The UNIVERSITY of WESTERN ONTARIO

MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

APRIL 18, 2012

The meeting was held at 1:30 p.m. in Room 4155, Stevenson Hall.

PRESENT: Mr.S. Coxford, Chair
Ms. I. Birrell, Secretary

Mr. J. Adams
Mr. J. Bitove
Dr. A. Chakma
Dr. R. Darnell (☎)
Mr. M. Dietrich
Mr. K. Goldthorp
Mr. H. Hassan
Mr. P. Jenkins
Mr. J. Knowles
Ms. G. Kulczycki
Mr. M. Lafortune
Mr. C. Lassonde
Mr. D. Lemieux
Ms. J. Moss (☎)
Mr. C. Shah
Dr. S. Singh
Ms. J. Vanderheyden
Dr. J. White
Mr. M. Wilson
Mr. K. Zerebecki

(☎) = participated via teleconference

By Invitation: R. Campbell, R. Chelladurai, R. Langille, L. Logan, J. O'Brien, A. Weedon

BG.12-19 **REPORT OF THE PRESIDENT**

The President's report consisted of the following: Provincial and Federal budgets; leadership recruitment; internationalization; IBM cloud computing partnership; Western's United Way donation and activities of the President between January 22, 2012 and April 13, 2012. Details are found in his report distributed with the agenda.

BG.12-20 **UNANIMOUS CONSENT AGENDA** [Appendix I]

It was moved by J. White, seconded by C. Shah,

> That the 23 items listed in Appendix 1 be approved and/or received for information by the Board of Governors by unanimous consent.
>
> CARRIED

BG.12-20a Agreement with Access Copyright

Dr. Weedon reported that the Association of Universities and Colleges (AUCC) and Access Copyright announced Monday that they had completed negotiations on a model licence allowing universities to reproduce copyright-protected materials in both print and digital formats.

Institutions will pay Access Copyright a royalty of $26 per full-time equivalent student annually. Western, the University of Toronto and Access Copyright reached a separate deal in January. Under that agreement which starts next month, the copyright fee for each full-time student would be $27.50. However, the agreement states that in the event a more favourable rate was achieved with any other party, Western would be given the more favourable rate. Consequently as a result of the recent agreement Western's full-time students will pay an annual copyright fee of $23.50 (net of the amount of the fee to be absorbed by the University).

BG.12-20b Masters in Financial Economics (MFE) Degree

Mr. Jenkins applauded Western for establishing the Masters in Financial Economics (MFE) degree, noting that this degree combines two key skill sets and meets demand in both the private and public sectors.

BG.12-21 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting of January 26, 2012 were approved as circulated.

REPORT OF THE PROPERTY & FINANCE COMMITTEE [Appendix II]

BG.12-22 **Operating and Capital Budgets and Tuition Fees**

It was moved by P. Jenkins, seconded by K. Zerebecki,

> That the Board of Governors approve the 2012-13 University Operating and Capital Budgets (Appendix II, Annex 1), and the proposed Program Specific Fees and Other Supplemental Fees for 2012-13.

Ms. G. Kulczycki, Vice-President (Resources and Operations), presented the 2012-13 University Operating and Capital Budgets, the second year of the four-year budget cycle, detailed in Appendix II, Annex 1. Her presentation highlighted the planning and budgetary context, operating revenues for the next four years, new initiatives and priorities, operating revenues, and expenditures, including recommendations for faculties, and support units, university-wide expenditures, one-time expenditures, operating reserve forecast and an overview of the 2012-13 capital budget. Overhead slides used in the presentation are attached as **Appendix 1.**

Revenues for 2012-13 are projected to be $630.2 million with $636.4 million in expenditures. The operating reserve will be at $44.1 million at the end of 2011-12 and $37.9 million at the end of 2012-13. The operating reserve is projected to be $4.6 million at the end of the four-year budget cycle, 2014-15, which is above the Board of Governors' requirement of $2.5 million.

Discussion included the following points/concerns:

- Responding to a question about the contingency hold-back fund found on line 12, table 4a, Faculties: Revenue Sharing Allocations, R. Chelladurai responded that this hold-back allows for fluctuations in teaching responsibilities across the faculties in later years of the plan.

