Western University

STUDENT FEE FUNDED UNITS,ANCILLARIES, ACADEMIC SUPPORT UNITS, AND ASSOCIATED COMPANIES

March 30, 2012

Western University

STUDENT FEE FUNDED UNITS, ANCILLARIES, ACADEMIC SUPPORT UNITS, AND ASSOCIATED COMPANIES COMMENTS ON THE 2011-12 PROJECTED AND 2012-13 BUDGETS

The following comments pertain to the 2011-12 projected financial results and 2012-13 budgets for Student Fee Funded Units, Ancillaries, Academic Support Units, and Associated Companies as reported on Table 1 (attached).

A. Student Fee Funded Units

Student fee funded ancillary units are supported, in whole or in part, by non-tuition related compulsory activity fees. Student involvement in establishing fee levels is obtained through the Student Services Committee (SSC) -- a student run group comprised of voting representatives from the University Students' Council (USC), the Society of Graduate Students (SOGS), and the Master of Business Administration Association (MBAA).

In 2004, the Student Services Committee implemented a fee adjustment mechanism designed to avoid the erosion of service levels caused by the negative financial impact of progressive inflation. The mechanism provides for an overall adjustment to ancillary fees equal to the greater of 2% or the rate of Canadian CPI for the preceding calendar year. Each year the 'adjustment pool' is allocated differentially to units based on the needs and priorities identified in the individual planning submissions.

The total adjustment pool available for allocation in fiscal 2012-13 is 2.9%, as determined by the rate of Canadian CPI reported for the 12-month period ended December 31, 2011. The recommended unit activity fee increases are detailed on Tables 2 and 3, under the heading '***Western's Student Ancillary Fees***'. The tables show a base increase of 2.3% for all fee funded units, which will be used to partially offset inflationary cost increases. The balance of the adjustment pool is allocated to International Student Services to fund an additional program coordinator who will support the transition of international students to Western. The fee increases reported on Tables 2 and 3 have been approved by the SSC.

International Student Services (ISS) – Prior to 2011-12, ISS was part of the Student Development Centre budget. Earlier this year, reporting relationships were realigned to integrate the fee funded International Student Services with the international recruitment and learning initiatives supported by the University operating budget. As a result of these changes to the organizational structure, International Student Services is now reported as a separate fee funded unit, independent of the Student Development Centre.

Student Success Centre – The Student Success Centre offers a variety of services and programming that facilitates the development of career, personal growth, educational success, and leadership opportunities for students. The $182,000 deficit (see line 9 on Table 1) budgeted for 2012-13 is attributed to the following onetime expenditures:

- Implementation and training costs to replace the current job posting and event database system with a new platform that better meets the needs of students.
- The cost of a consultant for one year to develop new career workshops and counseling programs.

The reserve level for this unit is above the target level and is sufficient to absorb the cost of these special initiatives.

B. Ancillary Units

Revenues that support the Ancillary Unit budgets are primarily derived from the sale of goods and services to the general University community.

Family Practice Clinic and Workplace Health - The Family Practice Clinic generates revenue primarily from OHIP billings, while the Workplace Health unit is supported by departmental service recoveries and a subsidy from the central operating budget. Although the combined operations are forecasting a surplus for 2012-13, the positive financial position is mainly due to onetime stipends provided by the Ministry of Health to support the implementation of a new patient records system. If this funding is not renewed after the scheduled end in 2014-15, restructuring will be required to balance the budget and resolve the cumulative deficit balance.

Housing – The Housing Division currently includes approximately 950 apartment and townhouse rental units and over 4,300 beds located in 9 residence buildings. The construction of a new residence building on Sarnia Road will phase in an additional 1,000 beds starting in September, 2013. The contribution from the Housing Division is forecasted to be lower in fiscal 2012-13 primarily due to major plumbing upgrades scheduled for Saugeen Maitland and phase 1 of suite renovations for Lambton Hall.

Parking Services - The budget forecast for 2012-13 reflects a 2.5% permit rate increase to offset general inflation and allow the unit to build a reserve which will fund future expansion, refurbishment of existing lots, and reconfiguration of lots to accommodate new building construction.

