



**Western**  
UNIVERSITY • CANADA

## **2015-16 Operating and Capital Budgets**

**March 23, 2015**



## Table of Contents

<b><u>2015-16 Operating Budget</u></b>		<b>Pages 1 to 31</b>
<b>A. Planning and Budgetary Context</b>		1
<b>B. Updates on Priorities and Initiatives from Last Year's Budget</b>		4
<b>C. Priorities for the 2015-16 Budget and New Initiatives</b>		6
<b>D. Four-Year Operating Budget Forecast</b>		8
<b>E. Summary of the 2015-16 Operating Budget</b>		9
Table 1: Four-Year Operating Budget Outlook		10
Table 2: Summary of the 2015-16 Operating Budget		11
<b>F. Details of the 2015-16 Operating Revenue Forecasts</b>		12
Government Grants		12
Tuition Fees		12
All Other Revenues		12
<b>G. Details of the 2015-16 Expenditure Recommendations</b>		13
1. Faculty Budget Recommendations		13
2. Scholarships and Bursaries		15
3. Support Unit Budget Recommendations		15
4. University-wide Expenditures		16
5. One-Time Recommendations		16
Table 3: Operating Revenues		18
Table 4: Base Budgets for Faculties		19
Table 4a: Revenue Sharing Allocations for the Faculties		20
Table 5: Scholarships and Bursaries		21
Table 6: Base Budgets for Support Areas		22
Table 7: University-wide Expenditures		23
Table 8: One-Time Allocations		24
Table 9: Canada Research Chairs		25
Table 10: Research Infrastructure Support Fund		26
Table 11: Undergraduate Tuition Fees		27
Table 12: Graduate Tuition Fees		28
Table 13: Summary of Enrolment Forecast		29
Table 14: Update to Western's Long-Range Space Plan		31

## Table of Contents (cont'd)

<b><u>2015-16 Capital Budget</u></b> .....	<b>Pages 32 to 41</b>
<b>A. The Evolution of Capital Expenditures</b> .....	32
1. New Construction.....	33
2. Major Building Renovations .....	33
3. Utility Infrastructure Projects.....	33
4. Modernization of Instructional and Research Facilities.....	33
5. General Maintenance and Modernization Projects .....	33
6. Housing Renovations .....	33
7. Ancillary Projects.....	34
8. Carrying Costs and Debt Repayments.....	34
9. Other Capital Expenditures .....	34
<b>B. Sources of Funding and Capital Expenditures in 2015-16</b> .....	35
 <u>Capital Budget Tables</u> .....	 36 to 41
Table 15: Capital Budget Summary, 2011-12 to 2015-16 .....	36
Table 16: Major Capital Projects .....	37
Table 17: Capital Budget Sources of Funding .....	38
Table 18: Capital Expenditures for New Construction and Major Building Renovations: 2014-15 and 2015-16.....	40
Table 19: Capital Reserves and Debt at Fiscal Year-End .....	41
 <b><u>Long-Term Financial Trends</u></b> .....	 <b>Pages 42 to 47</b>
<b>A. Capital Reserves and Debt</b> .....	42
<b>B. Employee Future Benefits</b> .....	44
<b>C. Deferred Maintenance</b> .....	45

## ACRONYMS used in University Budget Document

	<b>Acronym</b>	<b>Description</b>
1	AMP	Advanced Manufacturing Park
2	APF	Academic Priorities Fund
3	APPF	Academic Planning, Policy, and Faculty
4	B.Ed.	Bachelor of Education Program/Degree
5	CFI	Canada Foundation for Innovation
6	CLA	Campus-Linked Accelerator
7	CPI	Consumer Price Index
8	CRCs	Canada Research Chairs
9	CRV	Current Replacement Value (of Buildings)
10	CSD	Communication Sciences and Disorders Program
11	DM	Deferred Maintenance
12	DSG	Doctoral Supervision Grant
13	EFB	Employee Future Benefits
14	FFICR	Federal Funding for the Indirect Costs of Research
15	FIMS	Faculty of Information & Media Studies
16	FTE	Full-Time Equivalent
17	H.SA.	Health Sciences Additior
18	HBA	Honours Business Administration Degree/Program
19	IBA	Initial Budget Adjustment
20	ICFAR	Institute for Chemicals and Fuels from Alternative Resources
21	IDI	Interdisciplinary Initiatives
22	ITIF	Information Technology Infrastructure Fund
23	JD	Juris Doctor Degree
24	MBA	Master of Business Administration Degree/Program
25	MD	Doctor of Medicine Degree/Program
26	MEng	Master of Engineering Degree/Program
27	MESc	Master of Engineering Science Degree
28	MIT	Media, Information, and Technoculture Program
29	MMI	Maintenance, Modernization, and Infrastructure
30	MoHLTC	Ontario Ministry of Health and Long-Term Care
31	MOOC	Massive Open Online Courses
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	SEB	Spencer Engineering Building
41	SCUP	Senate Committee on University Planning
42	SMA	Strategic Mandate Agreement
43	SUEPP	SCUP's Subcommittee on Enrolment Planning and Policy
44	SUPF	Support Unit Priorities Fund
45	TRAC	Thompson Recreation and Athletic Centre
46	UCC	University Community Centre
47	USC	University Students' Council
48	WindEEE	Wind Engineering, Energy, and Environment (a CFI Initiative)
49	WRC	Western Research Chairs Program



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## 2015-16 Operating Budget

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### A. Planning and Budgetary Context

The current planning cycle marks the transition to Western's new 4-year budget plan spanning the period 2015-16 to 2018-19. The new multi-year plan has been developed in the context of the University's Strategic Plan – *Achieving Excellence on the World Stage* – and with reference to the priorities outlined in the Faculty Academic Plans and the Support Unit Operational Plans. The recommendations in this budget document support the following high-priority areas:

- Research Excellence and Enhancing our Research Profile – including the creation of world-class research clusters, inter-disciplinarity, and Endowed Chairs.
- Enhancing the Student Experience – including innovations in pedagogy, increases in on-line offerings, and increased experiential learning opportunities.
- Internationalization – including continued expansion of our undergraduate international enrolments and student mobility.
- Continuing with Graduate Expansion – with the recruitment of highly-qualified students to existing and new programs.

The budgetary context for the new 4-year planning period is one of great uncertainty and a period of constrained growth in revenues. The Province's deficit and accumulated debt continue at high levels, and the Government – in order to reduce costs to government and students – has implemented budgetary measures in "small pieces". These "small pieces" taken collectively have a significant impact on our revenues include:

- The Policy Levers funding adjustment which reduced our base operating grant by 1% in each of 2013-14 and 2014-15.
- An annual tax (starting in 2013-14) on new international students at the rate of \$750 per non-PhD student.
- The transfer of responsibility for the payment of property taxes for non-PhD international students – at a rate of \$75 per student.
- Phased withdrawal of funding for some student aid programs which will reach steady-state in 2016-17.
- The reduction of about 25% of the grant funding associated with the B.Ed. Program.
- An increase in the percentage of a full course load that an undergraduate student must take in order to be considered full-time.
- A series of tuition-collection related changes which will substantially reduce our revenues.

The known measures noted above will result in a steady-state reduction of about \$14.5 million to our base operating revenues.

In addition, we are facing a number of other uncertainties that will impact our revenues in the coming years:

- The Ontario Government has started the process of a full review of the University funding formula. At this early stage, the objectives of this review are unclear.

- The current tuition framework (for domestic students) allows for only an overall increase of 3%, and comes to an end at the end of 2016-17.
- The Government continues to consider moving all undergraduate students to a course-based tuition system which will result in a substantial reduction in our tuition revenue.
- Additional restraint measures may come forward in the 2015 Ontario Budget – which is expected later this spring.

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

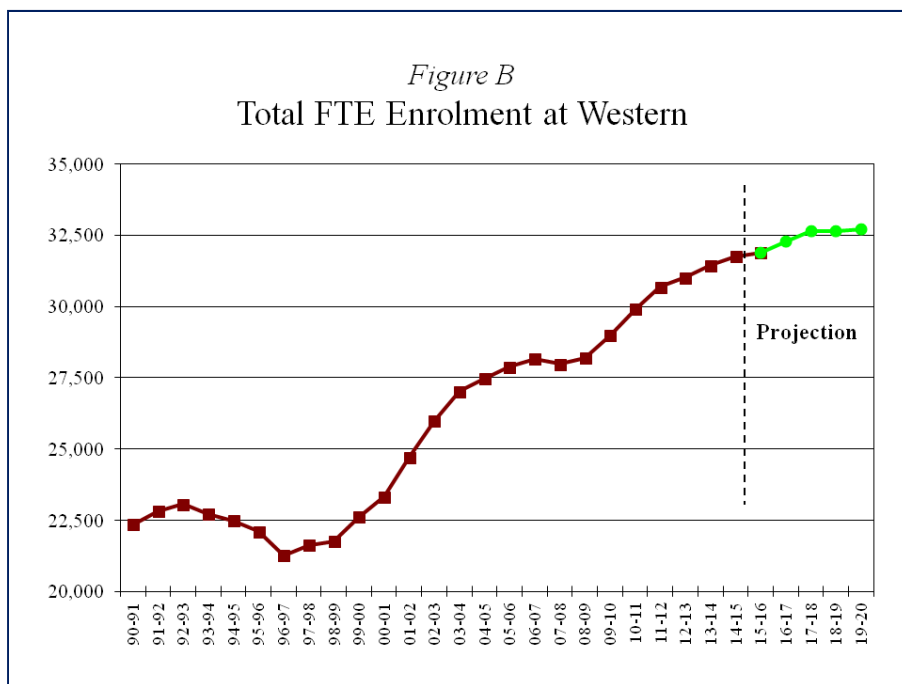
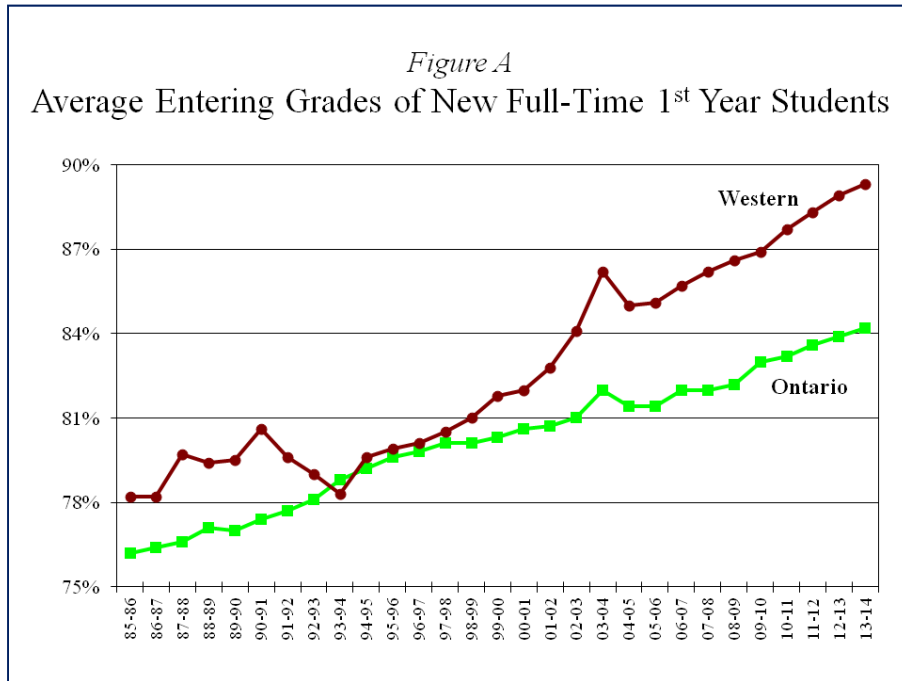
- Modest expansion of our first-year intake – while maintaining entrance standards – with a focus on expanding in areas of high demand and student quality.
- Increase the number of undergraduate international students to 15% of the undergraduate student body.
- Increase the number of out-of-province students to at least 10% of the undergraduate student body.
- Increase graduate student enrolment to at least 20% of the total student body.

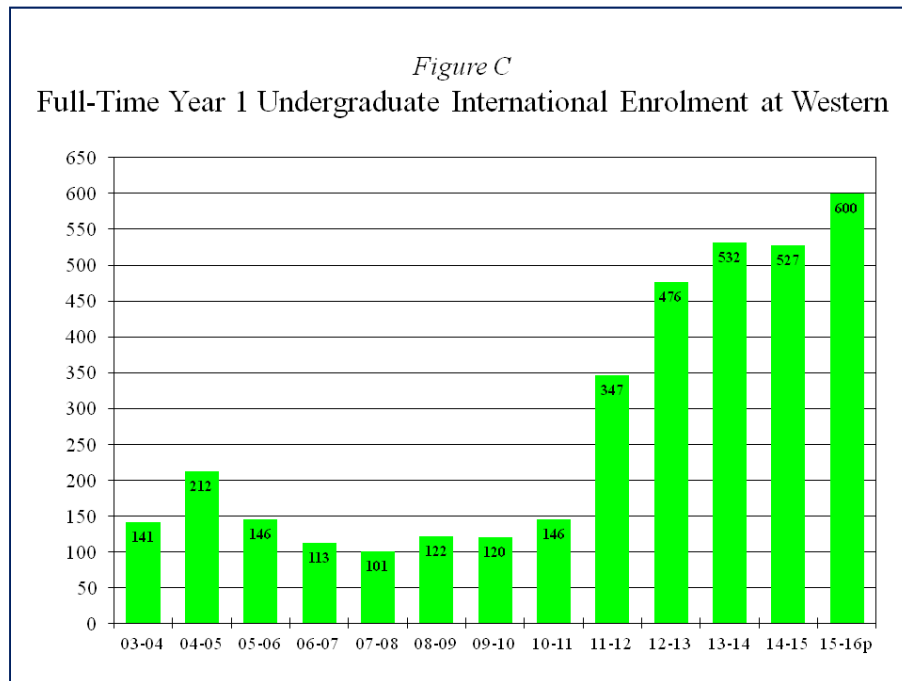
Our approach to enrolment planning allows us to make significant enhancements to the quality of education and educational experience we offer our students:

- Recruitment of outstanding undergraduate students is a high priority. The average entering grade of our incoming class in the fall of 2013 was 89.3% – highest in the province, and well above the Ontario average.
- Over 93% of our first-year students continue into their second year. Our retention rates are amongst the highest in Canada and much higher than at our peer institutions in the United States.
- Graduation rates of our undergraduate students have been steadily increasing – and they are currently much higher than the rates at our peer universities in Canada and the United States. Over 82% of Western's 2007-08 entering cohort has graduated.
- Our efforts in undergraduate international enrolment expansion resulted in over 10% of our fall 2014 first-year class coming from other countries.
- Expansion of graduate enrolments continues to be a strategic priority at Western. The current plans from the Faculties show significant growth aspirations. In the current year, full-time graduate students comprised 18% of total full-time enrolment.
- Results of exit surveys and course/instructor evaluations at Western indicate that our students rate their courses, instructors, and the quality of their education very high.

