



MARCH 2024

2024/25 Budget



THE UNIVERSITY OF BRITISH COLUMBIA

2024/25 Budget: Contents

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



Letter from the President

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



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

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

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

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

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

Sincerely,
Benoit-Antoine Bacon
President and Vice-Chancellor

1. Executive Summary

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

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

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

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

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

UBC's Budget Process

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

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

UBC'S BUDGET PROCESS FOR 2024/25



Allocation Framework

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

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

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

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

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

OPERATING FUND

\$2.7 Billion

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

NON-OPERATING FUNDS

\$1.1 Billion

Research, capital, endowment, and other restricted funding



Context for the 2024/2025 Budget

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

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

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

Assumptions

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

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

Risks and Sensitivities

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

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

Key Considerations for Financial Planning

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

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

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

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

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

The 2024/25 Budget

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

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

OPERATING BUDGET (in \$ millions)

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

| | 2022/23 ACTUALS | 2023/24 FORECAST | 2024/25 BUDGET |
|---|--------------------|---------------------|-------------------|
| Operating fund revenues | 2,327 | 2,494 | 2,676 |
| Operating fund expenses | 2,169 | 2,358 | 2,547 |
| Total Revenues less Expenses | 158 | 136 | 129 |
| Interfund transfers and internal transactions | 76 | 70 | 58 |
| Investments in capital assets | 67 | 68 | 71 |
| Operating Surplus / (Deficit) | 15 | (2) | - |

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

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

| CONSOLIDATED BUDGET (ALL FUNDS) (in \$ millions) | 2022/23 | 2023/24 | 2024/25 |
|--|-----------|-----------|-----------|
| <i>The consolidated surplus/deficit position of the university (i.e. the incorporation of operating and non-operating revenues and expenditures)</i> | ACTUALS | FORECAST | BUDGET |
| Consolidated revenues | 3,364 | 3,582 | 3,802 |
| Consolidated expenses | 3,281 | 3,497 | 3,708 |
| Consolidated Surplus / (Deficit) | 83 | 85 | 94 |



2. Operating Budget

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

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

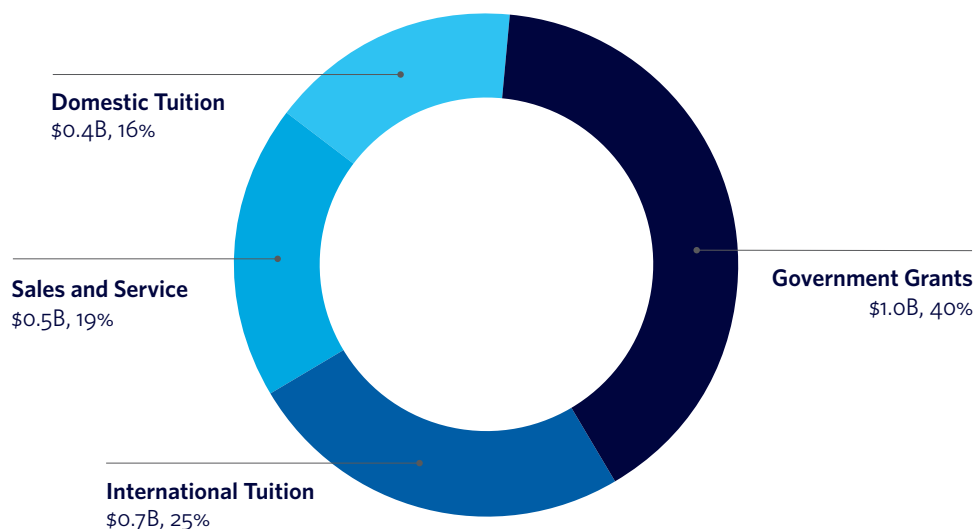
*Other mainly includes sales and services revenue

University Operating Revenues

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

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

2024/25 OPERATING PLAN REVENUE - UBC TOTAL



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

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

*Revenue from other governments represents funding mainly from Natural Resources Canada for 2024/25

