



Western
UNIVERSITY • CANADA

2014-15 Operating and Capital Budgets

March 10, 2014

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ACRONYMS used in University Budget Document

	Acronym	Description
1	AMP	Advanced Manufacturing Park
2	APF	Academic Priorities Fund
3	APPF	Academic Planning, Policy, and Faculty
4	CFI	Canada Foundation for Innovation
5	CLA	Campus-Linked Accelerator
6	CPI	Consumer Price Index
7	CRCs	Canada Research Chairs
8	CRV	Current Replacement Value (of Buildings)
9	CSD	Communication Sciences and Disorders Program
10	DM	Deferred Maintenance
11	DSG	Doctoral Supervision Grant
12	EFB	Employee Future Benefits
13	FFICR	Federal Funding for the Indirect Costs of Research
14	FTE	Full-Time Equivalent
15	HAS	Health Sciences Addition
16	HBA	Honours Business Administration Degree/Program
17	IBA	Initial Budget Adjustment
18	ICFAR	Institute for Chemicals and Fuels from Alternative Resources
19	IDIs	Interdisciplinary Initiatives
20	ITIF	Information Technology Infrastructure Fund
21	JD	Juris Doctor Degree
22	MBA	Master of Business Administration Degree/Program
23	MD	Doctor of Medicine Degree/Program
24	MEng	Master of Engineering Degree/Program
25	MESc	Master of Engineering Science Degree
26	MIT	Media, Information, and Technoculture Program
27	MMI	Maintenance, Modernization, and Infrastructure
28	MoHLTC	Ontario Ministry of Health and Long-Term Care
29	MOOC	Massive Open Online Courses
30	MSc	Master of Science Degree
31	MTCU	Ministry of Training, Colleges, and Universities
32	MTP	Media, Theory, and Production Program
33	OMRI	Ontario Ministry of Research and Innovation
34	OT	Occupational Therapy (School/Program)
35	PhD	Doctor of Philosophy Degree
36	PT	Physical Therapy (School/Program)
37	RISF	Research Infrastructure Support Fund
38	SEB	Spencer Engineering Building
39	SCUP	Senate Committee on University Planning
40	SMA	Strategic Mandate Agreement
41	SUEPP	SCUP's Subcommittee on Enrolment Planning and Policy
42	SUPF	Support Unit Priorities Fund
43	TRAC	Thompson Recreation and Athletic Centre
44	UCC	University Community Centre
45	UHIP	University Health Insurance Plan
46	USC	University Students' Council
47	WindEEE	Wind Engineering, Energy, and Environment (a CFI Initiative)
48	WRC	Western Research Chairs Program

2014-15 Operating Budget

A. Planning and Budgetary Context

The 2014-15 planning cycle takes us to the final year of Western's four-year budget plan which spans the period 2011-12 to 2014-15. This multi-year plan was developed in the fall of 2010 in the context of the recommendations of the University's previous Strategic Plan – *Engaging the Future* – and the priorities outlined in the Faculties' Academic Plans and the Support Unit Operational Plans. As we complete this 4-year plan and move toward the next cycle, our planning is now guided by Western's new Strategic Plan – *Achieving Excellence on the World Stage*.

The budget planning for the final year of this four-year planning period is carried out in the context of great uncertainty regarding provincial government operating grants and a more constrained tuition framework. The Province continues to face significant financial pressures – and has begun reducing expenditures across the broader public sector. Since the spring 2012 Provincial Budget, the following measures – that reduce University revenues or increase pressures on our expenditures – have been implemented by the Government:

- Grant reductions (based on “Policy Levers”) across the University system amounting to \$28.5 million in 2013-14 – growing to \$57.8 million in 2014-15.
- A \$750 tax on non-PhD international students – starting with new students in 2013-14 and applicable to all students from 2016-17 and onwards.
- The transfer of responsibility for the payment of property taxes for non-PhD international students – which amounts to \$75 per student.
- The elimination or phasing-out of a number of government-funded student aid programs (International Travel Scholarships, the Ontario Special Bursary Program, Work-Study Bursaries, and the Queen Elizabeth II Aiming for the Top Scholarship Program) – which will, over time, result in increased student aid costs to the universities.
- The restructuring of the B.Ed. Program which reduced grant funding for the program by 25%.

The net steady-state impact of the above measures is that our base grant funding is projected to be reduced in the amount of \$12.4 million. Additional restraint measures may come forward in the 2014 Ontario Budget – which is expected in April.

In the spring of 2013, the Provincial Government announced a new tuition framework for the period 2013-14 through 2016-17 – which allows for an overall annual increase of 3% for domestic students. This is a significant decline from the level of 5% in the previous framework. In addition, in December 2013, the Government announced a series of tuition-related changes which will reduce our on-going revenues by a further \$2.2 million.

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 principles outlined in our Strategic Plan:

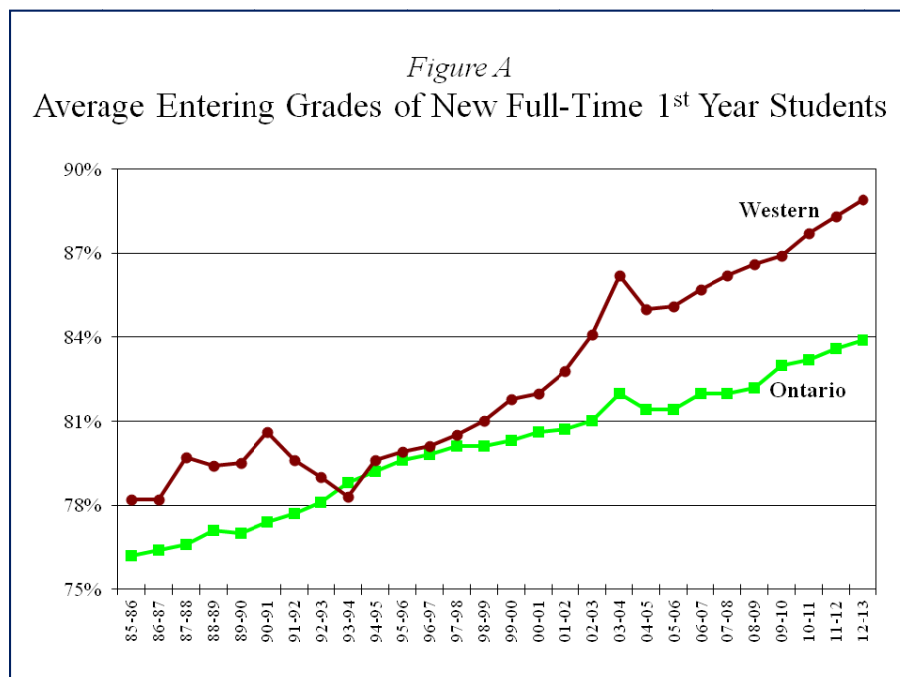
- Modest expansion of our first-year intake – while maintaining entrance standards.

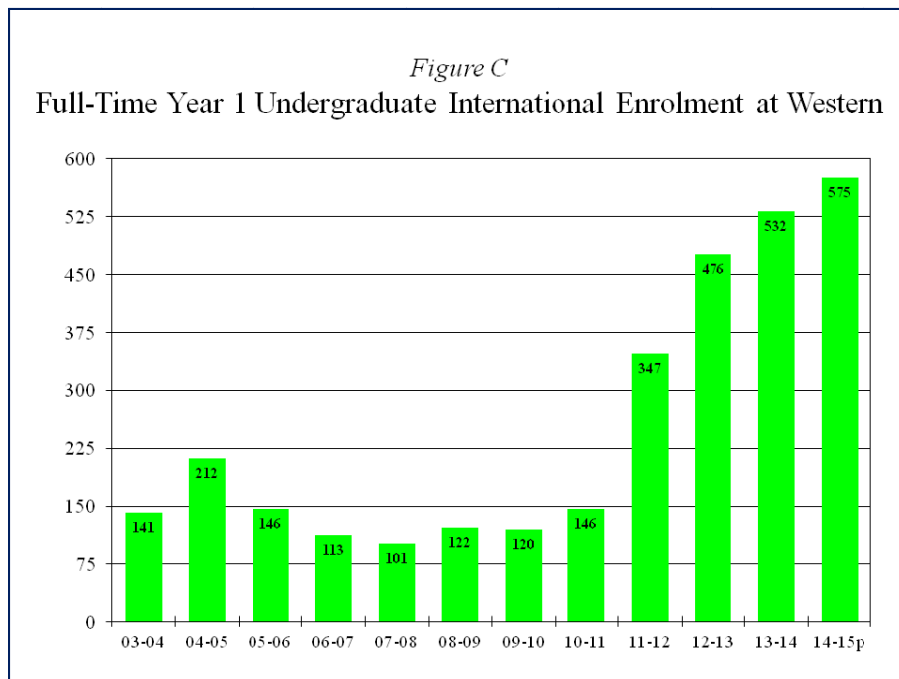
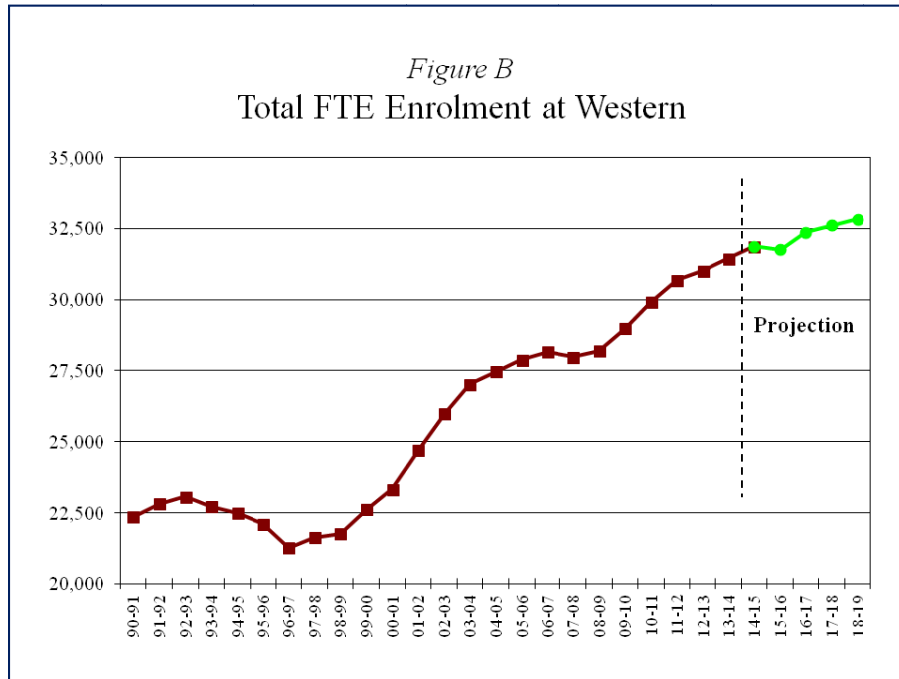
- Increase the number of undergraduate international students to at least 15% of the undergraduate student body.
- Increase the number of out-of-province students to at least 10% of the undergraduate student body.
- Increase graduate student enrolment to at least 20% of the total student body.