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







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

The following initiatives were included in the 2014-15 Budget, and involved substantial investments.

### 1. Student Innovation and Entrepreneurship Initiatives

Our Strategic Plan – *Achieving Excellence on the World Stage* – makes a clear commitment to strengthen the eco-system of entrepreneurialism on campus, and it is noted that regardless of the program of study, all students should graduate having explored and acquired leadership and entrepreneurship skills. In response to this, the Provost is working to develop initiatives to support innovation and entrepreneurship. One initiative is a joint Western University / Fanshawe College venture – the Campus-Linked Accelerator (CLA) Initiative – which is supported by the Ontario Government, with matching contributions from Western and Fanshawe. Last year's budget set aside \$1 million in one-time funding (to be expended over 5 years) in support of student innovation and entrepreneurship initiatives. In the current year, a sum of \$175,000 has been allocated as matching for the CLA Initiative – and the balance will be allocated for additional CLA matching and other new initiatives in the upcoming 4-year planning period.

## **2. Creation of Student Collaborative and Study Spaces**

Western's total enrolment (undergraduate, graduate, full-time, part-time) has continued to increase in recent years. Since 2000-01, our total FTE enrolment has increased from 23,300 to 31,800 – an increase of over 36%. This substantial growth in enrolment has had a direct impact on the availability of collaborative and study spaces for our students. Over the coming years, as part of our Long-Range Space Plan (see Table 14), we will have the opportunity to re-assign space to respond to our students' needs. In order to support the creation of student collaborative/study spaces across the campus, last year's budget set aside a sum of \$8 million in one-time funds – to be expended in the coming years, as we move forward with our Long-Range Space Plan. Upon completion of planned new buildings (e.g. the Academic Building to house FIMS and Nursing and the Interdisciplinary Research Building), space will be released in existing buildings that will allow us to create student collaborative and study spaces.

## **3. E-Learning Initiatives**

Our new Strategic Plan emphasizes the need to pursue greater integration of technology in teaching and learning – and commits to providing infrastructure and technical support for the introduction of new and innovative modes of pedagogy. Last year's budget set aside \$2 million in one-time funding to support our aspirations in the area of E-Learning. These funds have been allocated to the Teaching Support Centre and Information Technology Services (to be expended during the upcoming 4-year planning period) in support of on-line course/program development, e-learning workshops for our faculty, technical and instruction design support for faculty, and the creation of technology-enabled instructional facilities.

## **4. Strategic IT Infrastructure Initiatives**

Last year's budget set aside a sum of \$10 million in one-time funding in support of a number of critical Information Technology initiatives/needs, including: a secondary off-campus data centre, site licenses for applications/software used across the campus, mobile applications, a new email system, improved network/systems security infrastructure, improvements to our website home page and subsidiary pages, and virtual desktop infrastructure capabilities. The following initiatives are underway or have been implemented in the current year:

- Construction of the secondary off-campus data centre is currently underway at the Advanced Manufacturing Park
- University-wide site licenses for Microsoft Office, Qualtrics, and Matlab applications have been acquired
- A new "WesternU" mobile device application has been implemented
- A pilot project for the transition of our students to a new email platform (Office 365) was successfully completed – and the full transition of all students is planned for early this spring
- Implementation of network/systems security infrastructure applications is underway

## **5. Modernization of University College**

Modernization of University College – Western's iconic building which is home to our Faculty of Arts & Humanities – has been a high priority project for a number of years. Due to limitations in the overall level of capital funding, we were unable to start the project. Last year's update to our multi-year capital budget plan allowed us to begin the planning/design phase in 2014-15 – and a sum of \$2

million in one-time funding was set aside for this purpose. The initial building condition assessments have been completed and the occupants of University College have been relocated to the former Ivey School facilities (temporarily named the Arts & Humanities Building). The Board of Governors has approved the overall project, and we are currently in the early stages of the architect selection process.

## **6. Support for CFI Initiatives**

Under the leadership of the Vice-President (Research), we have submitted proposals for the next round of the Canada Foundation for Innovation (CFI) competition. CFI proposals require the University to provide matching funds equaling 20% of the overall value of the project – and in support of this, a sum of \$3 million in one-time funding was set aside in last year’s budget – as CFI matching funds. The results of the current competition will be known early in the spring.

## **7. Support for our Fundraising Campaign**

Our Strategic Plan – *Achieving Excellence on the World Stage* – sets out a target of adding 100 research chairs, including 50 endowed chairs, in areas of strength. In support of this priority, last year’s budget set aside a sum of \$12 million in one-time funding to allow us to pursue private donations aimed at creating new endowed chairs which support our Faculties’ academic priorities. This funding supplements previous similar allocations, bringing the total over the last five years to \$36 million – for the University matching component of our endowed chairs matching program. To-date, a total of 15 chairs have been confirmed through the matching program – with the support of \$21.5 million from the \$36 million fund. The Vice-President External is currently in discussions with prospective donors regarding a number of other endowed chair opportunities.

## **C. Priorities for the 2015-16 Budget and New Initiatives**

### **1. Long-Range Space Plan**

The University’s space/facilities needs to support our academic priorities are reviewed as part of our integrated approach to planning. The updated Long-Range Space Plan is summarized in Table 14 – and includes a number of high-priority projects currently under consideration. Due to limitations in targeted capital funding from external sources, we will have to look to borrowing (while adhering to the Board of Governors’ debt policy) and support from the Operating Budget to allow us to move forward with the priority projects. In recognition of this, it is recommended that a sum of \$10 million in one-time funding be allocated to support our Long-Range Space Plan.

### **2. Support for our Fundraising Campaign – the Endowed Chairs Matching Program**

As noted above, expanding the number of endowed chairs in areas of strength is a priority for the University, and is a central component of our fundraising campaign. It is recommended that a sum of \$7.5 million in one-time funding be allocated to support our fundraising campaign – to allow us to pursue additional endowed chairs in areas of strength and priority.

### **3. Inter-Disciplinary Initiatives (IDI)**

Support for and promotion of Inter-Disciplinary Initiatives – by fostering activities that transcend academic disciplines and create new areas of scholarship – continues to be of high priority at Western. Since 2007-08, a total of over \$5 million has been allocated in support of outstanding interdisciplinary proposals from across the campus. A modified version of the IDI Program will be continued in the upcoming 4-year planning period – with the allocation of \$4 million in one-time funding. This funding is not a new resource allocation – but is being partitioned from the \$30 million committed in the 2012-13 University Budget in support of our research priorities. A call for proposals for the next round of the competition will be issued early this spring, with a deadline for submission of proposals in early fall 2015.

### **4. Expansion of the Teaching Fellows Program**

The 2013-14 University budget committed \$250,000 in base funding in support of the Teaching Fellows Program, with the ultimate goal of appointing one teaching fellow per Faculty. The Teaching Fellows – who are appointed from within our faculty colleagues with outstanding credentials in teaching – initiate and coordinate Faculty-specific programming to respond to the teaching and learning needs of individual instructors, departments, schools, and disciplines on innovation in curriculum development, technology-assisted learning, and on-line course/program delivery.

To-date, five Teaching Fellows have been appointed to three-year terms. The Teaching Fellows undertake research on teaching and share the outcomes widely, contributing to teaching innovation across Western. It is recommended that the Teaching Fellows Program be expanded with the allocation of an additional \$250,000 in base funding in 2015-16.

### **5. Support for our Fundraising Campaign – Advertising Initiatives**

The continuation of support for our fundraising campaign is of high priority to the University. It is recommended that a sum of \$500,000 in one-time funds be allocated to support our campaign – to be targeted at advertising initiatives which will focus on messaging that involves extraordinary scholars, researchers, students, and alumni. These advertising initiatives also support us in the area of student, faculty, and staff recruitment.

### **6. Energy Conservation Initiatives**

In 2015-16, we anticipate that the University's utilities costs – after recoveries from ancillary operations – will be about \$22 million. Our projections are that costs will continue to increase in the future at rates well above CPI. In order to help contain utilities costs into the future, it is recommended that a sum of \$1.5 million in one-time funding be allocated in support of University-wide Energy Conservation Initiatives. These funds will be invested in campus-wide infrastructure projects that will result in reduced energy and water consumption.

### **7. Strategic Expansion of High-Demand Undergraduate Programs: Engineering**

Our Strategic Plan sets out the objective of attracting the brightest students as demonstrated through the highest entering grade average. Western's approach to direct-entry undergraduate program

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admissions has placed high priority on maintaining and increasing entrance standards. In recent years, the minimum entrance requirements for high-demand limited-enrolment programs have continued to increase. One such program is Engineering – where demand for entry from very high quality applicants continues to increase. As part of the recently-completed planning process, the Provost and the Dean of Engineering have discussed a long-range enrolment, budget, and space/facilities plan that could take us forward with a fully self-funding enrolment, faculty complement, and space/facilities expansion plan. We are working on refining the details of this long-range plan – and, if workable, the initial phase of this expansion plan will start with the fall 2015 entering first-year class.

The current plan for Engineering's first year class is 510 students (see Table 13, row 69). As part of the long-range Engineering expansion plan, this intake figure could be increased further – with the understanding that such expansion will require increases in Engineering's faculty complement and will also require additional space/facilities. If this expansion plan does indeed go forward, details of the full plan (enrolments, complements, space/facilities, teaching responsibilities in other Faculties) will be brought forward as part of the next University budget. It should also be noted that this expansion – if it proceeds – will result in expansion of our overall first-year class (i.e. will not result in reductions in other programs).

#### **D. Four-Year Operating Budget Forecast**

We seek approval of the 2015-16 Budget as outlined in this document. The recommendations in this document have been guided by projections of operating revenues and expenditures for all years of upcoming 4-year planning period. These projections respect the requirement of an operating reserve at the Board-mandated minimum level of \$2.5 million at the end of the four-year cycle. Table 1 summarizes our current forecast for the upcoming 4-year planning period. The major assumptions underlying the budget forecasts are as follows:

##### **Revenues**

- Government grant funding associated with the B.Ed. Program will be reduced as part of the restructuring of the program from a 1-year program to a 2-year program – which includes lower enrolment in 2015-16 and reduced grant funding levels from 2015-16.
- The \$750 international student recovery by the Province (which is applied as a base grant reduction) continues in the upcoming 4-year planning period.
- All other government grant programs continue under the current arrangements – including full funding for undergraduate enrolment growth and full funding for graduate enrolments up to the allocated targets.
- Enrolment projections and plans (shown in Table 13) underlying the tuition revenue projections will be achieved.

**Expenditures**

- Enrolment-related revenue sharing allocations to the Faculties will continue during the 4-year planning period, and the projections are shown in Table 4a.
- Increases in non-salary costs for major University-wide budget items (e.g. utilities, insurance, IT infrastructure) will be consistent with recent trends and/or known cost escalations.
- We need to set aside the necessary funds to cover the operating costs of incremental space in our new facilities. It should be noted that the Faculties are responsible for covering 50% of the operating costs of incremental space.

**Net Position and the Operating Reserve**

- As can be seen in line 34 of Table 1, the Operating Reserve is projected to be at \$33.7 million at the end of the current year (i.e. 2014-15). The reserve is projected to be \$6.0 million at the end of the current 4-year planning period (i.e. 2018-19) – above the Board-mandated minimum level of \$2.5 million.

**E. Summary of the 2015-16 Operating Budget**

Table 2 summarizes the 2015-16 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 \$693.2 million in 2015-16 – an increase of 1.6% over 2014-15. Details of the operating revenues are shown in Table 3.

Line 13: Total expenditures are projected to be \$692.9 million in 2015-16 – an increase of 0.4% over 2014-15. 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 \$7.7 million in 2014-15 and a surplus of \$0.3 million in 2015-16.

Line 17: The Operating Reserve is forecast to be \$33.7 million at the end of 2014-15 and \$34.0 million at the end of 2015-16.