GOVERNMENT GRANTS

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

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

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

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



TUITION REVENUE AND STUDENT ENROLMENT

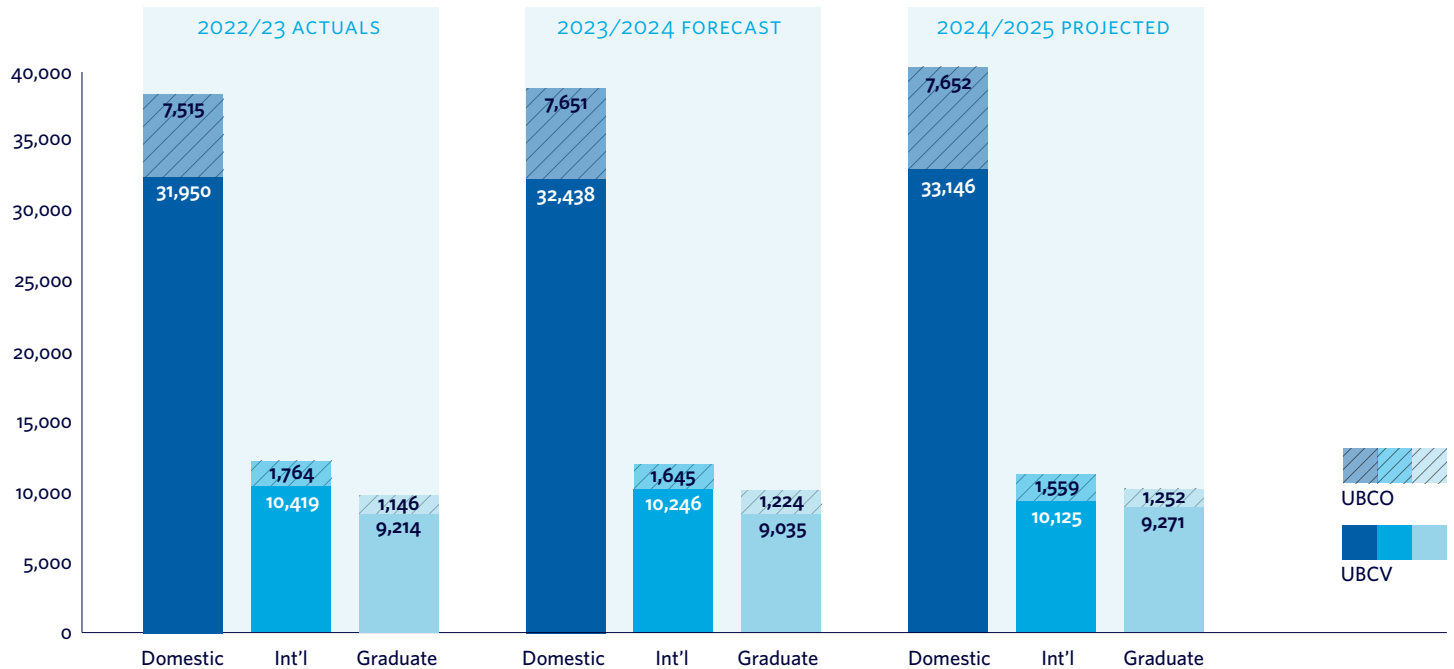
Tuition revenue is projected at close to \$1.1B. While domestic enrolment is expected to slightly increase, we are anticipating that international enrolment may experience some decrease in volume due to policy changes, competition in the sector, macro-economic conditions, and global geopolitical tensions.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

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

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

ENROLMENT

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



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

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

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

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

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

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

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

THE TUITION ALLOCATION MODEL ('TAM')

