



The University of Western Ontario

2011-12 Operating and Capital Budgets

April 1, 2011

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ACRONYMS used in University Budget Document

	<i>Acronym</i>	<i>Description</i>
1	AMP	Advanced Manufacturing Park
2	APF	Academic Priorities Fund
3	CFI	Canada Foundation for Innovation
4	COU	Council of Ontario Universities
5	CPI	Consumer Price Index
6	CRCs	Canada Research Chairs
7	CRV	Current Replacement Value (of Buildings)
8	CSD	Communication Sciences and Disorders Program
9	DM	Deferred Maintenance
10	ECF	Enrolment Contingent Fund
11	EFB	Employee Future Benefits
12	FFICR	Federal Funding for the Indirect Costs of Research
13	FTE	Full-Time Equivalent
14	G13	Group of 13 Canadian Research-Intensive Universities
15	GEF	Graduate Expansion Fund
16	GEF+	Graduate Expansion Fund Supplement (for domestic students only)
17	GSSTF	Graduate Student Scholarship and Training Fund
18	HBA	Honours Business Administration Degree/Program
19	IBA	Initial Budget Adjustment
20	ICFAR	Institute for Chemicals and Fuels from Alternative Resources
21	ICRC	International Composites Research Centre
22	IDIs	Interdisciplinary Initiatives
23	JD	Juris Doctor Degree
24	LRSP	Long-Range Space Plan
25	MBA	Master of Business Administration Degree/Program
26	MD	Doctor of Medicine Degree/Program
27	MEng	Master of Engineering Degree/Program
28	MESc	Master of Engineering Science Degree
29	MIT	Media, Information, and Technoculture Program
30	MLIS	Masters in Library and Information Science Degree/Program
31	MMI	Maintenance, Modernization, and Infrastructure
32	MSc	Master of Science Degree
33	MTCU	Ministry of Training, Colleges, and Universities
34	MTP	Media, Theory, and Production Program
35	OMRI	Ontario Ministry of Research and Innovation
36	OT	Occupational Therapy (School/Program)
37	PhD	Doctor of Philosophy Degree
38	PT	Physical Therapy (School/Program)
39	RISF	Research Infrastructure Support Fund
40	SCUP	Senate Committee on University Planning
41	SUEPP	SCUP's Subcommittee on Enrolment Planning and Policy
42	SUPF	Support Unit Priorities Fund
43	TEB	Thomson Engineering Building
44	UCC	University Community Centre
45	USC	University Students' Council
46	UPIF	University Priorities Investment Fund
47	Vice-Provost (APPF)	Vice-Provost (Academic Planning, Policy, and Faculty)
48	WindEEE	Wind Engineering, Energy, and Environment (a CFI Initiative)

The University of Western Ontario

2011-12 Operating Budget

April 1, 2011

A. Planning and Budgetary Context

The current planning cycle marks the transition to Western's new four-year budget plan spanning the period 2011-12 to 2014-15. The new multi-year plan has been developed in the context of the recommendations in the update to the University's Strategic Plan – *Engaging the Future* – the priorities outlined in the Faculties' Academic Plans and the Support Unit Operational Plans. The priority areas highlighted in the update to our Strategic Plan are:

- Raising our International Profile
- Enhancing the Quality of our Undergraduate and Graduate Programs
- Expanding our Educational Reach in the Region and around the World
- Enhancing Support for our Faculty and Staff

The budget planning for the next four years is being carried out in the context of great uncertainty. The Province's *Reaching Higher* Program – which provided substantial incremental resources – has come to an end, and the Province's current signals are that incremental grant funding to Universities will be directly linked to “access” to undergraduate education. In addition, there will be a provincial election in the fall of 2011 – and the intentions of the political parties with regards to university tuition fees are not clear at this point in time.

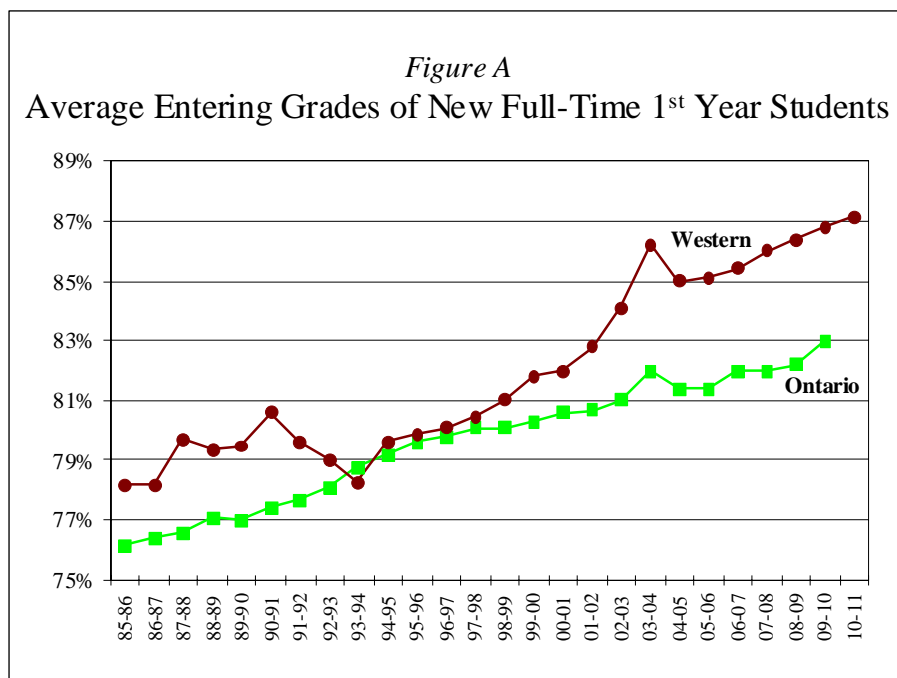
A major recommendation in our update to the Strategic Plan was to consider expansion of undergraduate enrolment and continue with the graduate expansion trends of the past decade – while maintaining admissions standards. In the fall of 2010, Western's Senate approved the recommendations from the Senate Committee on University Planning (SCUP) and its Subcommittee on Enrolment Planning and Policy (SUEPP) on a new enrolment strategy. The recommendations included the following elements, which are now incorporated into the overall University plan as well as the Faculties' academic, enrolment, and budget plans:

- expansion of our total first-year intake, while maintaining entrance standards
- increasing the first-year international student class to 400
- maintaining the proportion of graduate enrolments (as a percent of total enrolment) at the current level of 17%

Looking forward, our revenue forecasts for the next four-year period are based on the following assumptions:

- continuation of government funding for undergraduate enrolment growth
 - achievement of a first-year intake target of 4,900 – of which 400 will be international students by the end of the four-year planning period
-

- achievement of the graduate enrolment plans developed by the Faculties
- the Province will continue to provide us flexibility with regards to tuition fees that is comparable to the current framework



B. Updates on Initiatives from Last Year's Budget

The following initiatives were included in the 2010-11 University Operating Budget, and involved substantial investments.

1. Graduate Expansion

Western continued its commitment to graduate expansion in 2010-11. Full-time masters enrolment increased by 152 – from 2,648 in 2009-10 to 2,800 in 2010-11 and full-time PhD enrolment increased by 133 – from 1,771 in 2009-10 to 1,904 in 2010-11. In support of these increases, the Faculties were provided additional resources (through enrolment-related funding envelopes – i.e. ECF, GEF, GEF+) totaling \$3.6 million.

2. Interdisciplinary Initiatives

Support for and promotion of Interdisciplinary Initiatives (IDIs) continues to be a priority at Western. A sum of \$2.5 million in incremental one-time funds – to be used over a period of 4 years – was allocated in last year's budget. A call for proposals was issued in the fall of 2010 and twenty proposals were received. Of these, six were recommended for support – and were in the areas of:

- Digital Humanities
- Bone and Joint Health
- Leadership in Public Health Transformation
- Centre for Transitional Justice and Post-Conflict Reconstruction
- Indigenous Health and Well-Being
- Advanced Materials and Biomaterials

It is anticipated that funding of the above initiatives will leave about \$1.2 million for the next round of IDIs, and the call for proposals is expected in late spring of 2012.

3. Support for Canada Foundation for Innovation (CFI) Initiatives

The University is committed to promoting and supporting CFI proposals from Western's researchers. A sum of \$4.9 million in one-time funds was set aside in last year's budget to be used for CFI matching – when such back-stopping is required.

4. Internationalization -- Expansion of Undergraduate International Enrolment

Internationalization in research and in undergraduate and graduate education were identified as priorities in our Strategic Plan. On the undergraduate front, Western's international undergraduate enrolment lags substantially behind our peer research-intensive institutions in Ontario. In order to improve our position, last year's budget recommended that we take the first step and admit an additional 100 first-year international students in the fall of 2010. We were only able to add 26 first-year international students – compared to the target of 100. We will continue to pursue this high priority as described later in this budget document.

5. Support for the Fundraising Campaign

In support of our fundraising campaign, a sum of \$12.5 million in one-time funds was allocated in last year's budget to be used to augment private donations in support of areas of high priority. The major focus for the use of these funds has been in the area of endowed chairs. To-date a total of 4 chairs have been confirmed – with the support of \$6 million from the above \$12.5 million allocation. The Vice-President External is currently in discussions with prospective donors regarding a number of other endowed chair opportunities.

6. University-wide Energy Efficiency Initiatives

A sum of \$1.5 million in one-time funds was allocated in last year's budget in support of University-wide Energy Efficiency Initiatives – with the objective of investing in infrastructure projects that will result in reduced energy consumption across campus. The Physical Plant Department has been conducting a detailed study on the University's facilities, and the implementation of the energy-related infrastructure projects will begin early this summer.

C. Priorities for the Next 4-Year Plan and New Initiatives

As indicated earlier in this document, our new 4-year plan is being developed in the context of the recommendations in the update to the University's Strategic Plan which were approved by Senate and the Board of Governors in late 2010.

1. Enrolment Expansion and Associated Resources

As indicated earlier in this document, in the fall of 2010, Western's Senate and the Board of Governors approved a new enrolment strategy for Western – which included expansion of undergraduate and graduate enrolments, while maintaining entrance standards.

The highlights of our overall enrolment forecast for the 4-year planning period (shown in Table 14) are:

- total full-time first-year intake reaches 4,900 in 2013-14
- full-time first-year international enrolment reaches 400 in 2014-15
- full-time undergraduate enrolment grows to 22,509 in 2014-15, an increase of 1,374 (or 6.5%) over 2010-11
- full-time graduate enrolment increases to 5,210 in 2014-15, an increase of 506 (or 10.8%) over 2010-11
- total full-time-equivalent (FTE) enrolment – which includes part-time students – reaches 31,883 in 2014-15, an increase of 1,970 (or 6.6%) over 2010-11

In order to support our Faculties in accommodating the enrolment expansion described above, starting in 2011-12, a new revenue sharing mechanism is being implemented. Under the new mechanism, the Faculties will receive a portion of the incremental enrolment-related revenues (i.e. tuition revenue and applicable government grants) as follows:

- 40% for undergraduate enrolments
- 40% for non-research masters programs
- 85% for research masters and Ph.D. programs

With the introduction of this new revenue-sharing mechanism, all previous enrolment-related funding envelopes (i.e. ECF, GEF, GEF+) are being discontinued – by rolling the funds into the Faculties' base budgets.

2. Internationalization -- Expansion of Academic Programs and Student Experiences

The strategic importance of internationalization for Western was articulated in Western's Strategic Plan – *Engaging the Future* – and in the most recent update to that plan which was approved by Senate and the Board of Governors in late 2010. The importance of undergraduate international student enrolment growth, one component of the larger internationalization project, was highlighted in both the Strategic Plan update and in the Senate-approved Strategic Plan for Internationalization, 2009-2012. Western's international undergraduate enrolment lags substantially behind our peer research-intensive institutions in Ontario. Therefore, expansion of undergraduate international enrolment is among the University's highest priorities. The

enrolment plan for the upcoming four-year period includes a target of 400 first-year international students in 2014-15, which is an increase of 254 from the 2010-11 level of 146.

The Provost recently completed a review of the necessary actions, resources, and structures required to position Western for success in international undergraduate enrolment management, and is continuing to review other aspects of internationalization. In the coming weeks, the Provost will bring forward specific proposals related to the recommendations contained in these reviews. In this budget, a sum of \$500,000 in base funding is being allocated in support of expansion of undergraduate international enrolments.

