Annex 1

2012-13 Operating and Capital Budgets

March 30, 2012

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ACRONYMS used in University Budget Document

	Acronym	Description
1	AMP	Advanced Manufacturing Park
2	AODA	Accesibility for Ontarions with Disabilities Act
3	APF	Academic Priorities Fund
4	APPF	Academic Planning, Policy, and Faculty
5	CFI	Canada Foundation for Innovation
6	COU	Council of Ontario Universities
7	CPI	Consumer Price Index
8	CRCs	Canada Research Chairs
9	CRV	Current Replacement Value (of Buildings)
10	CSD	Communication Sciences and Disorders Program
11	DM	Deferred Maintenance
12	EFB	Employee Future Benefits
13	FFICR	Federal Funding for the Indirect Costs of Research
14	FTE	Full-Time Equivalent
15	HBA	Honours Business Adminstration Degree/Program
16	IBA	Initial Budget Adjustment
17	ICFAR	Institute for Chemicals and Fuels from Alternative Resources
18	ICRC	International Composites Research Centre
19	IDIs	Interdisciplinary Initiatives
20	ITIF	Information Technology Infrastucture 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	MSc	Master of Science Degree
29	MTCU	Ministry of Training, Colleges, and Universities
30	MTP	Media, Theory, and Production Program
31	OMRI	Ontario Ministry of Research and Innovation
32	OT	Occupational Therapy (School/Program)
33	PhD	Doctor of Philosophy Degree
34	PT	Physical Therapy (School/Program)
35	RISF	Research Infrastructure Support Fund
36	SCUP	Senate Committee on University Planning
37	SUEPP	SCUP's Subcommittee on Enrolment Planning and Policy
38	SUPF	Support Unit Priorities Fund
39	UCC	University Community Centre
40	USC	University Students' Council
41	WindEEE	Wind Engineering, Energy, and Environment (a CFI Initiative)

2012-13 Operating Budget

A. Planning and Budgetary Context

The current planning cycle moves the University forward to the 2nd year of our current four-year budget plan spanning the period 2011-12 to 2014-15. The current multi-year plan has been developed in the context of the recommendations in the update to the University's Strategic Plan – *Engaging the Future* – and the priorities outlined in the Faculties' Academic Plans and the Support Unit Operational Plans.

The budget planning for the remaining three years of our four-year planning period is being carried out in the context of continued uncertainty. The Province's *Reaching Higher* and *Putting Students First* Programs – which provided substantial incremental resources – have come to an end. Since the Province is facing significant financial pressures, similar levels of government grant funding are unlikely. On the tuition front, the Government has extended the current tuition framework only to 2012-13 – and the future of tuition revenues remains uncertain.

At Western, we continue to focus our budget planning on our strategic priorities. The fall 2010 update to our Strategic Plan recommended modest expansion of undergraduate enrolment and continuation of the graduate expansion trends of the past decade – while maintaining admissions standards. Shortly after that, Western's Senate approved the recommendations from the Senate Committee on University Planning (SCUP) and its Subcommittee on Enrolment Planning and Policy (SUEPP) on a new enrolment strategy. The recommendations included the following elements, which are now incorporated into the overall University plan as well as the Faculties' academic, enrolment, and budget plans:

- expansion of our total first-year intake, while maintaining entrance standards
- increasing the number of undergraduate international students
- maintaining the proportion of graduate enrolments (as a percent of total enrolment) at the current level of 17%

Our approach to enrolment planning and the investments by the Province over the past decade have allowed us to make significant enhancements to the quality of education and educational experience we offer our students.

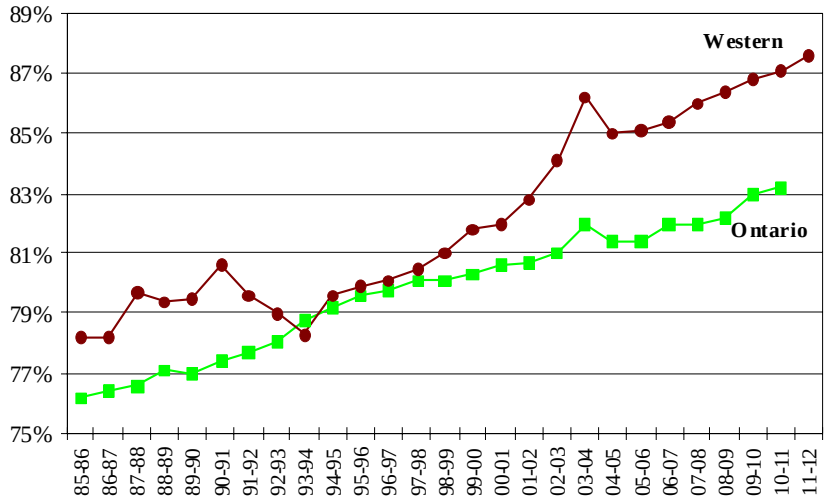
- Western continues to attract outstanding students and the quality of our incoming undergraduate class continues to increase. In order to attract the very best students, we have put in place a number of recruitment-related initiatives: guarantee of first-year courses, enhanced scholarships and bursaries, and guarantee of residence space to first-year students.
- Western's retention rate has continued to improve with nearly 94% of our first-year students now continuing into their second year. Our retention rates are currently much higher than the rates at our peer universities in Canada and the United States.

- Graduation rates at Western have been increasing steadily – and they are currently much higher than the rates at our peer universities in Canada and the United States. Nearly 80% of Western's 2004-05 entering cohort has graduated.
- The increases in retention rates – combined with a modest expansion of our first-year class, expansion of existing 2nd-entry programs, and the development of new high-demand undergraduate programs – have contributed to the overall growth in undergraduate enrolment at Western.
- As part of our aspiration to be a leading research-intensive university, expansion of graduate enrolments is a long-term strategic priority at Western. The current plans from the Faculties continue the significant growth trends of the past decade.
- Results of exit surveys and course/instructor evaluations that we've conducted indicate that Western's students rate our courses, instructors, and the quality of their education very highly.

In the coming years, we will ensure that we do not lose ground on the substantial gains we have made in the areas of student quality, educational quality, and the students' educational experience.

Figure A

Average Entering Grades of New Full-Time 1st Year Students



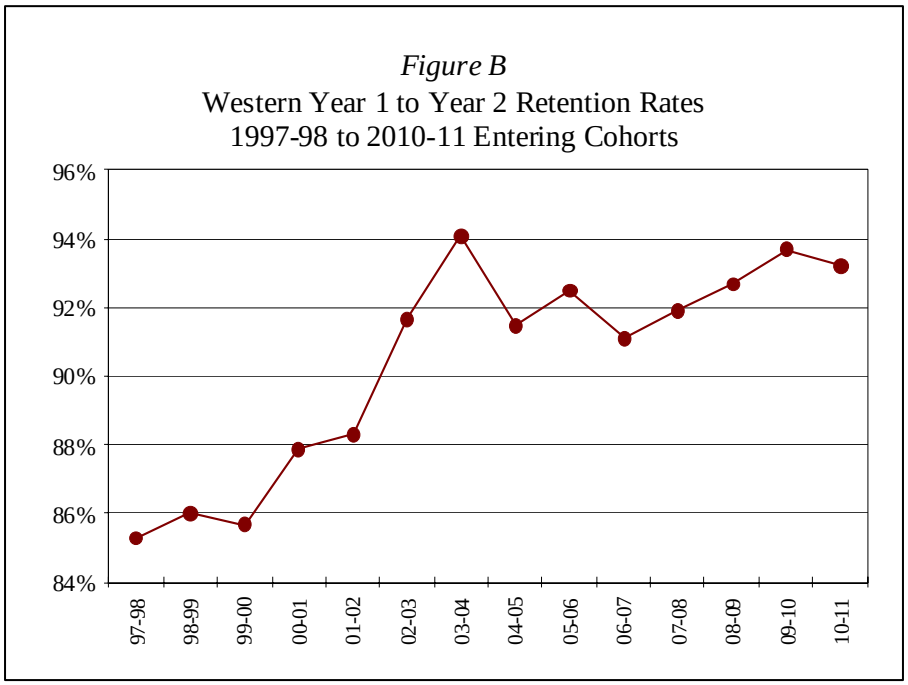


Figure B
Western Year 1 to Year 2 Retention Rates
1997-98 to 2010-11 Entering Cohorts
96%
94%
92%
90%
88%
86%
84%
97-98
98-99
99-00
00-01
01-02
02-03
03-04
04-05
05-06
06-07
07-08
08-09
09-10
10-11

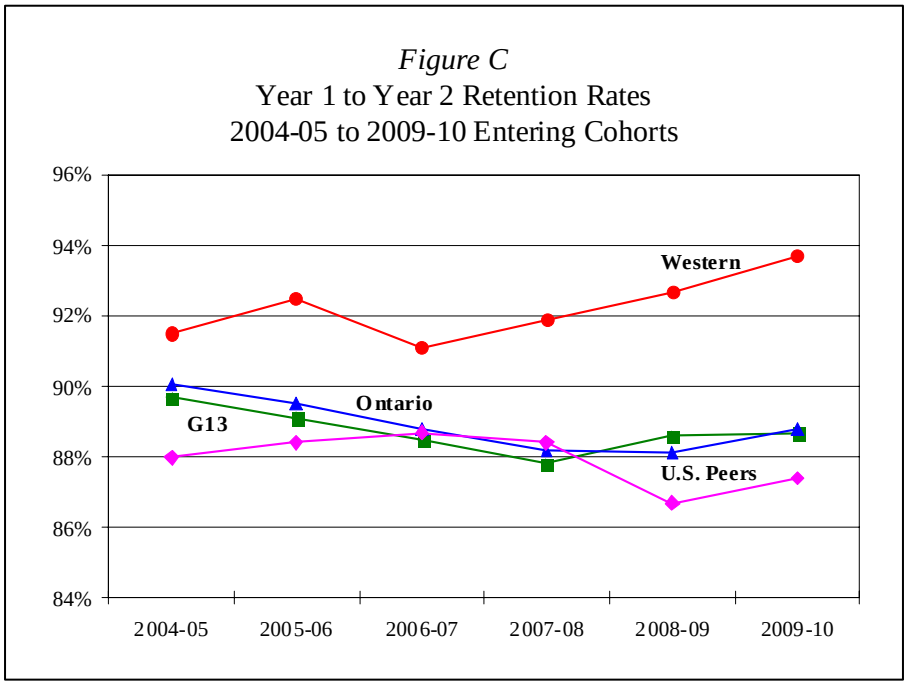


Figure C
Year 1 to Year 2 Retention Rates
2004-05 to 2009-10 Entering Cohorts
96%
94%
92%
90%
88%
86%
84%
Western
Ontario
G13
U.S. Peers
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10

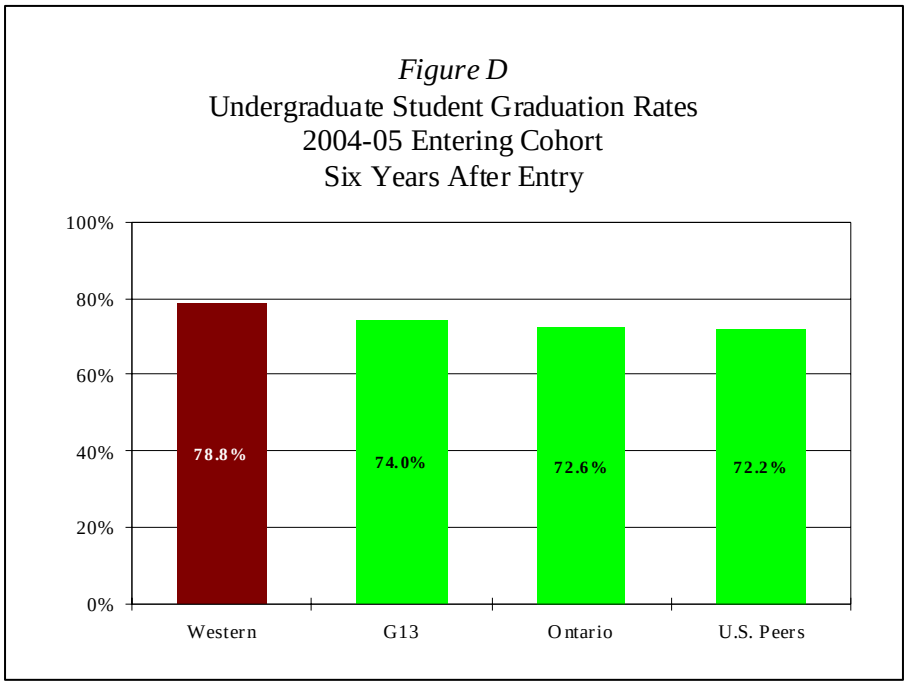


Figure D
Undergraduate Student Graduation Rates
2004-05 Entering Cohort
Six Years After Entry
100%
80%
60%
40%
20%
0%
78.8%
74.0%
72.6%
72.2%
Western
G13
Ontario
U.S. Peers

