Western
UNIVERSITY · CANADA

# 2013-14 Operating and Capital Budgets

**March 30, 2013**

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# ACRONYMS used in University Budget Document

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

# 2013-14 Operating Budget

## A. Planning and Budgetary Context

The 2013-14 planning process takes us to the 3rd year of our four-year budget plan – which spans the period 2011-12 to 2014-15. The current multi-year plan has been developed in the context of the recommendations of the Fall 2010 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. We are in the process of a full review of *Engaging the Future* – and the new University Strategic Plan will form the basis of the next four-year cycle.

The budget planning for the remaining two years of our four-year planning period is being carried out in the context of great uncertainty regarding provincial government operating grants and lower revenues from tuition fees. The Province is facing significant financial pressures – and has started the process of reducing expenditures across the broader public sector. The spring 2012 Provincial Budget announced the following measures that would see reductions in University revenues or increase pressures on our expenditures:

- Grant reductions (based on "Policy Levers") across the University system amounting to $28.6 million in 2013-14 – growing to $57.9 million in 2014-15.
- A $750 tax on non-PhD international students – starting with new students in 2013-14 and applicable to all students from 2016-17 and onwards.
- The transfer of responsibility for the payment of property taxes for non-PhD international students – which amounts to $75 per student.
- The elimination or phasing-out of a number of government-funded student aid programs (International Travel Scholarships, the Ontario Special Bursary Program, Work-Study Bursaries, and the Queen Elizabeth II Aiming for the Top Scholarship Program) – which will, over time, result in increased student aid costs to the universities.

We do not yet have any signals on what additional measures may come forward in the 2013 Ontario Budget – which is expected in late April.

The Provincial Government has announced a new tuition framework for the next four years (2013-14 through 2016-17) – which allows for an overall annual increase of 3% for domestic students, and is a significant decline from the level of 5% in the previous framework.

At Western, our multi-year approach to planning serves us well – and we continue to focus our budget planning on our strategic priorities. Our enrolment planning follows the principles outlined in the enrolment strategy approved by Senate in the fall of 2010:

- Expansion of our first-year intake – while maintaining entrance standards.
- Increase the number of undergraduate international students.
- Maintain the proportion of graduate students (as a percent of total enrolment) at the 2010 level of 17%.

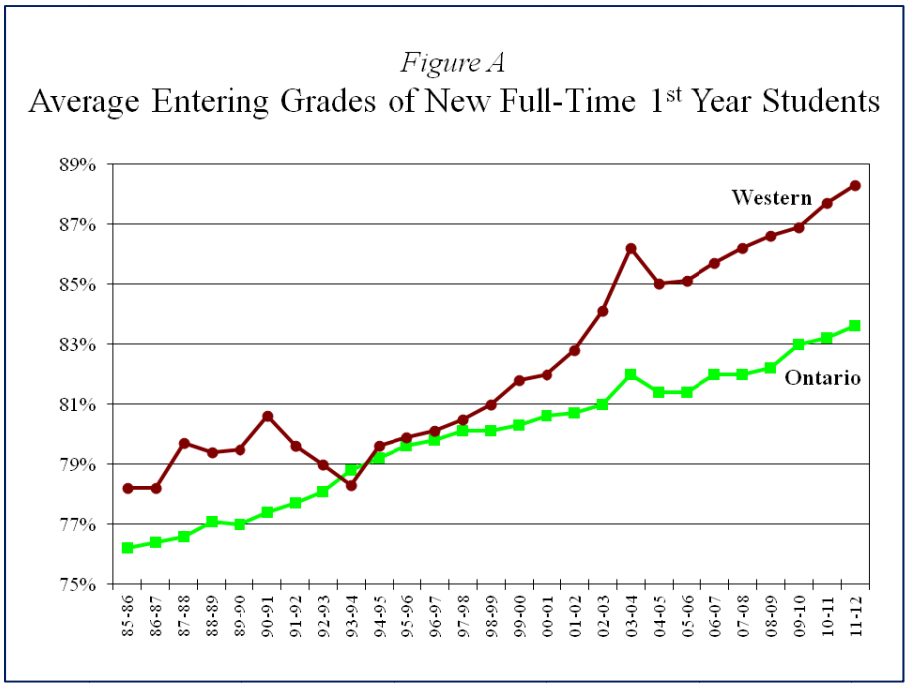
Our approach to enrolment planning allows us to make significant enhancements to the quality of education and educational experience we offer our students:

- Recruitment of outstanding undergraduate students is a high priority for us. The average entering grade of our incoming class is 88.3% – second highest in the province, and well above the Ontario average.
- Nearly 93% of our first-year students continue into their second year. Our retention rates are amongst the highest in Canada and much higher than at our peer institutions in the United States.
- Graduation rates of our undergraduate students have been steadily increasing – and they are currently much higher than the rates at our peer universities in Canada and the United States. Over 81% of Western's 2005-06 entering cohort has graduated.
- Our efforts in undergraduate international enrolment expansion resulted in nearly 10% of our first-year class coming from other countries.
- Expansion of graduate enrolments continues to be a long-term strategic priority at Western. The current plans from the Faculties show significant growth aspirations. In the current year, full-time graduate students comprised 17.2% of total full-time enrolment.
- Results of exit surveys and course/instructor evaluations at Western indicate that our students rate their courses, instructors, and the quality of their education very high.

Our achievements in educational quality and student experience are reported in the Strategic Mandate Agreement submission to the government – and can be found at:
http://www.uwo.ca/pvp/images/Western-University-SMA-FINAL-Sept-26-2012.pdf

Going forward, we remain committed to building on the substantive gains we have made in the areas of student quality, educational quality, and the students' educational experience.

As well, we will manage our resources and target them towards our highest priority – "Enhancing our Research/Scholarship Profile on the Global Stage".



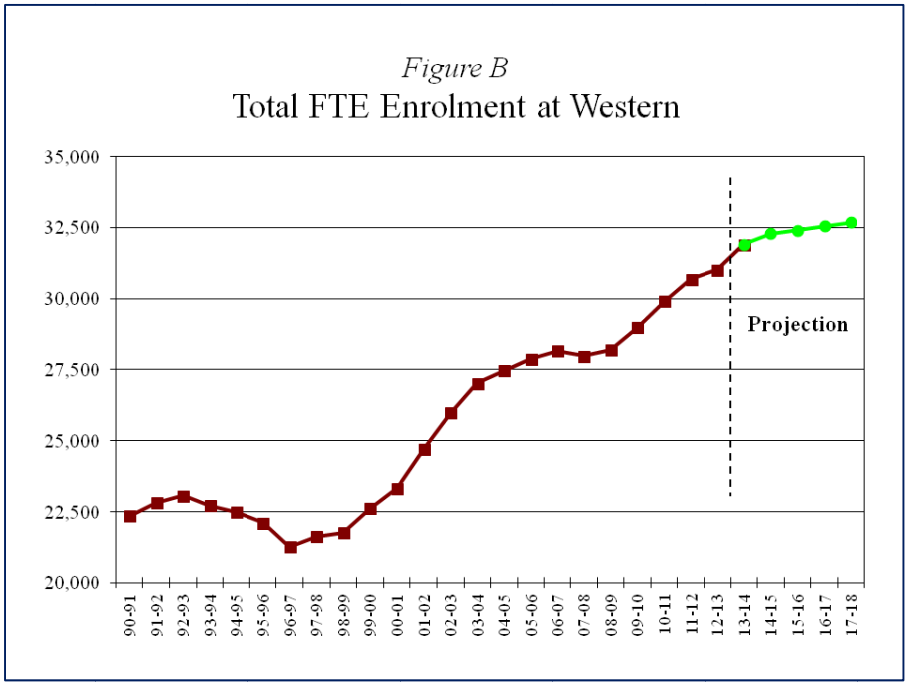


Figure B
Total FTE Enrolment at Western
35,000
32,500
30,000
27,500
25,000
22,500
20,000
Projection
90-91
91-92
92-93
93-94
94-95
95-96
96-97
97-98
98-99
99-00
00-01
01-02
02-03
03-04
04-05
05-06
06-07
07-08
08-09
09-10
10-11
11-12
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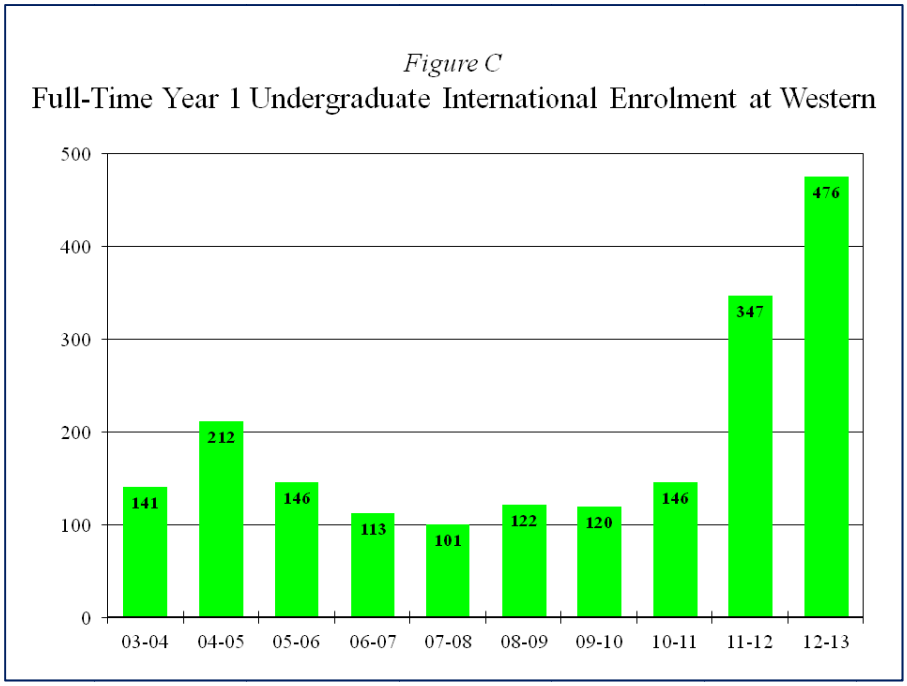


Figure C
Full-Time Year 1 Undergraduate International Enrolment at Western
500
400
300
200
100
0
141
212
146
113
101
122
120
146
347
476
03-04
04-05
05-06
06-07
07-08
08-09
09-10
10-11
11-12
12-13

## B. Updates on Initiatives from Last Year's Budget

The following initiatives were included in the 2012-13 Budget, and involved substantial investments.