3. Enhancing Western's Research Profile

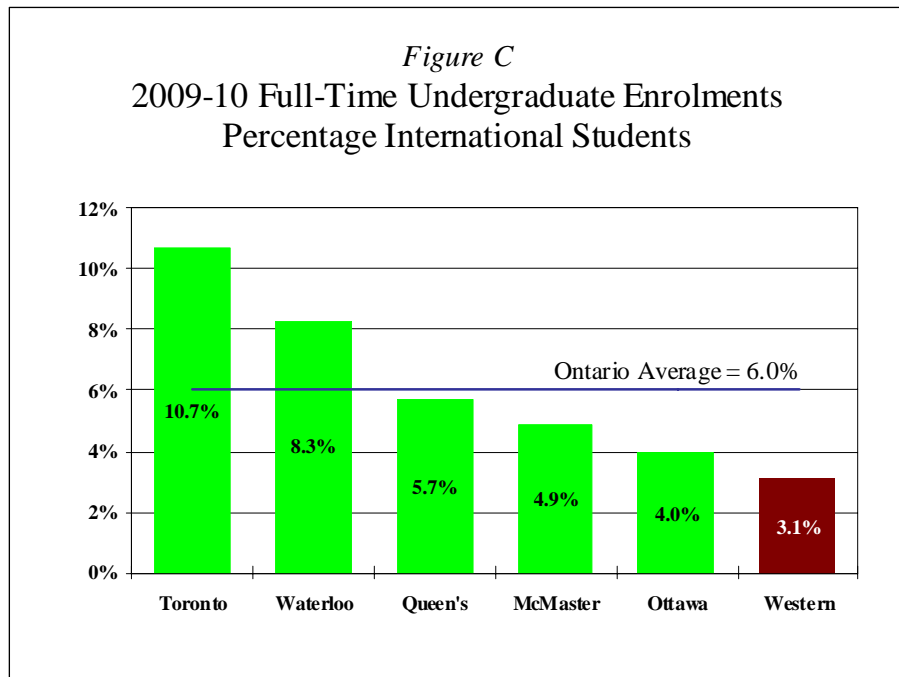
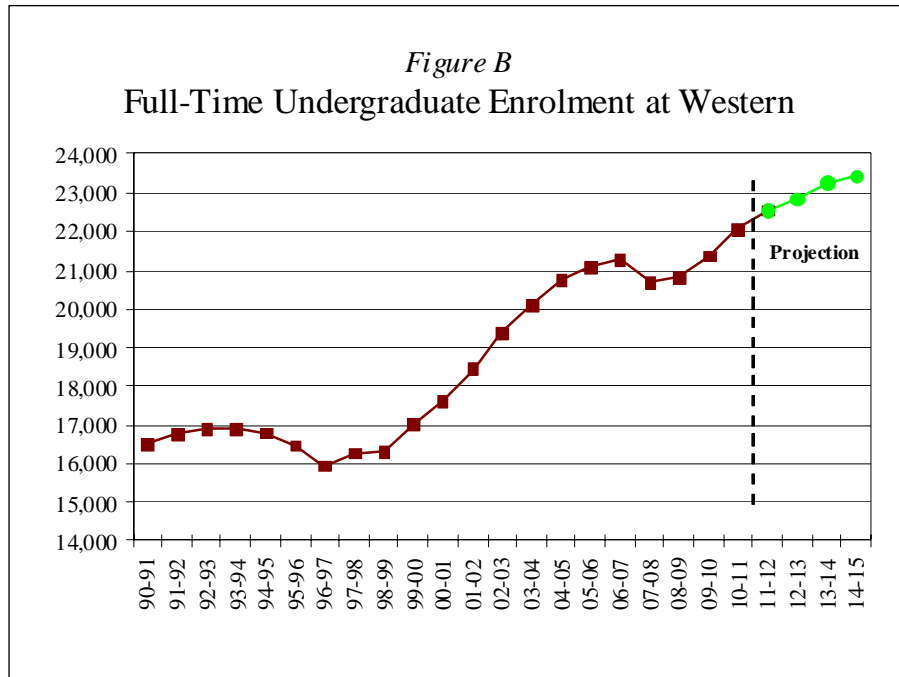
The fall 2010 update to our Strategic Plan included recommendations in the areas of research and scholarship. The Provost and the Vice-President (Research and International Relations) are collaborating in the development of programs to (a) establish new or strengthen existing research clusters, (b) attract and retain internationally-recognized scholars, and (c) plan and design international visits, exchanges, and conferences. Specific recommendations will be brought forward in the coming year, and the resources will be made available through the Academic Priorities Fund (APF) which is being established as part of the upcoming four-year plan.

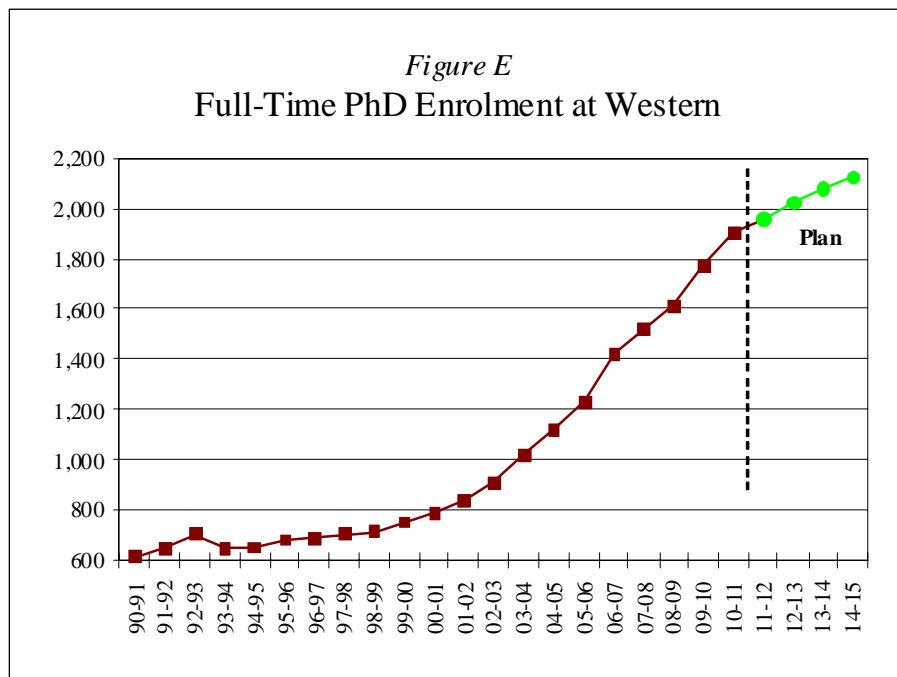
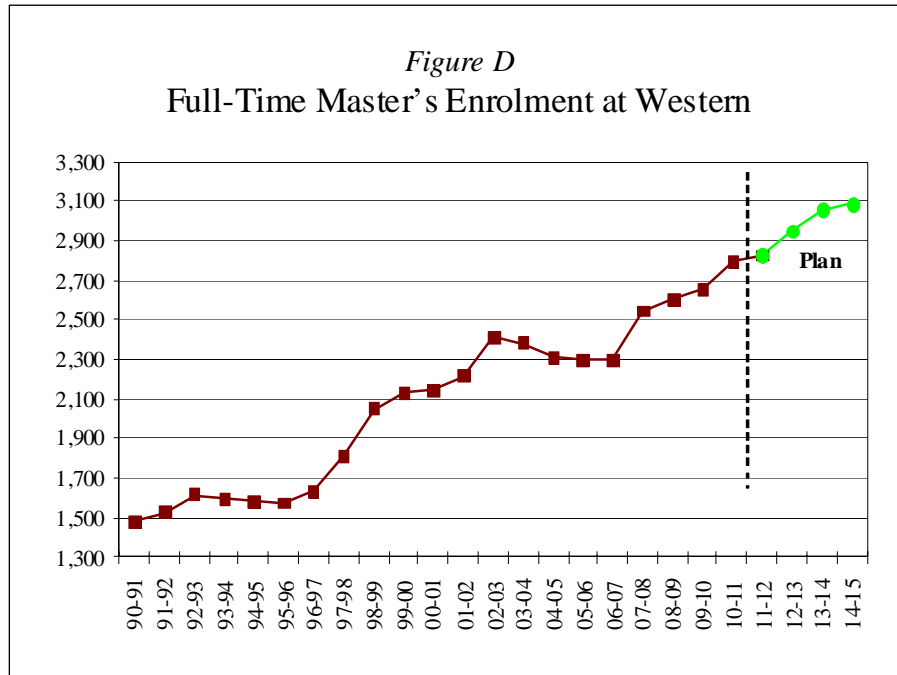
4. Support for our Fundraising Campaign

The continuation of support for the fundraising campaign is of high priority to the University. It is recommended that a sum of \$11.5 million in one-time funds be allocated to support our campaign. These funds will augment the \$12.5 million committed last year, and will allow us to vigorously pursue private donations aimed primarily at creating new endowed chairs which support our Faculties' academic plans.

5. Long-Range Space Planning

As indicated earlier, Western's long-range approach to space planning was introduced in 2005-06. In each subsequent budget, an update to our long-range space plan has been provided. The current update is presented in Table 15.





D. Four-Year Operating Budget Forecast

As indicated earlier, 2011-12 marks the transition to Western's new Four-Year Plan. This budget document seeks formal approval of the 2011-12 budget. The recommendations in this document have been guided by projections of operating revenues and expenditures for this entire four-year planning period. These projections respect the requirement of an operating reserve at the Board-mandated level of \$2.5 million at the end of the four-year cycle. Table 1 summarizes our current forecast of the four-year plan. The major assumptions underlying the budget forecasts are as follows:

Revenues

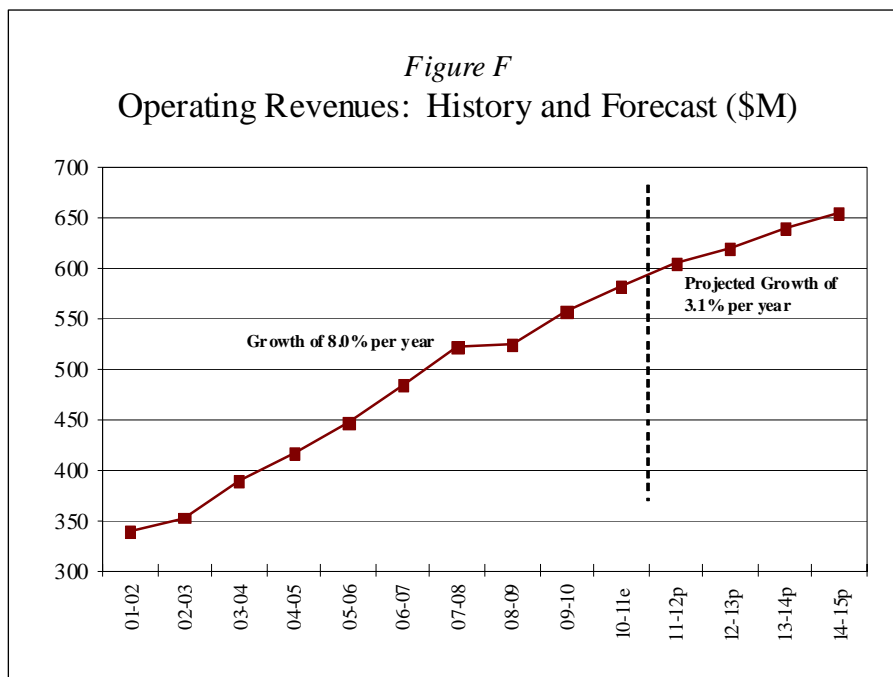
- The Provincial Government will continue to provide grant funding for undergraduate enrolment growth.
- We will achieve our graduate enrolment plans, and the Government's current funding commitments for graduate expansion will be honoured.
- All other on-going government grants will be maintained at least at current levels.
- Enrolment projections (shown in Table 14) underlying the tuition revenue projections will be achieved.
- Government's future tuition fee framework will allow for overall tuition increases that are comparable to the current tuition framework.

Expenditures

- Enrolment-related revenue sharing allocations to the Faculties will continue during the four-year planning period, and the projections are shown in Table 4a.
- Increases in non-salary costs for most major University-wide budget items (e.g. utilities, insurance, IT infrastructure) will be consistent with recent trends.
- 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, starting in 2011-12, the Faculties are responsible for covering 50% of the operating costs of incremental space – over and above the space commitments made in the University's Long-Range Space Plan 2, which was included in last year's budget document.

Net Position and the Operating Reserve

- As can be seen in line 36 of Table 1, the Operating Reserve is projected to be at \$29.8 million at the end of the current year (i.e. 2010-11). The reserve is projected to be \$3.2 million at the end of the four-year planning period (i.e. 2014-15) – just above the Board-mandated minimum level of \$2.5 million.



E. Summary of the 2011-12 Operating Budget

Table 2 summarizes the University’s 2011-12 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 \$604.1 million in 2011-12 – an increase of 3.9% over 2010-11. Details of the operating revenues are shown in Table 3.

Line 13: Total expenditures are projected to be \$602.0 million in 2011-12 – an increase of 3.2% over 2010-11. 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 deficit of \$1.6 million in 2010-11 and a surplus of \$2.0 million in 2011-12.

Line 17: The Operating Reserve is forecast to be \$29.8 million at the end of 2010-11 and \$31.9 million at the end of 2011-12.

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

		2010-11	2011-12	2012-13	2013-14	2014-15
1	REVENUES					
2	Government Grants					
3	Base Grants	211.0	210.6	210.4	210.4	210.4
4	Undergraduate Accessibility Grant	2.1	4.4	3.2	3.5	2.8
5	Graduate Expansion Fund	9.5	11.0	11.8	11.8	11.8
6	Quality Improvement Fund	9.0	9.0	9.0	9.0	9.0
7	Research-related Grants	12.3	11.6	11.5	11.5	11.5
9	All Other	30.6	32.2	33.3	34.0	34.0
10	Total	274.5	278.8	279.2	280.2	279.5
11	Tuition Revenue	229.4	247.2	260.1	276.6	290.8
12	All Other Revenues					
13	Canada Research Chairs (CRCs)	9.4	9.1	9.7	9.7	9.7
14	Recoverable Salaries	26.7	26.6	26.6	26.6	26.6
15	All Other	41.6	42.4	43.7	46.2	47.0
16	Total	77.7	78.1	80.0	82.5	83.3
17	Total Revenues	581.6	604.1	619.3	639.3	653.6
18	EXPENDITURES					
19	Faculties					
20	Base Budgets (including APF)	325.9	323.9	319.1	318.2	313.7
21	Revenue Sharing Allocations	7.4	11.0	17.8	22.4	28.1
22	Canada Research Chairs (CRCs)	8.2	7.9	8.4	8.4	8.4
23	All Other	41.8	44.9	45.5	45.7	45.8
24	Total	383.3	387.7	390.8	394.7	396.0
25	Scholarships and Bursaries	27.8	29.6	30.5	31.3	32.2
26	Support Areas (including SUPF)	77.0	79.1	78.9	78.7	78.2
27	University-wide Expenditures	48.4	59.3	64.4	68.6	72.6
28	Provision for Cost Fluctuations	0.0	16.4	29.0	45.9	62.2
29	One-Time Allocations	46.7	29.9	32.4	26.8	27.7
31	Total Expenditures	583.2	602.0	626.0	646.0	668.9
32	REVENUES minus EXPENDITURES	-1.6	2.1	-6.7	-6.7	-15.3
33	OPERATING RESERVE					
34	Beginning Operating Reserve	31.4	29.8	31.9	25.2	18.5
35	Surplus / (Deficit) -- from Line 32 above	-1.6	2.1	-6.7	-6.7	-15.3
36	Ending Operating Reserve	29.8	31.9	25.2	18.5	3.2

Table 2
SUMMARY OF OPERATING BUDGET: 2011-12

	<a>		<c>	
	2010-11 Budget (@ Feb 28, 2011)	2011-12 Budget	\$ Change from 2010-11	
1	Operating Revenues (Table 3)			
2	Government Grants	274,589,778	278,820,010	4,230,232
3	Tuition Revenue	229,407,608	247,162,752	17,755,144
4	All Other	77,636,354	78,095,079	458,725
5	Total Revenues	581,633,740	604,077,841	22,444,101
6	Expenditure Budgets			
7	Faculties (Table 4)	383,259,077	387,774,846	4,515,769
8	Scholarships and Bursaries (Table 5)	27,817,694	29,579,093	1,761,399
9	Support Areas (Table 6)	77,020,253	79,091,671	2,071,418
10	University-wide Expenditures (Table 7)	48,440,703	59,265,816	10,825,113
11	Provision for Cost Fluctuations	0	16,420,478	16,420,478
12	One-Time Allocations	46,685,629	29,897,756	(16,787,873)
13	Total Expenditures	583,223,356	602,029,660	18,806,304
14	Surplus / (Deficit) - Line 5 minus Line 13	(1,589,616)	2,048,181	
15	Beginning Operating Reserve Balance	31,419,956	29,830,340	
16	Surplus / (Deficit) -- Line 14 above	(1,589,616)	2,048,181	
17	Closing Operating Reserve Balance	29,830,340	31,878,521	
18	Board-mandated Minimum Level Reserve Target	2,500,000	2,500,000	

F. Details of the 2011-12 Operating Revenue Forecasts

Table 3 details the University's operating revenue forecast for 2011-12.