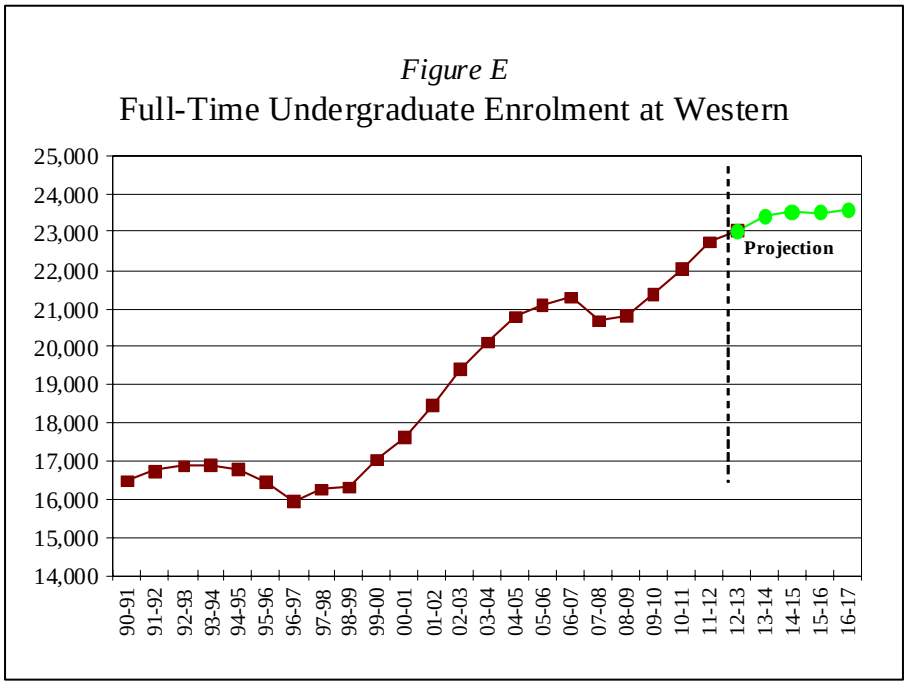


Figure E
Full-Time Undergraduate Enrolment at Western
25,000
24,000
23,000
22,000
21,000
20,000
19,000
18,000
17,000
16,000
15,000
14,000
Projection
90-91
91-92
92-93
93-94
94-95
95-96
96-97
97-98
98-99
99-00
00-01
01-02
02-03
03-04
04-05
05-06
06-07
07-08
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12-13
13-14
14-15
15-16
16-17

Figure F

Full-Time Master's Enrolment at Western

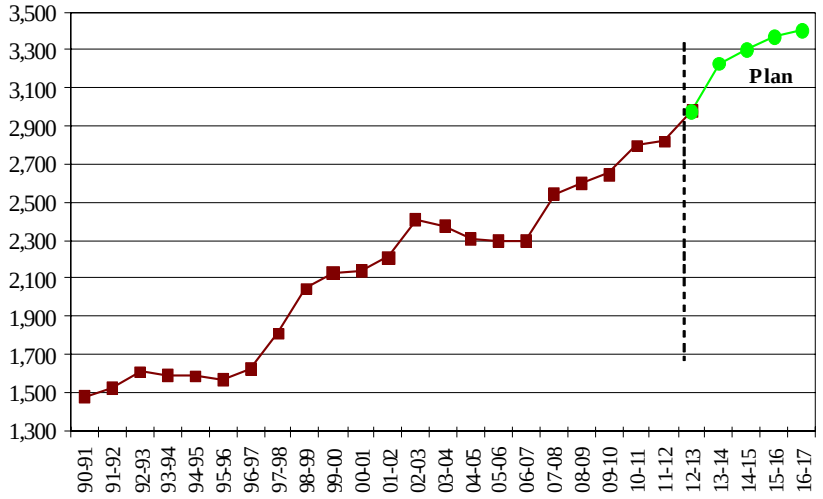
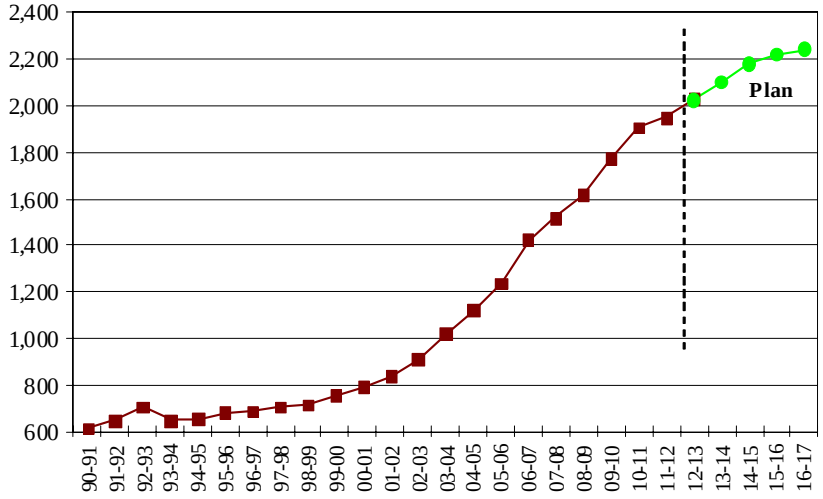


Figure G

Full-Time PhD Enrolment at Western



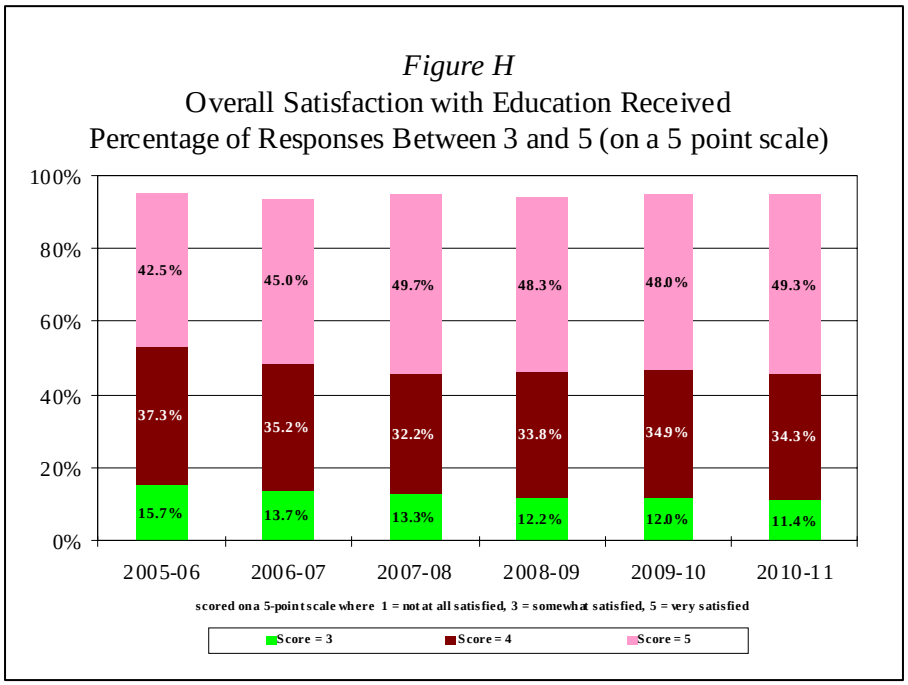


Figure H
Overall Satisfaction with Education Received
Percentage of Responses Between 3 and 5 (on a 5 point scale)
100%
80%
60%
40%
20%
0%
42.5%
45.0%
49.7%
48.3%
48.0%
49.3%
37.3%
35.2%
32.2%
33.8%
34.9%
34.3%
15.7%
13.7%
13.3%
12.2%
12.0%
11.4%
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
scored on a 5-point scale where 1 = not at all satisfied, 3 = somewhat satisfied, 5 = very satisfied
Score = 3
Score = 4
Score = 5

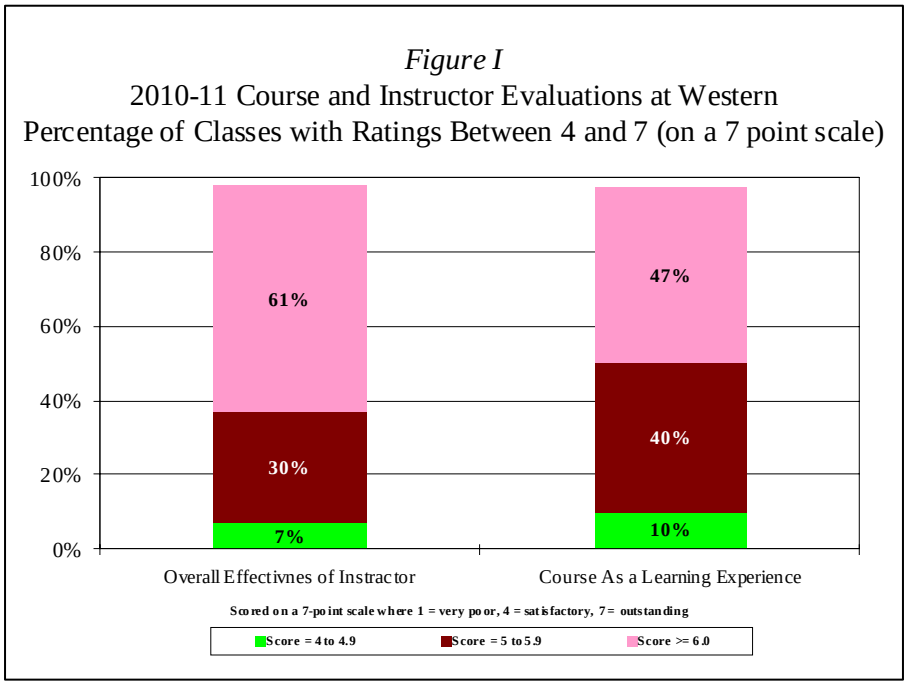


Figure I
2010-11 Course and Instructor Evaluations at Western
Percentage of Classes with Ratings Between 4 and 7 (on a 7 point scale)
100%
80%
60%
40%
20%
0%
61%
30%
7%
47%
40%
10%
Overall Effectivnes of Instractor
Course As a Learning Experience
Scored on a 7-point scale where 1 = very poor, 4 = satisfactory, 7 = outstanding
Score = 4 to 4.9
Score = 5 to 5.9
Score >= 6.0

Looking forward, our revenue forecasts for the remaining three years of the four-year period are based on the following assumptions:

- continuation of government funding for enrolment growth
- achievement of a first-year intake target of 4,900 – of which 500 will be international students by the end of the four-year planning period
- achievement of the graduate enrolment plans developed by the Faculties

Our budgetary investments during the remaining three years of the four-year planning period will focus on the priority of "Enhancing our Research/Scholarship Profile on the Global Stage".

B. Updates on Initiatives from Last Year's Budget

The following initiatives were included in the 2011-12 University Operating Budget, and involved substantial investments.

1. Enrolment Expansion and Associated Resources

As noted earlier, in the fall of 2010, Western's Senate and the Board of Governors approved a new enrolment strategy for Western – which included expansion of undergraduate and graduate enrolments, while maintaining entrance standards.

In order to support our Faculties in accommodating the enrolment expansion described above, starting in 2011-12, a new revenue sharing mechanism was implemented. Under the new mechanism, the Faculties receive – on a slip-year basis – a portion of the incremental enrolment-related revenues (i.e. tuition revenue and applicable government grants) as follows:

- 40% for undergraduate enrolments
- 40% for non-research masters programs
- 85% for research masters and Ph.D. programs

In 2011-12, a sum of $11 million was transferred to the Faculties through this new revenue sharing mechanism.

2. Internationalization – Expansion of Academic Programs and Student Experiences

Expansion of undergraduate international student enrolment and corresponding budgetary investments to provide the support infrastructure were highlighted as high priorities in last year's budget document. The enrolment plan approved by SUEPP included a first-year international student class of 250. The actual first-year international student intake in fall 2011 was 347.

In terms of international student services, a new unit "Western International" was created in 2011-12. The new unit will be headed by a Vice-Provost (search is currently underway). At present, Western International has a full-time staff complement of 10 and a budget of $1.3 million.

3. Enhancing Western's Research/Scholarship Profile

The fall 2010 update to Western's Strategic Plan included recommendations aimed at research/scholarship enhancement. In response to this, resources were added to the Academic Priorities Fund (APF) in 2011-12. The Provost and the Vice-President (Research) will collaborate in the development of programs to (a) establish new or strengthen existing research clusters, (b) attract and retain international-recognized scholars, and (c) plan and design international visits, exchanges, and conferences. Specific recommendations will be brought forward after the appointment of a new Vice-President (Research)

4. Support for our Fundraising Campaign

In support of our fundraising campaign, a sum of $11.5 million in one-time funds was allocated in last year's budget – on top of the $12.5 million allocated in 2010-11, for a total of $24 million – to be used to augment private donations in support of areas of high priority. The major focus for the use of these funds has been in the area of endowed chairs. To-date a total of 6 chairs have been confirmed – with the support of $8 million from the $24 million fund. The Vice-President External is currently in discussions with prospective donors regarding a number of other endowed chair opportunities.

5. Long-Range Space Planning

Western continues with its long-range approach to space planning. One major project completed in 2011-12 was the Stevenson and Lawson Halls Renovation Project.

The following projects are well underway or nearing completion:

- the Physics & Astronomy Building Renovations
- the New Ivey Building – Phase 1 has been completed and Phase 2 is underway

The following projects were started (planning, design, or construction) in 2011-12:

- the New Undergraduate Residence
- WindEEE – a CFI Initiative
- Support Facilities at the Advanced Manufacturing Park
- the International Composites Research Centre at the Advanced Manufacturing Park
- the Medical Education Building
- Conversion of the Biological & Geological Sciences Building to common/gathering space
- Renovation and Expansion of Talbot College

The initial plan for Talbot College called for major renovations to the building. However, after detailed review of costs and benefits of the Talbot renovations plan and an assessment of the Music Building, it is recommended that the approach to the project be modified. The new approach involves building an addition to Talbot College, modest renovations to some parts of Talbot College, and the removal of the Music Building.

C. Priorities for the 2012-13 Budget and New Initiatives

1. Enhancing Western's Research/Scholarship Profile

Our budgetary investments during the remaining three years of the four-year planning period will focus on the priority of "Enhancing our Research/Scholarship Profile on the Global Stage".

The Provost and the Vice-President (Research) will collaborate – after the new Vice-President (Research) is appointed – in the development of programs to (a) establish new or strengthen existing research clusters, (b) attract and retain international-recognized scholars, and (c) plan and design international visits, exchanges, and conferences. These programs will be funded through the Academic Priorities Fund (APF). In addition, Western is in the development stage of various proposals to the Canada Foundation for Innovation (CFI), the Canada Excellence Research Chairs Program (CERC), and the Federal Economic Development Agency for Southern Ontario (FedDev). All of these proposals, if successful, will involve matching contributions from the University in the coming years. These proposals, if successful, also involve infrastructure that require University resources (space, equipment, and technical staff).

