

# ECU Budget 2026/2027



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## EXECUTIVE SUMMARY

The 2026/27 budget represents the financial plan for Emily Carr University of Art + Design (ECU), providing a roadmap for how we allocate our resources in service of our continued commitment to delivering an exceptional, practice-based education in art, media and design. This plan carefully considers fiscal realities facing the post-secondary sector and the university's strategic goals, developed through a year-round budget cycle.

ECU entered the 2026/27 budget planning cycle in an accumulated deficit position, with limited cash reserves, following several years of operating deficits. In a shifting provincial post-secondary environment, and through ongoing discussions with the Ministry and broader sector signals, the importance of institutions strengthening their financial positions became clear. In this context, ECU worked to address its financial position through measures within its own control.

As presented to the Board in December, ECU projected a preliminary operating deficit of over \$3.6M for the 2026/27 fiscal year. Over the past few months, administration identified strategies to reduce the projected deficit to achieve a balanced budget. The proposed 2026/27 operating budget reflects these actions and provides a foundation for greater financial stability moving forward.

## BUDGET ENGAGEMENT PROCESS

Budget planning began in May, with units assessing anticipated needs and pressures. Budget requests were completed in September to support development of the preliminary budget. Throughout the 2025/26 academic year, the Interim Vice President, Finance + Administration (VPFA) and the Vice President, Academic + Provost (VPAP) engaged with staff, faculty and students through targeted forums, including student townhalls, faculty meetings, and departmental staff meetings, to provide context on ECU's financial environment and sector-wide challenges.

These sessions focused on deficit mitigation strategies, the purpose of fees, and the services and investments they support. Designed to broaden participation following historically low attendance at budget townhalls, the sessions were well attended and received positively, with strong appreciation for increased financial transparency.

The VPFA and VPAP continue regular engagement with Ministry representatives, providing updates on ECU's financial position and cashflow. The next meeting is planned for July 2026, following the initial Fall registration period. The Ministry has expressed support for ECU's mitigation strategies and has consistently acknowledged the transparency of information provided.

## FINANCIAL OVERVIEW

As is required, ECU reports on an all-funds basis, which includes non-operating activities, such as external gifts, grants and bequests, and the university's 25% share in the Great Northern Way Campus Trust. Many of the non-operating activities are self-funded or restricted and do not directly impact the funds available for the university's day-to-day operations. On an all-funds basis, ECU is budgeting a surplus of \$1,105,339.

The surplus is primarily generated in the Capital Fund and through ECU's 25% share in Great Northern Way Campus Trust; however, neither source represents available cash. For more details, refer to Appendix 1, 2026/27 All Funds Budget.

The all-funds budget must be reviewed and approved by the Board, as required by the Ministry.

A summary of the all-funds budget is provided below:

	2026/27 Budget	2025/26 Budget	Difference
<b>REVENUE</b>			
Grants	\$ 29,069,271	\$ 28,910,280	\$ 158,991
Tuition and fees	28,598,984	28,441,281	157,703
Amortization of deferred contributions	5,720,905	6,875,871	(1,154,966)
Income from equity accounted organizations	348,527	374,348	(25,821)
Other	1,035,008	1,503,518	(468,510)
<b>Total revenue</b>	<b>\$ 64,772,695</b>	<b>\$ 66,105,298</b>	<b>\$ (1,332,603)</b>
<b>EXPENDITURES</b>			
Instruction	\$ 24,725,089	\$ 25,859,382	\$ (1,134,293)
Instruction support	35,501,012	37,020,538	(1,519,526)
Research	2,075,685	3,086,648	(1,010,963)
Externally sponsored activity and trust	1,388,570	1,300,909	87,661
<b>Total expenditures</b>	<b>\$ 63,690,356</b>	<b>\$ 67,267,477</b>	<b>\$ (3,577,121)</b>
Projected annual operating deficit	1,082,339	(1,162,179)	2,244,518
Endowment contributions	23,000	32,000	(9,000)
<b>Projected annual deficit</b>	<b>\$ 1,105,339</b>	<b>\$ (1,130,179)</b>	<b>\$ 2,235,518</b>

## 2026/27 All Funds Budget Summary

### Operating Budget:

The university's financial pressures are concentrated in the operating budget, which is supported by core revenues such as provincial funding and tuition. The operating budget is where ECU faces ongoing structural challenges and where mitigation strategies are focused.

