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<b>SUBJECT</b>	2025-2026 UBC Budget
<b>SUBMITTED TO</b>	Finance Committee
<b>MEETING DATE</b>	March 12, 2025
<b>SESSION CLASSIFICATION</b>	Recommended session criteria from Board Meetings Policy: OPEN
<b>REQUEST</b>	<b>APPROVAL REQUESTED</b> IT IS HEREBY RESOLVED that the Finance Committee recommends that the Board of Governors approve as circulated the 2025-2026 UBC Budget.
<b>LEAD EXECUTIVE</b>	Frank Laezza, Vice-President Finance & Operations
<b>SUPPORTED BY</b>	Lesley Cormack, Deputy Vice-Chancellor and Principal, UBC Okanagan Gage Averill, Provost and Vice-President Academic, UBC Vancouver Rob Einarson, Associate Vice-President Finance & Operations, UBC Okanagan Bhushan Gopaluni, Vice-Provost and Associate Vice-President Faculty Planning Helen Yung, Comptroller Samantha Reid, Associate Vice-President Students, UBC Vancouver Mike Vizsolyi, Executive Director, Employee & Labour Relations Alex Fiuza, Senior Manager Strategy & Transformation Lucy Li, Associate Director, Strategic Implementation Annie Mullins, Manager, Strategic Initiatives

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#### PRIOR SUBMISSIONS

The Board of Governors considers the University's budget annually, most recently on [November 21, 2024](#) and [February 12, 2025](#).

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#### EXECUTIVE SUMMARY

We are pleased to present the proposed 2025-2026 UBC Budget for approval by the Board of Governors. This budget reflects UBC's commitment to financial resilience while continuing to advance its academic mission in a challenging and evolving environment that has affected all Canadian post-secondary institutions.

The impacts of recent government policy changes on international study permits, growing geopolitical uncertainties, and heightened competition in the postsecondary sector are not yet fully clear. Given the changing landscape, the budget projects a modest decrease in international student enrolment for 2025/26. UBC is actively mitigating this risk through various strategies, including enhanced recruitment efforts and the optimization of student yield.

At the same time, broader economic risks continue to shape UBC's financial outlook. Factors such as foreign policy and trade uncertainties, foreign exchange fluctuations, and rising capital project costs pose current and potential challenges. Recognizing that financial challenges will continue to evolve, there has been a concerted effort across both campuses to reassess UBC's operations, programs and offerings to optimize resources and reduce expenditures through strategic workforce management, operational cost reviews, program adjustments and faculty planning and support. Simultaneously, the university is proactively exploring opportunities to enhance existing and identify new revenue opportunities that will enable UBC's long-term financial sustainability.

The proposed budget projects a balanced operating position for 2025/26, meaning that institutional-level revenues are expected to cover operating expenses. However, financial pressures remain unevenly distributed, with many Faculties and administrative units facing rising costs and funding constraints, requiring ongoing prudent financial management. By maintaining a balanced and forward-looking approach, UBC is ensuring resources are directed towards initiatives that advance our academic mission while strengthening our long-term financial sustainability. With this context in mind, we are pleased to recommend the 2025/26 Budget for The University of British Columbia for approval by the Board of Governors.

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## **APPENDICES**

1. 2025-2026 UBC Budget Report

## **PRESENTATIONS**

1. 2025-2026 UBC Budget



MARCH 2025

# 2025/26 Budget



THE UNIVERSITY OF BRITISH COLUMBIA

# 2025/26 Budget: Contents

<b>Letter from the President</b>	<b>3</b>	<b>4. Consolidated Statements for Board Approval</b>	<b>26</b>
<b>1. Executive Summary</b>	<b>4</b>	<b>5. Appendices</b>	<b>28</b>
UBC's Budget Process	4	I) UBC's Budget Process: Extended Detail	28
Allocation Framework	5	II) Assumptions, Risks, and Sensitivities	30
Context for the 2025/26 Budget	6	III) Investments that Advance UBC's Academic Mission	32
Key Considerations for Financial Planning	7	IV) Vancouver Campus: Extended Detail	37
The 2025/26 Budget	8	V) Okanagan Campus: Extended Detail	43
<b>2. Operating Budget</b>	<b>9</b>	VI) Related Entities	48
University Operating Revenues	10	VII) Capital Budget: Extended Detail	49
University Operating Expenses	14	VIII) Research Budget: Extended Detail	52
Vancouver Campus Operating Budget: Overview	17	IX) Endowment Budget: Extended Detail	53
Okanagan Campus Operating Budget: Overview	18		
<b>3. Consolidated Budget</b>	<b>19</b>		
Capital Budget: Overview	22		
Research Budget: Overview	23		
Endowment Budget: Overview	24		

*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

It's hard to believe that more than a year has passed since I joined UBC in November 2023, and that this is already our second annual budget. I am so grateful to have joined this remarkable institution, one of the best and most impactful research-intensive universities in the world, and I know the best is yet to come.

In 2024, we completed a record-breaking year for research funding, with \$893 million awarded to our talented faculty and research teams. We had another record-breaking moment as our annual fundraising surpassed \$300 million for the first time, which will boost our academic mission and further our impact. And without a doubt, my favourite statistic from 2024 is the nearly 16,500 students who crossed the stage as graduates from UBC—each of them on their way to successful and self-determined lives.

While things are looking bright for UBC in many ways, we must also acknowledge that we are living in challenging times. Like other Canadian post-secondaries, UBC is navigating an uncertain financial landscape driven by recent policy changes, continued global economic instability, rising geopolitical tensions, and heightened competition within the post-secondary environment. There's no question that there are headwinds facing the sector right now, but careful and proactive planning is helping UBC navigate these uncertainties.

In light of these challenges, we are doing the work to ensure that UBC is adjusting to our financial context in a number of different ways. We are in the midst of refreshing our university Strategic Plan to better define our shared vision towards a bright future. In addition, we are optimizing our recruitment and admissions processes, and we are in the opening phases of a project to reimagine UBC's budget model. Underpinning those efforts, our financial plan for 2025/26 continues the prudent and proactive approach we established in 2024/25 to ensure that our limited resources are directed towards initiatives that continue to enhance our academic mission and operations.



Our budget for 2025/26 will continue to advance UBC's mission of inspiring people, ideas, and actions for a better world. We remain committed to furthering our progress on important priorities, including transforming teaching and learning, pushing the boundaries of research, holistically supporting our students, and expanding UBC's positive social impact through the advancement of our EDI goals, our commitments to Truth and Reconciliation, and our efforts in the fight against climate change.

I am confident that with continued careful planning, our institution is well positioned to withstand the current pressures on our sector, and that the future is bright for UBC.

Sincerely,  
**Benoit-Antoine Bacon**  
President and Vice-Chancellor

# 1. Executive Summary

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

The budget process is a collaboration between the Provost and VP Academic, UBC Vancouver, and Principal and Deputy Vice-Chancellor, UBC Okanagan, who ensure the alignment of the budget to UBC's academic strategy, along with the VP Finance & Operations and the university's distributed Faculty and administrative unit finance teams.

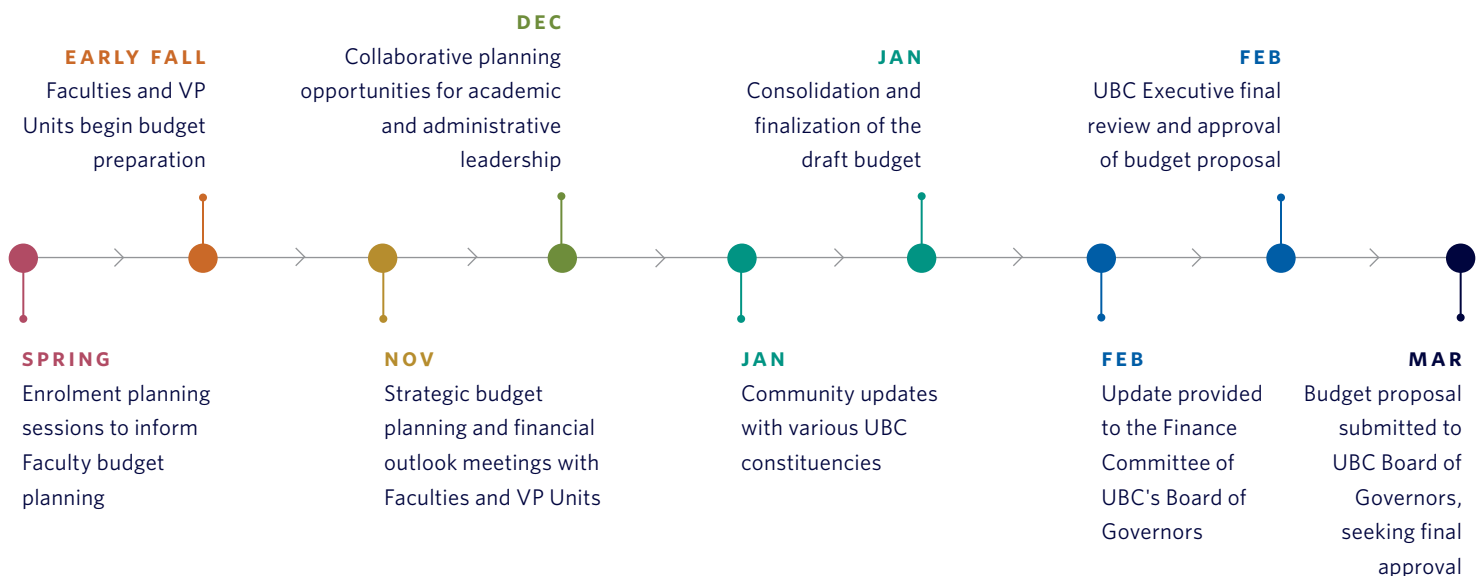
The primary aim of the annual budget process is to advance the long-term health and vitality of UBC's academic mission and strategic aspirations (as identified in [Shaping UBC's Next Century, Strategic Plan 2018 - 2028](#)). The budget is guided by the Government of BC's Mandate Letter for UBC and informed by relevant economic and political factors, risk assessments, and assumptions.

## UBC's Budget Process

UBC follows a decentralized budget model, meaning that Faculties and administrative units have local responsibility for managing budgets within their respective portfolios. The budget for each main campus (Vancouver and Okanagan) is developed separately, but both are combined in this report to form the consolidated budget, with supporting details provided for each.

The budget process begins in the fall with strategic planning meetings, where Faculties and administrative units review the past year and discuss future plans. It concludes with the final budget proposal being recommended by UBC's Executive for approval by the Board of Governors. More detail on UBC's budget process is available in [Appendix I](#).

### UBC'S BUDGET PROCESS



## Allocation Framework

At a high level, UBC’s budget is composed of two parts: the Operating Fund and Non-Operating Funds.

The Operating Fund covers the core academic operations of the university, investments in new programs and services, and the resources required to maintain current operations. It includes all “unrestricted” funding for UBC—resources that do not have a specific use case determined—including government grants, student tuition, and sales and services revenue.

Revenues generated from central units and ancillaries across both campuses, such as student housing, food services, the UBC Bookstore, and parking, also directly support university operations. Many Faculties also generate and manage

additional revenues directly from non-core activities, such as non-credit programs, to support their operations. Full information on university revenues is included in the [Operating Budget](#) section.

Non-Operating Funds cover “restricted” funding, mainly in the form of capital, research grants, and endowments, and this funding must be used for designated purposes (e.g., research, professorships, capital projects, and student bursaries).

The Operating and Non-Operating funds together constitute the consolidated budget (please note that the following picture does not include UBC’s internal activities. Refer to the [Operating Budget](#) section for full details of UBC’s gross revenues and expenses).

### OPERATING REVENUES

**\$2.72 Billion**

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

### NON-OPERATING REVENUES

**\$1.26 Billion**

Research, capital, endowment, and other restricted funding

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## Context for the 2025/26 Budget

Like other Canadian post-secondaries, UBC is navigating a complex and evolving financial landscape. Several assumptions have been built into the development of the 2025/26 budget, and UBC's exposure to various risk factors is being carefully monitored to minimize any potential negative impacts on the university's revenues or expenditures. Further information relating to assumptions, risks, and sensitivities is available in [Appendix II](#).

The impacts of recent government policy changes on international study permits, rising geopolitical tensions, and heightened competition in the higher education sector are not yet fully clear, but in light of these factors the budget assumes a modest decrease in international student enrolment for 2025/26. UBC is actively working to mitigate this risk through a variety of strategies, including enhanced recruitment efforts and the optimization of student yield.

UBC is also closely monitoring macroeconomic risks that could impact its financial position. These include foreign policy effects and trade uncertainties, such as tariffs and counter-tariffs, fluctuations in foreign exchange rates, and rising capital project costs.

Labour costs, which make up 74% of UBC's operating budget, add further financial pressure. The university benefits from considerable relief provided through provincial funding for

General Wage Increases (GWI), included within the university's operating grant. However, this does not fully offset labour cost pressures, as UBC must internally cover salary increases including merit, salary progression, and progression through the ranks, as well as other increases that are established through collective agreements.

Careful planning is helping UBC to navigate these challenges and remain focused on the academic mission, but in the current context the university is taking a conservative budgetary approach for 2025/26. UBC's leaders are actively assessing operations and exploring ways to meet evolving needs within current resources, as well as managing challenges as necessary.

Looking ahead, the university anticipates evolving financial challenges and is proactively exploring revenue opportunities and cost-reduction strategies. These include growing UBC's existing revenue streams by leveraging strengths in teaching, research, partnerships, and ancillary operations; strengthening recruitment and admissions strategies to broaden the university's reach and attract top students; enhancing student retention efforts; capitalizing on the automation of standard processes; and diversifying revenue sources in ways that align with the academic mission.





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## Key Considerations for Financial Planning

UBC is committed to strategic resource management that ensures long-term financial sustainability. This requires careful planning and the prioritization of costs while we continue to advance key areas that distinguish and enhance the reputation of the university. These include empowering students through transformative teaching and learning experiences, as well as pushing the boundaries of research, discovery, and creative scholarship. UBC also remains dedicated to advancing our EDI goals, to our commitments to Truth and Reconciliation, and to being a leader in sustainability and the fight against climate change.

The direct distribution of revenues to UBC's academic units through the decentralized budget model is part of the university's strategy to ensure the 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—that move the

university forward and critically support teaching, learning, and research. Investments in new academic facilities and research infrastructure also support UBC's growth as a world-class university.

These long-term investments are resourced through the central operating fund, the TREK Endowment, the Academic Excellence Funds, or other strategic funds, and they require ongoing financial support. This limits the availability of discretionary funding in the next few years, although 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.

[Appendix III](#) provides many examples of how UBC is driving its priorities forward through investments and initiatives across the organization.



## The 2025/26 Budget

UBC's operating budget is projected to be balanced in 2025/26, meaning the university expects operating revenues to cover operating expenses at the overall institutional level. However, this does not mean financial pressures are evenly distributed across the organization. Many Faculties and administrative units continue to navigate cost increases and funding constraints, requiring careful financial management.

To support long-term financial sustainability, UBC is actively diversifying operating revenue sources and identifying operational efficiencies. These efforts aim to strengthen the university's financial resilience while maintaining its commitment to academic excellence and institutional priorities.

<b>OPERATING BUDGET OVERVIEW (in \$ millions)</b> <i>The surplus/deficit position of the university, at an operating level</i>	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
Operating Fund Revenues	2,804	3,009	3,065
Operating Fund Expenses	2,599	2,794	2,933
<b>Total Revenues less Expenses</b>	<b>205</b>	<b>215</b>	<b>132</b>
<b>Less Interfund Transfers</b>			
Major Capital	131	55	39
Research Start-up and Other	48	56	52
Debt Service	15	88	41
	194	199	132
<b>Operating Surplus / (Deficit)</b>	<b>11</b>	<b>16</b>	<b>-</b>

Note: Operating Revenues and Expenses include internal activities (revenues \$341 million, expenses \$223 million).

The consolidated budget (below) incorporates the operating budget as well as non-operating funds that are designated for specific purposes. At a consolidated level, UBC is projecting a surplus of \$80 million for 2025/26 (see the [Consolidated Budget](#) section for full details). UBC is required by the BC provincial government to maintain a balanced (or surplus)

financial position on a consolidated basis. It is important to note that this is not a surplus of the operating budget, but rather the accounting for non-operating funding committed to expenses that will be recorded in future years (for example, the amortization of capital assets).

<b>CONSOLIDATED BUDGET (ALL FUNDS) (in \$ millions)</b> <i>The consolidation of operating and non-operating revenues and expenditures for UBC</i>	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
Consolidated Revenues	3,615	3,833	3,982
Consolidated Expenses	3,545	3,736	3,902
<b>Consolidated Surplus / (Deficit)</b>	<b>70</b>	<b>97</b>	<b>80</b>

## 2. Operating Budget

UBC's Operating Budget (Vancouver and Okanagan combined) is projecting a balanced position for 2025/26, as summarized in the income statement below.

The university's overall reserve balance stands at \$435 million, up from \$419 million in the previous year. However, these funds are primarily earmarked for future commitments, including capital infrastructure, research, and academic

initiatives such as the President's Academic Excellence Initiative (PAEI) and the Academic Excellence Funds (AEF) and Excellence Fund (EF).

<b>OPERATING BUDGET (in \$ millions)</b>	2023/24	2024/25	2025/26
<i>UBC's revenues, expenses, and accumulated reserves at an operating level</i>	ACTUALS	FORECAST	BUDGET
<b>Operating Revenues</b>			
Government Grants and Contracts	972	1,106	1,159
Tuition	1,031	1,048	1,035
Other*	801	855	871
<b>Total Revenues</b>	<b>2,804</b>	<b>3,009</b>	<b>3,065</b>
<b>Operating Expenses</b>			
Salaries and Benefits	1,774	1,921	1,994
Non-Salary	825	873	939
<b>Total Expenses</b>	<b>2,599</b>	<b>2,794</b>	<b>2,933</b>
<b>Subtotal: Revenues less Expenses</b>	<b>205</b>	<b>215</b>	<b>132</b>
Less Interfund Transfers			
Major Capital	131	55	39
Research Start-up and Other	48	56	52
Debt Service	15	88	41
<b>Total Interfund Transfers</b>	<b>194</b>	<b>199</b>	<b>132</b>
<b>Operating Surplus / (Deficit)</b>	<b>11</b>	<b>16</b>	<b>-</b>
Accumulated Reserves - Opening	408	419	435
<b>Accumulated Reserves - Closing</b>	<b>419</b>	<b>435</b>	<b>435</b>

\*Other revenue mainly includes sales and services.

