MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

May 4, 2017

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

PRESENT: Mr. H. Hassan, Chair
Ms. E. Hegedues, Acting Secretary

Dr. P. Bishop
Ms. W. Boye
Ms. C. Burghardt-Jesson
Dr. J. Capone
Dr. A. Chakma
Ms. S. Chrominska
Ms. K. Cole
Dr. J. Deakin
Ms. L. Gainey
Mr. K. Gibbons
Dr. R. Giffin
Mr. P. Jenkins
Ms. C. Karakatsanis
Mr. J. Knowles
Mr. R. Konrad
Mr. M. Lerner
Dr. K. Mequanint
Ms. N. Noonan
Mr. B. Ross
Ms. C. Stephenson
Mr. K. Sullivan
Dr. J. Toswell
Mr. M. Wilson

By Invitation: R. Campbell, R. Chelladurai, L. Logan, J. O’Brien

BG.17-32

Land Acknowledgement

H. Hassan read the Land Acknowledgement.

BG.17-33

REPORT OF THE PRESIDENT

The President’s report, distributed with the agenda, consisted of the following topics:
- Federal budget
- Investing in Canada’s Future: Strengthening the Foundations of Canadian Research (Naylor Report)
- Ontario announces “Career Kick-Start Strategy”
- Governor General’s visit on March 8
- “We Speak” employee engagement survey results
- Western names among “Canada’s Greenest Employers”
- Leadership update
- Activities of the President since the January Board meeting

During discussion about the Naylor Report the following comments were made:
- The panel recommends the creation of a new national advisory council on research and innovation, as well as a coordinating board for Canada's research agencies.
- Canada is falling behind in research funding, and Ottawa needs a change of mindset when it comes to dispensing science funding.
• The panel report recommends a boost of $1.3 billion in science funding including enhanced support for early-career researchers, strategic and coordinated collaboration for international and interdisciplinary research; improved gender equity in science; and increased funding for discovery research.

• the creation of 25 research chairs is welcome but seen as not being sufficient for all universities.

Asked for an update on the Strategic Mandate Agreement 2 (SMA2) process, J. Deakin reported that SMA2 is about three weeks behind and that Western’s submission, which is 43 pages, is in good shape.

Responding to a question about the “We Speak” survey, the President advised that J. O’Brien, Associate Vice-President (Human Resources), will give a presentation at the June meeting.

BG.17-34

UNANIMOUS CONSENT AGENDA [Appendix I]

It was moved by M. Lerner, seconded by M. Wilson,

That the 22 items listed in Appendix I, Unanimous Consent Agenda be approved or received for information by the Board of Governors by unanimous consent.

CARRIED

BG.17-35

Minutes of the Previous Meeting

The open session minutes of the meeting of January 26, 2017 were approved as circulated.

REPORT OF THE PROPERTY & FINANCE COMMITTEE [Appendix II]

BG.17-36

2017-18 University Operating and Capital Budgets

It was moved by C. Burghardt-Jesson, seconded by L. Gainey,

That the Board of Governors approve the 2017-18 University Operating and Capital Budgets and the proposed Program Specific Fees and Other Supplemental Fees for 2017-18, detailed in Appendix II, Annex 1.

The 2017-18 Operating and Capital Budgets were provided in Appendix II, Annex 1. Supplemental Fees and Other Charges, shown on Table 3 of the Program Specific Fees and Other Supplemental Fees report (Appendix II, Annex 2) are approved by the President throughout the year, as authorized under the Student Fee Policy (MAPP 2.4) and are provided for information.

Dr. J. Deakin, Vice-President (Academic) and Provost, presented the 2017-18 University Operating and Capital Budgets detailed in Exhibit I, Annex 1. Her presentation highlighted the internal and external planning and budgetary contexts, operating revenues for 2017-18, new initiatives and priorities, tuition recommendations, operating expenditures, including recommendations for faculties, and support units, university-wide expenditures, one-time expenditures, operating reserve forecast and an overview of the 2017-18 capital budget. Revenues for 2017-18 are projected to be $756.4 million with $759.1 million in expenditures.

The operating reserve will be projected at $64.2 million at the end of the current year 2016-17, and $61.5 million at the end of 2017-18. The in-year net position is projected to be a surplus of $11.1 million in 2016-17 and a deficit of $2.7 million in 2017-18. The reserve is projected to be $34.9 million at the end of the current 4-year planning period (2018-19).
An executive summary of the revenues, expenditures and the capital budget are contained in pages 1-4 of Annex 1. Overhead slides used in the presentation are attached as Appendix 1.

