



Western
UNIVERSITY • CANADA

2019-20 Operating and Capital Budgets

March 31, 2019

2019-20 Budget Highlights

A. Introduction

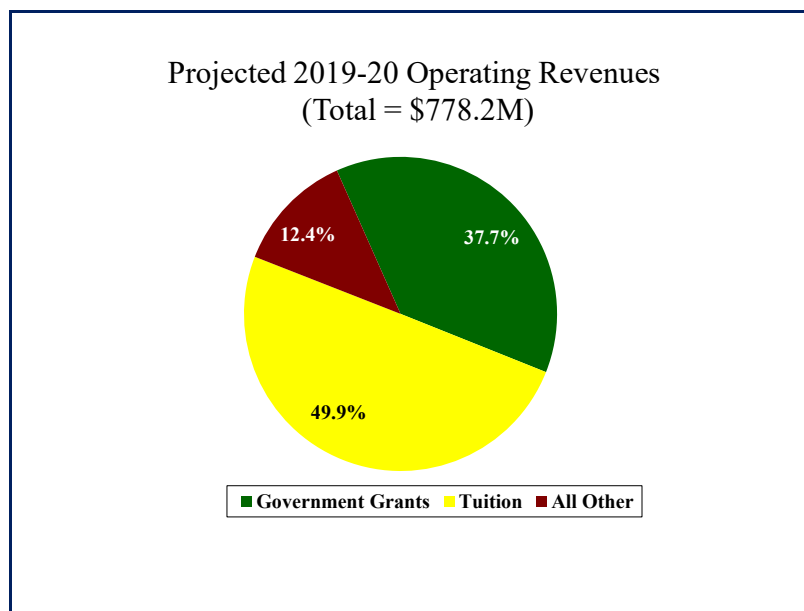
Western's 2019-20 Operating and Capital Budgets move us forward to a new (transitional) 2-year plan – spanning the period 2019-20 and 2020-21. This budget builds on the previous 4-year plan and has been developed in the context of our Strategic Plan – *Achieving Excellence on the World Stage* – and with reference to the priorities outlined in the Faculty Academic Plans and the Support Unit Operational Plans. The budgetary context is one of significant fiscal pressures associated with the two major sources of funding in our Operating Budget – tuition fees and provincial government grants.

The Province has announced that domestic tuition fees must be rolled back 10% in 2019-20 and must remain frozen in 2020-21. The impact of this decision is a shortfall in tuition revenue of approximately \$43 million at the end of 2020-21 compared to our initial forecast – which was based on the continuation of the previous domestic tuition framework which allowed for an overall increase of 3%. We do not yet have a formal announcement on provincial government grants for 2019-20 and beyond. Our assumption at this point in time is that grant funding will remain unchanged from 2018-19 levels.

B. The 2019-20 Operating Budget

Revenues

The 2019-20 Operating Budget projects total revenue of \$778.2 million – which is based on stable government grants, the 10% reduction in domestic tuition rates, increases in international tuition rates similar to recent years, and modest growth in undergraduate and graduate enrolments.

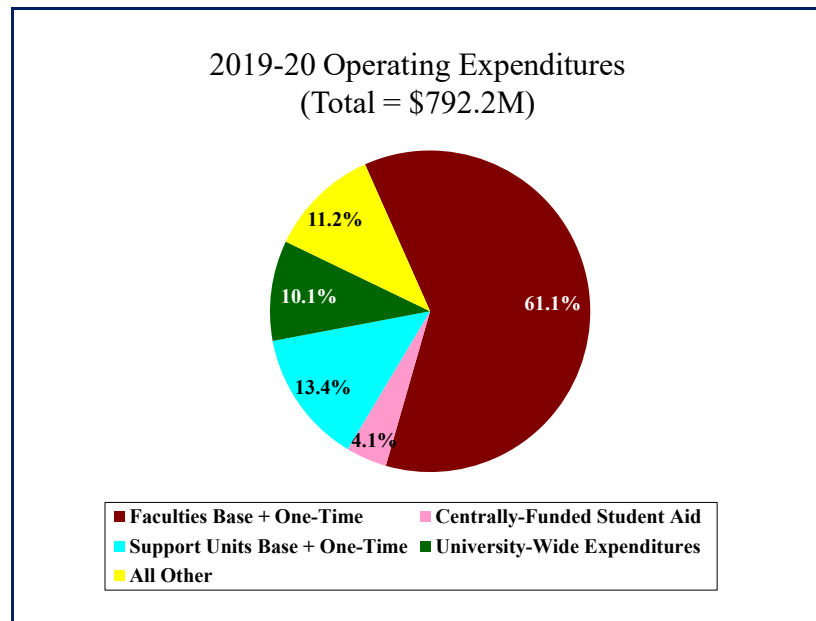


Expenditures

Total expenditures for 2019-20 are projected to be \$792.2 million, and include the following investments in new initiatives and priorities:

- Growing our endowments is a University priority – and, in support of this, a sum of \$12 million in one-time funding is being recommended to augment our ***Endowed Chairs Matching Program***.
- Western continues with its ***integrated long-range approach to space/facilities planning*** – and we are recommending \$12 million in one-time funding to support two high priority projects:
 - A sum of \$5 million for the creation of Indigenous Learning Spaces across campus – which includes indoor/outdoor teaching and learning facilities, ceremonial space, multi-functional/gathering spaces, studio facilities, and offices
 - The remaining \$7 million to move forward with the next stage of the multi-phased Medical School Facilities Project – which includes renewal, replacement, and expansion components
- In order to support the Faculties and Support Units in adapting to lower budgets, ***the Efficiency and Innovation Fund*** is being recommended for 2019-20 – at a value of \$10 million in one-time funding. The one-time-only fund will support major initiatives that lead to significant revenue generation and/or cost reductions. Faculties and Support Units can submit proposals up to August 31, 2019.
- The self-funding ***multi-year Engineering Expansion Plan*** that supports expansion of enrolments and faculty/staff complements, and the construction of a new building. In 2019-20, a sum of \$950,000 in base funding and \$8 million in one-time funding (to support Engineering facilities expansion and renewal) are recommended.
- A sum of \$3 million in one-time funding is being recommended to support the “First in Canada” ***Innovation & Collaboration Hub for Advanced X-Ray Imaging and Interventional Suite*** – specifically to cover the cost of renovations to create the necessary facilities and equipment. The facility – which will strengthen Western’s place as a leader in imaging research within Canada and Internationally – is being located at the Robarts Research Institute and is being supported by over \$8 million in private sector investments.
- ***The Postdoctoral Fellowship Program*** aimed at attracting and retaining top-tier postdoctoral talent was initiated last year as a 2-year pilot – with a one-time allocation of \$226,000 in 2018-19. As committed in last year’s budget, a sum of \$452,000 in one-time funding is being recommended for 2019-20.
- In response to our Strategic Plan’s commitment to strengthen the ***entrepreneurship eco-system on campus***, the 2016-17 University budget allocated \$1 million in one-time funding to be spent over a 3-year period. That funding comes to an end in 2018-19 – and it is now being recommended that the funding be made permanent in 2019-20 with a base allocation of \$400,000. For information, we are also in the planning stages of creating new space/facilities for Entrepreneurship at Western.

The 2016 Provost's Taskforce on University Budget Models concluded that strong support remains for Western's current hybrid budget model – and its ability to evolve over time and to adopt various components found in Incremental, Responsibility-centered Management (RCM), and Performance-based models. The recommendations in this budget continue with the underlying principles that drive our current model: maintain high student and educational quality in the context of a research-intensive university. A high-level breakdown of the expenditure recommendations is as follows:



C. The 2019-20 Capital Budget

The Capital Budget supports our Long-Range Space Plan which involves a number of high priority projects – including five major academic projects which are underway or in various planning stages:

- Modernization of Thames Hall – including the creation of an integrated Western Wellness Centre
- The Biomedical Research Facility – phase 1 of the multi-phased Medical School facilities renewal/realignment/expansion plan
- Modernization of Weldon Library – including the creation of student spaces
- Renewal and expansion of the Ivey Spencer Leadership Centre – including creation of modern accommodation facilities
- Space/facilities for Entrepreneurship at Western

Funding for the Capital Budget in 2019-20 is derived from the following sources: Government Grants (\$8.5 million), transfers from the Operating Budget – including unit budgets (\$33.2 million), self-funded or ancillary operations (\$17.6 million), and borrowing (\$19.4 million).

Capital Expenditures are projected to be \$95.3 million in 2019-20, with a breakdown as follows:

- \$24.8 million in support of ***new construction*** (including planning/design). This includes the Biomedical Research Facility and the Ivey Spencer Leadership Centre Renewal/Expansion Project.
- \$20.6 million in support of ***major renovation projects***, which includes modernization of Thames Hall and the Weldon Library.
- \$8.0 million for ***utilities and infrastructure projects***.
- \$9.3 million associated with the ***modernization/adaptation of instructional and research facilities*** across campus.
- \$14.3 million for ***general campus maintenance projects***.
- \$13.1 million in support of ***renewal in our residences***.
- \$5.4 million for all ***other capital expenditures*** – which includes carrying costs and debt repayment.

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ACRONYMS used in University Budget Document

	Acronym	Description
1	APF	Academic Priorities Fund
2	APPF	Academic Planning, Policy, and Faculty
3	AQ	Additional Qualification Courses in the Faculty of Education
4	B.Ed.	Bachelor of Education Program/Degree
5	BRT	Bus Rapid Transit System
6	CERC	Canada Excellence Research Chairs Program
7	CRCs	Canada Research Chairs
8	CRV	Current Replacement Value (of Buildings)
9	CSD	Communication Sciences and Disorders Program
10	DM	Deferred Maintenance
11	Ed.D.	Doctor of Education Degree
12	EFB	Employee Future Benefits
13	FIMS	Faculty of Information & Media Studies
14	FRSF	Federal Research Support Fund (formerly FFICR)
15	FTE	Full-Time Equivalent
16	GGRP	Greenhouse Gas Reduction Program
17	HBA	Honours Business Administration Degree/Program
18	IBA	Initial Budget Adjustment
19	ILIC	Integrated Learning and Innovation Centre
20	ITIF	Information Technology Infrastructure Fund
21	M.Cl.Sc.	Masters in Clinical Sciences Degree
22	M.Ed.	Masters in Education Degree/Program
23	M.O.S.	Management & Organizational Studies Program
24	MBA	Master of Business Administration Degree/Program
25	MC	Middlesex College
26	MD	Doctor of Medicine Degree/Program
27	MEng	Master of Engineering Degree/Program
28	MESc	Master of Engineering Science Degree
29	MMI	Maintenance, Modernization, and Infrastructure
30	MOECC	Ministr of the Environment and Climate Change
31	MSc	Master of Science Degree
32	MTCU	Ministry of Training, Colleges, and Universities
33	MTP	Media, Theory, and Production Program
34	NCB	North Campus Building
35	OSAP	Ontario Student Assistance Program
36	OT	Occupational Therapy (School/Program)
37	Ph.D.	Doctor of Philosophy Degree
38	PT	Physical Therapy (School/Program)
39	RCM	Responsibility-centered Management
40	RISF	Research Infrastructure Support Fund
41	SGPS	School of Graduate & Postdoctoral Studies
42	SIF	Federal Government's Strategic Investment Fund
43	SSHRC	Social Science and Humanities Research Council
44	STEM	Science, Technology, Engineering, and Mathematics
45	SUPF	Support Unit Priorities Fund
46	WRCs	Western Research Chairs
47	WSC	Western Science Centre

2019-20 Operating Budget

A. Planning and Budgetary Context

The current planning cycle moves us forward to a new (transitional) 2-year plan – spanning the period 2019-20 to 2020-21. This budget builds on the previous 4-year plan and has been developed in the context of our Strategic Plan – *Achieving Excellence on the World Stage* – and with reference to the priorities outlined in the Faculty Academic Plans and the Support Unit Operational Plans.

We move forward with planning for the next 2 years in the context of significant fiscal pressures associated with the two major sources of funding in our Operating Budget – tuition fees and provincial government grants.

- The Province has announced that domestic tuition fees must be rolled back 10% in 2019-20 and must remain frozen for 2020-21. The impact of this decision is a shortfall in tuition revenue of approximately \$43 million at the end of 2020-21 compared to our initial forecast – which was based on the continuation of the previous domestic tuition framework which allowed for an overall increase of 3%. In addition, it is not clear what rules will be put in place after 2020-21.
- We do not yet have a formal announcement on provincial government grants for 2019-20 and beyond. Our assumption at this point in time is that grant funding will remain unchanged from 2018-19 levels.
- Enrolments are the major drivers of our operating revenues. Modest growth is projected for both undergraduate and graduate enrolments. Undergraduate growth is targeted in the international component and graduate growth is projected based on the plans submitted by the Faculties.
- The net impact of these parameters is that total operating revenue is forecast to decline by 2.2%.

The recommendations in this budget are based on currently-known information on revenues and expenditures. We are awaiting more information on other Provincial Government initiatives that could have an impact on our Budget. These include:

- The restructuring of the Ontario Student Assistance Program (OSAP) which might impact the University Budget – through changes in enrolment levels and/or increased pressures on our student aid budget lines.
- The “Student Choice Initiative” which gives students the choice to opt out of certain ancillary fees – which in turn could impact revenues that fund some of our student services.

If our fiscal situation changes (either positive or negative), we will need to make the necessary adjustments as part of the next year’s planning cycle which will begin in September 2019.

At Western, our multi-year approach to planning serves us well – and we continue to focus our budget planning on our strategic priorities. Our enrolment planning follows the objectives set out in our Strategic Plan:

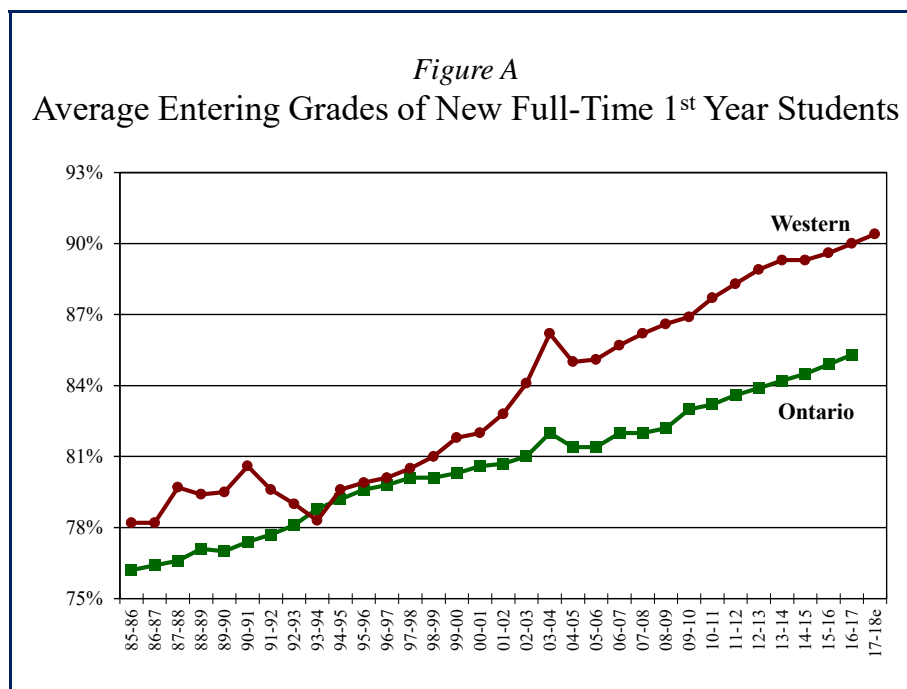
- Attract the brightest students as demonstrated through the highest entering grade average. Our first-year class is expected to be about 5,250 in 2019-20 and 5,300 in 2020-21.
- Over time, increase the number of undergraduate international students to 15% of the undergraduate student body. Our plan is to recruit 680 first-year international students next year.
- Increase the number of out-of-province students to at least 10% of the undergraduate student body. Our plan is to recruit 500 first-year out-of-province students.