### 1. 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, last year's budget document indicated that 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" – and it was noted that 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 internationally-recognized scholars, and (c) plan and design international visits, exchanges, and conferences. It was also noted that these initiatives will involve infrastructure that requires University resources (space, equipment, and technical staff).

In order to support our research/scholarship priorities, a sum of $2.6 million in base funds and $30 million in one-time funds were allocated in 2012-13 to the Academic Priorities Fund (APF) – and it was indicated that, if resources are available in the future, we will supplement these allocations.

Since the appointment of the Vice-President (Research) in October 2012, the Provost has been collaborating with him in the development of the programs mentioned above. These programs are described in section C of this document.

### 2. Graduate Expansion

Graduate expansion continues to be of high priority – and we continue to work toward the commitment that graduate enrolment growth will keep pace with undergraduate enrolment growth. In support of this, the Doctoral Supervision Grant (DSG) – that provides $2,000 per new domestic doctoral student directly to the faculty members supervising the students – was re-instated in 2012-13. The DSG will remain in place until the end of the four-year planning period. In the current year, a sum of $786,000 has been expended.

On the Masters side, we did not meet our domestic enrolment plans for 2012-13 – in part due to delays in the development of new programs. The updated plans received from the Faculties in this planning cycle indicate that we will return to the originally-planned expansion trajectory by 2013-14.

### 3. Support for our Fundraising Campaign

The official goal of our fundraising campaign is $750 million. The strategic areas of priority for the campaign are endowed chairs, student financial aid, and support for major research/scholarship initiatives. Last year's budget allocated $806,000 in base funds and $1.35 million in one-time funds in support of our campaign and related communications initiatives. The funds have been used to expand our campaign infrastructure and for various promotional and awareness initiatives.

### 4. Interdisciplinary Initiatives

A sum of $260,000 was allocated in last year's budget in support of the Interdisciplinary Initiatives (IDI) Program – to supplement the $4.3 million allocated in the previous four-year planning cycle. The IDI Program provides seed funding for projects that develop new interdisciplinary undergraduate and graduate programming and new interdisciplinary research. Round 4 of this program solicited projects for consideration in the fall of 2012. The competition resulted in the funding of four projects. These are:

- Soochow-Western Centre for Synchrotron Radiation Research ($339,000 over three years)
- Space Science and Exploration: An Integrated Training Program ($475,000 over three years)
- Financial Innovation and Risk in Financial Institutions ($310,000 over three years)
- Building Teaching and Research Excellence through the Africa Institute ($376,000 over three years)

Further details of these projects and the projects funded in Rounds 1 through 3 of the IDI Program can be found at: http://provost.uwo.ca/idi/index.html. With the funding of these projects, the budget allocated for the IDI program in the current four-year planning period will have been fully expended.

## C. Priorities for the 2013-14 Budget and New Initiatives

### 1. Enhancing Western's Research/Scholarship Profile

As outlined in each budget of this four-year planning period, our budgetary investments will focus on the priority of "Enhancing our Research/Scholarship Profile on the Global Stage". Last year's budget allocated $2.6 million in base funds and $30 million in one-time funds in support of this objective. The Provost and the Vice-President (Research) have – in consultation with the Deans – developed the following programs:

#### *a. The Western Clusters of Research Excellence*

The **Western Clusters of Research Excellence** program will guide the future development and establishment of internationally-prominent, competitive research programs, and training facilities.

To this end, we will establish and specifically support *up to* four Clusters of Research Excellence in key thematic areas of strategic importance – across all disciplines. Clusters will be expected to enhance collaboration and interdisciplinary research and capacity, significantly raise our international research/scholarship profile and competitiveness, and foster excellence and innovation.

Western Clusters of Research Excellence are expected to provide a sustainable platform for:

- Interdisciplinary cross-Faculty/institutional collaborative research or scholarship programs
- Pooling skills, expertise, and infrastructure
- Promoting cutting-edge, internationally competitive research/scholarship in major areas of significant societal importance
- Providing exceptional training environments for post doctoral fellows, graduate and undergraduate students
- Attracting and retaining outstanding faculty, staff, and students

The key to long-term success for any cluster is to continue to support excellence in basic, fundamental and curiosity-driven research within disciplines, as this is the basis for effective and sustainable interdisciplinarity. Building focused capacity in strategic clusters of excellence will serve to enhance traditional curiosity-driven research and innovation within core disciplines and bring these to bear on the interdisciplinary context of the clusters.

Following the development of the 2013 University Strategic Plan, Western will identify up to 4 *overarching thematic areas* that capture the breadth of research and scholarship at Western and that recognize established or emerging areas of strength.

Western will establish up to four Clusters of Research Excellence in defined areas of strength that are aligned with one or more of these overarching themes. Clusters will concentrate new resources and talent to foster cutting-edge research/scholarship of national and global impact in areas of major significance.

**Funding Support**

For each Western Cluster of Research Excellence, resources would be made available as follows:

i. $5 million in funding over a five-year period (notionally $1 million per year). This funding is available for:
   - Recruitment of tenured/probationary faculty members (any rank, but preferably mid to senior level) using the selection procedures set out for CRC appointments
   - Graduate student and post-doctoral support and training programs
   - Administrative, technical, and operational support
   - Infrastructure and facility support/development
   - Outreach and scholarly activities

ii. As justified, Tier I and Tier II CRCs will be aligned with Clusters as they become available.

iii. $1 million in funding for strategically-aligned endowed chairs (with minimum donor contribution of $2 million) – as recommended by the Provost on the advice of the Vice-President (Research).

**Invitation for Proposals**

Proposals for Western Clusters of Research Excellence will be invited following consultations with Deans. Successful Clusters of Research Excellence will require, at a minimum:

- The direct partnership and lead of at least two Faculties.
- Provision of research support as appropriate for new recruits – within the current University infrastructure.
- Clear plans from the partner Faculties for sustainability beyond the five-year initial period (for instance, the commitment for longer-term support for new faculty, staff, and other infrastructure).
- Realistic plans for leveragability and amplification of the above investments through various co-funding arrangements and initiatives (for instance, direct and in-kind faculty investments – such as attribution of Faculty share of overheads to the advancement of the cluster, staff re-

deployment), private and public-sector partnerships and contracts, community engagement, fund-raising, affiliated institutional partnerships, commercialization opportunities etc.

**Getting Started – the First Western Cluster of Research Excellence**

Given the demonstrated international stature of Cognitive Neuroscience at Western, we will initiate the development of the first Western Cluster of Research Excellence in this area in early summer 2013. Processes for the identification and implementation of subsequent Clusters will be refined through the experience derived in the development of the Cognitive Neuroscience Cluster, and after the development and approval of Western's new Strategic Plan.

***b. The Western Research Chair Program (WRC)***

The Western Research Chair Program (WRC) is being created in direct support of the Western Clusters of Research Excellence program – and each WRC appointment will be part of a Cluster.

We will establish up to ten Western Research Chairs. The program will be modeled after Tier 1 CRCs. Funding will be provided at the rate of $200,000 per year for five years – renewable on the recommendation of the Provost, with advice from the Vice-President (Research). These Chairs shall be awarded to new appointments only and will be directed towards attracting mid to senior level researchers/scholars.

Each Chair holder will be provided with up to $500,000 (discipline-dependent) in one-time start-up funds, leveraged with CFI-LOF resources as allowed. Each Western Cluster of Research Excellence may propose up to three WRCs.

All Research Cluster appointments (WRC and tenure-track appointments) will be made using the Western CRC selection procedures – i.e. search committee process with recommendation by Vice-President (Research) to Provost for appointment.

***c. Western's Distinguished Scholar in Residence Program***

The Western's Distinguished Scholar in Residence Program is aimed at bringing high profile internationally-recognized leaders to Western University to develop innovative ideas that contribute to the research and scholarly environment at the University. The program will support visiting scholars who hold or have held major international awards or prizes. The program will support multidisciplinary/interdisciplinary research collaborations that build on Western's research and scholarly strengths and that provide high global visibility for the resulting interactions at Western. The aim is to build ties with Western researchers/scholars such that long-term and groundbreaking research will result from the collaborations developed through this program.

Western's Distinguished Scholars in Residence will hold the honorary title for the duration of the visit and be asked to use the title in official documents including papers and similar venues. The Program is designed to be undertaken within one term and can be used to bring in an eminent scholar to work on existing research collaborations, prepare large scale international collaborative grants, develop components of Interdisciplinary Initiatives (IDIs), or assist in developing centres or institutes. Central funding up to a total amount of $50,000 will be provided in support of each

Scholar – and will include an honorarium and cover costs associated with research activities, travel, conferences, accommodation, per-diem allowances, and receptions.

The CRC committee will adjudicate each submission – and eligibility will be determined by both the stature of the nominated Scholar and the accompanying proposal.

**Additional Resources in Support of "Enhancing our Research/Scholarship Profile on the Global Stage"**

The funding set aside in last year's budget (i.e. the $2.6 million base funds and the $30 million one-time funds) will be used in direct support of the above three programs. All of these programs – as they get up and running – will require additional space/facilities. In preparation for this, our Long-Range Space Plan in last year's budget identified the need for the construction of an Interdisciplinary Advanced Studies Building. We will soon begin detailed planning for this facility which will be home to the Western Clusters of Research Excellence and the Western's Distinguished Scholar in Residence Program – along with all associated support infrastructure and facilities. A sum of $30 million in one-time funds is being committed in this budget in support of the Interdisciplinary Advanced Studies Building. We will pursue external funding – through fundraising and from both the Federal and Provincial Governments – to supplement the University's allocation.

## 2. Graduate Expansion

Graduate expansion continues to be of high priority and is a key component of our aspirations in enhancing our research/scholarship profile. As part of the recently-completed planning process, the Faculties submitted ambitious graduate enrolment plans – which are supported by direct budget allocations through two funding envelopes. First, the enrolment-related revenue-sharing mechanism provides 85% of incremental revenue associated with research masters and doctoral enrolments and 40% of incremental revenue associated with non-research masters enrolments to the Faculties – on a slip-year basis. Second, the Doctoral Supervision Grant (DSG) provides $2,000 per new domestic doctoral student – as a direct grant to faculty members supervising the students.