Government Grants

The primary sources of incremental revenue are related to enrolment growth at both the undergraduate and graduate levels. Undergraduate growth funding is projected to increase by \$2.3 million and the graduate expansion fund is projected to increase by \$1.5 million. In total, government grants are projected to increase by \$4.2 million.

Tuition Fees

The Provincial Government's tuition framework continues in 2011-12. The recommended tuition fee rates for 2011-12 are shown in Tables 11, 12, and 13.

Domestic Students

Our recommendations for domestic student tuition fees for 2011-12 follow the provincial framework, and the pattern of increases is similar to the increases in recent years.

International Students

Last year's budget highlighted the fact that Western's international student tuition rates were well below those of our peer research-intensive institutions in Ontario – and it was noted that, looking forward, our recommendations for international student tuition will seek to move Western's tuition rates to the level of our peer institutions in Ontario – over a period of 3 to 4 years. For the coming year (2011-12), we recommend the following increases to international tuition rates:

- for all undergraduate programs (excluding the HBA), the tuition for first-year students be increased by 8% and the tuition for upper-year students be increased by 4%;
- for the HBA program, the tuition for all years be increased by 3%;
- tuition for all graduate programs (excluding the MBA) be increased by 6%; and
- tuition for the MBA program be increased by 12.7%.

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.

- In 2011-12, Western will receive a sum of \$9.1 million in support of 63 CRCs. Table 9 summarizes the CRC allocations to Western.

- The Transfer from the Affiliated University Colleges represents payments for services and teaching provided to their students.
- Fundraising for Needs-based Student Awards continues to be of high priority to the University. In 2011-12, we project a sum of \$5.3 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. This category also includes the payment from the Richard Ivey School of Business to the University for services provided by the University to Ivey – a component within the funding model for the Ivey School which was introduced in 2004-05.

G. Details of the 2011-12 Expenditure Recommendations

1. Faculty Budget Recommendations

Table 4 shows the 2011-12 **base budget recommendations** for Western's Faculties. Final 2011-12 base budgets are the net result of the following:

- starting base budgets;
- the initial budget adjustments being established as part of the multi-year budget plan;
- faculty turnover recovery, which returns the greater of \$71,000 or 60% of the retiring or departing faculty 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 **Academic Priorities Fund (APF)** shown in line 18 of Table 4 is a new funding envelope being established in 2011-12 – and replaces the former University Priorities Investment Fund (UPIF). A portion of the APF is being allocated as an outcome of this planning cycle. Recommendations for additional allocations in support of University priorities will be brought forward during the final three years of the 4-year planning period.

The **Faculty-specific APF base recommendations** for 2011-12 (shown in column <d> of Table 4) are:

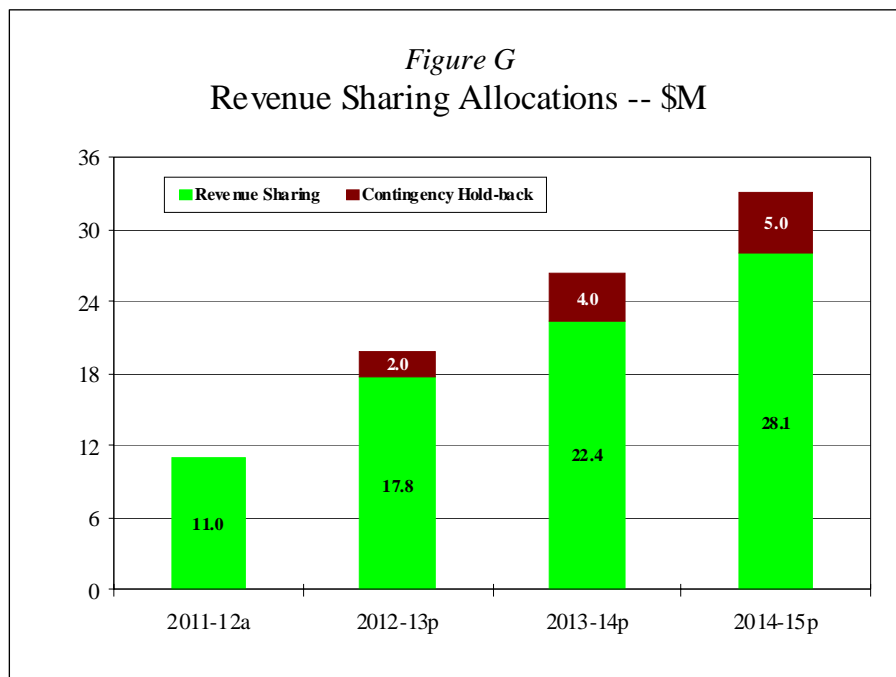
- \$200,000 to the Schulich School of Medicine & Dentistry in support of animal care facilities costs and in support of restructuring of academic administration in the Dean's office;
- \$300,000 to the Faculty of Science to accommodate the enrolment/teaching pressures faced by the Department of Biology; and

- \$300,000 to the Faculty of Social Science to accommodate enrolment/teaching pressures across the Faculty.

The **funding model for the Richard Ivey School of Business** – introduced in 2004-05 – flows all tuition fees and government operating 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 Academic Priorities Fund (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 **new revenue sharing mechanism** that is being implemented in 2011-12. Line 15 in Table 4 shows the projected \$11 million that will be available to the Faculties in 2011-12. The Faculty-specific breakdown of this \$11 million, as well as the forecasts for the remaining three years of the 4-year planning period, are shown in Table 4a.

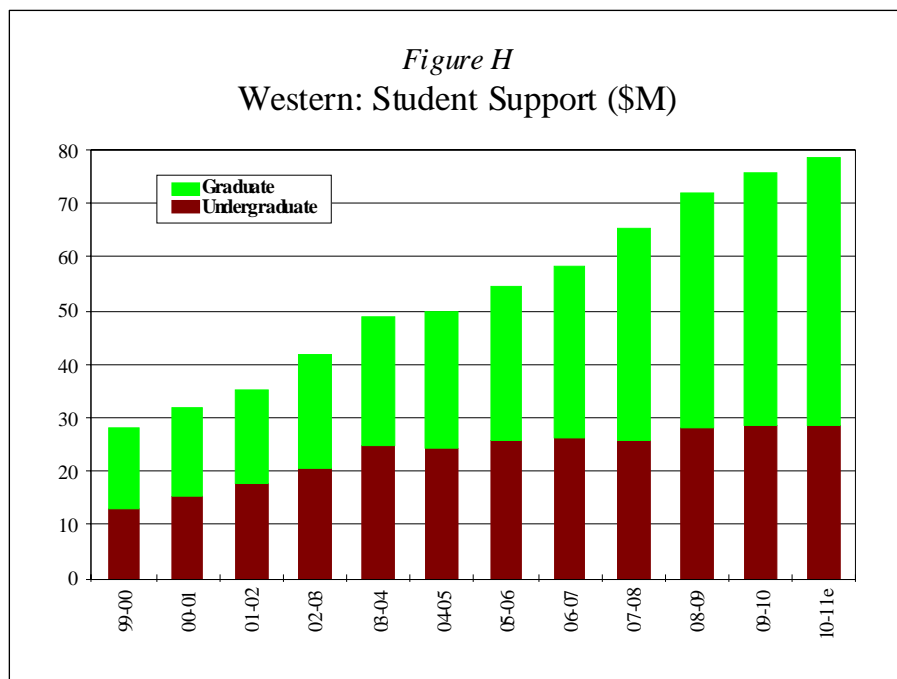
Finally, the recommendations for the Faculties include **one-time allocations** which are detailed in Table 8 (lines 4 through 14) and the **Research Infrastructure Support Fund (RISF)** allocations shown in Table 10.



2. Scholarships and Bursaries

Base budget allocations for centrally-funded student support are shown in Table 5. Overall student support funding at Western is projected to increase by \$1.8 million to a total of \$29.6 million.

- The increase in undergraduate scholarships is a result of the projected increase in undergraduate enrolment.
- The Provincial Government – as part of its tuition framework – requires universities to set aside 10% of incremental tuition revenues for needs-based student financial support. The estimated tuition set-aside funding for 2011-12 is \$12.4 million.
- As indicated earlier in this document, fundraising for undergraduate and graduate student needs-based awards continues to be of high priority to the University. In 2011-12, we project a sum of \$5.3 million from this source.
- As noted in the footnote in Table 5, as a result of the implementation of the new enrolment-related revenue sharing mechanism for the Faculties, graduate student funding is now addressed through the Faculty budgets. In addition to the Faculty-based resources, it is recommended that the central budget provide \$400,000 in base funding for graduate student bursaries.



3. Support Unit Budget Recommendations

Table 6 shows the 2011-12 **base budget recommendations** for Support Units. Final 2011-12 base budgets are the net result of the following:

- starting base budgets;
- the initial budget adjustments being established as part of the multi-year budget plan;
- Support Units Priorities Fund (SUPF) allocations; and
- other base allocations – including resources to maintain core services, the operating costs of new facilities, and targeted allocations in support of mental health related initiatives (\$300,000), regulatory requirements associated with animal care services (\$200,000), and our fundraising campaign (\$600,000).

The **Support Units Priorities Fund (SUPF)** is a new funding envelope being established in 2011-12 – and replaces the former University Priorities Investment Fund (UPIF). The unit-specific SUPF recommendations for 2011-12 (shown in column <c> of Table 6) are:

- \$160,000 to Information Technology Service in support of additional staffing;
- \$68,000 to the Registrar's Office in support of additional staffing;
- \$50,000 to the Office of Faculty Relations in support of additional staffing;
- \$34,000 to the University Police to maintain service levels;
- \$51,000 to Financial Services for additional staffing;
- \$150,000 to Human Resources for additional staffing;
- \$130,000 to Research Western in support of internationalization initiatives, regulatory oversight, and maintaining service levels.
- \$150,000 to the Vice-President External's portfolio in support of the fundraising campaign.

The Provost and the Vice-President (Resources & Operations) are also carrying forward a portion of the SUPF resources associated with their units for allocation in the future. These are shown in lines 11 and 20 of Table 6.

Finally, the recommendations for the Support Units include **one-time allocations** which are detailed in Table 8 (lines 17 to 30).

4. University-wide Expenditures

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

- The increase in Physical Plant **Utilities** is largely due to the addition of new space on campus.
- The **Maintenance, Modernization, and Infrastructure (MMI)** transfer to the Capital Budget has been frozen at the 2008-09 level in each of last two years. It is recommended that we return to the original multi-year plan of increasing this transfer by \$750,000 per year until it reaches \$15.5 million. The MMI funds will be used to support major building

renovations, utilities and infrastructure upgrades, modernization of instructional and research facilities, and general maintenance and modernization such as roof replacement and interior/exterior painting.

- The **FFICR Transfer to Capital** was reduced to zero in each of 2009-10 and 2010-11 from the previous base level of \$3 million. It is recommended that the \$3 million transfer be reinstated, and these funds be used to support the major projects in our long-range space plan.
- The **Information Technology Infrastructure Fund** supports rapidly-expanding University-wide central IT infrastructure – including our networks, wireless technologies, general university computer labs, instructional support 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 \$1.5 million – 0.25% of Operating Revenues, as in previous years.
- Western attracts outstanding students. Their recruitment, within an increasingly competitive environment, continues to be a University priority – and the **Student Recruitment** base budget continues in 2011-12. This base budget funding is being supplemented by one-time allocations to the Registrar's Office budget, in support of recruitment material and high school visits.

5. One-Time Recommendations

As indicated earlier, the Faculties and Support units will receive substantial one-time funding in 2011-12. The specific one-time recommendations are summarized in Table 8 – and include unit-specific recommendations as well as allocations for University-wide initiatives.

- As described earlier in this document, support for our **fundraising campaign** is a high priority for the University. A sum of \$11.5 million is being recommended to support the pursuit of private donations for the creation of new/incremental endowed chairs.
- The rapid increase in the use of **wireless and cellular technologies** is placing increased pressure on the underlying infrastructure. The University community's expectations in these two areas are not being met. It is recommended that a sum of \$3 million be allocated to upgrade wireless and cellular technology infrastructure.
- In 2003-04, a program aimed at recruiting female members of faculty – where 50% of the first year's salary and benefits of female tenured/probationary faculty members is provided from central funds – was introduced. Starting in 2008-09, that program was extended to include members of the First Nations Community. A projected sum of \$600,000 is being recommended in support of these **faculty recruitment initiatives**.
- The funding arrangements for the **Robarts Research Institute** direct certain revenues generated by Robarts – government indirect cost grants, research overheads, investment

income, and royalties/licences – to the Schulich School of Medicine & Dentistry in support of Robarts. For 2011-12, the sum of these items is projected to be \$5.5 million.

