



**MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS**

**April 23, 2015**

The meeting was held at 1:00 p.m. in Room 4155 Stevenson Hall.

PRESENT: Mr. C. Shah, Chair  
Ms. I. Birrell, Secretary

Mr. J. Adams  
Dr. S. Armstrong  
Dr. C. Beynon  
Mr. J. Bitove \*  
Ms. C. Burghardt-Jesson  
Dr. J. Capone  
Dr. A. Chakma  
Ms. K. Cole  
Dr. R. Darnell  
Dr. J. Deakin  
Mr. J. English  
Ms. L. Gainey  
Mr. H. Hassan

Mr. P. Jenkins  
Mr. J. Knowles  
Mr. R. Konrad  
Ms. G. Kulczycki  
Mr. C. Lassonde \*  
Mr. M. Lerner \*  
Mr. T. Sutherland  
Dr. B. Timmey  
Dr. J. Toswell  
Mr. M. Wilson

\* = participated via teleconference

By Invitation: M. Belanger, R. Campbell, R. Chelladurai, H. Connell, S. Fazilat, L. Logan,  
J. O'Brien

BG.15-28 **REPORT OF THE PRESIDENT**

The President's Report, distributed with the agenda, included the following topics: government update, decanal review and selection update, 2015 Killam Prize winner, Professor David Bentley, and the President's activities since the January 29, 2015 Board meeting.

BG.15-29 **UNANIMOUS CONSENT AGENDA** [Appendix I]

It was moved by T. Sutherland, seconded by R. Konrad

That the 20 items listed in Appendix I, Unanimous Consent Agenda, be approved or received for information by the Board of Governors by unanimous consent.

CARRIED

BG.15-30 **Minutes from the Previous Meeting**

The open session minutes from the meeting of January 29, 2015, were approved as circulated.

**REPORT OF THE PROPERTY & FINANCE COMMITTEE** [Appendix II]

BG.15-31

**2015-16 University Operating and Capital Budget**

It was moved by P. Jenkins, seconded by L. Gainey,

That the Board of Governors approve the 2015-16 University Operating and Capital Budgets and the proposed Program Specific Fees and Other Supplemental Fees for 2015-16, detailed in Appendix II, Annex 1.

P. Jenkins noted that the budget as presented was a balanced budget. In its review, the Property & Finance Committee had discussed risks associated with revenues and contingencies for those risks and had reviewed the consonance of expenditures with priorities in the strategic plan. The Committee had also discussed the reserve for the budget which would stand at \$34 million for the coming fiscal year against a requirement of \$2.5 million per annum, although it would be spent down over the four-year budget cycle. The Committee is considering whether \$2.5 million continues to be the right number for a reserve; this issue will be reviewed over the course of the coming year.

Dr. J. Deakin provided a comprehensive overview of the budget documents, using slides attached hereto as [Appendix 1](#), highlighting the following:

- There will be no year-end spending by the provincial government this year as they have missed their targets and have pulled back all residual dollars in ministry budgets.
- The impact of known cuts in government funding is \$14.4 million, including changes to fee collection processes
- The allocations to faculties are per “weighted teaching unit.” Funds have not been removed from the teaching mandate: \$320 million is being flowed to the faculties collectively, up from \$278 million last year.
- Western’s student/faculty ratio is lower than that of Ontario peer, U15 institutions, although there is variability across faculties and departments.
- The budget maps onto the four pillars of the strategic plan.
- The operating reserve is high, but the intention is that it will be spent down over the four-year cycle. At the beginning of a four-year plan there is always more uncertainty than in later years and having this kind of reserve at the outset of the cycle is helpful.
- Western does not have the physical infrastructure to increase enrolment growth by much more without having an impact on the quality of the student experience.

With respect to the tables outlining expenditures, she noted the following:

- Table 4 shows allocations to faculties; within that table, column “d” shows allocations from the Academic Priorities Fund which will offset teaching pressures in some faculties. Overall, 64.3 percent of the operating budget goes to the faculties.
- Table 4a outlines the revenue sharing allocations across faculties. These are enrolment

driven.

- Table 5 details increased allocations to scholarships.
- Table 6 provides the allocations to support units, totaling \$91.2 million in base.
- Table 7 covers university-wide expenditures such as utilities, libraries, convocation, etc.
- Table 8 lists one-time allocations of \$30.1 million.

In answer to a question about approval authorities for capital projects where funds are transferred from operating, it was noted that the level of authority required depended on the project cost.

A member asked about the impact of a change in tuition assessment with respect to the definition of full-time. Dr. Deakin explained that a move from defining full-time as 80 percent course load to 100 percent course load will mean a \$5 million hit to the base. In addition, the move fails to recognize that there are many student support costs that are the same regardless of course load.

Asked whether other institutions are approaching similar budgetary issues in different ways, Dr. Deakin explained that Western is in a different situation than many others in part because they have significant pension liabilities to meet. Others are also facing enrolment pressures that are not being experienced here. With respect to different budgetary models, some institutions are using program prioritization processes to deal with reduced revenues; others are using revenue attribution models, letting each unit live on the resources it generates.

A member expressed concern about the projections for some faculties with respect to revenue sharing. It was noted that in the case of FIMS, this would be mitigated as some new programs come on line. There does continue to be an issue in the Faculty of Arts and Humanities over the projected period.

The vote was taken on the motion. The motion was carried.

BG.15-32

**Student Fee-Funded Units, Ancillaries and Academic Supports**

It was moved by P. Jenkins, seconded by M. Wilson,

That the Board of Governors approve the 2015-16 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" detailed in Appendix II, Annex 3.

CARRIED

BG.15-33

**Student Organization Fee Proposals for 2015-16**

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 P. Jenkins, seconded by J. Adams,

That the organization fees for the University Students' Council for 2015-16 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, with the proviso that by the March 2016 meeting of the Property and Finance Committee, SOGS provide a long-range sustainable plan to eliminate its structural deficit.