## 3. Educational Pedagogy Enhancements and Faculty Development in Teaching

In our fall 2012 Strategic Mandate Agreement (SMA) submission to the Government, we signaled that one of our priorities in supporting and enhancing the best student experience was the creation of a Teaching Fellows Program – with the ultimate goal of appointing one teaching fellow per Faculty. The Teaching Fellows – to be appointed from within our faculty colleagues who have outstanding credentials in teaching – will initiate and coordinate Faculty-specific programming to respond to the teaching and learning needs of individual instructors, departments, schools, and disciplines on innovation in curriculum development, technology-assisted learning, and access to courses locally and at a distance.

In support of this priority, $250,000 in base funds in 2013-14 (for five teaching fellows) and $170,000 in one-time funds in each 2013-14 and 2014-15 (for two contract staff positions to assist with curriculum development) are being committed.

### 4. Long-Range Space Planning

Western continues with its long-range approach to space planning – and the updated list of current projects, planned projects, and future aspirations are outlined in Table 14.

As indicated earlier, construction of the Interdisciplinary Advanced Studies Building is a high priority which is directly linked to our aspirations in Enhancing our Research/Scholarship Profile on the Global Stage – and this budget has committed funding for phase 1 of this project. We will soon begin detailed planning for this facility which will be home to the Western Clusters of Research Excellence and the Western's Distinguished Scholar in Residence Program – along with all associated support infrastructure and facilities.

## D. Four-Year Operating Budget Forecast

As indicated earlier, 2013-14 moves us forward to the third year of our Four-Year Plan. This budget document seeks formal approval of the 2013-14 budget. The recommendations in this document have been guided by projections of operating revenues and expenditures for the remaining two years of the four-year planning period. These projections respect the requirement of an operating reserve at the Board-mandated minimum level of $2.5 million at the end of the four-year cycle. Table 1 summarizes our current forecast for the remaining two years of the four-year plan. The major assumptions underlying the budget forecasts are as follows:

*Revenues*

- The grant reductions announced in the 2012 Ontario Budget will be implemented in 2013-14 and 2014-15.
- The $750 international student recovery by the Province will start in 2013-14.
- Enrolment projections and plans (shown in Table 13) underlying the tuition revenue projections will be achieved.

*Expenditures*

- Enrolment-related revenue sharing allocations to the Faculties will continue during the remaining two years of the four-year planning period, and the projections are shown in Table 4a.
- Increases in non-salary costs for major University-wide budget items (e.g. utilities, insurance, IT infrastructure) will be consistent with recent trends.
- We need to set aside the necessary funds to cover the operating costs of incremental space in our new facilities. It should be noted that, starting in 2011-12, the Faculties are responsible for covering 50% of the operating costs of incremental space – over and above the space commitments made in the University's Long-Range Space Plan 2, which was included in the 2010-11 budget document.

*Net Position and the Operating Reserve*

- As can be seen in line 34 of Table 1, the Operating Reserve is projected to be at $44 million at the end of the current year (i.e. 2012-13). The reserve is projected to be over $6 million at the end of the four-year planning period (i.e. 2014-15) – above the Board-mandated minimum level of $2.5 million.

## E. Summary of the 2013-14 Operating Budget

Table 2 summarizes the 2013-14 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 $654 million in 2013-14 – an increase of 3.5% over 2012-13. Details of the operating revenues are shown in Table 3.

*Line 13*: Total expenditures are projected to be $662 million in 2013-14 – an increase of 4.9% over 2012-13. 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 balanced budget in 2012-13 and a deficit of $8.9 million in 2013-14.

*Line 17*: The Operating Reserve is forecast to be $44 million at the end of 2012-13 and over $35 million at the end of 2013-14.

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

| | | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---|---|---|---|---|---|
| 1 | **REVENUES** | | | | | |
| 2 | **Government Grants** | | | | | |
| 3 | Base Grants | 211.0 | 212.7 | 212.5 | 209.2 | 206.2 |
| 4 | Undergraduate Accessibility Grant | 2.1 | 4.4 | 4.5 | 4.2 | 2.9 |
| 5 | Graduate Expansion Fund | 9.7 | 8.4 | 9.8 | 12.2 | 12.2 |
| 6 | Quality Improvement Fund | 10.1 | 9.9 | 9.9 | 9.9 | 9.9 |
| 7 | Research-related Grants | 12.1 | 11.9 | 11.7 | 11.6 | 11.6 |
| 8 | All Other | 31.7 | 35.6 | 34.2 | 33.8 | 33.3 |
| 9 | **Total** | **276.7** | **282.9** | **282.6** | **280.9** | **276.1** |
| 10 | **Tuition Revenue** | **229.8** | **248.3** | **266.8** | **288.2** | **304.2** |
| 11 | **All Other Revenues** | | | | | |
| 12 | Canada Research Chairs (CRCs) | 9.4 | 8.7 | 8.6 | 8.6 | 9.8 |
| 13 | Recoverable Salaries | 27.9 | 27.3 | 27.7 | 27.7 | 27.7 |
| 14 | All Other | 42.1 | 43.7 | 46.0 | 48.3 | 48.9 |
| 15 | **Total** | **79.4** | **79.7** | **82.3** | **84.6** | **86.4** |
| 16 | **Total Revenues** | **585.9** | **610.9** | **631.7** | **653.7** | **666.7** |
| | | | | | | |
| 17 | **EXPENDITURES** | | | | | |
| 18 | **Faculties** | | | | | |
| 19 | Base Budgets (including APF) | 325.9 | 330.3 | 334.0 | 333.4 | 330.3 |
| 20 | Revenue Sharing Allocations | 7.4 | 11.0 | 19.4 | 27.7 | 35.3 |
| 21 | Canada Research Chairs (CRCs) | 8.2 | 7.6 | 7.5 | 7.5 | 8.5 |
| 22 | All Other | 41.8 | 45.2 | 56.0 | 55.8 | 56.1 |
| 23 | **Total** | **383.3** | **394.1** | **416.9** | **424.4** | **430.2** |
| 24 | **Scholarships and Bursaries** | **27.8** | **30.1** | **28.9** | **28.8** | **29.6** |
| 25 | **Support Areas (including SUPF)** | **77.0** | **81.2** | **83.9** | **84.3** | **84.5** |
| 26 | **University-wide Expenditures** | **48.4** | **54.3** | **57.1** | **65.2** | **70.9** |
| 27 | **Provision for Cost Fluctuations** | **0.0** | **0.0** | **0.0** | **14.5** | **31.6** |
| 28 | **One-Time Allocations** | **47.8** | **40.3** | **44.8** | **45.3** | **49.0** |
| 29 | **Total Expenditures** | **584.3** | **600.0** | **631.6** | **662.5** | **695.8** |
| | | | | | | |
| 30 | **REVENUES minus EXPENDITURES** | **1.6** | **10.9** | **0.1** | **-8.8** | **-29.1** |
| | | | | | | |
| 31 | **OPERATING RESERVE** | | | | | |
| 32 | Beginning Operating Reserve | 31.4 | 33.0 | 43.9 | 44.0 | 35.2 |
| 33 | Surplus / (Deficit) -- from Line 30 above | 1.6 | 10.9 | 0.1 | -8.8 | -29.1 |
| 34 | **Ending Operating Reserve** | **33.0** | **43.9** | **44.0** | **35.2** | **6.1** |

# Table 2

## SUMMARY OF OPERATING BUDGET: 2013-14

| | | <a> | <b> | <c> |
|---|---|---|---|---|
| | | 2012-13 Budget (@ Feb 28, 2013) | 2013-14 Budget | $ Change from 2012-13 |
| | | | | |
| 1 | **Operating Revenues (Table 3)** | | | |
| 2 | Government Grants | 282,661,664 | 280,935,202 | (1,726,462) |
| 3 | Tuition Revenue | 266,751,529 | 288,221,822 | 21,470,293 |
| 4 | All Other | 82,275,716 | 84,517,792 | 2,242,076 |
| 5 | **Total Revenues** | **631,688,909** | **653,674,816** | **21,985,907** |
| | | | | |
| 6 | **Expenditure Budgets** | | | |
| 7 | Faculties (Table 4) | 416,848,877 | 424,414,841 | 7,565,964 |
| 8 | Scholarships and Bursaries (Table 5) | 28,897,346 | 28,822,980 | (74,366) |
| 9 | Support Areas (Table 6) | 83,861,814 | 84,318,961 | 457,147 |
| 10 | University-wide Expenditures (Table 7) | 57,118,124 | 65,254,009 | 8,135,885 |
| 11 | Provision for Cost Fluctuations | 0 | 14,501,743 | 14,501,743 |
| 12 | One-Time Allocations | 44,843,522 | 45,232,357 | 388,835 |
| 13 | **Total Expenditures** | **631,569,683** | **662,544,891** | **30,975,208** |
| | | | | |
| 14 | **Surplus / (Deficit) - Line 5 minus Line 13** | **119,226** | **(8,870,075)** | |

| | | | | |
|---|---|---|---|---|
| 15 | **Beginning Operating Reserve Balance** | **43,946,905** | **44,066,131** | |
| 16 | Surplus / (Deficit) -- Line 14 above | 119,226 | (8,870,075) | |
| 17 | **Closing Operating Reserve Balance** | **44,066,131** | **35,196,056** | |
| | | | | |
| 18 | **Board-mandated Minimum Level Reserve Target** | **2,500,000** | **2,500,000** | |

## F. Details of the 2013-14 Operating Revenue Forecasts (Table 3)

***Government Grants***

The major changes in government grants include (a) the grant reductions announced in the 2012 Ontario budget, (b) the $750 per FTE international student recovery, (c) the continuation of graduate expansion funding, (d) targeted program expansion funding in Medicine, and (e) the reductions (with eventual elimination) in various student aid programs.

The base grant reduction in 2013-14 is the result of an estimated $2.5 million associated with the "policy levers" reduction and the estimated $720,000 resulting from the $750 per-student tax on non-PhD international students – both of which were announced in the spring 2012 Provincial Budget. The policy levers reduction will double in 2014-15 and the international student tax related reduction will grow – and reach steady-state in four years. The reduction in the Provincial Government Student Support Grants – of nearly $860,000 – is the result of the continued phasing-out of the "Aiming for the Top" program.