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

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

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

INVESTMENT INCOME — EXTERNAL

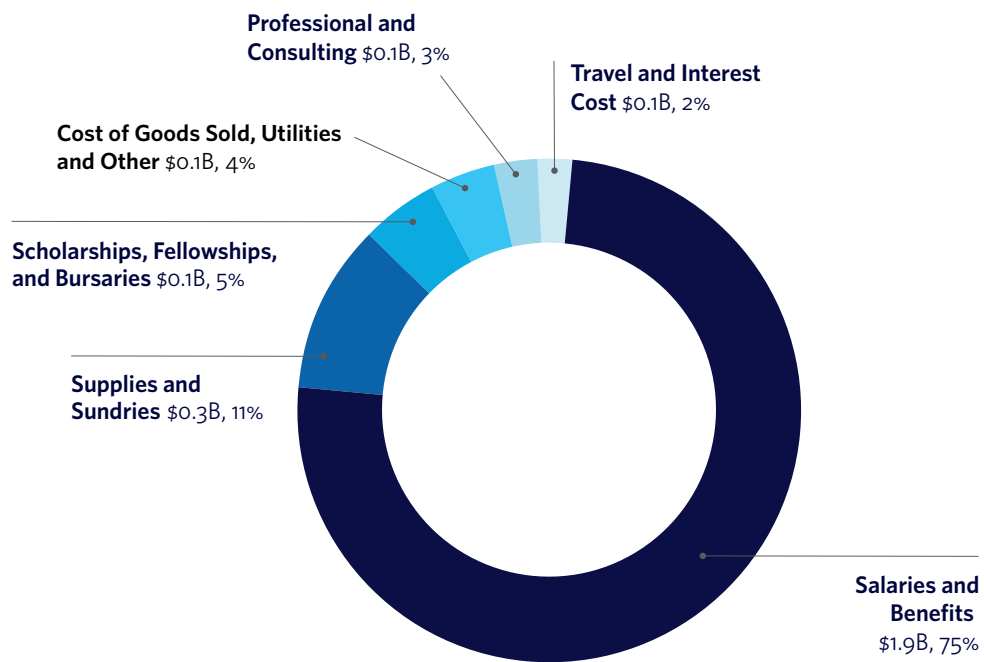
The interest income earned is being distributed from the operating fund to the Student Housing Financing Endowment (SHFE). The negative balance is the result of the transfer to SHFE being higher than the incoming investment income. The planned decrease, compared to 2023/24, is due to a higher transfer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

University Operating Expenses and Reserves

Total expenses of \$2.5B are predominantly attributed to salaries and benefits, which represent approximately 75% of UBC's total expenditures. Driving efficiencies within this large expenditure pool, as well as actively managing discretionary spending, are strategies employed by the university through

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

2024/25 OPERATING PLAN EXPENSES - UBC TOTAL



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

SALARIES AND BENEFITS:

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

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

SUPPLIES AND SUNDRIES AND COST OF GOODS SOLD:

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

SCHOLARSHIPS, FELLOWSHIPS, AND BURSARIES:

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

TRANSFERS TO (FROM) NON-OPERATING FUNDS:

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



Vancouver Campus Operating Budget: Overview

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

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

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

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

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

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

Okanagan Campus Operating Budget: Overview

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

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

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

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

*Other revenues include mainly sales and services, etc.

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

3. Consolidated Budget

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

Adjusting for unrestricted surpluses in research and endowments, as well as net investment in capital,

the university expects a consolidated surplus for 2024/25 of \$94M as detailed in the table below:

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

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

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

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

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

The components of the consolidated surplus are as follows:

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

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

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



Total Operating: Balanced position in 2024/25.

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

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

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

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

NEW INVESTMENT IN CAPITAL (in \$ millions)

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

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



Capital Budget - Overview

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

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

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

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

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

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

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

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

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

Research Budget - Overview

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

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

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

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

The university invests in supporting UBC researchers to be more competitive in funding competitions to ensure the necessary resources are in place to advance research programs. UBC support includes proposal development and review services provided through the Office of the Vice-President, Research and Innovation's Support Programs to Advance Research Capacity (SPARC), and the Institutional Programs Office (IPO). By working with SPARC, assistant professors in science and engineering applying to the Natural Sciences and Engineering Research Council of Canada (NSERC) have been 1.6 times more likely to receive funding. A similar rate of improved success is seen for faculty applying to the Canadian Institutes of Health Research (CIHR) Project competition. IPO-supported programs such as the John R. Evans Leaders Fund have an average success rate of 80%.