- **Targetted program expansion** funding from the Provincial Government is directed to the Faculties offering the programs. In 2011-12, this involves \$2.2 million to Medicine for expansion of the MD program.
- The Province provides annual funding in support of **clinical education** programs in Dentistry, Nursing, and the Therapies. These funds are flowed to the Faculties as one-time allocations: \$839,000 to Health Sciences for Nursing and the Therapies and \$1.2 million to the Schulich School for Dentistry.
- A sum of \$930,000 is being allocated to the Vice-President (Research and International Relations) to maintain service levels (\$130,000) and to support a number of **research-related initiatives**, including research development and commercialization of intellectual property (\$800,000).

Table 3
2011-12 OPERATING REVENUES

		2010-11 Budget Forecast (@ Feb 28, 2011) (1)	2011-12 Budget (2)	Increase / (Decrease) Amount (3)	% Change (2) to (1)
1	Government Grants				
2	Base Grants	210,993,879	210,603,856	(390,023)	-0.2%
3	Undergraduate Accessibility Fund	2,083,537	4,391,660	2,308,123	110.8%
4	<i>Sub-Total Base Grants & Accessibility Fund</i>	<i>213,077,416</i>	<i>214,995,516</i>	<i>1,918,100</i>	<i>0.9%</i>
5	Graduate Expansion Fund	9,504,027	11,000,919	1,496,892	15.8%
6	Quality Improvement Fund	9,035,521	9,035,521	0	0.0%
7	Performance Fund	2,153,634	2,153,634	0	0.0%
8	Program Expansion Grants	17,154,788	18,465,183	1,310,395	7.6%
9	Research Infrastructure Grant	2,688,330	2,688,330	0	0.0%
10	Provincial Indirect Cost Grant	328,930	153,259	(175,671)	-53.4%
11	Federal Funding for Indirect Costs of Research	9,326,048	8,747,113	(578,935)	-6.2%
12	Provincial Government Student Support Grants	4,874,213	5,061,214	187,001	3.8%
13	Other Targetted Government Grants	6,446,871	6,519,321	72,450	1.1%
14	Sub-Total Government Grants	274,589,778	278,820,010	4,230,232	1.5%
15	Tuition Revenue				
16	Undergraduate	144,289,371	155,751,400	11,462,029	7.9%
17	Graduate	33,151,773	35,687,070	2,535,297	7.6%
18	<i>Sub-Total General Programs</i>	<i>177,441,144</i>	<i>191,438,470</i>	<i>13,997,326</i>	<i>7.9%</i>
19	Ivey Programs (HBA, MBAs, MSc, PhD)	44,697,054	48,621,057	3,924,003	8.8%
20	International Medical and Dental Students	5,304,410	5,938,225	633,815	11.9%
21	<i>Sub-Total Other Programs</i>	<i>50,001,464</i>	<i>54,559,282</i>	<i>4,557,818</i>	<i>9.1%</i>
22	Miscellaneous Fees	1,965,000	1,165,000	(800,000)	-40.7%
23	Sub-Total Tuition Revenue	229,407,608	247,162,752	17,755,144	7.7%
24	Other Revenues				
25	Canada Research Chairs (CRCs)	9,400,000	9,100,000	(300,000)	-3.2%
26	Transfer from Affiliated University Colleges	5,407,807	5,864,876	457,069	8.5%
27	Recoverable Salaries	26,677,753	26,566,383	(111,370)	-0.4%
28	Investment Income	512,780	633,463	120,683	23.5%
29	Fundraising -- Needs-based Student Awards and Bursaries	4,972,657	5,268,765	296,108	6.0%
30	Application Fees	1,668,514	1,668,514	0	0.0%
31	Research Overheads	4,612,100	4,837,705	225,605	4.9%
32	Royalties and Licences	4,275,076	3,532,802	(742,274)	-17.4%
33	Contributions from Self-Funded & Ancillary Operations	19,449,000	20,000,000	551,000	2.8%
34	Miscellaneous Revenues	660,667	622,571	(38,096)	-5.8%
35	Sub-Total Other Revenues	77,636,354	78,095,079	458,725	0.6%
36	TOTAL REVENUES	581,633,740	604,077,841	22,444,101	3.9%

**Table 4
FACULTIES
2011-12 BASE BUDGETS**

	<d>		<c>	<d>	<e>	<f>	<g>
	2010-11 Base Budget (@ Feb 28, 2011)	IBA	Faculty Turnover Recovery	APF	Other Base Changes	Canada Research Chairs	Resulting 2011-12 Base Budget
1 Faculties							
2 Arts & Humanities	28,994,579	(748,250)	(71,294)				28,175,035
3 Education	9,945,938	(330,846)	(60,212)				9,554,880
4 Engineering	25,112,415	(616,584)				(90,000)	24,405,831
5 Health Sciences	27,019,571	(742,967)					26,276,604
6 Information & Media Studies	9,423,486	(267,396)	(47,023)				9,109,067
7 Law	6,649,839	(197,863)					6,451,976
8 Medicine & Dentistry	59,979,476	(1,621,215)	(287,769)	200,000	1,267,223	(90,000)	59,447,715
9 Music	9,456,462	(250,106)					9,206,356
10 Science	50,667,181	(1,310,357)	(161,996)	300,000		(90,000)	49,404,828
11 Social Science	49,706,222	(1,354,909)	(133,442)	300,000			48,517,871
12 Sub-Total Faculties (excluding Business)	276,955,169	(7,440,493)	(761,736)	800,000	1,267,223	(270,000)	270,550,163
13 Business	56,260,643				4,104,057		60,364,700
14 Sub-Total Faculties	333,215,812	(7,440,493)	(761,736)	800,000	5,371,280	(270,000)	330,914,863
15 Revenue Sharing Allocation	7,408,660				3,625,181		11,033,841
16 Research Infrastructure Support Fund (RISF)	750,000						750,000
17 Faculty Recruitment Initiatives	100,218						100,218
18 Academic Priorities Fund (APF)	2,076,462			900,000	2,100,000		5,076,462
19 Total -- with Revenue Sharing Allocation	343,551,152	(7,440,493)	(761,736)	1,700,000	11,096,461	(270,000)	347,875,384
20 All Other							
21 Academic Development Fund	1,500,000						1,500,000
22 Continuing Studies: Trois-Pistoles	983,745				(2,696)		981,049
23 Education: Continuing Education for Teachers	2,882,582				(506,582)		2,376,000
24 Medicine & Dentistry: International Students	5,304,410				633,815		5,938,225
25 Faculty Share of Research Overheads	1,742,000				67,000		1,809,000
26 Medicine & Dentistry: Primary Care	349,805						349,805
27 Faculty Scholars & Distinguished University Professors	239,000						239,000
28 Graduate and Undergraduate Program Reviews	140,000						140,000
29 Recoverable Salaries: T&R and Other	26,566,383						26,566,383
30 Sub-Total	39,707,925	0	0	0	191,537	0	39,899,462
31 Total Academic Units	383,259,077	(7,440,493)	(761,736)	1,700,000	11,287,998	(270,000)	387,774,846

Table 4a
FACULTIES: REVENUE SHARING ALLOCATIONS

		2010-11a	2011-12a	2012-13p	2013-14p	2014-15p
1	Arts & Humanities	1,277,090	1,400,097	1,823,504	2,226,216	2,845,592
2	Education	162,150	286,138	423,696	646,815	981,643
3	Engineering	145,800	874,800	1,968,018	2,349,025	2,858,167
4	Health Sciences	569,050	1,052,765	1,573,900	1,431,217	1,753,273
5	Information & Media Studies	548,300	570,815	451,096	504,352	594,144
6	Law	64,150	271,988	769,847	824,889	939,585
7	Medicine & Dentistry	644,950	1,114,800	2,296,450	3,914,690	5,172,407
8	Music	-47,000	185,012	489,308	605,200	721,331
9	Science	1,713,210	2,147,529	3,607,606	4,317,580	5,330,446
10	Social Science	2,330,960	3,129,897	4,407,381	5,603,732	6,855,593
11	Sub-Total	7,408,660	11,033,841	17,810,806	22,423,716	28,052,181
12	Contingency Hold-back			1,978,977	3,957,126	4,950,385
13	Total	7,408,660	11,033,841	19,789,783	26,380,842	33,002,566

Table 5
SCHOLARSHIPS and BURSARIES
2011-12 BASE BUDGETS

		<a> 2010-11 Base Budget (@ Feb 28, 2011)	 Changes	<c> Resulting 2011-12 Base Budget
1	Undergraduate Scholarships	5,607,330	109,444	5,716,774
2	Tuition Re-Investment	11,586,949	768,846	12,355,795
3	Western Bursaries	776,545		776,545
4	Privately-Funded Needs-Based Awards & Bursaries	4,972,657	296,108	5,268,765
5	Government "Aiming for the Top" Program	2,883,417		2,883,417
6	MTCU Work Study Program and Bursaries	1,677,797		1,677,797
7	Graduate Bursaries		400,000	400,000
8	Ontario Graduate Fellowships	312,999	187,001	500,000
9	Total Scholarships and Bursaries	27,817,694	1,761,399	29,579,093

Graduate student funding is now addressed through the Faculty budgets. In 2009-10 this funding was \$22,957,568 and the estimate for 2010-11 is \$24,767,400.

Table 6
SUPPORT AREAS
2011-12 BASE BUDGETS

	<a>		<c>	<d>	<e>	
	2010-11 Base Budget (@ Feb 28, 2011)	IBA	SUPF	Other Base Changes	Resulting 2011-12 Base Budget	
1	Reporting to the Provost					
2	Teaching Support Centre	667,081	(20,012)		2,736	649,805
3	Effective Writing Program	287,651				287,651
4	Information Technology Services	6,097,082	(182,912)	160,000	106,278	6,180,448
5	Libraries	12,020,697	(360,621)		348,604	12,008,680
6	Registrar's Office	5,974,075	(179,222)	68,000	85,757	5,948,610
7	Office of Vice-Provost (APPF)	843,040	(25,291)	50,000	5,186	872,935
8	Graduate & Postdoctoral Studies	913,655	(27,410)		10,783	897,028
9	Institutional Planning and Budgeting	4,150,794	(124,524)		51,071	4,077,341
10	McIntosh Gallery - Subsidy	222,719				222,719
11	Support Unit Priorities Fund (SUPF)			272,000	500,000	772,000
12	Sub-Total	31,176,794	(919,992)	550,000	1,110,415	31,917,217
13	Reporting to the Vice-President Resources & Operations					
14	Financial Services	3,967,309	(119,019)	51,000	45,919	3,945,209
15	Human Resources	5,245,057	(157,352)	150,000	164,709	5,402,414
16	Staff/Faculty Health Services	170,813				170,813
17	Physical Plant	16,664,164	(427,921)		337,322	16,573,565
18	Police	2,494,276	(74,828)	34,000	124,761	2,578,209
19	Internal Audit	296,667	(8,900)			287,767
20	Support Unit Priorities Fund (SUPF)			235,000	115,000	350,000
21	Sub-Total	28,838,286	(788,020)	470,000	787,711	29,307,977
22	Reporting to the Vice-President Research & International Relations					
23	Animal Care/Veterinary Services - Subsidy	600,000			200,000	800,000
24	Research Western	3,195,476	(95,864)	130,000	32,765	3,262,377
25	Research Promotion Fund	530,000			45,000	575,000
26	Small Grants Support for Arts/Humanities/Social Sciences	250,000				250,000
27	Western Innovation Fund	400,000				400,000
28	Sub-Total	4,975,476	(95,864)	130,000	277,765	5,287,377
29	Vice-President External Portfolio	7,745,474	(232,364)	150,000	631,767	8,294,877
30	General Administration					
31	Offices of the President/Vice-Presidents	3,566,226				3,566,226
32	University Secretariat	717,997				717,997
33	Sub-Total	4,284,223	0	0	0	4,284,223
34	Total Support Areas	77,020,253	(2,036,240)	1,300,000	2,807,658	79,091,671

Table 7
UNIVERSITY-WIDE EXPENDITURES and EMPLOYEE BENEFIT COSTS
2011-12 BASE BUDGETS

		<a>		<c>	<d>
		2010-11 Base Budget (@ Feb 28, 2011)	New Investment	Other Changes	Resulting 2011-12 Base Budget
1	Utilities	17,656,145		764,590	18,420,735
2	Library Acquisitions	13,365,896			13,365,896
3	Transfer to MMI: Operating	10,250,000	750,000		11,000,000
4	Transfer to MMI: Ancillaries	600,000			600,000
5	FFICR Transfer to Capital	0	3,000,000		3,000,000
6	CRC Transfer to Capital	976,000		(24,000)	952,000
7	Information Technology Infrastructure Fund (ITIF)	6,399,309	479,948		6,879,257
8	Property Taxes	1,933,350		72,450	2,005,800
9	Insurance	1,893,310		(44,929)	1,848,381
10	Corporate Contingency	1,410,670		99,525	1,510,195
11	Services for Students with Disabilities	954,247			954,247
12	Professional Fees	1,000,000			1,000,000
13	Institutional Memberships	800,000			800,000
14	Student Recruitment	475,000			475,000
15	Intercollegiate Athletics - Subsidy	633,057		3,241	636,298
16	Campus Recreation - Subsidy	25,000			25,000
17	Convocation and Diplomas	281,540		58,460	340,000
18	Costs Associated with Employee Contracts	273,952		116,048	390,000
19	Athletic Injury Clinic - Subsidy	203,327		5,253	208,580
20	Ombudsperson	85,427			85,427
21	University Surveys and Teaching Evaluations	75,000			75,000
22	Centre for Research on Violence Against Women and Children - Subsidy	55,000			55,000
23	Museum of Ontario Archaeology - Subsidy	50,000			50,000
24	Total University-wide Expenditures	59,396,230	4,229,948	1,050,638	64,676,816
25	Employee Benefit Plan Costs	84,834,473		8,151,527	92,986,000
26	Employee Benefit Recoveries	(95,790,000)		(2,607,000)	(98,397,000)
27	Net Employee Benefits	(10,955,527)		5,544,527	(5,411,000)
28	Net University-wide Expenditures	48,440,703	4,229,948	6,595,165	59,265,816