***Tuition Fees***

The recommended tuition fee rates for 2013-14 are based on the recently-announced Ontario universities tuition framework – and are shown in Tables 11 and 12.

*Domestic Students*

Our recommendations for domestic student tuition fees for 2013-14 follow the new framework – which allows for an overall annual increase of 3%.

*International Students*

The last three University budgets highlighted the fact that Western's international student tuition rates were well below those of our peer research-intensive institutions in Ontario – and it was noted that that, looking forward, our recommendations for international student tuition will seek to move Western's tuition rates to the level of our peers. The recommendations for international student tuition fees for 2013-14 continue on the path to narrowing the gap with our peer institutions.

***All Other Revenues***

A number of other sources contribute to the University's Operating Budget. Major items to note are the Canada Research Chairs (CRCs), Transfer from the Affiliated University Colleges, Fundraising associated with Student Financial Aid, Royalties and Licences, and Contributions from Ancillaries and Other Self-funded Operations.

- In 2013-14, Western will receive $8.6 million in support of 58 CRCs. Table 9 summarizes the CRC allocations to Western.

- The Transfer from the Affiliated University Colleges represents payments for services and teaching provided to their students. In 2013-14, a new mechanism – where the Colleges transfer

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

- Fundraising for need-based Student Awards continues to be of high priority to the University. In 2013-14, we project a sum of $5.3 million from this source.

- The revenue from Royalties and Licences includes patents/licences associated with the Robarts Research Institute.

- Western's self-funded operations and ancillary units generate substantial revenue for the University Operating Budget by way of recoveries associated with facilities costs and services provided by the University. The category also includes the payment from the Richard Ivey School of Business to the University for services provided by the University to Ivey – a component within the funding model for the Ivey School that was introduced in 2004-05.

## G. Details of the 2013-14 Expenditure Recommendations

### 1. Faculty Budget Recommendations

Table 4 shows the 2013-14 **base budget recommendations** for Western's Faculties. Final 2013-14 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 $75,000 or 60% of the retiring or departing member's salary to the Faculty budget;
- Academic Priorities Fund (APF) allocations;
- Targeted government program expansion funding; and
- Funds associated with CRC positions (detailed in Table 9).

The **Academic Priorities Fund (APF)** shown in line 18 of Table 4 was established in 2011-12. A portion of the APF is being allocated as an outcome of this planning cycle. Recommendations for additional allocations in support of University priorities will be brought forward during the final year of the four-year planning period.

The **Faculty-specific APF base recommendations** for 2013-14 (shown in column <d> of Table 4) are:

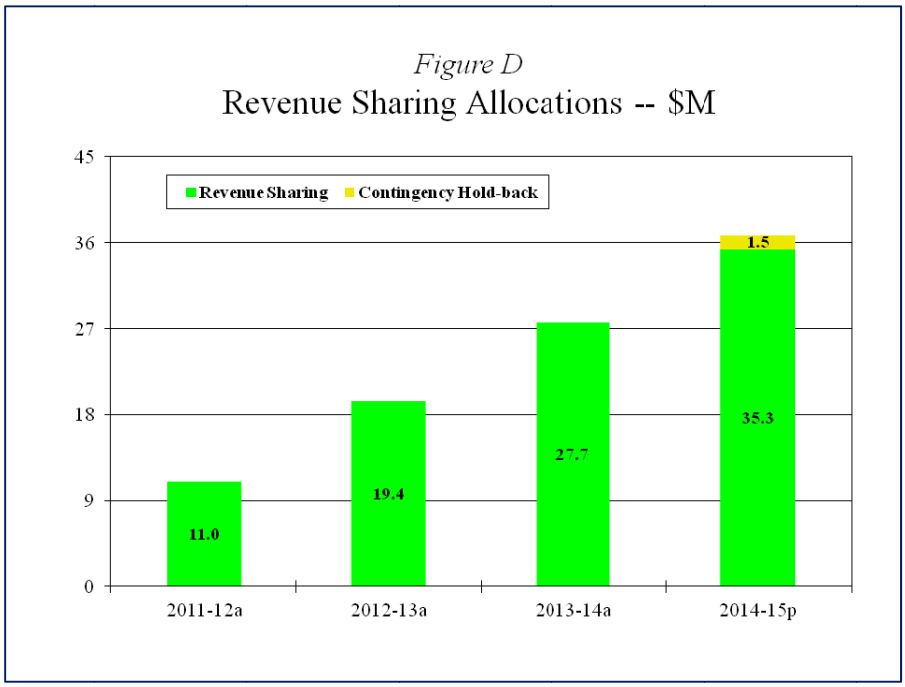
- $100,000 to the Faculty of Health Sciences as partial support for a senior faculty appointment in Health Promotion – a joint position with the Schulich School of Medicine & Dentistry;
- $500,000 to the Faculty of Science in support of teaching expansion and research opportunities; and
- $600,000 to the Faculty of Social Science to accommodate enrolment/teaching pressures across the Faculty and a faculty position in the Dan Management and Organizational Studies Program.

The **funding model for the Richard Ivey School of Business** – introduced in 2004-05 – flows all tuition fees and government grants deriving from the School's enrolments directly to Ivey. Under

this funding model, the Ivey School does not participate in the University's other funding programs such as the APF or the Research Infrastructure Support Fund (RISF), and the School is responsible for all cost increases – including annual employee salary increases. The School also makes an annual payment to the central budget reflecting the cost of the services provided to the School by the University.

Over and above the base budget allocations, the Faculties receive substantial additional on-going funds through the **enrolment-related revenue sharing mechanism** that was implemented in 2011-12. Line 15 in Table 4 shows the projected $27.7 million that will be available to the Faculties in 2013-14. The Faculty-specific breakdown of this $27.7 million, as well as the forecasts for the final year 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 6 through 15) and the **Research Infrastructure Support Fund (RISF)** allocations shown in Table 10.




## 2. Scholarships and Bursaries

Base budget allocations for centrally-funded student support are shown in Table 5. Overall student support funding is projected to be $28.8 million in 2013-14. The Provincial Government is phasing out the Aiming for the Top Program – and the resulting reduction at Western is reflected in line 5 of Table 5.

- Fundraising for undergraduate and graduate student needs-based awards continues to be of high priority to the University. In 2013-14, we project a sum of $5.3 million from this source.

- As the footnote in Table 5 indicates, graduate student funding is now addressed through the Faculty budgets – and we are projecting a sum of $52.9 million in 2013-14 for this high priority item.

## 3. Support Unit Budget Recommendations

Table 6 shows the 2013-14 base budget recommendations for Support Units. Final 2013-14 base budgets are the net result of the following:

- Starting base budgets;
- The initial budget adjustments established as part of the multi-year budget plan;
- Support Units Priorities Fund (SUPF) allocations; and
- Other base allocations – including resources to maintain core services, the operating costs of incremental space in new facilities, special investments in the Vice-President (Research) portfolio, and the targeted allocation in support of the fundraising campaign.

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

- $91,000 to the Libraries in support of a Data Curation Coodinator staff position;
- $115,565 to the Registrar's Office in support of additional staffing, eLearning initiatives, and recruitment initiatives;
- $255,000 to the School of Graduate and Postdoctoral Studies to offset lost revenues from other sources and to support costs associated with the development of new graduate programs;
- $250,000 to create five new teaching fellow positions;
- $111,000 to Financial Services in support of a Financial Risk Officer staff position;
- $120,000 to Human Resources in support of UHIP administration costs and a Labour Relations Coordinator staff position;
- $125,000 to Facilities Management in support of additional staffing, external contracts, and annual equipment renewal;
- $115,000 to Internal Audit in support of additional staffing;
- $130,000 to Research Western in support of additional staffing; and
- $150,000 to the Vice-President (External) portfolio in support of additional staffing.

The Provost and the Vice-President (Resources & Operations) are also carrying forward a portion of the SUPF resources associated with their units for allocation in the future. These are shown in lines 13 and 22 of Table 6.

Finally, the recommendations for the Support Units include **one-time allocations** which are detailed in Table 8 (lines 18 through 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 the net result of projected rate increases and anticipated savings resulting from the implementation of a number of energy efficiency initiatives.

- The increase in the **Library Acquisitions** budget is a reflection of the University's commitment to this high priority item.

- The **Maintenance, Modernization, and Infrastructure (MMI)** transfer to the Capital Budget is being increased by $750,000 – based on the Board of Governors' recommendation that this rate of annual increase continue until the transfer reaches $15.5 million.

- The **FFICR Transfer to Capital** continues at the $3 million level – and these funds are used to support major projects in our Long-range Space Plan that involve research facilities.

- The **Information Technology Infrastructure Fund (ITIF)** supports rapidly-expanding University-wide central IT infrastructure – including our networks, wireless technologies, internet bandwidth, general university computer labs, instructional support and eLearning software applications, central university databases, the hardware necessary to run the applications and databases, and maintenance costs associated with all the hardware and software.

- **Contingency** is being set at $1.6 million – 0.25% of Operating Revenues, as in previous years.

- Western attracts outstanding students. Their recruitment, within an increasingly competitive environment, continues to be of high priority to the University – and the **Student Recruitment** base budget is being increased in order to support additional out-of-province student recruitment initiatives.

## 5. One-Time Recommendations

The Faculties and Support Units will receive substantial one-time funding in 2013-14. The specific one-time recommendations are summarized in Table 8 – and include unit-specific items as well as allocations for University-wide initiatives.

- As described earlier in Section C of this document, two areas of high priority are addressed in the 2013-14 budget – with substantial one-time allocations:
    - A sum of $30 million is allocated in support of facilities and infrastructure associated with our priority of "**Enhancing our Research/Scholarship Profile**"; and
    - It is estimated that the **Doctoral Supervision Grant** will require $900,000.

- A sum of $2.5 million is being allocated in support of **Energy Efficiency Initiatives** – including chilled water optimization, installation of energy-efficiency lighting systems, and replacement of insulation.

- Over the past three years, we have been installing **exterior card access security systems** in campus buildings. The final phases – to be completed over the next two years – will require an additional $500,000.