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

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

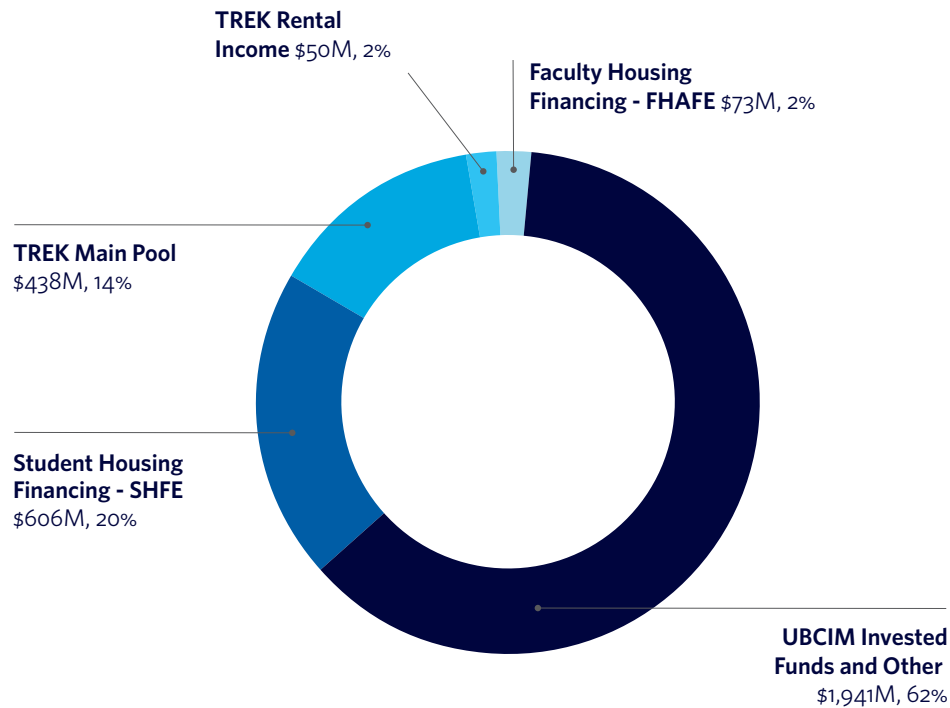
Endowment Budget - Overview

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

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

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

ENDOWMENT COMPOSITION:



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

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

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

The capital account balances represent external donor, internal university contributions, and inflation adjustments recorded to maintain the purchasing power of endowment capital over time.

is currently in the Endowment Funds above the inflation adjusted principal balances as a protection against future market downturns.

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

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

For unrestricted endowment funds, investment income includes only realized returns. For restricted Endowment Funds, investment income includes total returns to the

extent of expenses incurred. The excess is deferred and recorded on the Statement of Financial Position until the period in which the related expenses are incurred.



4. Consolidated Statements for Board Approval

Under public sector accounting board guidelines, certain approved budget information is required for inclusion in the year-end financial statements.

These two documents are the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Changes in Net Debt.

The Consolidated Statement of Operations—By Function below reflects the same consolidated income statement included previously, although the expenses are reflected by function,

rather than by object. This mirrors the way that the information is presented in UBC's annual financial statements. To derive the information by function, the university makes various assumptions about which operating units should be reflected within each category.

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

The Consolidated Statement of Changes in Net Debt reflects the university's ability to cover expenses and capital purchases with current revenues or financing. Reductions in Net Debt indicate that the university is meeting its expense and capital obligations.

| CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT | 2023/24 | 2024/25 | CHANGE |
|---|----------------|----------------|--------------|
| Year End March 31 <i>(in \$ millions)</i> | FORECAST | BUDGET | |
| <i>Reflects the university's ability to cover expenses and capital purchases with current revenues or financing</i> | | | |
| Annual surplus | 110 | 124 | 14 |
| Exclude items not affecting net debt: | | | |
| Endowment donations and transfers | (25) | (30) | (5) |
| | 85 | 94 | 9 |
| Acquisition of tangible capital assets | (652) | (555) | 97 |
| Amortization of tangible capital assets | 248 | 249 | 1 |
| | (404) | (306) | 98 |
| Acquisition of inventories held for use* | - | - | - |
| Acquisition of prepaid expense* | - | - | - |
| Consumption of inventories held for use* | - | - | - |
| Use of prepaid expense* | - | - | - |
| | (319) | (212) | 107 |
| Net remeasurement gains** | 27 | 24 | (3) |
| Self-supported subsidiary other comprehensive income** | - | - | - |
| Increase in net debt | (292) | (188) | 104 |
| Net debt, beginning of year | (2,702) | (2,994) | (292) |
| Net Debt, End of Year | (2,994) | (3,182) | (188) |

Notes:

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

**The budget for investment income is prepared using high level assumptions around management of investment balances.

This does not extend to detailed forecasts around individual investment holdings.

5. Appendices

Appendix I: UBC's Budget Process— Extended Detail

The UBC Budget represents the financial plan for the university—it serves as a roadmap for allocating all of the university's revenues against anticipated expenses. UBC uses a decentralized budget model, with the prior year's allocations set as the baseline of recurring funding for each academic and administrative unit (i.e. their "base budget"). Faculty and

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

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

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

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

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

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

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



Appendix II: Investments that Advance UBC's Academic Mission

The university's financial plan aims to advance the academic mission and support the strategic aspirations outlined in [Shaping UBC's Next Century, Strategic Plan 2018 - 2028](#). Initiatives are in motion across the organization that are pushing UBC forward, including innovating through teaching, learning and research, driving positive social change, and advancing our holistic support for students.