- M. Dietrich asked how sensitive the international student population is to increases in tuition fees. Dr. Chakma stated that experience shows that at the undergraduate level the tuition fee is not a determining factor, but the competition for international graduate students is highly aggressive and at that level fees have an impact.

- Commenting on Western's debt load, Ms. Kulczycki said that Western's debt policy is very conservative. Currently the high debt load includes the costs associated with building the

new residence; however, these are costs that will be recouped by Housing. Western's recent credit rating from Standard and Poors is AA which is better than the Province of Ontario's. Mr. Shah noted that the Property & Finance Committee monitors the debt levels on a regular basis.

The question was called and CARRIED

BG.12-23 **Student Fee-Funded Units, Ancillaries and Academic Support Units**

It was moved by C. Shah, seconded by S. Singh,

That the Board of Governors approve the 2012-13 budgets for Student Fee Funded Units, Ancillaries, and Academic Support Units summarized in the report entitled "Student Fee Funded Units, Ancillaries, Academic Support Units, and Associated Companies".

CARRIED

BG.12-24 **Student Organization Fees 2012-13**

The Tables referenced in the motion below are in the report entitled "Student Fee Funded Units, Ancillaries, Academic Support Units, and Associated Companies" (Appendix II, Annex 3).

It was moved by C. Shah, seconded by J. Vanderheyden,

That the organization fees for the University Students' Council for 2012-13 shown in Table 2 (full-time undergraduates) and Table 3 (part-time undergraduates) be approved, as requested by the USC.

That the organization fees for the Society of Graduate Students shown in Table 2 (full-time graduate students – three terms) and Table 3 (part-time graduate students), be approved as requested by SOGS.

That the organization fee for the Honors Business Administration Association for 2012-13 shown in Table 2, note (c) be approved, as requested by the HBAA.

That the organization fee for the Master of Business Administration Association for 2012-13 shown in Table 2, note (b) be approved, as requested by the MBAA.

CARRIED

BG.12-25 **Annual Report and Recommendations of the Student Services Committee**

It was moved by C. Shah, seconded by J. Knowles,

That the ancillary fees collected by the University be those detailed in Appendix II, Annex 4, Table 1, as recommended by the Student Services Committee.

CARRIED

BG.12-26 **Faculty of Engineering – Undergraduate Student Laboratory Endowment Fund**

It was moved by C. Shah, seconded by K. Zerebecki,

That the Undergraduate Student Laboratory Endowment Fund fee in the Faculty of Engineering, detailed in Appendix II, Annex 5, be approved.

CARRIED

BG.12-27 **Affiliation Fee Agreement**

It was moved by C. Shah, seconded by J. White,

> That the Affiliation Fee Agreement Between The University of Western Ontario and the Affiliated University Colleges, dated February 13, 2012, detailed in Appendix II, Annex 6, be approved.
>
> CARRIED

BG.12-28 **Information Items Reported by the Property & Finance Committee**

The Report of the Property & Finance Committee, detailed in Appendix II, contained the following items that were received for information by unanimous consent:

- Tennis Bubble Lease Extension
- Investment Committee Membership
- Agreement with Access Copyright
- Standard & Poors (S&P) Credit Rating Update
- Dun & Bradstreet Rating Service (DBRS) Commentary on University Pension Benefits
- Annual Report on Trademark Licensees doing Business with the Western Bookstore
- Suncor Chair in Energy Policy
- Investment Committee Report
- Quarterly Operating Budget Report
- New and Revised Scholarships and Awards

REPORT OF THE AUDIT COMMITTEE [Appendix III]

BG.12-29 **Information Items Reported by the Audit Committee**

The Report of the Audit Committee, detailed in Appendix III, contained the following items that were received for information by unanimous consent:

- Campus Community Police Annual Report 2011
- Health, Safety & Wellness Annual Report 2011

REPORT OF THE FUND RAISING AND DONOR RELATIONS COMMITTEE [APPENDIX IV]

BG.12-30 **Information Item Reported by the Fund Raising and Donor Relations Committee**

The Report of the Fund Raising and Donor Relations Committee, detailed in Appendix IV, contained the following item that was received for information by unanimous consent:

- Quarterly Report on Fund Raising

REPORT OF THE SENIOR OPERATIONS COMMITTEE [Appendix V]