That the organization fees for the Honors Business Administration Association for 2015-16 shown in Table 2, note (b) be approved, as requested by the HBAA.

That the organization fees for the Master of Business Administration Association for 2015-16 shown in Table 2, note (c) be approved, as requested by the MBAA.

CARRIED

BG.15-34 **Annual Report and Recommendations of the Student Services Committee**

It was moved by P. Jenkins, seconded by R. Darnell,

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

CARRIED

BG.15-35 **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:

- Quarterly Financial Report (Operating Budgets)
- Investment Committee Report
- Revenues, Expenditures and Tuition – by Faculty
- Revisions to Investment Committee Terms of Reference
- New Scholarships

**REPORT OF THE SENIOR OPERATIONS COMMITTEE** [Appendix III]

BG.15-36 **Deletion of Personnel Policies – Robarts Clinical Trials Staff**

It was moved by T. Sutherland, seconded by R. Konrad,

That the Board of Governors approve that MAPP Policies 9.1 through 9.17 be repealed, effective March 1, 2015.

CARRIED (By Unanimous Consent)

**REPORT OF THE AUDIT COMMITTEE** [Appendix IV]

BG.15-37 **Information Item Reported by the Audit Committee**

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

- Annual Report 2014 – Campus Community Police Service

**REPORT OF THE FUND RAISING AND DONOR RELATIONS COMMITTEE** [Appendix V]

BG.15-38 **Update on Fund Raising and Donor Relations Committee**

L. Gainey noted that she had just taken on the role of chair for the committee. Members of the committee were very engaged and committed to the long-range success of Western. At the May meeting the committee would be focussing on understanding its role, analyzing strengths and weaknesses of processes, and doing a skills and diversity assessment in anticipation of filling some vacancies. She would continue to update the Board going forward; it was important that the Board have a clear line of sight on campaign progress and the activities of the committee.

BG. 15-39 **Quarterly Report on Fund Raising**

K. Cole, Vice-President (External) noted that there are multiple metrics used to produce the report, most of which are on target for the year. A number of projects have been delayed because of varying circumstances, but she anticipated receipt of one more gift that would put us beyond the \$65 million targeted for the year. A key concern for her and staff in External is building a pipeline overall that will be sustainable in years to come.

BG.15-40 **Information Item Reported by the Fund Raising and Donor Relations Committee**

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

- Western Fund Allocation

**ITEMS REFERRED BY SENATE** [Appendix VI]

BG.15-41 **Articulation Agreement for Admission from the Fanshawe College Business-Accounting Diploma Program into Year 3 of the Management and Organizational Studies (Specialization in Accounting) Program or Year 3 of the Management and Organizational Studies (Specialization in Finance and Administration) Program at King's University College**

It was moved by T. Sutherland, seconded by R. Konrad

That the Articulation Agreement, outlined in Appendix VI, Annex 1, regarding transfer credit for graduates of the Fanshawe College Business-Accounting Diploma program for admission into Year 3 of the Management and Organizational Studies (Specialization in Accounting) program or the (Specialization in Finance and Administration) program at King's University College, be approved effective April 1, 2015, as recommended by Senate.

CARRIED (By Unanimous Consent)

BG.15-42 **Bone and Joint Institute (BJI)**

It was moved by T. Sutherland, seconded by R. Konrad

That the Bone and Joint Institute be established at Western for a five-year term effective May 1, 2015, as recommended by Senate.

CARRIED (By Unanimous Consent)

BG.15-43 **Report on Motions of Non-Confidence**

The President noted that the report of the discussion of motions of non-confidence had been circulated with the agenda and he would not, therefore, review in detail the arguments that were made for and against the motions of non-confidence. In his view, the important thing that came out of the discussions at Senate was a genuine desire on the part of a number of those critical of him and the administration to move forward, look at the issues, define them, and find solutions. He did not underestimate the difficult challenges that lay ahead, but he was optimistic given the tone of those discussions that had already begun and the commitment of those with whom he had met to date.

BG.15-44 **Information Items Referred by Senate**

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

- 2015-16 University Operating and Capital Budgets
- 2015 Entrance Standards for Undergraduate First-Year Admissions
- Five-Year Enrolment Projections
- Report on Year One Class and Entering Averages
- Report on Faculty Recruitment and Retention
- Report of the Working Group on Information Security (WGIS) – 2014 Annual Report
- Report of the Academic Colleague
- Report of the Honorary Degrees Committee
- Teaching Award Recipients – 2014-15

*The meeting adjourned to the confidential session*

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C. Shah  
Chair

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I. Birrell  
Secretary

# 2015-16 Operating and Capital Budgets

Board of Governors  
April 23, 2015

## External Context

- **Provincial Deficit and Debt** continue at very high levels
- **Grant Funding being reduced in “Small Pieces”**
  - Policy Levers, ISR recoveries, B.Ed. Changes, Cuts in Student Aid Envelopes
- **Tuition Increases capped at 3% -- up to 2016-17**
  - 10% of incremental revenue has to be used for Student Aid
- **Other Tuition-related Issues**
  - Program Tuition Threshold Changes
  - Other Tuition/Fee Collection Related Changes
- **Future Uncertainties**
  - Funding Formula Review
  - Future Tuition Framework
  - Ontario Pension Plan
  - Provincial Budgets: 2015 and 2016

**Estimated Impact of the “Cuts in Small Pieces” (\$M)**  
 (Constituent University Only)

	Base Reduction: 2016-17 over 2011-12
<b>Policy Levers</b>	<b>4.4</b>
<b>International Student Related Recoveries</b>	<b>2.3</b>
<b>B.Ed. Program Funding Reduction</b>	<b>1.8</b>
<b>Reductions to Student Aid Programs</b>	<b>3.9</b>
<b>Total</b>	<b>12.4</b>