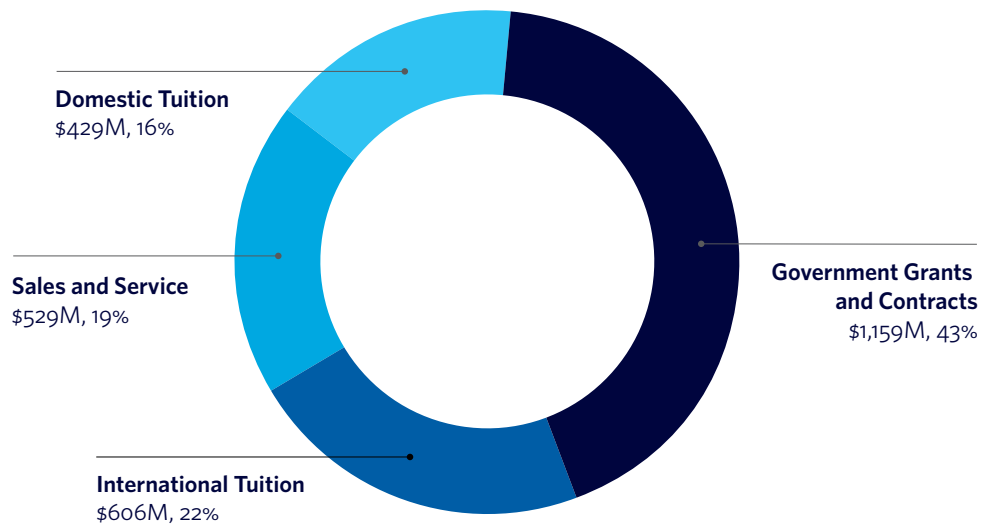
Note: Operating Revenues and Expenses include internal activities (revenues \$341 million, expenses \$223 million).

## University Operating Revenues

UBC's net operating revenue (excluding internal activities) is anticipated at \$2.72 billion for 2025/26, and comes from three primary sources: government grants, tuition fees, and sales and services. While most of this revenue is systematically managed and allocated through the budget process, a small

component is directly generated by Faculties and central support units (flowing immediately back to those areas to support the academic mission). Detailed information about UBC's revenues follows.

### 2025/26 OPERATING PLAN REVENUES - UBC TOTAL\*



\*Excludes revenues related to internal activities that are eliminated at consolidation.



<b>OPERATING REVENUES</b> <i>(in \$ millions)</i>	UBC TOTAL			UBC VANCOUVER			UBC OKANAGAN			
	<i>UBC's main sources of revenue, represented as a total and by campus</i>	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
Government Grants & Contracts										
Government of Canada	35	34	34	33	32	32	2	2	2	
Government of British Columbia	937	1,072	1,125	829	957	1,006	108	115	119	
Student Fees—Domestic	405	425	429	351	369	374	54	56	55	
Student Fees—International	626	623	606	546	549	536	80	74	70	
Sales & Services	668	713	729	656	700	716	12	13	13	
Non-Government Grants, Contracts and Donation	17	23	14	15	22	13	2	1	1	
Investment Income	87	93	100	87	93	100	-	-	-	
TREK Spend Contribution	29	26	28	28	28	30	1	(2)	(2)	
<b>Total Revenues</b>	<b>2,804</b>	<b>3,009</b>	<b>3,065</b>	<b>2,545</b>	<b>2,750</b>	<b>2,807</b>	<b>259</b>	<b>259</b>	<b>258</b>	
Less Internal Activities	306	321	341							
<b>Net Revenue</b>	<b>2,498</b>	<b>2,688</b>	<b>2,724</b>							

#### INTERNAL TRANSACTIONS AND SERVICE REVENUES

Various UBC departments provide goods and services to other university units through Internal Service Deliveries (ISDs), such as IT, facilities services, and utilities. While these charges net out at the consolidated level, they impact the operating budget and the margins of individual Faculties and units that utilize these services. Revenue from ISDs is categorized under Sales and Services. Additionally, internal loans provided by units to support major capital initiatives result in internal activity revenue, recorded as Investment Income. In 2025/26, internal activities account for \$341 million, reflected within UBC's total Operating Revenues.

#### GOVERNMENT GRANTS

The university receives substantial funding from the Province of British Columbia, totaling an estimated \$1,125 million for 2025/26 (up \$53 million from the \$1,072 million forecasted for 2024/25). This funding is specifically allocated to support the teaching of domestic undergraduate and graduate students in select degree-granting programs. Of this amount, \$1,006 million is directed to UBC Vancouver, while \$119 million is allocated for UBC Okanagan.

The increase in this year's grant is largely attributed to a budgeted \$46.1 million planned for General Wage increases (GWI) across all university bargaining units, and an additional \$14.9 million for FTE growth in health, tech, and medical expansion programs on both campuses.

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 30,716 full-time domestic undergraduate students and 6,148 graduate students, while in the Okanagan, it funds 7,193 domestic undergraduate students and 197 graduate students. In 2025/26, UBC anticipates surpassing the provincial enrolment targets by approximately 2,890 domestic undergraduate students and 4,338 graduate students to meet growing demand from students across the country.

The Government of Canada grant, budgeted at \$34 million, primarily represents the [Federal Research Support Fund](#) for the university. This allocation remains relatively consistent with prior years, providing important support for the advancement of research and scholarship.

## TUITION REVENUE AND STUDENT ENROLMENT

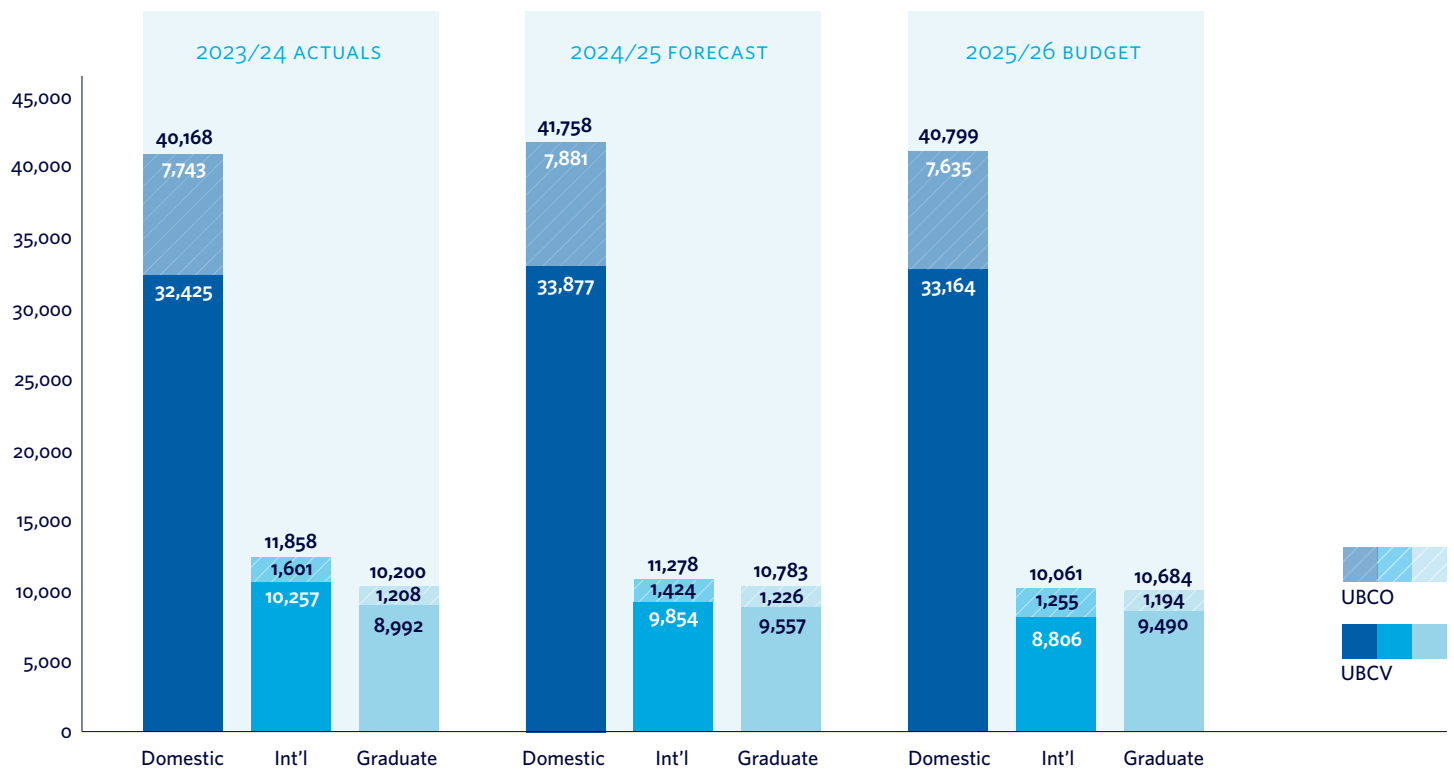
Enrolment figures used to calculate tuition revenue are fiscal 30-credit full-time equivalent (FTE). Tuition revenue is calculated using rate increases approved by UBC’s Board of Governors in December 2024—2% for undergraduate domestic students, 5% for new undergraduate international students, and 3% for continuing international students (except for international graduate students enrolled in programs with standard rate tuition, which will increase by 2%).

Overall university-wide tuition revenue for 2025/26 is budgeted at \$1,035 million, \$13 million lower than forecasted for 2024/25. This decline is primarily due to the impact of decreased international enrolment, driven by the continued impact of external policy shifts, broader economic conditions, an uncertain global geopolitical outlook, and increased competition in the sector.

For 2025/26 UBC is budgeting a total enrolment of 61,544 as detailed in the following chart.

### ENROLMENT

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



- Domestic Enrolment and Tuition Revenue:** Domestic undergraduate enrolment for 2025/26 is budgeted to decrease by 959 FTE compared to the prior year forecast. This decline, which represents approximately 2% of the undergraduate population, falls within the expected range of natural attrition. Although planned tuition rate increases offset some of the impact, it does not fully compensate for the enrolment decline and overall domestic undergraduate tuition revenue is budgeted to slightly decrease in 2025/26.

Domestic graduate student enrolment for 2025/26 is budgeted at 6,084 FTE on the Vancouver campus and 652 on the Okanagan campus.

Non-credit fees are budgeted to increase by \$0.4 million, reflecting the expansion of several successful non-credit programs in the Faculties.

- International Enrolment and Tuition Revenue:**  
 International undergraduate enrolment for 2025/26 is budgeted to decline by 1,217 FTE compared to the prior year forecast. This decrease is primarily concentrated within the Faculties of Arts, Science, and Applied Science on the Vancouver Campus, as well as across the Okanagan campus. While approved tuition rate increases will partially offset the financial impact, an overall estimated 5.1% decline in international undergraduate tuition revenue is incorporated into the budget.

International graduate student enrolment for 2025/26 is budgeted at 3,406 FTE on the Vancouver campus and 542 on the Okanagan campus.

Non-credit fees are budgeted to increase by \$6 million over the prior year forecast, driven primarily by growth in the Vancouver Summer Program and Extended Learning.

- The Tuition Allocation Model (“TAM”):** Enrolment numbers included in the 2025/26 Budget are informed by approved targets, market analysis, and discussions between academic leadership and admissions teams. Tuition revenue received by the university is allocated using an established formula—the Tuition Allocation Model (TAM). The TAM allocates tuition revenue across several key areas: Student Financial Aid (SFA), Faculties, the Operating Fund, and the 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

This category includes ancillary operating revenue in housing and hospitality services, fee-for-service activities, and bill-back revenue generated through Faculties. It also includes internal revenues generated by Faculties and Administrative Units for providing services to other portfolios in the university, which are offset by corresponding internal expenses. Sales and services revenue in 2025/26 is budgeted to increase by \$16 million over the prior year forecast, primarily due to increased activity in various ancillary business units. Inflationary increases related to both student housing and food services have also contributed to this growth.

## INVESTMENT INCOME

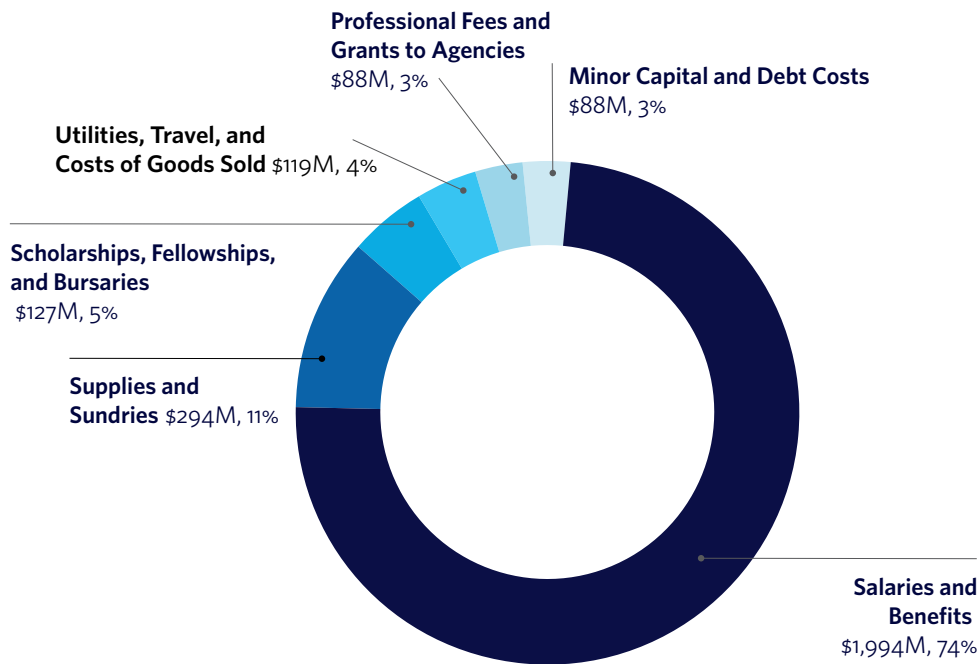
Investment income includes returns from external investments as well as interest on internal loans and capital project construction loans. Interest income for 2025/26 is budgeted to increase by \$7 million, primarily driven by new internal loans and construction projects. This increase is slightly offset by distributions of interest income earned in the operating fund to the Student Housing Financing Endowment (SHFE).

## University Operating Expenses

UBC's net operating expenses (excluding internal activities) amount to \$2.71 billion, with salaries and benefits accounting for approximately 74% of total expenditures. Throughout the budget process, leaders have carefully evaluated operations and programs, seeking ways to meet UBC's evolving needs

within existing resources with the goal of producing a balanced outcome. The following pages provide details on key expense drivers, including salaries and benefits, supplies and sundries, and scholarships, fellowships, and bursaries.

### 2025/26 OPERATING PLAN EXPENSES - UBC TOTAL\*



\*Excludes expenses related to internal activities that are eliminated at consolidation.





<b>OPERATING EXPENSES AND RESERVES</b> <i>(in \$ millions)</i>	UBC TOTAL			UBC VANCOUVER			UBC OKANAGAN		
	<i>UBC's primary expense categories represented as a total and by campus</i>	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET	2023/24 ACTUALS	2024/25 FORECAST
Salaries - Academic	630	686	718	551	605	633	79	81	85
Salaries - Staff	753	827	865	686	757	792	67	70	73
Salaries - Student Employees	89	94	92	78	83	83	11	11	9
<b>Total Salaries</b>	<b>1,472</b>	<b>1,607</b>	<b>1,675</b>	<b>1,315</b>	<b>1,445</b>	<b>1,508</b>	<b>157</b>	<b>162</b>	<b>167</b>
Employee Benefits	302	314	319	272	284	288	30	30	31
<b>Total Salaries and Benefits</b>	<b>1,774</b>	<b>1,921</b>	<b>1,994</b>	<b>1,587</b>	<b>1,729</b>	<b>1,796</b>	<b>187</b>	<b>192</b>	<b>198</b>
Supplies and Sundries	371	391	415	351	370	397	20	21	18
Cost of Goods Sold	48	51	55	48	51	55	-	-	-
Scholarships, Fellowships and Bursaries	116	120	127	99	104	110	17	16	17
Travel and Field Trips	22	23	25	19	20	22	3	3	3
Professional and Consulting Fees	67	76	77	65	73	75	2	3	2
Grants and Reimbursements to Other Agencies	8	8	11	8	8	11	-	-	-
Utilities	34	36	39	31	33	35	3	3	4
Interest on Long Term Debt	94	103	123	92	101	121	2	2	2
Minor Capital	65	65	67	62	61	64	3	4	3
<b>Total Expenses</b>	<b>2,599</b>	<b>2,794</b>	<b>2,933</b>	<b>2,362</b>	<b>2,550</b>	<b>2,686</b>	<b>237</b>	<b>244</b>	<b>247</b>
Less Internal Activities	189	203	223						
<b>Net Expenses</b>	<b>2,410</b>	<b>2,591</b>	<b>2,710</b>						

#### INTERNAL TRANSACTIONS AND EXPENSES

Similar to Internal Service Deliveries (ISDs) on the revenue side, various UBC departments utilize goods and services provided by other university units, and these are recorded as internal expenses at the operating level. Expenses related to ISDs are generally recorded within the Supplies and

Sundries category. Additionally, interest expenses arising from the cost of borrowing internal loans are recorded under Interest on Long-Term Debt. For 2025/26, internal activities are budgeted to amount to \$223 million, included within UBC's total Operating Expenses.

## SALARIES AND BENEFITS

The increase of \$73 million in salaries and benefits costs (compared to prior year forecast) includes Progression Through the Ranks (PTR) increases for faculty, merit increases for staff, applicable market adjustments, and General Wage Increases (GWI), along with wage-related benefits funded through the provincial grant and any other increases.

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 2025/26 hiring plans for both faculty and staff on both campuses.