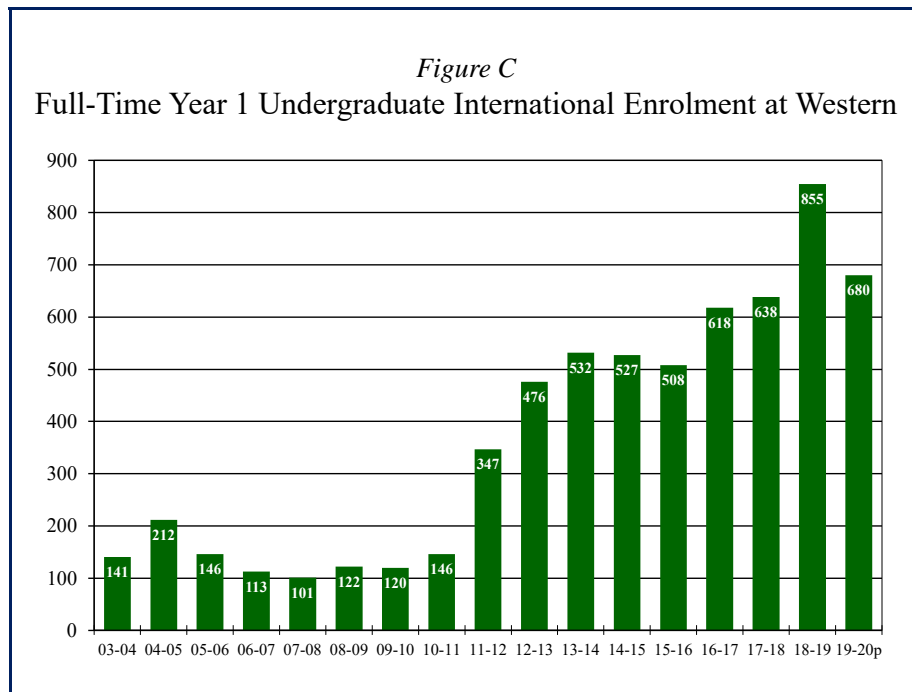
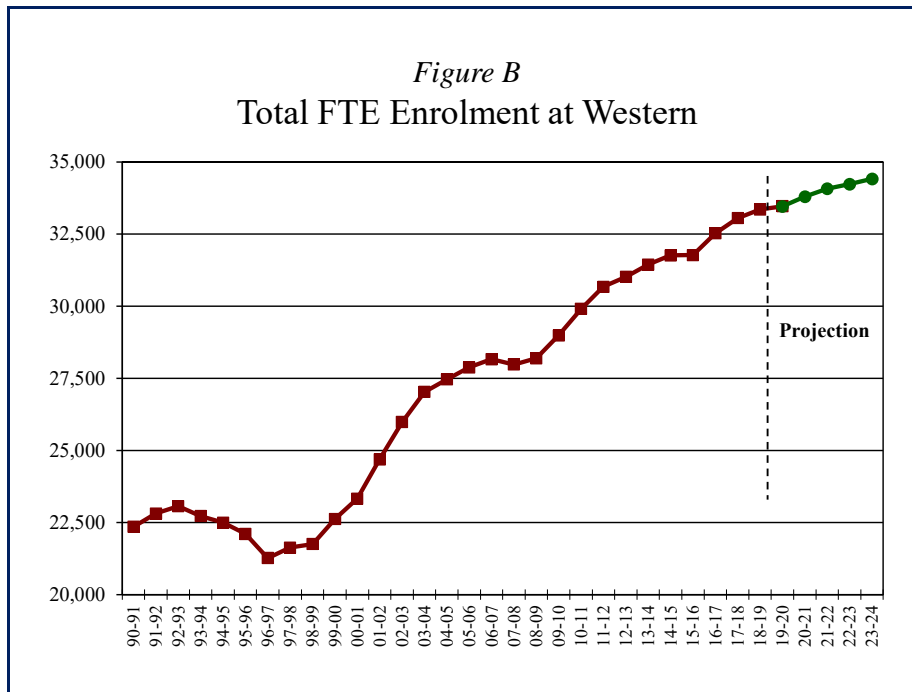
- Increase graduate student enrolment to at least 20% of the total student body. The graduate enrolment plans from the Faculties will place us very close to this threshold during the upcoming 2-year planning period.

Our approach to enrolment planning allows us to make significant enhancements to the quality of education and the educational experience we offer our students:

- Recruitment of outstanding undergraduate students is a high priority. The average entering grade of our incoming class in the fall of 2017 was 90.3% – well above the Ontario average.
- Over 93% of our first-year students continue into their second year. Our retention rates are amongst the highest in Canada and much higher than at our peer institutions in the United States.
- Graduation rates of our undergraduate students have been steadily increasing – and they are currently much higher than the rates at our peer universities in Canada and the United States. Over 83% of Western’s 2011-12 entering cohort graduated within 6 years.
- Our efforts in undergraduate international enrolment expansion resulted in nearly 16% of our fall 2018 first-year class coming from other countries. However, a vast majority of these students are from one country and are being admitted into three programs. Our aspirations are to diversify the source and destination of international students. We are developing diversification strategies, and expect to return to a growth trajectory in subsequent years.
- Expansion of graduate enrolments (in areas of demand and capacity) continues to be a strategic priority at Western. The current plans from the Faculties show significant growth aspirations. In the current year, full-time graduate students comprise 19.3% of total full-time enrolment.
- Results of exit surveys and course/instructor evaluations at Western indicate that our students rate their courses, instructors, and the quality of their education very high.

We remain committed to building on the substantive gains we have made in the areas of student quality, educational quality, and the students’ educational experience. Going forward, we will continue to manage our resources and target them towards our highest priority – *Achieving Excellence on the World Stage*.





B. Updates on Priorities and Initiatives from Last Year's Budget

The following initiatives were included in the 2018-19 Budget, and involved substantial investments.

1. Growing our Endowment: The Endowed Chairs Matching Program

Growing our Endowment continues to be a high priority for the University – and this priority has been supported through the expansion of the Endowed Chairs Matching Program, which started in 2010-11. In 2018-19, a sum of \$15 million in one-time funding was added to this program – bringing the total to \$83.5 million over the 9-year period.

2. Long-Range Space Plan

Western continues with its integrated long-range approach to space/facilities planning. Last year's budget identified three projects for funding support:

- Weldon Library Renewal. Phase 1 of this Project is currently in design stage.
- Western Wellness Centre in Thames Hall. The first stages of construction have started.
- Realignment of space in the Natural Sciences Centre to create student spaces. Formal planning for this project is expected to begin in the summer of 2019.

3. Strategic Expansion of Engineering

The multi-year self-funding Engineering Expansion Plan – launched in 2015-16 is well underway. The plan includes expansion of undergraduate enrolment, faculty/staff complements, and space/facilities. The specific elements for 2018-19 were as follows:

- Full-time undergraduate enrolment reached 2,032 – an increase of 486 from the 2014-15 level of 1,546.
- \$898,000 in incremental base funding was added to the Engineering budget – to support expansion of faculty and staff complements.
- \$6.8 million in one-time funding was transferred to the capital budget in support of Engineering facilities expansion and renewal.

4. Support for Scholarship/Research Initiatives in the SSHRC Disciplines

The need to provide incremental targeted internal resources to support scholarship/research in the SSHRC disciplines was identified as a priority in the 2016-17 Budget – and a \$5 million endowment was established that year. In 2017-18, an incremental \$2.5 million was added to the endowment – bringing the total to \$7.5 million. Last year's budget allocated an incremental \$2.5 million – bringing the total to \$10 million. In the steady-state, this \$10 million is expected to yield an annual amount of \$400,000 to support this priority.

5. Pedestrian-Friendly Safe Campus Initiatives – Western's Open Space Strategy

The planned transformation of our core campus into a vehicle-free pedestrian-friendly campus started two years ago. In support of this, a sum of \$2 million in one-time funding was allocated in 2018-19 – bringing the total allocation to \$6 million over the last three budgets. This work to-date includes new/improved safety-related signage, traffic calming or vehicle speed reduction initiatives in high traffic and pedestrian areas, improved lighting – in areas such as Alumni Circle, the Natural Sciences

precinct, the Engineering Precinct, Talbot College areas, and various high-traffic parking lots, improvements to bike lanes across campus, and the transformation of Kent Drive and surrounding areas into a vehicle-free zone.

6. Energy Conservation Initiatives

The University's utilities costs – after recoveries from self-funding operations – are in the range of \$25 million. In order to help contain utilities costs in the future, last year's budget allocated \$1 million in one-time funding in support of University-wide Energy Conservation Initiatives. These funds have been invested in campus-wide infrastructure projects such as insulation improvement, fume hood infrastructure enhancements, and upgrades to chilled water distribution systems, plumbing infrastructure, and electrical systems. These projects will help reduce electricity, water, and natural gas consumption – and the projected “payback” period for the \$1 million investment is three years.

7. The Postdoctoral Fellowship Program

The Postdoctoral Fellowship Program – aimed at attracting and retaining top-tier postdoctoral talent (domestic and international) – was introduced last year as a 2-year pilot, with a one-time allocation of \$226,000 and the commitment to double the amount in 2019-20. To-date, the program has co-funded (matched by Faculties and Principal Investigators) ten top-tier postdoctoral fellows recruited nationally and internationally across a broad range of disciplines, including two Fellows in the area of Indigenous Scholarship/Research. The next round will be adjudicated in late April 2019. Details of the program can be found at:

https://www.uwo.ca/research/funding/students/postdoctoral_fellowship_program.html

8. Indigenous Initiatives – New Faculty Appointments

In support of our priorities in the area of Indigenous Education, the 2018-19 Budget committed \$600,000 in base funding to support faculty appointments. This program – structured as a Cluster Hire Initiative designed to attract and appoint Indigenous Scholars in any discipline across the Academy – is formally launched. The Search Committee has been identified and has met, search processes have been finalized, and an advertisement is in development for posting.

9. Support for Front-Line Student Mental Health Services

Western's Student Mental Health and Wellness Strategic Plan outlines a set of goals and priorities – with an underlying theme of strengthening front-line/direct services to our students. In support of this, last year's budget committed \$400,000 in base funding – with the understanding that this funding will be used to partner with our student organizations for matching/incremental funding. Through the Student Services Committee process, our student organizations have approved modest increments to ancillary fees that would provide a matching \$400,000. The total available funding will support incremental staffing that will allow us to broaden proactive support and strengthen responsive care in the areas of student mental health and wellbeing to enhance student thriving.

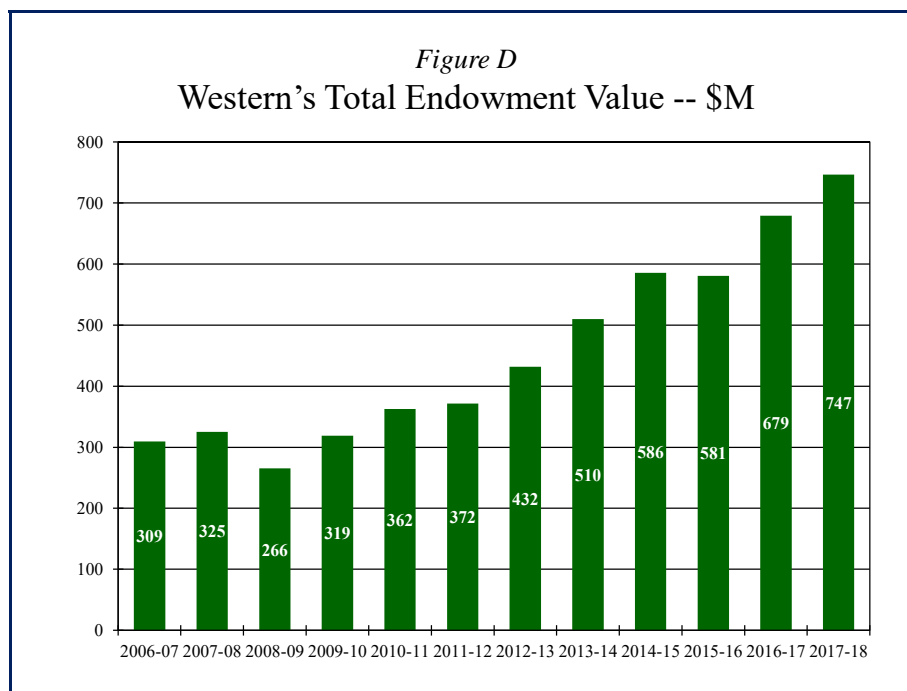
C. Priorities for the 2019-20 Budget and New Initiatives

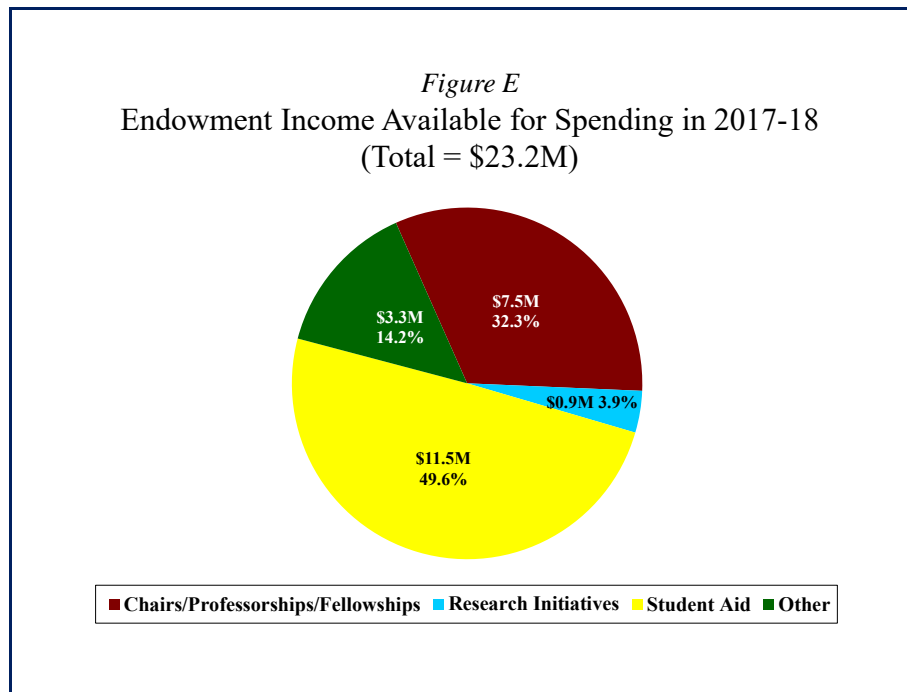
1. Growing our Endowment: The Endowed Chairs Matching Program

Growing our Endowment is a high priority for the University – and our budgetary allocations in recent years to the Endowed Chairs Matching Program have directly supported this priority. Starting in 2010-11, a total of \$83.5 million has been allocated to support the Endowed Chairs Program. To-date, pledges have been committed for 28 endowed chairs (of a possible 45 to 50). The Vice-President External is in discussions with donors at various stages for an additional 14 chairs (ranging from \$3 million to \$5 million per chair) – which, if successful, will bring the total to 42 chairs. In addition, a further 34 chairs have been identified by Deans as high priorities. Given the success of this program, and in order to continue with the Endowed Chairs Matching Program, it is recommended that a sum of \$12 million in one-time funding be allocated in 2019-20 to support this high priority.