**Estimated Impact of Other Tuition-related  
 Proposals (\$M)**  
 (Constituent University Only)

	Base Revenue Loss
<b>Flat Fee Threshold Change</b>	<b>1.0</b>
<b>Fee Collection Related Changes</b>	<b>1.2</b>
<b>Total</b>	<b>2.2</b>

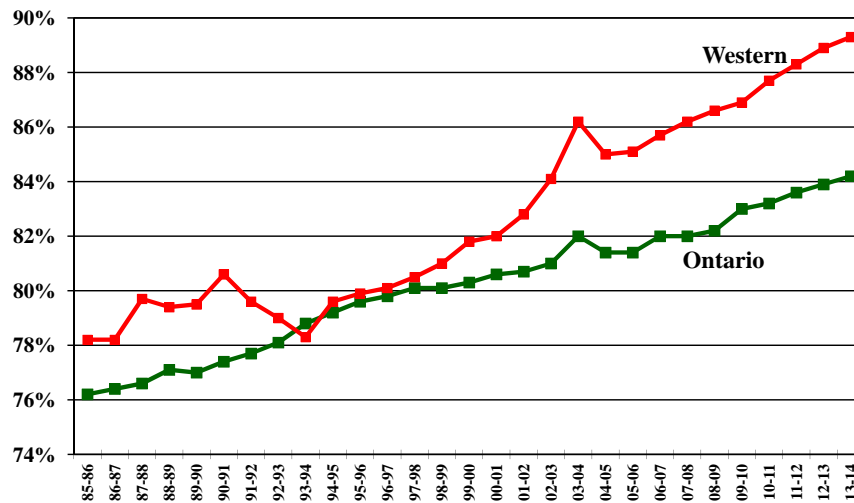
**Total Revenue Reduction \$14.6M**



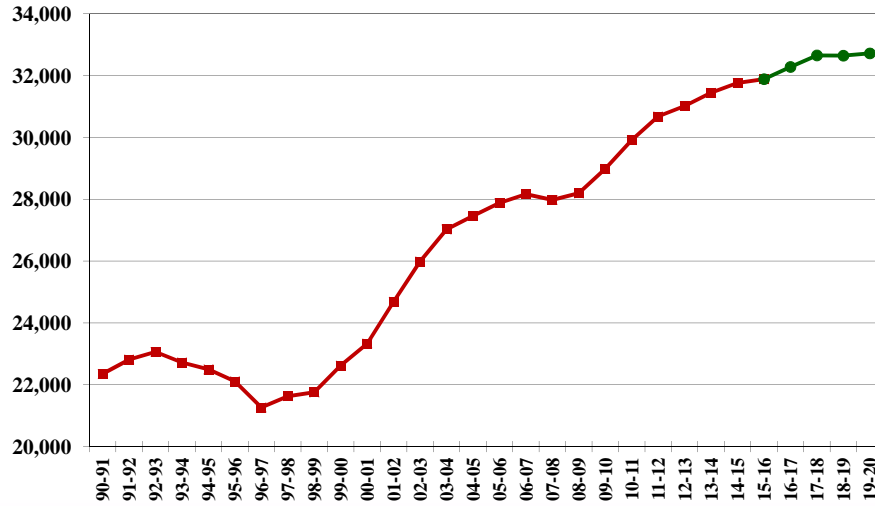
## Western's Planning Parameters

- Moving to New 4-Year Plan
- Enrolments
  - Undergraduate: First-Year Class of 5000 to 5100
    - With goal of 600 International
  - Graduate: as per Faculty Plans
- Revenue Sharing Continues (contingent on enrolments)
- Recommendations Guided by Strategic Plan
- Tuition Rates
  - Domestic Rates at Max of 3% Overall
  - Undergrad Int'l: still moving towards Ontario-U6 levels

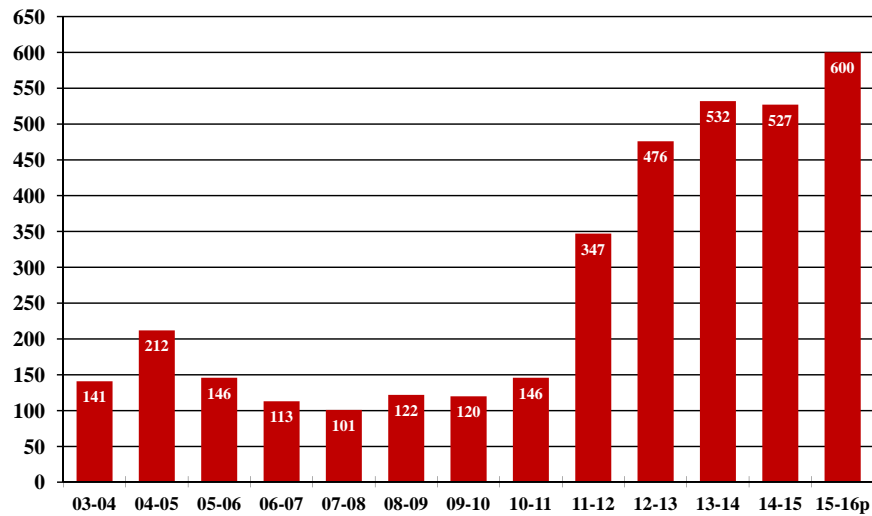
### Average Entering Grade of Full-Time First-Year Students from Ontario High Schools