BG.12-31 **Information Item Reported by the Senior Operations Committee**

The Report of the Senior Operations Committee, detailed in Appendix V, contained the following item that was received for information by unanimous consent:

- Vice-Chair, Property & Finance Committee

ITEMS REFERRED BY SENATE [Appendix VI]

BG.12-32 **Establishment of a Master of Financial Economics Degree**

It was moved by J. White, seconded by C. Shah,

> That, pending Quality Council approval, the Master of Financial Economics (MFE) degree be introduced in the School of Graduate and Postdoctoral Studies, as shown in Appendix VI, Annex 1, effective September 1, 2013.
>
> CARRIED (By Unanimous Consent)

BG.12-33 **Information Items Referred by Senate**

Appendix VI, Items Referred by Senate, contained the following items that were received for information by unanimous consent:

- 2012-13 University Operating and Capital Budgets
- Spring 2012 Honorary Degree Recipients
- Fall 2012 Entrance Standards for Undergraduate First-Year Admissions
- Five-Year Enrolment Projections
- Vice-Provost's Report on Faculty Recruitment and Retention
- Excellence in Teaching Award Winners 2011-12
- Reports of the Academic Colleague

QUESTIONS FROM MEMBERS

BG.12-34 **Dissemination of Correspondence to the Board**

Mr. Adams asked for clarification regarding the procedure for distributing correspondence to Board members, noting the SOGS letter regarding Access Copyright contained in the Property & Finance Committee Report. The Secretary noted that the Board's practice has been to have such documentation provided at the meeting at which the item is being addressed. The Chair agreed to review this with the Secretary to determine whether a different practice should be adopted.

The meeting adjourned to the confidential session.

_____
S Coxford
Chair

_____
I. Birrell
Secretary

Western University

2012-13 Operating and Capital Budgets

Board of Governors
April 18, 2012

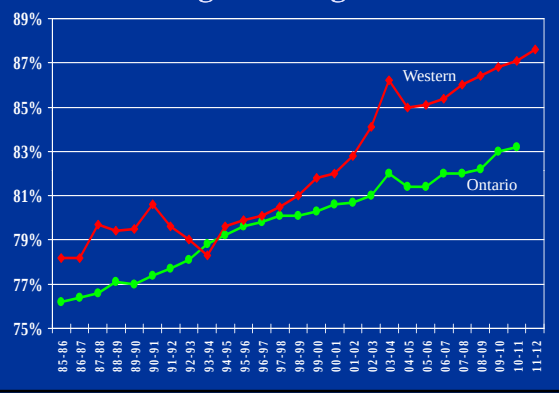
Recommendations

- That the Board of Governors approve the 2012-13 University Operating and Capital Budgets and the proposed Program Specific Fees and Other Supplemental Fees for 2012-13.
- And...approve the 2012-13 budgets for Student Fee Funded Units, Ancillaries, and Academic Support Units...

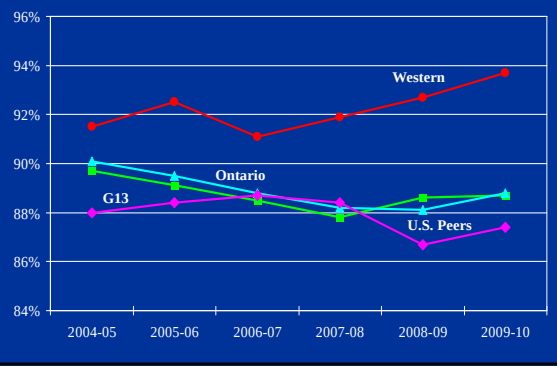
Context/Background

- Year 2 of 4-Year Plan
- Strategic Plan guides our priorities
- *Reaching Higher* and *Putting Students First* – and associated investments – have ended
- Provincial Budget – March 27, 2012
  - Province facing significant debt
  - Post Secondary Education did better than other sectors
  - Some uncertainties about grant funding from 2013-14
  - Tuition framework extended only to 2012-13