The incremental \$12 million being proposed in this budget will be targeted towards sustained funding for the Western Research Chairs (WRC) Program – which was introduced in 2013-14 with one-time funding. Our objective is to continue the WRC program as a permanent program with ongoing funding – either through the creation of endowments through the matching chairs approach or future base funding from the Operating Budget.

As noted above, building our endowments is a high priority for the University – and is a central component of our fundraising efforts. Endowments provide the University with substantial additional resources (incremental to the funds in the Operating Budget) in the form of on-going or base resources – to support faculty positions (chairs, professorships, and fellowships), research initiatives, student aid, and other priority needs. Figure D shows the total value of Western’s endowments since 2006-07 and Figure E shows the funding that was available for spending from the endowments in 2017-18 by major category (totaling \$23.2 million).





2. Long-Range Space Plan

The University's space/facilities requirements to support our academic priorities are reviewed as part of our integrated approach to planning – and the updated Long-Range Space Plan is summarized in Table 14.

Category 1 of Table 14 lists the projects that are currently under way or soon-to-start and category 2 lists projects that are in various planning stages. In this budget, one-time funding (\$12 million) is being recommended to support two priority projects:

- a. A sum of \$5 million for the creation of Indigenous Learning Spaces across campus – which includes indoor/outdoor teaching and learning facilities, ceremonial space, multi-functional/gathering spaces, studio facilities, and offices; and
- b. The remaining \$7 million to move forward with the next stage of the multi-phased Medical School Facilities Project – which includes renewal, replacement, and expansion components.

As part of this budget document, we seek approval in principle from the Board of Governors to proceed with planning for the above projects – with the understanding that these projects and the detailed funding plans will be brought forward on an individual basis for formal Board-approval.

3. Efficiency and Innovation Fund

In order to support the Faculties and Support Units in adapting to lower budgets, the Efficiency and Innovation Fund is being established in 2019-20 – at a value of \$10 million in one-time funding. Deans and Unit Heads can submit proposals to support major initiatives aimed at revenue generation, increased efficiencies, and cost reduction initiatives. The high-level parameters for the fund/program are:

- The one-time-only fund will support major initiatives that lead to significant revenue generation and/or cost reductions.
- Examples of Revenue Generation Initiatives include new program development that results in incremental enrolments, targeted initiatives (such as 2+2 programs or joint/dual degree programs) that lead to incremental international enrolments, and partnerships with the private sector that could reduce costs or generate revenues.
- Examples of modernization, realignment, and cost reduction initiatives include leveraging new technology to support educational innovation and/or administrative/operational efficiencies, realignment of services both within units and through pan-university collaboration to reduce/eliminate duplication and costs, and technology-enabled/supported delivery of courses.
- The outcome of each initiative must have substantial financial benefits to the unit(s) and must assist the unit in achieving structurally stable/balanced budgets in the long-run. The outcome/benefits must be clearly measurable.
- Funding requests could be a maximum of \$500,000 one-time – to be spent over the 2-year period 2019-20 and 2020-21 (i.e. by April 30, 2021). The level of funding requested should have a direct relationship to the financial outcomes/benefits.
- Proposals that involve collaborative multi-unit initiatives and/or matched with unit carryforward funds will be viewed favourably. It is recognized that carryforward levels vary substantially among the units.
- Initial proposals should be brief (maximum 3 pages) – and clearly describe the one-time funding plan and the expected financial and operational benefits. If a proposal is chosen for funding support, additional information – including a business plan and a project management structure – may be required.
- Proposals can be submitted up to August 31, 2019 – i.e. prior to the start of next year’s planning process.
- The Provost will respond within 20 working days from the proposal submission date.

There will be a separate call for proposals – later in 2019 – for online program development that leads to revenue generation and/or cost reductions.

While the current fiscal environment places financial pressures on all aspects of the University’s operations, we believe Western is well-positioned to take this period as an opportunity to review our processes and activities to become more effective and efficient in supporting our academic mission.

4. Strategic Expansion of Engineering

The multi-year strategic expansion of Engineering continues with the allocation of additional resources in 2019-20, as follows:

- A sum of \$950,000 in base funding to the Engineering Budget.
- A transfer of \$8 million one-time to the Capital Budget to finance Engineering facilities expansion and renewal.

5. Innovation & Collaboration Hub for Advanced X-Ray Imaging and Intervention Suite

A sum of \$3 million in one-time funding is being recommended to support the “First in Canada” Innovation & Collaboration Hub for Advanced X-Ray Imaging and Interventional Suite – specifically to cover the costs of renovations to create the necessary facilities. The facility – which will strengthen Western’s place as a leader in imaging research within Canada and Internationally – is being located

at the Robarts Research Institute and is being supported by over \$8 million in private sector investments.

6. The Postdoctoral Fellowship Program

A Postdoctoral Fellowship Program – aimed at attracting top-tier postdoctoral talent – was introduced as a pilot last year with a one-time allocation of \$226,000 and the commitment to double the funding in 2019-20. In this budget, a sum of \$452,000 in one-time funding is being recommended. The program will be reviewed at the end of 2019-20. Details of the program can be found at:

https://www.uwo.ca/research/funding/students/postdoctoral_fellowship_program.html

7. Entrepreneurship Initiatives

Our Strategic Plan – *Achieving Excellence on the World Stage* – makes a clear commitment to strengthen the entrepreneurship eco-system on campus, and it is noted that regardless of the program of study, all students should graduate having explored and acquired leadership and entrepreneurship skills. In order to better coordinate and integrate the various activities into an overall Entrepreneurship Ecosystem at Western, a sum of \$1 million in one-time funding was allocated in the 2016-17 University budget – to be spent over a 3-year period. It is recommended that the funding be made permanent in 2019-20 – with an allocation of \$400,000 in base funding, through the Student Experience Portfolio. For information, we are also in the planning stages of creating new space/facilities for Entrepreneurship at Western.

D. Two-Year Operating Budget Summary

We seek approval of the 2019-20 Budget as outlined in this document. The recommendations in this document have been guided by projections of operating revenues and expenditures for the upcoming 2-year planning period. These projections respect the requirement of an operating reserve at the Board-mandated minimum level of \$7.5 million at the end of the 2-year cycle. Table 1 summarizes our current forecast for 2019-20 – and the major underlying assumptions are as follows:

Revenues

- Provincial government grant funding remains constant for the next two years – consistent with the new corridor funding system.
- The \$750 international student recovery by the Province (which is applied as a base grant reduction) continues in this 2-year planning period.
- All other government grants continue under the current arrangements/levels.
- As required by the Province, domestic tuition rates have been reduced by 10% in 2019-20 and held constant in 2020-21. International tuition rates are de-regulated, and our proposed rate increases are shown in Tables 11 and 12.
- Enrolment projections and plans (shown in Table 13) underlying the tuition revenue projections will be achieved.

Expenditures

- Faculty and Support Unit Budgets have been reduced by an additional 2.5% in each of 2019-20 and 2020-21 – on top of the 3% Annual Inflationary Budget Adjustment (IBA).
- Enrolment-related revenue sharing allocations to the Faculties continues during this 2-year planning period, and the projections are shown in Table 4a.
- Increases in non-salary costs for major University-wide budget items (e.g. utilities, insurance, and I.T. infrastructure) will be consistent with recent trends and/or known cost escalations.
- We need to set aside the necessary funds to cover the operating costs of incremental space in our new facilities. It should be noted that the Faculties are responsible for covering 50% of the operating costs of incremental space.

Net Position and the Operating Reserve

- As can be seen in line 32 of Table 1, the Operating Reserve is projected to be at \$87.4 million at the end of the current year (i.e. 2018-19). The reserve is projected to be \$57.4 million at the end of the upcoming 2-year planning period (i.e. 2020-21) – above the current Board-mandated minimum level of \$7.5 million. ***It is recommended that the minimum reserve level be maintained at \$7.5 million for the upcoming 2-year planning period.***

E. Summary of the 2019-20 Operating Budget

Table 2 summarizes the 2019-20 Operating Budget – including total revenues, expenditures by area, net position for the year, and the projected operating reserve.

Line 5: Total operating revenues are projected to be \$778.2 million in 2019-20 – a decrease of 2.2% over 2018-19. Details of the operating revenues are shown in Table 3.

Line 13: Total expenditures are projected to be \$792.2 million in 2019-20 – an increase of 0.3% over 2018-19. Details of the expenditures (by area) are shown in Tables 4 through 8.

Line 14: The in-year net position is projected to be a surplus of \$6 million in 2018-19 and a deficit of \$14.0 million in 2019-20.

Line 17: The Operating Reserve is forecast to be \$87.4 million at the end of 2018-19 and \$73.4 million at the end of 2019-20.

Table 1
TWO-YEAR OPERATING BUDGET OUTLOOK (\$M)

		2018-19	2019-20	2020-21
1	REVENUES			
2	Government Grants			
3	Provincial: Core Operating Grant (enrolment-based)	241.7	241.7	241.7
4	Provincial: Differentiation Envelope	22.0	22.0	22.0
5	Provincial: Special Purpose Grants	19.9	18.5	18.4
6	Federal: Research Support Fund (FRSF)	11.1	11.2	11.4
7	Total	294.6	293.4	293.4
8	Tuition Revenue	406.0	388.3	402.4
9	All Other Revenues			
10	Canada Research Chairs (CRCs)	6.7	5.8	5.8
11	Recoverable Salaries	26.4	26.4	26.4
12	All Other	62.2	64.3	65.5
13	Total	95.3	96.5	97.7
14	Total Revenues	795.9	778.2	793.5
15	EXPENDITURES			
16	Faculties			
17	Base Budgets	427.8	413.5	399.8
18	Revenue Sharing Allocations	0.0	5.5	8.6
19	Canada Research Chairs (CRCs)	5.8	5.0	5.0
20	All Other	49.7	51.3	51.2
21	Total	483.3	475.3	464.6
22	Scholarships and Bursaries	34.3	32.7	33.7
23	Support Areas	104.6	101.5	98.2
24	University-wide Expenditures	76.2	80.0	87.9
25	Provision for Cost Fluctuations	2.5	42.8	38.1
26	One-Time Allocations	89.1	59.9	87.1
27	Total Expenditures	790.0	792.2	809.6
28	REVENUES minus EXPENDITURES	5.9	-14.0	-16.1
29	OPERATING RESERVE			
30	Beginning Operating Reserve	81.5	87.4	73.4
31	Surplus / (Deficit) -- from Line 28 above	5.9	-14.0	-16.1
32	Ending Operating Reserve	87.4	73.4	57.4

Table 2
SUMMARY OF OPERATING BUDGET: 2019-20

	<a>		<c>
	2018-19 Budget (@Feb 28, 2019)	2019-20 Budget	\$ Change from 2018-19
1	Operating Revenues (Table 3)		
2	294,586,778	293,397,085	-1,189,693
3	405,969,193	388,255,730	-17,713,463
4	95,343,337	96,563,777	1,220,440
5	795,899,308	778,216,592	-17,682,716
6	Expenditure Budgets		
7	483,271,250	475,291,530	-7,979,720
8	34,320,520	32,669,856	-1,650,664
9	104,592,891	101,536,755	-3,056,136
10	76,184,649	80,027,519	3,842,870
11	2,450,000	42,786,381	40,336,381
12	89,114,930	59,924,179	-29,190,751
13	789,934,240	792,236,220	2,301,980
14	5,965,068	-14,019,628	
15	81,476,641	87,441,709	
16	5,965,068	-14,019,628	
17	87,441,709	73,422,081	
18	7,500,000	7,500,000	

F. Details of the 2019-20 Operating Revenue Forecasts (Table 3)

Government Grants

As a result of the Provincial Government's funding formula which was introduced in 2017-18, the overall level of grant funding will remain constant in 2019-20. Consistent with the new funding formula structure, provincial grants are presented in three categories: the Core Operating Grant (enrolment based), the Differentiation Envelope, and Special Purpose Grants which are targeted towards specific provincial priorities.

Tuition Fees

The recommended tuition fee rates for 2019-20 are summarized in Tables 11 and 12. Tuition revenue projections are a function of tuition rates and the enrolment forecasts shown in Table 13.

Domestic Students

Our recommendations for domestic student tuition fees follow the provincial government directive to reduce rates by 10% in 2019-20.

International Students

The last nine University budgets highlighted the fact that Western's international undergraduate student tuition rates were below the average of our peer research-intensive institutions in Ontario – and it was noted that, looking forward, our recommendations for these tuition fees will seek to move Western's tuition rates to the level of our peers. The recommendations for international undergraduate tuition fees continue on the path to narrowing the gap with our peer institutions.

Starting with the fall term of 2018, tuition rates for international Ph.D. students are set at the same rate as domestic students.

All Other Revenues

A number of other sources contribute to the University's Operating Budget. Major items to note are the Canada Research Chairs (CRCs), Transfer from the Affiliated University Colleges, Fundraising associated with Student Financial Aid, Royalties and Licences, and Contributions from Ancillaries and Other Self-funded Operations.

- Table 9 summarizes the distribution of currently-occupied CRCs at Western. Our current allocation is a total of 66 CRCs. The occupancy of the Chairs turns over dynamically as terms end and begin. There are currently 37 occupied Chairs continuing into 2019-20, 9 nominations currently under consideration by the CRC program for new occupancy in 2019-20, and 10 vacancies in various stages of the search and nomination process – with additional searches planned to fill 6 current and 4 pending vacancies in 2019-20. The upcoming search will be conducted as a Special Program aimed at improving our representation of equity-seeking groups, by attracting applications from the four Federally Designated Groups. The net effect of the transition in CRC occupancy is that, in 2019-20, we are projecting \$5.8 million for 37 chairs with current incumbents.

- The Transfer from the Affiliated University Colleges represents payments for services and teaching provided to their students. The transfer rate for 2019-20 is at the steady-state level of 12% of the Colleges' grant and tuition revenue, and the decline in the dollar value of the transfer reflects the reduction in projected domestic tuition revenue.
- Fundraising for needs-based Student Awards continues to be of high priority to the University. In 2019-20, we project a sum of \$7.9 million from this source.
- The revenue from Royalties and Licences includes patents/licences associated with the Robarts Research Institute.
- Western's self-funded operations and ancillary units generate substantial revenue for the University Operating Budget by way of recoveries associated with facilities costs and services provided by the University. The category also includes the payment from the Ivey Business School to the University for services provided by the University to Ivey – a component within the funding model for the Ivey School that was introduced in 2004-05.