### Western: Total Constituent FTE Enrolment (Full-Time plus Part-time FTEs)



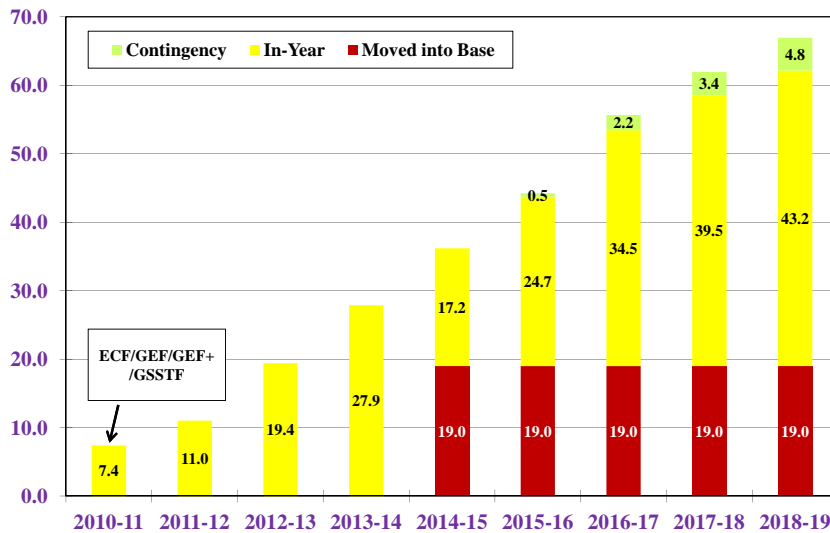
### Full-Time Year 1 Undergraduate International Enrolment at Western



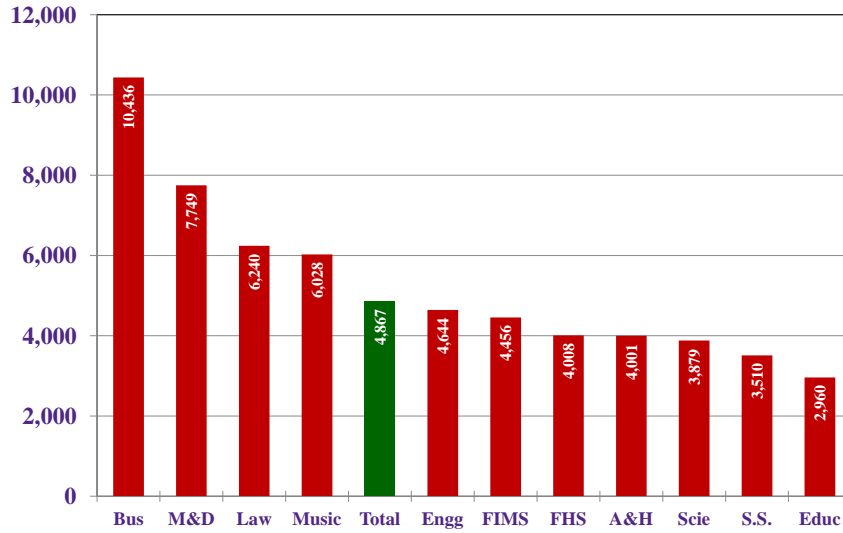
## Context for Provost's Recommendations for the Faculties

- Recommendations based on Consideration of:
  - Overall Enrolments / Teaching
  - Graduate Expansion and New Graduate Programs
  - Revenue Sharing Allocations
  - Relative Position of Faculty Budgets
  - Cost Structure Variations
  - Faculty Complement
  - Other Revenue Streams
  - Research-related Initiatives

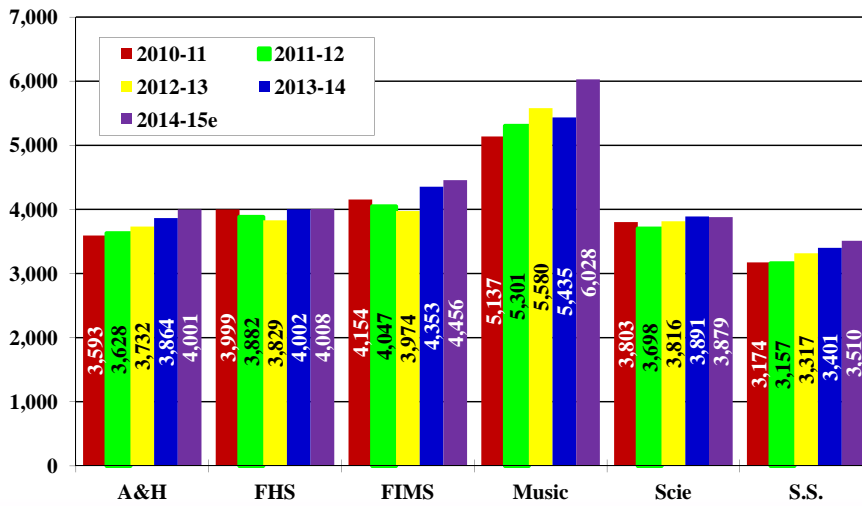
## Projected Revenue Sharing Allocations (\$M)

