

FY 20/21 BUDGET AND COVID-19 ANALYSIS

September 24, 2020 – UBCO Faculty Town Hall



PROVINCIAL GUIDELINES ON FINANCIAL POSITION



Provincial Guidelines

- The Ministry mandates that UBC maintain a balanced position, however, in light of COVID-19, the Ministry may allow the University to run a short-term deficit position.
- The legislation and the Board of Governors mandate letters reference the following:
 - Meet or exceed the financial targets identified in the Ministry's three-year Service Plan tabled under Budget 2018, including maintaining balanced or surplus financial results.
- The current mandate from the Ministry requires a deficit mitigation plan if the University projects a deficit for a fiscal year. This plan must incorporate mitigation strategies that will allow UBC to move into a surplus position at a future date.
- The mitigation plan would form the basis of the Ministry of AEST's submission to government to secure deficit approval from the Minister of Finance.

FY 20/21 BUDGET – GUIDING PRINCIPLES



Guiding Principles

- Support the long-term health and wellbeing of students, faculty, and staff above all other considerations
- Prioritize outcomes that limit disruptions to operations while being fiscally responsible
- Leverage strategic priorities to inform decisions on expenditure reductions and transition non-urgent and less strategic initiatives to later years
- Preserve the core capabilities of the University and make decisions that will promote UBC's long-term sustainability
- Shift resources to ensure continuance and further enable functions that support critical learning, teaching and research resources and abilities to advance the academic mission
- Continue to follow the guidance and direction of the Provincial Health Officer, and the Health Authorities with respect to protecting public safety, and allocate funding to support UBC's ability to respond to new and emerging COVID-19 needs
- Seek innovative opportunities for revenue generation
- Provide as much certainty as possible to all Faculties and Units by making and communicating decisions as early as possible