Average Entering Grade

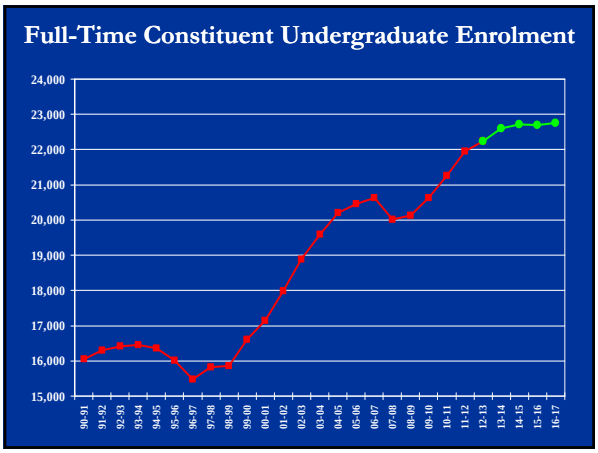


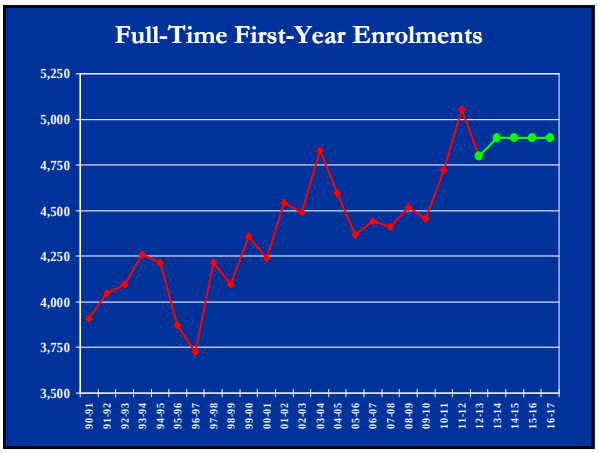
Year 1 to Year 2 Retention Rates 2004-05 to 2009-10 Entering Cohorts

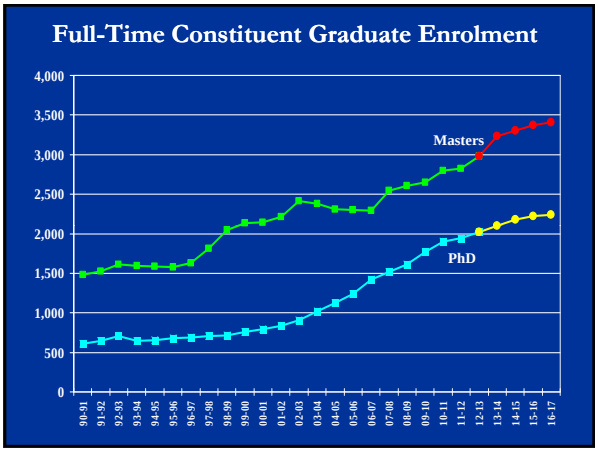


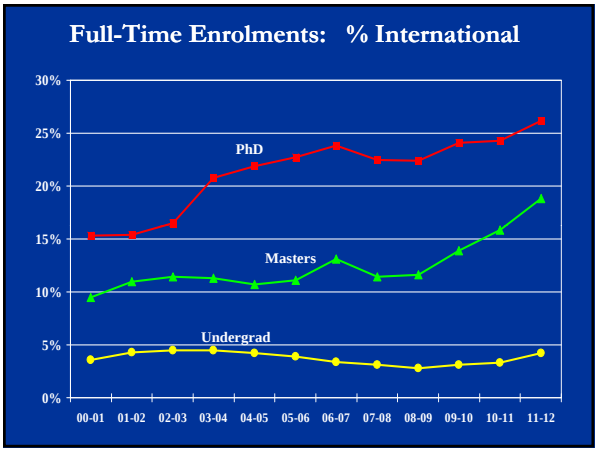
Operating Revenues for Remaining 3 Years