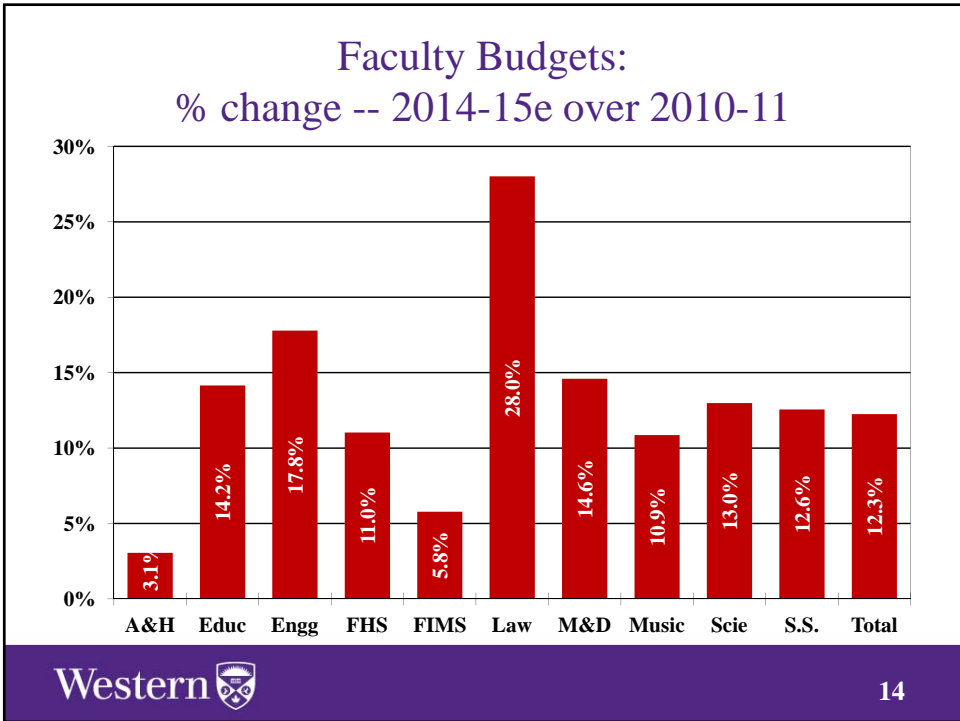
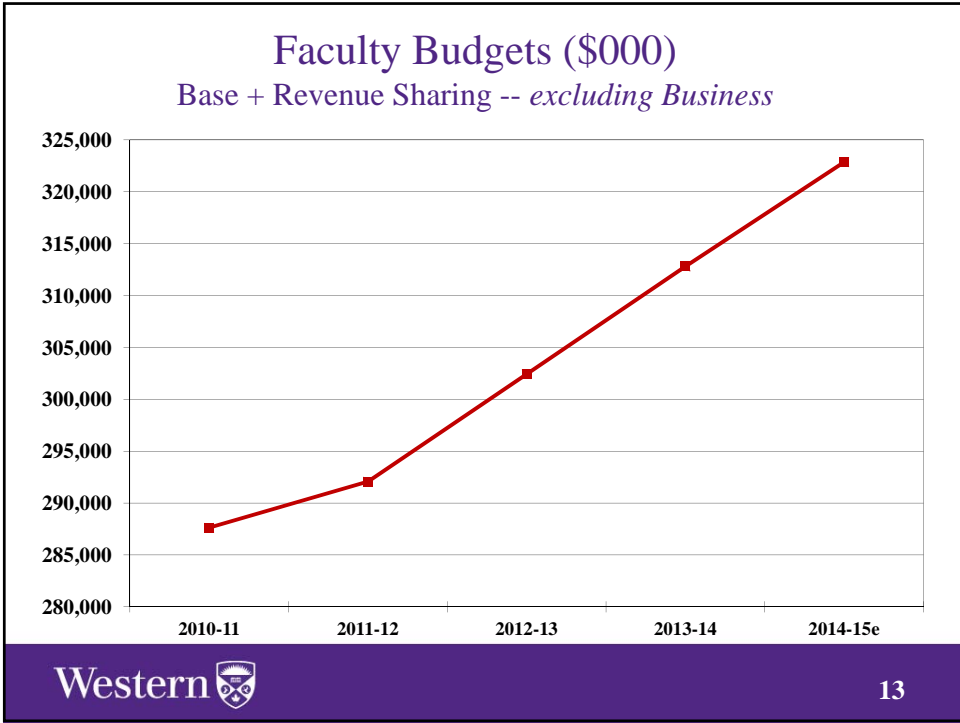


### Budget per WTU: 2014-15e

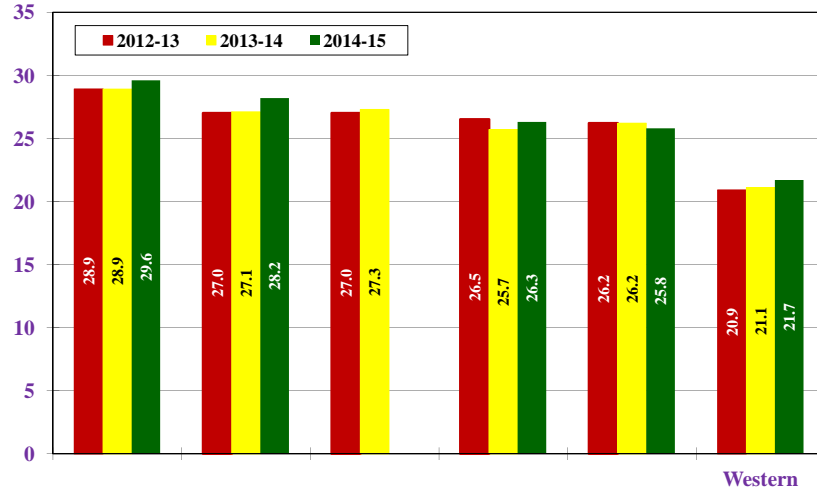


### Budget per WTU Direct-Entry Faculties





## Ontario U15 Universities Full-Time Student to Full-Time Faculty Ratio



## Investments and New Initiatives in this Budget: Alignment with our Strategic Plan

## Our Strategic Plan Priorities

Pillar	Priority
1	<b>RAISING OUR EXPECTATIONS: CREATE A WORLD-CLASS RESEARCH AND SCHOLARSHIP CULTURE</b>
2	<b>LEADING IN LEARNING: PROVIDE CANADA'S BEST EDUCATION FOR TOMORROW'S GLOBAL LEADERS</b>
3	<b>REACHING BEYOND CAMPUS: ENGAGE ALUMNI, COMMUNITY, INSTITUTIONAL &amp; INTERNATIONAL PARTNERS</b>
4	<b>TAKING CHARGE OF OUR DESTINY: GENERATE AND INVEST NEW RESOURCES IN SUPPORT OF EXCELLENCE</b>

## Investments and New Initiatives in this Budget

Investment / New Initiative	Investment	Strategic Plan Pillars
Support for the Long-Range Space Plan	\$10 M One-Time	1, 2
Expansion of Endowed Chairs Matching Program	\$7.5 M One-Time	1, 3, 4
Interdisciplinary Initiatives	\$4 M One-Time (previously committed)	1
Expansion of the Teaching Fellows Program	\$250 K Base	2
University Advertising Initiatives	\$500K One-Time	3
Energy Conservation Initiatives	\$1.5 M One-Time	4
Strategic Expansion of Engineering	Self-Funding Plan	1, 2, 4