In order to support these major initiatives, it is recommended that a sum of $2.6 million in base funds and a sum of $30 million in one-time funds be allocated in support of our research/scholarship priorities. The $2.6 million base funds will be added to the Academic Priorities Fund. The $30 million one-time allocation will be set up in a reserve – and will be used over the next 7 years. If resources are available, we will look to supplementing these allocations in future years.

2. Graduate Expansion

Western's enrolment strategy – approved by Senate in the fall of 2010 – includes a commitment that graduate enrolment growth will keep pace with undergraduate enrolment growth and that graduate expansion should continue to be a high priority. In response to this, the Faculties have developed ambitious graduate enrolment plans – including substantial expansion of domestic doctoral enrolments. In support of this, the Doctoral Supervision Grant (DSG) is being re-instated for the remaining three years of the four-year planning period. The DSG will provide $2,000 per new domestic doctoral student, and the funds will flow directly to the faculty member supervising the students.

3. Support for our Fundraising Campaign

The official goal of our fundraising campaign has been set at $750 million. The strategic areas of priority for the campaign are endowed chairs, student financial aid, and support for major research initiatives. This budget is recommending the allocation of $856,000 in base funds and $1.35 million in one-time funds in support of our campaign and related communications initiatives.

D. Four-Year Operating Budget Forecast

As indicated earlier, 2012-13 moves us forward to the second year of our Four-Year Plan. This budget document seeks formal approval of the 2012-13 budget. The recommendations in this document have been guided by projections of operating revenues and expenditures for the remaining three years of the four-year planning period. These projections respect the requirement of an operating reserve at the Board-mandated level of $2.5 million at the end of the four-year cycle. Table 1 summarizes our current forecast for the remaining three years of the four-year plan. The major assumptions underlying the budget forecasts are as follows:

Revenues

- The Provincial Government will continue to provide grant funding for enrolment growth.
- All other on-going government grants will be maintained at least at current levels.
- Enrolment projections/plans (shown in Table 14) underlying the tuition revenue projections will be achieved.

Expenditures

- Enrolment-related revenue sharing allocations to the Faculties will continue during the remaining three years of the four-year planning period, and the projections are shown in Table 4a.
- Increases in non-salary costs for most 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 $44.1 million at the end of the current year (i.e. 2011-12). The reserve is projected to be $4.6 million at the end of the four-year planning period (i.e. 2014-15) – just above the Board-mandated minimum level of $2.5 million.

E. Summary of the 2012-13 Operating Budget

Table 2 summarizes the University's 2012-13 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 $630.2 million in 2012-13 – an increase of 3.6% over 2011-12. Details of the operating revenues are shown in Table 3.

Line 13: Total expenditures are projected to be $636.4 million in 2012-13 – an increase of 6.6% over 2011-12. 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 surplus of $11.1 million in 2011-12 and a deficit of $6.2 million in 2012-13.

Line 17: The Operating Reserve is forecast to be $44.1 million at the end of 2011-12 and $37.9 million at the end of 2012-13.

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	212.5	212.5
4	Undergraduate Accessibility Grant	2.1	4.4	3.1	3.2	2.0
5	Graduate Expansion Fund	9.7	8.3	11.0	11.7	11.7
6	Quality Improvement Fund	10.1	10.1	10.1	10.1	10.1
7	Research-related Grants	12.1	12.2	11.8	11.8	11.8
8	All Other	31.7	34.8	33.9	33.7	33.4
9	**Total**	**276.7**	**282.5**	**282.4**	**283.0**	**281.5**
10	**Tuition Revenue**	**229.8**	**248.4**	**267.6**	**287.7**	**303.3**
11	**All Other Revenues**					
12	Canada Research Chairs (CRCs)	9.4	8.7	9.0	9.8	9.8
13	Recoverable Salaries	27.9	26.4	27.2	27.2	27.2
14	All Other	42.1	42.3	44.0	46.4	47.6
15	**Total**	**79.4**	**77.4**	**80.2**	**83.4**	**84.6**
16	**Total Revenues**	**585.9**	**608.3**	**630.2**	**654.1**	**669.4**
17	**EXPENDITURES**					
18	**Faculties**					
19	Base Budgets (including APF)	325.9	330.3	327.7	329.4	327.0
20	Revenue Sharing Allocations	7.4	11.0	19.4	28.6	36.7
21	Canada Research Chairs (CRCs)	8.2	7.6	7.8	8.5	8.5
22	All Other	41.8	45.2	45.5	45.4	45.7
23	**Total**	**383.3**	**394.1**	**400.4**	**411.9**	**417.9**
24	**Scholarships and Bursaries**	**27.8**	**30.1**	**29.4**	**30.0**	**30.8**
25	**Support Areas (including SUPF)**	**77.0**	**81.2**	**82.1**	**82.5**	**82.7**
26	**University-wide Expenditures**	**48.4**	**54.3**	**62.0**	**66.1**	**70.4**
27	**Provision for Cost Fluctuations**	**0.0**	**0.0**	**14.4**	**28.8**	**49.7**
28	**One-Time Allocations**	**47.8**	**37.5**	**48.1**	**45.2**	**40.8**
29	**Total Expenditures**	**584.3**	**597.2**	**636.4**	**664.5**	**692.3**
30	**REVENUES minus EXPENDITURES**	**1.6**	**11.1**	**-6.2**	**-10.4**	**-22.9**
31	**OPERATING RESERVE**					
32	Beginning Operating Reserve	31.4	33.0	44.1	37.9	27.5
33	Surplus / (Deficit) -- from Line 32 above	1.6	11.1	-6.2	-10.4	-22.9
34	**Ending Operating Reserve**	**33.0**	**44.1**	**37.9**	**27.5**	**4.6**

Table 2

SUMMARY OF OPERATING BUDGET: 2012-13

		<a>	<b>	<c>
		2011-12 Budget (@ Feb 29, 2012)	2012-13 Budget	$ Change from 2011-12
1	**Operating Revenues (Table 3)**			
2	Government Grants	282,474,725	282,409,216	(65,509)
3	Tuition Revenue	248,447,985	267,625,360	19,177,375
4	All Other	77,355,591	80,191,742	2,836,151
5	**Total Revenues**	**608,278,301**	**630,226,318**	**21,948,017**
6	**Expenditure Budgets**			
7	Faculties (Table 4)	394,084,438	400,434,421	6,349,983
8	Scholarships and Bursaries (Table 5)	30,110,540	29,400,123	(710,417)
9	Support Areas (Table 6)	81,168,643	82,124,723	956,080
10	University-wide Expenditures (Table 7)	54,290,353	61,953,500	7,663,147
11	Provision for Cost Fluctuations	0	14,410,977	14,410,977
12	One-Time Allocations	37,551,624	48,123,857	10,572,233
13	**Total Expenditures**	**597,205,598**	**636,447,601**	**39,242,003**
14	**Surplus / (Deficit) - Line 5 minus Line 13**	**11,072,703**	**(6,221,283)**	

15	**Beginning Operating Reserve Balance**	**33,014,113**	**44,086,816**	
16	Surplus / (Deficit) -- Line 14 above	11,072,703	(6,221,283)	
17	**Closing Operating Reserve Balance**	**44,086,816**	**37,865,533**	
18	**Board-mandated Minimum Level Reserve Target**	**2,500,000**	**2,500,000**	

F. Details of the 2012-13 Operating Revenue Forecasts

Table 3 details the University's operating revenue forecast for 2012-13.

Government Grants

The primary sources of incremental revenue are related to enrolment growth at both the undergraduate and graduate levels. Undergraduate growth funding is projected to decrease by $1.3 million and the graduate expansion fund is projected to increase by $2.7 million. The Provincial Government's Student Support Grants are projected to decline by $1.5 million because of the Government's decision to phase out the Aim-for-the-Top program. In total, government grants are projected to remain unchanged.

Tuition Fees

The Provincial Government has extended the current tuition framework to 2012-13. The recommended tuition fee rates for 2012-13 are shown in Tables 11, 12, and 13.

Domestic Students

Our recommendations for domestic student tuition fees for 2012-13 follow the provincial framework, and the pattern of increases is similar to the increases in recent years.

International Students

Western's 2010-11 budget 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 peer institutions in Ontario – over a period of 3 to 4 years. For the coming year (2012-13), we recommend the following increases to international tuition rates:

- for all undergraduate programs (excluding the HBA), the tuition for first-year students be increased by 8% and the tuition for upper-year students be increased by 4%;
- for the HBA program, the tuition for all years be increased by 3%;
- tuition for all graduate programs (excluding the MBA) be increased by 6%; and
- tuition for the MBA program remain unchanged.

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 2012-13, Western will receive a sum of $9 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.

- Fundraising for Needs-based Student Awards continues to be of high priority to the University. In 2012-13, we project a sum of $5.1 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. This 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 which was introduced in 2004-05.

G. Details of the 2012-13 Expenditure Recommendations

1. Faculty Budget Recommendations

Table 4 shows the 2012-13 **base budget recommendations** for Western's Faculties. Final 2012-13 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 $71,000 or 60% of the retiring or departing faculty 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 – and replaced the former University Priorities Investment Fund (UPIF). 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 during the final two years of the four-year planning period.

The **Faculty-specific APF base recommendations** for 2012-13 (shown in column <d> of Table 4) are:

- $90,525 to the Faculty of Arts and Humanities as partial funding to cover the salary costs of the Director of the Rotman Institute of Philosophy;
- $250,000 to the Faculty of Education in support of new graduate programs and a language bridging centre;
- $170,000 to the Faculty of Law in support of a new faculty position;

- $100,000 to the Don Wright Faculty of Music in support of a full-time faculty appointment;
- $300,000 to the Faculty of Science in support of teaching expansion and research opportunities; and
- $300,000 to the Faculty of Social Science to accommodate enrolment/teaching pressures across the Faculty.

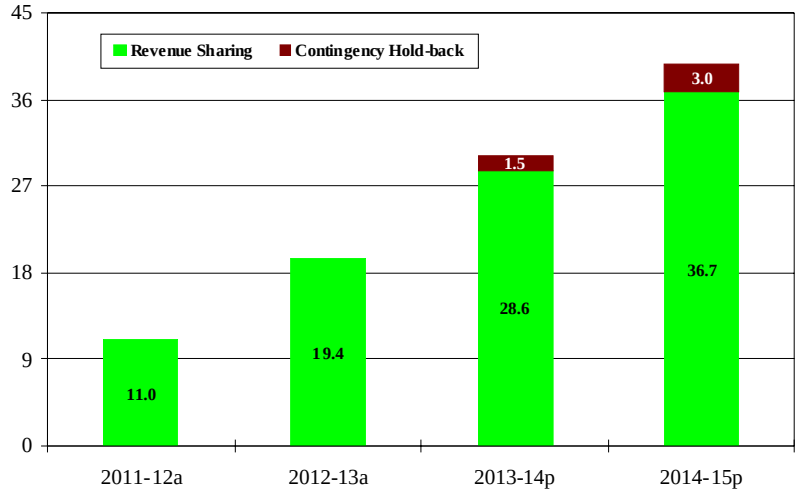
The **funding model for the Richard Ivey School of Business** – introduced in 2004-05 – flows all tuition fees and government operating grants deriving from the School's enrolments directly to Ivey. Under this funding model, the Ivey School does not participate in the University's other funding programs such as the Academic Priorities Fund (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 **new revenue sharing mechanism** that was implemented in 2011-12. Line 15 in Table 4 shows the projected $19.4 million that will be available to the Faculties in 2012-13. The Faculty-specific breakdown of this $19.4 million, as well as the forecasts for the final two years of the four-year planning period, are shown in Table 4a.

Finally, the recommendations for the Faculties include **one-time allocations** which are detailed in Table 8 (lines 4 through 15) and the **Research Infrastructure Support Fund (RISF)** allocations shown in Table 10.

Figure J

Revenue Sharing Allocations -- $M



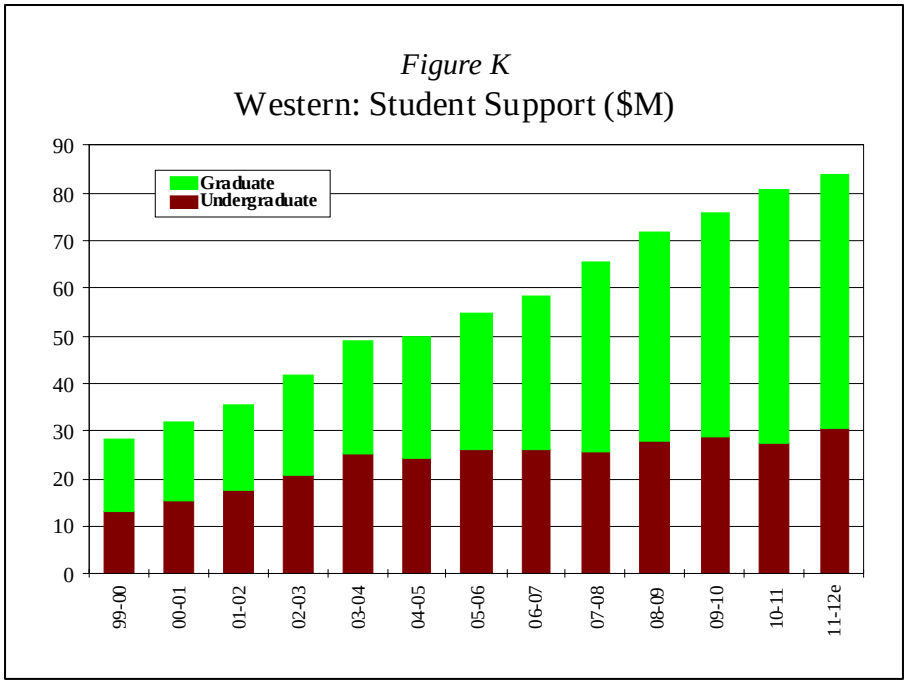
2. Scholarships and Bursaries

Base budget allocations for centrally-funded student support are shown in Table 5. Overall student support funding at Western is projected to be $29.4 million in 2012-13. As indicated earlier, 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.