## SUPPLIES AND SUNDRIES AND COST OF GOODS SOLD

The \$28 million increase in supplies and sundries and costs of goods sold (COGS) over the prior year forecast is primarily due to deferred spending for various campus-wide initiatives, increased COGS associated with planned increased ancillary operating revenue, and inflationary impacts across all portfolios. Supplies and sundries also captures the cost of internal activities, where the corresponding revenue is included in sales and services.

## SCHOLARSHIPS, FELLOWSHIPS, AND BURSARIES

UBC aims to meet all domestic student SFA needs and provides funding for student financial support through the TAM. In 2025/26 UBC is budgeting \$127 million for scholarships, fellowships, and bursaries, an increase of \$7 million compared to the prior year forecast. Increases can be seen within the Student Financial Aid portfolio predominantly for graduate awards for four-year fellowships, as well as undergraduate entrance and international student awards.

## NET INTERFUND TRANSFERS

Internal transfers are activities where funding moves from the Operating Fund to Non-Operating Funds to support specific purposes such as major capital projects, research start-ups (and related research activities), and debt servicing. These transfers reflect how funds are allocated within UBC's financial framework rather than externally imposed restrictions.

For 2025/26, interfund transfers are budgeted at \$132 million, driven by:

- **Major Capital:** The major capital category reflects transfers from portfolios' operating funds into capital projects. In 2025/26, the transfers to major capital are primarily driven by the repayment of IT expenses from centrally managed funds, as well as contributions from the Sauder School of Business for the Powerhouse project.
- **Research Start-up and Other:** Transfers to research are primarily made to support faculty hires and associated start-up funds for research needs, such as setting up a new lab. The majority of these transfers are from the Faculty of Applied Science, the Faculty of Science, and the Faculty of Medicine.
- **Debt Service:** Debt servicing represents principal payments on internal loans. The decrease from the 2024/25 forecast is the result of one-time repayments of central IT loans in 2024/25.

## Vancouver Campus Operating Budget: Overview

The Vancouver campus operating budget is projecting a modest surplus in 2025/26. Revenues are budgeted at \$2.81 billion (including internal activities), a 2.1% increase from the 2024/25 forecast. The growth in revenue is primarily driven by increases in government grants related to planned General Wage Increases (GWI) for employees, additional seats for targeted programs, and ancillary services. This increased revenue will help support salaries and other rising operating

costs, including transfers to support faculty hires, research start-ups, and capital projects such as lab replacements and upgrades, classroom improvements, and enhanced research and teaching spaces.

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

<b>UBC VANCOUVER CAMPUS OPERATING BUDGET (in \$ millions)</b> <i>An overview of revenues, expenses and accumulated reserves at an operating level</i>	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
<b>Operating Revenues</b>			
Government Grants and Contracts	862	989	1,038
Tuition	897	918	910
Other*	786	843	859
<b>Total Revenues</b>	<b>2,545</b>	<b>2,750</b>	<b>2,807</b>
<b>Operating Expenses</b>			
Salaries and Benefits	1,587	1,729	1,796
Non-Salary	775	821	890
<b>Total Expenses</b>	<b>2,362</b>	<b>2,550</b>	<b>2,686</b>
<b>Subtotal: Revenues less Expenses</b>	<b>183</b>	<b>200</b>	<b>121</b>
<b>Less Interfund Transfers</b>			
Major Capital	108	51	36
Research Startup and Other	43	48	44
Debt Service	14	87	40
<b>Total Interfund Transfers</b>	<b>165</b>	<b>186</b>	<b>120</b>
<b>Operating Surplus / (Deficit)</b>	<b>18</b>	<b>14</b>	<b>1</b>
Accumulated Reserves — Opening	344	362	376
<b>Accumulated Reserves — Closing</b>	<b>362</b>	<b>376</b>	<b>377</b>

\*Other revenue mainly includes sales and services.

Note: Operating Revenues and Expenses include internal activities.

## Okanagan Campus Operating Budget: Overview

The Okanagan campus operating budget is projecting a modest deficit in 2025/26, with budgeted revenues of \$258 million (including internal activities)—a slight decrease from the 2024/25 forecast. Increased revenue from government grants for targeted seat allocations and planned General Wage Increases (GWI) for employees, along with targeted cost-saving measures across Faculties and a 4% budget reduction across administrative units, have helped mitigate financial

pressures. However, these gains are offset by declining international student enrolment and rising operational costs, primarily due to contractual increases and fewer anticipated position vacancies for the coming year.

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

<b>UBC OKANAGAN CAMPUS OPERATING BUDGET (in \$ millions)</b> <i>An overview of revenues, expenses, and accumulated reserves at an operating level</i>	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
<b>Operating Revenues</b>			
Government Grants and Contracts	110	117	121
Tuition	134	130	125
Other*	15	12	12
<b>Total Revenues</b>	<b>259</b>	<b>259</b>	<b>258</b>
<b>Operating Expenses</b>			
Salaries and Benefits	187	192	198
Non-Salary	50	52	49
<b>Total Expenses</b>	<b>237</b>	<b>244</b>	<b>247</b>
<b>Subtotal: Revenues less Expenses</b>	<b>22</b>	<b>15</b>	<b>11</b>
<b>Less Interfund Transfers</b>			
Major Capital	23	4	3
Research Startup and Other	5	8	8
Debt Service	1	1	1
<b>Total Interfund Transfers</b>	<b>29</b>	<b>13</b>	<b>12</b>
<b>Operating Surplus / (Deficit)</b>	<b>(7)</b>	<b>2</b>	<b>(1)</b>
Accumulated Reserves — Opening	64	57	59
<b>Accumulated Reserves — Closing</b>	<b>57</b>	<b>59</b>	<b>58</b>

\*Other revenue mainly includes sales and services.

Note: Operating Revenues and Expenses include internal activities.

### 3. Consolidated Budget

The university's consolidated budget projects annual revenues of \$3.98 billion, of which \$2.72 billion are from the university's core operations.

After adjusting for unrestricted surpluses in research, endowments, and capital activity, the university anticipates a consolidated surplus of \$80 million for 2025/26 as detailed below.

**CONSOLIDATED STATEMENT OF OPERATIONS—BY OBJECT**  
(in \$ millions)

	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
<i>UBC's combined operating and non-operating revenues and expenses, represented as high level categories</i>			
<b>Revenues</b>			
Government Grants and Contracts			
Government of Canada	380	408	455
Province of British Columbia	1,197	1,334	1,419
Other Governments*	30	36	37
Non-Government Grants, Contracts, Donations	241	244	246
Student Fees	1,031	1,048	1,035
Investment Income	126	122	123
Income from Government Business Enterprises	24	13	21
Sales and Services	500	541	542
Amortization of Deferred Capital Contributions	86	87	104
<b>Total Revenues</b>	<b>3,615</b>	<b>3,833</b>	<b>3,982</b>
<b>Expenses</b>			
Salaries and Benefits	2,272	2,469	2,527
Operating Costs — Other**	589	565	612
Capital Asset Amortization	253	248	289
Cost of Goods Sold	49	52	56
Scholarships, Fellowships and Bursaries	182	192	210
Grants to Third Parties	179	191	187
Debt Service Costs	21	19	21
<b>Total Expenses</b>	<b>3,545</b>	<b>3,736</b>	<b>3,902</b>
<b>Consolidated Surplus / (Deficit)</b>	<b>70</b>	<b>97</b>	<b>80</b>

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

\*\*Other operating expenses include sales and services, travel, professional fees and utilities.

In addition to the expected balanced operating position for 2025/26, non-operating funds are expected to generate an \$80 million surplus from UBC’s Endowment, unrestricted research funding, and capital activities. However, this represents an “accounting surplus” rather than an operating budget surplus,

as these funds are committed to expenses that will be recorded in future years such as research commitments or the amortization of capital assets.

The components of the consolidated surplus are as follows.

**CONSOLIDATED INCOME STATEMENT ANALYSIS:**

**BY FUND TYPE (in \$ millions)**

*The operating and non-operating components of the consolidated surplus/deficit*

	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
UBC Vancouver — Faculties	-	(32)	(32)
UBC Vancouver — VP Admin	18	46	33
UBC Okanagan	(7)	2	(1)
<b>Operating Surplus/ (Deficit)</b>	<b>11</b>	<b>16</b>	<b>-</b>
Endowment Surplus	2	31	33
Research and Other Funds	11	2	3
Related Organizations	33	2	1
Capital Activities	13	46	43
<b>Non-Operating Surplus/ (Deficit)</b>	<b>59</b>	<b>81</b>	<b>80</b>
<b>Consolidated Surplus / (Deficit)</b>	<b>70</b>	<b>97</b>	<b>80</b>



**Total Operating:** UBC is projecting a balanced operating position in 2025/26.

**Endowment Surplus:** The surplus of \$33 million represents the returns on unrestricted endowment funds (TREK), plus any endowed transfers from faculties, operations, and UBC Property Trust rental distributions. This funding is earmarked for future commitments to designated initiatives.

**Research and Other Funds:** The surplus in Research and Other Funds of \$3 million is primarily driven by unspent balances from unrestricted research funds that have been transferred from Faculties to support start-up research for newly hired scholars.

**Related Organizations:** The surplus of \$1 million includes proceeds from 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).

**Capital Activities:** The budgeted impact of capital activities on the consolidated surplus represents a combination of timing differences associated with accounting for UBC's capital assets and related funding. These timing differences include items such as amortization expense, revenue recognized from capital grants and funding, repayments of and the provision of internal loans, and operating reserves restricted for capital construction. The capital nature of this surplus highlights that it is not available for use in operations as it has been restricted for specific capital construction projects, many of which are underway. The following section, as well as [Appendix VII](#), provides information pertaining to budgeted capital expenditures.



## 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 2025/26 are budgeted as follows.

<b>CAPITAL EXPENDITURES (in \$ millions)</b>	2023/24	2024/25	2025/26
<i>UBC's capital expenditures (in-year investments) represented by high level category</i>	ACTUALS	FORECAST	BUDGET
<b>Building and Property:</b>			
Major Buildings	237	250	158
Routine Capital	49	50	53
Building Renovations and Additions	35	30	22
Site Improvements*	4	30	12
	<b>325</b>	<b>360</b>	<b>245</b>
Research and Other Equipment, and Furnishings	86	159	135
Information Technology	54	26	24
Library Acquisitions	14	14	15
	<b>154</b>	<b>199</b>	<b>174</b>
<b>Total Capital Expenditures</b>	<b>479</b>	<b>559</b>	<b>419</b>

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

Most buildings and property capital expenditures are managed by UBC Facilities, while Student Housing & Community Service (SHCS) oversees some additional projects. 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:** New buildings or major renewal projects greater than \$10 million, approved by the Board of Governors.
- **Routine capital:** Core maintenance projects funded in part by the Ministry of Post-Secondary Education & Future Skills (PSFS), with projects typically less than or equal to \$5 million. 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):** Building renovations and additions less than or equal to \$5 million that are commissioned and funded directly by Faculties and administrative departments. Projects greater than or equal to \$5 million require UBC Executive approval.
- **Infrastructure Impact Charge (IIC) and Community Amenity Charge (CAC) Program (Site Improvements):** 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 VII](#).



## Research Budget: Overview

As one of the world's top research universities, UBC continues to attract significant external funding that plays a vital role in supporting researchers as well as essential related support staff and students. In 2025/26 UBC is projected to attract \$797 million in total research funding that will drive innovation, fuel discovery, and support groundbreaking work across

disciplines, reinforcing the university's position as a global leader in research excellence. While many awards are funded over a multi-year research period, the figures below reflect the amount expected by the university within the 2025/26 budget year.

<b>RESEARCH AWARDS BY FUNDING SOURCE (in \$ millions)</b>	2023/24	2024/25	2025/26
<i>Restricted funding awarded to university research at UBC, by funding entity</i>	ACTUALS	FORECAST	BUDGET
Government (Tri-Agency)	268	238	245
Government (Other Agencies)	292	365	241
Non-Profit	261	208	239
Industry	72	67	72
<b>Research Awards—Total</b>	<b>893</b>	<b>878</b>	<b>797</b>

UBC's total research funding in fiscal 2025/26 is expected to show increases in every category other than "Government (Other Agencies)" compared to the prior year forecast. The decrease in "Government (Other Agencies)" funding is due to one-time competitions in 2024/25 for Biosciences Research Infrastructure Fund (BRIF) and Canada Biomedical Research Fund (CBRF) from which UBC received substantial funding.

UBC invests in supporting researchers to excel in funding competitions to ensure the necessary resources are in place to advance research programs. 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%.

Sponsored research and related partnerships are vital for advancing knowledge, fostering innovation, and bridging the gap between UBC and other sectors. The university's focus on innovation, alongside the federal government's push for partnered and applied research funding, will be key to growing sponsored research funding at UBC.

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

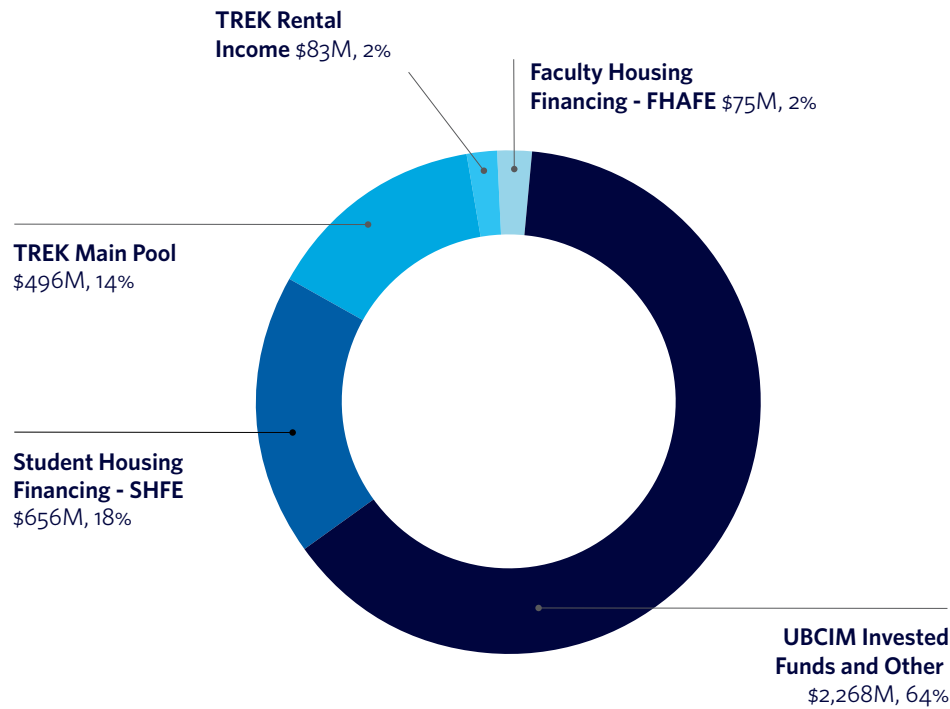
## Endowment Budget: Overview

The university's Endowment Funds consist of endowed gifts, bequests, donations, land lease proceeds, and rental income from land development. Approximately \$2.6 billion of the Endowment Funds—including TREK, TREK Rental Income and the Peter Wall Legacy Fund—are managed 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 2025/26 breakdown of the Endowment Funds by fund type, as well as market value and change in endowment reserve, follows below.

### 2025/26 ENDOWMENT COMPOSITION



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

ENDOWMENT MARKET VALUE (in \$ millions)	TOTAL ENDOWMENTS			UBCIM INVESTED FUNDS AND OTHERS (EXCLUDING TREK)			TREK ENDOWMENT (TREK, TREK RENTAL INCOME, SHFE & FHAF)		
	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
<i>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)</i>									
Endowment Capital Account	2,801	2,958	3,104	1,688	1,779	1,845	1,113	1,179	1,259
Stabilization Account	275	423	474	263	380	423	12	43	51
<b>Balance</b>	<b>3,076</b>	<b>3,381</b>	<b>3,578</b>	<b>1,951</b>	<b>2,159</b>	<b>2,268</b>	<b>1,125</b>	<b>1,222</b>	<b>1,310</b>

The capital account balances represent external donor contributions, 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.

Full detail relating to UBC's Endowment Funds is available in [Appendix IX](#).

<b>CHANGE IN ENDOWMENT RESERVE</b> <i>(in \$ millions)</i>	TOTAL ENDOWMENTS			UBCIM INVESTED FUNDS AND OTHERS (EXCLUDING TREK)			TREK ENDOWMENT (TREK, TREK RENTAL INCOME, SHFE & FHAFE)		
	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
<i>UBC's endowment revenues and expenditures, as well as transfers to capital funds</i>									
Investment Income	118	129	139	72	79	87	46	50	52
Operating Expenses	(117)	(124)	(134)	(73)	(79)	(87)	(44)	(45)	(47)
Internal Transfers in to Endowment Capital	2	27	28	2	3	3	-	24	25
<b>Surplus / (Deficit)</b>	<b>3</b>	<b>32</b>	<b>33</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>29</b>	<b>30</b>

For unrestricted endowment funding, investment income includes only realized returns. For restricted endowment funding, investment income includes total returns to the

extent of expenses incurred. Any excess is deferred and recorded on the Statement of Financial Position until the related expenses are incurred.



# 4. Consolidated Statements for Board Approval

Under public sector accounting board guidelines, certain pieces of approved budget information must be included in the year-end financial statements

The Consolidated Statement of Operations and Accumulated Surplus, and the Consolidated Statement of Changes in Net Debt, are two such required documents.