Table 8
2011-12 ONE-TIME ALLOCATIONS

1	Support for Fundraising Campaign	11,500,000
2	Wireless and Cellular Infrastructure Upgrades	3,000,000
3	Faculty Recruitment Initiatives	600,000
4	Arts & Humanities: Top-up Funding for Privately-funded Chair, Undergraduate Recruitment Scholarships and E-Learning Initiatives	120,000
5	Education: Temporary Support During Transition Necessitated by Loss of Revenue from Self-Funded Programming	200,000
6	Engineering: Support for ICFAR Building Operating Costs and Internationalization Initiatives	280,000
7	Health Sciences: Targetted Government Funding for Clinical Education (\$838,948), International Initiatives (\$37,500) and Support for Intercollegiate Athletics (\$45,000)	921,448
8	FIMS: New Media, Digital, and Virtual World Infrastructure	50,000
9	Law: Top-up Funding for Privately-funded Chair	20,000
10	Medicine & Dentistry (Robarts): Research Overheads (\$0.8M), FFICR (\$1.4M), Royalties & Licences (\$2.7M), Investment Income (\$0.6M)	5,517,157
11	Medicine & Dentistry: Targetted Government Funding for Dental Clinical Education (\$1.2M) and MD Expansion (\$2.2M)	3,387,080
12	Music: Support for Piano Inventory	25,000
13	Science: Support for Internationalization Initiatives	60,000
14	Social Science: Bridge Financing for Faculty Position (Financial Economics)	160,000
15	Academic Priorities Fund (APF)	742,500
16	Provost's Support Unit Priorities Fund (SUPF)	20,000
17	ITS: Equipment and Software Renewal in the Instructional Technology Resource Centre	50,000
18	Libraries: Public Computing Environment Upgrades	110,000
19	Registrar's Office: High School Visits (\$115K), Applications Processing Support (\$100K), Experiential Learning Initiatives (\$70K), and Career Services and First Nations Initiatives (\$180K)	465,000
20	Teaching Support Centre: 360 Degree Initiative for Graduate Students (\$300K), Turn-it-in Software (\$152K), and Faculty Mentor Program (\$40K)	492,000
21	Office of Vice-Provost (APPF): Training and Development Initiatives and Faculty Recruitment and Retention Initiatives	70,000
22	Graduate & Postdoctoral Studies: Additional Staffing (Web Developer and Post-Doc Services Coordinator) and Graduate Student Recruitment and Retention Initiatives	335,000
23	Financial Services: Process Improvement Initiatives in Purchasing	93,000
24	Human Resources: Employee Training and Development Initiatives	310,000
25	Physical Plant: Customer Service Initiatives	125,000
26	Police: Equipment and Technology Upgrades	57,000
27	Internal Audit: Contract Staffing	25,000
28	Vice-President (Resources & Operations): Use of Support Unit Priorities Fund (SUPF) Base for One-Time Purposes	(140,000)
29	Vice-President Research: Maintain Service Levels (\$130K) and Support for Research Initiatives (\$800K)	930,000
30	Vice-President External: Support for Fundraising Campaign	272,571
31	Interest on Capital Debt	100,000
32	Total One-Time Allocations	29,897,756

**Table 9
Tentative CRC Allocations -- by Faculty (Cumulative)**

	2010-11						2011-12					
	Tier 1		Tier 2		Total		Tier 1		Tier 2		Total	
	N	\$	N	\$	N	\$	N	\$	N	\$	N	\$
1	2	340,000	1	90,000	3	430,000	2	340,000	1	90,000	3	430,000
2	1	170,000	1	90,000	2	260,000	1	170,000	1	90,000	2	260,000
3												
4	2	340,000	5	450,000	7	790,000	2	340,000	4	360,000	6	700,000
5	1	170,000	1	90,000	2	260,000	1	170,000	1	90,000	2	260,000
6												
7												
8	14	2,380,000	7	630,000	21	3,010,000	14	2,380,000	6	540,000	20	2,920,000
9												
10	5	850,000	17	1,530,000	22	2,380,000	5	850,000	16	1,440,000	21	2,290,000
11	3	510,000	6	540,000	9	1,050,000	3	510,000	6	540,000	9	1,050,000
12												
13	28	4,760,000	38	3,420,000	66	8,180,000	28	4,760,000	35	3,150,000	63	7,910,000
14		5,600,000		3,800,000		9,400,000		5,600,000		3,500,000		9,100,000

Table 10
Research Infrastructure Support Fund (RISF)
2011-12 Allocations

1	Arts & Humanities	12,000
2	Education	11,000
3	Engineering	80,000
4	Health Sciences	32,000
5	Information & Media Studies	5,000
6	Law	5,000
7	Medicine & Dentistry	315,000
8	Music	5,000
9	Science	190,000
10	Social Science	95,000
11	Total	750,000

Table 11
2011-12 Tuition Fee Proposals for Undergraduate Programs

		Canadian Students			International Students		
		Actual 2010-11 Tuition	2011-12		Actual 2010-11 Tuition	2011-12	
			Proposed Tuition	% Increase <a>		Proposed Tuition	% Increase <a>
1	First-Entry Programs 						
2	Year 1	5,159	5,391	4.5%	15,530	16,771	8.0%
3	Year 2	5,134	5,365	4.0%	15,240	16,150	4.0%
4	Year 3	5,110	5,339	4.0%	15,240	15,845	4.0%
5	Year 4	5,086	5,313	4.0%	15,240	15,845	4.0%
6	Engineering						
7	Year 1	8,743	9,441	8.0%	19,930	21,522	8.0%
8	Year 2	8,419	9,092	4.0%	19,550	20,725	4.0%
9	Year 3	8,107	8,755	4.0%	19,550	20,334	4.0%
10	Year 4	7,807	8,431	4.0%	19,550	20,334	4.0%
11	M.T.P.						
12	Year 2	5,450	5,667	4.0%	18,720	19,469	4.0%
13	Year 3	5,450	5,667	4.0%	18,720	19,469	4.0%
14	Year 4	5,450	5,667	4.0%	18,720	19,469	4.0%
15	Nursing						
16	Year 1	5,159	5,391	4.5%	19,930	21,522	8.0%
17	Year 2	5,134	5,365	4.0%	19,550	20,725	4.0%
18	Year 3	5,110	5,339	4.0%	19,550	20,334	4.0%
19	Year 4	5,086	5,313	4.0%	19,550	20,334	4.0%
20	Second-Entry Programs						
21	Business (HBA)						
22	Year 1	20,873	21,499	3.0%	27,125	27,939	3.0%
23	Year 2	20,265	21,499	3.0%	26,335	27,939	3.0%
24	Dentistry						
25	Year 1	25,125	27,135	8.0%	44,350	47,898	8.0%
26	Year 2	24,195	26,130	4.0%	44,350	46,124	4.0%
27	Year 3	23,299	25,162	4.0%	44,350	46,124	4.0%
28	Year 4	22,436	24,230	4.0%	44,350	46,124	4.0%
29	Education Pre-Service	6,199	6,477	4.5%	19,930	20,727	4.0%
30	Law						
31	Year 1	14,326	15,472	8.0%	19,930	21,522	8.0%
32	Year 2	13,796	14,898	4.0%	19,550	20,725	4.0%
33	Year 3	13,284	14,347	4.0%	19,550	20,334	4.0%
34	Medicine (M.D.)						
35	Year 1	17,722	19,139	8.0%	n.a.	n.a.	n.a.
36	Year 2	17,722	18,430	4.0%	n.a.	n.a.	n.a.
37	Year 3	17,722	18,430	4.0%	n.a.	n.a.	n.a.
38	Year 4	17,722	18,430	4.0%	n.a.	n.a.	n.a.

<a> 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 (excluding Nursing), MIT program, MTP year 1, Music, Science, Social Sci

Table 12
2011-12 Tuition Fee Proposals for Graduate Programs

		Canadian Students			International Students		
		Actual 2010-11 Tuition	2011-12		Actual 2010-11 Tuition	2011-12	
			Proposed Tuition	% Increase		Proposed Tuition	% Increase
1	Masters Category 1						
2	Arts & Humanities	6,022	6,261	4.0%	13,670	14,490	6.0%
3	C.S.D. (M.Sc.)	6,540	6,540	0.0%	19,290	20,447	6.0%
4	Engineering (M.E.Sc.)	6,022	6,261	4.0%	13,670	14,490	6.0%
5	Health & Rehabilitation Sciences	6,022	6,261	4.0%	13,670	14,490	6.0%
6	Health Information Sciences	8,200	8,528	4.0%	19,290	20,447	6.0%
7	Interdisciplinary Programs <a>	6,022	6,261	4.0%	13,670	14,490	6.0%
8	Kinesiology	6,022	6,261	4.0%	13,670	14,490	6.0%
9	Law	8,865	9,216	4.0%	20,190	21,401	6.0%
10	Legal Studies	8,865	9,216	4.0%	20,190	21,401	6.0%
11	Media Studies	6,022	6,261	4.0%	13,670	14,490	6.0%
12	Medicine (Basic Health Sciences)	6,022	6,261	4.0%	13,670	14,490	6.0%
13	Music	6,022	6,261	4.0%	13,670	14,490	6.0%
14	Nursing	7,229	7,518	4.0%	19,290	20,447	6.0%
15	Science	6,022	6,261	4.0%	13,670	14,490	6.0%
16	Social Science	6,022	6,261	4.0%	13,670	14,490	6.0%
17	Masters Category 2						
18	Business (MBA) 	68,500	73,500	7.3%	78,500	88,500	12.7%
19	MSc In Management	27,500	27,500	0.0%	42,500	42,500	0.0%
20	MSc in Management/CEMS	35,000	35,000	0.0%	49,500	49,500	0.0%
21	C.S.D./O.T./P.T. (M.Cl.Sc.) <c>	8,031	8,673	8.0%	19,290	20,447	6.0%
22	Dentistry (Orthodontics)	20,209	21,018	4.0%	45,150	47,859	6.0%
23	Education	8,031	8,352	4.0%	19,290	20,447	6.0%
24	Engineering (M.Eng.)	8,031	8,352	4.0%	19,290	20,447	6.0%
25	Environment & Sustainability	8,661	9,353	8.0%	19,290	20,447	6.0%
26	Journalism	8,031	8,352	4.0%	19,290	20,447	6.0%
27	Library & Information Science	8,031	8,352	4.0%	19,290	20,447	6.0%
28	Medicine (Family Medicine)	10,577	10,999	4.0%	19,290	20,447	6.0%
29	Actuarial Science		25,500	n/a		25,500	n/a
30	Doctoral						
31	Doctor of Musical Arts	6,022	6,261	4.0%	13,670	14,490	6.0%
32	PhD Programs	6,022	6,261	4.0%	13,670	14,490	6.0%

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

 The proposed 2011-12 rates apply to students starting in April 2012

<c> The proposed 2011-12 rates apply to new students; 4% increase will apply to continuing students

Table 13
2011-12 Tuition Fee Proposals for Concurrent Programs
New Entrants Only
 -- Canadian Students --

HBA / BSc Concurrent Program								
	2010-11				2011-12			
	Concurrent (After 2 Yrs of Engg)		Concurrent (After 3 Yrs of Engg)		Concurrent (After 2 Yrs of Engg)		Concurrent (After 3 Yrs of Engg)	
1	Engg	8,743	Engg	8,743	Engg	9,441	Engg	9,441
2	Engg	8,743	Engg	8,743	Engg	9,441	Engg	9,441
3	HBA 1	20,873	Engg	8,743	HBA 1	21,499	Engg	9,441
4	HBA / Engg *	16,301	HBA 1	20,873	HBA / Engg *	17,160	HBA 1	21,499
5	HBA / Engg	16,301	HBA / Engg *	23,858	HBA / Engg	17,160	HBA / Engg *	24,878
6	Total	70,961	Total	70,960	Total	74,701	Total	74,700
7	Cost of Pgms Taken Sequentially		\$76,718		Cost of Pgms Taken Sequentially		\$80,762	

HBA / JD Concurrent Program								
	2010-11				2011-12			
	Concurrent (Via HBA 1)		Concurrent (Via Law 1)		Concurrent (Via HBA 1)		Concurrent (Via Law 1)	
1	HBA 1	20,873	Law 1	14,326	HBA 1	21,499	Law 1	15,472
2	Law 1	14,326	HBA 1	20,873	Law 1	15,472	HBA 1	21,499
3	HBA/JD *	21,586	HBA/JD *	21,586	HBA/JD *	22,870	HBA/JD *	22,870
4	HBA/JD	21,586	HBA/JD	21,586	HBA/JD	22,870	HBA/JD	22,870
5	Total	78,371	Total	78,371	Total	82,711	Total	82,711
6	Cost of Pgms Taken Sequentially		\$84,724		Cost of Pgms Taken Sequentially		\$89,414	

HBA / BA-BSc Concurrent Program								
	2010-11				2011-12			
	Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)		Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)	
1	BA or BSc	5,159	BA or BSc	5,159	BA or BSc	5,391	BA or BSc	5,391
2	BA or BSc	5,159	BA or BSc	5,159	BA or BSc	5,391	BA or BSc	5,391
3	HBA 1	20,873	BA or BSc	5,159	HBA 1	21,499	BA or BSc	5,391
4	HBA/BA-BSc *	13,255	HBA 1	20,873	HBA/BA-BSc *	13,720	HBA 1	21,499
5	HBA/BA-BSc	13,255	HBA/BA-BSc *	21,350	HBA/BA-BSc	13,720	HBA/BA-BSc *	22,048
6	Total	57,701	Total	57,700	Total	59,721	Total	59,720
7	Cost of Pgms Taken Sequentially		\$62,382		Cost of Pgms Taken Sequentially		\$64,562	

* denotes entry point into concurrent program.