- As a result of a funding partnership arrangement between the University Students' Council, the Society for Graduate Students, and the University, we will be creating two **artificial turf playing fields** in 2013-14. The 24-year arrangement involves revenues from a targeted student fee and annual contributions from the University. In 2013-14, the University's contribution amounts to $393,000.

- 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: $842,000 to Health Sciences for Nursing and the Therapies and $1.2 million to the Schulich School for Dentistry.

- A sum of $1.1 million is being allocated to the Vice-President (Research) to maintain service levels and to support a number of **research-related initiatives**, including research development and commercialization of intellectual property.

# Table 3

## 2013-14 OPERATING REVENUES

| | | 2012-13 Budget Forecast (@ Feb 28, 2013) (1) | 2013-14 Budget (2) | Increase / (Decrease) Amount (3) | % Change (2) to (1) |
|---|---|---|---|---|---|
| 1 | **Government Grants** | | | | |
| 2 | Base Grants | 212,457,943 | 209,237,943 | (3,220,000) | -1.5% |
| 3 | Undergraduate Accessibility Fund | 4,485,024 | 4,183,072 | (301,952) | -6.7% |
| 4 | *Sub-Total Base Grants & Accessibility Fund* | *216,942,967* | *213,421,015* | *(3,521,952)* | -1.6% |
| 5 | Graduate Expansion Fund | 9,817,182 | 12,141,229 | 2,324,047 | 23.7% |
| 6 | Quality Improvement Fund | 9,933,850 | 9,933,850 | 0 | 0.0% |
| 7 | Performance Fund | 2,031,316 | 2,031,316 | 0 | 0.0% |
| 8 | Program Expansion Grants | 21,828,332 | 22,606,234 | 777,902 | 3.6% |
| 9 | Research Infrastructure Grant | 2,632,735 | 2,632,735 | 0 | 0.0% |
| 10 | Provincial Indirect Cost Grant | 58,924 | 0 | (58,924) | -100.0% |
| 11 | Federal Funding for Indirect Costs of Research | 8,988,177 | 8,988,177 | 0 | 0.0% |
| 12 | Provincial Government Student Support Grants | 2,901,220 | 2,042,444 | (858,776) | -29.6% |
| 13 | Other Targetted Government Grants | 7,526,961 | 7,138,202 | (388,759) | -5.2% |
| 14 | **Sub-Total Government Grants** | **282,661,664** | **280,935,202** | **(1,726,462)** | **-0.6%** |
| | | | | | |
| 15 | **Tuition Revenue** | | | | |
| 16 | Undergraduate | 171,864,425 | 186,583,796 | 14,719,371 | 8.6% |
| 17 | Graduate | 39,439,489 | 41,597,946 | 2,158,457 | 5.5% |
| 18 | *Sub-Total General Programs* | *211,303,914* | *228,181,742* | *16,877,828* | 8.0% |
| 19 | Ivey Programs (HBA, MBAs, MSc, PhD) | 47,094,266 | 51,231,871 | 4,137,605 | 8.8% |
| 20 | International Medical and Dental Students | 6,953,349 | 7,408,209 | 454,860 | 6.5% |
| 21 | *Sub-Total Other Programs* | *54,047,615* | *58,640,080* | *4,592,465* | 8.5% |
| 22 | Miscellaneous Fees | 1,400,000 | 1,400,000 | 0 | 0.0% |
| 23 | **Sub-Total Tuition Revenue** | **266,751,529** | **288,221,822** | **21,470,293** | **8.0%** |
| | | | | | |
| 24 | **Other Revenues** | | | | |
| 25 | Canada Research Chairs (CRCs) | 8,600,000 | 8,600,000 | 0 | 0.0% |
| 26 | Transfer from Affiliated University Colleges | 6,510,354 | 7,032,484 | 522,130 | 8.0% |
| 27 | Recoverable Salaries | 27,723,557 | 27,689,557 | (34,000) | -0.1% |
| 28 | Investment Income | 826,431 | 623,886 | (202,545) | -24.5% |
| 29 | Fundraising -- Need-based Student Awards and Bursaries | 5,100,000 | 5,250,000 | 150,000 | 2.9% |
| 30 | Application Fees | 1,819,311 | 1,844,910 | 25,599 | 1.4% |
| 31 | Research Overheads | 4,685,978 | 4,914,877 | 228,899 | 4.9% |
| 32 | Royalties and Licences | 4,593,374 | 4,372,367 | (221,007) | -4.8% |
| 33 | Contributions from Self-Funded & Ancillary Operations | 21,752,000 | 23,525,000 | 1,773,000 | 8.2% |
| 34 | Miscellaneous Revenues | 664,711 | 664,711 | 0 | 0.0% |
| 35 | **Sub-Total Other Revenues** | **82,275,716** | **84,517,792** | **2,242,076** | **2.7%** |
| | | | | | |
| 36 | **Total Revenues** | **631,688,909** | **653,674,816** | **21,985,907** | **3.5%** |

# Table 4
# FACULTIES
# 2013-14 BASE BUDGETS

| | | <a> | <b> | <c> | <d> | <e> | <f> | <g> |
|---|---|---|---|---|---|---|---|---|
| | | 2012-13 Base Budget (@ Feb 28, 2013) | IBA | Faculty Turnover Recovery | APF | Other Base Changes | Canada Research Chairs | Resulting 2013-14 Base Budget |
| 1 | ***Faculties*** | | | | | | | |
| 2 | Arts and Humanities | 29,080,949 | (704,028) | (334,867) | | | 170,000 | 28,212,054 |
| 3 | Education | 9,947,276 | (311,293) | (61,404) | | | | 9,574,579 |
| 4 | Engineering | 24,817,223 | (580,144) | | | (374) | (90,000) | 24,146,705 |
| 5 | Health Sciences | 26,907,432 | (699,058) | (286,420) | 100,000 | (11,871) | | 26,010,083 |
| 6 | Information & Media Studies | 9,449,263 | (251,592) | (128,545) | | | | 9,069,126 |
| 7 | Law | 6,993,390 | (186,169) | | | | | 6,807,221 |
| 8 | Medicine & Dentistry | 62,741,728 | (1,557,593) | (286,107) | | 60,049 | (80,000) | 60,878,077 |
| 9 | Music | 9,753,748 | (235,325) | | | | | 9,518,423 |
| 10 | Science | 50,841,789 | (1,232,915) | | 500,000 | | (90,000) | 50,018,874 |
| 11 | Social Science | 50,089,619 | (1,274,834) | (212,691) | 600,000 | | (90,000) | 49,112,094 |
| 12 | ***Sub-Total Faculties (excluding Business)*** | ***280,622,417*** | ***(7,032,951)*** | ***(1,310,034)*** | ***1,200,000*** | ***47,804*** | ***(180,000)*** | ***273,347,236*** |
| 13 | Business | 58,841,792 | | | | 4,309,974 | 170,000 | 63,321,766 |
| 14 | ***Sub-Total Faculties*** | ***339,464,209*** | ***(7,032,951)*** | ***(1,310,034)*** | ***1,200,000*** | ***4,357,778*** | ***(10,000)*** | ***336,669,002*** |
| 15 | Revenue Sharing Allocation | 19,425,183 | | | | 8,237,682 | | 27,662,865 |
| 16 | Research Infrastructure Support Fund (RISF) | 750,000 | | | | | | 750,000 |
| 17 | Faculty Recruitment Initiatives | 1,271,650 | | | | (273,857) | | 997,793 |
| 18 | Academic Priorities Fund (APF) | 7,465,937 | | | 500,000 | 1,900,000 | | 9,865,937 |
| 19 | ***Total -- with Revenue Sharing Allocation*** | ***368,376,979*** | ***(7,032,951)*** | ***(1,310,034)*** | ***1,700,000*** | ***14,221,603*** | ***(10,000)*** | ***375,945,597*** |
| | | | | | | | | |
| 20 | ***All Other*** | | | | | | | |
| 21 | Academic Development Fund | 1,500,000 | | | | | | 1,500,000 |
| 22 | Continuing Studies: Trois-Pistoles | 985,457 | | | | 85,747 | | 1,071,204 |
| 23 | Education: Continuing Education for Teachers | 2,376,000 | | | | (297,000) | | 2,079,000 |
| 24 | Medicine & Dentistry: International Students and Primary Care | 7,303,154 | | | | 454,860 | | 7,758,014 |
| 25 | Medicine & Dentistry: Robarts | 6,824,730 | | | | (331,261) | | 6,493,469 |
| 26 | Faculty Share of Research Overheads | 1,414,000 | | | | 85,000 | | 1,499,000 |
| 27 | Faculty Scholars & Distinguished University Professors | 239,000 | | | | | | 239,000 |
| 28 | Graduate and Undergraduate Program Reviews | 140,000 | | | | | | 140,000 |
| 29 | Recoverable Salaries | 27,689,557 | | | | | | 27,689,557 |
| 30 | ***Sub-Total*** | ***48,471,898*** | ***0*** | ***0*** | ***0*** | ***(2,654)*** | ***0*** | ***48,469,244*** |
| | | | | | | | | |
| 31 | **Total Academic Units** | **416,848,877** | **(7,032,951)** | **(1,310,034)** | **1,700,000** | **14,218,949** | **(10,000)** | **424,414,841** |

## Table 4a
## FACULTIES: REVENUE SHARING ALLOCATIONS

| | | 2010-11a | 2011-12a | 2012-13a | 2013-14a | 2014-15p |
|---|---|---|---|---|---|---|
| 1 | Arts and Humanities | 1,277,090 | 1,400,097 | 1,650,341 | 1,612,628 | 2,757,779 |
| 2 | Education | 162,150 | 286,138 | 361,738 | 1,300,270 | 2,464,223 |
| 3 | Engineering | 84,500 | 788,379 | 1,546,837 | 2,641,587 | 3,474,937 |
| 4 | Health Sciences | 569,050 | 1,052,765 | 1,886,348 | 3,199,147 | 3,042,938 |
| 5 | Information and Media Studies | 428,550 | 488,396 | 690,159 | 1,131,783 | 1,263,872 |
| 6 | Law | 64,150 | 271,988 | 773,204 | 1,099,486 | 1,391,582 |
| 7 | Medicine & Dentistry | 562,500 | 1,004,396 | 2,467,635 | 3,961,981 | 4,694,604 |
| 8 | Music | -47,000 | 185,012 | 191,525 | 181,121 | 565,642 |
| 9 | Science | 1,708,910 | 2,128,493 | 4,625,611 | 6,167,234 | 7,123,641 |
| 10 | Social Science | 2,213,660 | 3,134,100 | 4,796,995 | 5,810,479 | 7,811,574 |
| 11 | ID Programs | 385,100 | 294,077 | 434,790 | 557,149 | 716,954 |
| 12 | **Sub-Total** | **7,408,660** | **11,033,841** | **19,425,183** | **27,662,865** | **35,307,746** |
| 13 | **Contingency Hold-back** | | | | | **1,471,154** |
| 14 | **Total** | **7,408,660** | **11,033,841** | **19,425,183** | **27,662,865** | **36,778,900** |