ECU's operating budget results in a surplus of \$27,474 in 2026/27, with total revenues of \$53,896,375 and expenditures of \$53,868,901 (see below).

	2026/27 Budget	2025/26 Budget	Increase (Decrease)
<b>REVENUE</b>			
Grants	\$25,288,759	\$25,129,768	\$ 158,991
Tuition + Fees	27,683,984	28,441,281	(757,297)
Other	923,632	1,256,468	(332,836)
<b>Total Revenue</b>	<b>\$53,896,375</b>	<b>\$54,827,517</b>	<b>\$ (931,142)</b>
<b>EXPENDITURES</b>			
Salaries	\$41,570,553	\$44,591,431	\$(3,020,878)
Other	12,298,348	12,113,046	185,302
<b>Total Expenditures</b>	<b>\$53,868,901</b>	<b>\$56,704,477</b>	<b>\$(2,835,576)</b>
<b>Surplus (Deficit)</b>	<b>\$ 27,474</b>	<b>\$(1,876,960)</b>	<b>\$ 1,904,434</b>

Revenue projections for 2026/27 are 1.7%, or \$931K, less than the amount budgeted in 2025/26. While total revenue reflects Board approved tuition and fee increases, it also incorporates lower international enrolment resulting from federal restrictions on international student study permits. Tuition and fee projections have been prepared conservatively, based on current application volumes and yield rates consistent with 2025/26, which were below historical norms. Recruitment and admissions efforts remain focused on improving yield for the coming year.

The Ministry has advised that there are no changes to ECU's base operating grant and that one-time funding is not anticipated in 2026/27. The Ministry has announced that performance-based increases for Excluded employees will be funded retroactive to April 1, 2025. As the timing and amounts associated with this funding, as well as potential collective bargaining outcomes, have not been confirmed, these items are not reflected in the budget. It is assumed that any confirmed funding will fully offset the associated salary costs.

Revenue pressures have been offset through targeted deficit mitigation strategies focused on expense reduction. In total, approximately \$2.8M in targeted adjustments have been incorporated relative to the 2025/26 budget. These adjustments are concentrated primarily in personnel costs across all employee groups and consist largely of deferred hiring into vacant positions and are not a result of reductions to existing staff.

## CONTEXT + CHALLENGES

Like many post-secondary institutions, ECU continues to operate in a financially constrained environment. Rising cost pressures, constrained government funding, economic uncertainty, and changes in federal policy are collectively impacting the sector and require disciplined planning and prioritization.

ECU has operated with a structural deficit for over 15 years, driven by the unique characteristics that define our institution. Our small size, commitment to low student-instructor ratios, and delivery of a high-cost, practice-based art and design curriculum create a financial model that is fundamentally different from larger, more traditional universities. These pressures are compounded by inflationary increases across nearly all areas of university operations – from wages and benefits to utilities and service contracts.

At the same time, ECU's revenue growth opportunities are limited by its size, specialized programming, and current constraints on international student enrolment.

In recent years, accumulated surplus and one-time funding have helped mitigate operating deficits; however, these resources have now been exhausted. ECU is projected to end 2025/26 with a significant accumulated deficit of approximately \$3.2M (see below). Achieving a balanced operating budget in 2026/27 was therefore necessary to stabilize the university's financial position and maintain its status as a going concern.

	2024/25 Actual	2025/26 Projection	2026/27 Budget
<b>Opening Accumulated Surplus (Deficit)</b>	<b>\$ 1,863,109</b>	<b>\$ (680,908)</b>	<b>\$ (3,197,552)</b>
Total Revenue	52,244,114	51,910,225	53,896,375
Total Expenditures	54,788,131	54,426,869	53,868,901
<b>Annual Surplus (Deficit)</b>	<b>\$ (2,544,017)</b>	<b>\$ (2,516,644)</b>	<b>\$ 27,474</b>
<b>Ending Accumulated Surplus (Deficit)</b>	<b>\$ (680,908)</b>	<b>\$ (3,197,552)</b>	<b>\$ (3,170,078)</b>

Overall, the 2026/27 operating budget reflects a balance between addressing immediate financial pressures and maintaining institutional stability to support students, faculty, and the long-term health of the institution. The achievement of a balanced operating position ensures that the accumulated deficit does not increase and represents a critical step in stabilizing ECU's financial position. This outcome provides a necessary foundation for future surpluses that will be required to reduce the accumulated deficit over time and support the university's long-term financial sustainability.