G. Details of the 2019-20 Expenditure Recommendations

1. Faculty Budget Recommendations

Table 4 shows the 2019-20 **base budget recommendations** for Western's Faculties. Final 2019-20 base budgets are the net result of the following:

- Starting base budgets;
- The Inflationary Budget Adjustments (IBA) established as part of the multi-year budget plan;
- Additional 2.5% base budget reductions;
- Faculty Turnover Recovery, which returns the greater of \$90,000 or 60% of the retiring or departing member's salary to the Faculty budget;
- Academic Priorities Fund (APF) allocations;
- Targeted government program expansion funding; and
- Funds associated with CRC positions (detailed in Table 9).

The **Inflationary Budget Adjustment (IBA)** – which reduces the base budget by 3% – is applied annually. This adjustment is required to help fund inflationary costs, which are primarily the annual employee salary increases as negotiated through collective bargaining agreements.

As an outcome of the 2016-17 planning cycle, in order to provide Faculties with resources to support faculty renewal, the **Faculty Turnover Recovery Program** was temporarily suspended. Turnover recovery was waived for all tenured/probationary faculty retirements (or exits of faculty members at age 55 or higher) signed between February 1, 2016 and June 30, 2019 – where the faculty member leaves the University by July 1, 2019. Turnover recovery associated with all previous exits – which are currently built into the Faculties' budget plans – will be applied as planned.

The **Academic Priorities Fund (APF)** shown in line 18 of Table 4 was established in 2011-12. The Provost's APF recommendations are in direct response to requests from the Faculties – and are made in the context of the following considerations:

- The Faculty's overall resource situation relative to enrolments/teaching
- Plans for program expansion and/or development of new graduate and undergraduate programs
- Projected revenue sharing allocations
- Resources relative to similar programs/Faculties
- Cost structure variations among disciplines/Faculties
- Relationship between resources, enrolments, and faculty/staff complements
- Scholarship/research activities and new initiatives, including interdisciplinary or cross-Faculty initiatives
- Previous investments made in the last 4-year planning cycle

The **Faculty-specific APF base recommendations** for 2019-20 (shown in column <d> of Table 4) are:

- \$150,000 to the Faculty of Arts & Humanities in support of Faculty priorities;
- \$45,000 to the Faculty of Education to support various Indigenous Student Initiatives;
- \$150,000 to the Faculty of Health Sciences in support of Faculty priorities;
- \$150,000 to the Faculty of Information & Media Studies in support of Faculty priorities;
- \$52,000 to the Schulich School of Medicine & Dentistry as partial support for a staff position in the area of Mental Health Counselling;

- \$210,000 to the Don Wright Faculty of Music in support of Experiential Learning Initiatives and general support for Faculty priorities;
- \$150,000 to the Faculty of Science in support of Faculty priorities;
- \$150,000 to the Faculty of Social Science in support of Faculty priorities.

As noted earlier (in section C.5.), the multi-year **strategic expansion of Engineering** will flow a sum of \$950,000 in base funding to the Engineering budget (Table 4, line 4, column e).

The **funding model for the Ivey Business School** – introduced in 2004-05 – flows all tuition fees and government grants deriving from the School’s enrolments directly to Ivey. Under this funding model, the Ivey School does not participate in the University’s other funding programs such as the APF or the Research Infrastructure Support Fund (RISF), and the School is responsible for all cost increases – including annual employee salary increases. The School also makes an annual payment to the central budget reflecting the cost of the services provided to the School by the University.

Over and above the base budget allocations, the Faculties receive substantial additional on-going funds through the **enrolment-related revenue sharing mechanism** that was implemented in 2011-12. A proportion of tuition revenue deriving from incremental enrolments flows to the Faculties, as follows:

- 40% on direct-entry undergraduate enrolments/teaching
- 40% on second-entry (or professional) undergraduate enrolments
- 50% on graduate enrolments

The Faculty-specific breakdown of the projected \$5.5 million in revenue sharing allocations is shown in Table 4a. This amount is on top of a total of \$46.2 million that was rolled into Faculty base budgets in 2018-19.

The Faculties also receive additional budgetary support through:

- **One-time operating budget allocations** (totaling \$9 million) – which are detailed in Table 8 (lines 8 to 18);
- **The Research Infrastructure Support Fund (RISF)** allocations shown in Table 10; and
- Support for **Faculty-specific capital projects** through the University’s Capital Budget.

For information, a consolidated summary of the Provost’s allocation recommendations for the Faculties (from the various sources described above) is presented in Figure G. These recommendations are for the 2019-20 Budget – and, given our multi-year planning approach, should be considered in the context of resource allocations made in previous years.

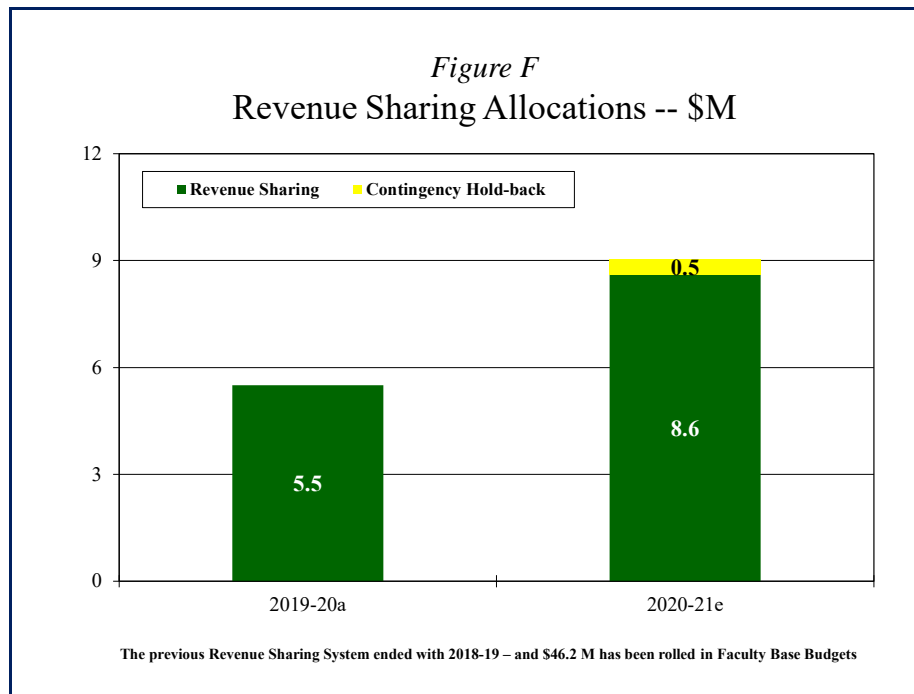


Figure G
SUMMARY OF 2019-20 ALLOCATION RECOMMENDATIONS FOR THE FACULTIES

		Base Allocations	One-Time Allocations	Capital Allocations
1	Arts & Humanities	150,000	319,136	351,000
2	Education	45,000	50,000	
3	Engineering	950,303	125,000	119,000
4	Health Sciences	150,000	150,000	450,000
5	Information & Media Studies	150,000	100,000	89,600
6	Law		20,000	
7	Medicine & Dentistry	52,000	65,000	419,500
8	Music	210,000	98,200	69,000
9	Science	150,000		60,000
10	Social Science	150,000	150,000	1,000,000
11	Total	2,007,303	1,077,336	2,558,100

Note: These recommendations are for the 2019-20 budget -- and, given our multi-year planning approach, should be considered in the context of resource allocations made in previous years.

2. Scholarships and Bursaries

Base budget allocations for centrally-funded student support are shown in Table 5. Overall student support funding is projected to be \$32.7 million in 2019-20.

- Fundraising for undergraduate and graduate student needs-based awards continues to be of high priority to the University. In 2019-20, we project a sum of \$7.9 million from this source.
- As the footnote in Table 5 indicates, graduate student funding is now addressed through the Faculty budgets – and the Faculty Plans estimate a total of \$54 million in 2019-20 for this high priority item.

3. Support Unit Budget Recommendations

Table 6 shows the 2019-20 base budget recommendations for Support Units. Final 2019-20 base budgets are the net result of the following:

- Starting base budgets;
- The Inflationary Budget Adjustments (IBA) established as part of the multi-year budget plan;
- Additional 2.5% base budget reductions;
- Support Units Priorities Fund (SUPF) allocations; and
- Other strategic base allocations in support of: maintaining core services and the operating costs of new facilities.

The **Support Unit Priorities Fund (SUPF)** was established in 2011-12, and the unit-specific base allocations for 2019-20 (shown in column <c> of Table 6) are:

- \$100,000 to the Registrar's Office in support of additional staffing in the areas of international student recruitment and student pathways coordination;
- \$100,000 to Western International in support of student recruitment initiatives;
- \$80,000 to Western Technology Services for additional Cyber Security staffing;
- \$152,000 to Police Services to maintain staffing levels and services;
- \$100,000 to Financial Services to sustain operations;
- \$26,513 to Internal Audit to sustain operations;
- \$23,200 to Legal Services to sustain operations;
- \$50,000 to Facilities Management to sustain operations;
- \$100,000 to the Vice-President (Research) Portfolio in support of service enhancement;
- \$150,000 to the Vice-President (External) Portfolio in support of our fundraising campaign;
- \$85,000 to Human Resources to maintain service levels;
- \$60,000 to the Office of the President to maintain staffing levels.

The Provost and the Vice-President (Operations & Finance) are also carrying forward a portion of the SUPF resources associated with their units for allocation in the future. These are shown in lines 13 and 21 of Table 6.

The Support Units receive nearly \$1 million in additional base allocations (column d, Table 6) to **maintain core services** and the following targeted special allocations:

- \$400,000 to the Student Experience Portfolio in support of Student Entrepreneurship Initiatives;

- \$71,331 to Facilities Management to cover the incremental operating costs associated with new facilities.

Similar to the Faculties, the Support Units also receive additional budgetary support through:

- **One-time operating budget allocations** (\$5 million) – which are detailed in Table 8 (lines 20 through 34); and
- Support for **Unit-specific capital projects** through the University’s Capital Budget.

4. University-wide Expenditures

Table 7 summarizes University-wide Expenditures – expenses that extend across all areas of the University.

- The increase in the University’s physical plant **Utilities** is the net result of projected rate increases, utilization patterns, anticipated savings resulting from the implementation of energy efficiency initiatives, and the opening of new buildings.
- The **Library Acquisitions Budget** continues to be a high priority – and is being maintained at the current level of \$15.4 million.
- The **Maintenance, Modernization, and Infrastructure (MMI)** transfer to the Capital Budget is being maintained at the Board-approved level of \$15.5 million. The status of this budget will be reviewed by the Board of Governors as part of the 2020-21 budget process.
- The **FRSF Transfer to Capital** continues at the \$3 million level – and these funds are used to support major projects in our Long-range Space Plan that involve research facilities.
- The **Information Technology Infrastructure Fund (ITIF)** supports rapidly-expanding University-wide central IT infrastructure – including our networks, wireless technologies, internet bandwidth, IT security infrastructure, general university computer labs, instructional support and eLearning software applications, central university databases, the hardware necessary to run the applications and databases, and maintenance costs associated with all the hardware and software.
- **Contingency** is being set at approximately \$2 million – 0.25% of Operating Revenues, as in previous years.
- Western attracts outstanding students. Their recruitment, within an increasingly competitive environment, continues to be of high priority to the University – and the **Student Recruitment** base budget supports a wide array of recruitment activities, including out-of-province student recruitment initiatives.

5. One-Time Recommendations

The Faculties and Support Units will receive substantial one-time funding in 2019-20. The specific one-time recommendations are summarized in Table 8 – and include unit-specific items as well as allocations for University-wide initiatives.

- As described earlier in Section C of this document, the following high priority university-wide initiatives are recommended for support in the 2019-20 budget – with one-time allocations:
 - **Growing our Endowment – The Endowed Chairs Matching Program:** \$12 million.
 - **Support for our Long-Range Space Plan** – \$12 million – for the creation of Indigenous Spaces and initiation of future phases of the Medical Facilities Project.
 - **Efficiency and Innovation Fund:** \$10 million
 - Multi-year **Financing of Engineering Facilities Expansion/Renewal:** \$8 million
 - **Innovation & Collaboration Hub for Advanced X-Ray Imaging and Intervention Suite:** \$3 million
 - **Modernization of Instructional Facilities:** \$1 million

Table 3
2019-20 OPERATING REVENUES

		2018-19 Budget Forecast (@Feb 28, 2019) (1)	2019-20 Budget (2)	Increase / (Decrease) Amount (3)	% Change (2) to (1)
1	Government Grants				
2	Provincial: Core Operating Grant (Enrolment-Based)	241,671,833	241,671,833	0	0.0%
3	Provincial: Differentiation Envelope	21,984,916	21,984,916	0	0.0%
4	Provincial: Special Purpose Grants	19,862,489	18,550,498	-1,311,991	-6.6%
5	Federal Research Support Fund (FRSF)	11,067,540	11,189,838	122,298	1.1%
6	Sub-Total Government Grants	294,586,778	293,397,085	-1,189,693	-0.4%
7	Tuition Revenue				
8	Undergraduate	267,940,000	251,844,331	-16,095,669	-6.0%
9	Graduate	62,500,000	55,794,022	-6,705,978	-10.7%
10	<i>Sub-Total General Programs</i>	<i>330,440,000</i>	<i>307,638,353</i>	<i>-22,801,647</i>	<i>-6.9%</i>
11	Ivey Programs (HBA, MBAs, MSc, PhD)	64,408,105	67,856,741	3,448,636	5.4%
12	International Medical and Dental Students	10,296,088	11,935,636	1,639,548	15.9%
13	<i>Sub-Total Other Programs</i>	<i>74,704,193</i>	<i>79,792,377</i>	<i>5,088,184</i>	<i>6.8%</i>
14	Miscellaneous Fees	825,000	825,000	0	0.0%
15	Sub-Total Tuition Revenue	405,969,193	388,255,730	-17,713,463	-4.4%
16	Other Revenues				
17	Canada Research Chairs (CRCs)	6,700,000	5,800,000	-900,000	-13.4%
18	Transfer from Affiliated University Colleges	9,410,241	8,914,608	-495,633	-5.3%
19	Recoverable Salaries	26,414,000	26,414,000	0	0.0%
20	Fundraising -- Need-based Student Awards and Bursaries	7,900,000	7,900,000	0	0.0%
21	Application Fees	1,780,258	1,780,258	0	0.0%
22	Research Overheads	2,300,000	2,300,000	0	0.0%
23	Royalties and Licences	3,350,000	3,350,000	0	0.0%
24	Scholarship/Research Initiatives in the SSHRC Disciplines	273,113	325,155	52,042	19.1%
25	Contributions from Self-Funded & Ancillary Operations	34,568,600	37,170,500	2,601,900	7.5%
26	Miscellaneous Revenues	2,647,125	2,609,256	-37,869	-1.4%
27	Sub-Total Other Revenues	95,343,337	96,563,777	1,220,440	1.3%
28	Total Revenues	795,899,308	778,216,592	-17,682,716	-2.2%