- The increase in undergraduate scholarships is a result of the projected increase in quality of the incoming class.

- The Provincial Government – as part of its tuition framework – requires universities to set aside 10% of incremental tuition revenues for needs-based student financial support. The estimated tuition set-aside funding for 2012-13 is $13.1 million.

- As indicated earlier in this document, fundraising for undergraduate and graduate student needs-based awards continues to be of high priority to the University. In 2012-13, we project a sum of $5.1 million from this source.



3. Support Unit Budget Recommendations

Table 6 shows the 2012-13 **base budget recommendations** for Support Units. Final 2012-13 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 new facilities, and the targeted allocation in support of the fundraising campaign.

The **Support Units Priorities Fund (SUPF)** was established in 2011-12 – and replaced the former University Priorities Investment Fund (UPIF). The unit-specific SUPF recommendations for 2012-13 (shown in column <c> of Table 6) are:

- $65,000 to the Libraries in support of a technical staff position;
- $60,000 to the Registrar's Office in support of additional staffing;
- $192,000 to the School of Graduate and Postdoctoral Studies in support of additional staffing and international student immigration-related legal services;
- $34,200 to the McIntosh Gallery to maintain staffing levels;
- $572,000 to Human Resources to maintain staffing levels, benefits oversight support, and a student internship program in Equity and Human Rights Services;
- $130,000 to Research Western to maintain staffing levels and to increase service levels across the portfolio;
- $150,000 to the Vice-President External's portfolio in support of the fundraising campaign.

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 12 and 21 of Table 6.

Finally, the recommendations for the Support Units include **one-time allocations** which are detailed in Table 8 (lines 18 to 29).

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 a reflection of projected rate increases.

- The **Maintenance, Modernization, and Infrastructure (MMI)** transfer to the Capital Budget is being increased by $750,000 – and it is recommended that this rate of annual increase continue until the transfer reaches $15.5 million. The MMI funds will be used to support major building renovations, utilities and infrastructure upgrades, modernization of instructional and research facilities, and general maintenance and modernization such as roof replacement and interior/exterior painting.

- 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 which involve research facilities.

- The **Information Technology Infrastructure Fund** supports rapidly-expanding University-wide central IT infrastructure – including our networks, wireless technologies, general university computer labs, instructional support 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 $1.6 million – 0.25% of Operating Revenues, as in previous years.

- Western attracts outstanding students. Their recruitment, within an increasingly competitive environment, continues to be a University priority – and the **Student Recruitment** base budget continues in 2012-13. This base budget funding is also being supplemented by one-time allocations to the Registrar's Office budget – in support of high school visits and on-campus recruitment initiatives.

5. <u>One-Time Recommendations</u>

As indicated earlier, the Faculties and Support Units will receive substantial one-time funding in 2012-13. The specific one-time recommendations are summarized in Table 8 – and include unit-specific recommendations as well as allocations for University-wide initiatives.

- As described earlier in Section C of this document, three areas of high priority are addressed in the 2012-13 Budget – with substantial one-time allocations:
    - A sum of $30 million is being allocated in support of "**Enhancing our Research/Scholarship Profile**";
    - It is estimated that the **Doctoral Supervision Grant** will require $1 million; and
    - A sum of $1.35 million is being provided to support our **Fundraising Campaign**.

- In 2003-04, a program aimed at recruiting female members of faculty – where 50% of the first year's salary and benefits of female tenured/probationary faculty members is provided from central funds – was introduced. Starting in 2008-09, that program was extended to include members of the First Nations Community. A projected sum of $700,000 is being recommended in support of these **faculty recruitment initiatives**.

- The funding arrangements for the **Robarts Research Institute** direct certain revenues generated by Robarts – government indirect cost grants, research overheads, investment income, and royalties/licences – to the Schulich School of Medicine & Dentistry in support of Robarts. For 2012-13, the sum of these items is projected to be $5.5 million.

- **Targetted program expansion** funding from the Provincial Government is directed to the Faculties offering the programs. In 2012-13, this involves $2.5 million to Medicine for expansion of the MD program.

- The Province provides annual funding in support of **clinical education** programs in Dentistry, Nursing, and the Therapies. These funds are flowed to the Faculties as one-time

allocations: $843,000 to Health Sciences for Nursing and the Therapies and $1.2 million to the Schulich School for Dentistry.

- A sum of $955,000 is being allocated to the Vice-President (Research) to maintain service levels ($130,000) and to support a number of **research-related initiatives**, including research development and commercialization of intellectual property ($825,000).

- The **Interdisciplinary Initiatives (IDI) Program** – which has been in place since 2007-08 – is being supplemented with an additional one-time allocation of $260,000.

Table 3

2012-13 OPERATING REVENUES

		2011-12 Budget Forecast (@ Feb 29, 2012) (1)	2012-13 Budget (2)	Increase / (Decrease) Amount (3)	% Change (2) to (1)
1	**Government Grants**				
2	Base Grants	212,683,601	212,487,770	(195,831)	-0.1%
3	Undergraduate Accessibility Fund	4,440,107	3,090,729	(1,349,378)	-30.4%
4	*Sub-Total Base Grants & Accessibility Fund*	*217,123,708*	*215,578,499*	*(1,545,209)*	-0.7%
5	Graduate Expansion Fund	8,346,981	11,003,561	2,656,580	31.8%
6	Quality Improvement Fund	10,086,519	10,086,519	0	0.0%
7	Performance Fund	2,153,634	2,153,634	0	0.0%
8	Program Expansion Grants	20,572,092	21,175,158	603,066	2.9%
9	Research Infrastructure Grant	2,688,330	2,688,330	0	0.0%
10	Provincial Indirect Cost Grant	464,386	128,200	(336,186)	-72.4%
11	Federal Funding for Indirect Costs of Research	9,033,378	9,033,378	0	0.0%
12	Provincial Government Student Support Grants	5,182,394	3,661,884	(1,520,510)	-29.3%
13	Other Targetted Government Grants	6,823,303	6,900,053	76,750	1.1%
14	**Sub-Total Government Grants**	**282,474,725**	**282,409,216**	**(65,509)**	**0.0%**
15	**Tuition Revenue**				
16	Undergraduate	157,751,400	172,064,425	14,313,025	9.1%
17	Graduate	36,662,070	40,189,489	3,527,419	9.6%
18	*Sub-Total General Programs*	*194,413,470*	*212,253,914*	*17,840,444*	9.2%
19	Ivey Programs (HBA, MBAs, MSc, PhD)	46,927,521	47,810,097	882,576	1.9%
20	International Medical and Dental Students	5,941,994	6,396,349	454,355	7.6%
21	*Sub-Total Other Programs*	*52,869,515*	*54,206,446*	*1,336,931*	2.5%
22	Miscellaneous Fees	1,165,000	1,165,000	0	0.0%
23	**Sub-Total Tuition Revenue**	**248,447,985**	**267,625,360**	**19,177,375**	**7.7%**
24	**Other Revenues**				
25	Canada Research Chairs (CRCs)	8,700,000	9,000,000	300,000	3.4%
26	Transfer from Affiliated University Colleges	5,872,521	6,513,149	640,628	10.9%
27	Recoverable Salaries	26,408,703	27,174,063	765,360	2.9%
28	Investment Income	239,643	664,932	425,289	177.5%
29	Fundraising -- Needs-based Student Awards and Bursaries	5,050,000	5,050,000	0	0.0%
30	Application Fees	1,668,514	1,690,051	21,537	1.3%
31	Research Overheads	4,528,837	4,750,279	221,442	4.9%
32	Royalties and Licences	3,532,802	3,476,697	(56,105)	-1.6%
33	Contributions from Self-Funded & Ancillary Operations	20,732,000	21,250,000	518,000	2.5%
34	Miscellaneous Revenues	622,571	622,571	0	0.0%
35	**Sub-Total Other Revenues**	**77,355,591**	**80,191,742**	**2,836,151**	**3.7%**
36	**TOTAL REVENUES**	**608,278,301**	**630,226,318**	**21,948,017**	**3.6%**

Table 4
FACULTIES
2012-13 BASE BUDGETS

		<a>	<b>	<c>	<d>	<e>	<f>	<g>
		2011-12 Base Budget (@ Feb 29, 2012)	IBA	Faculty Turnover Recovery	APF	Other Base Changes	Canada Research Chairs	Resulting 2012-13 Base Budget
1	***Faculties***							
2	Arts and Humanities	28,858,283	(725,802)	(139,451)	90,525			28,083,555
3	Education	9,898,967	(320,921)	(117,654)	250,000			9,710,392
4	Engineering	24,911,918	(598,087)	(202,751)			90,000	24,201,080
5	Health Sciences	26,938,126	(720,678)	(129,682)				26,087,766
6	Information and Media Studies	9,374,044	(259,374)					9,114,670
7	Law	6,809,914	(191,927)		170,000			6,787,987
8	Medicine & Dentistry	61,653,736	(1,605,765)	(361,552)		1,239,141	90,000	61,015,560
9	Music	9,604,718	(242,603)		100,000			9,462,115
10	Science	50,649,586	(1,271,047)	(127,737)	300,000		80,000	49,630,802
11	Social Science	49,954,684	(1,314,261)	(256,268)	300,000			48,684,155
12	***Sub-Total Faculties (excluding Business)***	***278,653,976***	***(7,250,465)***	***(1,335,095)***	***1,210,525***	***1,239,141***	***260,000***	***272,778,082***
13	Business	58,371,974				1,028,751		59,400,725
14	***Sub-Total Faculties***	***337,025,950***	***(7,250,465)***	***(1,335,095)***	***1,210,525***	***2,267,892***	***260,000***	***332,178,807***
15	Revenue Sharing Allocation	11,033,841				8,391,342		19,425,183
16	Research Infrastructure Support Fund (RISF)	750,000						750,000
17	Faculty Recruitment Initiatives	57,718						57,718
18	Academic Priorities Fund (APF)	5,076,462			489,475	2,100,000		7,665,937
19	***Total -- with Revenue Sharing Allocation***	***353,943,971***	***(7,250,465)***	***(1,335,095)***	***1,700,000***	***12,759,234***	***260,000***	***360,077,645***
20	***All Other***							
21	Academic Development Fund	1,500,000						1,500,000
22	Continuing Studies: Trois-Pistoles	994,986				(1,427)		993,559
23	Education: Continuing Education for Teachers	2,376,000						2,376,000
24	Medicine & Dentistry: International Students	5,941,994				454,355		6,396,349
25	Faculty Share of Research Overheads	1,424,619				(236,619)		1,188,000
26	Medicine & Dentistry: Primary Care	349,805						349,805
27	Faculty Scholars & Distinguished University Professors	239,000						239,000
28	Graduate and Undergraduate Program Reviews	140,000						140,000
29	Recoverable Salaries: T&R and Other	27,174,063						27,174,063
30	***Sub-Total***	***40,140,467***	***0***	***0***	***0***	***216,309***	***0***	***40,356,776***
31	**Total Academic Units**	**394,084,438**	**(7,250,465)**	**(1,335,095)**	**1,700,000**	**12,975,543**	**260,000**	**400,434,421**

Table 4a
FACULTIES: REVENUE SHARING ALLOCATIONS

		2010-11a	2011-12a	2012-13a	2013-14p	2014-15p
1	Arts and Humanities	1,277,090	1,400,097	1,650,341	2,331,772	3,118,857
2	Education	162,150	286,138	361,738	1,828,412	3,478,493
3	Engineering	145,800	874,800	1,711,102	3,014,309	3,490,614
4	Health Sciences	569,050	1,052,765	1,886,348	2,058,623	2,347,713
5	Information and Media Studies	548,300	570,815	773,574	948,967	970,628
6	Law	64,150	271,988	773,204	1,161,195	1,392,900
7	Medicine & Dentistry	644,950	1,114,800	2,651,466	4,374,946	5,932,545
8	Music	-47,000	185,012	191,525	671,081	947,774
9	Science	1,713,210	2,147,529	4,679,309	5,762,810	6,765,360
10	Social Science	2,330,960	3,129,897	4,746,576	6,416,072	8,275,759
11	**Sub-Total**	**7,408,660**	**11,033,841**	**19,425,183**	**28,568,187**	**36,720,643**
12	**Contingency Hold-back**				**1,503,589**	**2,977,350**
13	**Total**	**7,408,660**	**11,033,841**	**19,425,183**	**30,071,776**	**39,697,993**

Table 5

SCHOLARSHIPS and BURSARIES

2012-13 BASE BUDGETS

		<a>	<b>	<c>
		2011-12 Base Budget (@ Feb 29, 2012)	Changes	Resulting 2012-13 Base Budget
1	Undergraduate Scholarships	6,296,774	146,549	6,443,323
2	Tuition Re-Investment	12,404,827	663,544	13,068,371
3	Western Bursaries	776,545		776,545
4	Privately-Funded Needs-Based Awards & Bursaries	5,050,000		5,050,000
5	Government "Aiming for the Top" Program	3,033,798	(1,516,798)	1,517,000
6	MTCU Work Study Program and Bursaries	1,624,884		1,624,884
7	Graduate Bursaries	400,000		400,000
8	Ontario Graduate Fellowships	523,712	(3,712)	520,000
9	**Total Scholarships and Bursaries**	**30,110,540**	**(710,417)**	**29,400,123**

Graduate student funding is now addressed through the Faculty budgets. In 2011-12 this funding is estimated to be $49,249,543 and the projections for 2012-13 is $52,713,165.