## KEY INVESTMENTS IN 2026/27

At the core of the 2026/27 budget is ECU's commitment to supporting students through the quality of academic programming, learning environments, and essential student supports. This approach aligns with the priorities set out in the Strategic Plan. While the budget was developed on a roll-forward basis, it incorporates targeted investments enabled through the introduction of new

student fees. These investments are intended to protect the student experience and proactively sustain program quality within a constrained financial context.

Key investments include:

- Strengthening core student affairs functions that are currently under resourced or not fully established, including inclusion and accessibility, student engagement, professional development and career support, and student advocacy.
- Targeted investment in technical infrastructure within shops and studios to support program quality, align with industry and safety standards, and ensure graduates are well prepared for the workforce through high quality, practice-based, technology forward education.

## MITIGATION STRATEGIES

In developing the 2026/27 budget, Administration has taken a balanced approach that addresses deficit mitigation, long-term financial sustainability, cost containment, and key risks, including potential volatility in international enrolment, while preserving investments essential to maintaining ECU's academic mission and institutional standing.

As previously discussed with the Board, the university identified, the following areas of focus were identified to support a sustainable operating budget:

1. **Tuition adjustments**, which were approved by the Board on February 5.
2. **Implementation of new non-tuition fees**, including capital refresh and student experience fees, that enable a more sustainable approach to funding core infrastructure and student services.
3. **Targeted academic interventions**, including suspension of intake into low-enrolled majors, adjustments to course releases, cohort sizes of Graduate Studies' programs, and class sizes in specific courses.
4. **Reducing non-essential expenditures** through an exercise to identify a 5% budget reduction in all areas. Departmental recommendations were reviewed by members of the Executive, and feasible reductions have been incorporated into the budget.

Collectively, these measures improved the financial outlook from a preliminary operating deficit of approximately \$3.6M towards a balanced budget for 2026/27, with a projected operating surplus of \$27,474.

## RISKS + EMERGING PRESSURES

Applications for the upcoming academic year have increased by approximately 40% compared to the prior year, which is a positive indicator; however, ECU remains cautious given that yield rates in 2025/26 were significantly below historical norms and Federal regulations continue to impact the international enrolment environment. As a result, enrolment projections for 2026/27 have been prepared conservatively.

Due to the province's fiscal constraints, ECU has been advised that additional provincial funding is not expected and it is essential that ECU address its financial position through measures within its own control. Registration activity will be monitored closely and if international registration is lower

than budgeted, administration must act immediately to manage any variances internally. This could result in additional cost-saving measures.

The broader sector review adds a further layer of uncertainty as the province examines approaches to improving the financial sustainability of the post-secondary system. Given ECU's history of operating deficits, the university may be subject to increased scrutiny. Ongoing engagement with the Ministry has been constructive, and regular updates have provided assurance that ECU's deficit mitigation strategies are appropriate and progressing as intended.

## **LOOKING AHEAD + FINANCIAL SUSTAINABILITY**

The 2026/27 fiscal year is expected to remain financially challenging. Administration is confident that the activity reflected in the budget, including enrolment targets and deficit mitigation measures, is achievable. The resulting surplus provides a stable foundation on which to build following several years of operating deficits.

Looking ahead, Administration is focused on identifying and advancing longer-term revenue generating initiatives to strengthen ECU's financial position in alignment with the institution's Strategic Plan. Areas under active exploration include:

- The Granville Island Project + Student Housing, as part of a long-term campus and infrastructure strategy
- Sector leadership and government advocacy to advance art and design education in British Columbia
- Targeted, project-based grants aligned with academic priorities
- Strategic partnerships with industry, cultural organizations, and other institutions
- Donor engagement and philanthropy aligned with institutional priorities

Through these initiatives, ECU aims to secure new avenues of financial support. While these initiatives do not represent guaranteed sources of revenue, they are intended to complement existing strategies and support ECU's long-term financial sustainability.