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 for us. The average entering grade of our incoming class is 88.9% – second highest in the province, and well above the Ontario average.
- Nearly 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. Nearly 80% of Western’s 2006-07 entering cohort has graduated.
- Our efforts in undergraduate international enrolment expansion resulted in nearly 11% of our fall 2013 first-year class coming from other countries.
- Expansion of graduate enrolments continues to be a long-term strategic priority at Western. The current plans from the Faculties show significant growth aspirations. In the current year, full-time graduate students comprised 17.6% 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 2013-14 Budget, and involved substantial investments.

1. Enhancing Western's Research/Scholarship Profile

As outlined in each budget of this four-year planning period, our budgetary investments have focused on the priority of Enhancing our Research/Scholarship Profile. The 2012-13 budget set aside funding (\$2.6 million base and \$30 million one-time) to support the development of programs to (a) establish new or strengthen existing research clusters, (b) attract and retain internationally-recognized scholars, and (c) plan and design international visits, exchanges, and conferences. In last year's budget, in recognition of the fact that these initiatives will require additional space/facilities, a sum of \$30 million in one-time funding was allocated. The Provost and the Vice-President (Research) are in the preliminary stages of planning for new facilities (Phase 1 of an Interdisciplinary Research Building) to support our research/scholarship aspirations – and it is anticipated that the specific proposals will be brought forward in the summer of 2014 for approval by the Board of Governors.

2. Graduate Expansion

Graduate expansion continues to be of high priority and is a key component of our aspirations in enhancing our research/scholarship profile. We continue to invest in direct support of this priority through funding envelopes: (a) the enrolment-related revenue sharing mechanism which provides 85% of incremental revenues associated with research masters and doctoral enrolments and 40% of incremental revenues associated with non-research masters enrolments to the Faculties on a slip-year basis and (b) the Doctoral Supervision Grant (DSG) which provides \$2,000 per new domestic doctoral student as a direct grant to faculty members supervising the students.

3. Educational Pedagogy Enhancements and Faculty Development in Teaching

In last year's budget, we committed \$250,000 in base and \$170,000 one-time funding in support of educational pedagogy initiatives – including a Teaching Fellows Program with the ultimate goal of appointing one teaching fellow per Faculty. The Teaching Fellows – to be appointed from within our faculty colleagues who have outstanding credentials in teaching – will 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.

The first three Teaching Fellows have been appointed to three-year terms, with another appointment expected by mid-year. The Teaching Fellows undertake research on teaching and share the outcomes widely, contributing to teaching innovation across Western. Among the projects is the development of a MOOC to help new Health Sciences students prepare for university-level studies, the creation of an online dissection simulation to help more students gain experience with hands-on virtual anatomy, and a collaboration with librarians to develop activities in support of information literacy.

Two curriculum and e-learning specialists have been appointed in the Teaching Support Centre to support the work of the Teaching Fellows. In addition, they support Western's quality assurance process and e-learning initiatives.

C. Priorities for the 2014-15 Budget and New Initiatives

1. Student Innovation and Entrepreneurship Initiatives

Our new 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 entrepreneurial skills increasingly in demand in today’s market place. In response to this, the Provost is working to develop initiatives to support student innovation and entrepreneurship. One such initiative currently underway is a joint Western University / Fanshawe College proposal to the Ontario Government – the Campus-Linked Accelerator (CLA) Initiative. The proposal requests provincial funding and involves matching contributions from Western and Fanshawe. It is recommended that a sum of \$1 million in one-time funds be allocated (to be expended over the next 5 years) to support student innovation and entrepreneurship initiatives at Western.

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 about 23,300 to over 31,400 – an increase of nearly 35%. 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, it is recommended that a sum of \$8 million in one-time funds be set aside in this budget – and be expended in the coming years, as we move forward with our Long-Range Space Plan.

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. Western’s E-Learning Task Force – currently under consideration by the Provost – recommended a multi-year action plan, including on-line course/program development, e-learning workshops for our faculty, technical and instruction design support for faculty, and creation of smart classrooms. It is recommended that a sum of \$2 million in one-time funding be allocated to support our aspirations in the area of E-Learning.

4. Strategic IT Infrastructure Initiatives

The recently-completed planning process identified a number of critical Information Technology initiatives/needs that require budgetary investment. The specific areas that require immediate attention include: 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. It is recommended that a sum of \$10 million in one-time funds be allocated to support these strategic IT infrastructure initiatives.

5. Modernization of University College

In each of the last four University Budgets, our Long-Range Space Plan has consistently identified the need to modernize University College – Western’s iconic building which is home to our Faculty of Arts & Humanities. Due to limitations in the overall level of capital funding, we have been unable to proceed with the project until now. The current update to our multi-year capital budget plan will allow us to invest in this important project in a substantial way starting in 2015-16. However, since this is a major renovation project, the first year will be the planning and design phase – and it is recommended that this phase begin in 2014-15, with a one-time allocation of \$2 million from the University’s operating budget. The construction aspects of the project would then continue in 2015-16 and beyond – with funding support from the University’s capital budget.

6. CFI Matching Funds

Under the leadership of the Vice-President (Research), we are in the planning stages of 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. Consistent with our approach in supporting our researchers in previous CFI competitions, it is recommended that a sum of \$3 million in one-time funding be allocated – as CFI matching funds.

7. Support for our Fundraising Campaign

The continuation of support for our fundraising campaign is of high priority to the University. It is recommended that a sum of \$12 million in one-time funds be allocated to support our campaign. These funds will allow us to vigorously pursue private donations aimed primarily at creating new endowed chairs which support our Faculties’ academic plans. Our new 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.

D. Four-Year Operating Budget Forecast

This budget document seeks formal approval of the 2014-15 Budget. The recommendations in this document have been guided by projections of operating revenues and expenditures for the final year of the four-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 final of the four-year plan. The major assumptions underlying the budget forecasts are as follows:

Revenues

- The grant reductions announced in the 2012 Ontario Budgets will be implemented in 2014-15.
- The \$750 international student recovery by the Province continues in 2014-15.
- 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 final year of the four-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.
- We need to set aside the necessary funds to cover the operating costs of incremental space in our new facilities. It should be noted that, starting in 2011-12, the Faculties are responsible for covering 50% of the operating costs of incremental space – over and above the space commitments made in the University’s Long-Range Space Plan 2, which was included in the 2010-11 budget document.

Net Position and the Operating Reserve

- As can be seen in line 34 of Table 1, the Operating Reserve is projected to be at \$42 million at the end of the current year (i.e. 2013-14). The reserve is projected to be \$32 million at the end of the current four-year planning period (i.e. 2014-15) – well above the Board-mandated minimum level of \$2.5 million.

E. Summary of the 2014-15 Operating Budget

Table 2 summarizes the 2014-15 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 \$679 million in 2014-15 – an increase of 3.1% over 2013-14. Details of the operating revenues are shown in Table 3.

Line 13: Total expenditures are projected to be \$689 million in 2014-15 – an increase of 3.9% over 2013-14. 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 \$4.6 million in 2013-14 and a deficit of \$10.1 million in 2014-15.

Line 17: The Operating Reserve is forecast to be \$42 million at the end of 2013-14 and \$32 million at the end of 2014-15.

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

		2010-11	2011-12	2012-13	2013-14	2014-15
1	REVENUES					
2	Government Grants					
3	Base Grants	211.0	212.7	212.5	209.8	207.2
4	Undergraduate Accessibility Grant	2.1	4.4	4.4	6.2	3.2
5	Graduate Expansion Fund	9.7	8.4	9.8	10.5	12.5
6	Quality Improvement Fund	10.1	9.9	9.9	10.1	10.0
7	Research-related Grants	12.1	11.9	11.6	11.7	11.9
8	All Other	31.7	35.6	34.5	36.3	34.7
9	Total	276.7	282.9	282.7	284.6	279.5
10	Tuition Revenue	229.8	248.3	266.7	288.4	310.7
11	All Other Revenues					
12	Canada Research Chairs (CRCs)	9.4	8.7	8.6	8.9	9.3
13	Recoverable Salaries	27.9	27.3	28.1	28.2	28.2
14	All Other	42.1	43.7	47.7	48.7	51.5
15	Total	79.4	79.7	84.4	85.8	89.0
16	Total Revenues	585.9	610.9	633.8	658.8	679.2
17	EXPENDITURES					
18	Faculties					
19	Base Budgets (including APF)	325.9	330.3	334.0	339.5	336.4
20	Revenue Sharing Allocations	7.4	11.0	19.4	27.9	35.7
21	Canada Research Chairs (CRCs)	8.2	7.6	7.5	7.7	8.1
22	All Other	41.8	45.2	55.9	58.9	61.5
23	Total	383.3	394.1	416.8	434.0	441.7
24	Scholarships and Bursaries	27.8	30.1	28.9	29.0	29.0
25	Support Areas (including SUPF)	77.0	81.2	83.9	87.8	87.9
26	University-wide Expenditures	48.4	54.3	57.1	64.0	65.4
27	Provision for Cost Fluctuations	0.0	0.0	0.0	0.3	13.4
28	One-Time Allocations	47.8	40.3	44.3	48.3	51.8
29	Total Expenditures	584.3	600.0	631.0	663.4	689.2
30	REVENUES minus EXPENDITURES	1.6	10.9	2.8	-4.6	-10.0
31	OPERATING RESERVE					
32	Beginning Operating Reserve	31.4	33.0	43.9	46.7	42.1
33	Surplus / (Deficit) -- from Line 30 above	1.6	10.9	2.8	-4.6	-10.0
34	Ending Operating Reserve	33.0	43.9	46.7	42.1	32.1