Table 6
SUPPORT AREAS
2012-13 BASE BUDGETS

		<a>	<b>	<c>	<d>	<e>
		2011-12 Base Budget (@ Feb 29, 2012)	IBA	SUPF	Other Base Changes	Resulting 2012-13 Base Budget
1	***Reporting to the Provost***					
2	Teaching Support Centre	677,466	(19,412)		2,654	660,708
3	Effective Writing Program	299,139				299,139
4	Information Technology Services	6,374,930	(177,425)		103,090	6,300,595
5	Libraries	12,431,643	(349,802)	65,000	95,646	12,242,487
6	Registrar's Office	5,715,573	(173,846)	60,000	83,185	5,684,912
7	Office of Vice-Provost (APPF)	902,538	(24,532)		5,030	883,036
8	Graduate & Postdoctoral Studies	1,099,961	(26,587)	192,000	10,459	1,275,833
9	Institutional Planning and Budgeting	4,329,403	(120,788)		49,540	4,258,155
10	Western International	1,337,041				1,337,041
11	McIntosh Gallery - Subsidy	222,719		34,200		256,919
12	Support Unit Priorities Fund (SUPF)	272,000		198,800		470,800
13	***Sub-Total***	***33,662,413***	***(892,392)***	***550,000***	***349,604***	***33,669,625***
14	***Reporting to the Vice-President Resources & Operations***					
15	Financial Services	4,024,753	(115,449)		44,542	3,953,846
16	Human Resources	5,511,138	(152,631)	572,000	58,888	5,989,395
17	Staff/Faculty Health Services	170,813				170,813
18	Facilities Management	17,057,078	(415,084)		421,550	17,063,544
19	Police	2,695,673	(72,583)		34,731	2,657,821
20	Internal Audit	293,237	(8,633)			284,604
21	Support Unit Priorities Fund (SUPF)	357,500		(102,000)		255,500
22	***Sub-Total***	***30,110,192***	***(764,380)***	***470,000***	***559,711***	***30,375,523***
23	***Reporting to the Vice-President Research***					
24	Animal Care/Veterinary Services - Subsidy	800,000				800,000
25	Research Western	2,951,410	(92,988)	130,000	31,782	3,020,204
26	Research Promotion Fund	350,000				350,000
27	Small Grants Support for Arts/Humanities/Social Sciences	250,000				250,000
28	Western Innovation Fund	400,000				400,000
29	***Sub-Total***	***4,751,410***	***(92,988)***	***130,000***	***31,782***	***4,820,204***
30	***Vice-President External Portfolio***	***8,488,328***	***(225,393)***	***150,000***	***656,201***	***9,069,136***
31	***General Administration***					
32	Offices of the President/Vice-Presidents	3,415,037				3,415,037
33	University Secretariat	741,263			33,935	775,198
34	***Sub-Total***	***4,156,300***	***0***	***0***	***33,935***	***4,190,235***
35	**Total Support Areas**	**81,168,643**	**(1,975,153)**	**1,300,000**	**1,631,233**	**82,124,723**

Table 7
UNIVERSITY-WIDE EXPENDITURES and EMPLOYEE BENEFIT COSTS
2012-13 BASE BUDGETS

		<a>	<b>	<c>	<d>
		2011-12 Base Budget (@ Feb 29, 2012)	New Investment	Other Changes	Resulting 2012-13 Base Budget
1	Utilities	17,248,668		547,647	17,796,315
2	Library Acquisitions	13,365,896	250,000		13,615,896
3	Transfer to MMI: Operating	11,000,000	750,000		11,750,000
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	904,000		32,000	936,000
7	Information Technology Infrastucture Fund (ITIF)	6,879,257	515,944		7,395,201
8	Property Taxes	2,005,800		58,575	2,064,375
9	Insurance	1,810,726		167,943	1,978,669
10	Contingency	1,510,195		65,371	1,575,566
11	Services for Students with Disabilities	999,418			999,418
12	Professional Fees	1,200,000		82,500	1,282,500
13	Institutional Memberships	750,000			750,000
14	Student Recruitment	475,000			475,000
15	Intercollegiate Athletics - Subsidy	636,298		4,403	640,701
16	Campus Recreation - Subsidy	25,000			25,000
17	Convocation and Diplomas	340,000			340,000
18	Costs Associated with Employee Contracts	540,000			540,000
19	Athletic Injury Clinic - Subsidy	208,580		5,245	213,825
20	Ombudsperson	88,515		3,519	92,034
21	University Surveys and Teaching Evaluations	75,000			75,000
22	Centre for Research on Violence Against Women and Children - Subsidy	55,000			55,000
23	Museum of Ontario Archaeology - Subsidy	50,000			50,000
24	**Total University-wide Expenditures**	**63,767,353**	**1,515,944**	**967,203**	**66,250,500**
25	Employee Benefit Plan Costs	90,260,000		8,142,000	98,402,000
26	Employee Benefit Recoveries	(99,737,000)		(2,962,000)	(102,699,000)
27	**Net Employee Benefits**	**(9,477,000)**		**5,180,000**	**(4,297,000)**
28	**Net University-wide Expenditures**	**54,290,353**	**1,515,944**	**6,147,203**	**61,953,500**

Table 8
2012-13 ONE-TIME ALLOCATIONS

1	Enhancing our Research Profile -- Investment in Research Infrastructure	30,000,000
2	Doctoral Supervision Grant	1,000,000
3	Faculty Recruitment Initiatives	700,000
4	Interdisciplinary Initiatives	260,000
5	Arts and Humanities: Undergraduate Recruitment Scholarships and E-Learning Initiatives	100,000
6	Education: Language Bridging Centre and Professional Programs	407,250
7	Engineering: Support for ICFAR Building Operating Costs, Internationalization Initiatives, New Generation Hydraulics, and Faculty Start-Up Funds	351,948
8	Health Sciences: Targetted Government Funding for Clinical Education ($842,548), Internationalization Initiatives ($37,500), Research Co-ordinator Position ($40,000), and Support for Intercollegiate Athletics ($45,000)	965,048
9	FIMS: New Media, Digital, and Virtual World Infrastructure	50,000
10	Law: Intensive Courses and Visiting Scholars	90,000
11	Medicine & Dentistry (Robarts): Research Overheads ($0.8M), FFICR ($1.4M), Royalties & Licences ($2.7M), Investment Income ($0.6M)	5,530,725
12	Medicine & Dentistry: Targetted Government Funding for Dental Clinical Education ($1.2M) and MD Expansion ($2.5M)	3,664,026
13	Music: Support for Piano Inventory and Graduate Recruitment Initiatives	50,000
14	Science: Support for Internationalization Initiatives and Transformative Opportunities	310,000
15	Social Science: Bridge Financing for Faculty Position (Financial Economics)	160,000
16	Academic Priorities Fund (APF)	58,302
17	Provost: Use of Support Unit Priorities Fund (SUPF) Base for One-Time Purposes	(605,000)
18	ITS: Equipment and Software Renewal in the Instructional Technology Resource Centre	50,000
19	Libraries: Public Computing Environment Upgrades, Map and Data Centre Re-location Costs, and Staff Development Initiatives	375,000
20	Registrar's Office: High School Visits ($115K), Applications Processing ($100K), Experiential Learning, Career Services, and First Nations Initiatives ($250K), Systems Upgrade ($125K) and Pride Library Support ($5K)	595,000
21	Teaching Support Centre: 360 Degree Initiative for Graduate Students ($300K) and Faculty Mentor Program ($40K)	340,000
22	Office of Vice-Provost (APPF): Training and Development Initiatives, Faculty Recruitment and Retention Initiatives, and Pay Equity / Workplace Climate Initiatives	130,000
23	Graduate & Postdoctoral Studies: Additional Staffing Graduate Student Recruitment and Retention Initiatives, and International Student Immigration-related Legal Services	405,000
24	Western International: Recruitment-related Initiatives and Web Development Support	100,000
25	Human Resources: Job Evaluation Initiatives, Leadership Development Initiatives, AODA Initiatives, and Recruitment-related Technology System	475,000
26	Internal Audit: Contract Staffing	25,000
27	Vice-President (Resources & Operations): Use of Support Unit Priorities Fund (SUPF) Base for One-Time Purposes	(30,000)
28	Vice-President Research: Maintain Service Levels ($130K) and Support for Research Initiatives ($825K)	955,000
29	Vice-President External: Support for Fundraising Campaign	1,354,296
30	General University Classroom Upgrades	257,262
31	**Total One-Time Allocations**	**48,123,857**

Table 9

TENTATIVE CRC ALLOCATIONS -- by FACULTY (Cumulative)

		2011-12						2012-13					
		Tier 1		Tier 2		Total		Tier 1		Tier 2		Total	
		N	$	N	$	N	$	N	$	N	$	N	$
1	Arts and Humanities	2	340,000	1	90,000	3	430,000	2	340,000	1	90,000	3	430,000
2	Business	1	170,000	1	90,000	2	260,000	1	170,000	1	90,000	2	260,000
3	Education												
4	Engineering	2	340,000	4	360,000	6	700,000	2	340,000	5	450,000	7	790,000
5	Health Sciences	1	170,000	1	90,000	2	260,000	1	170,000	1	90,000	2	260,000
6	Info and Media Studies												
7	Law												
8	Medicine & Dentistry	12	2,040,000	6	540,000	18	2,580,000	12	2,040,000	7	630,000	19	2,670,000
9	Music												
10	Science	5	850,000	16	1,440,000	21	2,290,000	6	1,020,000	15	1,350,000	21	2,370,000
11	Social Science	3	510,000	6	540,000	9	1,050,000	3	510,000	6	540,000	9	1,050,000
12	Unallocated												
13	Total to Faculties	26	4,420,000	35	3,150,000	61	7,570,000	27	4,590,000	36	3,240,000	63	7,830,000
14	**Total CRC Funding**		**5,200,000**		**3,500,000**		**8,700,000**		**5,400,000**		**3,600,000**		**9,000,000**

Table 10

RESEARCH INFRASTRUCTURE SUPPORT FUND (RISF)

2012-13 Allocations

1	Arts and Humanities	14,000
2	Education	15,000
3	Engineering	86,000
4	Health Sciences	32,000
5	Information and Media Studies	5,000
6	Law	5,000
7	Medicine & Dentistry	335,000
8	Music	5,000
9	Science	165,000
10	Social Science	88,000
11	**Total**	**750,000**

Table 11
2012-13 TUITION FEE PROPOSALS FOR UNDERGRADUATE PROGRAMS

		Canadian Students			International Students		
		Actual	2012-13		Actual	2012-13	
		2011-12 Tuition	Proposed Tuition	% Increase <a>	2011-12 Tuition	Proposed Tuition	% Increase <a>
1	**First-Entry Programs <b>**						
2	Year 1	5,391	5,633	4.5%	16,771	18,113	8.0%
3	Year 2	5,365	5,606	4.0%	16,150	17,442	4.0%
4	Year 3	5,339	5,579	4.0%	15,845	16,796	4.0%
5	Year 4	5,313	5,552	4.0%	15,845	16,479	4.0%
6	Engineering						
7	Year 1	9,441	10,196	8.0%	21,522	23,244	8.0%
8	Year 2	9,092	9,818	4.0%	20,725	22,383	4.0%
9	Year 3	8,755	9,455	4.0%	20,334	21,554	4.0%
10	Year 4	8,431	9,105	4.0%	20,334	21,147	4.0%
11	M.T.P.						
12	Year 2	5,667	5,893	4.0%	19,469	20,248	4.0%
13	Year 3	5,667	5,893	4.0%	19,469	20,248	4.0%
14	Year 4	5,667	5,893	4.0%	19,469	20,248	4.0%
15	Nursing						
16	Year 1	5,391	5,633	4.5%	21,522	23,244	8.0%
17	Year 2	5,365	5,606	4.0%	20,725	22,383	4.0%
18	Year 3	5,339	5,579	4.0%	20,334	21,554	4.0%
19	Year 4	5,313	5,552	4.0%	20,334	21,147	4.0%
20	**Second-Entry Programs**						
21	Business (HBA)						
22	Year 1	21,499	22,144	3.0%	27,939	28,777	3.0%
23	Year 2	21,499	22,144	3.0%	27,939	28,777	3.0%
24	Dentistry						
25	Year 1	27,135	29,305	8.0%	47,898	51,730	8.0%
26	Year 2	26,130	28,220	4.0%	46,124	49,814	4.0%
27	Year 3	25,162	27,175	4.0%	46,124	47,969	4.0%
28	Year 4	24,230	26,168	4.0%	46,124	47,969	4.0%
29	Education (B.Ed.)	6,477	6,768	4.5%	20,727	21,556	4.0%
30	Law						
31	Year 1	15,472	16,709	8.0%	21,522	23,244	8.0%
32	Year 2	14,898	16,090	4.0%	20,725	22,383	4.0%
33	Year 3	14,347	15,493	4.0%	20,334	21,554	4.0%
34	Medicine (M.D.)						
35	Year 1	19,139	20,670	8.0%	n.a.	n.a.	n.a.
36	Year 2	18,430	19,904	4.0%	n.a.	n.a.	n.a.
37	Year 3	18,430	19,167	4.0%	n.a.	n.a.	n.a.
38	Year 4	18,430	19,167	4.0%	n.a.	n.a.	n.a.

<a> 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.

<b> Includes Arts & Humanities, BMedSc program, Health Sciences , Kinesiology, MIT program, MTP year 1, Music, Science, Social Science.