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

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

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

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

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

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

Driving Positive Social Impact

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

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

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

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

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

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

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

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

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

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

Enabling Holistic Support for Students

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

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

Investments from the Strategic Funds

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

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

Academic Excellence Funds (AEF): Vancouver Campus

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

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

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

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

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

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

Excellence Fund (EF): Okanagan Campus

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

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

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

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

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

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

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

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

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



Appendix III: Vancouver Campus— Extended Detail

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

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

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

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

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

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

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

Faculties and Schools

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

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

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

Supplementary notes for individual academic units:

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

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

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

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

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

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

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

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

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



Administrative Units

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

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

Supplementary notes for individual academic units:

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

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

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

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

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

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

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

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

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

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

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

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

Student Financial Aid

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

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

Appendix IV: Okanagan Campus— Extended Detail

UBC's Okanagan campus is projecting a balanced position for 2024/25. The drawdown of reserves in Faculties, Central Support Units, and Student Financial Aid is offset by an increase in Campus-Wide Expenses reserves.

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



Faculties, Colleges, and Schools

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

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

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

Supplementary notes for individual academic units:

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

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

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

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

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

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

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

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



Central Support Units, Ancillaries, and Campus-Wide Expenses

The drawdown of \$2.8M for Central Support Units is primarily due to timing of term initiatives and necessary minor capital expenditures funded by reserves. The limited incremental

funding will support inflationary pressures on core campus services and infrastructure.

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

Supplementary notes for individual administrative units:

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

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

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

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

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

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



Student Financial Aid

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

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

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

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

Appendix V: Related Entities

UBC's consolidated financial statements reflect the assets, liabilities, revenue, and expenses of organizations that are controlled by the university. All related organizations are consolidated, with the exceptions of UBC Properties Trust (UBCPT) and Great Northern Way Campus Trust, which are reported using the modified equity method.

The organizations that are fully consolidated into the financial statements of the university are:

- **UBC Foundation/American Foundation/Hong Kong Foundation/UK Foundation:** Established to encourage philanthropic support for the university.
- **UBC Asia Pacific Regional Office:** A Hong-Kong based association formed to promote and advance the academic and research interests of the university and its partners in the Asia Pacific region.
- **entrepreneurship@UBC Management Inc:** Manages the university's investments in start-up ventures.
- **UBC Investment Management Trust (UBCIM):** Manages the investment assets of the university's endowment and operating funds, and the staff pension plan.

UBC Properties Trust (UBCPT) is the most significant subsidiary of the university. In addition to managing a portfolio of rental assets and providing project management services on capital projects, UBCPT carries out real estate development activities for the university's benefit. Through UBCPT the university sells pre-paid leases on certain properties to third parties for a period of 99 years. The proceeds from land leases have historically been directed to an internal Endowment Fund (TREK) and used to support the university's priorities, and with the establishment of the Student Housing Financing Endowment Fund (SHFE), the proceeds are now directed to that fund to support the development of student housing on both campuses.

Appendix VI: Capital Budget – Extended Detail

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

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

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

These projects provide renewed or expanded infrastructure to address the following needs:

- Academic program changes and enrolment growth
- Research activity and grant awards
- Student housing demand
- Deferred maintenance and seismic upgrade requirements to ensure safe and reliable facilities
- Transportation and utility infrastructure capacity requirements

Routine Capital

The Ministry of Post-Secondary Education & Future Skills (PSFS) increased Routine Capital funding to address much needed capital maintenance in campus buildings. UBC as a whole received \$39.8M from PSFS in 2023/24 and is notionally scheduled to receive another \$39.8M in 2024/25. PSFS has specified that these funds are to be directed toward the reduction of deferred maintenance in core academic facilities and that the overall package of projects in each year must be cost-shared between PSFS and UBC on a 75% / 25% basis.

Capital Planning & Development coordinates the development of the annual plan with Building Operations and Energy & Water Services, who set the program of specific projects based on facility condition assessment and input from department administrators regarding building user priorities. Synergies are sought with other infrastructure renewal and modernization requirements such as learning space upgrades, accessibility upgrades, and seismic upgrades.

