PRESIDENTIAL PRIORITIES

We have invested in the following priorities this year and will continue to fulfill our commitments to these important focus areas in addition to supporting UBC’s academic mission of pursuing excellence in teaching, learning and research.

**Presidential Priorities**

- Equity Diversity, and Inclusion
- Indigenous Engagement and Reconciliation
- Climate Change
- COVID-19 Response
- Operational Efficiency
- President’s Academic Excellence Initiative
UBCV PRIORITY INVESTMENTS - HIGHLIGHTS

Greater than anticipated enrolment, continued savings from the administrative units’ budget reduction, cost containment initiatives across both campuses, and continued strong provincial support have allowed UBC to continue to invest in critical initiatives:

Equity, Diversity and Inclusion

- $1.8m to support the implementation of the Anti-Racism and Inclusive Excellence Task Force recommendations across both campuses. An additional $800k investment is planned for other equity, diversity, and inclusion initiatives that include gender equity funding for athletics, positions in support of human rights, and IBPOC recruiting.

Indigenous Engagement and Reconciliation

- $4.2m to support Indigenous initiatives; including expansion of Indigenous student, curriculum, and advising support; and significant renovation to the Laboratory of Archaeology.

Providing More Holistic Support for Our Students

- $3.3m of recurring funds to further enhance student mental health resources and expand the Jumpstart program; $825k to kick start the recommendations from the Student Affordability Task Force (SATF) Report.

Furthering Our Academic Mission

- Over $7.3m to support the expansion of Global Research Excellence Institutes, additional learning technology licenses and support at CTLT, upgrades at the Dentistry teaching clinic, Dairy Education and Research Centre, and Food and Beverage Innovation Centre, creations of a Language Science research space at Gateway, and Global Engagement Strategy seed funding.
To address the climate crisis, UBC's annual investments total more than $40m, with ongoing support for programming such as Campus as a Living Lab and Sustainability Scholars, staffing and investments in sustainable buildings and infrastructure.

- For fiscal 2022/23, $1.4m in funding is proposed to support the implementation of CAP2030 and support for the Center for Climate and Environmental Justice
- Large-scale critical investments to support climate improvement initiatives (annual debt servicing of $7.8m per year):
  - 2011-2017 Steam to hot water conversion project $88m (24% efficiency improvement, and 22% GHG reduction)
  - 2012 creation of Bio-Research Demonstration Facility (BRDF) $27m (14% GHG reduction)
  - 2022 BRDF Expansion $22m (targeted 24% GHG reduction)
  - Annual continuous optimization program and energy conservation initiatives $500k/year (10% GHG reduction over the entire program)
- Significant staffing in support of climate and sustainability totaling approximately $850k per year; funding for two Co-Senior Managers at Sustainability Hub to support the implementation of the recommendations of the CETF
- Partnership programs including Campus as a Living Lab, Sustainability Scholars Program, SEEDS approximately $2.1m over the past 5 years.
FY22/23 BUDGET CONTEXT

• Internal cost pressures will persist as a result of FY20/21’s COVID-related operating deficit, higher-than-normal inflationary expenditures and very limited incremental funding.

• The university plans to draw $7m from reserves and shift existing resources to continue to advance its academic mission, fulfill capital project obligations and invest in key priorities.

• VP Portfolios (UBCV) will continue to absorb budget cuts (initiated in FY20/21) for at least two more years to mitigate the impact of COVID-19. Additional cost savings are being actively explored and implemented at both campuses.

• While applications numbers look promising, ongoing uncertainty, and potentially higher than normal withdrawals, could affect next year’s enrolment numbers.

• Ancillary operations' ability to return to pre-pandemic activity levels continues to depend on the likelihood of a full return and sustainment of on-campus activities.

• UBCO continues to build a reserve targeted at $40-$50m to invest in the Interdisciplinary Collaboration and Innovation (ICI) building and the UBC Downtown Kelowna project to address acute academic space needs.
While there is a $100m consolidated accounting surplus — all of this is not available for cash distribution (for example, reinvested funds from the returns on Endowment, internally restricted research funds to support new faculty hires and start-up, etc.)

Faculties and central administrative units are drawing from reserves to maintain operations, recruit new faculty and staff, refresh aging infrastructure, and support strategic initiatives, creating an operating deficit of ($7m).
The limited centrally managed incremental funds (Operating and AEF/EF) are proposed to be directed towards key university priorities.
# PROPOSED INCREMENTAL ALLOCATIONS – FISCAL 2022/23

<table>
<thead>
<tr>
<th>Incremental Allocations (in $millions)</th>
<th>Operating</th>
<th>AEF/EF</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UBCV</td>
<td>UBCO</td>
</tr>
<tr>
<td>Local and Global Engagement</td>
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<td>0.4</td>
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<tr>
<td>Transformative Learning</td>
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<td>0.8</td>
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<tr>
<td>People and Places</td>
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<tr>
<td>Research Excellence</td>
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<tr>
<td>Strategic Plan Enablement</td>
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<tr>
<td>Sustainment, Risk and Compliance</td>
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<td>0.6</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>37.6</td>
<td>2.9</td>
</tr>
</tbody>
</table>

| FY23 Contingency allowance             | 3.0  |       | 3.0   |      |      |       |
| Ramp-up of prior commitments           |      |       |       | 1.3  | 3.1  |       |
| **Total**                              | 40.6 | 2.9  | 43.5  | 15.9 | 8.5  |       |

$68m proposed allocations (both campuses):
- $44m from operating funds
- $24m from AEF/EF

24.4 total
CONSIDERATIONS FOR FISCAL 2022/23

• Global supply chain challenges continue to impact UBC, in some cases causing significant delays particularly for major equipment purchases and capital projects, which are also impacted by high inflation.

• While the university is actively implementing cost saving and reprioritization initiatives, a number of expenditures continue to create upward cost pressures, including salary increases in accordance with the respective Collective Agreements and the impact of high inflation on expenditures such as utilities, consumables, and equipment. Many of these costs have been rising faster than the tuition increases in the last couple of years.

• COVID-19 and escalating geopolitical tensions in Europe continue to present uncertainty with potential impacts to UBC’s financial position, such as evolving travel restrictions, study permit availability, impacted family income, and possible new variants. These events are being closely monitored, and impact assessed regularly.

• The recommended tuition increase will, if approved, enable UBC to continue to accelerate its investments in key priorities in future years. Should the tuition increase not be approved, there will be a flow-through compounded impact on revenues in future years.
UBC is responding proactively to mitigate the continuing impacts of COVID-19 and rising internal cost pressures by reducing expenditures and seeking operational efficiencies. Simultaneously, as evolving geopolitical events unfold, potential impact to the university is being closely monitored.

UBC’s financial position and liquidity are prudently overseen by the university’s Executive, the Audit Committee, the Finance Committee, and the Board of Governors, and remain in good health. External validation through leading credit rating agencies continuously rates UBC highly, with Moody’s and Standards & Poor’s issuing an Aa1 and AA+ respectively.

Despite the limited incremental funding available, the FY22/23 budget is grounded in driving forward the key priorities of the UBC Strategic Plan. These include: providing our students with the support they need; our ongoing goals of continuing to transform learning and push the boundaries in research; advancing our EDI goals and our commitments to Truth and Reconciliation; and our pledge in fighting against climate change.

These are areas of focus that the university has been intentionally growing over time and will continue to be the focus of our investments for years to come.