Table 12
2012-13 TUITION FEE PROPOSALS FOR GRADUATE PROGRAMS

		Canadian Students			International Students		
		Actual 2011-12 Tuition	2012-13 Proposed Tuition	2012-13 % Increase	Actual 2011-12 Tuition	2012-13 Proposed Tuition	2012-13 % Increase
1	**Masters Category 1**						
2	Arts and Humanities	6,261	6,511	4.0%	14,490	15,359	6.0%
3	Engineering (M.E.Sc.)	6,261	6,511	4.0%	14,490	15,359	6.0%
4	Health & Rehabilitation Sciences	6,261	6,511	4.0%	14,490	15,359	6.0%
5	Health Information Sciences	8,528	8,869	4.0%	20,447	21,674	6.0%
6	Interdisciplinary Programs <a>	6,261	6,511	4.0%	14,490	15,359	6.0%
7	Kinesiology	6,261	6,511	4.0%	14,490	15,359	6.0%
8	Law/Studies in Law <c>	9,216	9,953	8.0%	21,401	23,113	8.0%
9	Media Studies	6,261	6,511	4.0%	14,490	15,359	6.0%
10	Medicine (Basic Health Sciences)	6,261	6,511	4.0%	14,490	15,359	6.0%
11	Music	6,261	6,511	4.0%	14,490	15,359	6.0%
12	Nursing	7,518	7,819	4.0%	20,447	21,674	6.0%
13	Science	6,261	6,511	4.0%	14,490	15,359	6.0%
14	Social Science	6,261	6,511	4.0%	14,490	15,359	6.0%
15	**Masters Category 2**						
16	Business (MBA) <b>	73,500	76,000	3.4%	88,500	88,500	0.0%
17	Business (MSc In Management) <d>	27,500	35,000	see notes	42,500	50,000	see notes
18	Business (MGMT/CEMS) <e>	35,000	40,000	see notes	49,500	55,000	see notes
19	C.S.D./O.T./P.T. (MPT) <c>	8,673	9,366	8.0%	20,447	21,674	6.0%
20	Dentistry (Orthodontics) <c>	21,018	22,698	8.0%	47,859	50,731	6.0%
21	Education (M.Ed) <c>	8,352	9,020	8.0%	20,447	21,674	6.0%
22	Engineering (M.Eng.) <c>	8,352	9,020	8.0%	20,447	21,674	6.0%
23	Environment & Sustainability	9,353	10,101	8.0%	20,447	21,674	6.0%
24	Journalism	8,352	9,020	8.0%	20,447	21,674	6.0%
25	Library & Information Science <c>	8,352	9,020	8.0%	20,447	21,674	6.0%
26	Medicine (Clinical Med. Biophysics)		30,000	n/a		40,000	n/a
27	Medicine (Family Medicine) <c>	10,999	11,878	8.0%	20,447	21,674	6.0%
28	Medicine (Pathology Assistant)		20,000	n/a		30,000	n/a
29	Physical Therapy (M.Cl.Sc.) <c>	8,352	9,020	8.0%	20,447	21,674	6.0%
30	**Doctoral**						
31	Doctor of Musical Arts	6,261	6,511	4.0%	14,490	15,359	6.0%
32	Ph.D/MSc Clinical Med. Biophysics		12,511	n/a		23,359	n/a
33	PhD Programs	6,261	6,511	4.0%	14,490	15,359	6.0%

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

<b> The proposed 2012-13 rates apply to students starting in April 2013

<c> The proposed 2012-13 rates apply to new domestic students; 4% increase will apply to continuing domestic students

<d> The proposed 2012-13 rates apply to students starting in January 2013 -- and reflects the program expanding from a 10-month program to a 16-month program.

<e> Reflects the program being expanded from a 10-month program to a 16-month program.

Table 13
2012-13 TUITION FEE PROPOSALS FOR CONCURRENT PROGRAMS
New Entrants Only
-- Canadian Students --

HBA / BESc Concurrent Program								
	2011-12				2012-13			
	Concurrent (After 2 Yrs of Engg)		Concurrent (After 3 Yrs of Engg)		Concurrent (After 2 Yrs of Engg)		Concurrent (After 3 Yrs of Engg)	
1	Engg	9,441	Engg	9,441	Engg	10,196	Engg	10,196
2	Engg	9,441	Engg	9,441	Engg	10,196	Engg	10,196
3	HBA 1	21,499	Engg	9,441	HBA 1	22,144	Engg	10,196
4	HBA / Engg *	17,160	HBA 1	21,499	HBA / Engg *	18,533	HBA 1	22,144
5	HBA / Engg	17,160	HBA / Engg *	24,878	HBA / Engg	18,533	HBA / Engg *	26,868
6	Total	74,701	Total	74,700	Total	79,602	Total	79,600
7	Cost of Programs Taken Sequentially		$80,762		Cost of Programs Taken Sequentially		$85,072	

HBA / JD Concurrent Program								
	2011-12				2012-13			
	Concurrent (Via HBA 1)		Concurrent (Via Law 1)		Concurrent (Via HBA 1)		Concurrent (Via Law 1)	
1	HBA 1	21,499	JD 1	15,472	HBA 1	22,144	JD 1	16,709
2	JD 1	15,472	HBA 1	21,499	JD 1	16,709	HBA 1	22,144
3	HBA/JD *	22,870	HBA/JD *	22,870	HBA/JD *	24,700	HBA/JD *	24,700
4	HBA/JD	22,870	HBA/JD	22,870	HBA/JD	24,700	HBA/JD	24,700
5	Total	82,711	Total	82,711	Total	88,253	Total	88,253
6	Cost of Programs Taken Sequentially		$89,414		Cost of Programs Taken Sequentially		$94,415	

HBA / BA-BSc Concurrent Program								
	2011-12				2012-13			
	Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)		Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)	
1	BA or BSc	5,391	BA or BSc	5,391	BA or BSc	5,633	BA or BSc	5,633
2	BA or BSc	5,391	BA or BSc	5,391	BA or BSc	5,633	BA or BSc	5,633
3	HBA 1	21,499	BA or BSc	5,391	HBA 1	22,144	BA or BSc	5,633
4	HBA/BA-BSc *	13,720	HBA 1	21,499	HBA/BA-BSc *	14,818	HBA 1	22,144
5	HBA/BA-BSc	13,720	HBA/BA-BSc *	22,048	HBA/BA-BSc	14,818	HBA/BA-BSc *	23,812
6	Total	59,721	Total	59,720	Total	63,046	Total	62,855
7	Cost of Programs Taken Sequentially		$64,562		Cost of Programs Taken Sequentially		$66,820	

* denotes entry point into concurrent program.

Table 13
2012-13 TUITION FEE PROPOSALS FOR CONCURRENT PROGRAMS
New Entrants Only
-- Canadian Students --

JD / BA-BSc Concurrent Program								
	2011-12				2012-13			
	Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)		Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)	
1	BA or BSc	5,391	BA or BSc	5,391	BA or BSc	5,633	BA or BSc	5,633
2	BA or BSc	5,391	BA or BSc	5,391	BA or BSc	5,633	BA or BSc	5,633
3	JD 1	15,472	BA or BSc	5,391	JD 1	16,709	BA or BSc	5,633
4	JD/BA-BSc *	12,209	JD 1	15,472	JD/BA-BSc *	13,186	JD 1	16,709
5	JD/BA-BSc	12,209	JD/BA-BSc *	15,618	JD/BA-BSc	13,186	JD/BA-BSc *	16,867
6	JD/BA-BSc	12,209	JD/BA-BSc	15,618	JD/BA-BSc	13,186	JD/BA-BSc	16,867
7	Total	62,881	Total	62,881	Total	67,533	Total	67,342
8	Cost of Programs Taken Sequentially		$67,980		Cost of Programs Taken Sequentially		$72,659	

JD / BESc Concurrent Program								
	2011-12				2012-13			
	Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)		Concurrent (After 2 Undergraduate Years)		Concurrent (After 3 Undergraduate Years)	
1	BESc	9,441	BESc	9,441	BESc	10,196	BESc	10,196
2	BESc	9,441	BESc	9,441	BESc	10,196	BESc	10,196
3	JD 1	15,472	BESc	9,441	JD 1	16,709	BESc	10,196
4	JD/BESc *	14,505	JD 1	15,472	JD/BESc *	15,665	JD 1	16,709
5	JD/BESc	14,505	JD/BESc *	17,038	JD/BESc	15,665	JD/BESc *	18,401
6	JD/BESc	14,505	JD/BESc	17,038	JD/BESc	15,665	JD/BESc	18,401
7	Total	77,869	Total	77,871	Total	84,096	Total	84,099
8	Cost of Programs Taken Sequentially		$84,180		Cost of Programs Taken Sequentially		$90,911	

JD / MBA Concurrent Program						
	2011-12			2012-13		
	Concurrent			Concurrent		
1	Year 1 JD/MBA	15,472	Law 1	Year 1 JD/MBA	16,709	Law 1
2	Year 2 JD/MBA	72,421	MBA/Law 2	Year 2 JD/MBA	78,215	MBA/Law 2
3	Year 3 JD/MBA	23,027	MBA/Law 3	Year 3 JD/MBA	24,869	MBALaw 3
4	Total	110,920		Total	119,793	
5	Cost of Programs Taken Sequentially		$119,916	Cost of Programs Taken Sequentially		$126,127

* denotes entry point into concurrent program.

Table 13
2012-13 TUITION FEE PROPOSALS FOR CONCURRENT PROGRAMS
New Entrants Only
-- Canadian Students --

JD / MA-MSc Concurrent Program								
	2011-12				2012-13			
	Concurrent (Before Year 1 Law)		Concurrent (After Yr 1 Law)		Concurrent (Before Year 1 Law)		Concurrent (After Yr 1 Law)	
1	JD/MA-MSc *	17,559	JD	15,472	JD/MA-MSc *	18,879	JD	16,709
2	JD/MA-MSc	17,559	JD/MA-MSc *	18,603	JD/MA-MSc	18,879	JD/MA-MSc *	19,965
3	JD/MA-MSc	17,559	JD/MA-MSc	18,603	JD/MA-MSc	18,879	JD/MA-MSc	19,965
4	Total	52,677	Total	52,678	Total	56,637	Total	56,639
5	Cost of Programs Taken Sequentially		$52,677		Cost of Programs Taken Sequentially		$56,638	

Tuition for students already in concurrent programs (Prior to May 2011) would increase by the following rates in 2011-12		Tuition for students already in concurrent programs (Prior to May 2012) would increase by the following rates in 2012-13	
HBA/BESc	3.5%	HBA/BESc	4.0%
HBA/JD	3.5%	HBA/JD	4.0%
HBA/BA-BSc	3.5%	HBA/BA-BSc	4.0%
JD/BA-BSc	4.0%	JD/BA-BSc	4.0%
JD/BESc	4.0%	JD/BESc	4.0%
JD/MBA	4.0%	JD/MBA	4.0%
JD/MA-MSc	n.a.	JD/MA-MSc	4.0%
BEd/BSc	4.0%	BEd/BSc	4.0%

* denotes entry point into concurrent program.

Table 14
SUMMARY OF ENROLMENT FORCAST

		Actual					Projected				
		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	**Constituent University**										
2	**Full-Time Undergraduates**										
3	Arts & Humanities	1,358	1,312	1,275	1,260	1,232	1,238	1,266	1,279	1,287	1,296
4	Business (HBA)	635	706	812	935	979	1,065	1,130	1,130	1,130	1,130
5	Dentistry	247	249	251	251	260	266	264	264	264	264
6	Education	803	728	726	732	700	668	668	668	668	668
7	Engineering	1,138	1,098	1,132	1,147	1,262	1,303	1,346	1,378	1,383	1,392
8	Health Sciences										
9	BHSc Program	1,057	1,056	1,098	1,117	1,185	1,142	1,187	1,207	1,222	1,237
10	Kinesiology	1,148	1,159	1,194	1,204	1,246	1,222	1,235	1,249	1,246	1,246
11	Nursing	746	781	777	797	808	805	805	805	805	805
12	Therapies	27	39	40	0	0	0	0	0	0	0
13	Sub-Total	2,978	3,035	3,109	3,118	3,239	3,169	3,227	3,261	3,273	3,288
14	Law	472	456	467	458	465	450	445	450	450	450
15	Media, Information, & Tech	810	915	890	972	963	975	948	925	918	918
16	Medicine										
17	MD Program	552	569	591	621	646	672	684	684	684	684
18	BMedSci Program	758	603	591	653	688	828	892	892	892	892
19	Music	555	555	535	535	527	529	538	547	556	558
20	Science	3,693	3,795	3,737	4,020	4,222	4,236	4,312	4,356	4,358	4,385
21	Social Science	5,941	6,035	6,408	6,433	6,618	6,686	6,723	6,732	6,682	6,666
22	**Total Full-Time Undergraduates**	**19,940**	**20,056**	**20,524**	**21,135**	**21,801**	**22,085**	**22,443**	**22,566**	**22,545**	**22,591**
23	Concurrent Programs	68	81	110	121	144	155	155	155	155	155
24	Medical Residents	674	685	725	798	810	810	810	810	810	810
25	**Full-Time Graduates**										
26	Masters	2,547	2,606	2,648	2,800	2,823	2,981	3,229	3,305	3,370	3,405
27	Ph.D.	1,516	1,614	1,771	1,904	1,947	2,022	2,100	2,175	2,220	2,240
28	**Total Full-Time Graduates**	**4,063**	**4,220**	**4,419**	**4,704**	**4,770**	**5,003**	**5,329**	**5,480**	**5,590**	**5,645**
29	**Total Full-Time Enrolment**	**24,745**	**25,042**	**25,778**	**26,758**	**27,525**	**28,053**	**28,737**	**29,011**	**29,100**	**29,201**
30	**Part-Time FTEs**										
31	Undergraduate	2,199	2,067	2,134	2,197	2,243	2,250	2,300	2,300	2,300	2,300
32	Education (AQs)	897	929	922	803	745	725	725	725	725	725
33	Masters	120	130	129	134	140	140	140	140	140	140
34	Ph.D.	20	29	24	21	26	25	25	25	25	25
35	**Total Part-Time FTEs**	**3,236**	**3,155**	**3,209**	**3,155**	**3,154**	**3,140**	**3,190**	**3,190**	**3,190**	**3,190**
36	**Total Constituent FTEs**	**27,981**	**28,197**	**28,987**	**29,913**	**30,679**	**31,193**	**31,927**	**32,201**	**32,290**	**32,391**
37	**Affiliated University Colleges**										
38	**Full-Time Undergraduates**										
39	Brescia	912	918	934	964	1,067	1,102	1,161	1,216	1,250	1,277
40	Huron	1,088	1,143	1,235	1,254	1,272	1,250	1,250	1,250	1,250	1,250
41	King's	3,088	3,118	3,122	3,216	3,286	3,246	3,252	3,272	3,309	3,345
42	**Total Full-Time Undergraduates**	**5,088**	**5,179**	**5,291**	**5,434**	**5,625**	**5,598**	**5,663**	**5,738**	**5,809**	**5,872**
43	**Part-Time Undergraduate FTEs**										
44	Brescia	80	81	82	83	94	90	90	90	90	90
45	Huron	45	54	57	56	70	55	55	55	55	55
46	King's	260	238	249	245	252	245	245	245	245	245
47	**Total Part-Time FTEs**	**385**	**373**	**388**	**384**	**416**	**390**	**390**	**390**	**390**	**390**
48	**Graduate FTEs**										
49	Brescia	13	27	26	30	29	30	30	30	30	30
50	Huron	12	15	13	12	14	20	20	20	20	20
51	King's	24	33	30	34	31	34	34	34	34	34
52	**Total Graduate FTEs**	**49**	**75**	**69**	**76**	**74**	**84**	**84**	**84**	**84**	**84**
53	**Total Affiliate FTEs**	**5,522**	**5,627**	**5,748**	**5,894**	**6,115**	**6,072**	**6,137**	**6,212**	**6,283**	**6,346**
54	**Total UWO FTEs**	**33,503**	**33,824**	**34,735**	**35,807**	**36,794**	**37,265**	**38,064**	**38,413**	**38,573**	**38,737**