UBCO – GUIDING PRINCIPLES

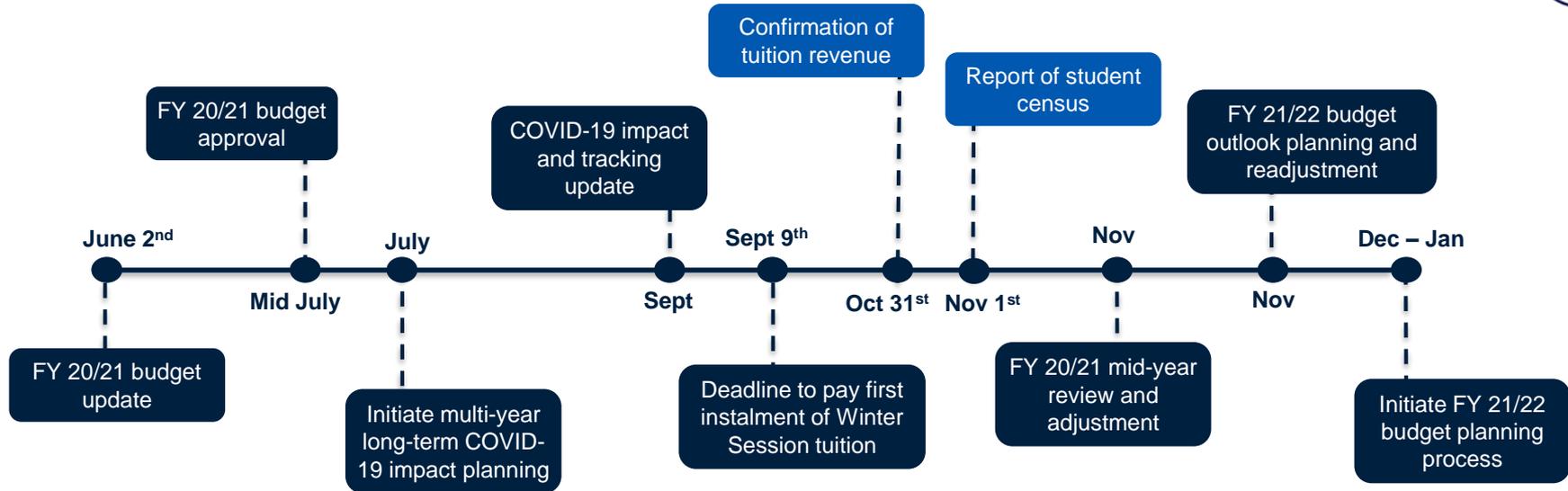


UBCO - Guiding Principles

- Continue to support campus wide investments in teaching, research, capital
- Facilitate a “smooth” transition in current and future years for Faculties and Administrative Units
- Limited incremental funding projected to be available for administrative units in future years, with allocation of one-time funding expected until enrolment returns to pre-pandemic levels
- Continue to support student financial aid programs

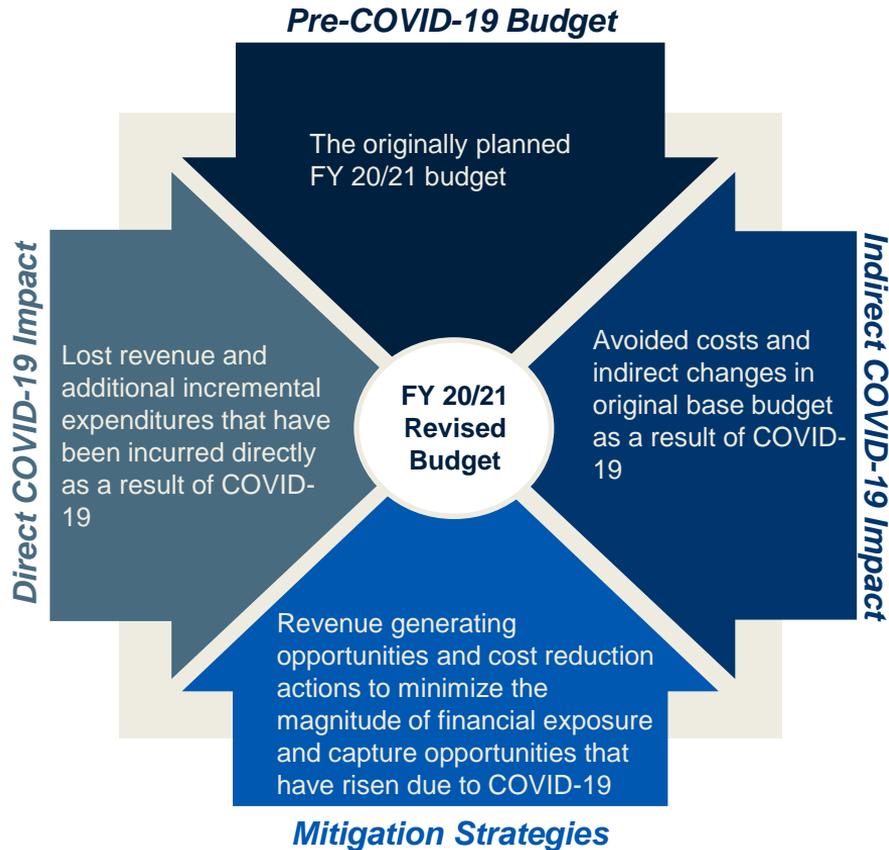


FY 20/21 KEY DATES



There are a number of key dates that occur after the approval of the FY 20/21 budget, which will directly impact the accuracy of the projections. Given the uncertainties around student behaviours due to safety, health and financial concerns, there may be substantial changes to the current modeling. A mid-year review is proposed in late Fall to assess deviations from plan and identify appropriate changes / mitigations after the Winter Session tuition is confirmed at the end of October.

FY 20/21 BUDGET COMPONENTS



The revised FY 20/21 budget has been established with inputs that have high degrees of uncertainty, many of which UBC has limited control over, such as student enrolment projections, travel restrictions, public health guidelines and directives, Ministry mandates, and likely threat of a second wave of the pandemic.