Table 2
SUMMARY OF OPERATING BUDGET: 2014-15

	<a>		<c>	
	2013-14 Budget (@ Feb 28, 2014)	2014-15 Budget	\$ Change from 2013-14	
1	Operating Revenues (Table 3)			
2	Government Grants	284,574,520	279,528,818	(5,045,702)
3	Tuition Revenue	288,439,036	310,657,768	22,218,732
4	All Other	85,797,404	88,970,085	3,172,681
5	Total Revenues	658,810,960	679,156,671	20,345,711
6	Expenditure Budgets			
7	Faculties (Table 4)	433,900,583	441,720,499	7,819,916
8	Scholarships and Bursaries (Table 5)	28,985,459	28,978,528	(6,931)
9	Support Areas (Table 6)	87,793,831	87,935,693	141,862
10	University-wide Expenditures (Table 7)	64,092,588	65,419,841	1,327,253
11	Provision for Cost Fluctuations	300,000	13,384,596	13,084,596
12	One-Time Allocations	48,327,596	51,773,453	3,445,857
13	Total Expenditures	663,400,057	689,212,610	25,812,553
14	Surplus / (Deficit) - Line 5 minus Line 13	(4,589,097)	(10,055,939)	
15	Beginning Operating Reserve Balance	46,743,681	42,154,584	
16	Surplus / (Deficit) -- Line 14 above	(4,589,097)	(10,055,939)	
17	Closing Operating Reserve Balance	42,154,584	32,098,645	
18	Board-mandated Minimum Level Reserve Target	2,500,000	2,500,000	

F. Details of the 2014-15 Operating Revenue Forecasts (Table 3)

Government Grants

The major changes in government grants include (a) the grant reductions announced in the 2012 Ontario budget, (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 2014-15 is the result of an estimated \$2 million associated with the “policy levers” reduction and the estimated \$600,000 resulting from the \$750 per-student tax on non-PhD international students – both of which were announced in the spring 2012 Provincial Budget. The policy levers reduction will reach steady-state in 2014-15 and the international student tax related reduction will grow in relation to enrolments. The reduction in the Provincial Government Student Support Grants – of nearly \$600,000 – is the result of the continued phasing-out of the “Aiming for the Top” program.

Tuition Fees

The recommended tuition fee rates for 2014-15 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 2014-15 follow the new framework – which allows for an overall annual increase of 3%.

International Students

The last four University budgets highlighted the fact that Western’s international student tuition rates were well below those of our peer research-intensive institutions in Ontario – and it was noted that, looking forward, our recommendations for international student tuition will seek to move Western’s tuition rates to the level of our peers. The recommendations for international student tuition fees for 2014-15 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.

- In 2014-15, Western will receive \$9.3 million in support of 63 CRCs. Table 9 summarizes the CRC allocations to Western.
- The Transfer from the Affiliated University Colleges represents payments for services and teaching provided to their students. In the current year, a new mechanism – where the Colleges

transfer 10% of their grant and tuition revenue – is in place. The transfer rate will increase to a steady-state level of 12% in 2015-16.

- Fundraising for need-based Student Awards continues to be of high priority to the University. In 2014-15, we project a sum of \$5.4 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 2014-15 Expenditure Recommendations

1. Faculty Budget Recommendations

Table 4 shows the 2014-15 **base budget recommendations** for Western’s Faculties. Final 2014-15 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 \$77,000 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.

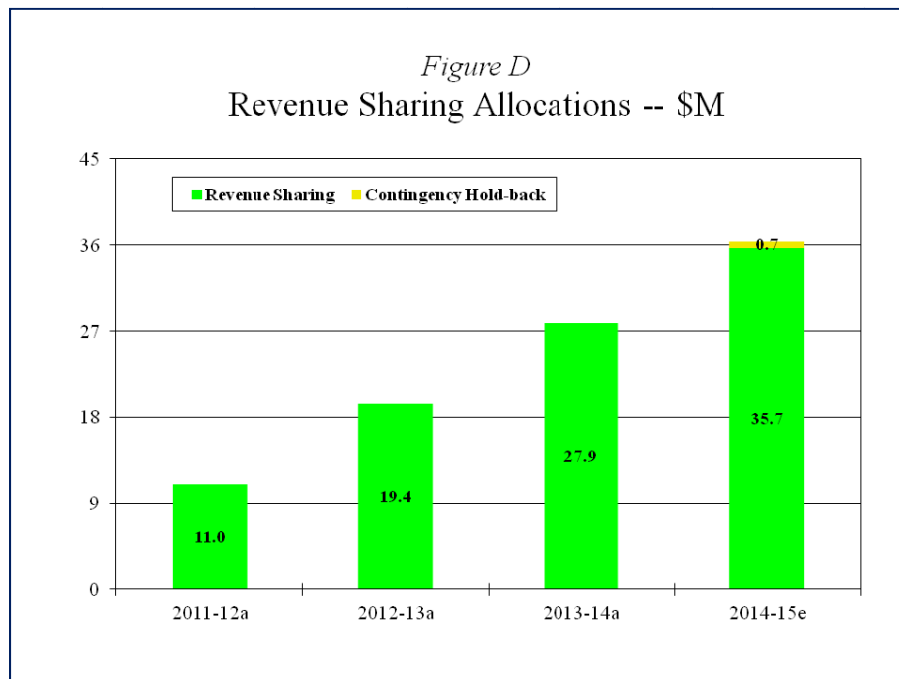
The **Faculty-specific APF base recommendations** for 2014-15 (shown in column <d> of Table 4) are:

- \$12,500 to the Faculty of Information and Media Studies as partial support for a new Associate Dean position;
- \$80,000 to the Faculty Law for a faculty position in Health Law – a joint appointment with the Faculty of Health Sciences and the Schulich School of Medicine & Dentistry;
- \$150,000 to the Schulich School to support the appointment of the Director of the Robarts Research Institute;
- \$100,000 to the Don Wright Faculty of Music in support of additional staffing;
- \$600,000 to the Faculty of Science in support of teaching expansion and research opportunities; and
- \$600,000 to the Faculty of Social Science to accommodate enrolment/teaching pressures across the Faculty and a faculty position in the Department of Economics.

The **funding model for the Richard 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. Line 15 in Table 4 shows the projected \$35.7 million that will be available to the Faculties in 2014-15. The Faculty-specific breakdown of this \$35.7 million is shown in Table 4a.

Finally, the recommendations for the Faculties include **one-time allocations** which are detailed in Table 8 (lines 10 through 19) 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 \$29 million in 2014-15. 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 2014-15, we project a sum of \$5.4 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 \$54 million in 2014-15 for this high priority item.

3. Support Unit Budget Recommendations

Table 6 shows the 2014-15 base budget recommendations for Support Units. Final 2014-15 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 base allocations – including resources to maintain core services, the operating costs of incremental space in new facilities, special investments in the Vice-President (Research) portfolio, and the targeted allocation in support of the fundraising campaign.

The Support Unit Priorities Fund (SUPF) was established in 2011-12, and the unit-specific allocations for 2013-14 (shown in column <c> of Table 6) are:

- \$210,000 to the Registrar's Office in support of additional staffing to enhance services levels;
- \$14,000 to the Office of Faculty Relations as partial support for additional staffing;
- \$20,000 to the School of Graduate and Postdoctoral Studies to increase legal services available to graduate students;
- \$250,000 to Western International in support of new programming and the associated incremental staffing;
- \$180,000 to Financial Services to maintain service levels;
- \$297,000 to Human Resources in support of additional staffing;
- \$127,500 to Facilities Management in support of elevator maintenance services and general building maintenance activities;
- \$15,000 to Internal Audit to maintain service levels;
- \$130,000 to Research Western in support of additional staffing; and
- \$150,000 to the Vice-President (External) portfolio in support of campaign related initiatives.

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 13 and 22 of Table 6.

Finally, the recommendations for the Support Units include **one-time allocations** which are detailed in Table 8 (lines 20 through 34).

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 and anticipated savings resulting from the implementation of a number of energy efficiency initiatives.
- The **Library Acquisitions Budget** continues at \$13.9 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 2014-15. 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, a number of high priority areas are recommended for support in the 2014-15 budget – with substantial one-time allocations:
 - Support for our Fundraising Campaign (the **Endowed Chairs Matching Program**) – \$12 million
 - **Strategic IT Infrastructure Initiatives** -- \$10 million
 - Creation of **Student Collaborative and Study Spaces** -- \$8 million
 - Matching funds for the next round of the **CFI Competition** -- \$3 million
 - **E-Learning Initiatives** and associated Infrastructure -- \$2 million
 - **Modernization of University College** -- \$2 million
 - **Student Innovation/Entrepreneurship Initiatives** -- \$1 million.

- The **Doctoral Supervision Grant (DSG)** – which provides \$2,000 per new domestic doctoral student as a direct grant to faculty members supervising the students – will require \$900,000.
- As a result of a funding partnership arrangement between the University Students' Council, the Society for 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 2014-15, the University's contribution amounts to \$329,900.
- A sum of \$1.2 million is being allocated to the Vice-President (Research) to maintain service levels and to support a number of **research-related initiatives**, including research development and commercialization of intellectual property.