The Consolidated Statement of Operations (by Function) presents the same information as the consolidated income

statement on [page 19](#) but categorizes expenses by function rather than by object. This format aligns with UBC's audited annual financial statements. To categorize 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 (in \$ millions)

*UBC's revenues and expenses represented by function, showing the consolidated position of the university (i.e., total operating and non-operating funds)*

	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
<b>Revenues</b>			
Government Grants and Contracts			
Government of Canada	380	408	455
Province of British Columbia	1,197	1,334	1,419
Other Governments*	30	36	37
Non-Government Grants, Contracts, Donations	241	244	246
Student Fees	1,031	1,048	1,035
Investment Income	126	122	123
Income from Government Business Enterprises	24	13	21
Sales and Services	500	541	542
Amortization of Deferred Capital Contributions	86	87	104
<b>Total Revenues</b>	<b>3,615</b>	<b>3,833</b>	<b>3,982</b>
<b>Expenses</b>			
Learning	1,847	1,936	2,027
Research	628	583	595
Facilities	378	494	504
Students	452	472	506
Community Engagement	100	97	99
Administration	140	154	171
<b>Total Expenses</b>	<b>3,545</b>	<b>3,736</b>	<b>3,902</b>
<b>Consolidated Surplus / (Deficit)</b>	<b>70</b>	<b>97</b>	<b>80</b>
<b>Restricted Endowment Donations</b>	<b>48</b>	<b>45</b>	<b>35</b>
<b>Annual Surplus</b>	<b>118</b>	<b>142</b>	<b>115</b>
Accumulated Operating Surplus, Beginning of Period	2,542	2,660	2,802
<b>Accumulated Operating Surplus, End of Period</b>	<b>2,660</b>	<b>2,802</b>	<b>2,917</b>

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

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.

<b>CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT</b>	2023/24	2024/25	2025/26
<b>YEAR END MARCH 31 (in \$ millions)</b>	ACTUAL	FORECAST	BUDGET
<i>Reflects the university's ability to cover expenses and capital purchases with current revenues or financing</i>			
Annual Surplus	118	142	115
Exclude Items Not Affecting Net Debt:			
Endowment Donations and Transfers	(47)	(45)	(35)
	<u>71</u>	<u>97</u>	<u>80</u>
Acquisition of Tangible Capital Assets	(479)	(559)	(419)
Amortization of Tangible Capital Assets	253	248	289
	<u>(226)</u>	<u>(311)</u>	<u>(130)</u>
Acquisition of Inventories Held for Use*	(10)	-	-
Acquisition of Prepaid Expense*	(45)	-	-
Consumption of Inventories Held for Use*	10	-	-
Use of Prepaid Expense*	20	-	-
	<u>(25)</u>	<u>-</u>	<u>-</u>
	<u>(180)</u>	<u>(214)</u>	<u>(50)</u>
Net Remeasurement Gains / (Losses)**	42	60	32
<b>Increase in Net Debt</b>	<b>(138)</b>	<b>(154)</b>	<b>(18)</b>
<b>Net Debt, Beginning of Year</b>	<b>(2,670)</b>	<b>(2,808)</b>	<b>(2,962)</b>
<b>Net Debt, End of Year</b>	<b><u>(2,808)</u></b>	<b><u>(2,962)</u></b>	<b><u>(2,980)</u></b>

\*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

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”). The university’s Faculty and administrative unit finance teams are constantly reviewing their budgets with the goal of advancing UBC’s academic mission and key priorities. Upon completion these local budgets are consolidated by the central finance team into a unified financial plan for UBC.

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
Spring	<ul style="list-style-type: none"> <li>▪ UBCV and UBCO:               <ul style="list-style-type: none"> <li>- Enrolment planning sessions across both campuses to enable Faculty budget planning</li> </ul> </li> </ul>
September	<ul style="list-style-type: none"> <li>▪ UBCV and UBCO:               <ul style="list-style-type: none"> <li>- Faculties and Administrative Units begin preliminary budget preparation</li> </ul> </li> <li>▪ UBCO:               <ul style="list-style-type: none"> <li>- Strategic budget meetings with academic leadership</li> <li>- Financial overview and budget update with elected student leadership</li> </ul> </li> </ul>
October	<ul style="list-style-type: none"> <li>▪ UBCO:               <ul style="list-style-type: none"> <li>- Budget update with the Okanagan Academic Building and Resource Committee</li> <li>- Academic leadership budget review</li> </ul> </li> </ul>
November	<ul style="list-style-type: none"> <li>▪ UBCV:               <ul style="list-style-type: none"> <li>- Combined strategic budget/financial outlook meetings with both Faculty and Administrative Unit leadership</li> </ul> </li> <li>▪ UBCO:               <ul style="list-style-type: none"> <li>- Budget review sessions with Okanagan Budget Committee</li> </ul> </li> </ul>
December	<ul style="list-style-type: none"> <li>▪ UBCV:               <ul style="list-style-type: none"> <li>- A dedicated full-day budget retreat for faculty and administrative leadership, informed by November meetings and Q2 results</li> </ul> </li> <li>▪ UBCO:               <ul style="list-style-type: none"> <li>- Two half-day retreats with Okanagan Leadership Council to review proposed academic and administrative budgets for 2025/26, as well as potential impacts from reductions</li> </ul> </li> </ul>

WHEN	WHAT
<b>January</b>	<ul style="list-style-type: none"> <li>▪ <b>UBCV:</b> Budget planning updates for: <ul style="list-style-type: none"> <li>- The UBC Vancouver Senate Budget Sub-Committee</li> <li>- Senior academic and administrative leaders from across UBC's Vancouver campus</li> <li>- Elected student leadership</li> <li>- Campus Indigenous leaders and the Indigenous Strategic Plan Executive Advisory Committee (ISPEAC)</li> <li>- Representatives from historically, persistently, or systemically marginalized groups in the UBC community</li> </ul> </li> <li>▪ <b>UBCO:</b> Budget planning updates for: <ul style="list-style-type: none"> <li>- Okanagan Academic Building and Resource Committee</li> <li>- Indigenous Advisory Committee</li> </ul> </li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>▪ <b>UBCV and UBCO:</b> <ul style="list-style-type: none"> <li>- Budget Outlook presentation for the Finance Committee of UBC's Board of Governors</li> <li>- Budget planning updates for both the UBC Okanagan Senate and the UBCV Senate Budget Sub-Committee</li> </ul> </li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>▪ <b>UBCV:</b> <ul style="list-style-type: none"> <li>- Budget update for UBC Vancouver Senate</li> </ul> </li> <li>▪ <b>UBCV and UBCO:</b> <ul style="list-style-type: none"> <li>- UBC Executive final approval of the budget proposal</li> <li>- Submission to the UBC Board of Governors for consideration</li> <li>- Budget presentations to both the Finance Committee of the Board of Governors, and the full Board of Governors</li> </ul> </li> </ul>

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

Faculties develop plans within their base budgets, augmented by funding from the Tuition Allocation Model (TAM), business revenue (if any), and resources from the Academic Excellence Funds (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, 2025, to March 31, 2026.

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## Appendix II: Assumptions, Risks, and Sensitivities

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 2025/26 budget include:

**Enrolment:** First-year international undergraduate enrolment (excluding medical residencies) for 2025/26 is budgeted to decline compared to 2024/25. This reflects current enrolment trends and the anticipated impact of the tuition exemption for long-term work permit holders and their dependents. As a result, UBC is forecasting a 10.8% decrease in overall international undergraduate enrolment compared to the 2024/25 forecasted actuals.

**Tuition:** As approved by the Board of Governors in December 2024, 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%.

**Government Grants:** It is assumed that the provincial government grant for 2025/26 will be consistent with prior-year funding, adjusted for any new approved student seat allocations to UBC.

**Other Revenue:** The budget assumes some increase in other revenues, mainly driven by increases in housing, food services and other ancillary services, such as fee-for-service activities

**Labour Rate Increases:** Collective bargaining will be underway in 2025/26 for all employee groups and a 2% General Wage Increase (GWI) included within the operating grant is assumed for budgeting purposes. Faculty and staff merit and career progression increases, as well as other increases, may continue as codified in collective agreements. This is in addition to GWI and funded internally.

**Inflation:** A general Consumer Price Index (CPI) rate of 3% is assumed for 2025/26. 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. 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.

**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.

**Routine Maintenance:** The budget includes \$53.0 million in routine maintenance funding, of which 75% is provided by the provincial government (\$39.8 million), and 25% is funded internally (\$13.2 million).

### Risks and Sensitivities

UBC is exposed to internal and external risk factors that may influence financial outcomes in 2025/26. These are monitored carefully by the university as part of ongoing financial and operational diligence.

**Enrolment:** Ongoing global economic uncertainties, escalating geopolitical tensions, potential visa and provincial attestation letter (PAL) issues, continuously evolving immigration policies, and increasing competition are affecting international undergraduate enrolment in various ways. The 2025/26 budget has been conservatively adjusted to reflect these factors in support of prudent financial management, however, decreases in first-year international undergraduate student enrolment have multi-year financial impacts due to the compounding effects of tuition revenue.

UBC is actively working to manage enrolment and optimize yield, including enhanced recruitment efforts, continued diversification within international markets, and strengthening existing pathways for prospective students to minimize long-term financial risks. The university is also actively engaged in advocacy with the province and IRCC and will continue to closely monitor enrolment with a view to mitigating impacts.



**Rising Operational Costs:** Unprecedented global inflation rates in recent decades have had a material impact on UBC’s operating expenses and capital construction costs. The [Bank of Canada’s early 2025 forecast](#) suggests that inflation has somewhat stabilized close to 2%, which will be the target rate for the next two years, although unpredictable economic factors could sway inflation from these projections and potentially impact UBC’s operating expenses. While UBC is actively managing and reducing operational costs, external macroeconomic factors, including potential tariffs and/or counter-tariffs, could significantly impact operating expenses should the climate markedly deviate from the current set of assumptions.

**Foreign Exchange:** The university has significant recurring financial commitments that are often paid in U.S. dollars and other foreign currencies (e.g., library acquisitions), and any unfavorable changes in the exchange rate put considerable financial strain on units that make such purchases. With the change in the U.S administration as well as ongoing economic challenges in Canada there is an increased risk of the Canadian dollar weakening against the U.S. dollar, which would adversely impact the cost of these essential purchases, intensifying budget pressure.

**Research Funding:** The university’s external research funding is vulnerable to changes in policies within Canada—such as shifts in support for Tri-Council agencies—and internationally where funding sources could be facing operational uncertainty.

**Capital Project Costs:** Cost escalation due to a high level of construction activity that has reduced contractor availability and bid coverage continues to pose a risk for existing and future capital projects. Potential tariffs resulting from changes in foreign government trade policy could also impact project costs. Escalation contingencies continue to be included in capital project cost estimates to manage these risks.

**Contractual Compensation Increases:** Apart from GWI, regular increases in salaries mandated by collective agreements with various unions and associations (i.e., progression through the ranks and merit increases, as well as other increases) must be funded internally, creating a recurring but unavoidable pressure on the university’s budget. Unfunded cost pressures driven by salaries and benefits may be impacted by collective bargaining planned across all units in 2025/26.

**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.

**Investment Portfolio Performance:** The university has considerable investments that are managed through UBC Investment Management. Market fluctuations have the potential to significantly impact investment returns and the resulting endowment and investment income.



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## Appendix III: Investments that Advance UBC's Academic Mission

UBC's core mandate remains supporting world-class teaching, learning and research. Our planning reflects this commitment, as well as our efforts to protect and enhance the university's long-term financial sustainability and to drive forward key priorities as outlined in [Shaping UBC's Next Century, Strategic Plan 2018 – 2028](#). Across the organization, both at the university-wide and at the unit level, initiatives are in motion that are advancing UBC's academic mission as well as broadening holistic supports for students and expanding the university's positive social impact. As UBC [revisits the strategic plan](#) to determine priorities and actions for the years ahead, here are some highlights of how the university is supporting the collective vision of inspiring people, ideas, and actions for a better world.

### Innovations in Teaching and Learning

Innovative programming is providing unique opportunities across both campuses for experiential learning as well as the utilization of emerging technologies like virtual and augmented reality and generative AI.

On the Okanagan campus the [Aspire 2040 Learning Transformation Fund](#), which has awarded nearly \$2 million since 2016, continues to support transformative change in teaching and learning, whether it be through program development, curriculum transformations, student experience enhancements or educational resource development. In Vancouver a variety of initiatives are underway, with some highlights including:

- The [Teaching and Learning Enhancement Fund](#), an annual competition (\$3 million planned for 2025/26) that supports faculty members leading projects to capitalize on emerging technologies, create experiential learning resources, and enhance existing curricula
- The [Learning Exchange](#), a hub for creating social change and delivering community-engaged learning experiences for students across campus (\$514 thousand planned for 2025/26)
- A new AI Training Hub, developed through UBC's Centre for Teaching, Learning and Technology (CTLT), will serve as a nexus for AI competencies, and 20 projects funded

through the Teaching and Learning Enhancement Fund (TLEF) will focus on innovations related to generative AI (\$1.5 million in 2025/26)

### Advancing cutting-edge research and knowledge translation

Attracting and retaining top faculty is critical to UBC's research and teaching excellence. New faculty bring fresh ideas, diverse expertise, and innovative research, strengthening UBC's academic mission and global impact. A key driver of this growth is the President's Academic Excellence Initiative (PAEI)—a strategic plan for academic expansion that has been underway since 2020/21. So far, over 70 new faculty members have joined UBC, contributing to cutting-edge research and teaching. In 2025/26, an additional \$28 million is planned to support this initiative. Additionally, 24 chairs and professorships have been established through PAEI match funding from philanthropic gifts, further enhancing UBC's research leadership.

Other initiatives that are advancing research at UBC include (but are not limited to):

- Introduction of the [Smart Hydrogen Energy District](#), supported through the Faculty of Applied Science (\$2.4 million planned for 2025/26)
- The [Battery Innovation Centre](#) at UBCO will serve as a critical hub for testing and scaling up next-generation battery technologies (\$2 million planned in 2025/26, with an additional \$2 million from the BC Ministry of Energy and Climate Solutions)
- Also at UBCO, the strategic allocation of a two-acre plot on the West Campus Lands will facilitate resilient environment and sustainable agriculture research and establish an Okanagan Variety Incubator for experimental trials (\$413 thousand planned for 2025/26)
- [Canada's Immuno-Engineering and Biomanufacturing Hub](#), led through the Faculty of Medicine, which is supported by a total of \$140 million in federal and \$40 million in provincial research funding to advance vaccines and pathogen response

- The Global Research Excellence Institutes (\$800 thousand planned for 2025/26) foster global excellence in collaborative and interdisciplinary research at UBC, including institutes such as the [Language Sciences Institute](#) which explores how language shapes the collective human experience

### Enabling Holistic Support for Students

Supporting students continues to be a key priority in UBC's financial planning, and many innovative scholarship and bursary programs are in place across the university that directly provide financial support for students (more information on Student Financial Aid is available in [Appendices IV and V](#)). A wide range of initiatives are actively shaping student life at UBC, expanding opportunities for learning, enhancing affordability, promoting health and wellbeing, and improving accessibility to create a more supportive and enriching student experience. They include:

- Ongoing funding from the VP Students portfolio to support key student experiences, like the [Jump Start orientation program](#) (\$900 thousand planned for 2025/26) and [UBC Imagine Day](#) (\$500 thousand in 2025/26)
- The Undergraduate Research Initiative through the VP Research and Innovation portfolio, which is supporting and growing undergraduate research through grants, mentorship, and networking (\$1.25 million planned for 2025/26)
- The [Disability Resource Centre](#) on the Okanagan campus, focused on providing equitable access to university life and education for disabled students (nearly \$2 million planned for 2025/26)
- \$150 thousand planned in 2025/26 to continue supporting the [Universal Design For Learning Fellows Program](#) through the Faculty of Education, an important initiative advancing inclusive and accessible learning environments for all learners
- Continued resourcing to support food security for students on the Vancouver campus (\$800 thousand planned for 2025/26)
- Over \$6 million total funding in 2025/26 from across a variety of units to support the important [Work Learn program](#)

### Driving Positive Social Impact

#### Advancing our Commitments to Truth and Reconciliation and the Indigenous Strategic Plan:

In 2025/26 UBC will continue to move 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 \$8 million since 2020/21 to seed projects launched by students, faculty, and staff that support the implementation of the ISP.

Across the university, faculty and staff continue to identify ways to incorporate Indigenous ways of knowing, culture, histories, experiences, and worldviews in curriculums and programs. These include (but are not limited to):

- [The Bachelor of Language Fluency in Interior Salish Languages](#) on the Okanagan campus is the first program of its kind, and is preparing to roll out its fourth language
- The [UBC Centre for Excellence in Indigenous Health](#) in the Faculty of Medicine (\$1.6 million planned for 2025/26)
- Ongoing investment in the [Indian Residential School History and Dialogue Centre](#) (\$3 million planned for 2025/26)
- Construction of the new Musqueam Archaeology Centre through the Faculty of Arts, which will advance scholarship, training, and research in support of a shareable model of heritage and sovereignty (\$640 thousand planned for 2025/26)
- [The Aboriginal Access Studies Program](#) at UBCO, focused on preparing and transitioning Indigenous learners into degree programs (\$160 thousand planned in 2025/26)
- The [Masters of Indigenous Education program](#) in the Faculty of Education (\$220 thousand planned for 2025/26)

**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 million 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, targeted hiring programs continue to enrich perspectives in UBC's Faculties, colleges, and schools. Initiatives supporting this priority include (but are not limited to):

- The Supporting Emerging Indigenous & Black Graduate Scholars program (\$150 thousand planned for 2025/26)
- The hiring program for black faculty, which aims to deepen representation of black faculty members across academic units at UBC Vancouver (\$300 thousand planned for 2025/26)
- \$2.2 million to support the EDI Office in the Allard School of Law, created through a gift from the Law Foundation
- The Black Student and Indigenous Pathways initiative in the Faculty of Medicine, offering diverse options for undergraduate students (\$1.3 million in 2025/26)
- \$1 million in 2025/26 to support the Centre for Workplace Accessibility through the VP Human Resources portfolio, a central hub for resources, programs and tools

**Promoting Sustainability and Climate Action:** Various initiatives and programs are underway at UBC that are focused on contributing to the fight against climate change, including:

- The [Centre for Climate and Business Solutions](#) (\$2.8 million planned in 2025/26) in the Sauder School of Business, which is leveraging business solutions to support a climate-positive future
- The [Canadian Climate Law Initiative](#), through the Allard School of Law, which engages with boards of directors and trustees to ensure businesses understand their legal duties with respect to climate change (\$580 thousand planned for 2025/26)

- The [Centre for Sustainable Food Systems](#) in the Faculty of Land and Food Systems (\$500 thousand planned for 2025/26, in addition to external research funding)
- The [BioProducts Institute](#), a multidisciplinary research collective spanning four faculties (Science, Applied Science, Forestry, and Land and Food Systems) on the Vancouver campus (\$1.2 million planned for 2025/26)
- The [Clean Energy Research Centre](#) in the Faculty of Applied Science (\$1.3 million planned in 2025/26, in addition to external grant funding)

As an organization, UBC is also focused on improving sustainability across all campus operations. Between the VP Finance & Operations and the VP Students portfolios, over \$5.8 million is planned in 2025/26 to support energy conservation and sustainability upgrades, from HVAC projects to water management efforts and decarbonization initiatives.