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

		2014-15	2015-16	2016-17	2017-18	2018-19
1	<b>REVENUES</b>					
2	<b>Government Grants</b>					
3	Base Grants	207.3	204.9	204.5	204.5	204.4
4	Undergraduate Accessibility Grant	5.5	2.9	2.1	1.8	0.3
5	Graduate Expansion Fund	11.0	14.9	16.5	17.3	17.3
6	Quality Improvement Fund	10.0	9.9	9.9	9.8	9.8
7	Research-related Grants	11.7	11.7	11.6	11.6	11.6
8	All Other	35.9	35.4	35.2	35.3	35.3
9	<b>Total</b>	<b>281.4</b>	<b>279.7</b>	<b>279.8</b>	<b>280.3</b>	<b>278.7</b>
10	<b>Tuition Revenue</b>	<b>312.5</b>	<b>323.4</b>	<b>348.3</b>	<b>365.4</b>	<b>378.6</b>
11	<b>All Other Revenues</b>					
12	Canada Research Chairs (CRCs)	8.0	8.2	9.3	9.3	9.3
13	Recoverable Salaries	28.2	28.2	28.2	28.2	28.2
14	All Other	52.4	53.7	54.7	55.6	56.2
15	<b>Total</b>	<b>88.6</b>	<b>90.1</b>	<b>92.2</b>	<b>93.1</b>	<b>93.7</b>
16	<b>Total Revenues</b>	<b>682.5</b>	<b>693.2</b>	<b>720.3</b>	<b>738.8</b>	<b>751.0</b>
17	<b>EXPENDITURES</b>					
18	<b>Faculties</b>					
19	Base Budgets (including APF)	361.4	354.9	352.3	349.1	345.5
20	Revenue Sharing Allocations	17.2	25.2	36.7	43.0	48.0
21	Canada Research Chairs (CRCs)	6.9	7.1	8.1	8.1	8.1
22	All Other	64.3	62.5	62.3	63.4	63.5
23	<b>Total</b>	<b>449.8</b>	<b>449.7</b>	<b>459.4</b>	<b>463.6</b>	<b>465.1</b>
24	<b>Scholarships and Bursaries</b>	<b>29.9</b>	<b>30.1</b>	<b>31.8</b>	<b>33.3</b>	<b>34.6</b>
25	<b>Support Areas (including SUPF)</b>	<b>90.7</b>	<b>91.2</b>	<b>91.8</b>	<b>92.4</b>	<b>92.2</b>
26	<b>University-wide Expenditures</b>	<b>66.8</b>	<b>71.6</b>	<b>71.8</b>	<b>76.1</b>	<b>80.6</b>
27	<b>Provision for Cost Fluctuations</b>	<b>0.0</b>	<b>20.2</b>	<b>32.5</b>	<b>47.8</b>	<b>66.0</b>
28	<b>One-Time Allocations</b>	<b>53.0</b>	<b>30.1</b>	<b>33.4</b>	<b>32.7</b>	<b>33.0</b>
29	<b>Total Expenditures</b>	<b>690.2</b>	<b>692.9</b>	<b>720.7</b>	<b>745.9</b>	<b>771.5</b>
30	<b>REVENUES minus EXPENDITURES</b>	<b>-7.7</b>	<b>0.3</b>	<b>-0.4</b>	<b>-7.1</b>	<b>-20.5</b>
31	<b>OPERATING RESERVE</b>					
32	Beginning Operating Reserve	41.4	33.7	34.0	33.6	26.5
33	Surplus / (Deficit) -- from Line 30 above	-7.7	0.3	-0.4	-7.1	-20.5
34	<b>Ending Operating Reserve</b>	<b>33.7</b>	<b>34.0</b>	<b>33.6</b>	<b>26.5</b>	<b>6.0</b>



**Table 2**  
**SUMMARY OF OPERATING BUDGET: 2015-16**

	<a>	<b>	<c>	
	2014-15 Budget (@Feb 28, 2015)	2015-16 Budget	\$ Change from 2014-15	
1	<b>Operating Revenues (Table 3)</b>			
2	Government Grants	281,478,415	279,739,972	-1,738,443
3	Tuition Revenue	312,490,397	323,286,157	10,795,760
4	All Other	88,552,863	90,139,348	1,586,485
5	<b>Total Revenues</b>	<b>682,521,675</b>	<b>693,165,477</b>	<b>10,643,802</b>
6	<b>Expenditure Budgets</b>			
7	Faculties (Table 4)	449,823,449	449,705,581	-117,868
8	Scholarships and Bursaries (Table 5)	29,898,414	30,079,629	181,215
9	Support Areas (Table 6)	90,711,509	91,249,100	537,591
10	University-wide Expenditures (Table 7)	66,802,962	71,561,979	4,759,017
11	Provision for Cost Fluctuations	0	20,156,540	20,156,540
12	One-Time Allocations	52,950,653	30,148,966	-22,801,687
13	<b>Total Expenditures</b>	<b>690,186,987</b>	<b>692,901,795</b>	<b>2,714,808</b>
14	<b>Surplus / (Deficit) - Line 5 minus Line 13</b>	<b>-7,665,312</b>	<b>263,682</b>	
15	<b>Beginning Operating Reserve Balance</b>	<b>41,386,239</b>	<b>33,720,927</b>	
16	Surplus / (Deficit) -- Line 14 above	-7,665,312	263,682	
17	<b>Closing Operating Reserve Balance</b>	<b>33,720,927</b>	<b>33,984,609</b>	
18	<b>Board-mandated Minimum Level Reserve Target</b>	<b>2,500,000</b>	<b>2,500,000</b>	

## **F. Details of the 2015-16 Operating Revenue Forecasts (Table 3)**

### **Government Grants**

The major changes in government grants include (a) the grant reductions associated with the restructuring of the B.Ed. Program, (b) the \$750 per FTE international student recovery, (c) the continuation of graduate expansion funding, (d) targeted program expansion funding in Medicine, and (e) the reductions (with eventual elimination) in various student aid programs.

The base grant reduction in 2015-16 is the result of an estimated \$1.8 million reduction associated with the restructuring of the B.Ed. Program and the estimated \$0.5 million resulting from the \$750 per-student tax on non-PhD international students. The reduction in the Provincial Government Student Support Grants – of over \$0.5 million – is the result of the continued phasing-out of the “Aiming for the Top” program.

### **Tuition Fees**

The recommended tuition fee rates for 2015-16 are based on the current Ontario universities tuition framework – and are shown in Tables 11 and 12.

### **Domestic Students**

Our recommendations for domestic student tuition fees for 2015-16 follow the new framework – which allows for an overall annual increase of 3%.

### **International Students**

The last five University budgets highlighted the fact that Western’s international student tuition rates were below the average of our peer research-intensive institutions in Ontario – and it was noted that, looking forward, our recommendations for international student tuition will seek to move Western’s tuition rates to the level of our peers. The recommendations for international student tuition fees for 2015-16 continue on the path to narrowing the gap with our peer institutions.

### **All Other Revenues**

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

- Table 9 summarizes the CRC distribution at Western. Our current total allocation is 69 CRCs – of which, 8 are currently unfilled with searches/nominations underway. In addition, some Chairs will shortly become open and searches/nominations are also in progress for these. The net effect of this transition is that, in 2015-16, Western will receive \$8.2 million in funding support for the 57 CRCs with confirmed incumbents.

- The Transfer from the Affiliated University Colleges represents payments for services and teaching provided to their students. The transfer rate (from 2015-16) is set at 12% of the Colleges' grant and tuition revenue.
- Fundraising for need-based Student Awards continues to be of high priority to the University. In 2015-16, we project a sum of \$5.9 million from this source.
- The revenue from Royalties and Licences includes patents/licences associated with the Robarts Research Institute.
- Western's self-funded operations and ancillary units generate substantial revenue for the University Operating Budget by way of recoveries associated with facilities costs and services provided by the University. The category also includes the payment from the 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 that was introduced in 2004-05.

## G. Details of the 2015-16 Expenditure Recommendations

### 1. Faculty Budget Recommendations

Table 4 shows the 2015-16 **base budget recommendations** for Western's Faculties. Final 2015-16 base budgets are the net result of the following:

- Starting base budgets;
- The initial budget adjustments established as part of the multi-year budget plan;
- Faculty turnover recovery, which returns the greater of \$85,000 or 60% of the retiring or departing member's salary to the Faculty budget;
- Academic Priorities Fund (APF) allocations;
- Targeted government program expansion funding; and
- Funds associated with CRC positions (detailed in Table 9).

The **Academic Priorities Fund (APF)** shown in line 18 of Table 4 was established in 2011-12. 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 in future years.

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

- \$200,000 to the Faculty of Arts & Humanities to maintain teaching capacity;
- \$200,000 to the Faculty of Health Sciences to accommodate enrolment/teaching pressures across the Faculty;
- \$100,000 to the Faculty of Information and Media Studies to maintain teaching capacity;
- \$57,375 to the Faculty Law for staffing in the Faculty's International Programs Office;
- \$100,000 to the Don Wright Faculty of Music to maintain teaching capacity;
- \$800,000 to the Faculty of Science in support of teaching expansion, research opportunities, and new program development; and
- \$800,000 to the Faculty of Social Science to accommodate enrolment/teaching pressures and to support Faculty-wide academic initiatives, including strategic investment in the Department of Economics.

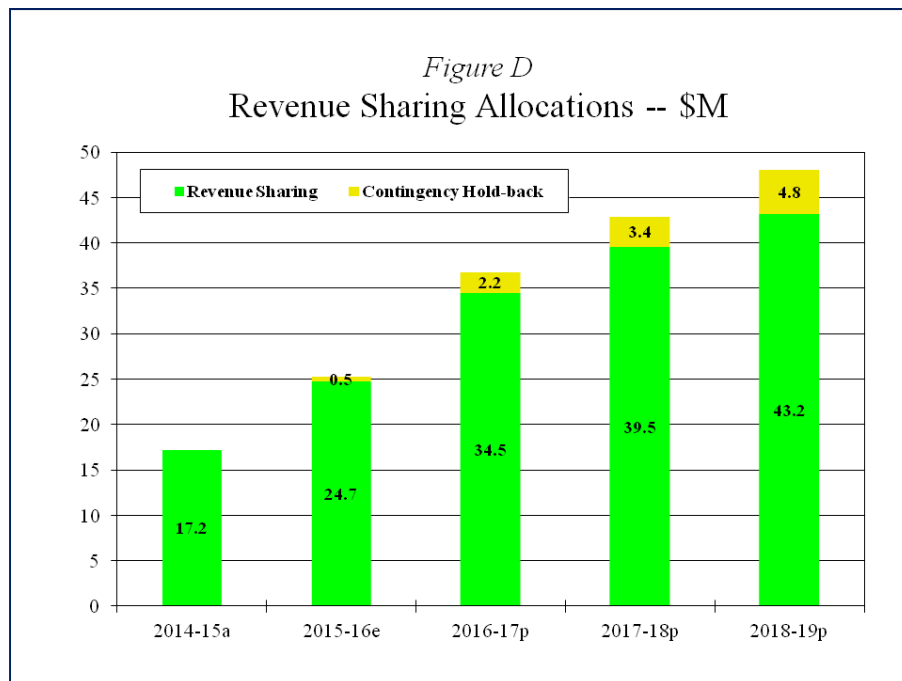
The **funding model for the Ivey School of Business** – introduced in 2004-05 – flows all tuition fees and government grants deriving from the School’s enrolments directly to Ivey. Under this funding model, the Ivey School does not participate in the University’s other funding programs such as the APF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

Over and above the base budget allocations, the Faculties receive substantial additional on-going funds through the **enrolment-related revenue sharing mechanism** that was implemented in 2011-12. Starting with the upcoming 4-year planning period, the proportion of incremental revenues flowing to the Faculties is as follows:

- 25% on direct-entry undergraduate enrolments/teaching
- 50% on second-entry (or professional) undergraduate enrolments
- 50% on professional masters enrolments
- 85% on research masters and doctoral enrolments – with an additional 15% set aside to fund a student awards program aimed at recruiting doctoral students holding external awards (this latter component will flow directly to the students and will start in 2016-17)

Line 15 in Table 4 shows the projected \$25.2 million that will be available to the Faculties in 2015-16. The Faculty-specific breakdown of this \$25.2 million is shown in Table 4a. This amount is on top of a total of \$19 million that was rolled into Faculty base budgets in 2014-15.

Finally, the recommendations for the Faculties include **one-time allocations** which are detailed in Table 8 (lines 6 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 is projected to be \$30.1 million in 2015-16.

- The Provincial Government is phasing out the Aiming for the Top Program – and the resulting reduction at Western is reflected in line 5 of Table 5.
- Fundraising for undergraduate and graduate student needs-based awards continues to be of high priority to the University. In 2015-16, we project a sum of \$5.9 million from this source.
- As the footnote in Table 5 indicates, graduate student funding is now addressed through the Faculty budgets – and we are projecting a sum of \$56 million in 2015-16 for this high priority item.

## 3. Support Unit Budget Recommendations

Table 6 shows the 2015-16 base budget recommendations for Support Units. Final 2015-16 base budgets are the net result of the following:

- Starting base budgets;
- The initial budget adjustments established as part of the multi-year budget plan;
- Support Units Priorities Fund (SUPF) allocations; and
- Other strategic base allocations in support of: maintaining core services, the operating costs of incremental space in new facilities, student experience initiatives, the expansion of the teaching fellows program, and incremental resources to the Vice-President (Research) portfolio.

The **Support Unit Priorities Fund (SUPF)** was established in 2011-12, and the unit-specific allocations for 2015-16 (shown in column <c> of Table 6) are:

- \$95,625 to Information Technology Services in support of additional staffing;
- \$105,000 to Western Libraries in support of staffing in the Copyrights Office;
- \$13,500 to the Office of Institutional Planning & Budgeting to maintain staffing levels;
- \$200,000 to Western International in support of initiatives aimed at achieving our international goals;
- \$10,875 to the McIntosh Gallery to maintain staffing levels;
- \$116,000 to Facilities Management in support of the Western Environmental Systems Control Group and sustainability initiatives;
- \$100,000 to the Vice-President (Research) Portfolio in support of service enhancement; and
- \$115,000 to the Vice-President (External) Portfolio in support of our 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 14 and 23 of Table 6.