Table 13
2011-12 Tuition Fee Proposals for Concurrent Programs
New Entrants Only
 -- Canadian Students --

JD / BA-BSc Concurrent Program								
	2010-11				2011-12			
	Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)		Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)	
1	BA or BSc	5,159	BA or BSc	5,159	BA or BSc	5,391	BA or BSc	5,391
2	BA or BSc	5,159	BA or BSc	5,159	BA or BSc	5,391	BA or BSc	5,391
3	Law 1	14,326	BA or BSc	5,159	Law 1	15,472	BA or BSc	5,391
4	JD/BA-BSc *	11,399	Law 1	14,326	JD/BA-BSc *	12,209	Law 1	15,472
5	JD/BA-BSc	11,399	JD/BA-BSc *	14,519	JD/BA-BSc	12,209	JD/BA-BSc *	15,618
6	JD/BA-BSc	11,399	JD/BA-BSc	14,519	JD/BA-BSc	12,209	JD/BA-BSc	15,618
7	Total	58,841	Total	58,841	Total	62,881	Total	62,881
8	Cost of Pgms Taken Sequentially		\$63,614		Cost of Pgms Taken Sequentially		\$67,980	

JD / BSc Concurrent Program								
	2010-11				2011-12			
	Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)		Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)	
1	BESc	8,743	BESc	8,743	BESc	9,441	BESc	9,441
2	BESc	8,743	BESc	8,743	BESc	9,441	BESc	9,441
3	Law 1	14,326	BESc	8,743	Law 1	15,472	BESc	9,441
4	JD/BESc *	13,429	Law 1	14,326	JD/BESc *	14,505	Law 1	15,472
5	JD/BESc	13,429	JD/BESc *	15,773	JD/BESc	14,505	JD/BESc *	17,038
6	JD/BESc	13,429	JD/BESc	15,773	JD/BESc	14,505	JD/BESc	17,038
7	Total	72,099	Total	72,101	Total	77,869	Total	77,871
8	Cost of Pgms Taken Sequentially		\$77,950		Cost of Pgms Taken Sequentially		\$84,180	

JD / MBA Concurrent Program						
	2010-11			2011-12		
	Concurrent			Concurrent		
1	Year 1 JD/MBA	14,326	Law 1	Year 1 JD/MBA	15,472	Law 1
2	Year 2 JD/MBA	67,425	MBA/Law 2	Year 2 JD/MBA	72,421	MBA/Law 2
3	Year 3 JD/MBA	21,367	MBA/Law 3	Year 3 JD/MBA	23,027	MBA/Law 3
4	Total	103,118		Total	110,920	
5	Cost of Pgms Taken Sequentially		\$111,478	Cost of Pgms Taken Sequentially		\$119,916

* denotes entry point into concurrent program.

Table 13
2011-12 Tuition Fee Proposals for Concurrent Programs
New Entrants Only
 -- Canadian Students --

Tuition for students already in concurrent programs (Prior to May 2010) would increase by the following rates in 2010-11		Tuition for students already in concurrent programs (Prior to May 2011) would increase by the following rates in 2011-12	
HBA/BESc	3.5%	HBA/BESc	4.0%
HBA/JD	3.5%	HBA/JD	4.0%
HBA/BA-BSc	3.5%	HBA/BA-BSc	4.0%
JD/BA-BSc	4.0%	JD/BA-BSc	4.0%
JD/BESc	4.0%	JD/BESc	4.0%
JD/MBA	4.0%	JD/MBA	4.0%
BEd/BSc	4.0%	BEd/BSc	4.0%

* denotes entry point into concurrent program.

Table 14
Summary of Enrolment Forecast

	Actual					Projected				
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1 Constituent University										
2 Full-Time Undergraduates										
3 Arts & Humanities	1,449	1,358	1,312	1,275	1,260	1,255	1,237	1,259	1,280	1,294
4 Business (HBA)	566	635	706	812	935	1,047	1,125	1,200	1,200	1,200
5 Dentistry	242	247	249	251	251	259	264	264	264	264
6 Education	892	803	728	726	732	690	675	690	690	690
7 Engineering	1,226	1,138	1,098	1,132	1,147	1,203	1,243	1,288	1,322	1,342
8 Health Sciences										
9 BHSoc Program	1,094	1,057	1,056	1,098	1,117	1,122	1,124	1,159	1,191	1,210
10 Kinesiology	1,120	1,148	1,159	1,194	1,204	1,202	1,189	1,196	1,209	1,212
11 Nursing	769	746	781	777	797	800	800	800	800	800
12 Therapies	29	27	39	40	0	0	0	0	0	0
13 Sub-Total	3,012	2,978	3,035	3,109	3,118	3,124	3,113	3,156	3,200	3,222
14 Law	472	472	456	467	458	475	480	480	480	480
15 Media, Information, & Tech	793	810	915	890	972	1,015	984	960	937	936
16 Medicine										
17 MD Program	536	552	569	591	621	648	672	684	684	684
18 BMedSci Program	997	758	603	591	653	715	828	892	892	892
19 Music	544	555	555	535	535	538	538	546	552	554
20 Science	3,713	3,693	3,795	3,737	4,020	4,171	4,250	4,331	4,375	4,389
21 Social Science	6,115	5,941	6,035	6,408	6,433	6,486	6,538	6,590	6,634	6,659
22 Total Full-Time Undergraduates	20,557	19,940	20,056	20,524	21,135	21,627	21,946	22,340	22,509	22,605
23 Concurrent Programs	80	68	81	110	121	118	112	109	109	109
24 Medical Residents	644	674	685	725	798	800	800	800	800	800
25 Full-Time Graduates										
26 Masters	2,295	2,547	2,606	2,648	2,800	2,824	2,947	3,056	3,084	3,104
27 Ph.D.	1,422	1,516	1,614	1,771	1,904	1,961	2,027	2,084	2,126	2,156
28 Total Full-Time Graduates	3,717	4,063	4,220	4,419	4,704	4,785	4,974	5,140	5,210	5,260
29 Total Full-Time Enrolment	24,998	24,745	25,042	25,778	26,758	27,330	27,832	28,389	28,628	28,774
30 Part-Time FTEs										
31 Undergraduate	2,138	2,199	2,070	2,134	2,197	2,250	2,275	2,300	2,300	2,300
32 Education (AQs)	907	897	900	922	803	800	800	800	800	800
33 Masters	109	120	130	129	134	135	135	135	135	135
34 Ph.D.	12	20	29	24	21	20	20	20	20	20
35 Total Part-Time FTEs	3,166	3,236	3,129	3,209	3,155	3,205	3,230	3,255	3,255	3,255
36 Total Constituent FTEs	28,164	27,981	28,171	28,987	29,913	30,535	31,062	31,644	31,883	32,029
37 Affiliated University Colleges										
38 Full-Time Undergraduates										
39 Brescia	954	912	918	934	964	973	1,005	1,040	1,116	1,202
40 Huron	1,072	1,088	1,143	1,235	1,254	1,250	1,250	1,250	1,250	1,250
41 King's	3,167	3,088	3,118	3,122	3,216	3,235	3,297	3,362	3,445	3,530
42 Total Full-Time Undergraduates	5,193	5,088	5,179	5,291	5,434	5,458	5,552	5,652	5,811	5,982
43 Part-Time Undergraduate FTEs										
44 Brescia	68	80	81	82	83	85	85	85	88	88
45 Huron	47	45	54	57	56	55	55	55	55	55
46 King's	224	260	238	249	245	240	240	240	240	240
47 Total Part-Time FTEs	339	385	373	388	384	380	380	380	383	383
48 Graduate FTEs										
49 Brescia		13	27	26	30	30	30	30	30	30
50 Huron	7	12	15	13	12	20	19	19	19	19
51 King's	16	24	33	30	34	33	33	33	33	33
52 Total Graduate FTEs	23	49	75	69	76	83	82	82	82	82
53 Total Affiliate FTEs	5,555	5,522	5,627	5,748	5,894	5,921	6,014	6,114	6,276	6,447
54 Total UWO FTEs	33,719	33,503	33,798	34,735	35,807	36,456	37,076	37,758	38,159	38,476

Table 14
Summary of Enrolment Forecast

	Actual					Projected				
	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
<i>Rows 55 to 86 Included above</i>										
55 International Students										
56 Constituent Full-Time										
57 Undergraduates	693	618	573	631	703	865	1,080	1,375	1,700	1,700
58 Medical Residents	131	119	120	109	121	120	120	120	120	120
59 Masters (excluding Ivey)	230	245	254	320	378	379	395	420	420	420
60 MBA (Regular), Ivey MSc	40	17	21	17	27	40	40	40	40	40
61 Executive MBA	55	62	71	71	80	80	80	80	80	80
62 Ph.D.	338	341	361	426	463	498	507	520	527	532
63 Year 1 Only										
64 Constituent										
65 Arts & Humanities	310	297	312	259	258	275	275	300	300	300
66 Engineering	318	320	327	343	351	375	375	400	400	400
67 Health Sciences										
68 BHSoc Program	316	283	273	270	273	275	275	300	300	300
69 Kinesiology	310	365	349	347	330	350	350	350	350	350
70 Nursing	130	127	129	130	133	135	135	135	135	135
71 Media, Information, & Tech	283	287	363	333	361	330	330	330	330	330
72 MOS Program	634	703	727	773	717	755	755	780	780	780
73 Music	136	151	153	135	141	150	150	150	150	150
74 Science	1,148	1,084	1,097	1,106	1,366	1,380	1,380	1,380	1,380	1,380
75 Social Science	858	795	789	757	794	775	775	775	775	775
76 Total Year 1 - Constituent	4,443	4,412	4,519	4,453	4,724	4,800	4,800	4,900	4,900	4,900
77 Affiliated University Colleges										
78 Brescia	244	290	254	268	260	268	282	310	334	361
79 Huron	365	383	406	397	404	405	405	405	405	405
80 King's	807	858	949	946	916	900	900	920	930	930
81 Total Year 1 - Affiliates	1,416	1,531	1,609	1,611	1,580	1,573	1,587	1,635	1,669	1,696
82 Total UWO Year 1	5,859	5,943	6,128	6,064	6,304	6,373	6,387	6,535	6,569	6,596
83 Masters										
84 All Programs (excluding MBAs)	1,725	2,115	2,204	2,262	2,364	2,414	2,537	2,646	2,674	2,694
85 Ivey (excl EMBA)	323	168	162	157	188	220	220	220	220	220
86 Executive MBA	247	264	240	229	248	190	190	190	190	190

For Information

87	Year 1 International Students	113	101	122	120	146	250	300	350	400	400
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Table 15
Update to 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	Stevenson Hall & Lawson Hall Renovations	Renewal
2	New Ivey Building	New Construction
3	Physics & Astronomy Building Renovations	Renewal
4	WindEEE -- CFI Initiative	New Construction
5	Support Facilities in Advanced Manufacturing Park	New Construction
6	Delaware Hall Residence Renovations	Renewal
7	International Composites Research Centre - City Partnership	New Construction; Industrial Collaboration
8	Family Medicine Building	New Construction
9	Modernization of Talbot College	Renewal
10	Undergraduate Residence Expansion	New Construction
11	B&G Courtyard Conversion to Common/Gathering Space	New Construction
	CATEGORY 2 -- To be Addressed in the Next 5 Years	
12	Graduate Student Housing Expansion	New Construction
13	Renewal of Current Ivey Facilities	Renewal
14	Renewal of University College	Renewal
15	Campus Sustainability Initiatives (multiple stages)	Renewal
	CATEGORY 3 -- High Priority -- Government/Private Funding Needed	
16	Renewal of Schulich School of Medicine & Dentistry Facilities	Renewal
17	Renewal of TH, SEB, MB, HSA, Elborn	Renewal
18	Expansion of Medical School Facilities	New Construction
	CATEGORY 4 -- For Future Consideration -- if Funding Identified	
19	New Research Initiatives/Partnerships at the Advanced Manufacturing Park	New Construction
20	New Facilities for Planetary Science Research Initiatives	New Construction
21	Library Facilities -- Realignment and Expansion	Renewal and New Construction
22	Interdisciplinary Advanced Studies Building	New Construction
23	New Facilities to House Chemistry and Brain & Mind	New Construction
24	Consolidation of the Psychology Department	New Construction
25	North Academic Campus	New Construction
26	Co-Generation	New Construction: Infrastructure
27	Performing Arts Facility	New Construction
28	Athletic Facilities -- Indoor and Outdoor	New Construction
29	Asset Acquisitions	Acquisition

The University of Western Ontario

2011-12 Capital Budget

A. The Evolution of Capital Expenditures

The Capital Budget for 2011-12 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 section C of the Operating Budget portion of this document. Table 16 sets out expenditures in the Capital Budget since 2007-08 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 undertaking the work. Categories 8 and 9 involve carrying costs and loan repayments, and other expenditures such as purchases of land and buildings and transfers from the capital budget for other purposes. Capital expenditures for 2011-12 total \$138.9 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 increase to \$11.0 million in 2011-12 (\$10.25 M in 2010-11). 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 March 31, 2011, our buildings and infrastructure have a current replacement value (CRV) of approximately \$1,832 million, as follows:

	<u>CRV \$M</u>	<u>Square Metres</u>	<u>Major Buildings</u>
Major Non-Residential Buildings	1,291	471,906	62
Utilities and Infrastructure	<u>178</u>		
Subtotal, Eligible for MMI	1,469	471,906	62
Housing	284	233,159	14
Other Ancillary Buildings	<u>79</u>	<u>42,300</u>	<u>6</u>
Total	1,832	747,365	82

At March 31, 2011, the University had 471,906 gross square metres in 62 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 some \$178 million in utilities and infrastructure, are the physical assets generally eligible for MMI expenditures. On that same date, the University had 233,159 square metres of Housing space in ten major undergraduate residences, four major apartment buildings, and numerous smaller buildings for graduate students in Platt's Lane Estates. Other than Housing, there are six major buildings which are operated largely or entirely as ancillaries: Western Sports and Recreation Centre, Thompson Recreation and Athletic Centre, TD Waterhouse Stadium, Boundary Layer Wind Tunnel, Child Care Centre, and Spencer Hall.