## Summary of the Operating Budget

## Summary of the 2015-16 Operating Budget (Table 2)

- **Revenue Forecast** = \$ 693.2M  
– Increase of 1.6%
- **Expenditure Plan** = \$ 692.9M  
– Increase of 0.4%
- **Projected In-Year Position** = \$ +0.3M
- **Projected Operating Reserve** = \$ 34.0M  
– Forecast to be at \$6M at end of 4-year period



## Operating Revenues

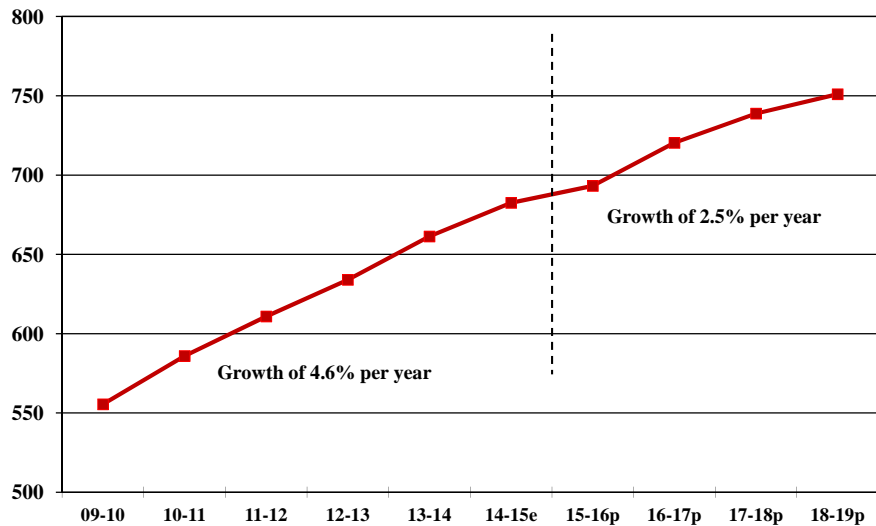
### Operating Revenues for 2015-16: Context

- Total FTE Enrolment remains flat
  - After accounting for (temporary) B.Ed. reduction
- Tuition Fees
  - Domestic Framework – 3% overall increase
  - Undergraduate International – moving towards levels at sister institutions in Ontario
- *Against Reductions* in Government Funding
  - International Student Recoveries
  - B.Ed. Changes
  - Student Aid Programs

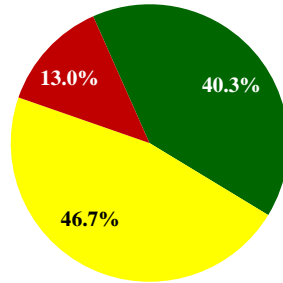
## 2015-16 Operating Revenues (Table 3)

- Government Grants are Lower by \$1.7M  
– Net of Reductions and Targeted Increases
- Tuition Revenues Increase by \$10.8M  
– Due to Rate Increases and additional Int'l Students
- All Other Revenues Increase by \$1.6M – over a number of Revenue Lines
- Overall Revenue Increase of \$10.6M (or 1.6%)

## Operating Revenues (\$M)



## Projected 2015-16 Operating Revenues (Total = \$693.2M)



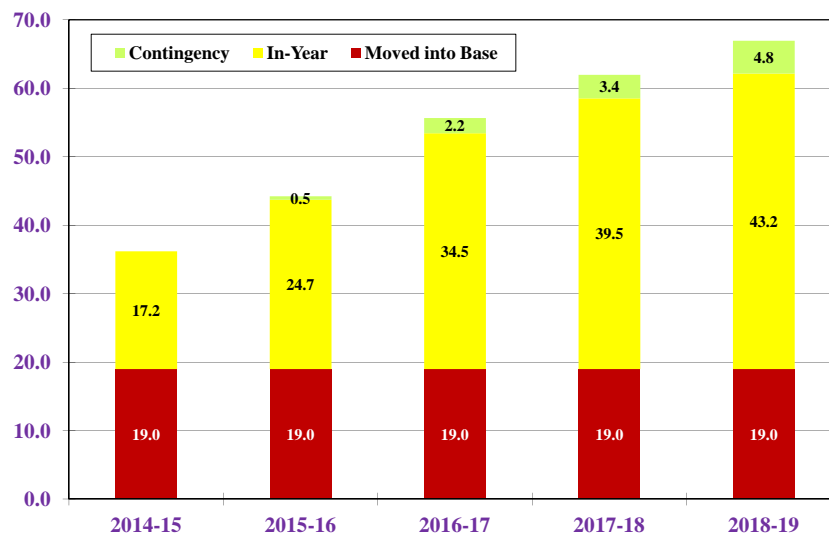
■ Govt Grants ■ Tuition ■ All Other

## Operating Expenditures

## Recommendations for the Faculties (Table 4)

- Initial Budget Adjustment (IBA)
- Faculty Turnover Recovery – if applicable
- Academic Priorities Fund (APF) Allocations
- Ivey School’s Funding Model
- CRC Allocations
- Revenue Sharing Mechanism for the Faculties
- **Total Base Allocation of \$449.7M**
- Faculties also receive \$6.4M in One-Time Funding – as shown in Table 8