Table 4
FACULTIES

	<a>		<c>	<d>	<e>	<f>	<g>
	2018-19 Base Budget (@Feb 28, 2019)	IBA and Add'l 2.5% Reduction	Faculty Turnover Recovery	APF	Other Base Changes	Canada Research Chairs	Resulting 2019-20 Base Budget
1	Faculties						
2	Arts & Humanities	33,603,816	-1,815,209	-103,530	150,000	-170,000	31,665,077
3	Education	18,413,085	-1,061,137	-71,270	45,000		17,325,678
4	Engineering	32,239,989	-1,744,708	-87,001		950,303	31,358,583
5	Health Sciences	34,587,725	-1,883,625	-86,207	150,000		32,767,893
6	Information & Media Studies	10,672,222	-586,973		150,000		10,235,249
7	Law	9,849,522	-541,724				9,307,798
8	Medicine & Dentistry	74,317,824	-3,935,945	-94,429	52,000	-170,000	70,169,450
9	Music	11,022,798	-606,254		210,000		10,626,544
10	Science	64,970,709	-3,511,239	-180,318	150,000	-180,000	61,249,152
11	Social Science	64,250,349	-3,495,269	-128,738	150,000	-90,000	60,686,342
12	Sub-Total Faculties (excluding Business)	353,928,039	-19,182,083	-751,493	1,057,000	-610,000	335,391,766
13	Business	77,467,507					80,710,797
14	Sub-Total Faculties	431,395,546	-19,182,083	-751,493	1,057,000	-780,000	416,102,563
15	Revenue Sharing Allocation						5,496,916
16	Research Infrastructure Support Fund (RISF)	750,000					750,000
17	Faculty Recruitment Initiatives	1,473,760					1,473,760
18	Academic Priorities Fund (APF)	7,127,335			193,000		7,320,335
19	Total -- with Revenue Sharing Allocation	440,746,641	-19,182,083	-751,493	1,250,000	-780,000	431,143,574
20	All Other						
21	Western Strategic Success Programs	1,500,000					1,500,000
22	Continuing Studies: Trois-Pistoles	1,156,396			29,969		1,186,365
23	Education: Continuing Education for Teachers	1,354,320			-46,170		1,308,150
24	Medicine & Dentistry: International Tuition and Primary Care	10,645,893			1,639,548		12,285,441
25	Faculty Share of Research Overheads	1,075,000					1,075,000
26	Faculty Scholars & Distinguished University Professors	239,000					239,000
27	Graduate and Undergraduate Program Reviews	140,000					140,000
28	Recoverable Salaries	26,414,000					26,414,000
29	Sub-Total	42,524,609				1,623,347	44,147,956
30	Total Academic Units	483,271,250	-19,182,083	-751,493	1,250,000	-780,000	475,291,530

Note: Funding to cover the costs of negotiated employee salary and benefits increases will be incrementally added to Faculty base budgets (in year, to column g), as the information is available.

Table 4a
FACULTIES: REVENUE SHARING ALLOCATIONS

		2019-20	2020-21e
1	Arts & Humanities	0	0
2	Education	1,236,160	1,212,163
3	Engineering	79,233	2,250,608
4	Health Sciences	735,598	771,691
5	Information & Media Studies	421,175	238,919
6	Law	33,666	14,032
7	Medicine & Dentistry	0	0
8	Music	25,726	191,822
9	Science	1,638,091	2,385,541
10	Social Science	1,327,267	1,491,597
11	Sub-Total	5,496,916	8,556,373
12	Contingency Hold-back		456,987
13	Sub-Total	5,496,916	9,013,360

Table 5
SCHOLARSHIPS and BURSARIES

		<a>		<c>
		2018-19 Base Budget (@Feb 28, 2019)	Changes	Resulting 2019-20 Base Budget
1	Undergraduate Scholarships	7,300,000		7,300,000
2	Tuition Re-Investment	16,506,638	-1,650,664	14,855,974
3	Western Bursaries	776,545		776,545
4	Privately-Funded Need-based Awards & Bursaries	7,900,000		7,900,000
5	MAESD Bursaries	514,268		514,268
6	Global Opportunities Awards	200,000		200,000
7	Graduate Bursaries and Fellowships	1,123,069		1,123,069
8	Total Scholarships and Bursaries	34,320,520	-1,650,664	32,669,856

Graduate student funding is now addressed through the Faculty budgets. In 2018-19, this funding is estimated to be \$55.6 million and the plan for 2019-20 is \$53.9 million.

Table 6
SUPPORT AREAS

	<a>		<c>	<d>	<e>	
	2018-19 Base Budget (@Feb 28, 2019)	IBA and Add'l 2.5% Reduction	SUPF	Other Base Changes	Resulting 2019-20 Base Budget	
1	Reporting to the Provost					
2	Centre for Teaching & Learning	746,554	-41,061		705,493	
3	Western Technology Services	10,731,922	-590,256	80,000	200,000	10,421,666
4	Libraries	13,607,011	-748,385			12,858,626
5	Registrar's Office	6,172,934	-339,511	100,000	100,000	6,033,423
6	Student Experience Portfolio	2,831,527	-122,787		400,000	3,108,740
7	Office of Vice-Provost (APPF)	1,440,101	-79,206			1,360,895
8	Graduate & Postdoctoral Studies	1,744,699	-95,958			1,648,741
9	Institutional Planning and Budgeting	2,239,316	-123,162			2,116,154
10	Western International	2,757,030	-151,637	100,000		2,705,393
11	McIntosh Gallery - Subsidy	298,294	-7,457			290,837
12	Teaching Fellows Program	500,000	-12,500			487,500
13	Support Unit Priorities Fund (SUPF)			235,000		235,000
14	Sub-Total	43,069,388	-2,311,920	515,000	700,000	41,972,468
15	Reporting to the Vice-President Operations & Finance					
16	Financial Services	5,005,820	-275,321	100,000	70,000	4,900,499
17	Facilities Management	19,348,715	-896,957	50,000	131,331	18,633,089
18	Police	3,007,404	-165,407	152,000		2,993,997
19	Internal Audit	493,987	-27,170	26,513		493,330
20	Legal Services	428,557	-23,571	23,200		428,186
21	Support Unit Priorities Fund (SUPF)	944,000		-11,713		932,287
22	Sub-Total	29,228,483	-1,388,426	340,000	201,331	28,381,388
23	Reporting to the Vice-President Research					
24	Animal Care/Veterinary Services - Subsidy	1,000,000				1,000,000
25	Research Western	5,345,118	-293,982	100,000		5,151,136
26	Research Promotion Fund	579,930				579,930
27	Small Grants Support for Arts/Humanities/Social Sciences	250,000				250,000
28	Scholarship/Research Initiatives in the SSHRC Disciplines	273,113			52,042	325,155
29	Western Innovation Fund	400,000				400,000
30	Sub-Total	7,848,161	-293,982	100,000	52,042	7,706,221
31	Vice-President External Portfolio	12,438,307	-684,106	150,000		11,904,201
32	General Administration					
33	Human Resources	6,886,856	-378,777	85,000	70,000	6,663,079
34	Workplace Health Services	170,813				170,813
35	Offices of the President/Vice-Presidents	4,106,247	-225,843	60,000		3,940,404
36	University Secretariat	844,636	-46,455			798,181
37	Sub-Total	12,008,552	-651,075	145,000	70,000	11,572,477
38	Total Support Areas	104,592,891	-5,329,509	1,250,000	1,023,373	101,536,755

Note: Funding to cover the costs of negotiated employee salary and benefits increases will be incrementally added to Unit base budgets (in year, to column e), as the information is available.

Table 7
UNIVERSITY-WIDE EXPENDITURES and EMPLOYEE BENEFIT COSTS

		<a>		<c>	<d>
		2018-19 Base Budget (@Feb 28, 2019)	New Investment	Other Changes	Resulting 2019-20 Base Budget
1	Utilities	24,450,000		435,785	24,885,785
2	Library Acquisitions	15,415,896			15,415,896
3	Transfer to MMI: Operating	15,500,000			15,500,000
4	Transfer to MMI: Ancillaries	600,000			600,000
5	FRSF Transfer to Capital	3,000,000			3,000,000
6	CRC Transfer to Capital	728,000		-96,000	632,000
7	Information Technology Infrastructure Fund	10,123,230			10,123,230
8	Property Taxes	2,289,150		12,825	2,301,975
9	Insurance	1,899,210		315,437	2,214,647
10	Contingency	1,968,362		-22,830	1,945,532
11	Services for Students with Disabilities	1,469,872			1,469,872
12	Professional Fees	1,282,500		100,000	1,382,500
13	Institutional Memberships	1,150,000			1,150,000
14	Student Recruitment	850,000			850,000
15	Sports and Recreation Services - Subsidy	927,435		-103,350	824,085
16	Convocation and Diplomas	338,000			338,000
17	Governance-Related Costs	177,800			177,800
18	Costs Associated with Employee Contracts	589,000			589,000
19	Ombudsperson	111,188			111,188
20	University Surveys and Teaching Evaluations	75,000			75,000
21	Centre for Research on Violence Against Women and Children - Subsidy	55,000			55,000
22	Museum of Ontario Archaeology - Subsidy	50,000			50,000
23	Total University-wide Expenditures	83,049,643	0	641,867	83,691,510
24	Employee Benefit Plan Costs	115,273,006		4,685,994	119,959,000
25	Employee Benefit Recoveries	-122,138,000		-1,485,000	-123,623,000
26	Net Employee Benefits	-6,864,994		3,200,994	-3,664,000
27	Net University-wide Expenditures	76,184,649	0	3,842,861	80,027,510

Table 8
2019-20 ONE-TIME ALLOCATIONS

1	Endowed Chairs Matching Program	12,000,000
2	Long-Range Space Plan	12,000,000
3	Efficiency and Innovation Fund	10,000,000
4	Engineering Facilities Expansion/Renewal: Multi-year Financing Plan	7,953,641
5	Innovation & Collaboration Hub for Advanced X-Ray Imaging and Intervention Suite	3,000,000
6	Modernization of Instructional Facilities	1,000,000
7	Faculties	
8	Arts & Humanities: Undergraduate Recruitment Initiatives (\$75K), and Support to Manage Deficit (\$244K)	319,136
9	Education: Indigenous Graduate Student Initiatives	50,000
10	Engineering: CEAB Administrative Support (\$75K) and Support for Alumni & Development Staff Position (\$50K)	125,000
11	Health Sciences: Targetted Government Funding for Clinical Education (\$842K) and Nurse Practitioner Program (\$580K), and Teaching Equipment & Classroom Upgrades in Elborn College (\$150K)	1,572,412
12	Information & Media Studies: Media Production Equipment & IT Infrastructure (\$100K)	100,000
13	Law: Support for Continuing Professional Development Program (\$20K)	20,000
14	Medicine & Dentistry: Targetted Government Funding for Dental Clinical Education (\$1.2M), MD Expansion (\$2.4M), Roberts Royalties & Licences (\$2.5M), and Indigenous Engagement Coordinator (\$65K)	6,103,879
15	Music: Undergraduate Recruitment Awards (\$45K) and Grants Facilitator Staffing Joint with FIMS and Law (\$53.2K)	98,200
16	Social Science: Post Doctoral Positions in NEST (\$150K)	150,000
17	Provost: Unallocated Academic Priorities Fund	416,800
18	Sub-Total Faculties	8,955,427
19	Support Units	
20	Student Experience: Experiential Learning Initiatives (\$68.3K), Career Services and First Nations Initiatives (\$180K), and University Contribution for Artificial Turf Playing Fields (\$247.1K)	495,350
21	Centre for Teaching & Learning: 360 Degree Initiative for Graduate Students (\$292.5K), and Faculty Mentor Program (\$39K)	331,500
22	Western International: International World's Challenge Challenge	100,000
23	Vice-Provost (APPF): Training and Development Initiatives (\$50K), and Faculty Recruitment/Retention Initiatives (\$20K)	70,000
24	SGPS: Maintain Service and Staffing Levels (\$170.6K), Recruitment and Retention Initiatives (\$107.2), Exchange Program Travel Costs (\$14.6K), and Thesis Writing Boot Camp (\$18.5K)	311,025
25	Libraries: Staffing to Support Weldon Library Revitalization Project	40,000
26	McIntosh Gallery: Indigeneous Exhibitions and Programs	40,000
27	Provost: Unallocated Support Unit Priorities Fund	265,000
28	Police: Sustain Operations (\$80K), and Additional Evening Security (\$100K)	180,000
29	Vice-President (Operations & Finance): Unallocated Support Units Priorities Fund	160,000
30	Human Resources: Support Operational Needs	85,000
31	Office of the President / Vice Presidents: Support Operational Needs	60,000
32	Vice-President (Research): Support for Research/Scholarship Initiatives	2,402,000
33	Vice-President (External): Support for Fundraising Campaign	475,236
34	Sub-Total Support Units	5,015,111
35	Total One-Time Allocations	59,924,179

Table 9
CANADA RESEARCH CHAIRS -- by FACULTY (Cumulative)

		2018-19 Final						2019-20 Preliminary					
		Tier 1		Tier 2		Total		Tier 1		Tier 2		Total	
		N	\$	N	\$	N	\$	N	\$	N	\$	N	\$
1	Arts & Humanities	3	510,000	1	90,000	4	600,000	2	340,000	1	90,000	3	430,000
2	Business	2	340,000	0	0	2	340,000	1	170,000	0	0	1	170,000
3	Education												
4	Engineering	4	680,000	3	270,000	7	950,000	4	680,000	3	270,000	7	950,000
5	Health Sciences	2	340,000	0	0	2	340,000	2	340,000	0	0	2	340,000
6	Info & Media Studies												
7	Law												
8	Medicine & Dentistry	7	1,190,000	6	540,000	13	1,730,000	6	1,020,000	6	540,000	12	1,560,000
9	Music												
10	Science	4	680,000	5	450,000	9	1,130,000	4	680,000	3	270,000	7	950,000
11	Social Science	2	340,000	4	360,000	6	700,000	2	340,000	3	270,000	5	610,000
12	Total to Faculties	24	4,080,000	19	1,710,000	43	5,790,000	21	3,570,000	16	1,440,000	37	5,010,000
13	Total CRC Funding		4,800,000		1,900,000		6,700,000		4,200,000		1,600,000		5,800,000

Table 10
RESEARCH INFRASTRUCTURE SUPPORT FUND (RISF)
2019-20 Allocations

1	Arts and Humanities	9,000
2	Education	11,000
3	Engineering	125,000
4	Health Sciences	34,000
5	Information & Media Studies	5,000
6	Law	5,000
7	Medicine & Dentistry	328,000
8	Music	5,000
9	Science	158,000
10	Social Science	70,000
11	Total	750,000