Finally, the recommendations for the Support Units include **one-time allocations** which are detailed in Table 8 (lines 16 through 30).

#### 4. University-wide Expenditures

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

- The increase in the University’s physical plant **Utilities** is the net result of projected rate increases, utilization patterns, and anticipated savings resulting from the implementation energy efficiency initiatives.
- The **Library Acquisitions Budget** is being increased by \$250,000 to a level of \$14.1 million.
- The **Maintenance, Modernization, and Infrastructure (MMI)** transfer to the Capital Budget is being increased by \$750,000 – based on the Board of Governors’ recommendation that this rate of annual increase continue until the transfer reaches \$15.5 million.
- The **FFICR Transfer to Capital** continues at the \$3 million level – and these funds are used to support major projects in our Long-range Space Plan that involve research facilities.
- The **Information Technology Infrastructure Fund (ITIF)** supports rapidly-expanding University-wide central IT infrastructure – including our networks, wireless technologies, internet bandwidth, general university computer labs, instructional support and eLearning software applications, central university databases, the hardware necessary to run the applications and databases, and maintenance costs associated with all the hardware and software.
- **Contingency** is being set at \$1.7 million – 0.25% of Operating Revenues, as in previous years.
- Western attracts outstanding students. Their recruitment, within an increasingly competitive environment, continues to be of high priority to the University – and the **Student Recruitment** base budget supports a wide array of recruitment activities, including out-of-province student recruitment initiatives.

#### 5. One-Time Recommendations

The Faculties and Support Units will receive substantial one-time funding in 2015-16. The specific one-time recommendations are summarized in Table 8 – and include unit-specific items as well as allocations for University-wide initiatives.

- As described earlier in Section C of this document, the following high priority areas are recommended for support in the 2015-16 budget – with one-time allocations:
    - **Long-Range Space Plan** – \$10 million
    - Support for our Fundraising Campaign (**Endowed Chairs Matching Program**) – \$7.5 million
    - **Energy Conservation Initiatives** – \$1.5 million
    - Support for our Fundraising Campaign (**University Advertising Initiatives**) – \$500,000
    - **Modernization of Instructional Facilities** – \$500,000
  - As a result of a funding partnership arrangement between the University Students’ Council, the Society of Graduate Students, and the University, we created two **artificial turf playing fields** in
-

2013-14. The 24-year arrangement involves revenues from a targeted student fee and annual contributions from the University. In 2015-16, the University's contribution amounts to \$314,000.

- A sum of \$1.25 million is being allocated to the Vice-President (Research) to support a number of **research-related initiatives**, including research development and commercialization of intellectual property.

**Table 3**  
**2015-16 OPERATING REVENUES**

		2014-15 Budget Forecast (@Feb 28, 2015) (1)	2015-16 Budget (2)	Increase / (Decrease) Amount (3)	% Change (2) to (1)
1	<b>Government Grants</b>				
2	Base Grants	207,276,931	204,932,871	-2,344,060	-1.1%
3	Undergraduate Accessibility Fund	5,527,481	2,853,954	-2,673,527	-48.4%
4	<i>Sub-Total Base Grants &amp; Accessibility Fund</i>	<i>212,804,412</i>	<i>207,786,825</i>	<i>-5,017,587</i>	<i>-2.4%</i>
5	Graduate Expansion Fund	11,042,201	14,888,517	3,846,316	34.8%
6	Quality Improvement Fund	10,015,030	9,931,270	-83,760	-0.8%
7	Performance Fund	2,637,183	2,637,183	0	0.0%
8	Program Expansion Grants	23,472,760	23,520,171	47,411	0.2%
9	Provincial Research Infrastructure Grant	2,632,735	2,632,735	0	0.0%
10	Federal Funding for Indirect Costs of Research	9,078,356	9,051,116	-27,240	-0.3%
11	Provincial Government Student Support Grants	1,816,095	1,298,483	-517,612	-28.5%
12	Other Targetted Government Grants	7,979,643	7,993,672	14,029	0.2%
13	<b>Sub-Total Government Grants</b>	<b>281,478,415</b>	<b>279,739,972</b>	<b>-1,738,443</b>	<b>-0.6%</b>
14	<b>Tuition Revenue</b>				
15	Undergraduate	202,124,211	208,104,096	5,979,885	3.0%
16	Graduate	47,071,850	50,093,232	3,021,382	6.4%
17	<i>Sub-Total General Programs</i>	<i>249,196,061</i>	<i>258,197,328</i>	<i>9,001,267</i>	<i>3.6%</i>
18	Ivey Programs (HBA, MBAs, MSc, PhD)	50,706,867	53,488,855	2,781,988	5.5%
19	International Medical and Dental Students	11,106,875	10,856,224	-250,651	-2.3%
20	<i>Sub-Total Other Programs</i>	<i>61,813,742</i>	<i>64,345,079</i>	<i>2,531,337</i>	<i>4.1%</i>
21	Miscellaneous Fees	1,480,594	743,750	-736,844	-49.8%
22	<b>Sub-Total Tuition Revenue</b>	<b>312,490,397</b>	<b>323,286,157</b>	<b>10,795,760</b>	<b>3.5%</b>
23	<b>Other Revenues</b>				
24	Canada Research Chairs (CRCs)	8,000,000	8,200,000	200,000	2.5%
25	Transfer from Affiliated University Colleges	7,725,933	8,538,841	812,908	10.5%
26	Recoverable Salaries	28,198,147	28,198,147	0	0.0%
27	Investment Income	918,280	445,679	-472,601	-51.5%
28	Fundraising -- Need-based Student Awards and Bursaries	5,650,000	5,850,000	200,000	3.5%
29	Application Fees	1,755,553	1,780,258	24,705	1.4%
30	Research Overheads	3,950,000	4,275,000	325,000	8.2%
31	Royalties and Licences	5,210,000	4,165,000	-1,045,000	-20.1%
32	Contributions from Self-Funded & Ancillary Operations	26,401,150	27,962,423	1,561,273	5.9%
33	Miscellaneous Revenues	743,800	724,000	-19,800	-2.7%
34	<b>Sub-Total Other Revenues</b>	<b>88,552,863</b>	<b>90,139,348</b>	<b>1,586,485</b>	<b>1.8%</b>
35	<b>Total Revenues</b>	<b>682,521,675</b>	<b>693,165,477</b>	<b>10,643,802</b>	<b>1.6%</b>



**Table 4**  
**FACULTIES**  
**2015-16 BASE BUDGETS**

	<b>	<c>	<d>	<e>	<f>	<g>
	2014-15 Base Budget (@Feb.28, 2015)	IBA	Faculty Turnover Recovery	APF	Other Base Changes	Canada Research Chairs
						Resulting 2015-16 Base Budget
1	<b>Faculties</b>					
2	Arts & Humanities	-922,040	-157,583	200,000		30,455,032
3	Education	-283,428	-141,567			9,630,142
4	Engineering	-772,462	-77,543		-401	25,768,334
5	Health Sciences	-865,799	-346,447	200,000	-808	28,106,902
6	Information & Media Studies	-305,514	-71,640	100,000		9,906,652
7	Law	-238,602		57,375		7,772,159
8	Medicine & Dentistry	-1,886,229	-734,205		-24,090	62,686,739
9	Music	-306,804		100,000		10,019,989
10	Science	-1,633,745	-289,989	800,000		55,354,417
11	Social Science	-1,675,885	-623,989	800,000	-37,224	55,285,748
12	<b>Sub-Total Faculties (excluding Business)</b>	<b>-8,890,508</b>	<b>-2,442,963</b>	<b>2,257,375</b>	<b>-62,523</b>	<b>294,986,114</b>
13	Business	62,621,292			2,465,870	64,997,162
14	<b>Sub-Total Faculties</b>	<b>-8,890,508</b>	<b>-2,442,963</b>	<b>2,257,375</b>	<b>2,403,347</b>	<b>359,983,276</b>
15	Revenue Sharing Allocation	17,190,251			8,044,607	25,234,858
16	Research Infrastructure Support Fund (RISF)	750,000				750,000
17	Faculty Recruitment Initiatives	1,127,325				1,127,325
18	Academic Priorities Fund (APF)	11,348,437		142,625		11,491,062
19	<b>Total -- with Revenue Sharing Allocation</b>	<b>-8,890,508</b>	<b>-2,442,963</b>	<b>2,400,000</b>	<b>10,447,954</b>	<b>398,586,521</b>
20	<b>All Other</b>					
21	Western Strategic Success Programs (formerly ADF)	1,500,000				1,500,000
22	Continuing Studies: Trois-Pistoles	997,088			-8,994	988,094
23	Continuing Education for Teachers	1,822,100			-91,105	1,730,995
24	Medicine & Dentistry: International Students and Primary Care	11,456,680			-250,651	11,206,029
25	Medicine & Dentistry: Robots	7,519,396			-1,532,601	5,986,795
26	Faculty Share of Research Overheads	1,069,000			61,000	1,130,000
27	Faculty Scholars & Distinguished University Professors	239,000				239,000
28	Graduate and Undergraduate Program Reviews	140,000				140,000
29	Recoverable Salaries	28,198,147				28,198,147
30	<b>Sub-Total</b>	<b>52,941,411</b>	<b>0</b>	<b>0</b>	<b>-1,822,351</b>	<b>51,119,060</b>
31	<b>Total Academic Units</b>	<b>449,823,449</b>	<b>-8,890,508</b>	<b>-2,442,963</b>	<b>8,625,603</b>	<b>449,705,581</b>

**Table 4a**  
**FACULTIES: REVENUE SHARING ALLOCATIONS**

		<b>2014-15a</b>	<b>2015-16e</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
1	Arts & Humanities	-74,390	-51,245	647,924	840,503	1,371,429
2	Education	2,951,298	5,421,713	6,175,671	6,242,063	6,211,915
3	Engineering	2,178,257	3,722,577	4,031,982	4,438,144	4,774,613
4	Health Sciences	1,543,158	2,152,820	2,792,056	3,038,127	3,476,747
5	Information & Media Studies	397,427	146,763	760,952	1,196,677	1,372,994
6	Law	641,164	874,026	1,126,559	1,434,545	1,727,460
7	Medicine & Dentistry	3,809,577	4,061,119	5,855,158	6,697,913	7,119,343
8	Music	205,051	82,864	482,186	648,133	707,579
9	Science	2,785,763	3,983,080	5,505,798	6,445,747	7,076,364
10	Social Science	2,217,097	3,818,344	5,630,072	7,139,513	7,860,274
11	Inter-Disciplinary Programs	535,849	518,102	1,442,394	1,423,154	1,461,514
12	<b>Sub-Total</b>	<b>17,190,251</b>	<b>24,730,163</b>	<b>34,450,752</b>	<b>39,544,519</b>	<b>43,160,232</b>
13	<b>Contingency Hold-back</b>		<b>504,695</b>	<b>2,198,985</b>	<b>3,438,654</b>	<b>4,795,583</b>
14	<b>Sub-Total</b>	<b>17,190,251</b>	<b>25,234,858</b>	<b>36,649,737</b>	<b>42,983,173</b>	<b>47,955,815</b>

**Table 5**  
**SCHOLARSHIPS and BURSARIES**  
**2015-16 BASE BUDGETS**

		<a>	<b>	<c>
		2014-15 Base Budget (@Feb 28, 2015)	Changes	Resulting 2015-16 Base Budget
1	Undergraduate Scholarships	7,000,000	300,000	7,300,000
2	Tuition Re-Investment	14,055,774	198,827	14,254,601
3	Western Bursaries	776,545		776,545
4	Privately-Funded Need-based Awards & Bursaries	5,650,000	200,000	5,850,000
5	Government "Aiming for the Top" Program	634,000	-534,000	100,000
6	MTCU Bursaries	608,483		608,483
7	Global Opportunities Awards	200,000		200,000
8	Graduate Bursaries and Fellowships	973,612	16,388	990,000
9	<b>Total Scholarships and Bursaries</b>	<b>29,898,414</b>	<b>181,215</b>	<b>30,079,629</b>

*Graduate student funding is now addressed through the Faculty budgets. In 2014-15, this funding is estimated to be \$53.5 million and the plan for 2015-16 is \$56.0 million.*