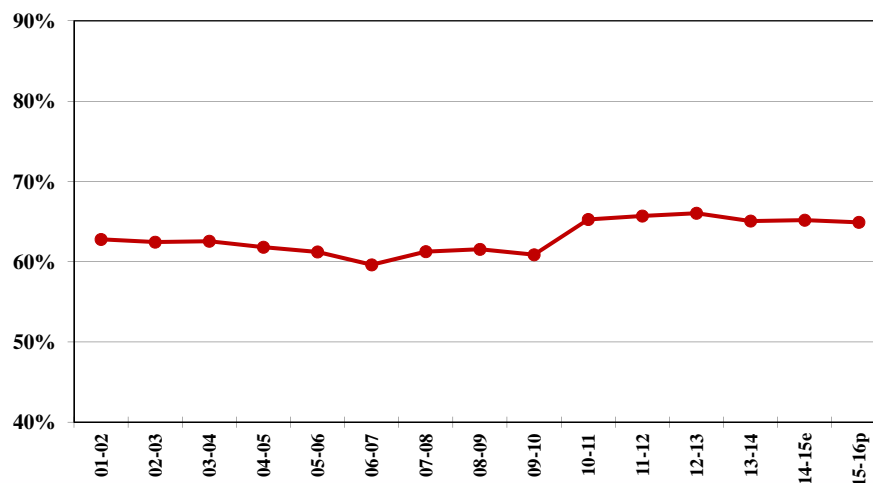
## Projected Revenue Sharing Allocations (\$M)



## FACULTIES: Base + Revenue Sharing Allocations

		2014-15a			2015-16e			Change
		Base	Revenue Sharing	Total	Base	Revenue Sharing	Total	Total
1	Arts & Humanities	31,334,655	-74,390	31,260,265	30,455,032	-51,245	30,403,787	-856,478
2	Education	10,055,137	2,951,298	13,006,435	9,630,142	5,421,713	15,051,855	2,045,420
3	Engineering	26,528,740	2,458,170	28,986,910	25,768,334	3,890,149	29,658,483	671,573
4	Health Sciences	29,119,956	1,543,158	30,663,114	28,106,902	2,152,820	30,259,722	-403,392
5	Information & Media Studies	10,183,806	364,564	10,548,370	9,906,652	132,337	10,038,989	-509,381
6	Law	7,953,386	641,164	8,594,550	7,772,159	874,026	8,646,185	51,635
7	Medicine & Dentistry	65,411,263	4,119,986	69,531,249	62,686,739	4,372,733	67,059,472	-2,471,777
8	Music	10,226,793	205,051	10,431,844	10,019,989	82,864	10,102,853	-328,991
9	Science	56,298,151	2,899,369	59,197,520	55,354,417	4,067,816	59,422,233	224,713
10	Social Science	56,732,845	2,081,881	58,814,726	55,285,747	3,786,950	59,072,697	257,971
11	<b>Sub-Total</b>	<b>303,844,732</b>	<b>17,190,251</b>	<b>321,034,983</b>	<b>294,986,113</b>	<b>24,730,163</b>	<b>319,716,276</b>	<b>-1,318,707</b>
12	Contingency Hold-back					504,695	504,695	
13	<b>Total</b>	<b>303,844,732</b>	<b>17,190,251</b>	<b>321,034,983</b>	<b>294,986,113</b>	<b>25,234,858</b>	<b>320,220,971</b>	<b>-814,012</b>

## Faculties Base Budget (Table 4 in Budget) as % of Total Operating Expenditures Budget



## Scholarships and Bursaries (Table 5)

- Major Changes
  - Undergraduate Scholarships increase by \$300K
  - Tuition Re-Investment increases by \$200K
  - Privately-Funded Awards Increase by 200K
  - Govt’s “Aim for the Top” Declines by \$530K
- **Overall increase of \$180K – bringing total to \$30.1M from Central Budget**
- Faculties now responsible for Graduate Support
  - \$56M Projected for 2015-16

## 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
- **Total Base Allocation of \$91.2M**
- Support Units also receive \$3.4M in One-Time Funding (shown in Table 8)

## University-wide Expenditures (Table 7)

- **Total of \$71.6M**
- Major items:
  - Utilities (\$22.1M)
  - Library Acquisitions (\$14.1M)
  - MMI Transfer (\$14.0M)
  - IT Infrastructure (\$8.8M)

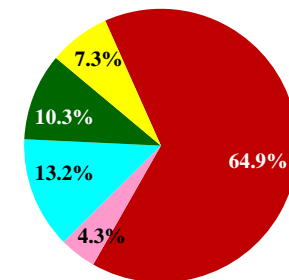
## One-Time Allocations (Table 8)

- **Total of \$30.1M**
  - Substantial Reduction from Previous Levels
- Major Priority Items
  - Support for Long-Range Space Plan (\$10M)
  - Endowed Chairs Matching (\$7.5M)
  - Energy Conservation Initiatives (\$1.5M)
  - Classroom Modernization (\$500K)
  - Advertising Initiatives (\$500K)

## Long-Range Space Plan Recommended \$10M One-Time Allocation

- Will allow us to move forward with the high-priority upcoming projects in the Long-Range Space Plan (Table 14)
  - Modernization of Thames Hall
  - Expansion and Renewal of Engineering Facilities
  - Expansion of Student Collaboration and Study Spaces
  - Renewal/Replacement/Expansion of Medical School Facilities
- While ensuring that we stay within the Board's Debt Limits
- Funding not tied to specific project – but will be assigned based on project costs and time lines