Retail Services - The Retail Services group includes the Book Store, the Campus Computer Store, Graphic Services, and Hospitality Services. The Book Store continues to look for growth opportunities in a rapidly evolving text book industry. The Book Store has responded to industry changes by offering an e-book print-on-demand service for selected titles, the introduction of a Guaranteed Buy-back program on a trial basis starting in 2012-13, and the expansion of used text book sales to provide more affordable alternatives for students. Graphic Services has successfully implemented new Print on Demand technology to sustain revenues for this department. The scheduled September 2012 opening of an Apple Store in Masonville is anticipated to have a negative impact on Computer Store sales in the fall. Hospitality Services is investigating new food concepts for various locations on campus, including a Starbucks operation in the UCC. Rising costs for meats, dairy, and produce continue to be a challenge for food operations on campus.

C. Academic Support Units

The budgets for the *Academic Support Units* are funded from various sources, including recoveries from internal research projects, revenues from external industrial contracts, and course fees. In addition, Animal Care and Veterinary Services receives support from the operating budget to fund the cost of regulatory requirements and training for animal users.

Animal Care and Veterinary Services (ACVS) – The forecasted deficit for 2011-12 includes onetime staff restructuring costs. A review of services provided to animal care facilities at affiliated research institutes is currently underway to determine if further efficiencies can be achieved to help eliminate the current structural deficit.

Boundary Layer Wind Tunnel (BLWT) – The BLWT has been working at optimum capacity for the last half of fiscal 2011-12, resulting in a forecasted surplus that is expected to bring the reserve balance into a positive position. Due to uncertainty regarding the continuation of high activity levels, a conservative revenue target and lower net contribution has been reflected for the 2012-13 budget year.

Surface Science Western (SSW) – SSW is located in the Convergence Centre at the UWO Research Park and receives service recoveries from commercial contracts and research projects to support ongoing operations. Due to unpredictable market conditions, the budget for 2012-13 reflects conservative revenue

projections, as well as a general provision for unforeseen instrument maintenance expenses. The reserve balance is adequate to absorb the forecasted budget shortfall.

University Machine Services (UMS) – The deficit projected for 2011-12 is the result of low project activity levels for the first half of the fiscal year. The 2012-13 budget reflects a continuation of the improved activity levels experienced in the latter half of 2011-12 and cost savings from a vacant position that will remain unfilled.

Continuing Studies at Western (CSW) - A provision is included in the 2012-13 CSW budget to cover the implementation cost for a new registration data base system. The onetime cost associated with the acquisition of this system is the primary reason for the deficit that has been budgeted for 2012-13. The reserve balance is above the target level and is sufficient to cover the budget shortfall.

D. Associated Companies

The Ivey Group - The Ivey group of companies (Richard Ivey School of Business Foundation and the Asia Richard Ivey School of Business) are operated in conjunction with the Richard Ivey School of Business at UWO. Contributions from these companies are used to support the Ivey academic programs at UWO and help reduce the overall accumulated Ivey deficit. Ivey continues to work towards strengthening the operations at the Asia Richard Ivey School of Business through the promotion of academic programs, enhancement of career services, and hosting of alumni events and case-writing workshops. The Richard Ivey School of Business Foundation operates the Spencer Hall Conference Centre and ING Leadership Centre in Toronto, as well as offering executive education programs and publication services through the Ivey Management Services arm of the company. The Richard Ivey School of Business Foundation anticipates growth from all revenue sources in 2012-13.

Research Park (including Windermere Manor) – The 2011-12 projected and 2012-13 budgeted deficits shown on line 27 of Table 1 do not reflect market value adjustments for an outstanding SWAP arrangement that fixes the financing rate for an existing bank loan. The SWAP adjustments for both years are anticipated to be favourable. Although accounting losses are projected for fiscal 2011-12 and budgeted for fiscal 2012-13, the combined operations of the Research Park continue to generate positive cash flows that are available for capital renewal and the retirement of debt. The Research Park is scheduled to repay $603,400 of principle in 2012/13 (compared to $572,600 in 2011/12).