J. Deakin said that this budget builds on the multi-year plan developed two years ago in the context of Western’s Strategic Plan and is in a period of constrained revenue growth, which is expected to be approximately two per cent each year, beyond the current four-year cycle. The two major sources of revenue, government grants and tuition fees, have recently been confirmed for the remaining two years of the four-year planning period. The corridor system funding formula provides no incremental funding for domestic enrolment growth. The current domestic student tuition framework allows for a three per cent increase and has been extended for two more years, until 2018-19. Undergraduate enrolment is targeted at 5,100 first-year students, with tuition revenue of $379.4 million, an increase of $17.8 million from last year. International student enrolment is anticipated to grow to 600.

J. Deakin highlighted the following:

- a sum of $1 million in base funding is committed in the 2017-18 budget, $390,000 base funding will be transferred to the Faculty of Social Science to support the creation of a new academic department and $147,000 will be allocated to the Faculty of Law to support a faculty appointment in the area of Indigenous Teaching, Scholarship and Outreach.
- it is recommended that a sum of $25 million in one-time funding will be allocated in 2017-18 to support the Endowed Chairs Matching Program with a commitment of assigning a minimum of one Chair to each Faculty for up to three years.
- moving towards a pedestrian friendly campus is a priority, consequently a sum of $2 million in one-time funding will be allocated to continue and expand initiatives already underway.
- the Faculty of Arts and Humanities and the Don Wright Faculty of Music are facing serious budgetary pressures - their operating budgets are in deficit situation largely due to decline in enrolments, which is a nation-wide pattern. In 2017-18 the budget allocation is $1.8 million for the Faculty of Arts and Humanities and $323,000 for the Don Wright Faculty of Music. A similar partnership approach will be implemented in 2018-19. The faculties will have to reduce expenses where possible and the University will also protect the revenue sharing allocations from further reductions in enrolments/teaching. This is a significant commitment from the University.

J. Toswell, on behalf of the Faculty of Arts and Humanities, thanked the Provost for addressing the difficulties faced by the Faculty.

J. Deakin offered thanks to colleagues across the university for their diligence in the preparation of the budget, noting particularly, the work of staff in Institutional Planning and Budgeting.

The question was called and CARRIED.

**Student Fee-Funded Units, Ancillaries and Academic Support Units and Associated Companies**

It was moved by S. Chrominska, seconded by L. Gainey,

That the Board of Governors approve the 2017-18 budgets for Student Fee Funded Units, Ancillaries, and Academic Units summarized in the report entitled “Student Fee Funded Units, Ancillaries, Academic Support Units, and Associated Companies” (Annex 3).

CARRIED
BG.17-38  
**Student Organization Fee Proposals for 2017-18**

The tables referenced in the motion below are in the report entitled “Student Fee Funded Units, Ancillaries, Academic Support Units, and Associated Companies” (Annex 3).

It was moved by C. Stephenson, seconded by M. Lerner,

- That the organization fees for the University Students’ Council for 2017-18 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 fees for the Honors Business Administration Association for 2017-18 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 2017-18 shown in Table 2, note (c) be approved, as requested by the MBAA.

CARRIED

BG.17-39  
**Annual Report and Recommendations of the Student Services Committee**

It was moved by S. Chrominska, seconded by L. Gainey,

- 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.17-40  
**Revisions to MAPP 2.16 – Travel & Expense Reimbursement Policy**

It was moved by P. Bishop, seconded by K. Mequanint,

- That revisions to MAPP 2.16, Travel & Expenses Reimbursement Policy, detailed in Appendix II, Annex 5, be approved effective May 1, 2017.

L. Logan provided an overview of the revisions to the Travel & Expense Reimbursement Policy noting that the most significant change allows Broader Public Sector organizations to use a meal allowance reimbursement system.

The question was called and CARRIED.

BG.17-41  
**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:

- Catalyst Capital Fellowship in Insolvency Law
- Catalyst Capital Visiting Professorship in Insolvency Law
- Credit Rating Review: February 28, 2017
- Quarterly Financial Report (Operating Budgets)
- Investment Committee Report
- New Scholarships and Awards
REPORT OF THE GOVERNANCE & BY-LAWS COMMITTEE [Appendix III]

BG.17-42

Information Items Reported by the Governance & By-Laws Committee

The Report of the Governance & By-Laws Committee, detailed in Appendix III, contained the following items that were received for information by unanimous consent:

- Notice of Motion – Amendments to By-Law No. 1
- Board Orientation Handbook
- Board Evaluation process

REPORT OF THE SENIOR POLICY & OPERATIONS COMMITTEE [Appendix IV]

BG.17-43

Information Item Reported by the Senior Policy & Operations Committee

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

- Annual Report of the Code of Student Conduct Cases

REPORT OF THE AUDIT COMMITTEE [Appendix V]

BG.17-44

Information Items Reported by the Audit Committee

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

- 2016 Annual Report: Campus Community Police Service

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

The Chair, announced that Laura Gainey is retiring from the Board effective June 30, 2017. On behalf of the Board, he thanked her for her service as a member of the Board and as the Chair of the Fund Raising and Donor Relations Committee.