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 lots 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 of over \$1 million – and the projects generally span more than one year. Of the 472,000 square metres in major buildings, over 65% was built before 1980, so renovations to major buildings will be a continuing part of University capital planning.

3. Utility 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 and chillers, as well as electrical, water, and sewer distribution systems. 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 continued work on electrical distribution systems and utility conservation.

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 of \$400,000 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 \$7.1 million in 2011-12, are funded from Housing revenues and debt. 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 such as the \$4.1 million for the Brescia land purchase in 2007-08. It has been an established principle in Western's Campus Master Plan that the University pursue, as appropriate, the purchase of lands contiguous to the University property as the lands come available. Western will continue to seek to protect the Regional Facilities zoning around us 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 16 are labeled A to M. Line A shows total sources of funding for the capital budget, including debt; B, sources of funds less expenditures; C, the capital reserve at year-end (which changes each year by the amount in line B); and D, capital debt outstanding at year-end. Details on these items are shown in Tables 18 and 20. Annual changes in the Capital Reserve (line C) are driven by the differences between funding and expenditure (line B). Thus for 2009-10, line B shows \$(5,688), the difference between funding of \$70,304 (all figures in \$000) and expenditures of \$75,992. The capital reserve in line C increases or decreases by this same amount of \$(5,688), from \$14,413 in 2008-09 to \$8,725 in 2009-10. When line B is negative, as in 2008-09 and 2009-10, the capital reserve declines.

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 2009-10, MMI expenditures were \$42.2 million, while the estimated replacement value of non-residential buildings, utilities, and infrastructure was \$1.34 billion. The ratio of the two is 3.1%, as shown in line F.

Line G of Table 16 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 will be \$15.5 million. This commitment establishes 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. For 2011-12, the base transfer will be increased by \$750,000 to \$11.0 million and will reach the intended maximum annual transfer of \$15.5 million in 2017-18.

Line H of Table 16 shows the ratio of the annual MMI transfer to total MMI expenditures; for example, in 2009-10, the transfer was \$10.25 million and MMI expenditures were \$42.2 million, so the ration in line H is 24.3%. Other sources of funding for MMI expenditures include the annual capital facilities renewal grant from the Province (currently about \$1.5 million); special Provincial grants; additional one-time allocations from the University's operating budget; additional one-time allocations from the Province; research funds from such sources as the Canada Foundation for Innovation and the Ontario Ministry of Research and Innovation; 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 involve modernization), while 1/3 of the expenditures in category 4 is for maintenance (the remaining 2/3 involve modernization). While these ratios would vary by project and by year, Physical Plant considers them a reasonable average for the four categories over a number of years.

The value of line J in 2009-10 is \$26.7 million, or (in line K) 2.0% 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 on 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. Western continues to urge the Province to increase the annual allocation for facilities renewal, which has often been set at \$2.4 million or less during the last decade. The prior year Provincial Budget signaled a reduction in facilities review funding for Colleges and Universities from \$40 million to \$26 million. Western's share of this funding declined to \$1.5 million.

Table 17 reviews capital projects over \$1 million divided into four groups: projects completed up to March 2011 (4 projects with a total cost of \$44.7 million); projects underway (11 projects, \$182.1 million). In each case, the projects are assigned to one of the nine categories. For all projects in the first two categories, the year and month of the start and end of construction are shown. The third group details projects planned or under consideration and the fourth group lists projects for possible consideration in the future.

The projects listed in Table 17 are the result of an update to the Long-Range Space Plan outlined in Table 15 of the Operating Budget portion of this document. These projects include new construction that will create the additional space necessary to accommodate undergraduate and

graduate enrolment expansion and the associated additional faculty and staff, and major building renovations and utilities and infrastructure projects – reflecting the need to maintain and modernize Western’s aging physical plant.

B. Sources of Funding and Capital Expenditures in 2011-12

Table 18 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2010-11, divided into eight major categories: federal, provincial and municipal government grants; funds from the Canada Foundation for Innovation (CFI) and the Ontario Ministry of Research and Innovation (OMRI) awarded on a competitive basis; funds transferred from Western’s operating budget; undistributed investment returns; investment income on reserves held in the Capital Budget; general fundraising; borrowing; and other sources, including internal recoveries. As compared to a decade ago, the University is more dependent on capital revenues from competitive research sources (e.g. CFI/OMRI), private fundraising, transfers from the operating budget, and debt.

Table 19 shows expenditures in Categories 1 and 2, for 2010-11 (estimates as of February 28, 2011) and 2011-12 (current proposals).

The details for expenditures in Categories 3 through 7, and can be found at:

http://www.ipb.uwo.ca/documents/2011-12_Capital_Budget_Detail_Tables.pdf

TABLE 16
CAPITAL BUDGET SUMMARY, 2007-08 TO 2011-12
(\$000)

Category	Purpose	Actual 2007-08	Actual 2008-09	Actual 2009-10	Projected 2010-11	Budget 2011-12
	New Construction					
1	New Construction (Table 19, line 13)	54,156	54,292	23,775	42,728	79,909
	Maintenance, Modernization, and Infrastructure (MMI)					
2	Major Building Renovations (Table 19, line 24)	18,192	25,526	23,835	30,787	21,202
3	Utilities and Infrastructure Projects	4,648	4,363	4,777	5,250	9,296
4	Modernization of Instructional and Research Facilities	5,150	5,909	4,285	5,053	6,326
5	General Maintenance and Modernization Projects	3,285	4,553	9,320	8,596	8,745
	Sub-Total MMI	31,275	40,351	42,217	49,686	45,569
	Other					
6	Housing Renovations	10,592	6,772	4,736	6,451	7,104
7	Ancillary Projects	2,179	2,395	179	636	875
8	Carrying Costs and Debt Repayments	774	1,396	3,327	3,318	3,271
9	Other Capital Expenditures	5,229	4,422	1,758	314	2,186
	Sub-Total Other	18,774	14,985	10,000	10,719	13,436
10	Total Expenditures	104,205	109,628	75,992	103,133	138,914

Line		Actual 2007-08	Actual 2008-09	Actual 2009-10	Projected 2010-11	Budget 2011-12
	Sources of Funding, Reserves, and Debt					
A	Total Sources of Funding, Including Debt (Table 18)	86,420	89,882	70,304	115,193	127,395
B	Sources of Funding less Expenditures	(17,785)	(19,746)	(5,688)	12,060	(11,519)
C	Capital Reserve, Year End (Table 20)	34,159	14,413	8,725	20,785	9,266
D	Capital Debt Outstanding, Year End (Table 20)	225,920	222,220	208,923	216,971	238,040
E	Replacement Value of Nonresidential Buildings, Utilities & Infrastructure, \$M	1,213	1,291	1,341	1,469	1,531
F	MMI Expenditures/Replacement Value	2.6%	3.1%	3.1%	3.4%	3.0%
G	Annual MMI transfer from Operating to Capital Budget	9,500	10,250	10,250	10,250	11,000
H	MMI transfer/MMI Expenditures	30.4%	25.4%	24.3%	20.6%	24.1%
J	Estimate of Maintenance Expenditure	19,133	24,931	26,716	31,440	28,271
K	Maintenance Expenditure/Replacement Value	1.6%	1.9%	2.0%	2.1%	1.8%
L	Number of Major Buildings	76	80	83	82	84
M	Total Gross Square Meters (000's)	706	741	753	747	760

Category 8 does not include carrying costs and loan repayments for Residences and Apartments, UCC, 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 17
CAPITAL PROJECTS OVER \$1 MILLION

		Category	Start	End	Cost
					(\$M)
1	Projects Completed up to March 2011				
2	Biological and Geological Sciences Building Renovations	2	Nov 05	Apr 10	37.9
3	Brain and Mind Renovations in Natural Sciences Building	2	Jan 10	Jan 11	3.0
4	Chiller CPS 301 and Cooling Tower in Power Plant	3	Mar 10	Jun 10	1.9
5	Replacement of Vertical Horizontal Condensate Lines, Saugeen-Maitland Hall	6	May 10	Jun 10	1.9
6	Total				44.7
7	Projects Underway				
8	IT Network and Infrastructure Upgrades (VOIP)	2	May 08	Sep 12	4.6
9	Stevenson Hall and Lawson Hall Renovations	2	Jan 09	Aug 11	18.8
10	UCC Renovations - Follow on Renovations to Existing Facilities	2	May 09	Dec 10	9.4
11	New Ivey Building	1	Aug 09	Sep 12	102.1
12	Physics and Astronomy Building Renovations	2	Mar 10	Jun 12	26.5
13	Electrical Infrastructure	3	May 10	Apr 11	1.0
14	Addition to the Museum of Ontario Archaeology	1	Jun 10	May 11	2.4
15	UCC Renovations (USC)	2	Sep 10	Apr 11	4.8
16	The Wind Engineering, Energy and Environment Facility (WindEEE)	1	Dec 10	Nov 12	9.1
17	University Wide Energy Efficiency Initiatives	3	Jan 11	Nov 11	1.5
18	Site Servicing at the Advanced Manufacturing Park (AMP)	3	Apr 11	Aug 11	1.9
19	Total				182.1
20	Projects Planned or Under Consideration				
21	Advanced Manufacturing Centre (Support Facilities in AMP)	1	Jun 11	Aug 12	
22	Delaware Hall Residence Renovations (Phase I)	2	Apr 12	Aug 12	
23	Delaware Hall Residence Renovations (Phase II)	2	Apr 13	Aug 13	
24	International Composites Research Centre (ICRC) - City Partnership	1	Aug 11	Feb 13	
25	Family Medicine Building	1	Oct 11	May 13	
26	Modernization of Talbot College	2	Feb 12	Aug 14	
27	Undergraduate Residence Expansion	1	May 11	Aug 13	
28	B&GS Courtyard Conversion to Common/Gathering Space	1	tbd	tbd	
29	Graduate Student Housing Expansion	1	tbd	tbd	
30	Renewal of Current Ivey Facilities	2	tbd	tbd	
31	Renewal of University College	2	tbd	tbd	
32	Campus Sustainability Initiatives and Utilities and Infrastructure Projects	3&5	Ongoing		
33	Projects for Future Consideration				
34	Renewal of Schulich School of Medicine and Dentistry Facilities	2	tbd	tbd	
35	Renewal of TH, SEB, MB, HSA and Elborn	2	tbd	tbd	
36	Expansion of Medical School Facilities	1	tbd	tbd	
37	Research Initiatives/Partnerships at the Advanced Manufacturing Park	1	tbd	tbd	
38	New Facilities for Planetary Science Research Initiatives	1	tbd	tbd	
39	Library Facilities - Realignment and Expansion	1&2	tbd	tbd	
40	Interdisciplinary Advanced Studies Building	1	tbd	tbd	
41	New Facilities to House Chemistry and Brain and Mind	1	tbd	tbd	
42	Consolidation of the Psychology Department	1	tbd	tbd	
43	North Academic Campus	1&9	tbd	tbd	
44	Co-Generation	1&3	tbd	tbd	
45	Performing Arts Facility	1	tbd	tbd	
46	Athletic Facilities - Indoor and Outdoor	1	tbd	tbd	
47	Asset Acquisitions	9	tbd	tbd	

Table 18
CAPITAL BUDGET: SOURCES OF FUNDING
(\$000)

		Projected 2010-11	Budget 2011-12
1	Government Grants		
2	MTCU Graduate Expansion Capital Grant	2,818	3,479
3	MTCU Annual Capital Grant (Facilities Renewal Program)	1,517	1,517
4	Knowledge Infrastructure Program - New Ivey Building	38,467	1,365
5	City of London - ICRC	0	600
6	City of London - SuperBuild Projects	826	413
7	Sub-Total	43,628	7,374
8	CFI/OMRI Federal/Provincial Funding		
9	The Wind Engineering, Energy and Environment Facility (WindEEE)	1,100	7,798
10	Addition to the Museum of Ontario Archaeology	1,935	392
11	Sub-Total	3,035	8,190
12	Operating Budget		
13	Operating Budget MMI Transfer - Base	10,250	11,000
14	Operating Budget MMI Transfer - Base (Ancillaries)	600	600
15	Operating Budget - FFICR	0	3,000
16	Operating Budget - CRC Transfer	976	952
17	Operating Budget - University Wide Energy Efficiency Initiatives	1,500	0
18	Operating Budget - Incremental Space for Engineering in TEB	445	0
19	Operating Budget - One-Time Allocations	350	0
20	Medicine Operating Budget - Family Medicine Building	470	6,660
21	Miscellaneous Faculty Budgets	893	480
22	Sub-Total	15,484	22,692
23	Undistributed Investment Returns	0	12,800
24	Fundraising		
25	New Ivey Building	0	14,219
26	The Claudette MacKay-Lassonde Pavilion (Green Building)	556	573
27	SuperBuild Projects	370	371
28	Western Fund	700	350
29	Nursing Capital Projects	900	300
30	Paul Davenport Theatre Renovations	300	200
31	All Other	320	22
32	Sub-Total	3,146	16,035

Table 18
CAPITAL BUDGET: SOURCES OF FUNDING
(\$000)

		Projected 2010-11	Budget 2011-12
33	Borrowing		
34	Long-Range Space Plan	34,496	26,027
35	Undergraduate Residence Expansion	0	20,500
36	Western Student Recreation Centre	1,551	64
37	Sub-Total	36,047	46,591
38	Other		
39	University Students Council (USC) - UCC Renovations	3,450	1,350
40	Student Contributions - Western Student Recreation Centre	1,007	1,007
41	Energy Conservation Incentives	209	100
42	Projects Funded by Housing	6,451	7,104
43	Projects Funded by Units	2,013	3,176
44	Projects Funded by Ancillaries	636	875
45	Sub-Total	13,766	13,612
46	Interest Earned	87	101
47	Total Sources of Funding	115,193	127,395