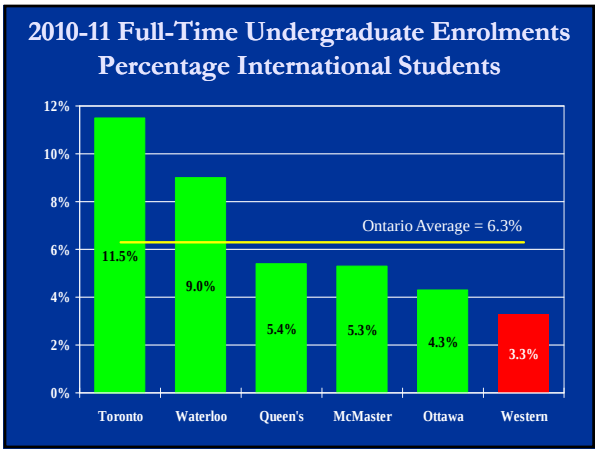
- Modest Enrolment Growth is Key to Additional Revenues
  - About 1,500 additional students – roughly 50/50 undergrad/grad
  - Undergraduate growth is International Students
- Government Grants
  - Province has confirmed enrolment growth funding
- Tuition Fees
  - Domestic Tuition – framework continues in 2012-13
  - International Tuition Increases planned

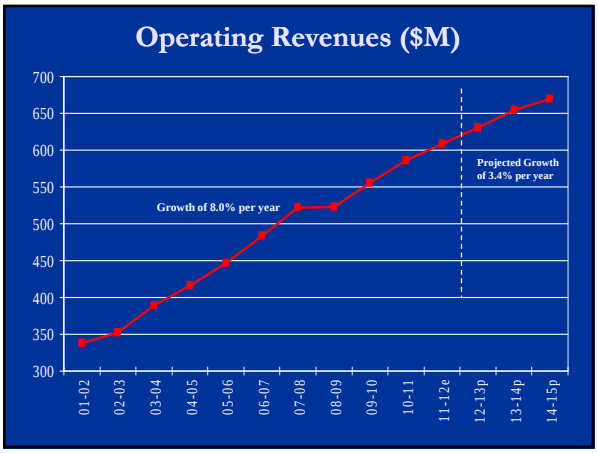

Full-Time Constituent Undergraduate Enrolment
24,000
23,000
22,000
21,000
20,000
19,000
18,000
17,000
16,000
15,000
90-91 91-92 92-93 93-94 94-95 95-96 96-97 97-98 98-99 99-00 00-01 01-02 02-03 03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12 12-13 13-14 14-15 15-16 16-17


Full-Time First-Year Enrolments
5,250
5,000
4,750
4,500
4,250
4,000
3,750
3,500
90-91 91-92 92-93 93-34 94-95 95-96 96-97 97-98 98-99 99-00 00-01 01-02 02-03 03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12 12-13 13-14 14-15 15-16 16-17


Full-Time Constituent Graduate Enrolment
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Masters
PhD
90-91 91-92 92-93 93-94 94-95 95-96 96-97 97-98 98-99 99-00 00-01 01-02 02-03 03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12 12-13 13-14 14-15 15-16 16-17


Full-Time Enrolments: % International
30%
25%
20%
15%
10%
5%
0%
PhD
Masters
Undergrad
00-01 01-02 02-03 03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12

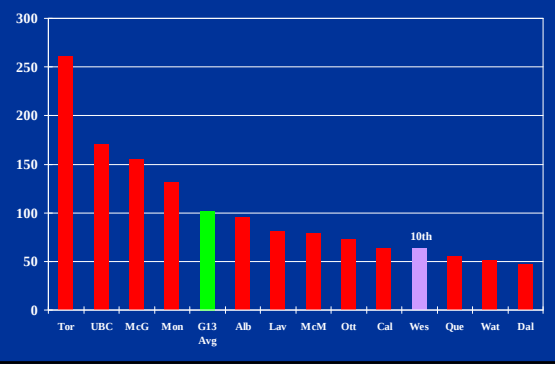

2010-11 Full-Time Undergraduate Enrolments
Percentage International Students
12%
10%
8%
6%
4%
2%
0%
Ontario Average = 6.3%
11.5%
9.0%
5.4%
5.3%
4.3%
3.3%
Toronto
Waterloo
Queen's
McMaster
Ottawa
Western


Operating Revenues ($M)
700
650
600
550
500
450
400
350
300
Growth of 8.0% per year
Projected Growth of 3.4% per year
01-02 02-03 03-04 04-05 05-06 06-07 07-08 08-09 09-10 10-11 11-12e 12-13p 13-14p 14-15p