## 2015-16 Operating Expenditures (Total = \$692.9M)

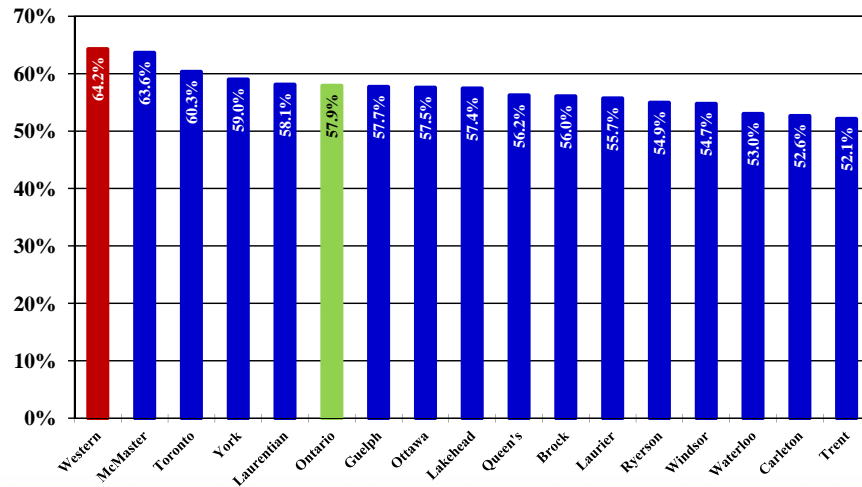


■ Faculties ■ Schol/Burs ■ Support Units ■ University-Wide Exp ■ All Other



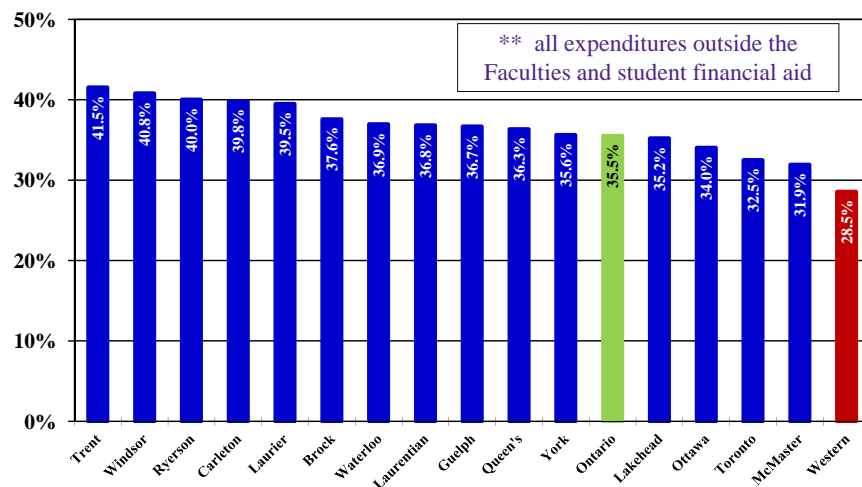
## Instructional & Research Expenditures as a % of Total Operating Expenditures

Ontario Universities -- 2013-14 (Source: COFO Reports)



## Non-Instructional & Non-Research Expenditures \*\* as a % of Total Operating Expenditures

Ontario Universities -- 2013-14 (Source: COFO Reports)



# The Capital Budget

## Overview of the 2015-16 Capital Budget

- Supports Long-Range Space Plan (Table 14)
- Major Projects: Underway or Soon-to-Start
  - Music Building
  - Academic Building to House FIMS and Nursing
  - IT Data Centre at the AMP
  - Delaware Hall Residence Renovations
  - Modernization of University College
  - Interdisciplinary Research Building
  - University-wide Infrastructure Projects
  - Parking-related Projects

## Overview of the 2015-16 Capital Budget

- **Total Spending of \$91.5M** (Table 15)
  - \$34.6M for New Construction (Table 18)
  - \$10.4M for Major Renovations (Table 18)
  - \$46.5M for All Other Expenditures
    - Utilities and Infrastructure
    - Modernization of Academic Facilities
    - General Maintenance and Modernization
    - Housing Renovations

## Supplementary/Program-Specific Fees and Ancillary Budgets

## **Supplementary / Program-Specific Fees and Ancillary Budgets**

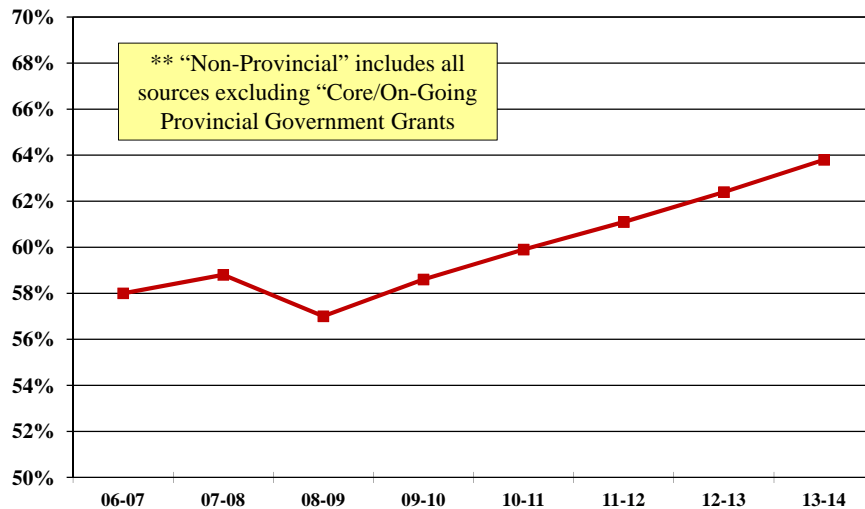
- **Supplementary and Program-Specific Fees (Annex 2)**
  - Recommended by the Units – based on program/activity costs
  - Must adhere to Ministry Policies
- **Ancillary Budgets (Annex 3)**
  - Must be Self-Funding
  - Deficits in some Units – most are planned
  - We will continue to review, plan, and manage

## **Future Issues / Considerations**

## Future Issues / Considerations

- Grant and Tuition Uncertainties
  - We will need to be prepared – first, through adjustments to one-time spending
- Level of the Operating Reserve
  - Board-mandated level currently at \$2.5M
  - 4-Year Forecast (Table 1) shows \$6M in final year
- Revenue Diversification
  - International Enrolment and Tuition
  - Fundraising
  - Strategic Expansion of High-Demand High-Quality Programs

## Western: Share of Operating Budget from Non-Provincial Sources \*\*



## Western's Total Endowment Value (\$M)