Table 3
2014-15 OPERATING REVENUES

		2013-14 Budget Forecast (@ Feb 28, 2014) (1)	2014-15 Budget (2)	Increase / (Decrease) Amount (3)	% Change (2) to (1)
1	Government Grants				
2	Base Grants	209,838,991	207,231,591	(2,607,400)	-1.2%
3	Undergraduate Accessibility Fund	6,169,530	3,173,142	(2,996,388)	-48.6%
4	<i>Sub-Total Base Grants & Accessibility Fund</i>	<i>216,008,521</i>	<i>210,404,733</i>	<i>(5,603,788)</i>	<i>-2.6%</i>
5	Graduate Expansion Fund	10,530,164	12,472,470	1,942,306	18.4%
6	Quality Improvement Fund	10,090,991	10,015,030	(75,961)	-0.8%
7	Performance Fund	2,660,980	2,413,356	(247,624)	-9.3%
8	Program Expansion Grants	23,109,997	23,134,203	24,206	0.1%
9	Research Infrastructure Grant	2,632,735	2,632,735	0	0.0%
10	Federal Funding for Indirect Costs of Research	9,039,771	9,255,771	216,000	2.4%
11	Provincial Government Student Support Grants	2,299,436	1,701,437	(597,999)	-26.0%
12	Other Targetted Government Grants	8,201,925	7,499,083	(702,842)	-8.6%
13	Sub-Total Government Grants	284,574,520	279,528,818	(5,045,702)	-1.8%
14	Tuition Revenue				
15	Undergraduate	187,150,585	201,423,436	14,272,851	7.6%
16	Graduate	42,551,883	45,162,145	2,610,262	6.1%
17	<i>Sub-Total General Programs</i>	<i>229,702,468</i>	<i>246,585,581</i>	<i>16,883,113</i>	<i>7.3%</i>
18	Ivey Programs (HBA, MBAs, MSc, PhD)	50,047,005	52,545,312	2,498,307	5.0%
19	International Medical and Dental Students	7,224,563	10,106,875	2,882,312	39.9%
20	<i>Sub-Total Other Programs</i>	<i>57,271,568</i>	<i>62,652,187</i>	<i>5,380,619</i>	<i>9.4%</i>
21	Miscellaneous Fees	1,465,000	1,420,000	(45,000)	-3.1%
22	Sub-Total Tuition Revenue	288,439,036	310,657,768	22,218,732	7.7%
23	Other Revenues				
24	Canada Research Chairs (CRCs)	8,900,000	9,300,000	400,000	4.5%
25	Transfer from Affiliated University Colleges	6,947,131	7,725,933	778,802	11.2%
26	Recoverable Salaries	28,198,147	28,198,147	0	0.0%
27	Investment Income	757,762	615,963	(141,799)	-18.7%
28	Fundraising -- Need-based Student Awards and Bursaries	5,250,000	5,350,000	100,000	1.9%
29	Application Fees	1,781,518	1,755,553	(25,965)	-1.5%
30	Research Overheads	5,336,479	5,597,802	261,323	4.9%
31	Royalties and Licences	4,372,367	4,242,687	(129,680)	-3.0%
32	Contributions from Self-Funded & Ancillary Operations	23,530,000	25,460,000	1,930,000	8.2%
33	Miscellaneous Revenues	724,000	724,000	0	0.0%
34	Sub-Total Other Revenues	85,797,404	88,970,085	3,172,681	3.7%
35	Total Revenues	658,810,960	679,156,671	20,345,711	3.1%

Table 4
FACULTIES
2014-15 BASE BUDGETS

	<a>		<c>	<d>	<e>	<f>	<g>
	2013-14 Base Budget (@ Feb 28, 2014)	IBA	Faculty Turnover Recovery	APF	Other Base Changes	Canada Research Chairs	Resulting 2014-15 Base Budget
1	Faculties						
2	Arts & Humanities	29,273,049	(682,907)	(71,910)			28,518,232
3	Education	9,831,235	(301,955)	(195,844)			9,333,436
4	Engineering	24,905,193	(562,740)	(67,914)		(387)	24,364,152
5	Health Sciences	26,976,241	(678,086)	(80,264)		(778)	26,307,113
6	Information & Media Studies	9,379,623	(244,045)		12,500		9,148,078
7	Law	7,046,577	(180,584)		80,000		6,945,993
8	Medicine & Dentistry	63,216,734	(1,510,864)	(259,655)	150,000	(10,630)	61,945,585
9	Music	9,812,363	(228,265)		100,000		9,684,098
10	Science	51,522,368	(1,195,928)	(269,120)	600,000	(90,000)	50,567,320
11	Social Science	50,885,800	(1,236,589)	(163,319)	600,000	(113,184)	49,882,708
12	Sub-Total Faculties (excluding Business)	282,849,183	(6,821,963)	(1,108,026)	1,542,500	(124,979)	276,696,715
13	Business	62,365,962				1,952,563	64,318,525
14	Sub-Total Faculties	345,215,145	(6,821,963)	(1,108,026)	1,542,500	1,827,584	341,015,240
15	Revenue Sharing Allocation	27,881,960				7,804,477	35,686,437
16	Research Infrastructure Support Fund (RISF)	750,000					750,000
17	Faculty Recruitment Initiatives	1,200,000					1,200,000
18	Academic Priorities Fund (APF)	9,865,937			157,500	1,400,000	11,423,437
19	Total -- with Revenue Sharing Allocation	384,913,042	(6,821,963)	(1,108,026)	1,700,000	11,032,061	390,075,114
20	All Other						
21	Academic Development Fund	1,500,000					1,500,000
22	Continuing Studies: Trois-Pistoles	1,028,088				(15,219)	1,012,869
23	Education: Continuing Education for Teachers	2,079,000					2,079,000
24	Medicine & Dentistry: International Students and Primary Care	7,574,368				2,882,312	10,456,680
25	Medicine & Dentistry: Robarts	6,818,938				(289,249)	6,529,689
26	Faculty Share of Research Overheads	1,410,000				80,000	1,490,000
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	Sub-Total	48,987,541	0	0	0	2,657,844	51,645,385
31	Total Academic Units	433,900,583	(6,821,963)	(1,108,026)	1,700,000	13,689,905	441,720,499

Table 4a
FACULTIES: REVENUE SHARING ALLOCATIONS

		2010-11a	2011-12a	2012-13a	2013-14a	2014-15e
1	Arts & Humanities	1,277,090	1,400,097	1,650,341	1,613,740	1,619,124
2	Education	162,150	286,138	361,738	1,300,269	3,254,746
3	Engineering	84,500	788,379	1,546,837	2,671,495	3,667,037
4	Health Sciences	569,050	1,052,765	1,886,348	3,234,304	3,368,231
5	Information & Media Studies	428,550	488,396	690,159	1,134,816	1,070,876
6	Law	64,150	271,988	773,204	1,106,857	1,375,023
7	Medicine & Dentistry	562,500	1,004,396	2,467,635	4,017,763	6,125,625
8	Music	-47,000	185,012	191,525	181,488	396,890
9	Science	1,708,910	2,128,493	4,625,611	6,260,014	7,285,127
10	Social Science	2,213,660	3,134,100	4,796,995	5,804,065	6,987,193
11	ID Programs	385,100	294,077	434,790	557,150	536,565
12	Sub-Total	7,408,660	11,033,841	19,425,183	27,881,961	35,686,437
13	Contingency Hold-back					720,057
14	Total	7,408,660	11,033,841	19,425,183	27,881,961	36,406,494

Table 5
SCHOLARSHIPS and BURSARIES
2014-15 BASE BUDGETS

		<a>		<c>
		2013-14 Base Budget (@ Feb 28, 2014)	Changes	Resulting 2014-15 Base Budget
1	Undergraduate Scholarships	6,500,000		6,500,000
2	Tuition Re-Investment	13,559,478	491,068	14,050,546
3	Western Bursaries	776,545		776,545
4	Privately-Funded Need-based Awards & Bursaries	5,250,000	100,000	5,350,000
5	Government "Aiming for the Top" Program	1,140,535	(600,535)	540,000
6	MTCU Work Study Program and Bursaries	626,437		626,437
7	Global Opportunities Awards	200,000		200,000
8	Graduate Bursaries and Fellowships	932,464	2,536	935,000
9	Total Scholarships and Bursaries	28,985,459	(6,931)	28,978,528

Graduate student funding is now addressed through the Faculty budgets. In 2013-14, this funding is estimated to be \$53.1 million and the plan for 2014-15 is \$54.0 million.

Table 6
SUPPORT AREAS
2014-15 BASE BUDGETS

	<a>		<c>	<d>	<e>
	2013-14 Base Budget (@ Feb 28, 2014)	IBA	SUPF	Other Base Changes	Resulting 2014-15 Base Budget
1	Reporting to the Provost				
2	Teaching Support Centre	682,801	(18,265)	2,497	667,033
3	Writing Support Centre	321,489			321,489
4	Information Technology Services	6,623,333	(166,939)	96,997	6,553,391
5	Libraries	12,745,760	(329,129)	89,993	12,506,624
6	Registrar's Office	6,141,806	(163,571)	210,000	6,266,503
7	Office of Vice-Provost (APPF)	937,041	(23,083)	14,000	932,691
8	Graduate & Postdoctoral Studies	1,778,096	(25,016)	20,000	1,782,921
9	Institutional Planning and Budgeting	4,592,703	(113,650)	46,612	4,525,665
10	Western International	1,612,970		250,000	1,862,970
11	McIntosh Gallery - Subsidy	256,919			256,919
12	Teaching Fellows Program	250,000			250,000
13	Support Unit Priorities Fund (SUPF)	149,235		56,000	205,235
14	Sub-Total	36,092,153	(839,653)	550,000	328,941
15	Reporting to the Vice-President Resources & Operations				
16	Financial Services	4,396,492	(108,626)	180,000	4,509,775
17	Human Resources	6,320,159	(143,611)	297,000	6,528,955
18	Workplace Health Services	170,813			170,813
19	Facilities Management	16,878,587	(390,552)	127,500	16,795,362
20	Police	2,805,370	(68,294)	35,306	2,772,382
21	Internal Audit	408,783	(8,123)	15,000	415,660
22	Support Unit Priorities Fund (SUPF)	254,500		(149,500)	105,000
23	Sub-Total	31,234,704	(719,206)	470,000	312,449
24	Reporting to the Vice-President Research				
25	Animal Care/Veterinary Services - Subsidy	800,000			800,000
26	Research Western	3,551,888	(87,493)	130,000	3,624,299
27	Research Promotion Fund	350,000			350,000
28	Small Grants Support for Arts/Humanities/Social Sciences	250,000			250,000
29	Western Innovation Fund	400,000			400,000
30	Sub-Total	5,351,888	(87,493)	130,000	29,904
31	Vice-President External Portfolio	10,860,337	(212,072)	150,000	28,992
32	General Administration				
33	Offices of the President/Vice-Presidents	3,221,770			3,221,770
34	University Secretariat	1,032,979			1,032,979
35	Sub-Total	4,254,749	0	0	4,254,749
36	Total Support Areas	87,793,831	(1,858,424)	1,300,000	700,286

Table 7
UNIVERSITY-WIDE EXPENDITURES and EMPLOYEE BENEFIT COSTS
2014-15 BASE BUDGETS

		<a>		<c>	<d>
		2013-14 Base Budget (@ Feb 28, 2014)	New Investment	Other Changes	Resulting 2014-15 Base Budget
1	Utilities	17,660,711		487,038	18,147,749
2	Library Acquisitions	13,865,896			13,865,896
3	Transfer to MMI: Operating	12,500,000	750,000		13,250,000
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	952,000		32,000	984,000
7	Information Technology Infrastructure Fund (ITIF)	7,949,842	397,492		8,347,334
8	Property Taxes	2,087,400		41,550	2,128,950
9	Insurance	1,805,583		13,530	1,819,113
10	Contingency	1,634,187		63,705	1,697,892
11	Services for Students with Disabilities	962,030			962,030
12	Professional Fees	1,282,500			1,282,500
13	Institutional Memberships	930,000			930,000
14	Student Recruitment	850,000			850,000
15	Sports and Recreation Services Subsidy	888,696		8,620	897,316
16	Convocation and Diplomas	340,000			340,000
17	Costs Associated with Employee Contracts	589,000			589,000
18	Ombudsperson	98,506			98,506
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	Total University-wide Expenditures	68,176,351	1,147,492	646,443	69,970,286
23	Employee Benefit Plan Costs	103,690,888		1,285,964	104,976,852
24	Employee Benefit Recoveries	(107,774,651)		(1,752,646)	(109,527,297)
25	Net Employee Benefits	(4,083,763)		(466,682)	(4,550,445)
26	Net University-wide Expenditures	64,092,588	1,147,492	179,761	65,419,841