### Driving Long-term Financial Sustainability

As UBC plans for 2025/26 and beyond, leaders across the university have been working to identify opportunities to contain costs, drive efficiencies for sustained savings, and diversify and expand revenue streams. Faculties and units are navigating a range of financial pressures—from mild headwinds to more significant challenges—but all are actively managing their costs and focused on long-term planning.

From the outset of the budget process in the fall of 2024, academic and administrative units experiencing structural financial challenges have been developing detailed plans to achieve balanced positions within three years as part of a concerted effort to fortify UBC's financial sustainability. Simultaneously, a range of long-term revenue optimization strategies are underway including expanding existing revenue streams, enhancing recruitment and admissions activities, improving student retention, and exploring new revenues beyond traditional sources.

## Investments from the Strategic Funds

The Academic Excellence Funds (UBCV) and the Excellence Fund (UBCO) are specifically designated 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 2025/26, \$79.1 million 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:

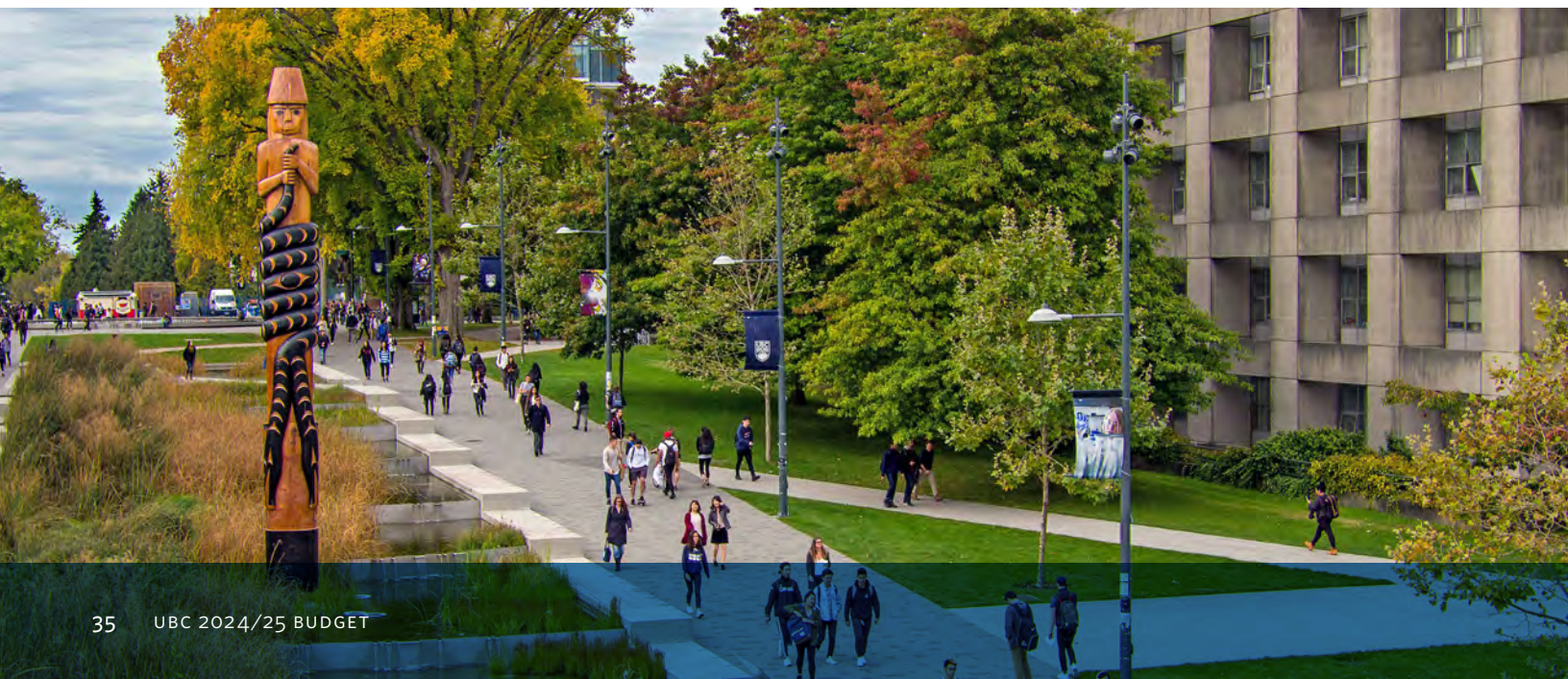
**Supporting Students:** Funding from the AEF supports the [Learning Technology Hub](#) as well as various open education resources for students (including the [OER Excellence and Impact Awards](#)). It also supports graduate student fellowships (the President's Recruitment/International Doctoral Fellowship Award and expansion of the [UBC Public Scholars Initiative](#)), and additional funding to hire students through the [Work Learn program](#).

**Indigenous Reconciliation:** Funding from the AEF directly support Indigenous students through contributions to [šxʷta:təxʷəm](#), the Indigenous Student Collegium; Indigenous graduate student fellowships; financial aid for Indigenous students; as well as dedicated support for Indigenous student recruitment, advising, and enrolment.

**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.

**Academic Transformation and Research:** In 2025/26 funding from the AEF will continue to support many academic initiatives, including [Advanced Research Computing](#) (ARC); the hiring of [President's Excellence Chairs; Research Cluster](#) competitions, grants and awards; and the [Integrated Renewal Program](#) (IRP).

**Climate Action and Sustainability:** Funding from the AEF supports work to implement the recommendations of the 2021 [Climate Emergency Task Force \(CETF\) report](#). AEF funding is also being leveraged to support the [Centre for Climate Justice](#) and Sauder's [Centre for Climate and Business Solutions](#).



## Excellence Fund (EF): Okanagan Campus

On the Okanagan campus a total spend of \$15.5 million from the Excellence Fund is planned for 2025/26 in support of initiatives that advance UBC's priorities and academic mission. Highlights of recent and planned investments for the coming year include:

**Supporting Students:** The EF supports the [minimum funding guarantee for PhD students](#), 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](#), Indigenous Graduate Entrance Fellowships, and an Indigenous Research Mentorship program.

**Equity, Diversity, and Inclusion:** The EF supports UBCO's Black Resource Centre as well as the [Beyond Tomorrow Scholars Program](#) and the International Impact Award.

**Academic Transformation and Research:** The EF provides continued investment in research excellence programs ([Aspire](#), [Eminence](#), and the Research Infrastructure Fund) as well as ongoing support for the [Principal's Research Chairs program](#). Continued investment from the EF is also supporting capital requirements for major academic projects, including the [x̓əl sic snpa̓xnwixʷtn building](#).

### AEF/EF INVESTMENTS (in \$ thousands)

*Investments made from strategic funds on both campuses in support of priority areas at UBC*

	2025/26 BUDGET		
	UBC TOTAL	UBC VANCOUVER ACADEMIC EXCELLENCE FUND (AEF)	UBC OKANAGAN EXCELLENCE FUND (EF)
Student Priorities	8,742	6,252	2,490
Indigenous Reconciliation	7,512	6,530	982
Equity, Diversity and Inclusion	2,401	1,811	590
Academic Transformation and Research Excellence	74,488	63,097	11,391
Climate Action and Sustainability	1,386	1,386	-
<b>Total AEF/EF Investments</b>	<b>94,529</b>	<b>79,076</b>	<b>15,453</b>



## Appendix IV: Vancouver Campus— Extended Detail

The following tables present the 2025/26 projected operating surplus/deficit, interfund transfers to major capital, contributions to research, and debt servicing for the Vancouver campus. The total reserve addition for the Vancouver campus comes to \$800 thousand, comprising of a \$55 million addition to Campus-Wide Expenses and a \$300

thousand addition to AEF. These increases are offset by reserve drawdowns of \$32.4 million from Faculties and Schools, \$17.8 million from Administrative Units, \$3.6 million from Student Financial Aid, and \$700 thousand from PAEI. Further details are provided in the sections below.

<b>UBC VANCOUVER OPERATING BUDGET (in \$ thousands)</b>	REVENUES	EXPENSES	REVENUE LESS EXPENSES	MAJOR CAPITAL	RESEARCH START-UP AND OTHER	DEBT SERVICE	OPERATING SURPLUS/ (DEFICIT)	ENDING RESERVE BALANCE
<i>UBCV's projected operating surplus/deficit and ending reserve balance (including interfund transfers)</i>								
Faculties and Schools	1,340,404	1,333,640	6,764	7,066	29,216	2,864	(32,382)	243,968
Administrative Units	1,133,845	1,104,963	28,882	-	14,928	31,722	(17,768)	37,142
Student Financial Aid	98,106	101,727	(3,621)	-	-	-	(3,621)	37,046
Academic Excellence Funds (AEF)	26,320	9,726	16,594	2,259	-	14,028	307	63,388
President's Academic Excellence Initiative (PAEI)	(135)	552	(687)	-	-	-	(687)	26,927
Campus Wide Expenses	208,732	135,656	73,076	27,058	350	(9,312)	54,980	(31,813)
<b>UBC Vancouver</b>	<b>2,807,272</b>	<b>2,686,264</b>	<b>121,008</b>	<b>36,383</b>	<b>44,494</b>	<b>39,302</b>	<b>829</b>	<b>376,658</b>

**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 budgeted due to a 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 drawdown on reserves is budgeted as the rate of onboarding in the faculty hiring program is increasing for the coming fiscal year.

**Campus Wide Expenses:** This category includes university-wide revenues, programs, and activities that are managed centrally, as well as multiple programs overseen by administrative units. Centrally managed activities include funding provisions, the recapture of IT expenses, offset internal activities, 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 investment income. This is partially offset by IT expense recapture, as well as increases in small capital projects, insurance and benefits claims.

## Faculties and Schools

Various Faculties on the Vancouver campus are managing either one-time or recurring budget pressures in 2025/26. 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 \$32.4 million as follows.

<b>UBC VANCOUVER FACULTIES AND SCHOOLS: OPERATING BUDGET (in \$ thousands)</b>	REVENUES	EXPENSES	REVENUE LESS EXPENSES	MAJOR CAPITAL	RESEARCH START-UP AND OTHER	DEBT SERVICE	OPERATING SURPLUS/ (DEFICIT)	ENDING RESERVE BALANCE
<i>The projected operating surplus/deficit and ending reserve balance (including interfund transfers) for UBCV's academic units.</i>								
Faculty of Applied Science	126,451	131,656	(5,205)	400	4,200	-	(9,805)	15,083
Faculty of Arts	236,622	247,819	(11,197)	-	2,994	135	(14,326)	13,862
Sauder School of Business	133,731	124,732	8,999	5,000	700	-	3,299	17,202
Faculty of Dentistry	39,924	38,578	1,346	-	150	1,128	68	5,405
Faculty of Education	76,849	81,482	(4,633)	-	650	178	(5,461)	8,854
Faculty of Forestry	38,067	38,267	(200)	-	700	-	(900)	2,446
Graduate and Postdoctoral Studies	8,208	8,598	(390)	-	(59)	-	(331)	1,193
Faculty of Land and Food Systems	28,688	29,703	(1,015)	2,163	1,064	-	(4,242)	4,376
Allard School of Law	23,245	25,876	(2,631)	3	188	-	(2,822)	(8,529)
Faculty of Medicine	375,483	357,825	17,658	-	8,327	214	9,117	127,938
Faculty of Pharmaceutical Sciences	35,532	33,175	2,357	-	1,398	638	321	15,020
Faculty of Science	217,604	215,929	1,675	(500)	8,904	571	(7,300)	41,118
<b>All UBCV Faculties and Schools</b>	<b>1,340,404</b>	<b>1,333,640</b>	<b>6,764</b>	<b>7,066</b>	<b>29,216</b>	<b>2,864</b>	<b>(32,382)</b>	<b>243,968</b>



Supplementary notes for individual academic units:

**Faculty of Applied Science:** The planned reserve drawdown is primarily driven by an expected decline in tuition revenue from lower international student enrolment. A significant effort is being made to implement cost mitigations across all areas of the Faculty, while also continuing to invest in research commitments, improving labs and teaching spaces, and furnishing the Digital Design Studio.

**Faculty of Arts:** The planned reserve drawdown is primarily due to a projected decline in tuition revenue from lower international student enrolment, combined with increased workforce labour costs and capital costs for building renewal projects in the Anthropology and Sociology Building (ANSO) and School of Social Work (SOWK). To achieve a more balanced financial position the Faculty is limiting faculty and staff hiring, strategically allowing positions to lapse through attrition and exploring revenue generation through the expansion of continuing and professional education programming. Additional financial mitigations will be needed in the coming years to move the Faculty's finances into a more sustainable position.

**Sauder School of Business:** The planned reserve increase is driven by a successful enrolment initiative, with enrolment projections meeting all targets for the BCom and professional graduate programs. Additional investments will be made in recruitment efforts, engagement activities, and entrance scholarships. The Faculty will also enhance administrative efficiency by leveraging technology while continuing to invest in the Powerhouse Project.

**Faculty of Education:** The Faculty expects limited growth in undergraduate and graduate programs in 2025/26. Non-credit tuition revenues, particularly from international programs, continue to face external challenges such as inflation and geopolitical factors. The planned reserve drawdown is driven by a combination of factors, including pre-planned spending on equipment for the Gateway building, strategic hires and research, a decrease in non-credit international tuition revenue, and rising salary and non-salary costs.

**Faculty of Land and Food Systems:** The planned reserve drawdown is driven by a shortfall in undergraduate tuition revenue, various hires in faculty and staff positions, and contributions to capital projects.

**Allard School of Law:** The Allard School of Law continues to manage a structural deficit position, as rising salary and non-salary costs are only partially offset by incremental tuition revenue. The School continues to work with the Provost's Office to address this ongoing funding gap while also exploring opportunities for revenue growth.

**Faculty of Medicine:** The planned addition to the reserve is primarily driven by a rise in visa (foreign post-graduate MD) trainees and a temporary surplus from provincial funding received in advance of incurring full program costs for expansion of the Master of Occupational Therapy, Master of Physical Therapy (MPT) and Midwifery programs.

**Faculty of Science:** While the Faculty has substantially achieved program enrolment targets, the provision of significant service teaching for other Faculties who have struggled to meet enrolment targets has led to an overall reduction in tuition revenue. Combined with mandatory wage increases, this has resulted in a drawdown of reserves.

### Administrative Units

Overall, Vancouver administrative units are budgeting for a \$17.8 million drawdown of reserves. This is in large part due to inflationary cost pressures, the implementation of strategies to optimize operations, and planned activities deferred from prior years.

<b>UBCV ADMINISTRATIVE UNITS: OPERATING BUDGET (in \$ thousands)</b>	REVENUES	EXPENSES	REVENUE LESS EXPENSES	MAJOR CAPITAL	RESEARCH START-UP AND OTHER	DEBT SERVICE	OPERATING SURPLUS/ (DEFICIT)	ENDING RESERVE BALANCE
<i>The projected operating surplus/deficit and ending reserve balance (including interfund transfers) for UBCV's administrative units</i>								
<b>Provost and VP Academic</b>	<b>283,619</b>	<b>287,031</b>	<b>(3,412)</b>	-	<b>910</b>	<b>530</b>	<b>(4,852)</b>	<b>2,223</b>
Information Technology	119,124	119,382	(258)	-	-	-	(258)	(986)
Library Services	52,956	52,812	144	-	-	-	144	3,588
Enrolment Services	20,698	21,084	(386)	-	-	-	(386)	(2,042)
Office of the Provost and VP Academic	15,360	13,577	1,783	-	910	-	873	6,128
International	6,161	6,201	(40)	-	-	-	(40)	(177)
Vantage College	11,572	12,287	(715)	-	-	530	(1,245)	(389)
Other VP Academic Units	57,748	61,688	(3,940)	-	-	-	(3,940)	(3,899)
<b>VP Students</b>	<b>419,505</b>	<b>395,461</b>	<b>24,044</b>	-	<b>(690)</b>	<b>28,868</b>	<b>(4,134)</b>	<b>(9,277)</b>
Student Housing and Community Services	334,526	305,589	28,937	-	-	28,341	596	(18,755)
Athletics and Recreation	45,364	45,616	(252)	-	(690)	527	(89)	(146)
Student Health and Wellbeing	16,542	17,181	(639)	-	-	-	(639)	1,196
Student Affairs	14,102	15,785	(1,683)	-	-	-	(1,683)	(1,748)
Other VP Students Units	8,971	11,290	(2,319)	-	-	-	(2,319)	10,176
<b>VP Finance and Operations</b>	<b>227,345</b>	<b>228,595</b>	<b>(1,250)</b>	-	-	<b>2,277</b>	<b>(3,527)</b>	<b>10,590</b>
AVP Facilities	155,124	152,348	2,776	-	-	2,277	499	2,552
AVP Finance and Integrated Services	33,107	33,612	(505)	-	-	-	(505)	351
Safety and Risk Services	18,435	20,884	(2,449)	-	-	-	(2,449)	(37)
VPFO Shared Services	20,679	21,751	(1,072)	-	-	-	(1,072)	7,723
<b>Governance</b>	<b>10,304</b>	<b>11,695</b>	<b>(1,391)</b>	-	-	-	<b>(1,391)</b>	<b>1,295</b>
<b>VP Development and Alumni Engagement</b>	<b>46,532</b>	<b>47,485</b>	<b>(953)</b>	-	-	<b>47</b>	<b>(1,000)</b>	<b>(2,977)</b>
<b>VP Health</b>	<b>3,102</b>	<b>3,430</b>	<b>(328)</b>	-	<b>280</b>	-	<b>(608)</b>	<b>4,570</b>
<b>VP External Relations</b>	<b>35,640</b>	<b>36,954</b>	<b>(1,314)</b>	-	<b>57</b>	-	<b>(1,371)</b>	<b>435</b>
<b>VP Research and Innovation</b>	<b>70,835</b>	<b>56,807</b>	<b>14,028</b>	-	<b>14,371</b>	-	<b>(343)</b>	<b>13,265</b>
<b>VP Human Resources</b>	<b>36,963</b>	<b>37,505</b>	<b>(542)</b>	-	-	-	<b>(542)</b>	<b>17,018</b>
<b>UBCV Admin Units - Total</b>	<b>1,133,845</b>	<b>1,104,963</b>	<b>28,882</b>	-	<b>14,928</b>	<b>31,722</b>	<b>(17,768)</b>	<b>37,142</b>

Supplementary notes for individual administrative units:

**Provost and Vice-President Academic:** The planned reserve drawdown is primarily driven by transitional restructuring plans, reinvestments in program development, recruitment for revenue generating areas, and sustainment of Workday Student. Units within the portfolio are planning to re-imagine processes and organizational structures to maximize efficiencies where applicable. The portfolio will look to reprioritize resources and reinvest into positive ROI endeavors to drive future financial sustainability.