**Table 6**  
**SUPPORT AREAS**  
**2015-16 BASE BUDGETS**

		<a>	<b>	<c>	<d>	<e>
		2014-15 Base Budget (@Feb 28, 2015)	IBA	SUPF	Other Base Changes	Resulting 2015-16 Base Budget
1	<b>Reporting to the Provost</b>					
2	Teaching Support Centre	690,899	-20,727		8,291	678,463
3	Writing Support Centre	327,906				327,906
4	Information Technology Services	6,727,677	-201,830	95,625	100,915	6,722,387
5	Libraries	12,808,841	-384,265	105,000	153,706	12,683,282
6	Registrar's Office	5,869,021	-176,071		88,036	5,780,986
7	AVP Student Experience	581,984	-17,460		256,984	821,508
8	Office of Vice-Provost (APPF)	985,953	-29,579		11,832	968,206
9	Graduate & Postdoctoral Studies	1,816,842	-54,505		21,802	1,784,139
10	Institutional Planning and Budgeting	4,876,269	-146,288	13,500	58,515	4,801,996
11	Western International	1,900,338	-57,010	200,000	22,804	2,066,132
12	McIntosh Gallery - Subsidy	256,919		10,875		267,794
13	Teaching Fellows Program	250,000			250,000	500,000
14	Support Unit Priorities Fund (SUPF)	205,235		0		205,235
15	<b>Sub-Total</b>	<b>37,297,884</b>	<b>-1,087,735</b>	<b>425,000</b>	<b>972,885</b>	<b>37,608,034</b>
16	<b>Reporting to the Vice-President Resources &amp; Operations</b>					
17	Financial Services	4,718,765	-141,563		56,625	4,633,827
18	Human Resources	6,683,706	-200,511		80,204	6,563,399
19	Workplace Health Services	170,813				170,813
20	Facilities Management	17,145,340	-433,319	116,000	370,029	17,198,050
21	Police	2,827,934	-84,838		36,185	2,779,281
22	Internal Audit	427,033	-12,811		6,406	420,628
23	Support Unit Priorities Fund (SUPF)	105,000		244,000		349,000
24	<b>Sub-Total</b>	<b>32,078,591</b>	<b>-873,042</b>	<b>360,000</b>	<b>549,449</b>	<b>32,114,998</b>
25	<b>Reporting to the Vice-President Research</b>					
26	Animal Care/Veterinary Services - Subsidy	800,000				800,000
27	Research Western	3,742,284	-112,269	100,000	294,908	4,024,923
28	Research Promotion Fund	350,000				350,000
29	Small Grants Support for Arts/Humanities/Social Sciences	250,000				250,000
30	Western Innovation Fund	400,000				400,000
31	<b>Sub-Total</b>	<b>5,542,284</b>	<b>-112,269</b>	<b>100,000</b>	<b>294,908</b>	<b>5,824,923</b>
32	<b>Vice-President External Portfolio</b>	<b>11,478,023</b>	<b>-344,341</b>	<b>115,000</b>	<b>137,736</b>	<b>11,386,418</b>
33	<b>General Administration</b>					
34	Offices of the President/Vice-Presidents	3,243,540				3,243,540
35	University Secretariat	1,071,187				1,071,187
36	<b>Sub-Total</b>	<b>4,314,727</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,314,727</b>
37	<b>Total Support Areas</b>	<b>90,711,509</b>	<b>-2,417,387</b>	<b>1,000,000</b>	<b>1,954,978</b>	<b>91,249,100</b>

**Table 7**  
**UNIVERSITY-WIDE EXPENDITURES and EMPLOYEE BENEFIT COSTS**  
**2015-16 BASE BUDGETS**

		<a>	<b>	<c>	<d>
		2014-15 Base Budget (@Feb 28, 2015)	New Investment	Other Changes	Resulting 2015-16 Base Budget
1	Utilities	20,644,236		1,458,813	22,103,049
2	Library Acquisitions	13,865,896	250,000		14,115,896
3	Transfer to MMI: Operating	13,250,000	750,000		14,000,000
4	Transfer to MMI: Ancillaries	600,000			600,000
5	FFICR Transfer to Capital	3,000,000			3,000,000
6	CRC Transfer to Capital	848,000		8,000	856,000
7	Information Technology Infrastructure Fund (ITIF)	8,347,334	417,367		8,764,701
8	Property Taxes	2,128,950		39,075	2,168,025
9	Insurance	1,995,000		21,000	2,016,000
10	Contingency	1,697,892		35,022	1,732,914
11	Services for Students with Disabilities	1,188,650		20,049	1,208,699
12	Professional Fees	1,282,500			1,282,500
13	Institutional Memberships	1,020,000			1,020,000
14	Student Recruitment	850,000			850,000
15	Sports and Recreation Services Subsidy	898,040		9,142	907,182
16	Convocation and Diplomas	340,000			340,000
17	Costs Associated with Employee Contracts	589,000			589,000
18	Ombudsperson	101,013			101,013
19	University Surveys and Teaching Evaluations	75,000			75,000
20	Centre for Research on Violence Against Women and Children - Subsidy	55,000			55,000
21	Museum of Ontario Archaeology - Subsidy	50,000			50,000
22	<b>Total University-wide Expenditures</b>	<b>72,826,511</b>	<b>1,417,367</b>	<b>1,591,101</b>	<b>75,834,979</b>
23	Employee Benefit Plan Costs	105,347,694		4,045,306	109,393,000
24	Employee Benefit Recoveries	-111,371,243		-2,294,757	-113,666,000
25	<b>Net Employee Benefits</b>	<b>-6,023,549</b>		<b>1,750,549</b>	<b>-4,273,000</b>
26	<b>Net University-wide Expenditures</b>	<b>66,802,962</b>	<b>1,417,367</b>	<b>3,341,650</b>	<b>71,561,979</b>

**Table 8**  
**2015-16 ONE-TIME ALLOCATIONS**

1	Support for the Long-Range Space Plan	10,000,000
2	Support for Fundraising Campaign: Endowed Chairs Matching Program	7,500,000
3	Energy Conservation Initiatives	1,500,000
4	Classroom Modernization	500,000
5	Support for Fundraising Campaign: Advertising Initiatives	500,000
6	University Contribution for Artificial Turf Playing Fields	313,800
7	Arts & Humanities: Graduate Student Funding	250,000
8	Engineering: Upgrades to Undergraduate Lab (\$42.7K), WindEEE Symposium (\$12.5K), Lab Equipment (\$65K) and Create Active Learning Space (\$125K)	245,216
9	Health Sciences: Targetted Government Funding for Clinical Education (\$842K) and Nurse Practitioner Program (\$580K), Roth Chair Bridge Funding (\$65K), Leeper Clinic Equipment (\$46K), and SRS: Women's Athletic Awards (\$50K)	1,583,062
10	Info & Media Studies: Researcher Network Conference (\$150K), Grants Facilitator Position (\$43K), and Recruitment, Promotion and Experiential Learning Initiatives (\$20K)	213,000
11	Law: Blended Learning & eLearning Initiatives (\$65K) and International and Pre-Eminent Visitors Program (\$20K)	85,000
12	Medicine & Dentistry: Targetted Government Funding for Dental Clinical Education (\$1.2M) and MD Expansion (\$2.4M), and Technology Renewal for Drimmer Laboratories (\$132K)	3,703,650
13	Music: Recruitment & Community Awareness Initiatives (\$45K), New Professional Programs Development (\$20K), and Percussion Equipment Acquisition (\$15K)	80,000
14	Science: Teaching Equipment for Earth Sciences & Physics (\$75K) and Inventory & Chemicals Tracking Software/Hardware (\$53K)	128,000
15	Social Science: Computer Replacements (\$50K) and Research Matching & Support Fund (\$50K)	100,000
16	Unallocated Academic Priorities Fund (APF)	6,134
17	Libraries: Taylor Library Collaborative Learning Technology	60,000
18	Registrar's Office: First Generation Initiatives (\$282K) and Additional Special Project Staffing (\$35K)	317,480
19	Student Experience: Experiential Learning Initiatives (\$70K), Career Services and First Nations Initiatives (\$180K), and Ontario Global Edge Program (\$30.5K)	280,450
20	Teaching Support Centre: 360 Degree Initiative for Graduate Students (\$300K), Faculty Mentor Program (\$40K), Turn It In License Costs (\$60K) and Teaching Fellows Program (\$12K)	412,000
21	Vice-Provost (APPF): Training and Development Initiatives and Faculty Recruitment/Retention Initiatives	70,000
22	SGPS: Maintain Service and Staffing Levels (\$175K), Recruitment and Retention Initiatives (\$110), Exchange Program Travel Costs (\$15K), Aboriginal Graduate Enhancement Initiatives (\$36K), Thesis Writing Boot Camp (\$19K), International Recruitment Initiatives (\$50K), and International Recruitment Coordinator Position (\$90K)	495,000
23	Provost: Unallocated Support Unit Priorities Fund (SUPF)	38,000
24	Financial Services: Best Value Business Model Initiative	100,000
25	Human Resources: E-Recruitment Initiative (\$85K), Software License Costs (\$17K), Project Manager Position (\$80K), Operational Learning Program for Administrative Staff (\$250K), and Hazard Management System (\$45K)	477,000
26	Facilities Management: Environmental Initiatives and Cardboard Baler	39,500
27	Police: Technology Upgrades	39,000
28	Vice-President (Resources & Operations): Unallocated Support Unit Priorities Fund (SUPF)	140,000
29	Vice-President (Resources & Operations): Use of Base SUPF for One-Time Purposes	-435,500
30	Vice-President (Research): Support for Research Initiatives	1,250,000
31	Vice-President (External): Support for Fundraising Campaign	158,174
32	<b>Total One-Time Allocations</b>	<b>30,148,966</b>

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

		2014-15						2015-16					
		Tier 1		Tier 2		Total		Tier 1		Tier 2		Total	
		N	\$	N	\$	N	\$	N	\$	N	\$	N	\$
1	Arts & Humanities	3	510,000	1	90,000	4	600,000	3	510,000	1	90,000	4	600,000
2	Business	2	340,000	1	90,000	3	430,000	2	340,000	0	0	2	340,000
3	Education												
4	Engineering	3	510,000	3	270,000	6	780,000	3	510,000	4	360,000	7	870,000
5	Health Sciences	1	170,000	1	90,000	2	260,000	1	170,000	1	90,000	2	260,000
6	Info & Media Studies												
7	Law												
8	Medicine & Dentistry	9	1,530,000	7	630,000	16	2,160,000	8	1,360,000	8	720,000	16	2,080,000
9	Music												
10	Science	5	850,000	11	990,000	16	1,840,000	5	850,000	13	1,170,000	18	2,020,000
11	Social Science	3	510,000	4	360,000	7	870,000	3	510,000	5	450,000	8	960,000
12	Total to Faculties	26	4,420,000	28	2,520,000	54	6,940,000	25	4,250,000	32	2,880,000	57	7,130,000
13	<b>Total CRC Funding</b>		<b>5,200,000</b>		<b>2,800,000</b>		<b>8,000,000</b>		<b>5,000,000</b>		<b>3,200,000</b>		<b>8,200,000</b>

**Table 10**  
**RESEARCH INFRASTRUCTURE SUPPORT FUND (RISF)**  
**2015-16 Allocations**

1	Arts and Humanities	21,000
2	Education	9,000
3	Engineering	94,000
4	Health Sciences	30,000
5	Information & Media Studies	5,000
6	Law	5,000
7	Medicine & Dentistry	330,000
8	Music	5,000
9	Science	161,000
10	Social Science	90,000
11	<b>Total</b>	<b>750,000</b>



**Table 11**  
**2015-16 TUITION FEE PROPOSALS FOR UNDERGRADUATE PROGRAMS**

		Canadian Students			International Students		
		Actual 2014-15 Tuition	2015-16		Actual 2014-15 Tuition	2015-16	
			Proposed Tuition	<a> % Increase		Proposed Tuition	<a> % Increase
1	<b>First-Entry Programs &lt;b&gt;</b>						
2	Year 1	5,975	6,154	3.0%	21,127	22,817	8.0%
3	Year 2	5,975	6,154	3.0%	20,344	21,972	4.0%
4	Year 3	5,975	6,154	3.0%	19,592	21,158	4.0%
5	Year 4	5,947	6,154	3.0%	18,866	20,376	4.0%
6	Engineering						
7	Year 1	11,240	11,802	5.0%	27,112	29,281	8.0%
8	Year 2	11,240	11,802	5.0%	26,108	28,196	4.0%
9	Year 3	11,027	11,802	5.0%	25,140	27,152	4.0%
10	Year 4	10,618	11,468	4.0%	24,209	26,146	4.0%
11	M.T.P.						
12	Year 2	6,251	6,438	3.0%	22,321	23,660	6.0%
13	Year 3	6,251	6,438	3.0%	21,900	22,776	4.0%
14	Year 4	6,251	6,438	3.0%	21,900	22,776	4.0%
15	M.O.S.						
16	Year 1	5,975	6,154	3.0%	21,909	24,538	12.0%
17	Year 2	5,975	6,154	3.0%	20,344	22,785	4.0%
18	Year 3	5,975	6,154	3.0%	19,592	21,158	4.0%
19	Year 4	5,947	6,154	3.0%	18,866	20,376	4.0%
20	Nursing						
21	Year 1	5,975	6,154	3.0%	27,112	29,281	8.0%
22	Year 2	5,975	6,154	3.0%	26,108	28,196	4.0%
23	Year 3	5,975	6,154	3.0%	25,140	27,152	4.0%
24	Year 4	5,947	6,154	3.0%	24,209	26,146	4.0%
25	<b>Second-Entry Programs</b>						
26	Business (HBA)						
27	Year 1	23,948	24,905	4.0%	31,122	35,906	15.4%
28	Year 2	23,948	24,905	4.0%	31,122	35,906	15.4%
29	Dentistry						
30	Year 1	32,308	33,923	5.0%	60,337	65,164	8.0%
31	Year 2	32,308	33,923	5.0%	58,103	62,750	4.0%
32	Year 3	31,696	33,923	5.0%	55,951	60,427	4.0%
33	Year 4	30,521	32,963	4.0%	53,879	58,189	4.0%
34	Education (B.Ed.)	7,180	7,395	3.0%	23,313	24,246	4.0%
35	Law						
36	Year 1	18,421	19,342	5.0%	27,112	29,281	8.0%
37	Year 2	18,421	19,342	5.0%	26,108	28,196	4.0%
38	Year 3	18,072	19,342	5.0%	25,140	27,152	4.0%
39	Medicine (M.D.)						
40	Year 1	22,788	23,927	5.0%	n.a.	n.a.	n.a.
41	Year 2	22,788	23,927	5.0%	n.a.	n.a.	n.a.
42	Year 3	22,355	23,927	5.0%	n.a.	n.a.	n.a.
43	Year 4	21,528	23,249	4.0%	n.a.	n.a.	n.a.