Table 8
2014-15 ONE-TIME ALLOCATIONS

1	Support for our Fundraising Campaign - Endowed Chairs Matching Program	12,000,000
2	Strategic IT Infrastructure Initiatives	10,000,000
3	Creation of Student Collaborative and Study Spaces	8,000,000
4	CFI Matching Funds	3,000,000
5	E-Learning Initiatives	2,000,000
6	Modernization of University College	2,000,000
7	Student Innovation and Entrepreneurship Initiatives	1,000,000
8	Doctoral Supervision Grant	900,000
9	University Contribution for Artificial Turf Playing Fields	329,900
10	Arts & Humanities: Dean's Entrance Scholarship Program and Awards of Excellence	225,000
11	Education: Development and Implementation of 2-Year B.Ed. Program	400,000
12	Engineering: Faculty Start-Up Funds, NSERC Discovery Grant Bridge Funding, and Support for Academic Priorities	305,000
13	Health Sciences: Targetted Government Funding for Clinical Education (\$842,212), Nurse Practitioner Program (\$339,930), International Initiatives (\$37,500), Research Co-ordinator Position (\$40,000), Post-Doctoral Fellowship Program (\$80,000), Support for Intercollegiate Athletics (\$45,000), and Health Education Delivery Suite (\$120,000)	1,504,642
14	Info & Media Studies: New Media, Digital, and Virtual World Infrastructure and Support for Academic Priorities	150,000
15	Law: Intensive Courses and Visiting Scholars	90,000
16	Medicine & Dentistry: Targetted Government Funding for Dental Clinical Education (\$1.2M) and MD Expansion (\$2.4M)	3,571,650
17	Music: Musical Futures, Visiting Professorship, and Support for Academic Priorities	126,500
18	Science: Support for Internationalization Initiatives (\$60,000), Academic Priorities (\$400,000), and Synthetic Chemistry Lab Renewal (\$850,000)	1,310,000
19	Social Science: Bridge Financing for Faculty Position (Financial Economics) and Support for Academic Priorities	560,000
20	ITS: Equipment and Software Renewal in the Instructional Technology Resource Centre	50,000
21	Libraries: Technology for Collaborative Learning and Additional Staff for Access to Acceptable Use Information	101,675
22	Registrar's Office: Experiential Learning Initiatives (\$70K), Career Services and First Nations Initiatives (\$180K), , Elearning Initiatives (\$21K), First Generation Initiatives (\$282K), and Ontario Global Edge Program (\$35K)	588,480
23	Teaching Support Centre: 360 Degree Initiative for Graduate Students (\$300K), Faculty Mentor Program (\$40K), and Teaching Fellows Program (\$170K)	510,000
24	Office of Vice-Provost (APPF): Training and Development Initiatives and Faculty Recruitment/Retention Initiatives	70,000
25	SGPS: Additional Staffing, Graduate Student Recruitment and Retention Initiatives, Maintain Service and Staffing Levels, and Exchange Program Travel Costs	350,000
26	Western International: International Relations Travel and Hospitality, International Internship Program, and International Staff Exchange / Job Shadowing	105,000
27	Financial Services: Support for PCI Audit	60,000
28	Human Resources: Systems Upgrades, Employee Survey, Learning & Development Initiatives, and Change Management Program	540,000
29	Internal Audit: Support for Special Projects	25,000
30	Facilities Management: Elevator Management Strategy and Associated Infrastructure	226,800
31	Police: Installation of Additional Weather Siren	50,000
32	Vice-President Research: Maintain Service Levels (\$230K) and Support for Research Initiatives (\$1M)	1,230,000
33	Animal Care & Veterinary Services: Support for Cage Costs	150,000
34	Vice-President External: Support for Fundraising Campaign and Communications Initiatives	243,806
35	Total One-Time Allocations	51,773,453

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

		2013-14						2014-15					
		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	1	90,000	3	430,000
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	2	180,000	3	350,000
6	Info & Media Studies												
7	Law												
8	Medicine & Dentistry	12	2,040,000	5	450,000	17	2,490,000	12	2,040,000	9	810,000	21	2,850,000
9	Music												
10	Science	6	1,020,000	13	1,170,000	19	2,190,000	6	1,020,000	12	1,080,000	18	2,100,000
11	Social Science	3	510,000	5	450,000	8	960,000	3	510,000	4	360,000	7	870,000
12	Total to Faculties	30	5,100,000	29	2,610,000	59	7,710,000	30	5,100,000	33	2,970,000	63	8,070,000
13	Total CRC Funding		6,000,000		2,900,000		8,900,000		6,000,000		3,300,000		9,300,000

Table 10
RESEARCH INFRASTRUCTURE SUPPORT FUND (RISF)
2014-15 Allocations

1	Arts & 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	Total	750,000

Table 11
2014-15 TUITION FEE PROPOSALS FOR UNDERGRADUATE PROGRAMS

		Canadian Students			International Students		
		Actual 2013-14 Tuition	2014-15		Actual 2013-14 Tuition	2014-15	
			Proposed Tuition	<a> % Increase		Proposed Tuition	<a> % Increase
1	First-Entry Programs 						
2	Year 1	5,801	5,975	3.0%	19,562	21,127	8.0%
3	Year 2	5,801	5,975	3.0%	18,838	20,344	4.0%
4	Year 3	5,774	5,975	3.0%	18,140	19,592	4.0%
5	Year 4	5,746	5,947	3.0%	17,468	18,866	4.0%
6	Engineering						
7	Year 1	10,705	11,240	5.0%	25,104	27,112	8.0%
8	Year 2	10,603	11,240	5.0%	24,174	26,108	4.0%
9	Year 3	10,210	11,027	4.0%	23,278	25,140	4.0%
10	Year 4	9,833	10,618	4.0%	22,416	24,209	4.0%
11	M.T.P.						
12	Year 2	6,069	6,251	3.0%	21,058	22,321	6.0%
13	Year 3	6,069	6,251	3.0%	21,058	21,900	4.0%
14	Year 4	6,069	6,251	3.0%	21,058	21,900	4.0%
15	M.O.S.						
16	Year 1	5,801	5,975	3.0%	19,562	21,909	12.0%
17	Year 2	5,801	5,975	3.0%	18,838	20,344	4.0%
18	Year 3	5,774	5,975	3.0%	18,140	19,592	4.0%
19	Year 4	5,746	5,947	3.0%	17,468	18,866	4.0%
20	Nursing						
21	Year 1	5,801	5,975	3.0%	25,104	27,112	8.0%
22	Year 2	5,801	5,975	3.0%	24,174	26,108	4.0%
23	Year 3	5,774	5,975	3.0%	23,278	25,140	4.0%
24	Year 4	5,746	5,947	3.0%	22,416	24,209	4.0%
25	Second-Entry Programs						
26	Business (HBA)						
27	Year 1	22,808	23,948	5.0%	29,640	31,122	5.0%
28	Year 2	22,808	23,948	5.0%	29,640	31,122	5.0%
29	Dentistry						
30	Year 1	30,770	32,308	5.0%	55,868	60,337	8.0%
31	Year 2	30,477	32,308	5.0%	53,799	58,103	4.0%
32	Year 3	29,348	31,696	4.0%	51,807	55,951	4.0%
33	Year 4	28,262	30,521	4.0%	49,888	53,879	4.0%
34	Education (B.Ed.)	6,971	7,180	3.0%	22,416	23,313	4.0%
35	Law						
36	Year 1	17,544	18,421	5.0%	25,104	27,112	8.0%
37	Year 2	17,377	18,421	5.0%	24,174	26,108	4.0%
38	Year 3	16,733	18,072	4.0%	23,278	25,141	4.0%
39	Medicine (M.D.)						
40	Year 1	21,703	22,788	5.0%	n.a.	n.a.	n.a.
41	Year 2	21,496	22,788	5.0%	n.a.	n.a.	n.a.
42	Year 3	20,700	22,355	4.0%	n.a.	n.a.	n.a.
43	Year 4	19,933	21,528	4.0%	n.a.	n.a.	n.a.

<a> The proposed 2014-15 rates are effective May 1, 2014.

The % increase figures are calculated on the previous year of study in the previous academic year;
for example, the % increase for year 2 is the increase over the year 1 tuition in the previous academic year.