Additional funding will be dedicated to pursuing high standards of teaching and learning, ensuring quality across programs, supporting the phased ramp-up of research activities, promoting the health and safety of all students, staff and faculty, and adequate contingency to support unanticipated COVID-19 related requirements.

FY21 BOARD APPROVED ALLOCATIONS (1 OF 4)



Unit	Description	Fiscal Funding (\$000s)
AVP Finance and Operations Portfolio		1,513
Campus Planning		
	Senior Project Planner	
	Climate Action Plan	
	IRMP Implementation (Pond Monitoring Program)	
	Project Planner to permanent	
CORM		
	Camera replacement	
	Consultants - Threat Assessment	
	Custodial contract increase	
	Energy Analyst	
	Energy Saving Projects	
	Flu clinic vaccinations	
	Furniture Renewal	
	Increase Dispatch Support	
	New vehicle lease	
	One continuing security guard	
	Operational funding for modular builds	
	Service contract increases	
Finance Operations and Strategies		
	Term positions continuation	
Infrastructure Development		
	Infrastructure Development Director	
	Term Project Coordinator to permanent	
IT, Media and Classroom Services		
	City of Kelowna dark fibre lease for off-campus	
	Cybersecurity Resource Positions	
	IT Service Integration	
	Term Web Designer/Developer role to permanent	

FY21 BOARD APPROVED ALLOCATIONS (2 OF 4)



AVP Students Portfolio		474
Aboriginal Programs & Services		
	Aboriginal Initiatives (Event Mgr, UG Research) Associate Director, Aboriginal Programs and Services Indigenous Student Advisor/Facilitator	
Athletics and Recreation		
	Competitive Sport Club and Community Programs Coordinator Physical Activity and Wellbeing Coordinator	
AVPS Office		
	Manager, Orientation and Transition	
Health & Wellness		
	Therapy Assistance Online (TAO) Wellbeing, operating funds	
Deputy Vice-Chancellor and Principal Portfolio		442
Development & Alumni Engagement		
	Tuum Est Alumni Awards, Work Study position, Homecoming	
DVC Office		
	Senior Advisor on Indigenous Affairs Operating Budget	
Human Resources		
	Wellbeing Operation Costs, Workplace Health Services	
University Relations		
	AVPS Communications Manager Campus Promotion initiative, media purchases (Phase 1)	
Innovation Precinct		227
	IP 2 Operating	

FY21 BOARD APPROVED ALLOCATIONS (3 OF 4)



Unit	Description	Fiscal Funding (\$000s)
Provost and Vice-President Academic Portfolio		903
CTL	Academic Learning Spaces Program Assistant	
Enrolment Services	Degree Audit Analyst (Yr 1) Manager, Records and Registration	
Library	Centre for Scholarly Communication Associate Creating leadership capacity for makerspace UBCO Makerspace - Student Pool Salaries Open Education/Community Engagement Librarian WRC: English as an Additional Language	
OPAIR	Student Pool	
Provost and Vice-President Academic Office	IKBSAS – Transition Allowance Sr. Manager Strategic Projects	
Student Recruitment	Campus Tour and Student Ambassadors Increase in Scope (partial) Student Recruitment Advisor	
Graduate SFA	Graduate Dean's Aboriginal Entrance Fellowships - CoGS International Doctoral Fellowship - CoGS International Doctoral Partial Tuition Award - CoGS	529

FY21 BOARD APPROVED ALLOCATIONS (4 OF 4)



