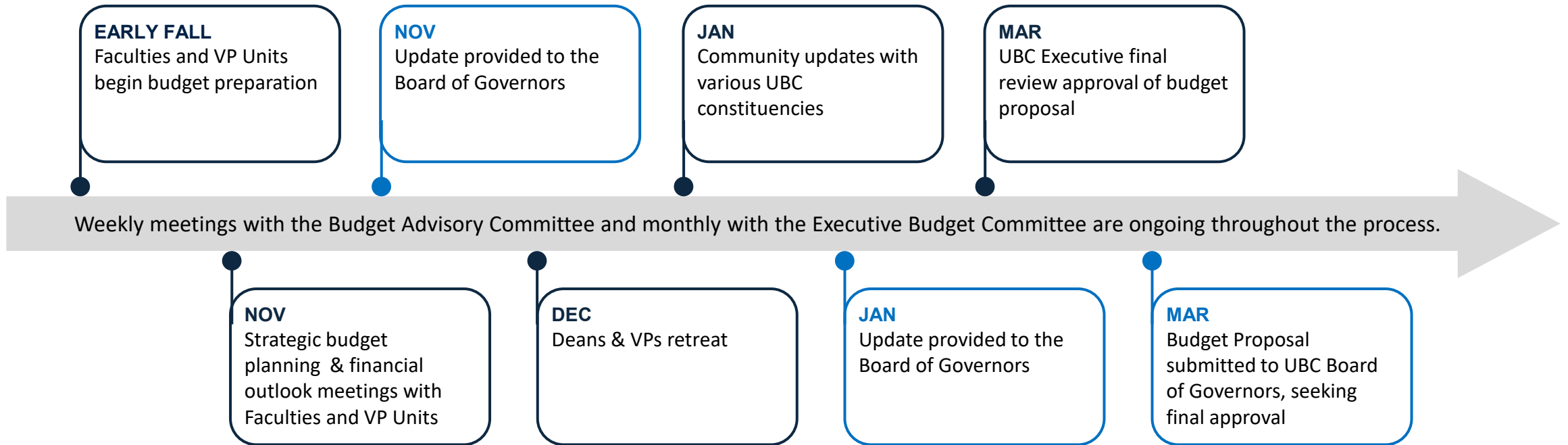
UBC's budget aims to enable the long-term financial sustainability of the university, and, at its core, to enhance UBC's academic mission in the pursuit of excellence in teaching, learning, and research. The annual process is predictable, straightforward and consultative, involving a wide range of community members. Throughout the budget process, university leadership engages in ongoing dialogue to ensure decisions are carefully considered and their long-term impacts fully understood.

The purpose of the budget is to:

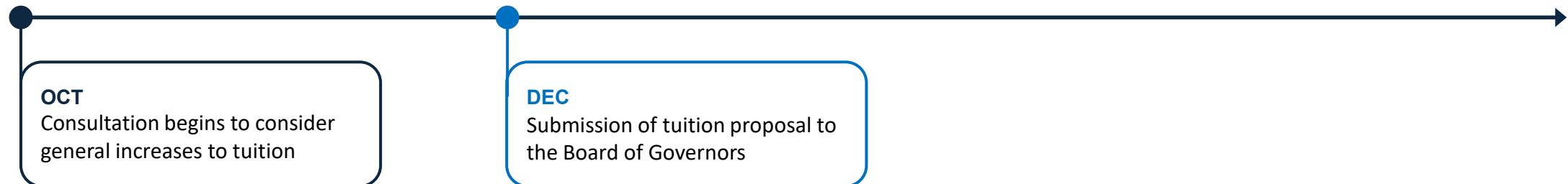
- Support the strategic aspirations of the university as set out in its Strategic Plan
- Fulfill the requirement of the Provincial Mandate letter
- Advance the long-term health and vitality of the academic mission



2025/26: BUDGET PROCESS



CONSULTATION PROCESS FOR TUITION INCREASES





2025/26: BUDGET CONTEXT

- Like other Canadian post-secondaries, UBC is navigating a challenging and highly uncertain financial landscape, made more complex by recent policy changes, global economic challenges, and rising geopolitical tensions.
- Uncertainty around international undergraduate student enrolment — combined with rising costs in areas such as the unfunded portion of salary increases required under collective agreements and/or university practice/policy, and additional expenses for library collections, IT licenses, utilities and capital projects — is creating financial pressures for UBC that must be carefully managed as we plan the 2025/26 budget.
- All units will submit plans that demonstrate a strategy for long-term financial sustainability.
 - UBCV Faculties and Administrative Units are targeting fiscally balanced budgets for 2025/26. Administrative Units and Faculties that are experiencing structural deficit positions are also preparing detailed plans outlining how they will balance within three years.
 - UBCO Administrative Units are modeling recurring reductions in a similar range to the previous year. Okanagan Faculties are modeling reductions to their recurring budgets through a target setting process with each Dean and the Provost. Term funded initiatives will also be under a review process, similar to the previous year.
- For 2025/26 we do not intend to review new requests for initiatives from either the operating fund or AEF. Previously committed multi-year initiatives are being re-examined to ensure they continue to support the ongoing priorities of the university.



2025/26: BUDGET ASSUMPTIONS

Tuition

- Proposed tuition increases (5% new international, 3% continuing international, and 2% domestic) are being assumed for budgeting purposes.
- Following student consultation, the resulting tuition increase proposal will be submitted to the Board for approval in December 2024.

Labour

- Collective bargaining will be underway for FY26 for all employee groups, and a 2% GWI is assumed for budgeting purposes.
- Self-funded labour costs include faculty and staff merit and career progression which must be absorbed by individual Faculties and Administrative Units through efficiencies.

Non-Labour (CPI @ 3%)

- Costs associated with major capital projects, renovations, and equipment increase significantly quarter over quarter in line with industry standards.
- Average utilities and commodities costs (including electricity/natural gas and water) are forecast to increase approximately 7% per year over the next 5 years.
- Average annual increases in software costs (including increases in license pricing and new tools to support various modes of teaching and learning) are forecasted to increase by approximately 15% per year over the next 5 years.



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