<a> The proposed 2015-16 rates are effective May 1, 2015.

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.

<b> Includes Arts & Humanities, BMedSc program, Health Sciences, Kinesiology, MIT program, MTP year 1, Music, Science, Social Science (excl. M.O.S.).

**Table 12**  
**2015-16 TUITION FEE PROPOSALS FOR GRADUATE PROGRAMS**

		Canadian Students			International Students		
		Actual 2014-15 Tuition	2015-16		Actual 2014-15 Tuition	2015-16	
			Proposed Tuition	<a> % Increase		Proposed Tuition	<a> % Increase
1	<b>Masters Category 1</b>						
2	Arts & Humanities	6,740	6,827	1.3%	16,612	17,276	4.0%
3	Engineering (M.E.Sc.)	6,740	6,827	1.3%	16,612	17,276	4.0%
4	Health & Rehabilitation Sciences	6,740	6,827	1.3%	16,612	17,276	4.0%
5	Health Information Sciences	9,181	9,300	1.3%	23,443	24,381	4.0%
6	Interdisciplinary Programs <b>	6,740	6,827	1.3%	16,612	17,276	4.0%
7	Kinesiology	6,740	6,827	1.3%	16,612	17,276	4.0%
8	Law/Studies in Law <c>	10,973	11,521	5.0%	25,970	26,749	3.0%
9	Media Studies	6,740	6,827	1.3%	16,612	17,276	4.0%
10	Medicine (Basic Health Sciences)	6,740	6,827	1.3%	16,612	17,276	4.0%
11	Music	6,740	6,827	1.3%	16,612	17,276	4.0%
12	Nursing (M.Sc.)	8,094	8,199	1.3%	23,443	24,381	4.0%
13	Science	6,740	6,827	1.3%	16,612	17,276	4.0%
14	Social Science	6,740	6,827	1.3%	16,612	17,276	4.0%
15	<b>Masters Category 2</b>						
16	C.S.D./O.T./P.T. (MPT) <c>	10,325	10,841	5.0%	24,352	25,813	6.0%
17	Dentistry (Orthodontics) <c>	25,024	26,275	5.0%	57,002	60,422	6.0%
18	Education (M.Ed) <c>	9,944	10,441	5.0%	24,352	25,813	6.0%
19	Education (MPE, GDPE)	9,944	10,441	5.0%	24,352	25,813	6.0%
20	Engineering (M.Eng.) <c>	9,944	10,441	5.0%	24,352	25,813	6.0%
21	Environment & Sustainability	11,136	11,692	5.0%	24,352	25,813	6.0%
22	M.M. in Journalism & Communication	---	13,000	---	---	25,813	---
23	Library & Information Science <c>	9,944	10,441	5.0%	24,352	25,813	6.0%
24	Medicine (Family Medicine) <c>	13,095	13,749	5.0%	24,352	25,813	6.0%
25	Medicine (Pathology Assistant) <c>	22,050	23,152	5.0%	33,708	35,730	6.0%
26	Medicine (Public Health)	28,350	29,767	5.0%	44,520	47,191	6.0%
27	Physical Therapy (M.Cl.Sc.) <c>	9,944	10,441	5.0%	24,352	25,813	6.0%
28	<b>Doctoral</b>						
29	Doctor of Musical Arts	6,740	6,827	1.3%	16,612	17,276	4.0%
30	Ph.D/MSc Clinical Med. Biophysics	13,355	13,772	3.1%	25,601	26,804	4.7%
31	Doctor of Education (EdD)	9,232	9,693	5.0%	23,920	25,813	7.9%
32	PhD Programs	6,740	6,827	1.3%	16,612	17,276	4.0%

<a> The proposed 2015-16 rates are effective September 1, 2015.

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

<c> The proposed 2015-16 rates apply to domestic students, who entered in 2013-14 or later;  
for students who entered prior to 2013-14, rates increases by 4%.

**Table 13**  
**SUMMARY OF ENROLMENT FORECAST**

	Actual					Forecast				
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>1 Constituent University</b>										
<b>2 Full-Time Undergraduates</b>										
3 Arts & Humanities	1,260	1,232	1,180	1,147	1,121	1,070	1,049	1,047	1,036	1,034
4 Business (HBA)	935	979	1,065	1,116	1,100	1,130	1,130	1,130	1,130	1,130
5 Dentistry	251	260	266	264	262	263	262	262	264	264
6 Education	732	700	677	597	657	334	668	668	668	668
7 Engineering	1,147	1,262	1,335	1,449	1,546	1,590	1,633	1,669	1,673	1,673
8 Health Sciences										
9 BHSc Program	1,117	1,185	1,160	1,170	1,163	1,088	1,066	1,040	1,004	999
10 Kinesiology	1,204	1,246	1,203	1,169	1,240	1,219	1,229	1,256	1,250	1,250
11 Nursing	797	808	820	825	835	825	825	825	825	825
12 Therapies	0	0	0	0	0	0	0	0	0	0
13 Sub-Total	3,118	3,239	3,183	3,164	3,238	3,132	3,120	3,121	3,079	3,074
14 Law	458	465	476	480	486	485	490	495	495	495
15 Media, Information, & Tech	972	963	919	930	924	947	944	943	941	941
16 Medicine										
17 MD Program	621	646	667	680	683	684	683	684	684	684
18 BMedSci Program	653	688	778	862	892	892	892	892	892	892
19 Music	535	527	542	512	457	410	380	363	358	357
20 Science	4,020	4,222	4,334	4,482	4,606	4,691	4,720	4,697	4,624	4,613
21 Social Science	6,433	6,618	6,648	6,674	6,601	6,592	6,605	6,650	6,666	6,670
22 <b>Total Full-Time Undergraduates</b>	<b>21,135</b>	<b>21,801</b>	<b>22,070</b>	<b>22,357</b>	<b>22,573</b>	<b>22,220</b>	<b>22,576</b>	<b>22,621</b>	<b>22,510</b>	<b>22,495</b>
23 Concurrent Programs	121	144	155	173	201	215	215	215	215	215
24 Medical Residents	798	810	829	853	913	950	950	950	950	950
25 <b>Full-Time Graduates</b>										
26 Masters	2,800	2,823	2,756	2,977	3,146	3,403	3,524	3,736	3,825	3,900
27 Ph.D.	1,904	1,947	2,021	2,026	2,075	2,240	2,243	2,274	2,287	2,300
28 <b>Total Full-Time Graduates</b>	<b>4,704</b>	<b>4,770</b>	<b>4,777</b>	<b>5,003</b>	<b>5,221</b>	<b>5,643</b>	<b>5,767</b>	<b>6,010</b>	<b>6,112</b>	<b>6,200</b>
29 <b>Total Full-Time Enrolment</b>	<b>26,758</b>	<b>27,525</b>	<b>27,831</b>	<b>28,386</b>	<b>28,908</b>	<b>29,028</b>	<b>29,508</b>	<b>29,796</b>	<b>29,787</b>	<b>29,860</b>
30 <b>Part-Time FTEs</b>										
31 Undergraduate	2,197	2,243	2,317	2,251	2,123	2,150	2,150	2,150	2,150	2,150
32 Education (AQs)	803	745	673	635	607	600	515	600	600	600
33 Masters	134	140	175	149	99	80	80	80	80	80
34 Ph.D.	21	26	22	27	29	30	30	30	30	30
35 <b>Total Part-Time FTEs</b>	<b>3,155</b>	<b>3,154</b>	<b>3,187</b>	<b>3,062</b>	<b>2,858</b>	<b>2,860</b>	<b>2,775</b>	<b>2,860</b>	<b>2,860</b>	<b>2,860</b>
36 <b>Total Constituent FTEs</b>	<b>29,913</b>	<b>30,679</b>	<b>31,018</b>	<b>31,448</b>	<b>31,766</b>	<b>31,888</b>	<b>32,283</b>	<b>32,656</b>	<b>32,647</b>	<b>32,720</b>
<b>37 Affiliated University Colleges</b>										
38 <b>Full-Time Undergraduates</b>										
39 Brescia	964	1,067	1,121	1,150	1,269	1,312	1,362	1,397	1,459	1,516
40 Huron	1,254	1,272	1,230	1,250	1,144	1,280	1,285	1,290	1,295	1,300
41 King's	3,216	3,286	3,244	3,169	3,063	3,128	3,198	3,284	3,371	3,437
42 <b>Total Full-Time Undergraduates</b>	<b>5,434</b>	<b>5,625</b>	<b>5,595</b>	<b>5,569</b>	<b>5,476</b>	<b>5,720</b>	<b>5,845</b>	<b>5,971</b>	<b>6,125</b>	<b>6,253</b>
43 <b>Part-Time Undergraduate FTEs</b>										
44 Brescia	83	94	94	83	86	80	80	80	80	80
45 Huron	56	70	63	65	65	60	60	60	60	60
46 King's	245	252	239	252	277	254	263	270	276	276
47 <b>Total Part-Time FTEs</b>	<b>384</b>	<b>416</b>	<b>396</b>	<b>400</b>	<b>428</b>	<b>394</b>	<b>403</b>	<b>410</b>	<b>416</b>	<b>416</b>
48 <b>Graduate FTEs</b>										
49 Brescia	30	29	32	32	28	30	30	30	30	30
50 Huron	12	14	10	8	11	18	18	18	18	18
51 King's (still under review)	34	31	33	31	33	33	33	33	33	33
52 <b>Total Graduate FTEs</b>	<b>76</b>	<b>74</b>	<b>75</b>	<b>71</b>	<b>72</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>81</b>	<b>81</b>
53 <b>Total Affiliate FTEs</b>	<b>5,894</b>	<b>6,115</b>	<b>6,066</b>	<b>6,040</b>	<b>5,976</b>	<b>6,195</b>	<b>6,329</b>	<b>6,462</b>	<b>6,622</b>	<b>6,750</b>
54 <b>Total UWO FTEs</b>	<b>35,807</b>	<b>36,794</b>	<b>37,084</b>	<b>37,488</b>	<b>37,742</b>	<b>38,083</b>	<b>38,612</b>	<b>39,118</b>	<b>39,269</b>	<b>39,470</b>

**Table 13**  
**SUMMARY OF ENROLMENT FORECAST**

	Actual					Forecast					
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
<i>Rows 55 to 86 Included above</i>											
55	<b>International Students</b>										
56	Constituent Full-Time										
57	Undergraduates	703	923	1,257	1,611	1,895	2,165	2,300	2,365	2,440	2,440
58	Medical Residents	121	127	108	112	134	140	140	140	140	140
59	Masters (excluding Ivey)	378	452	463	439	495	499	531	558	582	582
60	MBA (Regular), Ivey MSc	27	30	22	43	39	54	64	86	91	91
61	Executive MBA	80	44	22	40	35	64	35	35	35	35
62	Ph.D.	463	510	499	516	547	559	564	570	568	568
63	Affiliates										
64	Undergraduates	524	497	476	497	577	595	647	696	740	784
65	Masters	2	2	4	3	0	1	1	1	1	1
66	<b>Year 1 Only</b>										
67	<b>Constituent</b>										
68	Arts & Humanities	258	272	236	213	267	230	230	230	230	230
69	Engineering	351	416	412	430	511	510	510	510	510	510
70	Health Sciences										
71	BHSc Program	273	314	292	338	347	285	285	285	285	285
72	Kinesiology	330	366	331	315	386	350	350	350	350	350
73	Nursing	133	128	128	132	131	125	125	125	125	125
74	Media, Information, & Tech	361	334	314	332	336	325	325	325	325	325
75	MOS Program	717	846	816	741	857	835	835	835	835	835
76	Music	141	142	144	121	99	95	95	95	95	95
77	Science	1,366	1,388	1,313	1,347	1,474	1,455	1,455	1,455	1,455	1,455
78	Social Science	794	850	837	878	803	830	830	830	830	830
79	<b>Total Year 1 - Constituent</b>	<b>4,724</b>	<b>5,056</b>	<b>4,823</b>	<b>4,847</b>	<b>5,211</b>	<b>5,040</b>	<b>5,040</b>	<b>5,040</b>	<b>5,040</b>	<b>5,040</b>
80	<b>Affiliated University Colleges</b>										
81	Brescia	260	292	284	309	315	338	349	360	374	388
82	Huron	404	381	367	388	274	405	405	405	405	405
83	King's	916	878	821	848	740	820	840	860	880	880
84	<b>Total Year 1 - Affiliates</b>	<b>1,580</b>	<b>1,551</b>	<b>1,472</b>	<b>1,545</b>	<b>1,329</b>	<b>1,563</b>	<b>1,594</b>	<b>1,625</b>	<b>1,659</b>	<b>1,673</b>
85	<b>Total UWO Year 1</b>	<b>6,304</b>	<b>6,607</b>	<b>6,295</b>	<b>6,392</b>	<b>6,540</b>	<b>6,603</b>	<b>6,634</b>	<b>6,665</b>	<b>6,699</b>	<b>6,713</b>
86	<b>Masters</b>										
87	All Programs (excluding MBAs)	2,364	2,380	2,420	2,583	2,781	2,999	3,117	3,271	3,340	3,415
88	Ivey (excl EMBA)	188	183	144	181	161	175	207	265	285	285
89	Executive MBA	248	260	192	213	204	229	200	200	200	200

For Information

90	Year 1 Constituent International Students	146	347	476	532	527	600	600	600	600	600
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**Table 14****Western's Long-Range Space Plan**