The Museum of Ontario Archaeology – The CFI funded artifact repository, constructed on the Museum property, commenced operations in September 2011. For the first four to five years, the full cost of operating the repository will be covered by IOF funding. Subsequently, the proceeds from an endowment derived from storage fees charged to commercial archaeologists will be used to sustain the facility.

Table 1
Western University

STUDENT FEE FUNDED UNITS, ANCILLARIES, ACADEMIC SUPPORT UNITS, AND ASSOCIATED COMPANIES
2011/12 Projected and 2012/13 Budget
($000's)

		2011/12 Projected			2012/13 Budget			% Change		Budgeted April 30/13
	Student Fee Funded Units	Revenues	Expenses	Surplus/ (Deficit)	Revenues	Expenses	Surplus/ (Deficit)	Revenues	Expenses	Reserve
1	Campus Recreation	4,746.5	4,683.6	62.9	4,915.5	4,931.8	(16.3)	3.6	5.3	490.8
2	Financial Aid	936.4	932.8	3.6	974.6	976.1	(1.5)	4.1	4.6	54.4
3	Indigenous Services	627.0	627.0	-	618.3	619.9	(1.6)	(1.4)	(1.1)	44.0
4	Intercollegiate Athletics	5,117.1	4,999.4	117.7	5,129.5	5,095.2	34.3	0.2	1.9	250.3
5	International Student Services	313.0	313.0	-	391.0	391.0	-	24.9	24.9	-
6	Off Campus Housing & Housing Mediation Office	359.5	372.1	(12.6)	371.9	382.1	(10.2)	3.4	2.7	38.0
7	Services for Students With Disabilities	385.9	386.0	(0.1)	402.5	402.5	-	4.3	4.3	27.8
8	Student Development Centre	1,997.8	2,033.6	(35.8)	2,083.5	2,088.8	(5.3)	4.3	2.7	257.3
9	Student Success Centre	1,269.0	1,266.5	2.5	1,321.9	1,503.9	(182.0)	4.2	18.7	143.8
10	Student Health Services	4,262.1	4,268.9	(6.8)	4,411.0	4,413.9	(2.9)	3.5	3.4	686.0
11	Western Foot Patrol	160.7	160.6	0.1	166.9	166.3	0.6	3.9	3.5	13.6
12	Thompson Recreation & Athletic Centre	1,160.9	1,154.1	6.8	1,190.2	1,175.7	14.5	2.5	1.9	141.7
13	Total Student Fee Funded Units	21,335.9	21,197.6	138.3	21,976.8	22,147.2	(170.4)	3.0	4.5	2,147.7
	Ancillaries									
14	Family Practice Clinic and Workplace Health	466.9	464.6	2.3	476.1	475.7	0.4	2.0	2.4	(64.7)
15	Housing	53,142.3	47,585.2	5,557.1	55,329.9	51,899.4	3,430.5	4.1	9.1	25,056.6
16	Parking Services	4,618.9	4,190.3	428.6	4,739.9	4,379.6	360.3	2.6	4.5	5,010.7
17	Retail Services	38,702.9	38,646.8	56.1	38,802.5	38,802.5	-	0.3	0.4	1,400.0
18	Total Ancillaries	96,931.0	90,886.9	6,044.1	99,348.4	95,557.2	3,791.2	2.5	5.1	31,402.6
	Academic Support Units									
19	Animal Care & Veterinary Services	3,452.9	3,705.9	(253.0)	3,463.8	3,578.2	(114.4)	0.3	(3.4)	(445.2)
20	Boundary Layer Wind Tunnel	2,400.0	2,084.0	316.0	2,163.0	2,150.1	12.9	(9.9)	3.2	134.8
21	Surface Science Western	1,568.9	1,564.3	4.6	1,599.2	1,619.7	(20.5)	1.9	3.5	1,132.6
22	University Machine Services	1,333.5	1,462.0	(128.5)	1,385.8	1,263.4	122.4	3.9	(13.6)	(275.6)
23	Continuing Studies at Western	1,988.8	1,970.3	18.5	2,103.2	2,157.2	(54.0)	5.8	9.5	431.7
24	Total Academic Support Units	10,744.1	10,786.5	(42.4)	10,715.0	10,768.6	(53.6)	(0.3)	(0.2)	978.3
	Associated Companies									
25	Richard Ivey School of Business Foundation (a)	23,611.0	22,654.0	957.0	24,966.0	24,507.0	459.0	5.7	8.2	4,973.9
26	Richard Ivey School of Business (Asia) (a)	3,816.0	4,704.0	(888.0)	5,028.0	5,698.0	(670.0)	31.8	21.1	(2,805.9)
27	UWO Research and Development Park	7,558.6	7,998.4	(439.8)	7,736.0	8,106.5	(370.5)	2.3	1.4	(13,317.8)
28	Museum of Ontario Archaeology	394.6	389.9	4.7	368.5	360.8	7.7	(6.6)	(7.5)	(192.9)
29	Total Associated Companies	35,380.2	35,746.3	(366.1)	38,098.5	38,672.3	(573.8)	7.7	8.2	(11,342.7)
30	Total	164,391.2	158,617.3	5,773.9	170,138.7	167,145.3	2,993.4	3.5	5.4	23,185.9