# Table 5

## SCHOLARSHIPS and BURSARIES

## 2013-14 BASE BUDGETS

| | | <a> | <b> | <c> |
|---|---|---|---|---|
| | | 2012-13 Base Budget (@ Feb 28, 2013) | Changes | Resulting 2013-14 Base Budget |
| 1 | Undergraduate Scholarships | 6,443,323 | 56,677 | 6,500,000 |
| 2 | Tuition Re-Investment | 13,076,258 | 577,733 | 13,653,991 |
| 3 | Western Bursaries | 776,545 | | 776,545 |
| 4 | Privately-Funded Need-based Awards & Bursaries | 5,100,000 | 150,000 | 5,250,000 |
| 5 | Government "Aiming for the Top" Program | 1,708,776 | (858,776) | 850,000 |
| 6 | MTCU Work Study Program and Bursaries | 670,702 | | 670,702 |
| 7 | Global Opportunities Awards | 200,000 | | 200,000 |
| 8 | Graduate Bursaries | 400,000 | | 400,000 |
| 9 | Ontario Graduate Fellowships | 521,742 | | 521,742 |
| 10 | **Total Scholarships and Bursaries** | **28,897,346** | **(74,366)** | **28,822,980** |

*Graduate student funding is now addressed through the Faculty budgets. In 2012-13, this funding is estimated to be $49.9 million and the plan for 2013-14 is $52,9 million.*

# Table 6
# SUPPORT AREAS
# 2013-14 BASE BUDGETS

| | | <a> | <b> | <c> | <d> | <e> |
|---|---|---|---|---|---|---|
| | | 2012-13 Base Budget (@ Feb 28, 2013) | IBA | SUPF | Other Base Changes | Resulting 2013-14 Base Budget |
| 1 | ***Reporting to the Provost*** | | | | | |
| 2 | Teaching Support Centre | 688,876 | (18,830) | | 2,574 | 672,620 |
| 3 | Writing Support Centre | 310,821 | | | | 310,821 |
| 4 | Information Technology Services | 6,496,256 | (172,102) | | 99,997 | 6,424,151 |
| 5 | Libraries | 12,570,517 | (339,308) | 91,000 | 92,776 | 12,414,985 |
| 6 | Registrar's Office | 5,955,666 | (168,630) | 115,565 | 80,689 | 5,983,290 |
| 7 | Office of Vice-Provost (APPF) | 921,748 | (23,797) | | 4,880 | 902,831 |
| 8 | Graduate & Postdoctoral Studies | 1,328,563 | (25,790) | 255,000 | 10,146 | 1,567,919 |
| 9 | Institutional Planning and Budgeting | 4,375,442 | (117,164) | | 48,053 | 4,306,331 |
| 10 | Western International | 1,511,968 | | | | 1,511,968 |
| 11 | McIntosh Gallery - Subsidy | 256,919 | | | | 256,919 |
| 12 | Teaching Fellows Program | | | 250,000 | | 250,000 |
| 13 | Support Unit Priorities Fund (SUPF) | 470,800 | | (321,565) | | 149,235 |
| 14 | ***Sub-Total*** | ***34,887,576*** | ***(865,621)*** | ***390,000*** | ***339,115*** | ***34,751,070*** |
| | | | | | | |
| 15 | ***Reporting to the Vice-President Resources & Operations*** | | | | | |
| 16 | Financial Services | 4,078,701 | (111,985) | 111,000 | 43,205 | 4,120,921 |
| 17 | Human Resources | 6,139,076 | (148,052) | 120,000 | 57,121 | 6,168,145 |
| 18 | Workplace Health Services | 170,813 | | | | 170,813 |
| 19 | Facilities Management | 16,905,163 | (402,631) | 125,000 | 153,375 | 16,780,907 |
| 20 | Police | 2,767,011 | (70,406) | | 40,662 | 2,737,267 |
| 21 | Internal Audit | 293,247 | (8,374) | 115,000 | | 399,873 |
| 22 | Support Unit Priorities Fund (SUPF) | 255,500 | | (1,000) | | 254,500 |
| 23 | ***Sub-Total*** | ***30,609,511*** | ***(741,448)*** | ***470,000*** | ***294,363*** | ***30,632,426*** |
| | | | | | | |
| 24 | ***Reporting to the Vice-President Research*** | | | | | |
| 25 | Animal Care/Veterinary Services - Subsidy | 800,000 | | | | 800,000 |
| 26 | Research Western | 3,093,497 | (90,199) | 130,000 | 330,829 | 3,464,127 |
| 27 | Research Promotion Fund | 350,000 | | | | 350,000 |
| 28 | Small Grants Support for Arts/Humanities/Social Sciences | 250,000 | | | | 250,000 |
| 29 | Western Innovation Fund | 400,000 | | | | 400,000 |
| 30 | ***Sub-Total*** | ***4,893,497*** | ***(90,199)*** | ***130,000*** | ***330,829*** | ***5,264,127*** |
| | | | | | | |
| 31 | ***Vice-President External Portfolio*** | ***9,270,784*** | ***(218,632)*** | ***150,000*** | ***268,740*** | ***9,470,892*** |
| | | | | | | |
| 32 | ***General Administration*** | | | | | |
| 33 | Offices of the President/Vice-Presidents | 3,209,603 | | | | 3,209,603 |
| 34 | University Secretariat | 990,843 | | | | 990,843 |
| 35 | ***Sub-Total*** | ***4,200,446*** | ***0*** | ***0*** | ***0*** | ***4,200,446*** |
| | | | | | | |
| 36 | **Total Support Areas** | **83,861,814** | **(1,915,900)** | **1,140,000** | **1,233,047** | **84,318,961** |

# Table 7
# UNIVERSITY-WIDE EXPENDITURES and EMPLOYEE BENEFIT COSTS
# 2013-14 BASE BUDGETS

| | | <a> | <b> | <c> | <d> |
|---|---|---|---|---|---|
| | | 2012-13 Base Budget (@ Feb 28, 2013) | New Investment | Other Changes | Resulting 2013-14 Base Budget |
| 1 | Utilities | 18,299,235 | | 78,441 | 18,377,676 |
| 2 | Library Acquisitions | 13,615,896 | 250,000 | | 13,865,896 |
| 3 | Transfer to MMI: Operating | 11,750,000 | 750,000 | | 12,500,000 |
| 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 | | 8,000 | 912,000 |
| 7 | Information Technology Infrastructure Fund (ITIF) | 7,395,201 | 554,641 | | 7,949,842 |
| 8 | Property Taxes | 2,064,375 | | 23,025 | 2,087,400 |
| 9 | Insurance | 1,864,366 | | (62,562) | 1,801,804 |
| 10 | Contingency | 1,575,566 | | 58,621 | 1,634,187 |
| 11 | Services for Students with Disabilities | 958,129 | | | 958,129 |
| 12 | Professional Fees | 1,282,500 | | | 1,282,500 |
| 13 | Institutional Memberships | 790,000 | | | 790,000 |
| 14 | Student Recruitment | 690,000 | 160,000 | | 850,000 |
| 15 | Sports and Recreation Services Subsidy | 879,526 | | 9,219 | 888,745 |
| 16 | Convocation and Diplomas | 340,000 | | | 340,000 |
| 17 | Costs Associated with Employee Contracts | 540,000 | | 49,000 | 589,000 |
| 18 | Ombudsperson | 95,330 | | | 95,330 |
| 19 | University Surveys and Teaching Evaluations | 75,000 | | | 75,000 |
| 20 | Centre for Research on Violence Against Women and Children - Subsidy | 55,000 | | | 55,000 |
| 21 | Museum of Ontario Archaeology - Subsidy | 50,000 | | | 50,000 |
| 22 | **Total University-wide Expenditures** | **66,824,124** | **1,714,641** | **163,744** | **68,702,509** |
| | | | | | |
| 23 | Employee Benefit Plan Costs | 94,891,000 | | 7,795,500 | 102,686,500 |
| 24 | Employee Benefit Recoveries | (104,597,000) | | (1,538,000) | (106,135,000) |
| 25 | **Net Employee Benefits** | **(9,706,000)** | | **6,257,500** | **(3,448,500)** |
| | | | | | |
| 26 | **Net University-wide Expenditures** | **57,118,124** | **1,714,641** | **6,421,244** | **65,254,009** |