Vice-Principal Research and Innovation Portfolio	3,091
Innovation UBC	
Okanagan Innovation Centre lease costs	
Institutes	
Canadian Institute for Inclusion & Citizenship (CIIC) operating funding	
MMRI operating funding	
Office of Research Services	
Indigenous Community Liaison	
NSERC Research Support Specialist	
Shared Platforms	
Filter Lab Technician partial funding / Support Services Coordinator II	
Strategic Initiatives	
Business Development Officer	
VPRI Office	
Associate Vice-Principal Research position	
Eminence Packages	
President's Research Chair	
UBCO Aspire Research Fund	
Undergraduate Research Open Call (PURE)	
Faculty and College of Graduate Studies	752
ARSC - Faculty split (FY21)	
IGS Graduate Studies Program	
Language Fluency Degree (FY21)	
Press Play!	
Public Humanities Hub Okanagan	
Strategic Hires	
Award and Special Projects Assistant	
Total - Unit Allocations	7,931
Total - Salary increases and reclassifications	1,317
Grand Total Allocations	9,248

ASSUMPTIONS AND RISKS (AS ESTABLISHED IN JUNE 2020)

Assumptions

- The province will not be pulling back on this year's committed operating grant;
- Stability of the enrolment forecast for both undergraduate and graduate students;
- The province will continue to proceed with Phase Two of the reopening plans and move to Phase Three as planned in the Summer and Fall. The existing public health and safety guidelines will be in place for the foreseeable future; and
- Expenditures across the University will not drastically increase in the upcoming year, where possible, strategic reductions to preserve the long-term sustainability of UBC may be required.

Risks

- FY 20/21 Q4, which is Winter Session Term Two, its modality of delivery will not be determined until Fall 2020. This uncertainty has lots of downstream repercussions, including projected enrolment across the Faculties, expected number of students to be housed on campus, estimated number of facilities and services that need to be provided to support the students.
- Threat of second wave of COVID-19 is likely in the Fall given the current lack of viable treatment or vaccine, this will impact a number of university operations and affect the accuracy of the FY 20/21 budget, key areas that are at risk of a major interruption include:
 - Businesses that have partially begun to reopen, such as bookstore, the museums, fee-for-service operations, etc. will likely be mandated to close again.
 - Housing, Food Services and other ancillary operations will likely need to revise operations to contain potential outbreak.
 - Faculty members may be infected in the resurgence, and faculty members have limited alternative teaching options if they become ill.
 - Research curtailment may be enforced again to control the outbreak.



UBCO – PROPOSED APPROACH

UBCO - Proposed Approach

- SFA recognized as a critical area in need of support, with emphasis on need-based financial aid. Funding will be made available from the central sources including, operating, UBCO Excellence Fund, endowment.
- Faculties will be allowed to draw on reserves, where available.
- Faculties which do not have reserves, will be allowed to maintain a negative reserve balance or receive fiscal support from UBCO Central/Excellence Fund.
- One-time funding from UBCO Central operating reserves for administrative units ending in a deficit position, after implementation of mitigation strategies.
- Ancillary operations (Parking) to maintain deficit balance, with expectation that shortfall will be absorbed/offset next fiscal.

The following strategies have been encouraged:

- Hiring chill for administrative units
 - Implementation of a recruitment needs assessment and approval form for new and replacement hires (admin)
- Pause to administrative hires by Faculties where possible
- Reduction to discretionary spending for administrative units
 - Mitigation measures memo distributed, with target reduction of 75% for travel, supplies and sundries
- Delay of certain capital expenditures and professional fees where possible

Fiscal 2020/21 Plan Covid Impacts (Scenario B)