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

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

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

| ROUTINE CAPITAL PROJECTS (2024/25) (in \$ millions) | MINISTRY | UBC | TOTAL |
|---|-------------|-------------|-------------|
| <i>This table shows a high-level breakdown of the 2024/25 ministry supported routine capital programs for both campuses</i> | 75% | 25% | |
| Vancouver Campus | | | |
| Major Maintenance and Rehabilitation Projects | 18.7 | 6.3 | 24.9 |
| Museum of Anthropology – Great Hall Renewal | 6.9 | 2.3 | 9.2 |
| Jack Bell Building | 9.8 | 3.3 | 13.0 |
| Anthropology and Sociology Complex | 2.0 | 0.7 | 2.7 |
| Minor Maintenance & Rehabilitation Projects | 20.2 | 6.7 | 27.0 |
| | 38.9 | 13.0 | 51.9 |
| Okanagan Campus | | | |
| Major Maintenance and Rehabilitation Projects | 0.9 | 0.3 | 1.2 |
| | 0.9 | 0.3 | 1.2 |
| Routine Capital Projects — UBC Total | 39.8 | 13.3 | 53.1 |

Information Technology

Major systems projects include the university’s capital investments in enterprise-wide systems either to create new capabilities or to upgrade existing systems to extend useful life. The required investments in major systems replacements and upgrades are essential for the university to maintain its level of service in a rapidly changing technology environment, and are considered a major risk factor if the systems were allowed to decline.

The Integrated Renewal Program and the Other Enterprise-Wide Systems are financed through internal loans, in accordance with Board policy, while Minor Systems Upgrades and Lifecycle investments are funded from Information Technology’s annual operating budget.

The major cost items over the period are:

- Integrated Renewal Program (IRP) Student:** Workday Student will be the anchor system replacing our current student information system. This renewed, reliable, and secure student information system will serve as a foundation to support UBC’s academic mission both today and into the future. It is scheduled to complete on November 30, 2024. The IRP Student project will implement one core platform for students, faculty, and staff to conduct administrative tasks resulting in a better user experience, a new set of tools, and a new way of working. The HR and Finance modules of IRP have been implemented, with further refinements ongoing.

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

Research Infrastructure

Research infrastructure contains a wide range of research-related capital expenditure commitments, primarily related to major and minor equipment needs, and IT equipment and software. Some major projects include building adaptations or renovations.

Library

The library collections are integral to the past and future success of the university and underpin the academic mission of world-leading learning, teaching, and research.



Appendix VII: Research Budget— Extended Detail

The Sponsored Research Fund accounts for all research transactions, the majority of which are funded externally. The use of external funding is restricted by the sponsor, donor, or granting agency and is intended to support the research activities of principal investigators in their areas of expertise. The fund also includes some restricted activities funded from internal sources. These activities are typically for start-up purposes or represent residual balances from expired research projects, which are retained by the principal investigators.

Restricted funds are only recognized as income when the funding received is spent in accordance with the restrictions stipulated by the funding agreement so that revenues match expenditures, resulting in no change to the bottom line.

For this reason, the research revenues reported in the university's consolidated financial statements may vary considerably from the amounts awarded to the university during any given year.

Unrestricted research funding will have an immediate impact on the reported bottom line each year to the extent that the funding has not been spent.

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

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

Appendix VIII: Endowment Budget— Extended Detail

The land development endowments include the TREK, TREK Rental Income, Student Housing Financing (SHFE) and Faculty Housing Assistance Financing (FHAFE) Endowment Funds. TREK and TREK Rental Income support the UBC mission and advance its charitable goals. SHFE was established in 2012 to invest in new student residences, and FHAFE was established in February 2017 to facilitate the recruitment and retention of outstanding faculty members.

In addition to providing financial support for student residences and faculty recruitment, the land development Endowment Funds currently support various strategic initiatives including the President’s Academic Excellence Initiative (PAEI), the Faculty of Medicine’s Faculty Renewal, the Rent-Geared-to-Income program, Faculty of Pharmaceutical Sciences capital project, the Stem Cell Lab Biomedical Research Centre capital project, the Fitness Facility Expansion in the Old Students’ Union Building, the Integrated Renewal Program (IRP), and the student financial support initiative for UBC Okanagan.

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

Investment Income on Land Development

The Endowment Lands were provided to the university a century ago to fund a “margin of excellence” beyond what a publicly-funded university could achieve. The university generated proceeds through developments on this land starting in the 1990s. The capital was invested and the net income was available to support the resourcing of strategic priorities.