Table 11
2019-20 TUITION FEE PROPOSALS FOR UNDERGRADUATE PROGRAMS

		Domestic Students			International Students		
		Actual 2018-19 Tuition	2019-20		Actual 2018-19 Tuition	2019-20	
			Proposed Tuition	<a> % Increase		Proposed Tuition	<a> % Increase
1	First-Entry Programs 						
2	Year 1	6,723	6,050	-10.0%	28,743	31,042	8.0%
3	Year 2	6,723	6,050	-10.0%	27,678	29,892	4.0%
4	Year 3	6,723	6,050	-10.0%	26,653	28,785	4.0%
5	Year 4	6,723	6,050	-10.0%	25,666	27,719	4.0%
6	Engineering						
7	Year 1	13,661	12,294	-10.0%	36,886	41,312	12.0%
8	Year 2	13,661	12,294	-10.0%	35,519	38,361	4.0%
9	Year 3	13,661	12,294	-10.0%	34,204	36,940	4.0%
10	Year 4	13,661	12,294	-10.0%	32,937	35,572	4.0%
11	M.T.P.						
12	Year 2	7,033	6,329	-10.0%	29,805	32,189	8.0%
13	Year 3	7,033	6,329	-10.0%	28,701	30,997	4.0%
14	Year 4	7,033	6,329	-10.0%	27,638	29,849	4.0%
15	M.O.S.						
16	Year 1	6,723	6,050	-10.0%	34,474	38,611	12.0%
17	Year 2	6,723	6,050	-10.0%	32,012	35,853	4.0%
18	Year 3	6,723	6,050	-10.0%	29,725	33,292	4.0%
19	Year 4	6,723	6,050	-10.0%	27,602	30,914	4.0%
20	Nursing						
21	Year 1	6,723	6,050	-10.0%	36,886	39,836	8.0%
22	Year 2	6,723	6,050	-10.0%	35,519	38,361	4.0%
23	Year 3	6,723	6,050	-10.0%	34,204	36,940	4.0%
24	Year 4	6,723	6,050	-10.0%	32,937	35,572	4.0%
25	Second-Entry Programs						
26	Business (HBA)						
27	Year 1	28,000	25,200	-10.0%	40,000	44,800	12.0%
28	Year 2	28,000	25,200	-10.0%	40,000	42,000	5.0%
29	Dentistry						
30	Year 1	39,268	35,341	-10.0%	82,088	88,655	8.0%
31	Year 2	39,268	35,341	-10.0%	79,048	85,371	4.0%
32	Year 3	39,268	35,341	-10.0%	76,120	82,209	4.0%
33	Year 4	39,268	35,341	-10.0%	73,301	79,165	4.0%
34	Education (B.Ed.)	8,079	7,271	-10.0%	29,411	31,764	8.0%
35	Law						
36	Year 1	22,390	20,151	-10.0%	36,886	39,836	8.0%
37	Year 2	22,390	20,151	-10.0%	35,519	38,361	4.0%
38	Year 3	22,390	20,151	-10.0%	34,204	36,940	4.0%
39	Medicine (M.D.)						
40	Year 1	26,652	23,986	-10.0%	n.a.	n.a.	n.a.
41	Year 2	26,652	23,986	-10.0%	n.a.	n.a.	n.a.
42	Year 3	26,652	23,986	-10.0%	n.a.	n.a.	n.a.
43	Year 4	26,652	23,986	-10.0%	n.a.	n.a.	n.a.

<a> The proposed 2019-20 rates are effective May 1, 2019.

The % increase figures are calculated on the previous year of study in the previous academic year;
for example, the % increase for year 2 is the increase over the year 1 tuition in the previous academic year.

 Includes Arts & Humanities, BMedSc program, Health Sciences, Kinesiology, MIT program, Music, Science,
Social Science (excl. M.O.S.).

Table 12
2019-20 TUITION FEE PROPOSALS FOR GRADUATE PROGRAMS

		Domestic Students			International Students		
		Actual 2018-19 Tuition	2019-20		Actual 2018-19 Tuition	2019-20	
			Proposed Tuition	<a> % Increase		Proposed Tuition	<a> % Increase
1	Masters Category 1						
2	Arts & Humanities	7,067	6,360	-10.0%	17,889	18,247	2.0%
3	Engineering (M.E.Sc.)	7,067	6,360	-10.0%	17,889	18,247	2.0%
4	Health & Rehabilitation Sciences	7,067	6,360	-10.0%	17,889	18,247	2.0%
5	Health Information Sciences	9,627	8,664	-10.0%	25,245	25,750	2.0%
6	Interdisciplinary Programs 	7,067	6,360	-10.0%	17,889	18,247	2.0%
7	Kinesiology	7,067	6,360	-10.0%	17,889	18,247	2.0%
8	Law/Studies in Law	11,521	10,368	-10.0%	26,749	26,749	0.0%
9	Media Studies	7,067	6,360	-10.0%	17,889	18,247	2.0%
10	Medicine (Basic Health Sciences)	7,067	6,360	-10.0%	17,889	18,247	2.0%
11	Music	7,067	6,360	-10.0%	17,889	18,247	2.0%
12	Nursing (M.Sc.)	8,488	7,639	-10.0%	25,245	25,750	2.0%
13	Science	7,067	6,360	-10.0%	17,889	18,247	2.0%
14	Social Science	7,067	6,360	-10.0%	17,889	18,247	2.0%
15	Masters Category 2						
16	C.S.D./O.T./P.T. (MPT)	12,549	11,294	-10.0%	30,167	31,675	5.0%
17	Dentistry (Orthodontics)	30,415	27,373	-10.0%	70,611	74,142	5.0%
18	Education (M.Ed)	12,086	10,877	-10.0%	30,167	31,675	5.0%
19	Engineering (M.Eng.)	12,086	10,877	-10.0%	30,167	34,692	15.0%
20	Environment & Sustainability	13,533	12,179	-10.0%	30,167	31,675	5.0%
21	Financial Economics	33,944	30,549	-10.0%	51,107	53,662	5.0%
22	Library & Information Science	12,086	10,877	-10.0%	30,167	31,675	5.0%
23	M.M. in Journalism & Communication	15,048	13,543	-10.0%	30,167	31,675	5.0%
24	M.N Nurse Practitioner	12,086	10,877	-10.0%	30,167	31,675	5.0%
25	Master of Data Analytics	25,898	23,308	-10.0%	44,597	46,827	5.0%
26	Master of Mgmt. of Applied Science	21,878	19,690	-10.0%	44,597	46,827	5.0%
27	Medicine (Family Medicine)	15,914	14,322	-10.0%	30,167	31,675	5.0%
28	Medicine (Pathology Assistant)	12,551	11,295	-10.0%	30,167	31,675	5.0%
29	Medicine (Public Health)	34,457	32,734	-5.0%	55,149	57,906	5.0%
30	Physical Therapy (M.Cl.Sc.)	12,086	10,877	-10.0%	30,167	31,675	5.0%
31	Doctoral						
32	Doctor of Musical Arts	7,067	6,360	-10.0%	7,067	6,360	-10.0%
33	Doctor of Education (EdD)	11,219	10,097	-10.0%	30,167	31,675	5.0%
34	PhD Programs	7,067	6,360	-10.0%	7,067	6,360	-10.0%

<a> The proposed 2019-20 rates are effective September 1, 2019.

 Includes Biomedical Engineering, Neuroscience, Theory & Criticism, and Popular Music & Culture

Table 13
SUMMARY OF ENROLMENT FORECAST

	Actual					Forecast				
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
1 Constituent University										
2 Full-Time Undergraduates										
3 Arts & Humanities	1,121	1,027	979	985	938	905	935	959	966	969
4 Business (HBA)	1,100	1,093	1,120	1,109	1,085	1,130	1,130	1,130	1,130	1,130
5 Dentistry	262	265	265	263	262	264	264	264	264	264
6 Education	657	286	653	747	716	668	668	668	668	668
7 Engineering	1,546	1,761	1,951	1,981	2,032	2,060	2,117	2,243	2,261	2,262
8 Health Sciences										
9 BHSc Program	1,163	1,179	1,199	1,189	1,227	1,233	1,281	1,278	1,277	1,294
10 Kinesiology	1,240	1,204	1,247	1,231	1,215	1,212	1,183	1,152	1,153	1,155
11 Nursing	835	868	903	960	969	969	966	957	957	957
12 Sub-Total	3,238	3,251	3,349	3,380	3,411	3,414	3,430	3,388	3,387	3,406
13 Law	486	474	482	478	480	468	468	468	468	468
14 Media, Information, & Tech	924	983	966	898	916	862	865	848	848	854
15 Medicine										
16 MD Program	683	684	682	699	685	684	684	684	684	684
17 BMedSci Program	892	881	928	1,021	1,000	1,000	970	970	970	970
18 Music	457	432	417	412	414	437	457	466	469	469
19 Science	4,606	4,679	4,826	4,948	5,143	5,190	5,256	5,282	5,281	5,296
20 Social Science	6,601	6,482	6,520	6,501	6,497	6,424	6,457	6,532	6,601	6,672
21 Total Full-Time Undergraduates	22,573	22,298	23,138	23,422	23,579	23,505	23,700	23,902	23,997	24,112
22 Concurrent Programs	200	255	233	231	247	250	250	250	250	250
23 Medical Residents	913	923	942	934	956	955	955	955	955	955
24 Full-Time Graduates										
25 Masters	3,146	3,276	3,431	3,750	3,734	3,869	3,971	4,009	4,044	4,084
26 Ph.D.	2,075	2,088	2,083	2,185	2,177	2,197	2,232	2,265	2,300	2,325
27 Total Full-Time Graduates	5,221	5,364	5,514	5,935	5,911	6,066	6,203	6,274	6,344	6,409
28 Total Full-Time Enrolment	28,907	28,840	29,827	30,522	30,693	30,776	31,108	31,381	31,546	31,726
29 Part-Time FTEs										
30 Undergraduate	2,123	2,226	2,084	2,012	2,061	2,100	2,100	2,100	2,100	2,100
31 Education (AQs)	607	595	499	401	456	440	440	440	440	440
32 Masters	99	79	89	95	114	120	120	120	120	120
33 Ph.D.	29	32	29	29	32	32	32	32	32	32
34 Total Part-Time FTEs	2,858	2,932	2,701	2,537	2,663	2,692	2,692	2,692	2,692	2,692
35 Total Constituent FTEs	31,765	31,772	32,528	33,059	33,356	33,468	33,800	34,073	34,238	34,418
36 Affiliated University Colleges										
37 Full-Time Undergraduates										
38 Brescia	1,269	1,327	1,329	1,306	1,392	1,405	1,440	1,485	1,532	1,535
39 Huron	1,144	1,062	979	882	1,038	1,075	1,136	1,184	1,203	1,211
40 King's	3,063	3,004	3,070	3,034	3,162	3,196	3,229	3,262	3,295	3,327
41 Total Full-Time Undergraduates	5,476	5,393	5,378	5,222	5,592	5,676	5,805	5,931	6,030	6,073
42 Part-Time Undergraduate FTEs										
43 Brescia	86	80	69	84	76	80	80	80	80	80
44 Huron	65	58	42	65	64	58	58	58	58	58
45 King's	277	260	232	234	254	231	231	231	231	231
46 Total Part-Time FTEs	428	398	343	383	394	369	369	369	369	369
47 Graduate FTEs										
48 Brescia	28	33	35	35	38	44	47	48	46	46
49 Huron	11	9	9	7	5	6	7	9	10	10
50 King's	33	29	41	48	50	60	60	60	60	60
51 Total Graduate FTEs	72	71	85	90	93	110	114	117	116	116
52 Total Affiliate FTEs	5,976	5,862	5,806	5,695	6,079	6,155	6,288	6,417	6,515	6,558
53 Total UWO FTEs	37,741	37,634	38,334	38,754	39,435	39,623	40,088	40,490	40,753	40,976

Table 13
SUMMARY OF ENROLMENT FORECAST

	Actual					Forecast					
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	
	<i>Rows 55 to 86 Included above</i>										
54	International Students										
55	Constituent Full-Time										
56	Undergraduates	1,895	1,990	2,217	2,342	2,692	2,835	2,932	3,091	3,102	3,264
57	Medical Residents	134	136	134	123	142	140	140	140	140	140
58	Masters (excluding Ivey)	495	576	596	715	717	735	765	775	785	800
59	MBA (Regular), Ivey MSc	39	56	68	75	63	94	112	112	112	112
60	Executive MBA	35	24	2	1	4	0	0	0	0	0
61	Ph.D.	547	562	562	581	607	618	625	630	635	640
62	Affiliates										
63	Undergraduates	577	661	718	732	991	1,094	1,184	1,257	1,307	1,332
64	Masters	0	0	2	0	0	1	2	2	2	2
65	Year 1 Only										
66	Constituent										
67	Arts & Humanities	267	217	240	229	233	240	240	240	240	240
68	Engineering	511	637	598	571	588	610	610	610	610	610
69	Health Sciences										
70	BHSc Program	347	336	320	335	393	340	350	360	375	375
71	Kinesiology	386	335	350	318	304	320	320	320	320	320
72	Nursing	131	143	162	144	142	145	145	145	145	145
73	Media, Information, & Tech	336	350	304	245	263	250	250	260	260	260
74	MOS Program	857	794	861	769	819	800	820	835	850	850
75	Music	99	100	102	112	121	120	120	120	120	120
76	Science	1,474	1,445	1,599	1,551	1,680	1,625	1,635	1,650	1,650	1,650
77	Social Science	803	796	817	815	835	800	810	820	850	850
78	Total Year 1 - Constituent	5,211	5,153	5,353	5,089	5,378	5,250	5,300	5,360	5,420	5,420
79	Affiliated University Colleges										
80	Brescia	315	350	321	313	320	337	365	382	394	400
81	Huron	274	290	253	250	415	450	463	463	463	463
82	King's	740	774	777	788	834	845	853	861	869	877
83	Total Year 1 - Affiliates	1,329	1,414	1,351	1,351	1,569	1,632	1,681	1,706	1,726	1,740
84	Total UWO Year 1	6,540	6,567	6,704	6,440	6,947	6,882	6,981	7,066	7,146	7,160
85	Masters										
86	All Programs (excluding MBAs)	2,781	2,877	3,004	3,280	3,319	3,419	3,487	3,525	3,560	3,600
87	Ivey (excl EMBA)	161	208	255	265	241	275	310	310	310	310
88	Executive MBA	204	191	172	205	174	175	174	174	174	174

For Information

89	Year 1 Constituent International Students	527	508	618	638	855	680	730	790	850	850
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Table 14

WESTERN'S LONG-RANGE SPACE PLAN

Note: within each category, the projects are not prioritized

	Project	Type
	CATEGORY 1 -- Underway or Soon-to-Start	
1	Modernization of Thames Hall	Modernization
2	Weldon Library Modernization	Modernization
3	Biomedical Research Facility - Phase 1 of Medical School Project	New Construction
4	Ivey Spencer Leadership Centre Renewal and Expansion	New Construction / Modernization
5	Space/Facilities for Entrepreneurship Initiatives	New Construction
6	University-wide Infrastructure Projects (multiple stages)	New Construction / Modernization
7	Campus Sustainability and Energy Conservation Initiatives (multiple stages)	Modernization / Infrastructure
	CATEGORY 2 -- Projects in Various Planning Stages	
8	Space Realignment in the Natural Sciences Centre	Modernization / Adaptation
9	Indigenous Learning Spaces	Adaptation
10	Renewal/Replacement/Expansion of Medical School Facilities -- Future Phases	Modernization / New Construction
11	Multi-Level Parking Structures	New Construction
12	Space for Student Career Services	Adaptation
	CATEGORY 3 -- For Future Consideration -- if Funding Identified	
13	Renewal of Chemistry Facilities, Spencer Engineering Building, Elborn College, Talbot College	Modernization or Replacement
14	Social Sciences Centre Realignment/Expansion	Adaptation / Expansion
15	Renewal and/or Realignment of Library Facilities	Modernization
16	New Research Initiatives/Partnerships at the Research Parks	New Construction
17	Athletic Facilities -- Indoor and Outdoor	New Construction / Renewal
18	Residence Projects	Modernization
19	Asset Acquisitions	Acquisition

2019-20 Capital Budget

A. The Evolution of Capital Expenditures

The Capital Budget for 2019-20 should be seen in the context of both recent trends in capital spending and the University's proposed Long-Range Space Plan as outlined in Table 14 of the Operating Budget portion of this document. Table 15 sets out expenditures in the Capital Budget since 2015-16 in nine categories.