TABLE 19
CAPITAL EXPENDITURES FOR NEW CONSTRUCTION AND MAJOR BUILDING RENOVATIONS
2010-11 and 2011-12
(\$000)

		Projected 2010-11	Budget 2011-12
1	<i>Category 1: New Construction</i>		
2	New Ivey Building	36,919	38,481
3	Undergraduate Residence Expansion	0	20,500
4	The Wind Engineering, Energy and Environment Facility (WindEEE)	1,100	7,798
5	Family Medicine Building	470	6,660
6	B&GS Courtyard Conversion to Common/Gathering Space	0	2,000
7	Advanced Manufacturing Centre (Support Facilities in AMP)	184	2,466
8	International Composite Research Centre (ICRC)	20	1,600
9	Addition to the Museum of Ontario Archaeology	1,935	392
10	The Claudette MacKay-Lassonde Pavilion (Green Building)	321	12
11	Western Student Recreation Centre (WSRC)	1,379	0
12	Student Services Building	400	0
13	<i>Total, Category 1</i>	<i>42,728</i>	<i>79,909</i>
14	<i>Category 2: Major Building Renovations</i>		
15	Physics and Astronomy Building Renovations	13,572	8,281
16	Modernization of Talbot College	0	4,868
17	Stevenson Hall and Lawson Hall Renovations	7,076	3,564
18	Support Services Follow-on Renovations	2,031	1,780
19	University Community Centre Renovations (USC)	3,450	1,350
20	IT Network and Infrastructure Upgrades (VOIP)	1,480	1,330
21	Brain and Mind Renovations in Natural Sciences Building	2,247	29
22	Biological and Geological Sciences Building Renovations	565	0
23	University Community Centre Renovations	366	0
24	<i>Total, Category 2</i>	<i>30,787</i>	<i>21,202</i>

TABLE 20
CAPITAL RESERVES AND DEBT AT FISCAL YEAR END
(\$000)

		Actual 2007-08	Actual 2008-09	Actual 2009-10	Projected 2010-11	Budget 2011-12
1	A. Capital Reserves					
2	General Capital Fund	14,176	24,146	15,483	13,202	6,622
3	Designated Capital Fund	18,385	(11,355)	(8,380)	5,961	1,007
4	Gibbons Property	1,598	1,622	1,622	1,622	1,637
5	Total Capital Reserves	34,159	14,413	8,725	20,785	9,266

		Actual 2007-08	Actual 2008-09	Actual 2009-10	Budget 2010-11	Budget 2011-12
6	B. Capital Debt					
7	General Capital Fund	800	0	0	0	0
8	New Construction, Major Renovations & Other	12,940	25,040	45,900	81,857	107,948
9	Housing	93,992	92,792	88,288	81,714	96,892
10	Robarts Capital Leases	2,118	1,538	926	200	0
11	Research Park	14,170	22,570	32,463	32,000	31,400
12	Richard Ivey School of Business Foundation	3,800	3,300	3,300	2,300	1,800
13	Unused and Invested Debenture Proceeds	98,100	76,980	38,046	18,900	0
14	Total Capital Debt	225,920	222,220	208,923	216,971	238,040

Line 2 represents the capital reserve fund mandated by the board and carry forward funds for smaller capital projects

Line 3 includes fund balances for large capital projects with construction budgets greater than \$1 million.

*The University of Western Ontario***Long-Term Financial Trends**

The Operating and Capital Budgets set out in this document describe, in Tables 2 and 16, proposed spending of some \$741 million for the single year of 2011-12. 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. As part of this process, the University received a credit rating of AA from Standard & Poor's. This credit rating was reaffirmed in December of 2010. 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 20 displays Capital Reserves and Debt for April 30 fiscal year-ends. Capital Reserves are divided into three categories:

- The General Capital Fund, not yet designated for specific purposes
- Designated Capital Fund, which has been assigned to specific projects
- Gibbons Property, the remaining funds from the sale of that 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:

- **General Capital Fund** – includes debt for projects that are not new construction or major renovations.
 - **New Construction, Major Renovations, 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, and includes debt on purchases of property.
 - **Housing** – debt required for new construction, maintenance, and modernization projects for University residences and apartment buildings.
-

- **Robarts Capital Lease** – with the integration of Robarts into Western, a capital lease for equipment has been added to Capital Debt.
- **Research Park** – debt incurred by the Research Park.
- **Richard Ivey School of Business Foundation** – debt held by Richard Ivey School of Business Foundation.
- **Unused and Invested Debenture Proceeds** – unused proceeds from Western’s first debenture issue that have been committed, and invested until the specific capital project requires the funding.

In 2002-03, the Board of Governors approved a Capital Debt Policy, which included a limit of \$7,500 in debt per student full-time equivalent (FTE). In 2005-06, the Board policy was modified to increase the \$7,500 each year by the change in the CPI, beginning in 2002. The table below shows the allowed debt per FTE (shown with indexation beginning in 2003-04) and actual debt per FTE; the figures are for years ending on April 30th. Debt was increased significantly in 2008 due to the issuance of the \$190 million debenture.

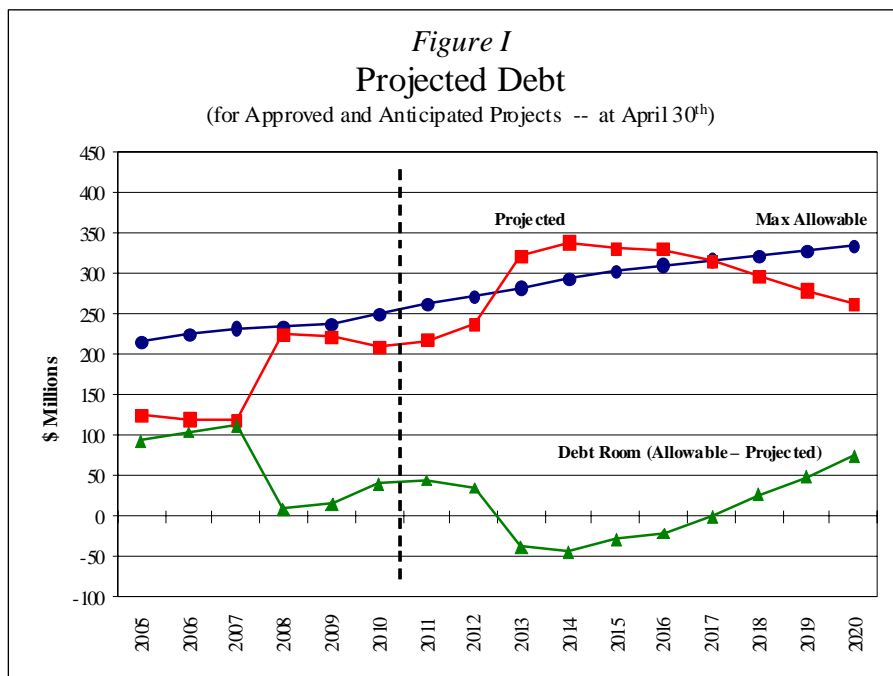
	Actual		Forecast	
	2009	2010	2011	2012
Total Debt (in millions)	\$ 222	\$ 209	\$ 217	\$ 238
FTE	28,197	28,987	29,913	30,535
Allowable debt per FTE	\$8,416	\$8,584	\$8,756	\$8,931
Actual debt per FTE	\$7,880	\$7,206	\$7,252	\$7,794
Debt room per FTE	\$ 536	\$1,378	\$1,504	\$1,137

In 2011, the maximum allowed debt per FTE under Western’s Capital Debt Policy is \$8,756, and the forecast is \$7,252. In 2006, the credit rating agencies (Moody’s, DBRS & Standard & Poors) set a reasonable limit for debt per FTE as \$10,000 CDN. Western’s current debt is thus below the Board limit and the suggested limit of expert rating agencies. The University also compares its debt per student to some other Canadian universities on a regular basis. A recent report was issued by DBRS in February 2011 containing information on universities that have issued debentures. Debt per FTE at eleven universities ranged from \$5,692 to \$9,237, with an unweighted average of \$7,505.

To finance the capital costs associated with the long-range space plan and graduate student expansion, Western issued its first debenture in May 2007 for \$190 million at a coupon rate of 4.798% for a 40-year period. With interest rates hovering near 48-year lows at that time, this 40-year bullet debenture provides a cost-effective source of funds to finance capital construction and renovations.

Figure I shows total debt as well as three measures of debt per FTE since 2005: the maximum allowable debt, indexed to the CPI; the actual and projected debt; and the difference between the two, which we call debt room. 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. Figure I shows that projected debt grows beyond the maximum allowable debt from 2013 to 2017 to support the funding of the new student residence. Given the University’s intention to grow its first-year class and continue with the first-year residence guarantee – and given the fact that the residences pay for themselves over time – the business case supports temporarily exceeding the debt limit for this project. In 2018, total debt once again falls within Board Policy. The specific projects contemplated as part of this planning will be brought forward to the Board for approval as required.

Actual debt has increased by 79% since 2006, while revenues have grown by 22.8% over this same period, representing an increase in the ratio of debt to revenue from 15.81% to 23.11% in 2011. The forecast level of debt at April 30, 2011 is \$217 million or \$7,252 per FTE.



	<u>Debt</u>	<u>Combined</u>	<u>FTE</u>	<u>Revenue</u>	<u>Debt /</u>
	<u>\$M</u>	<u>Revenue</u>		<u>per FTE</u>	<u>Rev %</u>
	\$M	\$M			
2006	120.9	764.5	27,879	\$27,430	15.81%
2007	119.0	829.1	28,164	\$29,440	14.35%
2008	225.9	848.7	27,981	\$30,333	26.61%
2009	222.2	834.9	28,197	\$29,610	26.61%
2010	208.9	961.1	28,987	\$33,155	21.74%
2011p	217.0	939.0	29,913	\$31,391	23.11%

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.

These employee future benefits are determined using actuarial valuations 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, 2010, the University's accrued benefit liability relating to the employee future benefit plans was \$248 million (2009 - \$230 million).

Cost containment of active and post-retirement benefits has been a focus in recent negotiations. For staff, Western has introduced a measure that limits cost increases for active and retiree benefits to no greater than CPI (3% maximum) in each year, reduced the age limit for dependent coverage and increased service requirements to qualify for post-retirement benefits to 10 years. For faculty, the threshold for eligibility has been increased from 5 to 10 years for all new employees and cost containment changes were introduced to the plan.

Included in the University's 2010 Audited Combined Statement of Operations is an annual expense in the amount \$18.3 million (2009 - \$21.7 million) regarding non-pension employee future benefits.

A recent comparison amongst G13 universities identified only five universities with significant post-employment benefit obligations greater than \$100 million, ranging from \$127 million to \$330 million and an unweighted average of \$234 million. Western ranked 2nd in total liability for Employee Future Benefits. The ratio of obligations to total revenues ranged from 14.9% to 34.9% with an unweighted average of 24.5%.

**Employee Future Benefits (EFB) – Obligation and Expense
as a % of Total Expenditures
2006 through 2010**

	<u>Obligation</u> (\$M)	<u>Expense</u> (\$M)	<u>Total</u> <u>University</u> <u>Expenses</u> (\$M)	<u>EFB</u> <u>Obligation</u> <u>as % of Total</u>	<u>EFB</u> <u>Expense</u> <u>as % of Total</u>
2006	\$ 173.2	\$ 14.7	\$ 722	24.0%	2.0%
2007	\$ 188.1	\$ 14.9	\$ 762	24.7%	2.0%
2008	\$ 208.2	\$ 20.0	\$ 845	24.6%	2.4%
2009	\$ 229.9	\$ 21.7	\$ 905	25.4%	2.4%
2010	\$ 248.1	\$ 18.3	\$ 915	27.1%	2.0%

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 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 Physical Plant Division estimates that on March 31, 2011 deferred maintenance at Western is \$163 million for non-residential buildings, and \$24 million for residences. Slightly more than 50% 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 March 31, 2011 is as follows:

	<u>Non-residential Buildings</u>	<u>Residences</u>
Current Replacement Value (CRV)	\$1,469 million	\$284 million
Deferred Maintenance (DM)	\$ 163 million	\$ 24 million
DM/CRV	11.1%	8.4%

The average age of buildings for universities in the Province of Ontario was over 30 years as of March 2007. Western's average age is 36 years. Over 65% 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 11.1% (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 \$1.5 billion, spending on major maintenance for campus buildings at 2% should be in the range of \$30 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. The annual transfer will again grow by \$750,000 in 2011-12 to \$11.0 million and will reach the intended maximum annual transfer of \$15.5 million in 2017-18.

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 16 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.

	<u>Actual 2007-08</u>	<u>Actual 2008-09</u>	<u>Actual 2009-10</u>	<u>Projected 2010-11</u>	<u>Budget 2011-12</u>
MMI	\$ 9.50m	\$ 10.25m	\$10.25m	\$10.25m	\$11.00m
CRV	\$1,213m	\$1,291m	\$1,341m	\$1,469m	\$1,531m
Ratio	0.85%	0.79%	0.76%	0.70%	0.72%

Thus the MMI transfer from the operating to the capital budget is less than half the 2% 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 16 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 six years from 2000-01 to 2005-06, the ratio of maintenance spending to current replacement value averaged 1.1%, about one-half the 2% required to keep deferred maintenance from growing. We thus know that deferred maintenance was growing during this period. During the last five years, 2006-07 through 2010-11, the ratio was about 2%, so that the level of deferred maintenance was stabilized. The University reached the 2% ratio with one-time funds from the Province and federal government, and by borrowing.

To sustain the 2% rate of expenditure, we need a greater annual commitment from the Province beyond the annual facilities renewal funding of \$17 million (for Ontario's universities) – of which Western's share is about \$1.5 million. A facilities renewal grant of \$1.5 million is 0.1% of the current replacement value in 2010-11. The Rae Report also recommended that the Province give high priority to the funding of deferred maintenance in Ontario's universities. Western and COU continue to urge the Province to increase the facilities renewal transfer to \$200 million. Western's share of a \$200 million fund would be about \$18 million – 1.2% of the \$1.47 billion of current replacement value in 2010-11.