BG.17-45

Information Items Reported by the Fund Raising and Donor Relations Committee

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

- Fund Raising Activity Quarterly Report to January 31, 2017
- Alumni Association Strategic Plan

ITEMS REFERRED BY SENATE [Appendix VII]

BG.17-46

Renewal of the Articulation Agreement between Brescia University College, Huron University College, King’s University College, Western University, and Lambton College regarding Transfer of Credit for Students in the Police Foundations Program

It was moved by M. Lerner, seconded by M. Wilson,
That the renewal of the articulation agreement between Western University, King’s University College, Brescia University College, Huron University College, and Lambton College regarding the transfer of credit for students in the Police Foundations Program as shown in Appendix VII, Annex 1 be approved, as recommended by Senate.

CARRIED (By Unanimous Consent)

BG.17-47  
**Faculty of Arts and Humanities: Closure of the Department of Film Studies**

[Declaration of Conflict of Interest: H. Hassan]

It was moved by A. Chakma, seconded by P. Bishop,

That effective July 1, 2016 the Department of Film Studies be dissolved.

CARRIED

BG.17-48  
**Information Items Reported by Senate**

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

- 2017-18 University Operating and Capital Budget
- 2017 Entrance Standards for Undergraduate First-Year Admissions
- Five-Year Enrolment Projections
- Report on Year one Class and Entering Averages
- Spring Convocations 2017 – Honorary Degree Recipients
- Teaching Award Recipients – 2016-17
- Reports of the Academic Colleague

The meeting adjourned to the confidential session at 2:20 p.m.

________________________  __________________________
H. Hassan                        E. Hegedues
Chair                             Acting Secretary
2017-18 Operating and Capital Budgets

Board of Governors
May 4, 2017

External Context

• Provincial Fiscal Pressures Continue
• New Funding Formula for Universities
  – Corridor System – no automatic funding for enrolment growth beyond 2016-17 levels
• Tuition Framework Extended for 2 more years
  – Aligns with our current 4-year cycle
  – Allows for 3% overall increase

Western’s Planning Parameters

• Moving to Third Year of 4-Year Plan
• Recommendations Guided by Strategic Plan
• Enrolments
  – Undergraduate: First-Year Class of about 5,100
    • With 600 International
  – Graduate: as per Faculty Plans
• Revenue Sharing Continues in the 4-Year Cycle
  – Up to 2017-18 Enrolments/Teaching
• Tuition Rates for 2017-18 (and 2018-19)
  – Domestic Rates at Maximum 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
University level Investments & New Initiatives in this Budget: Alignment with our Strategic Plan

Our Strategic Plan Priorities

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

Investments and New Initiatives in this Budget

<table>
<thead>
<tr>
<th>Investment / New Initiative</th>
<th>Investment</th>
<th>Strategic Plan Pillars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indigenous Initiatives</td>
<td>$1M Base</td>
<td>2, 3</td>
</tr>
<tr>
<td>Growing Our Endowments: The Endowed Chairs Matching Program</td>
<td>$25 M One-Time</td>
<td>1, 3, 4</td>
</tr>
<tr>
<td>Strategic Expansion of Engineering: Multi-Year Self-Funding Plan</td>
<td>$5.5 M One-Time &amp; $5.5M Base</td>
<td>1, 2, 4</td>
</tr>
<tr>
<td>Scholarship Initiatives in SSHRC Disciplines Endowment</td>
<td>$2.5 M One-Time</td>
<td>1, 4</td>
</tr>
<tr>
<td>CERC Matching Funds</td>
<td>$2.5 M One-Time</td>
<td>1</td>
</tr>
<tr>
<td>Facilities Enhancements in the Faculties</td>
<td>$2.1 M One-Time</td>
<td>1, 2</td>
</tr>
<tr>
<td>Pedestrian-Friendly &amp; Safe Campus Initiatives</td>
<td>$2 M One-Time</td>
<td>2</td>
</tr>
<tr>
<td>Energy Conservation Initiatives</td>
<td>$1.5 M One-Time</td>
<td>4</td>
</tr>
<tr>
<td>Long-Range Space/Capital Plan: ILIC, Thames Hall, Schulich Project, Parking Structures</td>
<td>$117.6M Non-Endowed Funds to Pay Buick/C. Manoogian Royal University</td>
<td>1, 2</td>
</tr>
</tbody>
</table>

Indigenous Initiatives

- $1M Base Allocation
- New Department in Social Science ($390K)
- Faculty Appointment in Law ($147K)
- Balance ($463K) will be allocated in the coming months – as part of the Provost’s Implementation Committee recommendations

Western’s Total Endowment Value -- $M

Endowment Income Available for Spending in 2015-16 (Total = $20.4M)
Endowed Chairs Matching Program