(a) The Ivey group of companies (Richard Ivey School of Business Foundation, and the Richard Ivey School of Business - Asia) are operated in conjunction with the Richard Ivey School of Business at Western. Commencing in 2010-11, Ivey Management Services is consolidated with the Richard Ivey School of Business Foundation and is now included in the amounts reported on line 25. The projected and budgeted financial results of the Richard Ivey School of Business at Western are included in the overall report on the Operating Budget of the University. The financial results for the Ivey group, including the Richard Ivey School of Business at Western, are as follows:

	2011/12 Projected			2012/13 Budget			% Change		Budgeted April 30/13
	Revenues	Expenses	Surplus/ (Deficit)	Revenues	Expenses	Surplus/ (Deficit)	Revenues	Expenses	Reserve
Richard Ivey School of Business at UWO	63,938.0	63,872.0	66.0	67,340.0	66,887.0	453.0	5.3	4.7	(7,229.0)
Ivey Group of Companies (from lines 25 and 26 above)	27,427.0	27,358.0	69.0	29,994.0	30,205.0	(211.0)	9.4	10.4	2,168.0
Total Ivey Group	91,365.0	91,230.0	135.0	97,334.0	97,092.0	242.0	14.7	15.1	(5,061.0)

Table 2
Western University

RECOMMENDED 2012-13 FULL-TIME UNDERGRADUATE AND GRADUATE ANCILLARY FEES

		UNDERGRADUATE FULL-TIME (a)				GRADUATE - THREE TERMS (a)				GRADUATE - MBA			
		2011-12 Rate	Recommended 2012-13 Rate	Change		2011-12 Rate	Recommended 2012-13 Rate	Change		2011-12 Rate	Recommended 2012-13 Rate (b)	Change	
		$	$	$	%	$	$	$	%	$	$	$	%
	Student Organization Fees												
1	Organization Fee	(c) 111.11	(c) 115.11	4.00	3.6	70.17	70.59	0.42	0.6		600.00		
2	Health (& Dental Plan for Graduates Only)	100.39	113.75	13.36	13.3	511.29	(f) 446.04	(65.25)	(12.8)		(g) TBA		
3	USC Dental Plan (d)	-	114.00	114.00	-								
4	LTC 12-Month Bus Pass	181.94	190.96	9.02	5.0	181.59	190.62	9.03	-				
5	Ombudsperson	3.00	3.00	-	-	3.00	3.00	-	-				
6	Community Legal	4.75	4.91	0.16	3.4	4.75	4.91	0.16	-				
7	Late Night Busing	12.50	12.93	0.43	-	-	-	-	-				
8	World University Services of Canada Fee	0.52	0.52	-	-	-	-	-	-				
9	USC Capital/Facility Fee	27.75	28.69	0.94	-	-	-	-	-				
10	UCC Operating Fee	50.41	55.05	4.64	9.2	26.89	27.80	0.91	3.4	75.62	82.58	6.96	-
11	Total Student Organization Fees	492.37	638.92	146.55	29.8	797.69	742.96	(54.73)	(6.9)	75.62	682.58	606.96	802.6
	Building and Endowment Fee												
12	Student Recreation Centre Fund	65.56	67.53	1.97	3.0	65.56	67.53	1.97	-	65.56	67.53	1.97	-
13	Endowment Fund (e)	50.00	50.00	-	-	50.00	50.00	-	-	50.00	50.00	-	-
14	Total Building and Endowment Fees	115.56	117.53	1.97	1.7	115.56	117.53	1.97	1.7	115.56	117.53	1.97	1.7