<i>in thousands (000's)</i>	Lost Revenue	Incremental Expenses	Avoided Costs/ Mitigation Actions	Projected Financial Impact
ARSC	(3,078)	(773)	2,250	(1,602)
APSO	(765)	(873)	1,434	(204)
FCCS	(774)	(23)	233	(564)
OSE	(143)	(43)	48	(138)
CoGS	-	(174)	27	(147)
FHSD	(928)	(68)	342	(654)
MGMT	(174)	(495)	210	(459)
Faculties	(5,862)	(2,449)	4,543	(3,768)
Excellence Fund	(1,718)	-	1,710	(8)
Provost Units	(26)	(292)	409	91
VPRI	(208)	(44)	431	179
Other Academic Units	(1,952)	(336)	2,550	262
AVPFO	(458)	(188)	1,280	634
DVC	(31)	-	277	246
AVPS	(1,191)	(52)	2,030	786
SFA	(927)	(3,806)	137	(4,596)
Parking	(2,638)	-	334	(2,304)
Central	(5,281)	-	4,631	(650)
Administrative Units	(10,526)	(4,046)	8,689	(5,883)
UBCO Total	(18,340)	(6,831)	15,782	(9,390)



Okanagan Campus
(in \$000s)

Operating Revenue

Government grants and contracts

Government of Canada

Province of British Columbia

Student fees - Domestic

Student fees - International

Non-government grants, contracts and donations

Sales and services

Total Revenue

Operating Expenses

Salaries - Academic

Salaries - Student services

Salaries - Staff

Total Salaries

Employee benefits

Total Salaries and benefits

Supplies and sundries

Scholarships, fellowships and bursaries

Travel and field trips

Professional and consulting fees

Utilities

Total Expenses

Excess (deficiency) of revenues over expenses

Transfers to (from) non-operating funds

Change in invested in capital assets

Net change in unrestricted fund balance

Accumulated reserves - opening ^(Note 1)

Accumulated reserves - closing

	Fiscal 2020/21 Plan					
	Pre-Covid Plan	Covid Adjustments			Plan Covid	Revised Plan
	B	G0110	Lost revenue G0111	Mitigation Strategy G0112	C	D = B+C
Government grants and contracts						
Government of Canada	1,226	-	-	-	-	1,226
Province of British Columbia	78,670	-	-	-	-	78,670
Student fees - Domestic	46,878	-	(4,945)	-	(4,945)	41,933
Student fees - International	75,984	-	(9,247)	-	(9,247)	66,738
Non-government grants, contracts and donations	203	-	(68)	-	(68)	134
Sales and services	9,620	-	(4,081)	-	(4,081)	5,539
	212,581	-	(18,340)	-	(18,340)	194,241
Total Revenue	212,581	-	(18,340)	-	(18,340)	194,241
Operating Expenses						
Salaries - Academic	63,069	615	-	(677)	(61)	63,007
Salaries - Student services	6,808	899	-	(475)	425	7,233
Salaries - Staff	48,960	236	-	(2,337)	(2,101)	46,860
Total Salaries	118,837	1,751	-	(3,488)	(1,737)	117,100
Employee benefits	20,765	61	-	(474)	(413)	20,353
Total Salaries and benefits	139,603	1,812	-	(3,962)	(2,150)	137,453
Supplies and sundries	16,279	1,033	-	(3,160)	(2,126)	14,152
Scholarships, fellowships and bursaries	17,748	3,874	-	(198)	3,676	21,424
Travel and field trips	3,864	10	-	(2,522)	(2,512)	1,351
Professional and consulting fees	2,923	22	-	(768)	(746)	2,177
Utilities	3,405	2	-	(162)	(159)	3,246
Total Expenses	183,821	6,754	-	(10,772)	(4,018)	179,803
Excess (deficiency) of revenues over expenses	28,760	(6,754)	(18,340)	10,772	(14,323)	14,437
Transfers to (from) non-operating funds	13,236	-	-	(854)	(854)	12,382
Change in invested in capital assets	26,463	77	-	(4,156)	(4,079)	22,383
Net change in unrestricted fund balance	(10,939)	(6,831)	(18,340)	15,782	(9,390)	(20,329)
Accumulated reserves - opening ^(Note 1)	68,230	-	-	-	-	68,230
Accumulated reserves - closing	57,291	(6,831)	(18,340)	15,782	(9,390)	47,901



Note 1 : FY21 Opening Reserves adjusted to reflect actual FY20 ending balances prior to year end accounting entries