**VP Students:** A planned reserve drawdown is primarily driven by the utilization of accumulated reserves for added positions that support the UBC Student Plan, as well as payment of ancillary financial contributions that support broader UBC activities. Ancillary business units continue to show improved year-over-year performance, and are gradually moving towards a position where the annual contribution will be fully funded by underlying cash flows. There are also additional costs within Student Health & Wellbeing related to the relocation to the Gateway building from the UBC Hospital. The portfolio has improved its financial performance from the prior fiscal year due to higher than typical rate increases in student housing, food services, and parking services, as well as additional BC Government funding for childcare and higher than anticipated revenues from summer conferences and accommodation.

**VP Finance and Operations (VPFO):** The planned reserve drawdown is primarily due to timing on the Emergency Management Infrastructure Projects, coupled with one-time project spending. 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 is mainly driven by underfunded legal fees across the university, partially offset by mitigation strategies to reduce overall portfolio costs.

**VP External Relations:** Reserves will be used to offset the current structural deficit position for 2025/26, although the budget includes longer-term mitigation strategies to partly address and reduce in-unit structural deficits. The portfolio is aiming to achieve a balanced budget by the end of 2027/28 through the implementation of incremental mitigation strategies.

**VP Human Resources:** The planned reserve drawdown is primarily due to historically unfunded roles, 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 reserve drawdown is primarily due to a reduction of funding related to the anticipated drop in new international student enrolment. Although there are no anticipated service level changes planned in 2025/26, 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 may drop back to pre-COVID-19 levels in the near future, 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.

<b>UBCV STUDENT FINANCIAL AID: OPERATING BUDGET (in \$ thousands)</b>	REVENUES	EXPENSES	REVENUE LESS EXPENSES	MAJOR CAPITAL	RESEARCH START-UP AND OTHER	DEBT SERVICE	OPERATING SURPLUS/ (DEFICIT)	ENDING RESERVE BALANCE
<i>The projected operating surplus/deficit and ending reserve balance (including interfund transfers) for Student Financial Aid at UBCV</i>								
Domestic	21,001	19,014	1,987	-	-	-	1,987	19,005
Graduate	39,884	40,956	(1,072)	-	-	-	(1,072)	15,181
International Student Initiative	30,332	34,735	(4,403)	-	-	-	(4,403)	842
Go Global	1,000	1,392	(392)	-	-	-	(392)	1,692
Student Housing	1,400	1,425	(25)	-	-	-	(25)	147
Work Integrated Learning	4,489	4,205	284	-	-	-	284	179
<b>Total UBCV Student Financial Aid</b>	<b>98,106</b>	<b>101,727</b>	<b>(3,621)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,621)</b>	<b>37,046</b>

## Appendix V: Okanagan Campus— Extended Detail

UBC's Okanagan campus is projected to achieve a near balanced budget in 2025/26. This has been made possible through Faculties achieving specific reduction targets set in collaboration with the the Principal and Deputy Vice-Chancellor, the Provost, and UBCO senior leadership;

a comprehensive 4% budget reduction across administrative units; and the decision not to extend term initiatives. These measures have largely offset the financial impact of decreasing tuition revenue and rising contractual costs.

<b>UBC OKANAGAN CAMPUS: OPERATING BUDGET</b> <i>(in \$ thousands)</i>	REVENUES	EXPENSES	REVENUE LESS EXPENSES	MAJOR CAPITAL	RESEARCH START-UP AND OTHER	DEBT SERVICE	OPERATING SURPLUS/ (DEFICIT)	ENDING RESERVE BALANCE
<i>UBCO's projected operating surplus/deficit and ending reserve balance (including interfund transfers)</i>								
Faculties, Colleges, and Schools	126,032	126,968	(936)	288	1,971	-	(3,195)	21,359
Central Support Units (Including Ancillaries)	101,901	95,918	5,983	70	5,506	-	407	12,785
Student Financial Aid	19,395	17,755	1,640	-	180	-	1,460	4,730
Campus Wide Expenses	10,364	5,963	4,401	2,625	-	1,278	498	19,124
<b>UBC Okanagan</b>	<b>257,692</b>	<b>246,604</b>	<b>11,088</b>	<b>2,983</b>	<b>7,657</b>	<b>1,278</b>	<b>(830)</b>	<b>57,998</b>



## Faculties, Colleges, and Schools

Faculty reserves are being drawn down as Faculties implement long-term budget mitigation strategies to address declining international undergraduate enrolment and ongoing contractual salary increases. For 2025/26, Faculties are adopting various measures, including reducing course sections (resulting in fewer sessional instructors and teaching

assistants), optimizing workloads in alignment with collective agreements, not replacing retirees, and adjusting staff positions. These staff adjustments include not extending certain term positions, shifting some roles from full-time to part-time, and reducing select staff positions.

<b>UBCO FACULTIES, COLLEGES, AND SCHOOLS: OPERATING BUDGET (in \$ thousands)</b>	REVENUES	EXPENSES	REVENUE LESS EXPENSES	MAJOR CAPITAL	RESEARCH START-UP AND OTHER	DEBT SERVICE	OPERATING SURPLUS/ (DEFICIT)	ENDING RESERVE BALANCE
<i>The projected operating surplus/deficit and ending reserve balance (including interfund transfers) for UBCO's academic units.</i>								
Irving K. Barber Faculty of Arts and Social Science	22,795	24,479	(1,684)	-	316	-	(2,000)	1,488
Irving K. Barber Faculty of Science	29,239	29,151	88	-	732	-	(644)	2,104
Faculty of Creative and Critical Studies	15,914	16,389	(475)	-	23	-	(498)	(3,522)
Faculty of Health and Social Development	20,485	20,135	350	-	350	-	-	2,289
Faculty of Management	6,522	6,864	(342)	-	120	-	(462)	1,155
Okanagan School of Education	5,917	5,919	(2)	-	10	-	(12)	1,917
School of Engineering	23,209	22,154	1,055	288	400	-	367	15,940
College of Graduate Studies	1,951	1,877	74	-	20	-	54	(12)
<b>UBCO Faculties, Colleges, and Schools - Total</b>	<b>126,032</b>	<b>126,968</b>	<b>(936)</b>	<b>288</b>	<b>1,971</b>	<b>-</b>	<b>(3,195)</b>	<b>21,359</b>

Supplementary notes for individual academic units:

**Faculty of Arts and Social Sciences (FASS):** A 6% reduction in the expense budget has been implemented for 2025/26 to align with leadership's budgetary targets, resulting in a planned drawdown of reserves. Strategies to mitigate cost pressures include not filling vacancies resulting from

retirements, implementing departmental reductions, reducing staffing levels, and restructuring the Interdisciplinary Graduate Studies program, alongside cost-cutting measures within various program areas.

**Faculty of Science:** An 8% reduction in the expense budget has been planned, resulting in a drawdown of reserves to meet budget targets. Cost-saving measures that will be implemented include the cancellation of planned tenure-stream searches in Biology, Chemistry, and Indigenous Sciences, reductions in lectureship appointments, administrative staff reorganization, reduction of the sessional and teacher assistant budget, and a 15% reduction in non-salary operating costs.

**Faculty of Creative and Critical Studies:** A 12% reduction in the expense budget has been planned, resulting in a reserve drawdown to align with budget targets set by leadership. Reductions were achieved by increasing teaching workloads by one additional course per year starting in 2025/26, eliminating course sections with enrolment below 10 students, and administrative staff reorganization. The Faculty remains focused on developing new programs and credentials to attract students, while also pursuing cost containment strategies.

**Faculty of Health and Social Development (FHSD):** Given the very small dependence on international enrolment in FHSD, a 5% reduction in the expense budget has resulted in a planned balanced budget for 2025/26. Expense mitigations include an overall increase in teaching workload beginning in 2025/26 resulting in a reduction of sessional costs, as well as leaving positions from retiring tenure-stream faculty members unfilled.

**Faculty of Management:** An 8% reduction in the expense budget has been planned, driving a projected drawdown of reserves in 2025/26. The Faculty has revised their workload policy to increase teaching allocation amongst tenure stream faculty members, resulting in a decreased cost for term appointments. Restructuring of administrative staff and cost saving measures on all non-salary operations have also contributed to the overall mitigation strategy.

**Okanagan School of Education:** A 5% reduction in the expense budget has been planned, resulting in a projected drawdown of reserves. To meet leadership's budget targets, a restructuring of the Bachelor of Education is underway to bring course credits, workload credits, and student hours into alignment. A reduction of sessional hires and staff is also planned.

**School of Engineering:** A projected increase in reserves for 2025/26 is the result of a 4% decrease in the expense budget, primarily from adjustments in hiring plans, including the decision not to replace staff vacancies and the postponement of tenure-stream hires in Civil, Electrical, and Computer Engineering. Additional measures include relocating the advising team to the Central Office, consolidating the leadership team, and eliminating the manufacturing engineering program. These strategies were implemented in response to revised tuition revenue projections.

**College of Graduate Studies:** A balanced budget is expected for 2025/26.

### Central Support Units and Ancillaries

The increase in reserves for Central Support Units is primarily due to the timing of external funds received, some of which may remain unspent in 2025/26. This increase is partially offset by a drawdown of reserves related to the timing of various initiatives. As in 2024/25, Central Support Units are again implementing a 4% recurring budget reduction in fiscal 2025/26 and no extensions to term initiatives.

Impacts will be experienced across all Support Unit services resulting in increased wait times, service delays, and the reduced scope of services. This may increase the risk of operational inefficiencies, missed deadlines, and hamper the campus's ability to be proactive and to support strategic priorities. Also, researchers may notice reduced support for centrally provided research facilitation and programming.

Strategies are being implemented to help preserve service levels to students wherever possible by restructuring the delivery of services and reduced focus on non-core programming.

<b>UBCO ADMINISTRATIVE UNITS: OPERATING BUDGET (in \$ thousands)</b>	REVENUES	EXPENSES	REVENUE LESS EXPENSES	MAJOR CAPITAL	RESEARCH START-UP AND OTHER	DEBT SERVICE	OPERATING SURPLUS/ (DEFICIT)	ENDING RESERVE BALANCE
<i>The projected operating surplus/deficit and ending reserve balance (including interfund transfers) for UBCO's administrative units.</i>								
<b>Provost and VP Academic Academic Support Units</b>	<b>20,832</b>	<b>19,415</b>	<b>1,417</b>	-	<b>197</b>	-	<b>1,220</b>	<b>4,098</b>
Library	5,113	5,187	(74)	-	-	-	(74)	323
Excellence Fund	1,468	-	1,468	-	-	-	1,468	1,468
Enrolment Services	4,769	4,769	-	-	-	-	-	304
International Student Initiative	1,363	1,363	-	-	-	-	-	16
Centre for Teaching and Learning	1,288	1,288	-	-	-	-	-	30
Other Provost and VP Academic Units	6,831	6,808	23	-	197	-	(174)	1,957
<b>AVP Finance and Operations</b>	<b>33,700</b>	<b>33,716</b>	<b>(16)</b>	<b>70</b>	-	-	<b>(86)</b>	<b>1,012</b>
Campus Operations and Risk Management	16,607	16,556	51	70	-	-	(19)	9
Infrastructure Development	1,321	1,393	(72)	-	-	-	(72)	279
Information Technology Services	9,757	9,757	-	-	-	-	-	2
Other AVP Finance and Operations Units	6,015	6,010	5	-	-	-	5	722
<b>AVP Students</b>	<b>19,872</b>	<b>19,289</b>	<b>583</b>	-	-	-	<b>583</b>	<b>3,847</b>
Athletics and Recreation	5,010	5,077	(67)	-	-	-	(67)	1,456
Other AVP Student Units	14,862	14,212	650	-	-	-	650	2,391
<b>Deputy Vice-Chancellor and Principal</b>	<b>6,928</b>	<b>6,725</b>	<b>203</b>	-	<b>210</b>	-	<b>(7)</b>	<b>120</b>
Office of the Deputy Vice-Chancellor and Principal	1,899	1,734	165	-	210	-	(45)	(31)
Development and Alumni Engagement	2,432	2,405	27	-	-	-	27	103
Human Resources	2,596	2,587	9	-	-	-	9	46
<b>University Relations</b>	<b>3,488</b>	<b>3,540</b>	<b>(52)</b>	-	-	-	<b>(52)</b>	<b>93</b>
<b>Vice-Principal Research and Innovation</b>	<b>9,656</b>	<b>6,061</b>	<b>3,595</b>	-	<b>5,099</b>	-	<b>(1,504)</b>	<b>1,234</b>
<b>Business Operations Innovation Precinct</b>	<b>6,288</b>	<b>6,035</b>	<b>253</b>	-	-	-	<b>253</b>	<b>2,346</b>
<b>UBCO Administrative Units - Total</b>	<b>101,901</b>	<b>95,918</b>	<b>5,983</b>	<b>70</b>	<b>5,506</b>	-	<b>407</b>	<b>12,785</b>



Supplementary notes for individual administrative units:

**Provost and Vice-President Academic:** This unit is projecting an increase in reserves after an overall 9% in-year expense budget reduction was implemented to achieve budget targets (a 4% recurring reduction as well as term initiatives ending). The increase in reserves is mainly driven by the reduction of Excellence Fund initiatives to balance the prior year deficit. Reserves are mainly held in the Provost Office for Aspire Learning and Teaching Fund initiatives.

**AVP Finance and Operations:** A planned drawdown in reserves after an overall 45% expense budget reduction was implemented to achieve budget targets (4% recurring combined with term initiatives ending). Reductions were offset by increases related to planned GWI for salaries funded by the provincial government as well as service contract increases.

**AVP Students:** An increase to reserves is planned after an overall 5% expense budget reduction was implemented to achieve budget targets (4% recurring combined with term initiatives ending). The increase in reserves is mainly driven by an increase in external funding, which may not be fully spent in-year, as leadership determines the most appropriate allocation of these funds. These restricted reserves remain for specialized programs (e.g., grants, donor funds, and Excellence Funded programs). The remaining reserve balance relates to Athletics & Recreation and will continue to be spent on upcoming facility maintenance.

**Deputy Vice-Chancellor and Principal:** This unit is projecting a balanced budget after implementing an overall 4% recurring expense budget reduction in fiscal 2025/26.

**University Relations:** The planned drawdown of reserves represents the spending of 2024/25 budget carried forward into 2025/26, related to administrative restructuring from a planned overall 13% expense budget reduction implemented to achieve budget targets for 2025/26 (4% recurring combined with term initiatives ending).

**Vice-Principal Research and Innovation:** The planned drawdown of reserves is mainly due to the spend-down of multi-year Excellence Fund initiatives, reduced funding for those initiatives in fiscal 2025/26, and an overall 10% expense budget reduction (4% recurring as well as term initiatives ending) planned to achieve budget targets.

**Business Operations:** The planned increase in reserves is mainly due to an increase in parking revenue and reduced operating expenses driven by found efficiencies.

### Student Financial Aid

The planned reserve increase in 2025/26 is primarily due to lower student enrollment, which has reduced award payments. The budget continues to support fellowships, PhD minimum funding programs, and the new Graduate Research Scholarship, which replaced Entrance Scholarships, through the Excellence Fund.

<b>UBCO STUDENT FINANCIAL AID: OPERATING BUDGET</b> <i>(in \$ thousands)</i>	REVENUES	EXPENSES	REVENUE LESS EXPENSES	MAJOR CAPITAL	RESEARCH START-UP AND OTHER	DEBT SERVICE	OPERATING SURPLUS/ (DEFICIT)	ENDING RESERVE BALANCE
<i>The projected operating surplus/deficit and ending reserve balance (including interfund transfers) for Student Financial Aid at UBCO.</i>								
Graduate SFA	6,152	6,091	61	-	-	-	61	528
Okanagan Enrolment Services SFA	6,055	4,671	1,384	-	-	-	1,384	2,666
International Student Initiative (ISI) SFA	6,204	6,117	87	-	180	-	(93)	1,414
Workstudy, Go Global SFA	984	876	108	-	-	-	108	122
<b>UBCO Student Financial Aid - Total</b>	<b>19,395</b>	<b>17,755</b>	<b>1,640</b>	<b>-</b>	<b>180</b>	<b>-</b>	<b>1,460</b>	<b>4,730</b>

Notes: Transfers to Research reflect unused balances from Undergraduate Research Allowances (URA/IURA) being returned from SFA

## Appendix VI: 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.
- **UBC Ventures 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 VII: Capital Budget— Extended Detail

There are currently 14 major capital projects in design or construction at UBC, and for which capital expenditures will be incurred in 2025/26.