	Western's Student Ancillary Fees												
15	Campus Recreation	87.52	89.53	2.01	2.3	112.50	115.09	2.59	2.3	112.50	115.09	2.59	2.3
16	Financial Aid	34.22	35.01	0.79	2.3	34.22	35.01	0.79	2.3	34.22	35.01	0.79	2.3
17	Indigenous Services	7.33	7.50	0.17	2.3	7.33	7.50	0.17	2.3	7.33	7.50	0.17	2.3
18	Intercollegiate Athletics	76.79	78.56	1.77	2.3	76.79	78.56	1.77	2.3	76.79	78.56	1.77	2.3
19	International Student Services	10.08	12.83	2.75	27.3	10.08	12.83	2.75	27.3	10.08	12.83	2.75	27.3
20	Off Campus Housing & Housing Mediation Office	7.66	7.84	0.18	2.3	7.66	7.84	0.18	2.3	7.66	7.84	0.18	2.3
21	Services for Students With Disabilities	11.85	12.12	0.27	2.3	11.85	12.12	0.27	2.3	11.85	12.12	0.27	2.3
22	Student Development Centre	66.27	67.79	1.52	2.3	66.27	67.79	1.52	2.3	66.27	67.79	1.52	2.3
23	Student Success Centre	40.79	41.73	0.94	2.3	25.58	26.17	0.59	2.3	25.58	26.17	0.59	2.3
24	Student Health Services	42.82	43.80	0.98	2.3	42.82	43.80	0.98	2.3	42.82	43.80	0.98	2.3
25	Western Foot Patrol	4.20	4.30	0.10	2.4	4.20	4.30	0.10	2.4	4.20	4.30	0.10	2.4
26	Thompson Recreation & Athletic Centre	17.34	17.74	0.40	2.3	17.34	17.74	0.40	2.3	17.34	17.74	0.40	2.3
27	Total UWO Student Ancillary Fees	406.87	418.75	11.88	2.9	416.64	428.75	12.11	2.9	416.64	428.75	12.11	2.9
28	Total Ancillary Fees	1,014.80	1,175.20	160.40	15.8	1,329.89	1,289.24	(40.65)	(3.1)	607.82	1,228.86	621.04	102.2

(a) Applicable for the period September 1 to August 31. Fee adjustments will be implemented for September 1, 2012, except for the Student Recreation Centre fee which increases on May 1, 2012 in accordance with the original student referendum.
(b) Applicable for MBA students starting in April, 2013. (Student Organization Fee for Accelerated MBA students will be $450).
(c) In addition to the basic USC organization fee, an additional $400.00 fee will be collected from HBA students entering the first year of the program. The $400.00 fee is being collected on behalf of the HBA association and it covers both years of the HBA program.
(d) The USC Dental Plan fee was approved by student referendum in February, 2012.
(e) The Student Organizations have authorized the University to collect these funds for an endowment used to support student aid.
(f) Actual rates will be determined by the service providers at a later date. Accordingly, the activity fee rate may be reduced (but not increased) upon written notification from the Society of Graduate Students.
(g) The premiums for the MBA and AMBA Health Plan are to be negotiated and will be brought forward for approval at a later date.