Category 1 shows all new construction, while categories 2 to 7 show renovations to existing space. Category 1 expenditures are usually funded from general University funds, the major exceptions being projects funded all or in part from external research grants, private funds, government, student contributions, and Housing construction – the latter being funded from the Housing budget. Categories 2 to 5 are funded primarily from general University funds and government, while category 6 is funded from Housing operations, and category 7 is funded by the particular Ancillary Unit undertaking the work. Categories 8 and 9 involve carrying costs and loan repayments, other expenditures such as purchases of land and buildings, and transfers from the capital budget for other purposes. Planned capital expenditures for 2019-20 total \$95.3 million.

Categories 2 to 5 involve **Maintenance, Modernization, and Infrastructure (MMI)** and are eligible to receive funds from the annual MMI transfer from the operating budget to the capital budget, which is budgeted to remain at \$15.5 million in 2019-20 (\$15.5 million in 2018-19). These are expenditures directed at modification of existing space and renewal and expansion of the utilities and infrastructure of the University.

In planning future expenditures on Maintenance, Modernization, and Infrastructure, it is useful to review the value of our current fixed assets on campus. At February 28, 2019, our buildings and infrastructure have a current replacement value (CRV) of approximately \$2,668 million, as follows:

	CRV (\$M)	Square Metres	Major Buildings
Major Non-Residential Buildings	1,874	559,172	72
Utilities and Infrastructure	239		
Subtotal, Eligible for MMI	2,113	559,172	72
Housing	437	257,546	15
Other Ancillary Buildings	118	42,479	8
Total	2,668	859,197	95

At February 28, 2019, the University had 559,000 gross square metres in 72 major non-residential buildings, ranging in size from the Cronyn Observatory (338 square metres) to the Social Science Centre (33,757 square metres). Those buildings, and \$239 million in utilities and infrastructure, are the physical assets generally eligible for MMI expenditures. On that same date, the University had 258,000 square metres of Housing space in eleven major undergraduate residences, four major apartment buildings, and numerous smaller buildings for graduate students in Platt's Lane Estates. Other than Housing, there are many buildings which are operated largely or entirely as ancillaries: Western Student Recreation Centre, Thompson Recreation and Athletic Centre, TD Stadium, Boundary Layer Wind Tunnel, Child Care Centre, the Ivey Spencer Leadership Centre, and facilities at the Research Parks.

With this background in mind, we briefly set out the nine categories of capital expenditures.

- 1. New Construction.** This category includes projects which create new buildings, including housing, additions to existing buildings, and other new facilities such as parking structures or lots, power plants and athletic fields. It does not include projects which improve the space within existing buildings or projects which upgrade other existing facilities.
- 2. Major Building Renovations.** This category involves major maintenance and renovation expenditures on non-residential building projects, with projects generally spanning more than one year. Given that 51% of the 559,000 square metres in major buildings was built before 1980, renovations to major buildings will continue to be a part of our capital planning.
- 3. Utilities and Infrastructure Projects.** This category involves projects with values greater than \$10,000 directed at the upgrading and new installation of utilities and other infrastructure, including boilers, chillers, and electrical, water, and sewer distribution systems. Construction of a new Chiller Plant or major Power Plant expansion would be included in category 1. Given that most of our Utilities and Infrastructure plant and equipment is over thirty years old, these projects will continue to be a critical part of our capital budget. It is noted that proposed projects in this category include many that are devoted to the renewal of portions of our steam, water, and chilled water systems. Major projects in future years will include Central Power Plant upgrades, chiller capacity expansion, continued work on electrical distribution systems, and energy conservation initiatives.
- 4. Modernization of Instructional and Research Facilities.** This category includes the renewal and modernization of classrooms, laboratories, libraries, and other space used for instruction and research, as well as upgrades to information technology. These expenditures are critical to maintaining Western's reputation as a leader in the quality of teaching and research. These projects are sometimes funded by the units themselves with operating or research funds.
- 5. General Maintenance and Modernization Projects.** This category consists of a wide variety of maintenance and modernization projects which are not included in categories 2 to 4. Most of the projects are under \$100,000, involving such work as roof replacement, interior and exterior painting, road, bridge, and sidewalk repair, and general maintenance of structures and systems. A provision for unforeseen projects forms part of the allotment in this category.
- 6. Housing Renovations.** This category includes all maintenance and modernization expenditures on University residences and apartment buildings. Construction of a new residence or apartment

building would be included in category 1. Maintenance and modernization expenditures, projected to be \$13.1 million in 2019-20, are funded from Housing revenues. Housing has always set aside adequate maintenance funds and does not have the significant deferred maintenance on its buildings which may be observed in many other University buildings.

7. **Ancillary Projects.** This category includes capital expenditures on Ancillaries other than Housing, including Hospitality Services, the Book Store, Parking Services, student fee-funded units, self-funded support units, and self-funded research units. These units pay a charge to the University for the space they occupy.
8. **Carrying Costs and Debt Repayments.** This category consists of principal repayments and interest on debt for capital projects.
9. **Other Capital Expenditures.** This category includes asset acquisitions and other miscellaneous expenditures. It has been an established principle in Western's Campus Master Plan that the University pursue, as appropriate, the purchase of lands contiguous to University property as lands become available. Western will continue to seek to protect the Regional Facilities zoning around the main campus and to buy land near our campus when it comes up for sale. The University will also look to acquire strategic physical assets.

The last twelve lines of Table 15 are labeled A to M. Line A shows total sources of funding for the capital budget, including debt; line B, sources of funds less expenditures; line C, the capital reserve at year-end; and line D, capital debt outstanding at year-end. Details on these items are shown in Tables 17 and 19. Annual changes in the capital reserve (line C) are driven by the differences between funding and expenditure (line B). Thus for 2017-18, line B shows a surplus of \$8,549, the difference between funding of \$110,681 and expenditures of \$102,132 (all figures in \$000). The accumulated capital reserve in line C increases by this same amount of \$8,549.

Line E shows the replacement value of non-residential buildings and utilities and infrastructure, the assets eligible for MMI spending, while line F shows the ratio of the annual MMI expenditure to the replacement value. For example, in 2017-18, MMI expenditures were \$36.3 million, while the estimated replacement value of non-residential buildings, utilities, and infrastructure was \$1.99 billion. The ratio of the two is 1.8%, as shown in line F.

Line G of Table 15 shows the annual transfer from the operating budget to the capital budget for Maintenance, Modernization, and Infrastructure (the MMI transfer). As part of the 1995 Strategic Plan, the Board of Governors approved an incremental annual base transfer of \$750,000 from operating to capital in support of maintenance spending for ten years, from 1996-97 to 2005-06. Since there was an existing transfer of \$500,000 in 1995-96, the annual transfer was \$8.0 million in 2005-06. In 2004, Western's Board of Governors approved the recommendation that the base transfer of \$750,000 be continued for another ten years after 2005-06 until 2015-16, when the annual transfer would be \$15.5 million. This commitment established Western as a leader among Canadian universities in maintaining its facilities and dealing with deferred maintenance. For 2009-10 and 2010-11, given the financial constraints faced by the University at that time, the Board approved the annual transfer be held at \$10.25 million. Since that time the base transfer has resumed. In 2019-20, the base transfer will be maintained at the current maximum annual transfer of \$15.5 million (2018-19, \$15.5 million).

Line H of Table 15 shows the ratio of the annual MMI transfer to total MMI expenditures; for example, in 2017-18, the transfer was \$15.5 million and MMI expenditures were \$36.3 million, so the ratio in line H is 42.8%. Other sources of funding for MMI expenditures include the annual capital facilities renewal grant from the Province (projected for 2018-19 and 2019-20 at \$4.6 million and \$4.6 million respectively), special Provincial grants, additional one-time allocations from the University's operating budget, one-time allocations from the Province, fundraising, and borrowing.

Line J contains an estimate of maintenance spending, defined narrowly as spending required to bring aging facilities up to their condition when originally built. In fact, whenever Western undertakes a major maintenance project, there is also modernization of the facility, and whenever we carry out a major modernization project, there is generally some maintenance expenditure; it is thus difficult to separate the two. Line J is calculated on the assumption that 2/3 of the expenditures in categories 2, 3, and 5 involve maintenance (the remaining 1/3 is modernization), while 1/3 of the expenditures in category 4 involve maintenance (the remaining 2/3 is modernization). While the ratio of maintenance to modernization would vary by project and by year, Facilities Management considers them a reasonable average for the four categories over a number of years.

The value of line J in 2017-18 is \$21.7 million, or 1.1% (line K) of the replacement value in that year. A standard target in industry for this ratio is 2.0%; if large buildings last an average of 50 years, then average maintenance spending should be 2.0% of replacement value. When the actual ratio is consistently lower than 2.0%, as has been the case at Western and most Canadian universities over the last three decades, the level of deferred maintenance will grow. As Western continues to renovate aging buildings, there will be years that deferred maintenance will decline.

Table 16 reviews major capital projects – and the projects are assigned to one of the nine categories. For most of the projects, the year and month of the start and end of the project are shown.

The projects listed in Table 16 are the result of an update to the Long-Range Space Plan outlined in Table 14 of the Operating Budget portion of this document. These projects include new construction that will create new student and research spaces, and major building renovations and utilities and infrastructure projects – reflecting the need to maintain and modernize Western's aging physical plant. With new building construction on campus continuing, Western is utilizing scarce developable land in the core campus. The Campus Master Plan, approved in June 2015, highlights the constraints in the amount of buildable land on our campus and the fact that new buildings are being constructed on parking lots – thus increasing the pressure on available parking. We are planning for the construction of parking structures in the periphery of campus – including siting, a funding plan, and the required parking fee rates to finance the structures. University-wide Infrastructure Projects are also included on Table 16. These projects cover upgrades to Western's central power plant, chiller facilities, and major electrical upgrades, and are typically comprised of multiple projects completed over a number of years.

B. Sources of Funding and Capital Expenditures in 2019-20

Table 17 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2018-19, divided into six major categories: federal, provincial and municipal government grants; funds transferred from Western's operating budget; interest earned; general fundraising; borrowing; and other sources, including internal recoveries. As compared to a decade ago, the University's capital budget is more dependent on transfers from the operating budget and debt.

Table 18 shows expenditures in categories 1 and 2 for 2018-19 (estimates as of January 31, 2019) and 2019-20 (current proposals).

Table 15
CAPITAL BUDGET SUMMARY, 2015-16 TO 2019-20
(\$000)

Category	Purpose	Actual 2015-16	Actual 2016-17	Actual 2017-18	Projected 2018-19	Budget 2019-20
	New Construction					
1	New Construction (Table 18, line 11)	32,343	45,717	51,484	18,805	24,754
	Maintenance, Modernization, and Infrastructure (MMI)					
2	Major Building Renovations (Table 18, line 19)	4,737	15,789	18,924	12,551	20,563
3	Utilities and Infrastructure Projects	8,046	5,719	4,262	14,035	8,024
4	Modernization of Instructional and Research Facilities	6,640	7,816	7,543	6,688	9,308
5	General Maintenance and Modernization Projects	5,923	4,775	5,526	8,765	14,258
	Sub-Total MMI	25,346	34,099	36,255	42,039	52,153
	Other					
6	Housing Renovations	9,124	9,192	9,565	7,890	13,052
7	Ancillary Projects	2,239	1,170	1,776	924	400
8	Carrying Costs and Debt Repayments	4,702	4,453	2,964	2,250	4,500
9	Other Capital Expenditures	3,399	20	88	2,308	488
	Sub-Total Other	19,464	14,835	14,393	13,372	18,440
10	Total Expenditures	77,153	94,651	102,132	74,216	95,347

Line		Actual 2015-16	Actual 2016-17	Actual 2017-18	Projected 2018-19	Budget 2019-20
	Sources of Funding, Reserves, and Debt					
A	Total Sources of Funding, Including Debt (Table 17)	80,836	92,798	110,681	85,582	78,860
B	Sources of Funding less Expenditures	3,683	-1,853	8,549	11,366	-16,487
C	Capital Reserve, Year End (Table 19)	43,604	41,751	50,300	61,666	45,179
D	Capital Debt Outstanding, Year End (Table 19)	291,392	283,725	375,759	362,253	353,903
E	Replacement Value of Non-Residential Buildings, Utilities & Infrastructure, \$M	1,852	1,906	1,985	2,113	2,200
F	MMI Expenditures/Replacement Value	1.4%	1.8%	1.8%	2.0%	2.4%
G	Annual MMI transfer from Operating to Capital Budget	14,000	14,750	15,500	15,500	15,500
H	MMI transfer/MMI Expenditures	55.2%	43.3%	42.8%	36.9%	29.7%
J	Estimate of Maintenance Expenditure	14,684	20,127	21,656	25,797	31,666
K	Maintenance Expenditure/Replacement Value	0.8%	1.1%	1.1%	1.2%	1.4%
L	Number of Major Buildings	92	93	94	95	95
M	Total Gross Square Meters (000's)	836	843	854	859	859

Category 8 does not include carrying costs and loan repayments for Residences and Apartments, Research Park and Richard Ivey School of Business.

Line B is equal to Line A Total Sources of Funding less Total Expenses.

The change in line C from one year to the next is equal to Line B.

Line J consists of 2/3 of Category 2, 3 and 5 and 1/3 of Category 4.