<b>MAJOR CAPITAL PROJECTS (in \$ millions)</b> <i>The major capital projects in design or construction, and for which capital expenditures will be incurred, in 2025/26</i>	APPROVED BUDGET	2025/26 BUDGET*	ESTIMATED COMPLETION
Lower Mall Precinct - SJC	560	7	Sep-29
Applied One	388	-	Dec-29
Gateway Building (Nursing, Kinesiology, UBC Health, ISHS)	208	33	Aug-25
Sauder School of Business Power House Expansion	151	40	May-27
UBCO xəl sic snpaɁnwix <sup>w</sup> tn (previously known as Interdisciplinary Collaboration and Innovation (ICI) Building)	119	40	Mar-26
Okanagan Student Housing Expansion	104	6	Mar-29
UBC Downtown Kelowna Project	54	7	Jun-27
Beaty Biodiversity Centre Addition	45	8	May-25
Gateway North	36	4	Dec-25
Learning Exchange (Purchase & TI)	19	-	Jun-24
Surrey City Center - BSN Expansion	18	7	Aug-25
Applied Science Digital Design Studio	13	1	May-25
UBC Farm Center	7	2	Apr-27
Orchard Commons: Child Care Space Expansion	6	3	May-26
<b>Total</b>	<b>1,728</b>	<b>158</b>	

\*2025/26 Estimated Spend does not include Non-Capital Project Costs

These projects provide renewed or expanded infrastructure to support:

- 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 support the essential maintenance of campus buildings. In 2024/25, UBC received \$43.8 million from PSFS and is expected to receive \$39.8 million in 2025/26. PSFS requires these funds to be used to reduce deferred maintenance in core academic facilities, with project costs shared on a 75% PSFS / 25% UBC basis.

Capital Planning & Development works with UBC Facilities to develop the annual plan. Specific projects are prioritized based on facility condition assessments and input from department administrators on user needs. Wherever possible, projects are aligned with other infrastructure improvements, such as learning space upgrades, accessibility enhancements, and seismic upgrades.

The following table provides a high-level breakdown of the 2025/26 PSFS-supported routine capital programs for the UBC

<b>ROUTINE CAPITAL PROJECTS (in \$ millions)</b>	MINISTRY	UBC	TOTAL
<i>A high-level breakdown of the 2025/26 ministry-supported routine capital programs for both campuses</i>	75%	25%	
<b>Vancouver Campus</b>			
Major Maintenance and Rehabilitation Projects	10.9	3.6	14.5
Jack Bell Building	5.8	1.9	7.7
Anthropology and Sociology Complex	5.1	1.7	6.8
Minor Maintenance & Rehabilitation Projects	28.0	9.3	37.3
	<b>38.9</b>	<b>12.9</b>	<b>51.8</b>
<b>Okanagan Campus</b>			
Major Maintenance & Rehabilitation Projects	0.9	0.3	1.2
	<b>0.9</b>	<b>0.3</b>	<b>1.2</b>
<b>Routine Capital Projects — UBC Total</b>	<b>39.8</b>	<b>13.2</b>	<b>53.0</b>

### Information Technology

Major systems projects involve university-wide capital investments in new enterprise systems or upgrades to extend their lifespan. These investments are essential for maintaining service levels in a rapidly evolving technological environment, as allowing systems to deteriorate poses a significant risk to the university.

The Integrated Renewal Program and other enterprise-wide systems are financed through internal loans, in accordance with Board policy, while minor systems upgrades and lifecycle investments are funded from UBC Information Technology's annual operating budget.

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

Major routine capital projects for 2025/26 include the Anthropology and Sociology building, and renovations to the Jack Bell Building.

Major costs for 2025/26 include:

- Integrated Renewal Program (IRP) Student:** The IRP Student project established a unified platform for students, faculty, and staff to manage administrative tasks, resulting in an enhanced user experience, a new suite of tools, and innovative workflows. The program achieved a significant milestone with the implementation of the Workday Student Information System in 2024/25. The HR and Finance modules of the IRP were successfully launched in previous years. Further development in 2025/26 focuses on completing remaining integrations and refinement activities.

## 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, such as the Advanced Therapeutics Manufacturing Facility (ATMF) at Gateway North which will play a crucial role in advancing precision and translational medicine, biomanufacturing, and pandemic preparedness. It will offer hands-on training opportunities across various career stages and enable multiple Canada Immuno-

Engineering and Biomanufacturing Hub (CIEBH) projects, positioning Canada as a global leader in developing next-generation immune-based therapeutics.

## Library

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 VIII: Research Budget— Extended Detail

The Sponsored Research Fund represents funding for research activities, enabling principal investigators to produce meaningful research while also supporting related research staff, students, and operational research costs. While most of this funding comes from external sources, designated for specific purposes by sponsors, donors, or granting agencies, it also includes some unrestricted funding from internal sources used for research activities.

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 university's 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 that goes unspent will have an immediate impact on the reported bottom line each year.

<b>RESEARCH AWARDS BY FACULTY</b> <i>(in \$ thousands) A breakdown of research funds by faculty and by funding source.</i>	<b>GOVERNMENT (TRI-AGENCY)</b>	<b>GOVERNMENT (OTHER)</b>	<b>NON-PROFIT</b>	<b>INDUSTRY</b>	<b>TOTAL</b>
Applied Science	28,800	20,934	15,200	10,726	75,660
Arts	16,264	5,929	8,618	28	30,839
Dentistry	1,837	1,091	616	-	3,544
Education	4,359	1,005	2,903	23	8,290
Forestry	5,862	6,507	4,356	444	17,169
Land and Food Systems	3,639	5,088	2,114	913	11,754
Law	1,217	1,179	1,371	-	3,767
Medicine	110,714	125,808	160,053	48,752	445,327
Pharmaceutical Sciences	5,303	2,713	4,073	848	12,937
Sauder School of Business	2,434	180	1,023	73	3,710
Science	49,596	34,215	25,082	7,090	115,983
UBC Okanagan	14,443	14,182	13,288	2,019	43,932
Other Faculties/Admin Units	77	21,895	718	1,114	23,804
<b>Faculty Research Awards - Total</b>	<b>244,545</b>	<b>240,726</b>	<b>239,415</b>	<b>72,030</b>	<b>796,716</b>

## Appendix IX: 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, the 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, enterprise-wide IT renewal, 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, UBC’s Board of Governors 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)

*A breakdown of the components of the TREK endowed funds*

	2023/24 ACTUALS	2024/25 FORECAST	2025/26 BUDGET
TREK, in the Main Pool	444	479	496
TREK Rental Income, in the Main Pool	30	57	83
Student Housing Financing Endowment Fund	581	613	656
Faculty Housing Financing Endowment Fund	71	73	75
	<b>1,126</b>	<b>1,222</b>	<b>1,310</b>

Compared to the prior year forecast, the \$17 million increase in TREK represents approximately \$37 million of earnings less \$3 million administrative cost recovery and \$17 million of spend allocations. The \$26 million increase in TREK Rental Income represents approximately \$25 million of estimated rental distributions and \$1 million of earnings net of spend allocations and administrative costs. The \$43 million increase in SHFE is comprised of \$30 million estimated land lease proceeds and \$33 million of earnings, less \$20 million of spend allocations. The \$2 million increase in FHAFE is made up of \$2 million 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 to 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 \$60 million has been approved for fiscal 2025/26.

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 which 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. The 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.



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

<b>INVESTMENT INCOME ON LAND DEVELOPMENT (in \$ millions)</b>	2023/24	2024/25	2025/26
<i>The funds available from investment income on land development, as well as funding allocations</i>	ACTUALS	FORECAST	BUDGET
<b>Funding Sources, Includes Carryforward</b>			
Balance Carried Forward	(3.5)	(7.4)	(7.2)
SHFE and FHAFE Spend Allocations	18.6	21.3	22.1
TREK Spend Allocations*	35.6	37.5	37.9
<b>Total Funding</b>	<b>50.7</b>	<b>51.4</b>	<b>52.8</b>
<b>Funding Allocations</b>			
On-going Debt Service	14.4	14.4	14.7
<b>Other Allocations</b>			
President's Academic Excellence Initiative**	15.9	16.2	16.5
Internal Loan — IT Projects	12.0	12.0	12.0
Medicine Faculty Renewal	6.8	6.9	7.4
UBCO Student Financial Support	5.3	5.4	5.5
Central Contingency	2.6	2.6	2.6
Rent Geared to Income Program	0.5	0.5	0.8
Pharmaceutical Sciences Building — Debt Relief	0.6	0.6	0.6
	43.7	44.2	45.4
<b>Total Allocations</b>	<b>58.1</b>	<b>58.6</b>	<b>60.1</b>
<b>Ending Balance</b>	<b>(7.4)</b>	<b>(7.2)</b>	<b>(7.3)</b>

\*TREK Real Spend Funding not fully drawn upon due to a delay in PAEI spending.

\*\*Earmarked for future PAEI spending.

## 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 3.5% of the preceding three years' average market value of the funds.

### KILLAM ENDOWMENT FUNDS (in \$ thousands)

*This table shows the 2025/26 spending allocation of the Killam Endowment Funds*

	KILLAM GENERAL	KILLAM MEMORIAL SALARY	IZAAK WALTON KILLAM MEMORIAL FOR ADVANCED STUDIES	TOTAL
<b>Program Spending</b>				
Research and Scholarly Activities	696	-	-	696
Faculty Research Fellowship Awards	170	-	-	170
Bridge Funding for Academic Priorities	488	37	-	525
Excellence in Teaching and Research	155	746	-	901
Post-Doctoral Awards	-	-	651	651
Pre-Doctoral Awards	-	-	643	643
Graduate Studies Administration	-	-	62	62
<b>Total 2025/26 Budgeted Spending Allocation</b>	<b>1,509</b>	<b>783</b>	<b>1,356</b>	<b>3,648</b>



THE UNIVERSITY OF BRITISH COLUMBIA

# 2025-2026 UBC BUDGET

## FINANCE COMMITTEE

March 2025

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
Introduction	3
FY25/26 Consolidated Budget	8
FY25/26 Operating Budget	11
Summary and Request for Recommendation	16
Appendices	18
FY25/26 Budget Process	
FY25/26 Budget Assumptions – Revenues and Expenses	
Non-Operating Funds: Research, Endowment and Capital Expenditures	

# INTRODUCTION



- The UBC FY 25/26 Budget is an exercise of assigning anticipated revenues to address the needs of maintaining and advancing a world-class university. A budget needs to be responsive to the University's goals and priorities, and it needs to ensure a sustainable financial future for the University.
- Working under the direction of the President, the Offices of the Provost and VP Academic (Vancouver), the Vice President Finance and Operations, and the Principal and Deputy Vice Chancellor of UBC Okanagan have engaged all Faculties and VP Portfolios to bring the UBC FY 25/26 Budget to fruition.
- Despite the many financial, political, and competitive challenges to Canadian university finances, our budget for FY 25/26 presents a balanced operating budget with a surplus in the non-operating budget.
- We thank the Faculties and the administrative units on both campuses that have worked hard to maximize revenues, bring down expenses, and to ensure a resilient financial picture for UBC.



# GUIDING PRINCIPLES FOR UBC'S BUDGET

UBC's budget is developed through a collaborative and rigorous process that ensures resources are allocated responsibly to support the university's academic mission and long-term success. Our approach is guided by the following principles:

## Invest in Academic Excellence

We make financial decisions that support high quality education, research innovation and outstanding student experience.

## Optimize Resources

We manage costs responsibly, make thoughtful spending choices, and pursue new revenue opportunities that strengthen the university's operations.

## Enable Long-Term Financial Resilience

We take a prudent approach to financial planning, balancing immediate needs with future sustainability.

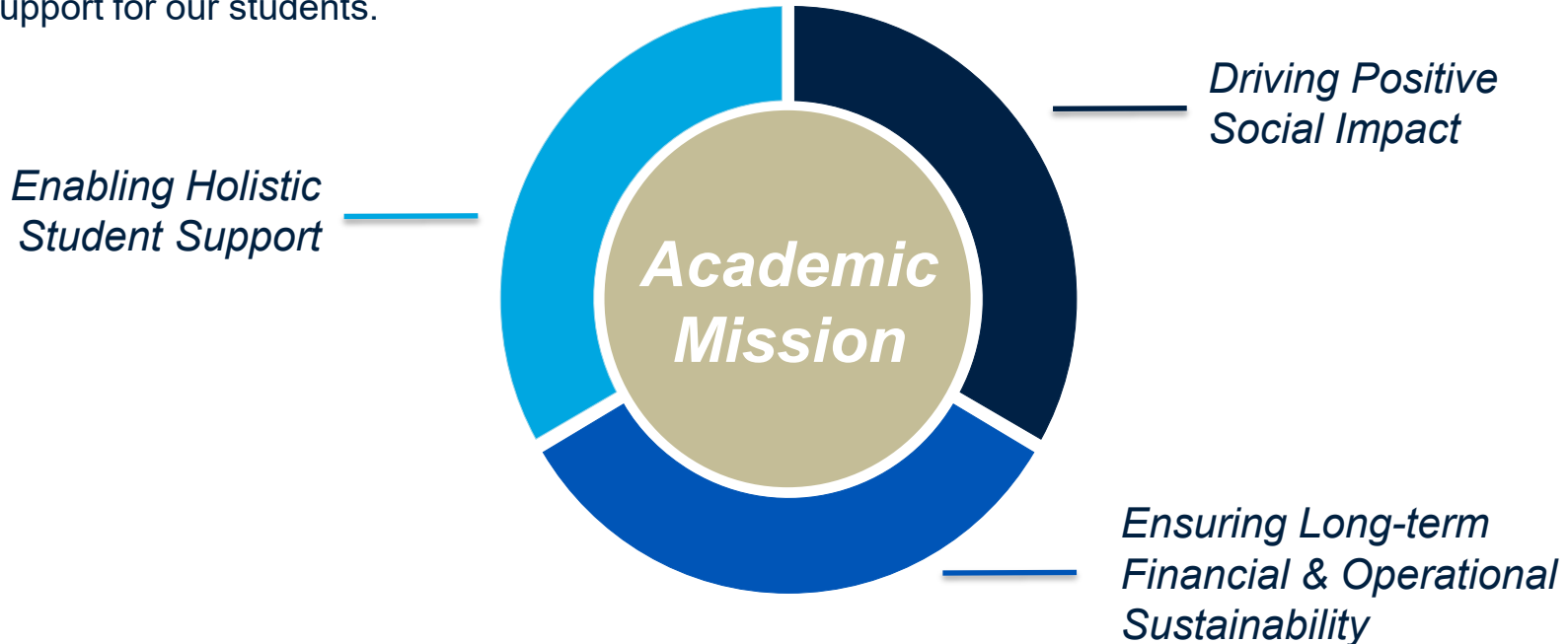
## Transform With Changing Needs

We follow a dynamic budget process that enables UBC to adapt to emerging challenges and embrace opportunities in an evolving higher education landscape.



# KEY CONSIDERATIONS FOR FY25/26 FINANCIAL PLANNING

The FY25/26 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.







# POTENTIAL THREATS TO FY25/26 REVENUES & EXPENDITURES

## Revenues

### **Undergraduate international student enrolment**

- Global uncertainties, visa challenges, and the impact of foreign policies are affecting international undergraduate enrolment across Canada.

## Expenditures

### **Tariffs / reciprocal tariffs**

- US tariffs could significantly increase costs for supplies, technology, and infrastructure. The slow and complex process of shifting suppliers may further intensify the financial strain.

### **Foreign exchange**

- A potentially weakening Canadian dollar, driven by U.S. policy shifts, tariffs, and interest rate gaps, could raise the cost of essential imports like library collections, research supplies, and key technology.

# ADDRESSING FINANCIAL CONSTRAINTS THROUGH STRATEGIC MANAGEMENT



Over the past two years softening international undergraduate enrolment across both campuses has created varying levels of financial strain for individual Faculties and VP Portfolios.

In response, there has been a concerted effort to proactively assess UBC's operations, programs, and offerings to ensure our limited resources are strategically directed towards initiatives that advance the academic mission. Four key categories of strategies have been implemented across various Faculties and VP Portfolios for FY25/26:

**Workforce  
Management**

**Operational  
Cost Reduction**

**Program  
Adjustments**

**Faculty  
Planning and  
Support**



# FY25/26 CONSOLIDATED REVENUES AT A GLANCE

## OPERATING

**\$2.72** Billion

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

## NON-OPERATING

**\$1.26** Billion

Research, capital, endowment, and other restricted funding

*Note: Internal transactions totaling \$341 million in operating funds and \$161 million in non-operating funds are eliminated during the consolidation process and are excluded from the figures presented here.*



# FY25/26 CONSOLIDATED BUDGET

In \$millions	2023/24 Actuals	2024/25 Forecast	2025/26 Budget
<b>Revenues</b>			
Government Grants and Contracts	1,607	1,778	1,911
Student Fees	1,031	1,048	1,035
Other Revenue	977	1,007	1,036
	<b>3,615</b>	<b>3,833</b>	<b>3,982</b>
<b>Expenses</b>			
Salaries & Benefits	2,272	2,469	2,527
Non-Salary Expenses	1,273	1,267	1,375
	<b>3,545</b>	<b>3,736</b>	<b>3,902</b>
<b>Consolidated Annual Surplus</b>	<b>70</b>	<b>97</b>	<b>80</b>

- The university’s consolidated budget projects annual revenues of \$3.98 billion, of which \$2.72 billion are from the university’s core operations (excluding internal activities)
- The university expects a consolidated surplus of \$80 million, deriving entirely from the non-operating budget, which includes research, endowment, and capital activities.



## FY25/26 CONSOLIDATED NET CHANGE BY FUND TYPE

In \$millions	2023/24 Actuals	2024/25 Forecast	2025/26 Budget
UBC Vancouver - Faculties	-	(32)	(32)
UBC Vancouver - Central Admin / Support Units	18	46	33
UBC Okanagan	(7)	2	(1)
<b>Operating Surplus/ (Deficit)</b>	<b>11</b>	<b>16</b>	<b>-</b>
Endowment Surplus	2	31	33
Research and Other Funds	11	2	3
Related Organizations	33	2	1
Capital Activities	13	46	43
<b>Non-Operating Surplus/ (Deficit)</b>	<b>59</b>	<b>81</b>	<b>80</b>
<b>Consolidated Surplus</b>	<b>70</b>	<b>97</b>	<b>80</b>

- The operating budget is projected to be in a balanced position.
- While there is an \$80 million consolidated accounting surplus, these funds are earmarked for specific purposes (such as research or the amortization of capital assets) and cannot be used for the operating budget.
- Capital activities reflects UBC's internally funded investments in its infrastructure to advance the university mission.