At the time, the Board had two objectives: first, to maintain the capital in perpetuity; second, to ensure the use of the income was not permanently restricted to specific purposes so that the annual cash flows could be used for strategic purposes determined by the President. This lack of restriction is illustrated in the TREK terms of reference dating back to 2002, which broadly states that “the income will be used to support the mission of the university.”

Four Endowment Funds have been established with the net proceeds of land development on the Endowment Lands: TREK and TREK Rental Income, which reside in the Main Pool of Endowment Funds managed by UBC Investment Management, the Student Housing Financing Endowment (SHFE) and the Faculty Housing Assistance Financing Endowment (FHAFE).

LAND DEVELOPMENT ENDOWMENT (in \$ millions)

This table shows the components of the TREK Endowed Funds

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

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

TREK and TREK Rental Income support the mission of the university generally and advance its charitable goals. SHFE was established to support student housing projects, while the intention of FHAFE was to facilitate the recruitment and retention of outstanding faculty members. In all cases, earnings have been used to support strategic initiatives and preserve the principal value of the original contributions.

At the June 2019 Board of Governors' meeting a review of the TREK-related spending policy was presented, illustrating an opportunity to unlock the value of TREK-related assets while improving intergenerational equity. In 2021, the Board approved a change of the TREK spending policy from an annual 4% spend rate to a flat spend amount, increasing by 2% annually. A flat real spend amount of \$58.8M has been approved for fiscal 2024/25.

These funds are not intended to be allocated permanently but instead are used to support initiatives with limited life spans, to maintain flexibility for future administrations. That said, a large portion has been allocated to support building projects which are university priorities, but are not fully funded from other sources. Typically, funding is allocated to finance construction costs, which are amortized over periods of up to 30 years until the debt has been repaid, at which point the funding will become available again for reallocation. On-going allocations below represent debt service payments to support the construction of various university buildings, such as the Irving K Barber Learning Commons, Allard Hall, the Centre for Comparative Medicine, the Life Sciences Building, the Iona Building, and the Student Nest.

More recently, as funding has become available, these endowments have supported other types of priorities, such as enterprise-wide renewal, the Faculty of Medicine's faculty renewal, academic enhancement, the Rent-Geared-to-Income Program and matching funds.

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

| INVESTMENT INCOME ON LAND DEVELOPMENT (in \$ millions) | 2022/23 | 2023/24 | 2024/25 |
|--|--------------|--------------|--------------|
| <i>This table shows the funds available from investment income on land development and funding allocations</i> | ACTUALS | FORECAST | BUDGET |
| Funding sources, includes carryforward | | | |
| Balance carried forward | 1.4 | (3.7) | (7.6) |
| SHFE and FHAFE spend allocations | 18.7 | 18.6 | 21.3 |
| TREK spend allocations | 31.5 | 35.6 | 37.5 |
| Total Funding | 51.6 | 50.5 | 51.2 |
| Funding allocations | | | |
| On-going debt service | 14.4 | 14.4 | 14.4 |
| Other allocations | | | |
| Academic enhancement | 15.6 | 15.9 | 16.2 |
| Internal loan — IT projects | 12.0 | 12.0 | 12.0 |
| Medicine faculty renewal | 6.8 | 6.8 | 6.8 |
| UBCO student financial support | 5.2 | 5.3 | 5.4 |
| Central contingency | - | 2.6 | 2.6 |
| Rent Geared to Income Program | 0.8 | 0.6 | 0.8 |
| Pharmaceutical Sciences Building — debt relief | 0.5 | 0.5 | 0.5 |
| | 40.9 | 43.7 | 44.3 |
| Total Allocations | 55.3 | 58.1 | 58.7 |
| Ending Balance | (3.7) | (7.6) | (7.5) |

Killam Endowment Funds

In 1965, the University of British Columbia was fortunate in receiving various Killam Trusts, which were created pursuant to the last will and testament of the late Dorothy J. Killam. The trust funds were established at The Canada Council, Dalhousie College and University, The University of Alberta, The University of British Columbia (UBC), and The Montreal Neurological Institute. Subsequently, part of the fund bequeathed to The University of Alberta was transferred to The University of Calgary.

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

KILLAM ENDOWMENT FUNDS (in \$ thousands)

This table shows the 2024/25 spending allocation of the Killam Endowment Funds

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



THE UNIVERSITY OF BRITISH COLUMBIA