- Program launched in 2010-11
  - To-date $43.5M allocated – for 29 Chairs
  - 18 Chairs Confirmed
  - 8 Additional Chairs under discussion with Donors
- Additional $25M being recommended in this Budget
  - A minimum of 1 Chair per Faculty will be committed – and held for up to 3 years

Long-Range Space Plan

- Table 14 Outlines our Long-Range Space Plan – with Four New Projects being Recommended
  - ILIC, Thames Hall, Schulich Facilities, Parking Structures
- Funding sources include additional debt – and we will recommend a draw on our Non-Endowed Funds
  - To pay down the debt on University College, Music Building, and FIMS/Nursing Building
- Schulich commits $65M toward the $165M Project
- We’re also moving towards a Vehicle-Free Pedestrian-Friendly Campus
  - High-level Vision outlined in Pages 9 through 11

Arts & Humanities and Music

- Budgets for these two Faculties in Deficit Situation
  - A&H: Projected 2016-17 accumulated debt = $13.1M
    - $4M Structural Deficit
  - Music: Projected 2016-17 accumulated debt = $1.3M
    - $1M Structural Deficit
- Partnership Approach to Controlling Deficit – and then eliminating Debt
  - Provost will KEEP BUDGET WHOLE at 2016-17 LEVEL in each of 2017-18 and 2018-19
  - Dean to reduce expenditures – with NO REDUCTION IN BUDGET ALLOCATED BY PROVOST

Summary of the Operating Budget

- Revenue Forecast = $ 756.4M
  - Increase of 2.4%
- Expenditure Plan = $ 759.1M
  - Increase of 4.3%
- Projected In-Year Position = $ -2.7M
- Projected Operating Reserve = $ 61.5M
  - Forecast to be at $34.7M at end of 4-year period

Operating Revenues
2017-18 Operating Revenues
(Table 3)

- Government Grants Remain Constant
  - New Funding Formula
- Tuition Revenues Increase by $17.8M
  - Due Primarily to Rate Increases
- All Other Revenues Increase Remain Flat
  - CRCs reflect only 43 Chairs with incumbents
  - Our allocation is 64 Chairs
- Overall Revenue Increase of $17.7M (or 2.4%)

Projected 2017-18 Operating Revenues
(Total = $756.4M)

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 $479.9M
  - Faculties also receive $10.8M in One-Time Funding
    – as shown in Table 8, line 21

Scholarships and Bursaries
(Table 5)

- Major Changes
  - Tuition Re-Investment increases by $580K
  - Doctoral Excellence Research Awards Program is being ended
- Total Student Aid Spending of $32.9M from Central Budget
- Faculties now responsible for Graduate Support
  - $59M Projected for 2017-18
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 $96.6M
- Support Units also receive $4.8M in One-Time Funding (shown in Table 8, line 37)

University-wide Expenditures (Table 7)

- Total of $74.5M
- Major items:
  - Utilities ($23.9M)
  - Library Acquisitions ($15.1M)
  - MMI Transfer ($15.5M)
  - IT Infrastructure ($9.7M)

One-Time Allocations (Table 8)

- Total of $56.9M
- Major Priority Items
  - Support for the Endowed Chairs Matching Program ($25M)
  - Multi-year Plan for New Engineering Building ($6.5M)
  - Scholarship Initiatives in the SSHRC Disciplines ($2.5M)
  - Canada Excellence Research Chairs Program (CERC) Matching ($2.5M)
  - Pedestrian-friendly and Campus Safety Initiatives ($2M)
  - Energy Conservation Initiatives ($1.5M)
  - Advertising Initiatives ($500K)
  - Classroom Modernization ($500K)

2017-18 Operating Expenditures (Total = $759.1M)

Overview of the 2017-18 Capital Budget

- Supports Long-Range Space Plan (Page 38, Table 14)
- Major Projects: Underway or Soon-to-Start
  - Music Building Phase 2
  - Medical Research Facilities (M & I)
  - Modernization of University College
  - Western Interdisciplinary Research Building
  - ThreeC+ - the New Engineering Building
  - Science Space Realignment (NCB, MC, WSC)
  - Integrated Learning and Innovation Centre
  - Modernization of Thames Hall
  - Renewal/Replacement/Expansion of Schulich Facilities
  - Multi-Level Parking Structures
    - Will require re-alignment of parking lot categories and increases to parking rates
  - University-wide Infrastructure Projects
Overview of the 2017-18 Capital Budget

• Total Spending of $136.2M  (Table 15, line 10)
  – $57.8M for New Construction  (Table 18, line 8)
  – $29.3M for Major Renovations  (Table 18, line 17)
  – $49.1M for All Other Expenditures
• Utilities and Infrastructure
• Modernization of Academic Facilities
• General Maintenance and Modernization
• Housing and Ancillary Projects

END