Table 14
SUMMARY OF ENROLMENT FORCAST

		Actual					Projected				
		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	Rows 55 to 86 Included above										
55	**International Students**										
56	Constituent Full-Time										
57	Undergraduates	618	573	631	703	923	1,295	1,670	2,010	2,010	2,010
58	Medical Residents	119	120	109	121	127	127	127	127	127	127
59	Masters (excluding Ivey)	245	254	320	378	452	417	431	442	450	450
60	MBA (Regular), Ivey MSc	17	21	17	27	30	30	42	44	44	44
61	Executive MBA	62	71	71	80	44	56	67	70	70	70
62	Ph.D.	341	361	426	463	510	514	521	530	530	530
63	**Year 1 Only**										
64	**Constituent**										
65	Arts & Humanities	297	312	259	258	272	275	300	300	300	300
66	Engineering	320	327	343	351	416	375	400	400	400	400
67	Health Sciences										
68	BHSc Program	283	273	270	273	314	275	300	300	300	300
69	Kinesiology	365	349	347	330	366	350	350	350	350	350
70	Nursing	127	129	130	133	128	125	125	125	125	125
71	Media, Information, & Tech	287	363	333	361	334	330	330	330	330	330
72	MOS Program	703	727	773	717	846	820	790	790	790	790
73	Music	151	153	135	141	142	150	150	150	150	150
74	Science	1,084	1,097	1,106	1,366	1,388	1,325	1,380	1,380	1,380	1,380
75	Social Science	795	789	757	794	850	775	775	775	775	775
76	**Total Year 1 - Constituent**	**4,412**	**4,519**	**4,453**	**4,724**	**5,056**	**4,800**	**4,900**	**4,900**	**4,900**	**4,900**
77	**Affiliated University Colleges**										
78	Brescia	290	254	268	260	292	308	328	326	332	339
79	Huron	383	406	397	404	381	405	405	405	405	405
80	King's	858	949	946	916	878	860	880	895	910	925
81	**Total Year 1 - Affiliates**	**1,531**	**1,609**	**1,611**	**1,580**	**1,551**	**1,573**	**1,613**	**1,626**	**1,647**	**1,669**
82	**Total UWO Year 1**	**5,943**	**6,128**	**6,064**	**6,304**	**6,607**	**6,373**	**6,513**	**6,526**	**6,547**	**6,569**
83	**Masters**										
84	All Programs (excluding MBAs)	2,115	2,204	2,262	2,364	2,380	2,593	2,789	2,855	2,920	2,955
85	Ivey (excl EMBA)	168	162	157	188	183	167	208	215	215	215
86	Executive MBA	264	240	229	248	260	221	232	235	235	235

For Information

87	Year 1 International Students	101	122	120	146	347	450	450	500	500	500

Table 15

UPDATE TO 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	**New Ivey Building**	New Construction
2	**Physics & Astronomy Building Renovations**	Renewal
3	**Undergraduate Residence Expansion**	New Construction
4	**B&G Courtyard Conversion to Common/Gathering Space**	New Construction
5	**WindEEE -- CFI Initiative**	New Construction
6	**International Composites Research Centre - City Partnership**	New Construction; Industrial Collaboration
7	**Advanced Manufacturing Park Centre (AMP Support Facilities)**	New Construction
8	**Medical Education Building**	New Construction
9	**Modernization/Expansion of Talbot College**	Renewal / New Construction
10	**Renewal of Current Ivey Facilities**	Renewal
11	**Graduate Student Housing Expansion**	New Construction
	CATEGORY 2 -- To be Addressed in the Next 5 Years	
12	**Delaware Hall Residence Renovations**	Renewal
13	**Renewal of University College**	Renewal
14	**Campus Sustainability Initiatives (multiple stages)**	Renewal
	CATEGORY 3 -- High Priority -- Government/Private Funding Needed	
15	**Interdisciplinary Advanced Studies Building**	New Construction
16	**Renewal of Schulich School of Medicine & Dentistry Facilities**	Renewal
17	**Renewal of TH, SEB, HSA, Elborn**	Renewal
18	**Expansion of Medical School Facilities**	New Construction
19	**Western's Downtown Campus - City Partnership**	Renewal / New Construction
	CATEGORY 4 -- For Future Consideration -- if Funding Identified	
20	**New Research Initiatives/Partnerships at the Advanced Manufacturing Park**	New Construction
21	**Library Facilities -- Realignment and Expansion**	Renewal and New Construction
22	**New Facilities to House Chemistry and Brain & Mind**	New Construction
23	**Consolidation of the Psychology Department**	New Construction
24	**North Academic Campus**	New Construction
25	**Performing Arts Facility**	New Construction
26	**Athletic Facilities -- Indoor and Outdoor**	New Construction
27	**Asset Acquisitions**	Acquisition

2012-13 Capital Budget

A. The Evolution of Capital Expenditures

The Capital Budget for 2012-13 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 section C of the Operating Budget portion of this document. Table 16 sets out expenditures in the Capital Budget since 2008-09 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 2012-13 total $146.0 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 $11.75 million in 2012-13 ($11.0 M in 2011-12). 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 29, 2012, our buildings and infrastructure have a current replacement value (CRV) of approximately $1,967 million, as follows:

	CRV $M	Square Metres	Major Buildings
Major Non-Residential Buildings	1,413	498,522	64
Utilities and Infrastructure	183		
Subtotal, Eligible for MMI	1,596	498,522	64
Housing	292	233,159	14
Other Ancillary Buildings	79	45,015	6
Total	1,967	776,696	84

At February 29, 2012, the University had 498,522 gross square metres in 64 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 $183 million in utilities and infrastructure, are the physical assets generally eligible for MMI expenditures. On that same date, the University had 233,159 square metres of Housing space in ten major undergraduate residences, four major apartment buildings, and numerous smaller buildings for graduate students in Platt's Lane Estates. Other than Housing, there are six major buildings which are operated largely or entirely as ancillaries: Western Sports and Recreation Centre, Thompson Recreation and Athletic Centre, TD Waterhouse Stadium, Boundary Layer Wind Tunnel, Child Care Centre, and Spencer Hall.

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 498,522 square metres in major buildings, over 56% 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 $400,000 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 $7.9 million in 2012-13, 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.

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 16 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 18 and 20. Annual changes in the Capital Reserve (line C) are driven by the differences between funding and expenditure (line B). Thus for 2010-11, line B shows $22,098, the difference between funding of $118,368 (all figures in $000) and expenditures of $96,270. The capital reserve in line C increases by this same amount of $22,098, from $8,725 in 2009-10 to $30,823 in 2010-11. When line B is negative, as in 2008-09 and 2009-10, the capital reserve declines.

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 2010-11, MMI expenditures were $49.3 million, while the estimated replacement value of non-residential buildings, utilities, and infrastructure was $1.47 billion. The ratio of the two is 3.4%, as shown in line F.

Line G of Table 16 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. For 2012-13, the base transfer will be increased by $750,000 to $11.75 million (2011-12, $11.0 million) and will reach the intended maximum annual transfer of $15.5 million in 2017-18.

Line H of Table 16 shows the ratio of the annual MMI transfer to total MMI expenditures; for example, in 2010-11, the transfer was $10.25 million and MMI expenditures were $49.3 million, so the ratio in line H is 20.8%. 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 involve 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 2010-11 is $31.1 million, or (in line K) 2.1% 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. Two years ago, the Provincial Budget reduced the facilities renewal funding envelope for Colleges and Universities from $40 million to $26 million. Western's share of this funding is $1.5 million.

Table 17 reviews major capital projects divided into four groups: projects completed up to March 2012 (3 projects with a total cost of $26.0 million); projects underway (8 projects totaling $271.4 million and 2 projects where estimates are not available); projects planned or under consideration; and projects for future consideration. In each case, the projects are assigned to one of the nine categories. For most of the projects in the first two categories, the year and month of the start and end of construction are shown.

The projects listed in Table 17 are the result of an update to the Long-Range Space Plan outlined in Table 15 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.

B. Sources of Funding and Capital Expenditures in 2012-13

Table 18 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2011-12, 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; investment income on reserves held in the Capital Budget; 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 19 shows expenditures in Categories 1 and 2, for 2011-12 (estimates as of February 29, 2012) and 2012-13 (current proposals).

The details for expenditures in Categories 3 through 7, and can be found at:
http://www.ipb.uwo.ca/documents/2012-13_Capital_Budget_Detail_Tables.pdf

TABLE 16
CAPITAL BUDGET SUMMARY, 2008-09 TO 2012-13
($000)

Category	Purpose	Actual 2008-09	Actual 2009-10	Actual 2010-11	Projected 2011-12	Budget 2012-13
	New Construction					
1	New Construction (Table 19, line 11)	54,292	23,775	38,141	56,867	93,465
	Maintenance, Modernization, and Infrastructure (MMI)					
2	Major Building Renovations (Table 19, line 24)	25,526	23,835	31,281	16,524	18,359
3	Utilities and Infrastructure Projects	4,363	4,777	5,347	4,807	8,420
4	Modernization of Instructional and Research Facilities	5,909	4,285	5,102	4,986	4,713
5	General Maintenance and Modernization Projects	4,553	9,320	7,583	7,444	7,139
	Sub-Total MMI	40,351	42,217	49,313	33,761	38,631
	Other					
6	Housing Renovations	6,772	4,736	5,393	9,144	7,940
7	Ancillary Projects	2,395	179	535	368	750
8	Carrying Costs and Debt Repayments	1,396	3,327	2,626	3,467	3,969
9	Other Capital Expenditures	4,422	1,758	262	2,160	1,250
	Sub-Total Other	14,985	10,000	8,816	15,139	13,909
10	**Total Expenditures**	**109,628**	**75,992**	**96,270**	**105,767**	**146,005**

Line		Actual 2008-09	Actual 2009-10	Actual 2010-11	Projected 2011-12	Budget 2012-13
	Sources of Funding, Reserves, and Debt					
A	Total Sources of Funding, Including Debt (Table 18)	89,882	70,304	118,368	107,575	131,028
B	Sources of Funding less Expenditures	(19,746)	(5,688)	22,098	1,808	(14,977)
C	Capital Reserve, Year End (Table 20)	14,413	8,725	30,823	32,631	17,654
D	Capital Debt Outstanding, Year End (Table 20)	222,220	208,923	217,014	223,087	314,244
E	Replacement Value of Nonresidential Buildings, Utilities & Infrastructure, $M	1,291	1,341	1,469	1,596	1,613
F	MMI Expenditures/Replacement Value	3.1%	3.1%	3.4%	2.1%	2.4%
G	Annual MMI transfer from Operating to Capital Budget	10,250	10,250	10,250	11,000	11,750
H	MMI transfer/MMI Expenditures	25.4%	24.3%	20.8%	32.6%	30.4%
J	Estimate of Maintenance Expenditure	24,931	26,716	31,175	20,845	24,183
K	Maintenance Expenditure/Replacement Value	1.9%	2.0%	2.1%	1.3%	1.5%
L	Number of Major Buildings	80	83	82	84	86
M	Total Gross Square Meters (000's)	741	753	747	777	784

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 17
MAJOR CAPITAL PROJECTS

		Category	Start	End	Cost
					($M)
1	***Projects Completed up to March 2012***				
2	Stevenson Hall and Lawson Hall Renovations	**2**	Jan 09	Aug 11	18.8
3	Addition to the Museum of Ontario Archaeology	**1**	Jun 10	May 11	2.4
4	University Community Centre Renovations (USC)	**2**	Sep 10	Apr 11	4.8
5	***Total***				***26.0***
6	***Projects Underway***				
7	IT Network and Infrastructure Upgrades (VOIP)	**2**	May 08	Jun 12	
8	New Ivey Building	**1**	Aug 09	Aug 13	
9	Physics and Astronomy Building Renovations	**2**	Mar 10	Jul 12	
10	The Wind Engineering, Energy and Environment Facility (WindEEE)	**1**	Dec 10	Nov 13	
11	Undergraduate Residence Expansion	**1**	May 11	Aug 13	
12	Dental Sciences Building 2nd Floor Renovations	**2**	Jul 11	Jul 12	
13	The Fraunhofer Project Center (ICRC)	**1**	Aug 11	Jul 12	
14	Medical Education Building	**1**	Oct 11	May 13	
15	B&GS Courtyard Conversion to Common/Gathering Space	**1**	Jan 12	May 13	
16	Advanced Manufacturing Centre (Support Facilities in AMP)	**1**	Jan 12	tbd	
17	***Total***				
18	***Projects Planned or Under Consideration***				
19	Convert Thames Hall Pool to Classroom Space	**2**	tbd	tbd	
20	Delaware Hall Residence Renovations	**2**	tbd	tbd	
21	Modernization/Expansion of Talbot College	**1&2**	Mar 12	Aug 16	
22	Graduate Student Housing Expansion	**1**	tbd	tbd	
23	Renewal of Current Ivey Facilities and Follow On Renovations	**2**	tbd	tbd	
24	Renewal of University College	**2**	tbd	tbd	
25	Campus Sustainability Initiatives and Utilities and Infrastructure Projects	**3&5**	Ongoing		
26	***Projects for Future Consideration***				
27	Interdisciplinary Advanced Studies Building	**1**	tbd	tbd	
28	Renewal of Schulich School of Medicine and Dentistry Facilities	**2**	tbd	tbd	
29	Renewal of TH, SEB, MB, HSA and Elborn	**2**	tbd	tbd	
30	Expansion of Medical School Facilities	**1**	tbd	tbd	
31	Western's Downtown Campus - City Partnership	**1&2**	tbd	tbd	
32	Research Initiatives/Partnerships at the Advanced Manufacturing Park	**1**	tbd	tbd	
33	Library Facilities - Realignment and Expansion	**1&2**	tbd	tbd	
34	New Facilities to House Chemistry and Brain and Mind	**1**	tbd	tbd	
35	Consolidation of the Psychology Department	**1**	tbd	tbd	
36	North Academic Campus	**1&9**	tbd	tbd	
37	Performing Arts Facility	**1**	tbd	tbd	
38	Athletic Facilities - Indoor and Outdoor	**1**	tbd	tbd	
39	Asset Acquisitions	**9**	tbd	tbd	