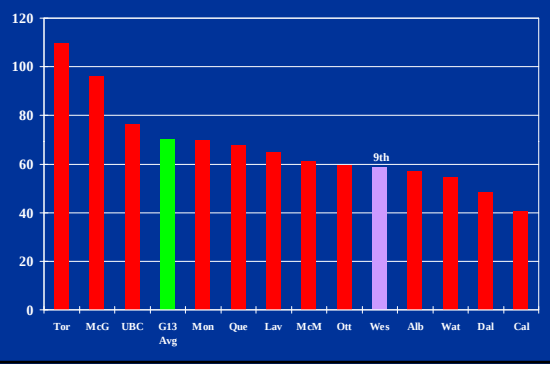
New Initiatives and Priorities

- **Enhancing our Research/Scholarship Profile**
  - Highest Priority operationalized through:
    - Establish New or Strengthen Existing Research Clusters
    - Attract and Retain Internationally-recognized Scholars
    - Plan and Design International Visits, Exchanges, and Conferences
    - Aggressively pursue/support Canada Excellence Research Chairs, Canadian Foundation for Innovation Initiatives, and Federal Granting Council Proposals
  - Recommending $2.6M Base and $30M One-time Funding – to be used over next 7 Years

G13 Universities Total Granting Council Funding ($M) (Grants, Career Awards, and Scholarships)



G13 Universities: 2009-10 Total Granting Council Funding per Eligible Researcher ($000)



New Initiatives and Priorities

- **Graduate Expansion**
  - Continues to be of High Priority
  - Our Enrolment Strategy includes commitment to maintain overall proportion of Graduate Students
  - Nearly 22% of Graduate Students are International
  - Government's Focus is on Domestic Students
  - In order to support expansion of Domestic Graduate Enrolments, the Doctoral Supervision Grant is being re-instated – for remaining 3 years of 4-year plan
    - $2,000 per new domestic Ph.D student
    - Estimated Annual Budget of $1M

New Initiatives and Priorities

- **Support for our Fundraising Campaign**
  - Campaign Goal set at $750M
  - Focus is on Endowed Chairs, Student Financial Aid, Support for Major Research Initiatives
  - Recommending allocation of $856K Base and $1.35M One-time Funding

Summary of the 2012-13 Operating Budget (Table 2)

- Revenue Forecast = $630.2M
  - Increase of 3.6% over 2011-12
- Expenditures = $636.4M
  - Increase of 6.6% over 2011-12
- In-Year Deficit = $6.2M
  - Due to $30M One-time Allocation for "Enhancing our Research and Scholarship Profile"
- Operating Reserve Forecast = $37.9M
  - To be used (i.e. spent down) as part of 4-year plan

2012-13 Operating Revenues

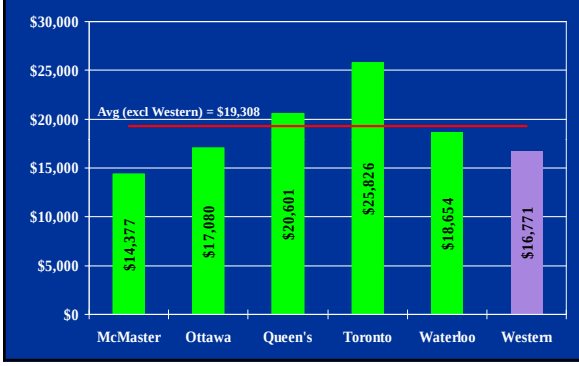
2012-13 Operating Revenues
(Table 3)

- Government Grants
  - In total, remain unchanged from previous year
- Tuition Fees
  - Current framework for domestic students continues in 2012-13
  - International tuition increases as indicated in last year's budget – will move us closer to the levels at sister institutions
  - Additional $19.2M
- All Other Revenues
  - Additional $2.8M – over a number of revenue lines

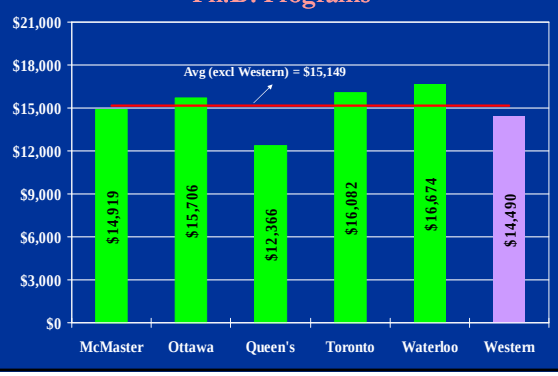
Tuition Recommendations for 2012-13
(Tables 11 to 13)