Table 3
Western University

RECOMMENDED 2012-13 PART-TIME UNDERGRADUATE AND GRADUATE STUDENT ANCILLARY FEES

		UNDERGRADUATE PART-TIME FULL COURSE (a) & (b)				UNDERGRADUATE INTERSESSION & SUMMER SCHOOL FULL COURSE (a)				GRADUATE PART-TIME PER TERM			
		2011-12 Rate	Recommended 2012-13 Rate	Change		2011-12 Rate	Recommended 2012-13 Rate (c)	Change		2011-12 Rate	Recommended 2012-13 Rate	Change	
		$	$	$	%	$	$	$	%	$	$	$	%
	Student Organization Fees												
1	Organization Fee	22.22	23.02	0.80	3.6	11.11	11.51	0.40	3.6	15.95	16.07	0.12	0.8
2	Ombudsperson	0.60	0.60	-	-	0.30	0.30	-	-	-	-	-	-
3	Community Legal	0.95	0.98	0.03	3.2	0.48	0.49	0.01	2.1	-	-	-	-
4	Late Night Busing	2.50	2.59	0.09	3.6	-	-	-	-	-	-	-	-
5	USC Capital/Facility Fee	5.55	5.74	0.19	-	2.78	2.87	0.09	-	-	-	-	-
6	UCC Operating Fee	10.08	11.01	0.93	9.2	5.04	5.51	0.47	9.3	-	-	-	-
7	Total Student Organization Fees	41.90	43.94	2.04	4.9	19.71	20.68	0.97	4.9	15.95	16.07	0.12	0.8
	Building and Endowment Fee												
8	Student Recreation Centre Fund	13.11	13.51	0.40	-	6.76	6.96	0.20	-	10.93	11.26	0.33	-
9	Endowment Fund (e)	10.00	10.00	-	-	5.00	5.00	-	-	8.33	8.33	-	-
10	Total Building and Endowment Fees	23.11	23.51	0.40	1.7	11.76	11.96	0.20	1.7	19.26	19.59	0.33	1.7
	Western's Student Ancillary Fees												
11	Campus Recreation	17.50	17.91	0.41	2.3	8.75	8.95	0.20	2.3	-	-	-	-
12	Financial Aid	6.84	7.00	0.16	2.3	3.42	3.50	0.08	2.3	5.70	5.84	0.14	2.5
13	Indigenous Services	1.47	1.50	0.03	2.0	0.73	0.75	0.02	2.7	1.22	1.25	0.03	-
14	Intercollegiate Athletics	15.36	15.71	0.35	2.3	7.68	7.86	0.18	2.3	-	-	-	-
15	International Student Services	2.02	2.57	0.55	27.2	1.01	1.28	0.27	26.7	1.68	2.14	0.46	27.4
16	Off Campus Housing & Housing Mediation Office	1.53	1.57	0.04	2.6	0.77	0.78	0.01	1.3	-	-	-	-
17	Services for Students With Disabilities	2.37	2.42	0.05	2.1	1.19	1.21	0.02	-	-	-	-	-
18	Student Development Centre	13.25	13.56	0.31	2.3	6.63	6.78	0.15	2.3	11.05	11.30	0.25	2.3
19	Student Success Centre	8.16	8.35	0.19	2.3	4.08	4.17	0.09	2.2	4.26	4.36	0.10	2.3
20	Student Health Services	8.56	8.76	0.20	2.3	4.28	4.38	0.10	2.3	-	-	-	-
21	Western Foot Patrol	0.84	0.86	0.02	2.4	0.42	0.43	0.01	2.4	0.70	0.72	0.02	2.9
22	Thompson Recreation & Athletic Centre	3.47	3.55	0.08	2.3	1.73	1.77	0.04	2.3	-	-	-	-
23	Total Western Student Ancillary Fees	81.37	83.76	2.39	2.9	40.69	41.86	1.17	2.9	24.61	25.61	1.00	4.1
24	Total Ancillary Fees	146.38	151.21	4.83	3.3	72.16	74.50	2.34	3.2	59.82	61.27	1.45	2.4

(a) Half courses are charged 50% of the full course rate.
(b) Applicable for the period September 1 to August 31.
(c) Applicable for the summer of 2013.
(e) The Student Organizations have authorized the University to collect these funds for an endowment used to support student aid.