Table 18
CAPITAL BUDGET: SOURCES OF FUNDING
($000)

		Projected 2011-12	Budget 2012-13
1	***Government Grants***		
2	MTCU Graduate Expansion Capital Grant	3,575	3,889
3	City of London - The Fraunhofer Project Center (ICRC)	0	2,200
4	MTCU Annual Capital Grant (Facilities Renewal Program)	1,517	1,517
5	Knowledge Infrastructure Program - New Ivey Building	4,677	0
6	City of London - SuperBuild Projects	413	0
7	***Sub-Total***	***10,182***	***7,606***
8	***CFI/OMRI Federal/Provincial Funding***		
9	The Wind Engineering, Energy, and Environment Facility (WindEEE)	4,200	7,272
10	Addition to the Museum of Ontario Archaeology	643	0
11	***Sub-Total***	***4,843***	***7,272***
12	***Operating Budget***		
13	Operating Budget MMI Transfer - Base	11,000	11,750
14	Operating Budget MMI Transfer - Base (Ancillaries)	600	600
15	Operating Budget - FFICR	3,000	3,000
16	Operating Budget - CRC Transfer	904	936
17	Operating Budget - One-Time Allocation	0	257
18	Ivey Operating Budget - New Ivey Building	0	1,500
19	Dentistry Operating Budget - Dental Sciences Building 2nd Floor Renovations	1,995	778
20	Medicine Operating Budget - Medical Education Building	4,605	0
21	IT Infrastructure Fund - Advanced Manufacturing Park	0	600
22	Miscellaneous Faculty Budgets	1,298	113
23	***Sub-Total***	***23,402***	***19,534***
24	***Interest Earned***	***69***	***38***
25	***Fundraising***		
26	New Ivey Building	17,719	5,200
27	The Claudette MacKay-Lassonde Pavilion (Green Building)	544	561
28	SuperBuild Projects	371	371
29	Western Fund	350	350
30	All Other	750	89
31	***Sub-Total***	***19,734***	***6,571***

Table 18
CAPITAL BUDGET: SOURCES OF FUNDING
($000)

		Projected 2011-12	Budget 2012-13
32	***Borrowing***		
33	Undergraduate Residence Expansion	18,067	43,100
34	Long-Range Space Plan	17,578	35,065
35	***Sub-Total***	***35,645***	***78,165***
36	***Other***		
37	Student Contributions - Western Student Recreation Centre	1,007	1,069
38	Richard Ivey School of Business Foundation - Toronto Facilities Expansion/Renovations	0	1,000
39	Energy Conservation Incentives	100	100
40	Deleware Hall Recovery - Housing Contribution	1,860	0
41	University Students Council (USC) - UCC Renovations	1,438	0
42	Projects Funded by Housing	7,284	7,940
43	Projects Funded by Units	1,643	983
44	Projects Funded by Ancillaries	368	750
45	***Sub-Total***	***13,700***	***11,842***
46	**Total Sources of Funding**	**107,575**	**131,028**

TABLE 19

CAPITAL EXPENDITURES FOR NEW CONSTRUCTION AND MAJOR BUILDING RENOVATIONS

2011-12 and 2012-13

($000)

		Projected 2011-12	Budget 2012-13
1	***Category 1: New Construction***		
2	Undergraduate Residence Expansion	18,000	43,100
3	New Ivey Building	31,225	23,350
4	The Wind Engineering, Energy, and Environment Facility (WindEEE)	4,200	10,072
5	Medical Education Building	470	8,700
6	B&GS Courtyard Conversion to Common/Gathering Space	780	3,220
7	Advanced Manufacturing Centre (Support Facilities in AMP)	231	2,709
8	The Fraunhofer Project Center (ICRC)	1,086	2,314
9	Addition to the Museum of Ontario Archaeology	643	0
10	The Claudette MacKay-Lassonde Pavilion (Green Building)	232	0
11	***Total, Category 1***	***56,867***	***93,465***
12	***Category 2: Major Building Renovations***		
13	Modernization/Expansion of Talbot College	0	8,700
14	Convert Thames Hall Pool to Classroom/Gathering Space	0	3,000
15	Physics and Astronomy Building Renovations	7,692	2,538
16	Renewal of Current Ivey Facilities	0	1,850
17	Ivey Toronto Facilites Expansion/Renovations	0	1,000
18	Dental Sciences Building 2nd Floor Renovations	1,995	778
19	Support Services Follow-on Renovations	636	380
20	Brain and Mind Renovations in Natural Sciences Building	296	113
21	Stevenson Hall and Lawson Hall Renovations	3,496	0
22	University Community Centre Renovations (USC)	1,438	0
23	IT Network and Infrastructure Upgrades (VOIP)	971	0
24	***Total, Category 2***	***16,524***	***18,359***

TABLE 20
CAPITAL RESERVES AND DEBT AT FISCAL YEAR END
($000)

		Actual 2008-09	Actual 2009-10	Actual 2010-11	Projected 2011-12	Budget 2012-13
1	**A. Capital Reserves**					
2	General Capital Fund	24,146	15,483	15,015	12,164	6,389
3	Designated Capital Fund	(11,355)	(8,380)	14,186	18,830	9,620
4	Gibbons Property	1,622	1,622	1,622	1,637	1,645
5	**Total Capital Reserves**	**14,413**	**8,725**	**30,823**	**32,631**	**17,654**

		Actual 2008-09	Actual 2009-10	Actual 2010-11	Budget 2011-12	Budget 2012-13
6	**B. Capital Debt**					
7	General Capital Fund	0	0	0	0	0
8	New Construction, Major Renovations & Other	25,040	45,900	77,500	95,078	130,143
9	Housing	92,792	88,288	81,713	94,409	130,701
10	Robarts Capital Leases	1,538	926	284	0	0
11	Research Park	22,570	32,463	32,325	31,800	31,200
12	Richard Ivey School of Business Foundation	3,300	3,300	2,300	1,800	1,300
13	Unused and Invested Debenture Proceeds	76,980	38,046	22,892	0	20,900
14	**Total Capital Debt**	**222,220**	**208,923**	**217,014**	**223,087**	**314,244**

Line 2 represents the capital reserve fund mandated by the board and carry forward funds for smaller capital project.

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 16, proposed spending of some $782 million for the single year of 2012-13. 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 2012. 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 20 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:

- **General Capital Fund –** includes debt for projects that are not new construction or major renovations.

- **New Construction, Major Renovations, 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, and includes debt on purchases of property.

- **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 2011-12).

- **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.

	Actual		Forecast	
	2010	2011	2012	2013
Total Debt (in millions)	$ 209	$ 217	$ 223	$ 314
FTE	28,987	29,913	30,679	31,193
Allowable debt per FTE	$8,584	$8,756	$8,931	$9,110
Actual debt per FTE	$7,206	$7,255	$7,269	$10,073
Debt room per FTE	$1,378	$1,501	$1,662	$ (963)

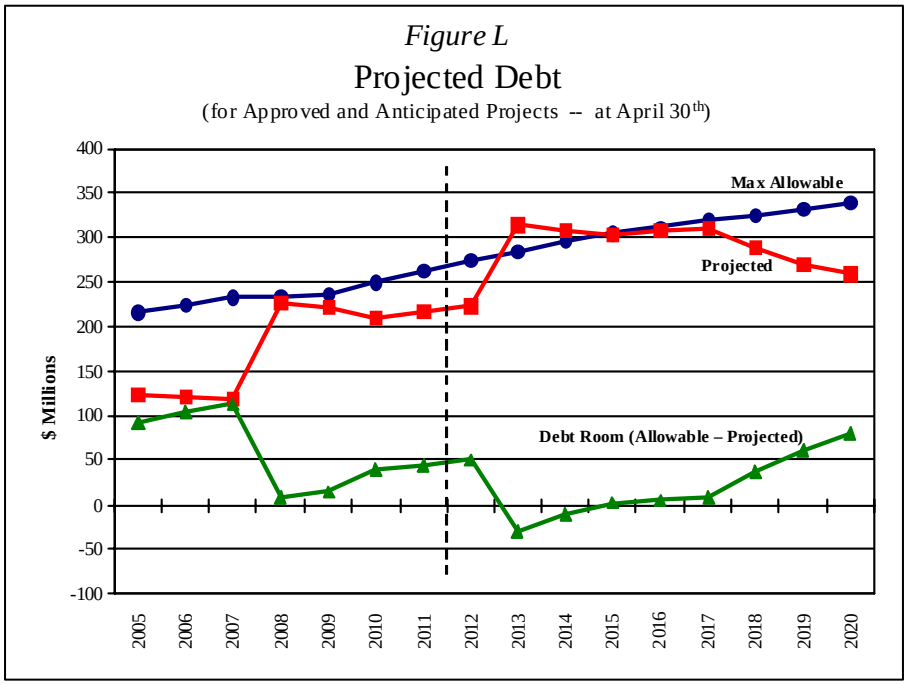
In 2012, the maximum allowed debt per FTE under Western's Capital Debt Policy is $8,931 and the forecast is $7,269. In 2006, the credit rating agencies (Moody's, DBRS & Standard & Poors) set a reasonable limit for debt per FTE as $10,000 CDN. The University also compares its debt per student to some other Canadian universities on a regular basis. A recent report was issued by DBRS in December 2011 containing information on universities that have issued debentures. Debt per FTE at eleven universities ranged from $4,997 to $11,967 with an unweighted average of $7,741.

In September 2011, the University entered into a $100 million long-term facility and $30 million revolving capital expenditure bank facility to finance the new 1,000 bed residence and other capital projects. As of September 12, 2011, the University entered into a forward starting interest rate swap transaction to fix the long-term interest rate on the entire principal amount of the $100 million long-term facility at an all-in rate of 2.995% for a 15-year period. With this additional debt that will be 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 L shows total debt as well as three measures of debt per FTE since 2008: 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 L 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 in previous paragraph). In 2015, total debt once again reduces to within Board Policy.

Actual debt has increased by 87% since 2007, while revenues have grown by 19% over this same period, representing an increase in the ratio of debt to revenue from 14.35% to 22.58% in 2012. The forecast level of debt at April 30, 2012 is $223 million or $7,269 per FTE.



	Debt $M	Combined Revenue $M	FTE	Revenue per FTE	Debt / Rev %
2007	119.0	829.1	28,164	$29,440	14.35%
2008	225.8	848.7	27,981	$30,333	26.61%
2009	222.2	834.9	28,197	$29,610	26.61%
2010	208.9	961.1	28,987	$33,155	21.74%
2011	217.0	995.0	29,913	$33,263	21.81%
2012p	223.0	987.6	30,679	$32,191	22.58%

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, 2011, the University's accrued benefit liability relating to the employee future benefit plans was $272 million (2010 - $248 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 2011 Audited Combined Statement of Operations is an annual expense in the amount $24.0 million (2010 - $18.3 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 $100 million, ranging from $137 million to $379 million and an unweighted average of $262.4 million. Western ranked 2nd in total liability for Employee Future Benefits. The ratio of obligations to total revenues ranged from 16.3% to 38.8% with an unweighted average of 26.0%.

Employee Future Benefits (EFB) – Obligation and Expense as a % of Total Expenditures 2007 through 2011

	Obligation ($M)	Expense ($M)	Total University Expenses ($M)	EFB Obligation as % of Total	EFB Expense as % of Total
2007	$ 188.1	$ 14.9	$ 762	24.7%	2.0%
2008	$ 208.2	$ 20.0	$ 845	24.6%	2.4%
2009	$ 229.9	$ 21.7	$ 905	25.4%	2.4%
2010	$ 248.1	$ 18.3	$ 915	27.1%	2.0%
2011	$ 272.1	$ 24.0	$ 952	28.6%	2.5%

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 on February 29, 2012 deferred maintenance at Western is $169 million for non-residential buildings, and $24.8 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 29, 2012 is as follows:

	Non-residential Buildings	Residences
Current Replacement Value (CRV)	$1,596 million	$ 292 million
Deferred Maintenance (DM)	$ 169 million	$ 24.8 million
DM/CRV	10.6%	8.5%

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 36.4 years. Over 56% 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 10.6% (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 $1.6 billion, spending on major maintenance for campus buildings at 2% should be in the range of $32 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 2012-13, the base transfer will be increased by $750,000 to $11.75 million (2011-12, $11.0 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 16 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 2008-09	Actual 2009-10	Actual 2010-11	Projected 2011-12	Budget 2012-13
MMI	$ 10.25m	$ 10.25m	$10.25m	$11.00m	$11.75m
CRV	$1,291m	$1,341m	$1,469m	$1,596m	$1,613m
Ratio	0.79%	0.76%	0.70%	0.69%	0.73%

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 16 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 six years from 2000-01 to 2005-06, the ratio of maintenance spending to current replacement value averaged 1.1%, about one-half the 2% required to keep deferred maintenance from growing. We thus know that deferred maintenance was growing during this period. During the last 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.

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 0.1% of the current replacement value in 2011-12.