Table 16
MAJOR CAPITAL PROJECTS

		Category	Start	End
1	<i>Projects Underway or Soon-to-Start</i>			
2	Modernization of Thames Hall	2	Jan 17	Jun 21
3	Weldon Library Modernization	2	tbd	tbd
4	Biomedical Research Facility -- Phase 1 of Medical School Project	1	Jan 17	Dec 21
5	Ivey Spencer Leadership Centre Renewal and Expansion	1&2	Nov 18	Dec 20
6	Space/Facilities for Entrepreneurship Initiatives	1	tbd	tbd
7	University-wide Infrastructure Projects (multiple stages)	1,3&5	May 19	tbd
8	Campus Sustainability and Energy Conservation Initiatives (multiple stages)	3&5	Ongoing	
9	<i>Projects in Various Planning Stages</i>			
10	Space Realignment in the Natural Sciences Centre	2	tbd	tbd
11	Indigenous Learning Spaces	2	tbd	tbd
12	Renewal/Replacement/Expansion of Medical School Facilities -- Future Phases	1&2	tbd	tbd
13	Multi-Level Parking Structures	1	tbd	tbd
14	Space for Student Career Services	2	tbd	tbd
15	<i>Projects for Future Consideration -- if Funding Identified</i>			
16	Renewal of Chemistry Facilities, Spencer Engineering Building, Elborn College, Talbot College	2	tbd	tbd
17	Social Sciences Centre Realignment/Expansion	1&2	tbd	tbd
18	Renewal and/or Realignment of Library Facilities	2	tbd	tbd
19	New Research Initiatives/Partnerships at the Research Parks	1	tbd	tbd
20	Athletic Facilities -- Indoor and Outdoor	1	tbd	tbd
21	Residence Projects	6	tbd	tbd
22	Asset Acquisitions	9	tbd	tbd

Table 17
CAPITAL BUDGET: SOURCES OF FUNDING
(\$000)

		Projected 2018-19	Budget 2019-20
1	Government Grants		
2	MTCU Annual Capital Grant (Facilities Renewal Program)	4,644	4,644
3	MTCU Graduate Expansion Capital Grant	3,921	3,893
4	MTCU/MOECG GGRP Innovation Fund	11,610	0
5	Federal Strategic Investment Fund (SIF)	7,454	0
6	Sub-Total	27,629	8,537
7	Operating Budget		
8	Operating Budget MMI Transfer - Base	15,500	15,500
9	Operating Budget MMI Transfer - Base (Ancillaries)	600	600
10	Operating Budget - Engineering Building Facilities Expansion/Renewal	8,694	8,154
11	Operating Budget - FRSF Transfer	3,000	3,000
12	Operating Budget - Medical School Innovation Hub	0	3,000
13	Operating Budget - Classroom Modernization	1,000	1,000
14	Operating Budget - CRC Transfer	910	790
15	Operating Budget - Weldon Library Modernization	15,000	0
16	Operating Budget - Space Realignment in Natural Sciences Centre to Create Student Spaces	10,000	0
17	Operating Budget - Western Wellness Centre (in Thames Hall)	10,000	0
18	Operating Budget - Open Space Strategy and Campus Safety Initiatives	2,000	0
19	Operating Budget - Energy Conservation Initiatives	1,000	0
20	Operating Budget - Improvements to Alumni Hall to Accommodate SRS and Relocate GU Spaces	1,000	0
21	Operating Budget - Planning for Future Projects	250	0
22	Operating Budget - Ivey Spencer Leadership Centre Renewal and Expansion	-500	0
23	Operating Budget - Modernization/Expansion of Talbot College	-719	0
24	Miscellaneous Faculty/Department Budgets	368	1,157
25	Sub-Total	68,103	33,201
26	Interest Earned	615	100

Table 17
CAPITAL BUDGET: SOURCES OF FUNDING
(\$000)

		Projected 2018-19	Budget 2019-20
27	Fundraising		
28	The Claudette MacKay-Lassonde Pavilion (Green Building)	1,990	0
29	Ivey Building	639	0
30	Western Fund	300	0
31	Sub-Total	2,929	0
32	Borrowing		
33	Long-Range Space Plan	-27,500	19,432
34	Sub-Total	-27,500	19,432
35	Other		
36	Student Contribution - Western Student Recreation Centre	1,326	1,365
37	Energy Conservation Incentives (Rebates)	350	500
38	Sports & Recreation Services - Indoor Track Surface Replacement	0	422
39	Sports & Recreation Services - Student Contribution for Artificial Turf Playing Fields	168	172
40	Projects Funded by Housing	7,890	13,052
41	Projects Funded by Units	3,148	1,679
42	Projects Funded by Ancillaries	924	400
43	Sub-Total	13,806	17,590
44	Total Sources of Funding	85,582	78,860

Table 18
CAPITAL EXPENDITURES FOR NEW CONSTRUCTION AND MAJOR BUILDING RENOVATIONS
2018-19 and 2019-20
(\$000)

		Projected 2018-19	Budget 2019-20
1	<i>Category 1: New Construction</i>		
2	Biomedical Research Facility - Phase 1 of Medical School Project	1,010	14,150
3	Ivey Spencer Leadership Centre Renewal and Expansion	228	6,009
4	Medical School Innovation Hub	387	2,612
5	Space/Facilities for Entrepreneurship Initiatives	50	1,700
6	Faculty of Education Courtyard Addition	3,278	145
7	North Chiller Plant	0	88
8	Amit Chakma Engineering Building	6,430	50
9	Ivey Building - Completion of Unfinished Space	7,082	0
10	Western Interdisciplinary Research Building	340	0
11	<i>Total, Category 1</i>	<i>18,805</i>	<i>24,754</i>
12	<i>Category 2: Major Building Renovations</i>		
13	Modernization of Thames Hall	5,326	11,598
14	Weldon Library Modernization	130	5,945
15	Renewal of Spencer Engineering Building	1,752	2,000
16	Space Realignment in Natural Science Centre to Create Student Spaces	0	750
17	Modernization of University College	4,453	270
18	Infectious Disease Pathogenesis and Imaging Facility	890	0
19	<i>Total, Category 2</i>	<i>12,551</i>	<i>20,563</i>

Table 19
CAPITAL RESERVES AND DEBT AT FISCAL YEAR END
(\$000)

		Actual 2015-16	Actual 2016-17	Actual 2017-18	Projected 2018-19	Budget 2019-20
1	A. Capital Reserves					
2	General Capital Fund	16,973	20,291	25,783	29,112	22,710
3	Designated Capital Fund	26,631	21,460	24,517	32,554	22,469
4	Total Capital Reserves	43,604	41,751	50,300	61,666	45,179

		Actual 2015-16	Actual 2016-17	Actual 2017-18	Projected 2018-19	Budget 2019-20
5	B. Capital Debt					
6	New Construction, Major Renovations & Other	96,681	61,970	51,141	2,007	26,164
7	Housing	132,437	120,247	107,003	88,346	73,839
8	Research Park	28,712	27,868	27,015	26,000	25,000
9	Unused and Invested Debenture Proceeds	33,562	73,640	190,600	245,900	228,900
10	Total Capital Debt	291,392	283,725	375,759	362,253	353,903

Line 2 includes the required \$6 million general capital reserve fund.

Line 3 includes fund balances for large capital projects.

Long-Term Financial Trends

The Operating and Capital Budgets set out in Tables 2 and 15 of this document describe proposed spending of some \$888 million for the single year of 2019-20. That spending will take place, however, in a longer term context which must be understood in evaluating the Operating and Capital Budgets. The Administration and Board have identified three elements of that longer term context which should be reviewed in the annual Budget of the University: capital reserves and debt, employee future benefits, and deferred maintenance. These three items are described below.

The long term context for Western changed in May 2007, when the University issued its first debenture for \$190 million. Western issued a further \$100 million debenture in December 2017. As part of this process, the University received a credit rating of AA from Standard & Poor's. This credit rating was reaffirmed in February of 2019. Part of the credit rating evaluation focused on a number of long-term obligations that the University manages on an ongoing basis, including the three which we review below.

A. Capital Reserves and Debt

Table 19 displays Capital Reserves and Debt for fiscal years ending April 30. Capital Reserves are divided into two categories:

- the General Capital Fund, which includes funds not yet designated for specific purposes and funds designated for future projects.
- the Designated Capital Fund, which has been assigned to specific capital projects.

The Designated Capital Fund includes the remaining funds from the sale of the Gibbons property. The University's intention is that when the Gibbons funds are spent, there will be naming opportunities to honor the Gibbons name.

Capital Debt is divided into the following categories:

- **New Construction, Major Renovations, Infrastructure, and Other** – represents debt on projects that are largely new construction, additions to existing buildings, other new facilities, non-residential projects that involve major maintenance, and renovations to existing space. It also includes debt on purchases of property.
- **Housing** – debt required for new construction, maintenance, and modernization projects for University residences and apartment buildings.
- **Research Park** – debt incurred by the Research Park.
- **Unused and Invested Debenture Proceeds** – unused proceeds from Western's debenture issues that have been committed and invested until the specific capital project requires the funding.

Capital Debt is viewed as a resource that can help the University advance its Long-Range Space and Campus Master Plans. As part of the overall management of capitalization, the University has significantly increased its Capital Debt, primarily through debenture issuances of \$190 million and \$100 million in 2007 and 2017, respectively, and by entering into a \$100 million fifteen-year facility in 2013 to finance a 1,000 bed residence and other capital projects. The Board of Governors has approved a Capital Debt Policy which outlines the principles used in guiding the University's overall capitalization and debt management strategy. The University regularly monitors its Capital Debt position and continues to utilize monitoring ratios as part of its management strategy. The table below shows the monitoring ratio of debt per FTE, along with selected revenue metrics, for the years ending April 30.

	FTE Enrolment	Debt (\$M)	Debt per FTE (\$)	Combined Revenue (\$M)*	Revenue per FTE (\$)	Debt / Revenue (%)
2015	31,765	299.0	9,412	1,137.2	35,800	26.3%
2016	31,772	291.4	9,170	1,125.2	35,415	25.9%
2017	32,528	283.7	8,722	1,253.1	38,524	22.6%
2018	33,059	375.8	11,369	1,253.7	37,923	30.0%
2019 p	33,356	362.3	10,858	1,191.8	35,730	30.4%

*2015-2017 information has been updated for comparability purposes to reflect reclassifications in revenues and expenses occurring in 2018

The projected debt is based on Board-approved projects with allowance for other projects which may be presented to the Board during the period under consideration.

B. Employee Future Benefits

Subject to eligibility rules set within various collective agreements, the University provides medical, dental, and life insurance benefits to eligible employees after their employment with Western has ended.

The obligation for these employee future benefits are projected by actuarial valuation every three years. In the years between valuations, an extrapolation of the actuarial valuation is used to determine the projected benefit obligations. At April 30, 2018, the University's accrued benefit liability relating to the employee future benefit plans was \$495 million (2017 - \$474 million).

Cost containment of active and post-retirement benefits have been a focus in previous negotiations. These design changes have included a reduction of the co-insurance, limitation on dependent coverage, and increased service requirements for benefits to vest.

Included in the University's 2018 Audited Combined Statement of Operations is an annual expense in the amount of \$21.8 million (2017 - \$28.9 million) for non-pension employee future benefits.

A recent review of major research universities identified only five institutions with significant post-employment benefit obligations greater than \$200 million, ranging from \$204 million to \$591 million

and an unweighted average of \$365 million. Western ranked second in total liability for employee future benefits. The ratio of obligations to total expenses ranged from 19.7% to 44.1% with an unweighted average of 29.3%.

Employee Future Benefits (EFB)
Obligation and Expense as a % of Total Expenditures: Years ending April 30, 2014 to 2018

	Obligation (\$M)	Expense (\$M)	Total University Expenses (\$M)*	EFB Obligation as % of Total	EFB Expense as % of Total
2014	401.7	23.2	1,054	38.1%	2.2%
2015	482.3	22.5	1,061	45.5%	2.1%
2016	525.7	25.4	1,079	48.7%	2.4%
2017	473.5	28.9	1,113	42.5%	2.6%
2018	495.3	21.8	1,122	44.1%	1.9%

*2014-2017 information has been updated for comparability purposes to reflect reclassifications in revenues and expenses occurring in 2018

C. Deferred Maintenance

Deferred Maintenance is defined as work on the maintenance of physical facilities that has been deferred on a planned or unplanned basis to a future budget cycle or postponed until funds become available. To avoid increasing the size of the deferred maintenance backlog, it is necessary to carry out replacement of facility components on an annual basis.

The estimates of deferred maintenance are different than estimates of debt or employee future benefits in the previous sections. There are actual contracts in place for the first two categories that allow us to make reasonable estimates. For deferred maintenance, that is not the case; therefore, we have to find other ways to quantify this liability. In 2001, a common capital-asset management system was purchased by the Ontario University system to assess, track, and report on the condition of facilities. The system requires that each major component of a building – roof sections, classrooms, heating, ventilation, air-conditioning systems and so on – be inspected, either entirely or on a sample basis. Data on the findings of these inspections are entered into a central database. The system uses industry-standard cost and lifecycle data to forecast the timing and costs of capital renewal projects. The Facilities Management Division estimates that (as of February 28, 2019) deferred maintenance at Western is \$224 million for non-residential buildings and \$35 million for residences. Slightly more than 55% of the deferred maintenance for non-residential buildings relates to mechanical, electrical, and infrastructure requirements. Other major components include maintenance driven by code requirements and maintenance for roofs and windows.

A common measure for determining the overall condition of facilities is the ratio of deferred maintenance over replacement value of the facilities. The calculation for February 28, 2019 is as follows:

	Non-Residential Buildings	Combined Residences
Current Replacement Value (CRV)	\$2,113 million	\$437 million
Deferred Maintenance (DM)	\$224 million	\$35 million
DM/CRV	10.6%	8.0%

The average age of buildings for universities in the Province of Ontario was 54 years as of March 2019. Western's average age is 39 years. Over 51% of our buildings were built before 1980. Western's residences are funded through rents which cover maintenance; the University has never had a problem with deferred maintenance on residences. A ratio of 10.6% (Deferred Maintenance/Current Replacement Value) for non-residential buildings indicates a significant need for maintenance funding.

If the average component of a large building lasts 50 years, then on average, maintenance spending should be 2.0% of replacement value. This level of spending is a standard target in the industry. When the actual ratio is consistently less than 2.0%, as has been the case at most Canadian universities, the volume of deferred maintenance will grow. Failure to adequately address deferred maintenance results in substandard facilities and could result in the failure of critical systems. Based on the current replacement value of our facilities at \$2.0 billion, spending on major maintenance for campus buildings at 2.0% should be in the range of \$40 million annually.

As part of the 1995 Strategic Plan, the Board of Governors approved an incremental annual base transfer of \$750,000 from operating capital in support of maintenance spending for ten years, from 1996-97 to 2005-06. In 2004, Western's Board of Governors approved the recommendation that the base transfer of \$750,000 be continued for another ten years after 2005-06, until 2015-16, when the annual transfer will be \$15.5 million. However, for 2009-10 and 2010-11, the annual transfer was maintained at \$10.25 million. For 2019-20, the base transfer will remain at the current maximum of \$15.5 million (2018-19, \$15.5 million).

As explained at the start of the Capital Budget, the maintenance transfer is used for Maintenance, Modernization, and Infrastructure (MMI). The administration is sometimes asked by faculty and staff if the MMI transfer is too large. As lines G and E in Table 15 show, the ratio of the MMI transfer to the current replacement value (CRV) of our nonresidential buildings, utilities, and infrastructure has been below 1% in recent years.

	Actual 2015-16	Actual 2016-17	Actual 2017-18	Projected 2018-19	Budget 2019-20
MMI (\$M)	14.00	14.75	15.50	15.50	15.50
CRV (\$M)	1,852	1,906	1,985	2,113	2,200
Ratio	0.76%	0.77%	0.78%	0.73%	0.70%

Thus, the MMI transfer from the operating to the capital budget is less than half of the 2.0% required to keep deferred maintenance from growing. Continuation of this MMI transfer is essential to maintaining a safe and reliable campus infrastructure, which supports modern research and teaching, and sustains faculty, staff, and student morale.

Line J of Table 15 presents an estimate of maintenance spending from all sources, with maintenance defined as spending required to bring aging facilities up to their condition when originally built. During the five years, 2006-07 through 2010-11, the ratio was about 2.0%, so that the level of deferred maintenance was stabilized. The University reached the 2.0% ratio with one-time funds from the provincial and federal governments, and by borrowing. The estimated ratios for 2018-19 and 2019-20 will not reach the 2.0% target.

In 2017-18, the Province increased its annual facilities renewal grant to \$60 million (for Ontario's universities and colleges). Western's share of this \$60 million was \$3.5 million in 2017-18. While this increased support is welcome, the most recent assessment within the sector indicates the need for much larger investments (on an entirely different scale) to begin to restore to the condition of University facilities.