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

Table 12
2014-15 TUITION FEE PROPOSALS FOR GRADUATE PROGRAMS

		Canadian Students			International Students		
		Actual 2013-14 Tuition	2014-15		Actual 2013-14 Tuition	2014-15	
			Proposed Tuition	<a> % Increase		Proposed Tuition	<a> % Increase
1	Masters Category 1						
2	Arts & Humanities	6,641	6,740	1.5%	15,973	16,612	4.0%
3	Engineering (M.E.Sc.)	6,641	6,740	1.5%	15,973	16,612	4.0%
4	Health & Rehabilitation Sciences	6,641	6,740	1.5%	15,973	16,612	4.0%
5	Health Information Sciences	9,046	9,181	1.5%	22,541	23,443	4.0%
6	Interdisciplinary Programs 	6,641	6,740	1.5%	15,973	16,612	4.0%
7	Kinesiology	6,641	6,740	1.5%	15,973	16,612	4.0%
8	Law/Studies in Law <c>	10,451	10,973	5.0%	24,500	25,970	6.0%
9	Media Studies	6,641	6,740	1.5%	15,973	16,612	4.0%
10	Medicine (Basic Health Sciences)	6,641	6,740	1.5%	15,973	16,612	4.0%
11	Music	6,641	6,740	1.5%	15,973	16,612	4.0%
12	Nursing	7,975	8,094	1.5%	22,541	23,443	4.0%
13	Science	6,641	6,740	1.5%	15,973	16,612	4.0%
14	Social Science	6,641	6,740	1.5%	15,973	16,612	4.0%
15	Masters Category 2						
16	C.S.D./O.T./P.T. (MPT) <c>	9,834	10,325	5.0%	22,974	24,352	6.0%
17	Dentistry (Orthodontics) <c>	23,833	25,024	5.0%	53,775	57,002	6.0%
18	Education (M.Ed) <c>	9,471	9,944	5.0%	22,974	24,352	6.0%
19	Education (MPE, GDPE)	9,471	9,944	5.0%	22,974	24,352	6.0%
20	Engineering (M.Eng.) <c>	9,471	9,944	5.0%	22,974	24,352	6.0%
21	Environment & Sustainability	10,606	11,136	5.0%	22,974	24,352	6.0%
22	Journalism	9,471	9,944	5.0%	22,974	24,352	6.0%
23	Library & Information Science <c>	9,471	9,944	5.0%	22,974	24,352	6.0%
24	Medicine (Clinical Med. Biophysics)	31,500	33,075	5.0%	42,400	44,944	6.0%
25	Medicine (Family Medicine) <c>	12,472	13,095	5.0%	22,974	24,352	6.0%
26	Medicine (Pathology Assistant) <c>	21,000	22,050	5.0%	31,800	33,708	6.0%
27	Medicine (Public Health)	27,000	28,350	5.0%	42,000	44,520	6.0%
28	Physical Therapy (M.Cl.Sc.) <c>	9,471	9,944	5.0%	22,974	24,352	6.0%
29	Doctoral						
30	Doctor of Musical Arts	6,641	6,740	1.5%	15,973	16,612	4.0%
31	Ph.D/MSc Clinical Med. Biophysics	12,941	13,355	3.2%	24,453	25,601	4.7%
32	Doctor of Education (EdD)	12,000	12,180	1.5%	23,000	23,920	4.0%
33	PhD Programs	6,641	6,740	1.5%	15,973	16,612	4.0%

<a> The proposed 2014-15 rates are effective September 1, 2014.

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

<c> The proposed 2014-15 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				
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1	Constituent University									
2	Full-Time Undergraduates									
3	Arts & Humanities	1,275	1,260	1,232	1,180	1,147	1,121	1,102	1,093	1,097
4	Business (HBA)	812	935	979	1,065	1,116	1,130	1,130	1,130	1,130
5	Dentistry	251	251	260	266	264	264	264	264	264
6	Education	726	732	700	677	597	668	334	668	668
7	Engineering	1,132	1,147	1,262	1,335	1,449	1,498	1,541	1,570	1,584
8	Health Sciences									
9	BHSc Program	1,098	1,117	1,185	1,160	1,170	1,161	1,170	1,208	1,224
10	Kinesiology	1,194	1,204	1,246	1,203	1,169	1,169	1,157	1,159	1,171
11	Nursing	777	797	808	820	825	825	825	825	825
12	Therapies	40	0	0	0	0	0	0	0	0
13	Sub-Total	3,109	3,118	3,239	3,183	3,164	3,155	3,152	3,192	3,220
14	Law	467	458	465	476	480	490	490	495	495
15	Media, Information, & Tech	890	972	963	919	930	938	902	893	883
16	Medicine									
17	MD Program	591	621	646	667	680	680	684	684	684
18	BMedSci Program	591	653	688	778	862	892	892	892	892
19	Music	535	535	527	542	512	473	451	438	439
20	Science	3,737	4,020	4,222	4,334	4,482	4,428	4,447	4,480	4,501
21	Social Science	6,408	6,433	6,618	6,648	6,674	6,770	6,831	6,880	6,924
22	Total Full-Time Undergraduates	20,524	21,135	21,801	22,070	22,357	22,507	22,220	22,680	22,778
23	Concurrent Programs	110	121	144	155	173	175	175	175	175
24	Medical Residents	725	798	810	829	853	875	875	875	875
25	Full-Time Graduates									
26	Masters	2,648	2,800	2,823	2,756	2,977	3,196	3,320	3,445	3,575
27	Ph.D.	1,771	1,904	1,947	2,021	2,026	2,064	2,110	2,140	2,180
28	Total Full-Time Graduates	4,419	4,704	4,770	4,777	5,003	5,260	5,430	5,585	5,745
29	Total Full-Time Enrolment	25,778	26,758	27,525	27,831	28,386	28,817	28,700	29,315	29,777
30	Part-Time FTEs									
31	Undergraduate	2,134	2,197	2,243	2,317	2,251	2,250	2,250	2,250	2,250
32	Education (AQs)	922	803	745	673	635	625	625	625	625
33	Masters	129	134	140	175	149	150	150	150	150
34	Ph.D.	24	21	26	22	27	25	25	25	25
35	Total Part-Time FTEs	3,209	3,155	3,154	3,187	3,062	3,050	3,050	3,050	3,050
36	Total Constituent FTEs	28,987	29,913	30,679	31,018	31,448	31,867	31,750	32,365	32,827
37	Affiliated University Colleges									
38	Full-Time Undergraduates									
39	Brescia	934	964	1,067	1,121	1,150	1,190	1,227	1,230	1,269
40	Huron	1,235	1,254	1,272	1,230	1,250	1,280	1,285	1,290	1,300
41	King's	3,122	3,216	3,286	3,244	3,169	3,161	3,174	3,194	3,228
42	Total Full-Time Undergraduates	5,291	5,434	5,625	5,595	5,569	5,631	5,686	5,714	5,880
43	Part-Time Undergraduate FTEs									
44	Brescia	82	83	94	94	83	93	95	122	130
45	Huron	57	56	70	63	65	60	60	60	60
46	King's	249	245	252	239	252	220	220	220	220
47	Total Part-Time FTEs	388	384	416	396	400	373	375	402	410
48	Graduate FTEs									
49	Brescia	26	30	29	32	32	33	37	37	42
50	Huron	13	12	14	10	8	18	18	18	18
51	King's	30	34	31	33	31	28	30	33	33
52	Total Graduate FTEs	69	76	74	75	71	79	85	88	93
53	Total Affiliate FTEs	5,748	5,894	6,115	6,066	6,040	6,083	6,146	6,204	6,383
54	Total UWO FTEs	34,735	35,807	36,794	37,084	37,488	37,950	37,896	38,569	39,210

Table 13
SUMMARY OF ENROLMENT FORECAST

	Actual					Forecast				
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<i>Rows 55 to 86 Included above</i>										
55 International Students										
56 Constituent Full-Time										
57 Undergraduates	631	703	923	1,257	1,611	1,940	2,185	2,325	2,400	2,440
58 Medical Residents	109	121	127	108	112	115	115	115	115	115
59 Masters (excluding Ivey)	320	378	452	463	439	437	457	458	456	458
60 MBA (Regular), Ivey MSc	17	27	30	22	43	40	50	51	53	53
61 Executive MBA	71	80	44	22	40	98	105	60	60	60
62 Ph.D.	426	463	510	499	516	524	510	515	525	525
63 Affiliates										
64 Undergraduates	536	524	497	476	497	545	575	599	626	652
65 Masters	2	2	2	4	3	3	5	5	5	5
66 Year 1 Only										
67 Constituent										
68 Arts & Humanities	259	258	272	236	213	215	225	225	225	225
69 Engineering	343	351	416	412	430	435	450	450	450	450
70 Health Sciences										
71 BHSoc Program	270	273	314	292	338	340	350	350	350	350
72 Kinesiology	347	330	366	331	315	325	335	335	335	335
73 Nursing	130	133	128	128	132	130	130	130	130	130
74 Media, Information, & Tech	333	361	334	314	332	330	330	330	330	330
75 MOS Program	773	717	846	816	741	825	835	835	835	835
76 Music	135	141	142	144	121	125	125	125	125	125
77 Science	1,106	1,366	1,388	1,313	1,347	1,350	1,360	1,360	1,360	1,360
78 Social Science	757	794	850	837	878	850	860	860	860	860
79 Total Year 1 - Constituent	4,453	4,724	5,056	4,823	4,847	4,925	5,000	5,000	5,000	5,000
80 Affiliated University Colleges										
81 Brescia	268	260	292	284	309	304	312	316	326	336
82 Huron	397	404	381	367	388	405	405	405	405	405
83 King's	946	916	878	821	848	890	905	920	935	950
84 Total Year 1 - Affiliates	1,611	1,580	1,551	1,472	1,545	1,599	1,622	1,641	1,666	1,691
85 Total UWO Year 1	6,064	6,304	6,607	6,295	6,392	6,524	6,622	6,641	6,666	6,691
86 Masters										
87 All Programs (excluding MBAs)	2,262	2,364	2,380	2,420	2,583	2,748	2,855	3,020	3,145	3,280
88 Ivey (excl EMBA)	157	188	183	144	181	185	195	200	205	205
89 Executive MBA	229	248	260	192	213	263	270	225	225	225

For Information

90	Year 1 Constituent International Students	120	146	347	476	532	575	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

	Project	Type
	CATEGORY 1 -- Underway or Soon-to-Start	
1	Ontario Hall -- New Undergraduate Residence	New Construction
2	Western AMP Accelerator Centre	New Construction
3	New Music Building -- addition to Talbot College	New Construction
4	New Academic Building (To House FIMS and Nursing)	New Construction
5	University-wide Infrastructure Projects	New Construction / Modernization
6	Parking Related Projects	Infrastructure
7	Interdisciplinary Research Building -- Phase 1	New Construction
8	Delaware Hall Residence Renovations	Modernization
9	Modernization of University College	Modernization
10	Secondary IT Data Centre at the AMP	New Construction
11	Campus Sustainability Initiatives (multiple stages)	Modernization / Infrastructure
	CATEGORY 2 -- Projects under Consideration	
12	Modernization of Thames Hall	Modernization
13	Modernization of SEB, HSA, Former Ivey School Facilities, Medical & Dental School Facilities, Elborn, Talbot, Chemistry Addition	Modernization or Replacement
	CATEGORY 3 -- For Future Consideration -- if Funding Identified	
14	New Research Initiatives/Partnerships at the Research Parks	New Construction
15	Library Facilities -- Modernization, Realignment, and Expansion	Modernization / New Construction
16	Expansion of Medical School Facilities -- to Support Strategic Initiatives	New Construction
17	Graduate Student Housing Expansion	New Construction
18	Athletic Facilities -- Indoor and Outdoor	New Construction
19	North Academic Campus	New Construction
20	Asset Acquisitions	Acquisition

2014-15 Capital Budget

A. The Evolution of Capital Expenditures

The Capital Budget for 2014-15 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 2010-11 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 2014-15 total \$104 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 \$13.25 million in 2014-15 (\$12.5 M in 2013-14). 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 28, 2014, our buildings and infrastructure have a current replacement value (CRV) of approximately \$2,241 million, as follows:

	CRV \$M	Square Metres	Major Buildings
Major Non-Residential Buildings	1,565	521,777	68
Utilities and Infrastructure	185		
Subtotal, Eligible for MMI	1,750	521,777	68
Housing	395	257,546	15
Other Ancillary Buildings	96	49,300	8
Total	2,241	828,623	91

At February 28, 2014, 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 \$185 million in utilities and infrastructure, are the physical assets generally eligible for MMI expenditures. On that same date, the University had 395,000 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 eight major buildings which are operated largely or entirely as ancillaries: Western Student Recreation Centre, Thompson Recreation and Athletic Centre, TD Waterhouse Stadium, Boundary Layer Wind Tunnel, Child Care Centre, Spencer Hall, Accelerator Centre and the Fraunhofer Project Centre.