Note: within each category, the projects are not prioritized

	<b>Project</b>	<b>Type</b>
	<b>CATEGORY 1 -- Underway or Soon-to-Start</b>	
1	<b>New Music Building -- addition to Talbot College</b>	New Construction
2	<b>New Academic Building (To House FIMS and Nursing)</b>	New Construction
3	<b>Secondary IT Data Centre at the AMP</b>	New Construction
4	<b>Delaware Hall Residence Renovations</b>	Modernization
5	<b>Medical Research Facilities (Microbiology &amp; Immunology)</b>	New Construction / Modernization
6	<b>Modernization of University College</b>	Modernization
7	<b>Interdisciplinary Research Building -- Phase 1</b>	New Construction
8	<b>University-wide Infrastructure Projects</b>	New Construction / Modernization
9	<b>Parking-related Projects</b>	Infrastructure
10	<b>Campus Sustainability Initiatives (multiple stages)</b>	Modernization / Infrastructure
	<b>CATEGORY 2 -- Projects under Consideration</b>	
11	<b>Modernization of Thames Hall</b>	Modernization
12	<b>Expansion and Renewal of Engineering Facilities</b>	New Construction / Modernization
13	<b>Expansion of Student Collaboration and Study Spaces</b>	New Construction / Modernization
14	<b>New Research Initiatives/Partnerships at the Research Parks</b>	New Construction
15	<b>Renewal/Replacement/Expansion of Medical/Dental School Facilities</b>	Modernization / New Construction
	<b>CATEGORY 3 -- For Future Consideration -- if Funding Identified</b>	
16	<b>Renewal and/or Realignment of Library Facilities</b>	Modernization
17	<b>Renewal of Talbot College, Elborn College, Chemistry Addition, Althouse Bldg.</b>	Modernization or Replacement
18	<b>Parking Structures</b>	New Construction
19	<b>Residence Projects</b>	New Construction / Modernization
20	<b>Athletic Facilities -- Indoor and Outdoor</b>	New Construction
21	<b>Asset Acquisitions</b>	Acquisition

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## 2015-16 Capital Budget

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### A. The Evolution of Capital Expenditures

The Capital Budget for 2015-16 should be seen in the context of both recent trends in capital spending and the University's proposed Long-Range Space Plan as outlined in Table 14 of the Operating Budget portion of this document. Table 15 sets out expenditures in the Capital Budget since 2011-12 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. Planned capital expenditures for 2015-16 total \$91.5 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 \$14.0 million in 2015-16 (\$13.25 M in 2014-15). These are expenditures directed at modification of existing space and renewal and expansion of the utilities and infrastructure of the University.

In planning future expenditures on Maintenance, Modernization, and Infrastructure, it is useful to review the value of our current fixed assets on campus. At February 14, 2015, our buildings and infrastructure have a current replacement value (CRV) of approximately \$2,283 million, as follows:

	CRV \$M	Square Metres	Major Buildings
Major Non-Residential Buildings	1,593	521,777	68
Utilities and Infrastructure	190		
Subtotal, Eligible for MMI	1,783	521,777	68
Housing	402	257,546	15
Other Ancillary Buildings	98	49,300	8
Total	2,283	828,623	91

At February 14, 2015, the University had 522,000 gross square metres in 68 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 \$190 million in utilities and

infrastructure, are the physical assets generally eligible for MMI expenditures. On that same date, the University had 258,000 square metres of Housing space in eleven major undergraduate residences, four major apartment buildings, and numerous smaller buildings for graduate students in Platt's Lane Estates. Other than Housing, there are many buildings which are operated largely or entirely as ancillaries: Western Student Recreation Centre, Thompson Recreation and Athletic Centre, TD Stadium, Boundary Layer Wind Tunnel, Child Care Centre, the Ivey Spencer Leadership Centre, and facilities at the Research Parks.

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

- 1. New Construction.** This category includes projects which create new buildings, including housing, additions to existing buildings, and other new facilities such as parking 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 – and the projects generally span more than one year. Of the 522,000 square metres in major buildings, over 56% 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 \$500,000 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 \$17.3 million in 2015-16, 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.

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

The last twelve lines of Table 15 are labeled A to M. Line A shows total sources of funding for the capital budget, including debt; 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 17 and 19. Annual changes in the Capital Reserve (line C) are driven by the differences between funding and expenditure (line B). Thus for 2013-14, line B shows a deficit of \$2,838, the difference between funding of \$83,780 (all figures in \$000) and expenditures of \$86,618. The capital reserve in line C decreases by this same amount of \$2,838, reflecting a decrease in the capital reserve.

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 2013-14, MMI expenditures were \$17.3 million, while the estimated replacement value of non-residential buildings, utilities, and infrastructure was \$1.75 billion. The ratio of the two is 1.0%, as shown in line F.

Line G of Table 15 shows the annual transfer from the operating budget to the capital budget for Maintenance, Modernization, and Infrastructure (the MMI transfer). As part of the 1995 Strategic Plan, the Board of Governors approved an incremental annual base transfer of \$750,000 from operating to capital in support of maintenance spending for ten years, from 1996-97 to 2005-06. Since there was an existing transfer of \$500,000 in 1995-96, the annual transfer was \$8.0 million in 2005-06. In 2004, Western's Board of Governors approved the recommendation that the base transfer of \$750,000 be continued for another ten years after 2005-06 until 2015-16, when the annual transfer will be \$15.5 million. This commitment established Western as a leader among Canadian universities in maintaining its facilities and dealing with deferred maintenance. For 2009-10 and 2010-11, given the financial constraints faced by the University at that time, the Board approved the annual transfer be held at \$10.25 million. Since that time the base transfer has resumed. In 2015-16, the base transfer will be increased by \$750,000 to \$14.0 million (2014-15, \$13.25 million) and will reach the intended maximum annual transfer of \$15.5 million in 2017-18.

Line H of Table 15 shows the ratio of the annual MMI transfer to total MMI expenditures; for example, in 2013-14, the transfer was \$12.5 million and MMI expenditures were \$17.3 million, so the ratio in line H is 72.1%. Other sources of funding for MMI expenditures include the annual capital facilities renewal grant from the Province (projected for 2014-15 and 2015-16 at \$1.5 million



and \$2.4 million respectively); special Provincial grants; additional one-time allocations from the University's operating budget; additional one-time allocations from the Province; fundraising; and borrowing.

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

The value of line J in 2013-14 is \$9.8 million, or (in line K) 0.6% 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.

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

The projects listed in Table 16 are the result of an update to the Long-Range Space Plan outlined in Table 14 of the Operating Budget portion of this document. These projects include new construction that will create 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. With new building construction on campus continuing, Western is utilizing scarce developable land in the core campus. We anticipate bringing forward parking related projects in the near future as some parking lots may be required to house new buildings. University-wide Infrastructure Projects are also included on Table 16. These projects cover upgrades to Western's central power plant, chiller facilities and major electrical upgrades, and are typically comprised of multiple projects completed over a number of years.

## **B. Sources of Funding and Capital Expenditures in 2015-16**

Table 17 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2014-15, divided into six major categories: federal, provincial and municipal government grants; funds transferred from Western's operating budget; interest earned; general fundraising; borrowing; and other sources, including internal recoveries. As compared to a decade ago, the University is more dependent on capital revenues from private fundraising, transfers from the operating budget, and debt.

Table 18 shows expenditures in Categories 1 and 2, for 2014-15 (estimates as of January 31, 2015) and 2015-16 (current proposals).

**Table 15**  
**CAPITAL BUDGET SUMMARY, 2011-12 TO 2015-16**  
**(\$000)**

Category	Purpose	Actual 2011-12	Actual 2012-13	Actual 2013-14	Projected 2014-15	Budget 2015-16
	<b>New Construction</b>					
1	New Construction (Table 18, line 13)	56,062	108,508	55,619	26,246	34,640
	<b>Maintenance, Modernization, and Infrastructure (MMI)</b>					
2	Major Building Renovations (Table 18, line 20)	15,284	5,565	3,506	4,494	10,360
3	Utilities and Infrastructure Projects	4,819	4,760	3,737	11,975	8,302
4	Modernization of Instructional and Research Facilities	4,089	5,805	5,266	7,357	5,194
5	General Maintenance and Modernization Projects	7,288	4,826	4,819	6,397	8,144
	Sub-Total MMI	31,480	20,956	17,328	30,223	32,000
	<b>Other</b>					
6	Housing Renovations	6,039	5,860	7,073	17,087	17,318
7	Ancillary Projects	459	1,099	1,503	739	654
8	Carrying Costs and Debt Repayments	3,704	3,541	5,077	5,792	5,529
9	Other Capital Expenditures	64	48	18	1,089	1,400
	Sub-Total Other	10,266	10,548	13,671	24,707	24,901
10	<b>Total Expenditures</b>	<b>97,808</b>	<b>140,012</b>	<b>86,618</b>	<b>81,176</b>	<b>91,541</b>

Line		Actual 2011-12	Actual 2012-13	Actual 2013-14	Projected 2014-15	Budget 2015-16
	<b>Sources of Funding, Reserves, and Debt</b>					
A	Total Sources of Funding, Including Debt (Table 17)	91,242	146,646	83,780	107,188	78,071
B	Sources of Funding less Expenditures	-6,566	6,634	-2,838	26,012	-13,470
C	Capital Reserve, Year End (Table 19)	24,257	30,891	28,053	54,065	40,595
D	Capital Debt Outstanding, Year End (Table 19)	215,406	314,148	306,703	298,883	291,258
E	Replacement Value of Nonresidential Buildings, Utilities & Infrastructure, \$M	1,596	1,608	1,750	1,783	1,807
F	MMI Expenditures/Replacement Value	2.0%	1.3%	1.0%	1.7%	1.8%
G	Annual MMI transfer from Operating to Capital Budget	11,000	11,750	12,500	13,250	14,000
H	MMI transfer/MMI Expenditures	34.9%	56.1%	72.1%	43.8%	43.8%
J	Estimate of Maintenance Expenditure	19,624	12,036	9,797	17,696	19,602
K	Maintenance Expenditure/Replacement Value	1.2%	0.7%	0.6%	1.0%	1.1%
L	Number of Major Buildings	84	86	91	91	91
M	Total Gross Square Meters (000's)	777	784	829	829	836

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

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

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

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

**Table 16**  
**MAJOR CAPITAL PROJECTS**

		<b>Category</b>	<b>Start</b>	<b>End</b>
1	<b><i>Projects Underway or Soon-to-Start</i></b>			
2	New Music Building - addition to Talbot College	<b>1</b>	Mar 12	Apr 15
3	New Academic Building (to House FIMS and Nursing)	<b>1</b>	Jan 14	Dec 16
4	Secondary IT Data Centre at the AMP	<b>1</b>	May 14	Jul 15
5	Delaware Hall Residence Renovations	<b>7</b>	May 14	Jul 15
6	Medical Research Facilities (Microbiology & Immunology)	<b>2</b>	Dec 14	Dec 16
7	Modernization of University College	<b>2</b>	Jan 15	Sep 18
8	Interdisciplinary Research Building - Phase 1	<b>1</b>	Nov 15	Jan 18
9	University-wide Infrastructure Projects	<b>3</b>	May 14	Apr 15
10	Parking-related Projects	<b>1&amp;3</b>	May 14	tbd
11	Campus Sustainability Initiatives (multiple stages)	<b>3&amp;5</b>	Ongoing	
12	<b><i>Projects Under Consideration</i></b>			
13	Modernization of Thames Hall	<b>2</b>	tbd	tbd
14	Expansion and Renewal of Engineering Facilities	<b>1&amp;2</b>	tbd	tbd
15	Expansion of Student Collaboration and Study Spaces	<b>1&amp;2</b>	tbd	tbd
16	New Research Initiatives/Partnerships at the Research Parks	<b>1</b>	tbd	tbd
17	Renewal/Replacement/Expansion of Medical/Dental School Facilities	<b>1&amp;2</b>	tbd	tbd
18	<b><i>Projects for Future Consideration</i></b>			
19	Renewal and/or Realignment of Library Facilities	<b>2</b>	tbd	tbd
20	Renewal of Talbot College, Elborn College, Chemistry Addition, Althouse Bldg.	<b>2</b>	tbd	tbd
21	Parking Structures	<b>1</b>	tbd	tbd
22	Residence Projects	<b>1&amp;7</b>	tbd	tbd
23	Athletic Facilities - Indoor and Outdoor	<b>1</b>	tbd	tbd
24	Asset Acquisitions	<b>9</b>	tbd	tbd

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

		<b>Projected 2014-15</b>	<b>Budget 2015-16</b>
1	<b>Government Grants</b>		
2	MTCU Targeted Capital Grant - New Academic Building (to house FIMS and Nursing)	2,000	13,400
3	MTCU Graduate Expansion Capital Grant	3,885	3,846
4	MTCU Annual Capital Grant (Facilities Renewal Program)	1,522	2,424
5	<b>Sub-Total</b>	<b>7,407</b>	<b>19,670</b>
6	<b>Operating Budget</b>		
7	Operating Budget MMI Transfer - Base	13,250	14,000
8	Operating Budget MMI Transfer - Base (Ancillaries)	600	600
9	Operating Budget - FFICR	3,000	3,000
10	Operating Budget - One-Time Allocation	2,006	1,500
11	Operating Budget - CRC Transfer	848	856
12	Operating Budget - Interdisciplinary Research Building (Phase I)	30,000	0
13	IT Infrastructure Funding - Secondary IT Data Centre at the AMP	740	2,236
14	Science Operating Budget - Chemistry Synthetic Lab Renewal	110	1,640
15	Medicine Operating Budget - Medical Research Facilities (Microbiology & Immunology)	7,494	806
16	Music Operating Budget - New Music Building (addition to Talbot College)	250	250
17	Law Operating Budget - Law Library Renovations	927	0
18	Miscellaneous Faculty/Department Budgets	562	314
19	<b>Sub-Total</b>	<b>59,787</b>	<b>25,202</b>
20	<b>Interest Earned</b>	<b>138</b>	<b>62</b>
21	<b>Fundraising</b>		
22	Ivey Building	2,450	2,400
23	Western Fund	350	350
24	The Claudette MacKay-Lassonde Pavilion (Green Building)	314	290
25	<b>Sub-Total</b>	<b>3,114</b>	<b>3,040</b>