# Table 8
# 2013-14 ONE-TIME ALLOCATIONS

| | | |
|---|---|---|
| 1 | Enhancing our Research Profile -- Investment in Research Infrastructure and Facilities | 30,000,000 |
| 2 | Doctoral Supervision Grant | 900,000 |
| 3 | Energy Efficiency Initiatives | 2,500,000 |
| 4 | Building Security Initiatives -- Exterior Card Access Systems | 500,000 |
| 5 | University Contribution for Artificial Turf Playing Fields | 393,000 |
| 6 | Arts & Humanities: Dean's Entrance Scholarship Program and Awards of Excellence | 75,000 |
| 7 | Education: Contract Staff Position for Instructional and Pedagogical Redesign | 60,000 |
| 8 | Engineering: Support for ICFAR Building Operating Costs, Internationalization Initiatives, Faculty Start-Up Funds, On-Line Course Material, Innovation Chair, and NSERC Discovery Grant Bridge Funding | 380,000 |
| 9 | Health Sciences: Targetted Government Funding for Clinical Education ($842,212), International Initiatives ($37,500), Research Co-ordinator Position ($40,000), Post-Doctoral Fellowship Program ($80,000) and Support for Intercollegiate | 1,044,712 |
| 10 | FIMS: New Media, Digital, and Virtual World Infrastructure | 50,000 |
| 11 | Law: Intensive Courses and Visiting Scholars | 90,000 |
| 12 | Medicine & Dentistry: Targetted Government Funding for Dental Clinical Education ($1.2M) and MD Expansion ($2.5M) | 3,659,120 |
| 13 | Music: Support for Graduate Recruitment Initiatives, Musical Futures, Visiting Professorship, and Canadian Operatic Arts Academy | 91,500 |
| 14 | Science: Support for Internationalization Initiatives, Teaching Expansion, and Research Opportunities | 260,000 |
| 15 | Social Science: Bridge Financing for Faculty Position (Financial Economics) and Start-up Funding for Hub & Spoke Masters Program | 215,000 |
| 16 | Unallocated Academic Priorities Fund (APF) | 276,000 |
| 17 | Provost: Use of Support Unit Priorities Fund (SUPF) Base for One-Time Purposes | (335,800) |
| 18 | ITS: Equipment and Software Renewal in the Instructional Technology Resource Centre | 50,000 |
| 19 | Libraries: Technology for Collaborative Learning | 60,000 |
| 20 | Registrar's Office: Experiential Learning Initiatives ($70K), Career Services and First Nations Initiatives ($180K), Rebranding Initiatives ($40K), Elearning ($33.8K), First Generation Initiatives ($282K), and Ontario Global Edge Program ($35K) | 641,280 |
| 21 | Teaching Support Centre: 360 Degree Initiative for Graduate Students ($300K), Faculty Mentor Program ($40K), Teaching Fellows Program ($170K), and Turn-it-in Licence Renewal ($57K) | 567,000 |
| 22 | Office of Vice-Provost (APPF): Training and Development Initiatives and Faculty Recruitment/Retention Initiatives | 70,000 |
| 23 | Graduate & Postdoctoral Studies: Additional Staffing (Web Developer and Post-Doc Services Coordinator) and Graduate Student Recruitment and Retention Initiatives | 335,000 |
| 24 | Western International: International Relations Travel and Hospitality, International Internship Program, and International Staff Exchange / Job Shadowing | 105,000 |
| 25 | Human Resources: Leadership Support and Development, Job evaluation, and Pay Equity Initiatives | 370,000 |
| 26 | Vice-President (Resources & Operations): Unallocated Support Unit Priorities Fund (SUPF) | 100,000 |
| 27 | Vice-President Research: Maintain Service Levels ($230K) and Support for Research Initiatives ($900K) | 1,130,000 |
| 28 | Animal Care/Veterinary Services Subsidy: Support for Cage Costs | 150,000 |
| 29 | Vice-President External: Support for Fundraising Campaign | 995,545 |
| 30 | General University Classroom Upgrades | 500,000 |
| **31** | **Total One-Time Allocations** | **45,232,357** |

# Table 9

## Tentative CRC Allocations -- by Faculty (Cumulative)

| | | 2012-13 | | | | | | 2013-14 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Tier 1** | | **Tier 2** | | **Total** | | **Tier 1** | | **Tier 2** | | **Total** | |
| | | N | $ | N | $ | N | $ | N | $ | N | $ | N | $ |
| 1 | Arts & Humanities | 2 | 340,000 | 1 | 90,000 | 3 | 430,000 | 3 | 510,000 | 1 | 90,000 | 4 | 600,000 |
| 2 | Business | 1 | 170,000 | 1 | 90,000 | 2 | 260,000 | 2 | 340,000 | 1 | 90,000 | 3 | 430,000 |
| 3 | Education | | | | | | | | | | | | |
| 4 | Engineering | 2 | 340,000 | 5 | 450,000 | 7 | 790,000 | 2 | 340,000 | 4 | 360,000 | 6 | 700,000 |
| 5 | Health Sciences | 1 | 170,000 | 1 | 90,000 | 2 | 260,000 | 1 | 170,000 | 1 | 90,000 | 2 | 260,000 |
| 6 | Info & Media Studies | | | | | | | | | | | | |
| 7 | Law | | | | | | | | | | | | |
| 8 | Medicine & Dentistry | 12 | 2,040,000 | 5 | 450,000 | 17 | 2,490,000 | 11 | 1,870,000 | 6 | 540,000 | 17 | 2,410,000 |
| 9 | Music | | | | | | | | | | | | |
| 10 | Science | 6 | 1,020,000 | 14 | 1,260,000 | 20 | 2,280,000 | 6 | 1,020,000 | 13 | 1,170,000 | 19 | 2,190,000 |
| 11 | Social Science | 3 | 510,000 | 5 | 450,000 | 8 | 960,000 | 3 | 510,000 | 4 | 360,000 | 7 | 870,000 |
| 12 | Unallocated | | | | | | | | | | | | |
| 13 | Total to Faculties | 27 | 4,590,000 | 32 | 2,880,000 | 59 | 7,470,000 | 28 | 4,760,000 | 30 | 2,700,000 | 58 | 7,460,000 |
| | | | | | | | | | | | | | |
| **14** | **Total CRC Funding** | | **5,400,000** | | **3,200,000** | | **8,600,000** | | **5,600,000** | | **3,000,000** | | **8,600,000** |

**Table 10**

**RESEARCH INFRASTRUCTURE SUPPORT FUND (RISF)**

## 2013-14 Allocations

| | | |
|---|---|---|
| 1 | Arts and Humanities | 14,000 |
| 2 | Education | 15,000 |
| 3 | Engineering | 86,000 |
| 4 | Health Sciences | 32,000 |
| 5 | Information & 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
# 2013-14 TUITION FEE PROPOSALS FOR UNDERGRADUATE PROGRAMS

| | | Canadian Students | | | International Students | | |
|---|---|---|---|---|---|---|---|
| | | Actual | 2013-14 | | Actual | 2013-14 | |
| | | 2012-13 Tuition | Proposed Tuition | <a> % Increase | 2012-13 Tuition | Proposed Tuition | <a> % Increase |
| 1 | **First-Entry Programs <b>** | | | | | | |
| 2 | Year 1 | 5,633 | 5,801 | 3.0% | 18,113 | 19,562 | 8.0% |
| 3 | Year 2 | 5,606 | 5,801 | 3.0% | 17,442 | 18,838 | 4.0% |
| 4 | Year 3 | 5,579 | 5,774 | 3.0% | 16,796 | 18,140 | 4.0% |
| 5 | Year 4 | 5,552 | 5,746 | 3.0% | 16,479 | 17,468 | 4.0% |
| 6 | Engineering | | | | | | |
| 7 | Year 1 | 10,196 | 10,705 | 5.0% | 23,244 | 25,104 | 8.0% |
| 8 | Year 2 | 9,818 | 10,603 | 4.0% | 22,383 | 24,174 | 4.0% |
| 9 | Year 3 | 9,455 | 10,210 | 4.0% | 21,554 | 23,278 | 4.0% |
| 10 | Year 4 | 9,105 | 9,833 | 4.0% | 21,147 | 22,416 | 4.0% |
| 11 | M.T.P. | | | | | | |
| 12 | Year 2 | 5,893 | 6,069 | 3.0% | 20,248 | 21,058 | 4.0% |
| 13 | Year 3 | 5,893 | 6,069 | 3.0% | 20,248 | 21,058 | 4.0% |
| 14 | Year 4 | 5,893 | 6,069 | 3.0% | 20,248 | 21,058 | 4.0% |
| 15 | Nursing | | | | | | |
| 16 | Year 1 | 5,633 | 5,801 | 3.0% | 23,244 | 25,104 | 8.0% |
| 17 | Year 2 | 5,606 | 5,801 | 3.0% | 22,383 | 24,174 | 4.0% |
| 18 | Year 3 | 5,579 | 5,774 | 3.0% | 21,554 | 23,278 | 4.0% |
| 19 | Year 4 | 5,552 | 5,746 | 3.0% | 21,147 | 22,416 | 4.0% |
| 20 | **Second-Entry Programs** | | | | | | |
| 21 | Business (HBA) | | | | | | |
| 22 | Year 1 | 22,144 | 22,808 | 3.0% | 28,777 | 29,640 | 3.0% |
| 23 | Year 2 | 22,144 | 22,808 | 3.0% | 28,777 | 29,640 | 3.0% |
| 24 | Dentistry | | | | | | |
| 25 | Year 1 | 29,305 | 30,770 | 5.0% | 51,730 | 55,868 | 8.0% |
| 26 | Year 2 | 28,220 | 30,477 | 4.0% | 49,814 | 53,799 | 4.0% |
| 27 | Year 3 | 27,175 | 29,348 | 4.0% | 47,969 | 51,807 | 4.0% |
| 28 | Year 4 | 26,168 | 28,262 | 4.0% | 47,969 | 49,888 | 4.0% |
| 29 | Education (B.Ed.) | 6,768 | 6,971 | 3.0% | 21,554 | 22,416 | 4.0% |
| 30 | Law | | | | | | |
| 31 | Year 1 | 16,709 | 17,544 | 5.0% | 23,244 | 25,104 | 8.0% |
| 32 | Year 2 | 16,090 | 17,377 | 4.0% | 22,383 | 24,174 | 4.0% |
| 33 | Year 3 | 15,493 | 16,733 | 4.0% | 21,554 | 23,278 | 4.0% |
| 34 | Medicine (M.D.) | | | | | | |
| 35 | Year 1 | 20,670 | 21,703 | 5.0% | n.a. | n.a. | n.a. |
| 36 | Year 2 | 19,904 | 21,496 | 4.0% | n.a. | n.a. | n.a. |
| 37 | Year 3 | 19,167 | 20,700 | 4.0% | n.a. | n.a. | n.a. |
| 38 | Year 4 | 19,167 | 19,933 | 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
## 2013-14 TUITION FEE PROPOSALS FOR GRADUATE PROGRAMS