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

- 1. New Construction.** This category includes projects which create new buildings, including housing, additions to existing buildings, and other new facilities such as parking lots and athletic fields. It does not include projects which improve the space within existing buildings or projects which upgrade other existing facilities.
- 2. Major Building Renovations.** This category involves major maintenance and renovation expenditures on non-residential building projects of over \$1 million – and the projects generally span more than one year. Of the 500,000 square metres in major buildings, over 55% 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 \$22.9 million in 2014-15, 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 2012-13, line B shows \$6,634, the difference between funding of \$146,646 (all figures in \$000) and expenditures of \$140,012. The capital reserve in line C increases by this same amount of \$6,634, reflecting an increase 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 2012-13, MMI expenditures were \$20.9 million, while the estimated replacement value of non-residential buildings, utilities, and infrastructure was \$1.6 billion. The ratio of the two is 1.3%, 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 2014-15, the base transfer will be increased by \$750,000 to \$13.25 million (2013-14, \$12.5 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 2012-13, the transfer was \$11.75 million and MMI expenditures were \$20.9 million, so the ratio in line H is 56.1%. Other sources of funding for MMI expenditures include the annual capital facilities renewal grant from the Province (currently about \$1.5 million); special Provincial

grants; additional one-time allocations from the University's operating budget; additional one-time allocations from the Province; research funds from such sources as the Canada Foundation for Innovation and the Ontario Ministry of Research and Innovation; fundraising; and borrowing.

Line J contains an estimate of maintenance spending, defined narrowly as spending required to bring aging facilities up to their condition when originally built. In fact, whenever Western undertakes a major maintenance project, there is also modernization of the facility, and whenever we carry out a major modernization project, there is generally some maintenance expenditure; it is thus difficult to separate the two. Line J is calculated on the assumption that 2/3 of the expenditures in categories 2, 3, and 5 involve maintenance (the remaining 1/3 involve modernization), while 1/3 of the expenditures in category 4 is for maintenance (the remaining 2/3 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 2012-13 is \$12.0 million, or (in line K) 0.7% 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 2014-15

Table 17 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2013-14, divided into seven major categories: federal, provincial and municipal government grants; funds from the Canada Foundation for Innovation (CFI) and the Ontario Ministry of Research and Innovation (OMRI) awarded on a competitive basis; funds transferred from Western's operating budget; undistributed investment returns; general fundraising; borrowing; and other sources, including internal recoveries. As compared to a decade ago, the University is more dependent on capital revenues from competitive research sources (e.g. CFI/OMRI), private fundraising, transfers from the operating budget, and debt.

Table 18 shows expenditures in Categories 1 and 2, for 2013-14 (estimates as of February 28, 2014) and 2014-15 (current proposals).

Table 15
CAPITAL BUDGET SUMMARY, 2010-11 TO 2014-15
(\$000)

Category	Purpose	Actual 2010-11	Actual 2011-12	Actual 2012-13	Projected 2013-14	Budget 2014-15
	New Construction					
1	New Construction (Table 18, line 16)	38,141	56,062	108,508	60,128	30,399
	Maintenance, Modernization, and Infrastructure (MMI)					
2	Major Building Renovations (Table 18, line 24)	31,281	15,284	5,565	3,897	5,157
3	Utilities and Infrastructure Projects	5,347	4,819	4,760	5,775	12,352
4	Modernization of Instructional and Research Facilities	5,102	4,089	5,805	6,389	6,607
5	General Maintenance and Modernization Projects	7,583	7,288	4,826	4,508	8,059
	Sub-Total MMI	49,313	31,480	20,956	20,569	32,175
	Other					
6	Housing Renovations	5,393	6,039	5,860	8,361	22,853
7	Ancillary Projects	535	459	1,099	1,252	220
8	Carrying Costs and Debt Repayments	2,626	3,704	3,541	21,609	17,858
9	Other Capital Expenditures	262	64	48	1,077	57
	Sub-Total Other	8,816	10,266	10,548	32,299	40,988
10	Total Expenditures	96,270	97,808	140,012	112,996	103,562

Line		Actual 2010-11	Actual 2011-12	Actual 2012-13	Projected 2013-14	Budget 2014-15
	Sources of Funding, Reserves, and Debt					
A	Total Sources of Funding, Including Debt (Table 17)	118,368	91,242	146,646	107,682	94,823
B	Sources of Funding less Expenditures	22,098	(6,566)	6,634	(5,314)	(8,739)
C	Capital Reserve, Year End (Table 19)	30,823	24,257	30,891	25,577	16,838
D	Capital Debt Outstanding, Year End (Table 19)	217,014	215,406	314,148	306,784	298,924
E	Replacement Value of Nonresidential Buildings, Utilities & Infrastructure, \$M	1,469	1,596	1,608	1,750	1,787
F	MMI Expenditures/Replacement Value	3.4%	2.0%	1.3%	1.2%	1.8%
G	Annual MMI transfer from Operating to Capital Budget	10,250	11,000	11,750	12,500	13,250
H	MMI transfer/MMI Expenditures	20.8%	34.9%	56.1%	60.8%	41.2%
J	Estimate of Maintenance Expenditure	31,175	19,624	12,036	11,583	19,248
K	Maintenance Expenditure/Replacement Value	2.1%	1.2%	0.7%	0.7%	1.1%
L	Number of Major Buildings	82	84	86	91	91
M	Total Gross Square Meters (000's)	747	777	784	829	829

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

		Category	Start	End
1	<i>Projects Completed up to March 2014</i>			
2	New Ivey Building	1	Aug 09	Aug 13
3	The Wind Engineering, Energy, and Environment Facility (WindEEE) - at AMP	1	Dec 10	Nov 13
4	Ontario Hall - New Undergraduate Residence	1	May 11	Mar 14
5	Fraunhofer Project Centre - at the AMP	1	Aug 11	Mar 14
6	Western Centre for Public Health and Family Medicine	1	Oct 11	Jul 13
7	Western AMP Accelerator Centre	1	Jan 12	Mar 14
8	Ivey Toronto Facilities Expansion/Renovations (Phase I)	2	Jul 12	Sep 13
9	Dental Sciences Building General Anaesthesia Suite	2	Nov 12	Sept 13
10	Artificial Turf Sports Fields	1	Jan 13	Sept 13
11	<i>Total</i>			
12	<i>Projects Underway or Soon-to-Start</i>			
13	New Music Building - addition to Talbot College	1	Mar 12	Dec 15
14	New Academic Building (to house FIMS and Nursing)	1	Jan 14	Dec 16
15	University-wide Infrastructure Projects	3	May 14	Apr 15
16	Delaware Hall Residence Renovations	7	May 14	Jul 15
17	Secondary IT Data Centre at the AMP	1	May 14	Dec 15
18	Parking Related Projects	1&3	May 14	tbd
19	Modernization of University College	2	May 14	tbd
20	Interdisciplinary Research Building - Phase 1	1	tbd	tbd
21	Campus Sustainability Initiatives (multiple stages)	3&5	Ongoing	
22	<i>Projects Under Consideration</i>			
23	Modernization of Thames Hall	2	tbd	tbd
24	Modernization of SEB, HSA, Former Ivey Facilities, Medical & Dental School Facilities, Elborn, Talbot, Chemistry Addition	2	tbd	tbd
25	<i>Projects for Future Consideration</i>			
26	New Research Initiatives/Partnerships at the Research Parks	1	tbd	tbd
27	Library Facilities - Modernization, Realignment and Expansion	1&2	tbd	tbd
28	Expansion of Medical School Facilities - to Support Strategic Initiatives	1	tbd	tbd
29	Graduate Student Housing Expansion	1	tbd	tbd
30	Athletic Facilities - Indoor and Outdoor	1	tbd	tbd
31	North Academic Campus	1	tbd	tbd
32	Asset Acquisitions	9	tbd	tbd

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

		Projected 2013-14	Budget 2014-15
1	Government Grants		
2	MTCU Capital Support Program - New Academic Building (to house FIMS and Nursing)	0	5,125
3	MTCU Graduate Expansion Capital Grant	3,735	3,951
4	MTCU Annual Capital Grant (Facilities Renewal Program)	1,523	1,523
5	Federal Economic Development Agency for Southern Ontario (Fed Dev)	6,634	0
6	Sub-Total	11,892	10,599
7	CFI/OMRI Federal/Provincial Funding		
8	Addition to the Museum of Ontario Archaeology	40	0
9	Sub-Total	40	0
10	Operating Budget		
11	Operating Budget MMI Transfer - Base	12,500	13,250
12	Operating Budget MMI Transfer - Base (Ancillaries)	600	600
13	Operating Budget - FFICR	3,000	3,000
14	Operating Budget - One-Time Allocation	4,885	2,000
15	Operating Budget - CRC Transfer	952	984
16	Academic Priorities Fund - Interdisciplinary Research Building (Phase I)	0	2,000
17	IT Infrastructure Funding - Secondary IT Data Centre at the AMP	600	3,500
18	Science Operating Budget - Chemistry Synthetic Lab Renewal	0	1,750
19	Law Operating Budget - Law Library Renovations	950	1,250
20	Music Operating Budget - New Music Building (Addition to Talbot College)	2,250	300
21	Dentistry Operating Budget - Dental Sciences Building General Anaesthesia Suite	605	0
22	Library Operating Budget - Map and Data Centre in Weldon Library	225	0
23	Miscellaneous Faculty/Department Budgets	858	330
24	Sub-Total	27,425	28,964
25	Interest Earned	38	36
26	Undistributed Investment Return	15,000	10,000