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

		<b>Projected 2014-15</b>	<b>Budget 2015-16</b>
26	<b><i>Borrowing</i></b>		
27	Long-Range Space Plan	7,040	7,763
28	Ontario Hall - Undergraduate Residence	1,650	0
29	<b><i>Sub-Total</i></b>	<b>8,690</b>	<b>7,763</b>
30	<b><i>Other</i></b>		
31	Housing Contribution - Delaware Hall Residence Renovations	10,900	7,333
32	Housing Contribution - Platt's Lane Site Development	946	0
33	Parking Contribution - Parking Related Projects	1,360	2,425
34	Student Contributions - Western Student Recreation Centre	1,176	1,213
35	Student Contributions - Artificial Turf Sports Fields	156	159
36	Energy Conservation Incentives (Rebates)	90	50
37	TRAC Contribution - TRAC Structural Cables Replacement and Roof Repairs	2,545	25
38	Ivey School of Business - Toronto Facilities Expansion/Renovations	297	0
39	Projects Funded by Housing	6,187	9,985
40	Projects Funded by Units	3,656	490
41	Projects Funded by Ancillaries	739	654
42	<b><i>Sub-Total</i></b>	<b>28,052</b>	<b>22,334</b>
43	<b>Total Sources of Funding</b>	<b>107,188</b>	<b>78,071</b>

**Table 18**  
**CAPITAL EXPENDITURES FOR NEW CONSTRUCTION AND MAJOR BUILDING RENOVATIONS**  
**2014-15 and 2015-16**  
**(\$000)**

		<b>Projected 2014-15</b>	<b>Budget 2015-16</b>
1	<b><i>Category 1: New Construction</i></b>		
2	New Academic Building (to house FIMS and Nursing)	5,218	23,710
3	New Music Building - addition to Talbot College	13,459	3,069
4	Interdisciplinary Research Building - Phase I	200	3,000
5	Parking-related Projects	3,076	2,425
6	Secondary IT Data Centre at the AMP	741	2,236
7	New Ivey Building	1,176	200
8	Ontario Hall - Undergraduate Residence	1,650	0
9	The Collider Centre for Technology Commercialization	203	0
10	Western Centre for Public Health and Family Medicine	199	0
11	The Wind Engineering, Energy, and Environment Facility (WindEEE) - at the AMP	164	0
12	Artificial Turf Sports Fields	160	0
13	<b><i>Total, Category 1</i></b>	<b><i>26,246</i></b>	<b><i>34,640</i></b>
14	<b><i>Category 2: Major Building Renovations</i></b>		
15	Medical Research Facilities (Microbiology & Immunology)	565	7,735
16	Modernization of University College	679	2,300
17	Upgrades to IGAB and A&HB	407	300
18	TRAC Structural Cables Replacement and Roof Repairs	2,546	25
19	Ivey Toronto Facilities Expansion/Renovations	297	0
20	<b><i>Total, Category 2</i></b>	<b><i>4,494</i></b>	<b><i>10,360</i></b>

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

		Actual 2011-12	Actual 2012-13	Actual 2013-14	Projected 2014-15	Budget 2015-16
1	<b>A. Capital Reserves</b>					
2	General Capital Fund	12,633	13,359	17,118	12,132	9,883
3	Designated Capital Fund	9,998	15,898	9,293	40,283	29,050
4	Gibbons Property	1,626	1,634	1,642	1,650	1,662
5	<b>Total Capital Reserves</b>	<b>24,257</b>	<b>30,891</b>	<b>28,053</b>	<b>54,065</b>	<b>40,595</b>

		Actual 2011-12	Actual 2012-13	Actual 2013-14	Projected 2014-15	Budget 2015-16
6	<b>B. Capital Debt</b>					
7	New Construction, Major Renovations & Other	91,500	126,377	123,519	100,408	111,821
8	Housing	90,342	139,671	152,066	144,575	132,337
9	Research Park	31,752	31,100	30,318	29,400	28,700
10	Richard Ivey School of Business Foundation	1,800	1,300	800	300	0
11	Unused and Invested Debenture Proceeds	12	15,700	0	24,200	18,400
12	<b>Total Capital Debt</b>	<b>215,406</b>	<b>314,148</b>	<b>306,703</b>	<b>298,883</b>	<b>291,258</b>

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

*Line 3 includes fund balances for large capital projects*

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## Long-Term Financial Trends

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The Operating and Capital Budgets set out in this document describe, in Tables 2 and 15, proposed spending of some \$784 million for the single year of 2015-16. 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 February of 2015. Part of the credit rating evaluation focused on a number of long-term obligations that the University manages on an ongoing basis, including the three which we review below.

### A. Capital Reserves and Debt

Table 19 displays Capital Reserves and Debt for April 30 fiscal year-ends. Capital Reserves are divided into three categories:

- The General Capital Fund, not yet designated for specific purposes and funds designated for future infrastructure projects
- Designated Capital Fund, which has been assigned to specific capital 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:

- **New Construction, Major Renovations, Infrastructure, and Other** – represents debt on projects that are largely new construction, additions to existing buildings, other new facilities, non-residential projects that involve major maintenance and renovations to existing space. It also includes debt on purchases of property and parking related projects.
- **Housing** – debt required for new construction, maintenance, and modernization projects for University residences and apartment buildings.
- **Research Park** – debt incurred by the Research Park.
- **Richard Ivey School of Business Foundation** – debt held by Richard Ivey School of Business Foundation.



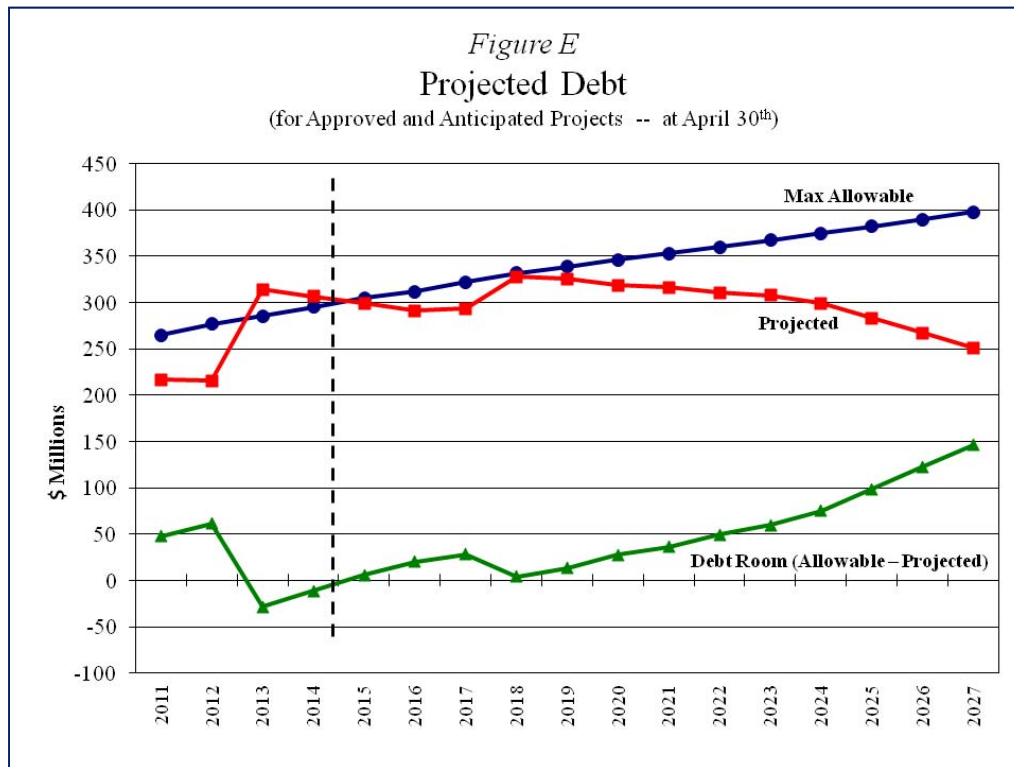
- **Unused and Invested Debenture Proceeds** – unused proceeds from Western’s first debenture issue that have been committed, and invested until the specific capital project requires the funding.

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, and again in 2013 when the University entered into a \$100 million long-term facility to finance the new 1,000 bed residence and other capital projects.

	Actual		Forecast	
	2013	2014	2015	2016
Total Debt (in millions)	\$314	\$307	\$299	\$291
FTE Enrolment	31,018	31,448	31,814	31,888
Allowable debt per FTE	\$9,209	\$9,393	\$9,581	\$9,772
Actual debt per FTE	\$10,125	\$9,752	\$9,394	\$9,137
Debt room per FTE	(\$916)	(\$359)	\$187	\$635

In 2015, the maximum allowed debt per FTE under Western’s Capital Debt Policy is \$9,581 and the forecast is \$9,394. To accommodate the additional debt that was issued in fiscal 2013, the University has received Board approval to exceed the limits set out in the Capital Debt Policy (if required) by up to \$45 million for the fiscal period 2013 and 2014.

Figure E shows total debt as well as three measures of debt per FTE since 2012: 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 E shows that projected debt grows beyond the maximum allowable debt from 2013 to 2014 to support the funding of the new student residence (as discussed previously). In 2015, total debt once again reduces to within Board Policy.



	Debt (\$M)	Combined Revenue (\$M)	FTE Enrolment	Revenue per FTE	Debt / Revenue (%)
2011	217.0	995.0	29,913	\$33,263	21.8%
2012	215.4	1,017.4	30,679	\$33,163	21.2%
2013	314.1	1,081.3	31,018	\$34,860	32.2%
2014	306.7	1,159.3	31,448	\$36,864	26.5%
2015 p	298.9	1,105.0	31,867	\$34,675	27.0%

## 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, 2014, the University's accrued benefit liability relating to the employee future benefit plans was \$386 million (2013 - \$362 million).

Cost containment of active and post-retirement benefits has been a focus in recent negotiations. For staff, Western 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 2014 Audited Combined Statement of Operations is an annual expense in the amount \$23.2 million (2013 - \$22.6 million) for non-pension employee future benefits.

A recent review of major research universities identified only five institutions with significant post-employment benefit obligations greater than \$200 million, ranging from \$287 million to \$514 million and an unweighted average of \$364 million. Western ranked 2nd in total liability for Employee Future Benefits. The ratio of obligations to total revenues ranged from 19.0% to 41.4% with an unweighted average of 31.9%.

**Employee Future Benefits (EFB)**  
**Obligation and Expense as a % of Total Expenditures: 2010 to 2014**

	Obligation (\$M)	Expense (\$M)	Total University Expenses (\$M)	EFB Obligation as % of Total	EFB Expense as % of Total
2010	\$248.10	\$18.30	\$915	27.1%	2.0%
2011	\$287.40	\$23.30	\$952	30.1%	2.4%
2012	\$339.90	\$19.60	\$975	34.9%	2.0%
2013	\$362.60	\$22.60	\$1,009	35.9%	2.2%
2014	\$385.80	\$23.20	\$1,067	36.2%	2.2%

**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 Facilities Management Division estimates that (as of February 14, 2015) deferred maintenance at Western is \$209 million for non-residential buildings and \$34 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 February 14, 2015 is as follows:

	Non-Residential Buildings	Combined Residences
Current Replacement Value (CRV)	\$1,783 million	\$ 402 million
Deferred Maintenance (DM)	\$209 million	\$34 million
DM/CRV	11.7%	8.5%

The average age of buildings for universities in the Province of Ontario was 41.6 years as of May 2014. Western's average age is 38 years. Over 56% 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 11.7% (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 \$1.8 billion, spending on major maintenance for campus buildings at 2% should be in the range of \$36 million annually.

As part of the 1995 Strategic Plan, the Board of Governors approved an incremental annual base transfer of \$750,000 from operating capital in support of maintenance spending for ten years, from 1996-97 to 2005-06. In 2004, Western's Board of Governors approved the recommendation that the base transfer of \$750,000 be continued for another ten years after 2005-06, until 2015-16, when the

annual transfer will be \$15.5 million. However, for 2009-10 and 2010-11, the annual transfer was maintained at \$10.25 million. For 2015-16, the base transfer will be increased by \$750,000 to \$14.0 million (2014-15, \$13.25 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 15 show, the ratio of the MMI transfer to the current replacement value (CRV) of our nonresidential buildings, utilities, and infrastructure has been below 1% in recent years.

	Actual 2011-12	Actual 2012-13	Actual 2013-14	Projected 2014-15	Budget 2015-16
MMI	\$ 11.00 m	\$ 11.75 m	\$ 12.50 m	\$ 13.25 m	\$ 14.0 m
CRV	\$ 1,596 m	\$ 1,608 m	\$ 1,750 m	\$ 1,783 m	\$ 1,807 m
Ratio	0.69%	0.73%	0.71%	0.74%	0.77%

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 15 presents an estimate of maintenance spending from all sources, with maintenance defined as spending required to bring aging facilities up to their condition when originally built. During the five years, 2006-07 through 2010-11, the ratio was about 2%, so that the level of deferred maintenance was stabilized. The University reached the 2% ratio with one-time funds from the provincial and federal governments, and by borrowing. The actual ratio in 2013-14, and the estimated ratios through 2015-16 have fallen short of the 2% target.

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 0.08% of the current replacement value in 2014-15.