# FY25/26 OPERATING BUDGET

In \$millions

## Operating Revenues

	2023/24 Actuals	2024/25 Forecast	2025/26 Budget
Government of British Columbia	972	1,106	1,159
Tuition	1,031	1,048	1,035
Other*	801	855	871
	<b>2,804</b>	<b>3,009</b>	<b>3,065</b>

## Operating Expenses

Salaries and Benefits	1,774	1,921	1,994
Non-Salaries	825	873	939
	<b>2,599</b>	<b>2,794</b>	<b>2,933</b>

## Operating Surplus / (Deficit)

	<b>205</b>	<b>215</b>	<b>132</b>
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## Net Interfund Transfers

Major Capital	131	55	39
Research Startup and Other	48	56	52
Debt Service	15	88	41
	<b>194</b>	<b>199</b>	<b>132</b>

## Change in Reserves

Accumulated Reserves – Opening	408	419	435
<b>Accumulated Reserves – Closing</b>	<b>419</b>	<b>435</b>	<b>435</b>

The UBC Operating Budget reflects the operations of both campuses.

- Operating revenue is expected to increase by approximately \$56 million, primarily due to higher government funding (mainly for GWI) and growth in ancillary and fee-for-service activities. However, this is offset by the flow-through to salaries and by the decline in tuition revenue due to lower international student enrolment.
- Operating expenses are anticipated to rise by \$139 million, primarily due to salary increases and rising operating costs.

\*Other revenue includes mainly sales and services.



# FY25/26 UBCV OPERATING BUDGET – FACULTIES

In \$millions

## Operating Revenues

	2023/24 Actuals	2024/25 Forecast	2025/26 Budget
Government Grants and Contracts	553	574	598
Tuition	489	503	500
Other*	220	246	243
	<b>1,262</b>	<b>1,323</b>	<b>1,341</b>

## Operating Expenses

Salaries and Benefits	1,036	1,094	1,136
Non-Salaries	175	189	198
	<b>1,211</b>	<b>1,283</b>	<b>1,334</b>

## Operating Surplus / (Deficit)

	<b>51</b>	<b>40</b>	<b>7</b>
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## Net Interfund Transfers

Major Capital	17	37	7
Research Startup and Other	32	33	29
Debt Service	2	2	3
	<b>51</b>	<b>72</b>	<b>39</b>

## Change in Reserves

	<b>-</b>	<b>(32)</b>	<b>(32)</b>
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Accumulated Reserves – Opening	308	308	276
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<b>Accumulated Reserves – Closing</b>	<b>308</b>	<b>276</b>	<b>244</b>
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## 2025/26 Budget Highlights

- Faculties are actively managing one-time and recurring budget pressures by reviewing their programs, offerings, and operations. Through careful planning and targeted adjustments, they have developed tailored plans to achieve long-term financial sustainability within three years.
- Faculties are projected to draw down approximately \$32 million from reserves. This is largely driven by investments in start-up support, and capital projects such as the Powerhouse Project and equipment for the Gateway building.

\*Other revenue includes mainly sales and services.

# FY25/26 UBCV OPERATING BUDGET - CENTRAL ADMIN/SUPPORT UNITS\*



In \$millions	2023/24 Actuals	2024/25 Forecast	2025/26 Budget
<b>Operating Revenues</b>			
Government Grants and Contracts	309	415	440
Tuition	408	415	410
Other**	566	597	616
	<b>1,283</b>	<b>1,427</b>	<b>1,466</b>
<b>Operating Expenses</b>			
Salaries and Benefits	551	635	660
Non-Salaries	600	632	692
	<b>1,151</b>	<b>1,267</b>	<b>1,352</b>
<b>Operating Surplus / (Deficit)</b>	<b>132</b>	<b>160</b>	<b>114</b>
<b>Net Interfund Transfers</b>			
Major Capital	91	14	29
Research Startup and Other	11	15	15
Debt Service	12	85	37
	<b>114</b>	<b>114</b>	<b>81</b>
<b>Change in Reserves</b>	<b>18</b>	<b>46</b>	<b>33</b>
Accumulated Reserves – Opening	36	54	100
<b>Accumulated Reserves – Closing</b>	<b>54</b>	<b>100</b>	<b>133</b>

## 2025/26 Budget Highlights

- While the reserves show a \$33 million increase, this is largely due to surpluses in Campus Wide Expenses. The addition primarily reflects funding provisions for General Wage Increases (GWI) and, to a lesser extent, AEF, where committed funds remain unspent due to slower-than-expected program implementation.
- Within this surplus, Vancouver administrative units anticipate an \$18 million reserve drawdown, mostly attributing to inflationary pressures, investment in strategies to optimize operations, rising labour costs, and deferred activities from prior years.

\*Includes Central Administrative Units, AEF, SFA, PAEI, and Campus Wide Expenses

\*\*Other revenue includes mainly sales and services.





# FY25/26 UBCO OPERATING BUDGET – FACULTIES

In \$millions

## Operating Revenues

Government Grants and Contracts  
Tuition  
Other\*

	2023/24 Actuals	2024/25 Forecast	2025/26 Budget
Government Grants and Contracts	62	66	68
Tuition	56	55	54
Other*	8	6	4
	<b>126</b>	<b>127</b>	<b>126</b>

## Operating Expenses

Salaries and Benefits  
Non-Salaries

Salaries and Benefits	119	121	123
Non-Salaries	4	4	4
	<b>123</b>	<b>125</b>	<b>127</b>

## Operating Surplus / (Deficit)

### Net Interfund Transfers

Major Capital  
Research Startup and Other  
Debt Service

	<b>3</b>	<b>2</b>	<b>(1)</b>
Major Capital	-	2	-
Research Startup and Other	1	2	2
Debt Service	-	-	-
	<b>1</b>	<b>4</b>	<b>2</b>

## Change in Reserves

Accumulated Reserves – Opening  
**Accumulated Reserves – Closing**

	<b>2</b>	<b>(2)</b>	<b>(3)</b>
Accumulated Reserves – Opening	24	26	24
<b>Accumulated Reserves – Closing</b>	<b>26</b>	<b>24</b>	<b>21</b>

## 2025/26 Budget Highlights

- Faculty reserves are being drawn down as Faculties implement long-term budget mitigation strategies to address declining international undergraduate enrolment and ongoing contractual salary increases.
- Faculties are adopting various measures, including reducing course sections (resulting in fewer sessional instructors and teaching assistants), optimizing workloads in alignment with collective agreements, not replacing retirees, and adjusting staff positions.
- Staff adjustments include not extending certain term positions, shifting some roles from full-time to part-time, and reducing select staff positions.

\*Other revenue includes mainly sales and services.

# FY25/26 UBCO OPERATING BUDGET – CENTRAL ADMIN/SUPPORT UNITS\*



In \$millions

## Operating Revenues

Government Grants and Contracts  
Tuition  
Other\*\*

	2023/24 Actuals	2024/25 Forecast	2025/26 Budget
Government Grants and Contracts	48	51	53
Tuition	78	75	71
Other**	7	6	8
	<b>133</b>	<b>132</b>	<b>132</b>

## Operating Expenses

Salaries and Benefits  
Non-Salaries

Salaries and Benefits	68	71	75
Non-Salaries	46	48	45
	<b>114</b>	<b>119</b>	<b>120</b>

## Operating Surplus / (Deficit)

	<b>19</b>	<b>13</b>	<b>12</b>
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## Net Interfund Transfers

Major Capital  
Research Startup and Other  
Debt Service

Major Capital	23	2	3
Research Startup and Other	4	6	6
Debt Service	1	1	1
	<b>28</b>	<b>9</b>	<b>10</b>

## Change in Reserves

Accumulated Reserves – Opening

**Accumulated Reserves – Closing**

	<b>(9)</b>	<b>4</b>	<b>2</b>
Accumulated Reserves – Opening	40	31	35
<b>Accumulated Reserves – Closing</b>	<b>31</b>	<b>35</b>	<b>37</b>

## 2025/26 Budget Highlights

- The increase in reserves for Central Support Units is primarily due to the timing of external funds received, some of which may remain unspent in 2025/26. This increase is partially offset by a drawdown of reserves related to the timing of various initiatives. As in 2024/25, Central Support Units are again implementing a 4% recurring budget reduction in fiscal 2025/26 and no extensions to term initiatives.
- Impacts will be experienced across all Support Unit services resulting in increased wait times, service delays, and the reduced scope of services. This may increase the risk of operational inefficiencies, missed deadlines, and hamper the campus's ability to be proactive and to support strategic priorities. As well researchers may notice reduced support for centrally provided research facilitation and programming.
- Strategies are being implemented to help preserve service levels to students wherever possible by restructuring the delivery of services and reduced focus on non-core programming.

\*Includes Central Administrative Units, EF, SFA and Campus Wide Expenses

\*\*Other revenue includes mainly sales and services.

# SUMMARY



- UBC is one of Canada's most globally recognized and influential centres of academic excellence and we are committed to attracting exceptional faculty, staff and students who drive innovation and positive change.
- We continue to foster an inclusive and dynamic community as we strive to further enhance our shared vision of excellence in research, teaching, and discovery.
- Building on the FY24/25 strategy, financial resilience remains a priority for FY25/26. By taking a balanced and forward-looking approach, we are ensuring resources are directed towards initiatives to advance our academic mission while strengthening our long-term financial sustainability.



## REQUEST FOR APPROVAL

The FY25/26 budget sets out the university's goals and strategies for the year ahead. UBC's priorities will continue to guide our decisions, actions, and resource allocations.

Despite evolving financial challenges, we will continue to prioritize investments that benefit students and drive UBC's academic mission forward.

***IT IS HEREBY RESOLVED that the Finance Committee recommends to the Board of Governors' approval of the FY25/26 UBC Budget, as presented.***

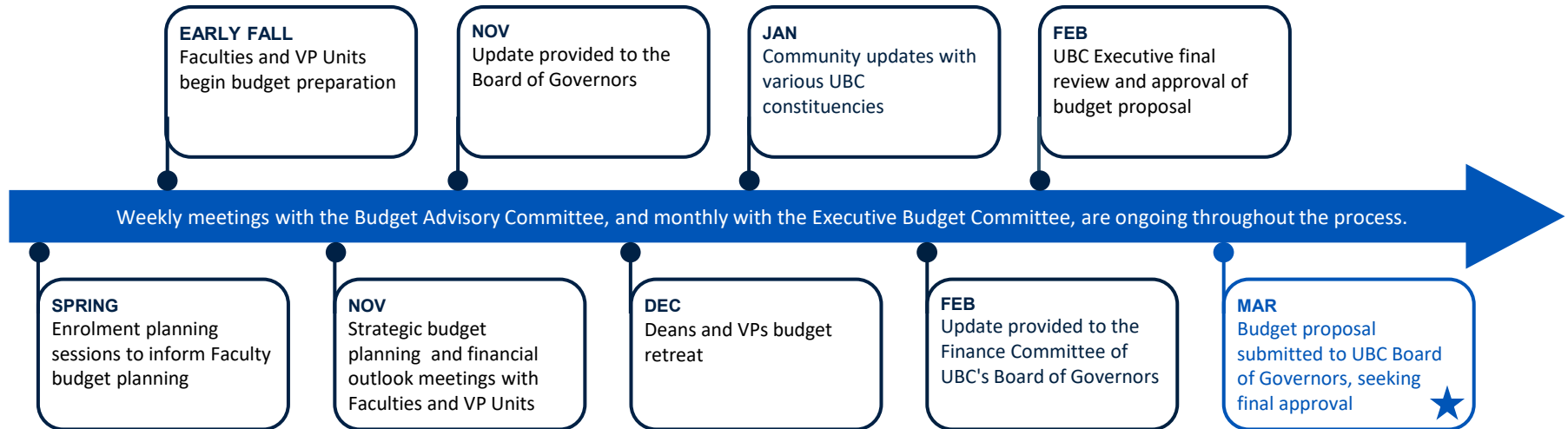
# APPENDICES





# FY25/26 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.





## FY25/26 BUDGET ASSUMPTIONS – REVENUE

**Enrolment:** First-year international undergraduate enrolment for the Winter Term of 2025 is assumed to be lower than the current year, with an 8% reduction budgeted for the UBCV campus and a 6% reduction budgeted for the Okanagan campus. The university is closely monitoring application and acceptance trends, as well as their potential budgetary impact.

**Tuition Rate Increases:** As approved by the Board of Governors in December 2024, 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%.

**Government Grants:** It is assumed that the provincial government grant for FY25/26 will be consistent with prior-year funding, adjusted for any new approved student seat allocations to UBC.

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



## FY25/26 BUDGET ASSUMPTIONS – EXPENSES

**Inflation:** A general Consumer Price Index (CPI) rate of 3% is assumed for FY25/26. 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. 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.

**General Wage Increase (GWI):** Collective bargaining will be underway in FY25/26 for all employee groups and a 2% GWI included within the operating grant is assumed for budgeting purposes.

**Labour Rate Increases:** Faculty and staff merit and career progression increases may continue as codified in collective agreements. This is in addition to GWI and is funded internally.

**Capital assets:** Major capital asset additions are based on the construction completion schedule of Board-approved capital projects, as well as the planned capital priorities. General additions (e.g., computers and equipment) are as projected by units across both campuses.





# FY25/26 RESEARCH

## Research Awards by Faculty In \$millions

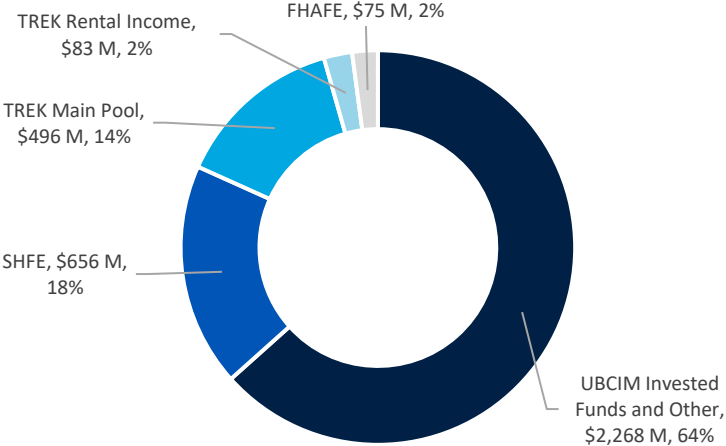
	Government (Tri-Agency)	Government (Other)	Non-Profit	Industry	Total
Applied Science	28.8	20.9	15.2	10.7	75.6
Arts	16.3	5.9	8.6	0.0	30.8
Dentistry	1.8	1.1	0.6	0.0	3.5
Education	4.4	1.0	2.9	0.0	8.3
Forestry	5.9	6.5	4.4	0.4	17.2
Land and Food Systems	3.6	5.1	2.1	0.9	11.7
Law	1.2	1.2	1.4	0.0	3.8
Medicine	110.7	125.8	160.1	48.8	445.4
Pharmaceutical Sciences	5.3	2.7	4.1	0.8	12.9
Sauder School of Business	2.4	0.2	1.0	0.1	3.7
Science	49.6	34.2	25.1	7.1	116.0
UBC Okanagan	14.4	14.2	13.3	2.0	43.9
Non-Faculty Units	0.1	21.9	0.7	1.1	23.8
	<b>244.5</b>	<b>240.7</b>	<b>239.5</b>	<b>71.9</b>	<b>796.6</b>

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

As a research powerhouse, UBC is expecting to attract \$797 million awards in FY2025/26.



# FY25/26 ENDOWMENT



## Endowment Market Value In \$millions

Endowment capital account  
Stabilization account  
**Balance**

Total Endowments		
2023/24 Actuals	2024/25 Forecast	2025/26 Budget
2,801	2,958	3,104
275	423	474
<b>3,076</b>	<b>3,381</b>	<b>3,578</b>

The university’s endowment funds, totaling approximately \$3.6 billion, consist of endowed gifts, bequests, donations, and land lease proceeds. The unrestricted endowment includes land lease proceeds and the approved flat spend to support UBC’s academic mandate, while the restricted endowment is exclusively funded by donor contributions. These funds provide vital support for student financial awards, academic and research initiatives, student housing (SHFE), and capital projects.



# FY25/26 CAPITAL EXPENDITURES

In \$millions	2023/24 Actuals	2024/25 Forecast	2025/26 Budget
<b>Building and Property:</b>			
Major Buildings	237	250	158
Routine Capital	49	50	53
Building Renovations and Additions	35	30	22
Site Improvements*	4	30	12
	<b>325</b>	<b>360</b>	<b>245</b>
Research and other equipment, and furnishings	86	159	135
Information Technology	54	26	24
Library Acquisitions	14	14	15
	<b>154</b>	<b>199</b>	<b>174</b>
<b>Total Capital Expenditures</b>	<b>479</b>	<b>559</b>	<b>419</b>

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

Project Name	Approved Budget	2025/26 Budget*	Estimated Completion
Lower Mall Precinct – SJC	560	7	Sep-29
Applied One	388	-	Dec-29
Gateway Building (Nursing, Kinesiology, UBC Health, ISHS)	208	33	Aug-25
Sauder School of Business Power House Expansion	151	40	May-27
UBCO xəl sic snpax̓n̓wix̓w̓t̓n (previously known as Interdisciplinary Collaboration and Innovation (ICI) Building)	119	40	Mar-26
Okanagan Student Housing Expansion	104	6	Mar-29
UBC Downtown Kelowna Project	54	7	Jun-27
Beaty Biodiversity Centre Addition	45	8	May-25
Gateway North	36	4	Dec-25
Various projects <\$20 millions**	63	13	Various
	<b>1,728</b>	<b>158</b>	

\*\* Learning Exchange, Surrey City Centre-BSN Expansion, APSC Digital Design Studio, UBC Farm Center, Orchard Commons: Child Care space expansion

UBC continues to make substantial capital investments, supported by provincial funding for routine maintenance, to enhance its learning and research mandate and enrich the student experience.

Currently, 14 major capital projects are in design or construction phase, with expenditures planned for FY25/26.



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