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

		Projected 2013-14	Budget 2014-15
27	Fundraising		
28	New Ivey Building	4,050	2,450
29	Western Fund	350	350
30	The Claudette MacKay-Lassonde Pavilion (Green Building)	533	314
31	Artificial Turf Sports Fields	500	0
32	All Other	137	0
33	Sub-Total	5,570	3,114
34	Borrowing		
35	Long-Range Space Plan	7,203	6,868
36	Ontario Hall - New Undergraduate Residence	21,332	1,934
37	Platt's Lane Site Development and Design	815	0
38	Sub-Total	29,350	8,802
39	Other		
40	Housing Contribution - Delaware Hall Residence Renovations	550	15,800
41	Housing Contribution - Ontario Hall (New Undergraduate Residence)	2,161	2,881
42	TRAC Contribution - TRAC Structural Cables Replacement and Roof Repairs	15	2,157
43	Richard Ivey School of Business Foundation - New Ivey Building	1,700	2,000
44	Richard Ivey School of Business Foundation - Toronto Facilities Expansion/Renovations	1,323	0
45	Student Contributions - Western Student Recreation Centre	1,129	1,176
46	Parking Contribution - Parking Related Projects	0	1,000
47	Targeted Student Fee - Artificial Turf Sports Fields	152	155
48	Energy Conservation Incentives	110	35
49	Projects Funded by Housing	7,811	7,053
50	Projects Funded by Units	2,164	831
51	Projects Funded by Ancillaries	1,252	220
52	Sub-Total	18,367	33,308
53	Total Sources of Funding	107,682	94,823

Table 18
CAPITAL EXPENDITURES FOR NEW CONSTRUCTION AND MAJOR BUILDING RENOVATIONS
2013-14 and 2014-15
(\$000)

		Projected 2013-14	Budget 2014-15
1	<i>Category 1: New Construction</i>		
2	New Music Building - addition to Talbot College	9,085	11,154
3	New Academic Building (to house FIMS and Nursing)	152	5,105
4	Parking Related Projects	151	4,315
5	Secondary IT Data Centre at the AMP	0	3,500
6	Ontario Hall - New Undergraduate Residence	24,932	2,015
7	Interdisciplinary Research Building (Phase I)	0	2,000
8	Western Centre for Public Health and Family Medicine	6,980	960
9	New Ivey Building	5,917	750
10	Western AMP Accelerator Centre	7,000	600
11	Artificial Turf Sports Fields	4,179	0
12	Platt's Lane Site Development and Design	815	0
13	Fraunhofer Project Centre - at the AMP	553	0
14	The Wind Engineering, Energy, and Environment Facility (WindEEE) - at the AMP	324	0
15	Addition to the Museum of Ontario Archaeology	40	0
16	<i>Total, Category 1</i>	<i>60,128</i>	<i>30,399</i>
17	<i>Category 2: Major Building Renovations</i>		
18	TRAC Structural Cables Replacement and Roof Repairs	15	2,157
19	Modernization of University College	0	2,000
20	Minor Upgrades to Former Ivey Facilities	630	1,000
21	Ivey Toronto Facilities Expansion/Renovations	1,323	0
22	Dental Sciences Building General Anaesthesia Suite	1,230	0
23	Physics and Astronomy Building Renovations	699	0
24	<i>Total, Category 2</i>	<i>3,897</i>	<i>5,157</i>

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

		Actual 2010-11	Actual 2011-12	Actual 2012-13	Projected 2013-14	Budget 2014-15
1	A. Capital Reserves					
2	General Capital Fund	15,015	12,633	13,359	15,392	8,586
3	Designated Capital Fund	14,186	9,998	15,898	8,543	6,604
4	Gibbons Property	1,622	1,626	1,634	1,642	1,648
5	Total Capital Reserves	30,823	24,257	30,891	25,577	16,838

		Actual 2010-11	Actual 2011-12	Actual 2012-13	Projected 2013-14	Budget 2014-15
6	B. Capital Debt					
7	New Construction, Major Renovations & Other	77,500	91,500	126,377	115,550	112,447
8	Housing	81,713	90,342	139,671	153,934	148,977
9	Robarts Capital Leases	284	0	0	0	0
10	Research Park	32,325	31,752	31,100	30,300	29,400
11	Richard Ivey School of Business Foundation	2,300	1,800	1,300	800	300
12	Unused and Invested Debenture Proceeds	22,892	12	15,700	6,200	7,800
13	Total Capital Debt	217,014	215,406	314,148	306,784	298,924

Line 2 includes the Board mandated \$6 million general capital reserve fund.

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

Long-Term Financial Trends

The Operating and Capital Budgets set out in this document describe, in Tables 2 and 15, proposed spending of some \$793 million for the single year of 2014-15. 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 2014. 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
- Designated Capital Fund, which has been assigned to specific projects
- Gibbons Property, the remaining funds from the sale of that property

The University's intention is that when the Gibbons funds are spent, there will be naming opportunities to honor the Gibbons name.

Capital Debt is divided into the following categories:

- **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.
- **Robarts Capital Lease** – with the integration of Robarts into Western, a capital lease for equipment has been added to Capital Debt (noting that the lease came to an end in 2010-11).
- **Research Park** – debt incurred by the Research Park.
- **Richard Ivey School of Business Foundation** – debt held by Richard Ivey School of Business Foundation.

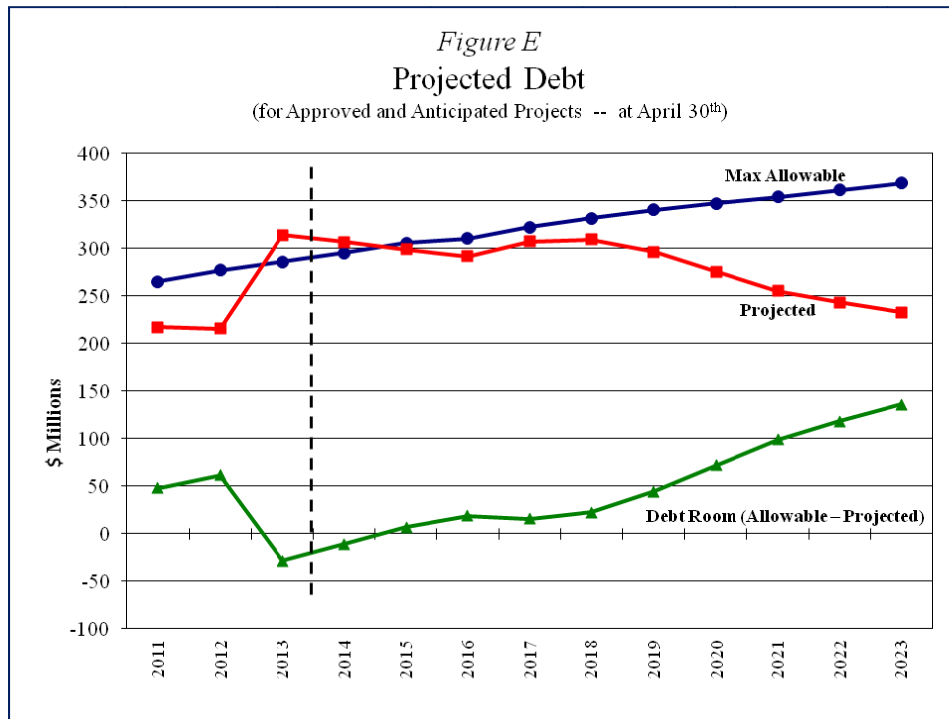
- **Unused and Invested Debenture Proceeds** – unused proceeds from Western’s first debenture issue that have been committed, and invested until the specific capital project requires the funding.

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	
	2012	2013	2014	2015
Total Debt (in millions)	\$215	\$314	\$307	\$299
FTE Enrolment	30,679	31,018	31,448	31,867
Allowable debt per FTE	\$9,028	\$9,209	\$9,393	\$9,581
Actual debt per FTE	\$7,022	\$10,125	\$9,752	\$9,379
Debt room per FTE	\$2,006	(\$916)	(\$359)	\$202

In 2014, the maximum allowed debt per FTE under Western’s Capital Debt Policy is \$9,393 and the forecast is \$9,752. 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 2011: 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 (%)
2010	208.9	961.1	28,987	\$33,155	21.7%
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%
2014p	306.7	1,055.3	31,448	\$33,557	29.1%

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, 2013, the University's accrued benefit liability relating to the employee future benefit plans was \$362 million (2012 - \$340 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 2013 Audited Combined Statement of Operations is an annual expense in the amount \$22.6 million (2012 - \$19.6 million) for non-pension employee future benefits.

A recent comparison amongst G13 universities identified only five universities with significant post-employment benefit obligations greater than \$200 million, ranging from \$255 million to \$735 million and an unweighted average of \$400.6 million. Western ranked 3rd in total liability for Employee Future Benefits. The ratio of obligations to total revenues ranged from 28.7% to 51.5% with an unweighted average of 34.5%.

Employee Future Benefits (EFB)
Obligation and Expense as a % of Total Expenditures: 2009 to 2013

	Obligation (\$M)	Expense (\$M)	Total University Expenses (\$M)	EFB Obligation as % of Total	EFB Expense as % of Total
2009	\$229.90	\$21.70	\$905	25.4%	2.4%
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%

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 28, 2014) deferred maintenance at Western is \$176 million for non-residential buildings and \$25 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 28, 2014 is as follows:

	Non-Residential Buildings	Combined Residences
Current Replacement Value (CRV)	\$ 1,750 million	\$ 395 million
Deferred Maintenance (DM)	\$ 176 million	\$ 25 million
DM/CRV	10.0%	6.3%

The average age of buildings for universities in the Province of Ontario was over 30 years as of March 2007. Western's average age is 36 years. Over 55% 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 10.0% (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 \$1.75 billion, spending on major maintenance for campus buildings at 2% should be in the range of \$35 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 2014-15, the base transfer will be increased by \$750,000 to \$13.25 million (2013-14, \$12.5 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 2010-11	Actual 2011-12	Actual 2012-13	Projected 2013-14	Budget 2014-15
MMI	\$ 10.25 m	\$ 11.00 m	\$ 11.75 m	\$ 12.50 m	\$ 13.25 m
CRV	\$ 1,469 m	\$ 1,596 m	\$ 1,608 m	\$ 1,750 m	\$ 1,787 m
Ratio	0.70%	0.69%	0.73%	0.71%	0.74%

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 2012-13, and the estimated ratios through 2014-15 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 2013-14.