- Domestic Tuition Increases
  - Based on provincial framework
  - First-entry undergraduate: 4.5% / 4.0%
  - Second-entry undergraduate: 8.0% / 4.0%
  - HBA: 3.0% / 3.0%
  - Graduate Programs: 4.0% to 8.0%
- International Tuition Increases
  - Undergraduate (excl. HBA): 8.0% / 4.0%
  - HBA: 3.0% / 3.0%
  - Graduate (excl. MBA, Law): 6.0%
  - MBA : 0.0%
  - Law: 8.0%

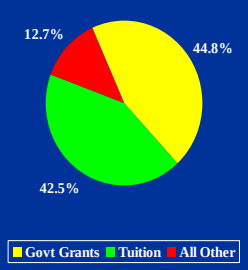
2011-12 International Tuition
Undergraduate Arts



2011-12 International Tuition
Ph.D. Programs



Projected 2012-13 Operating Revenues
(Total = $630.2M)

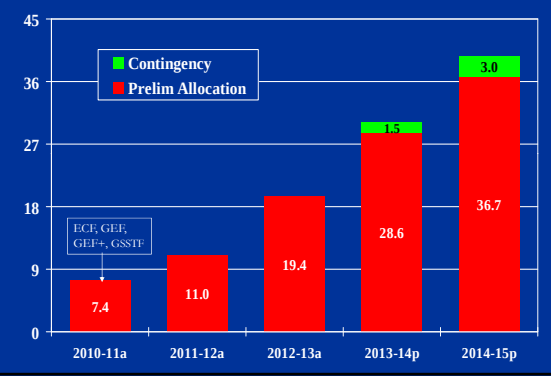


2012-13 Operating Expenditures

Recommendations for the Faculties
(Table 4)

- Initial Budget Adjustment (IBA)
- Faculty Turnover Recovery – if applicable
- Academic Priorities Fund (APF) Allocations
- Targeted Medical Program Expansion Funding
- Ivey School's Funding Model continues
- Canada Research Chair (CRC) Allocations
- Revenue-sharing Mechanism for Faculties
- Faculties also receive One-time resources through the Academic Priorities Fund
- Overall increase of $6.4M

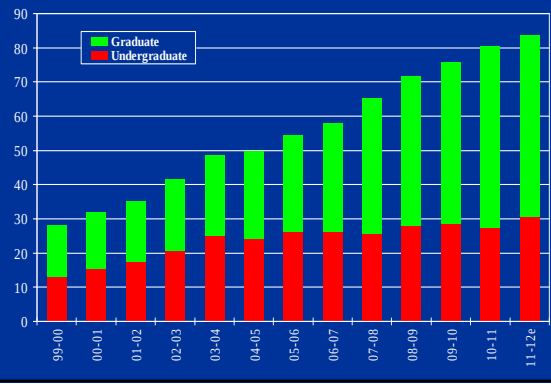
New Revenue-Sharing Mechanism Preliminary Forecast ($M)



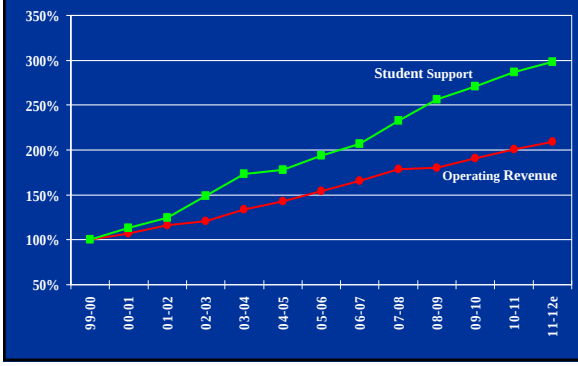
Scholarships and Bursaries
(Table 5)

- Undergraduate scholarship increase by $147K – due to projected increases in student quality
- Government-required tuition set-aside for needs-based student aid increases by $664K
- Central commitment of $400K for graduate student bursaries continues in 2012-13
- Government phasing-out "Aim for the Top" Program
- Faculties now responsible for graduate student support – $52.7M projected for 2012-13

Western: Student Support ($M)



Western: Operating Revenue and Student Support
Indexed to 1999-00



Recommendations for Support Units
(Table 6)

- Initial Budget Adjustment (IBA)
- Support Unit Priorities Fund (SUPF) Allocations
- Base Allocations to "Maintain Core Services"
- Operating Costs of New Facilities
  - To Facilities Management and Police
- Additional Funding to support our Fundraising Campaign
- Overall Base Increase of $1M
- Support Units also receive $1.3M in One-time Funds from the Support Unit Priorities Fund

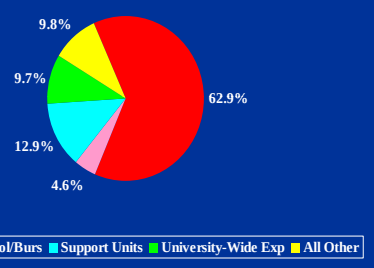
University-wide Expenditures
(Table 7)

- Major Items in 2012-13
  - Utilities $17.8M
  - Library Acquisitions $13.6M
  - Maintenance & Modernization of Infrastructure (MMI) Transfer $11.8M
  - IT Infrastructure Fund $ 7.4M
  - Federal Funding for Indirect Costs of Research (FFICR) Transfer to Capital $ 3.0M
- Total of nearly $62M

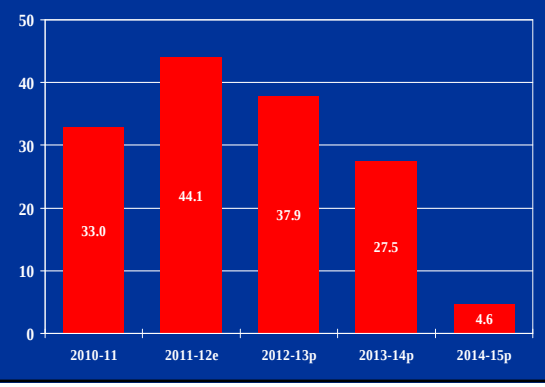
One-Time Expenditures
(Table 8)

- Major Items in 2012-13
  - Research/Scholarship Priorities $30.0M
  - Doctoral Supervision Grant $ 1.0M
  - Flow-through of Robarts Revenues $ 5.5M
  - Targetted Medical Pgm Expansion $ 3.7M
  - Faculty Recruitment Initiatives $ 0.7M
- Total of over $48M

2012-13 Operating Expenditures (Total = $636.4M)



Operating Reserve Forecast ($M)



The Capital Budget

Overview of 2012-13 Capital Budget

- Total Spending of $146.0M (Table 16)
- $93.5M for New Construction (Table 19)
  - New Undergraduate Residence ($43.1M)
  - New Ivey Building ($23.4M)
  - WindEEE ($10.1M)
  - Medical Education Building ($8.7M)
  - B&G Courtyard ($3.2M)
  - AMP Support Building ($2.7M)
  - ICRC ($2.3M)

Overview of 2012-13 Capital Budget

- $18.4M for Major Renovations (Table 19)
  - Talbot College – including expansion ($8.7M)
  - Conversion of Thames Hall Pool ($3.0M)
  - Final Stages of Physics & Astronomy Project ($2.5M)
- $34.2 for All Other Expenditures
  - Utilities and Infrastructure ($8.4M)
  - Modernization of Academic Facilities ($4.7M)
  - General Maintenance & Modernization ($7.1M)
  - Housing Renovations ($7.9M)
  - All Other ($6.1M)

Overview of 2012-13 Capital Budget

- Supports Long-Range Space Plan (Table 15)
- Next Set of Projects
  - Delaware Hall Renovations
  - Renewal of University College
  - Interdisciplinary Advanced Studies Building
  - Renewal of Schulich School Facilities
  - Renewal of TH, SEB, HSA, Elborn
  - Expansion of Schulich School Facilities
- Western's Downtown Campus
  - Proposal going to City in the coming weeks

Questions??