| | | Canadian Students | | | International Students | | |
|---|---|---|---|---|---|---|---|
| | | Actual | 2013-14 | | Actual | 2013-14 | |
| | | 2012-13 Tuition | Proposed Tuition | % Increase | 2012-13 Tuition | Proposed Tuition | % Increase |
| 1 | **Masters Category 1** | | | | | | |
| 2 | Arts & Humanities | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 3 | Engineering (M.E.Sc.) | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 4 | Health & Rehabilitation Sciences | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 5 | Health Information Sciences | 8,869 | 9,046 | 2.0% | 21,674 | 22,541 | 4.0% |
| 6 | Interdisciplinary Programs <a> | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 7 | Kinesiology | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 8 | Law/Studies in Law <b> | 9,953 | 10,451 | 5.0% | 23,113 | 24,500 | 6.0% |
| 9 | Media Studies | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 10 | Medicine (Basic Health Sciences) | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 11 | Music | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 12 | Nursing | 7,819 | 7,975 | 2.0% | 21,674 | 22,541 | 4.0% |
| 13 | Science | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 14 | Social Science | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 15 | **Masters Category 2** | | | | | | |
| 16 | C.S.D./O.T./P.T. (MPT) <b> | 9,366 | 9,834 | 5.0% | 21,674 | 22,974 | 6.0% |
| 17 | Dentistry (Orthodontics) <b> | 22,698 | 23,833 | 5.0% | 50,731 | 53,775 | 6.0% |
| 18 | Education (M.Ed) <b> | 9,020 | 9,471 | 5.0% | 21,674 | 22,974 | 6.0% |
| 19 | Education (MPE, GDPE) | --- | 9,471 | n/a | --- | 22,974 | n/a |
| 20 | Engineering (M.Eng.) <b> | 9,020 | 9,471 | 5.0% | 21,674 | 22,974 | 6.0% |
| 21 | Environment & Sustainability | 10,101 | 10,606 | 5.0% | 21,674 | 22,974 | 6.0% |
| 22 | Journalism | 9,020 | 9,471 | 5.0% | 21,674 | 22,974 | 6.0% |
| 23 | Library & Information Science <b> | 9,020 | 9,471 | 5.0% | 21,674 | 22,974 | 6.0% |
| 24 | Medicine (Clinical Med. Biophysics) | 30,000 | 31,500 | 5.0% | 40,000 | 42,400 | 6.0% |
| 25 | Medicine (Family Medicine) <b> | 11,878 | 12,472 | 5.0% | 21,674 | 22,974 | 6.0% |
| 26 | Medicine (Pathology Assistant) <b> | 20,000 | 21,000 | 5.0% | 30,000 | 31,800 | 6.0% |
| 27 | Medicine (Public Health) | --- | 27,000 | n/a | --- | 42,000 | n/a |
| 28 | Social Science (Financial Economics) | --- | 22,680 | n/a | --- | 33,000 | n/a |
| 29 | Physical Therapy (M.Cl.Sc.) <b> | 9,020 | 9,471 | 5.0% | 21,674 | 22,974 | 6.0% |
| 30 | **Doctoral** | | | | | | |
| 31 | Doctor of Musical Arts | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |
| 32 | Ph.D/MSc Clinical Med. Biophysics | 12,511 | 12,941 | 3.4% | 23,359 | 24,453 | 4.7% |
| 33 | Doctor of Education (EdD) | --- | 12,000 | n/a | --- | 23,000 | n/a |
| 34 | PhD Programs | 6,511 | 6,641 | 2.0% | 15,359 | 15,973 | 4.0% |

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

*<b> The proposed 2013-14 rates apply to new domestic students; 4% increase will apply to continuing domestic students*

## Table 13
## SUMMARY OF ENROLMENT FORECAST

| | | Actual | | | | | Forecast | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| 1 | **Constituent University** | | | | | | | | | | |
| 2 | **Full-Time Undergraduates** | | | | | | | | | | |
| 3 | Arts & Humanities | 1,312 | 1,275 | 1,260 | 1,232 | 1,180 | 1,148 | 1,145 | 1,143 | 1,144 | 1,154 |
| 4 | Business (HBA) | 706 | 812 | 935 | 979 | 1,065 | 1,130 | 1,130 | 1,130 | 1,130 | 1,130 |
| 5 | Dentistry | 249 | 251 | 251 | 260 | 266 | 264 | 264 | 264 | 264 | 264 |
| 6 | Education | 728 | 726 | 732 | 700 | 677 | 668 | 668 | 668 | 668 | 668 |
| 7 | Engineering | 1,098 | 1,132 | 1,147 | 1,262 | 1,335 | 1,392 | 1,418 | 1,422 | 1,420 | 1,412 |
| 8 | Health Sciences | | | | | | | | | | |
| 9 | BHSc Program | 1,056 | 1,098 | 1,117 | 1,185 | 1,160 | 1,202 | 1,203 | 1,205 | 1,211 | 1,208 |
| 10 | Kinesiology | 1,159 | 1,194 | 1,204 | 1,246 | 1,203 | 1,193 | 1,187 | 1,182 | 1,191 | 1,193 |
| 11 | Nursing | 781 | 777 | 797 | 808 | 820 | 815 | 815 | 815 | 815 | 815 |
| 12 | Therapies | 39 | 40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 | Sub-Total | 3,035 | 3,109 | 3,118 | 3,239 | 3,183 | 3,210 | 3,205 | 3,202 | 3,217 | 3,216 |
| 14 | Law | 456 | 467 | 458 | 465 | 476 | 485 | 495 | 495 | 495 | 495 |
| 15 | Media, Information, & Tech | 915 | 890 | 972 | 963 | 919 | 980 | 959 | 948 | 943 | 945 |
| 16 | Medicine | | | | | | | | | | |
| 17 | MD Program | 569 | 591 | 621 | 646 | 667 | 684 | 684 | 684 | 684 | 684 |
| 18 | BMedSci Program | 603 | 591 | 653 | 688 | 778 | 892 | 892 | 892 | 892 | 892 |
| 19 | Music | 555 | 535 | 535 | 527 | 542 | 530 | 524 | 520 | 520 | 522 |
| 20 | Science | 3,795 | 3,737 | 4,020 | 4,222 | 4,334 | 4,305 | 4,290 | 4,253 | 4,242 | 4,235 |
| 21 | Social Science | 6,035 | 6,408 | 6,433 | 6,618 | 6,648 | 6,780 | 6,906 | 6,935 | 6,951 | 6,957 |
| 22 | **Total Full-Time Undergraduates** | **20,056** | **20,524** | **21,135** | **21,801** | **22,070** | **22,468** | **22,580** | **22,556** | **22,570** | **22,574** |
| 23 | Concurrent Programs | 81 | 110 | 121 | 144 | 155 | 165 | 165 | 175 | 175 | 175 |
| 24 | Medical Residents | 685 | 725 | 798 | 810 | 829 | 850 | 850 | 850 | 850 | 850 |
| 25 | **Full-Time Graduates** | | | | | | | | | | |
| 26 | Masters | 2,606 | 2,648 | 2,800 | 2,823 | 2,756 | 3,151 | 3,367 | 3,434 | 3,503 | 3,573 |
| 27 | Ph.D. | 1,614 | 1,771 | 1,904 | 1,947 | 2,021 | 2,085 | 2,133 | 2,197 | 2,263 | 2,331 |
| 28 | **Total Full-Time Graduates** | **4,220** | **4,419** | **4,704** | **4,770** | **4,777** | **5,236** | **5,500** | **5,631** | **5,766** | **5,904** |
| 29 | **Total Full-Time Enrolment** | **25,042** | **25,778** | **26,758** | **27,525** | **27,831** | **28,719** | **29,095** | **29,212** | **29,361** | **29,503** |
| 30 | **Part-Time FTEs** | | | | | | | | | | |
| 31 | Undergraduate | 2,067 | 2,134 | 2,197 | 2,243 | 2,317 | 2,350 | 2,350 | 2,350 | 2,350 | 2,350 |
| 32 | Education (AQs) | 929 | 922 | 803 | 745 | 673 | 670 | 670 | 670 | 670 | 670 |
| 33 | Masters | 130 | 129 | 134 | 140 | 175 | 140 | 140 | 140 | 140 | 140 |
| 34 | Ph.D. | 29 | 24 | 21 | 26 | 22 | 25 | 25 | 25 | 25 | 25 |
| 35 | **Total Part-Time FTEs** | **3,155** | **3,209** | **3,155** | **3,154** | **3,187** | **3,185** | **3,185** | **3,185** | **3,185** | **3,185** |
| 36 | **Total Constituent FTEs** | **28,197** | **28,987** | **29,913** | **30,679** | **31,018** | **31,904** | **32,280** | **32,397** | **32,546** | **32,688** |
| 37 | **Affiliated University Colleges** | | | | | | | | | | |
| 38 | **Full-Time Undergraduates** | | | | | | | | | | |
| 39 | Brescia | 918 | 934 | 964 | 1,067 | 1,121 | 1,166 | 1,187 | 1,191 | 1,214 | 1,240 |
| 40 | Huron | 1,143 | 1,235 | 1,254 | 1,272 | 1,230 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| 41 | King's | 3,118 | 3,122 | 3,216 | 3,286 | 3,244 | 3,265 | 3,284 | 3,313 | 3,343 | 3,375 |
| 42 | **Total Full-Time Undergraduates** | **5,179** | **5,291** | **5,434** | **5,625** | **5,595** | **5,681** | **5,721** | **5,754** | **5,807** | **5,865** |
| 43 | **Part-Time Undergraduate FTEs** | | | | | | | | | | |
| 44 | Brescia | 78 | 82 | 83 | 94 | 94 | 95 | 95 | 95 | 95 | 95 |
| 45 | Huron | 55 | 57 | 56 | 70 | 63 | 55 | 55 | 55 | 55 | 55 |
| 46 | King's | 239 | 249 | 245 | 252 | 239 | 235 | 235 | 235 | 235 | 235 |
| 47 | **Total Part-Time FTEs** | **372** | **388** | **384** | **416** | **396** | **385** | **385** | **385** | **385** | **385** |
| 48 | **Graduate FTEs** | | | | | | | | | | |
| 49 | Brescia | 27 | 26 | 30 | 29 | 32 | 31 | 31 | 31 | 31 | 31 |
| 50 | Huron | 15 | 13 | 12 | 14 | 10 | 20 | 20 | 20 | 20 | 20 |
| 51 | King's | 33 | 30 | 34 | 31 | 33 | 34 | 34 | 34 | 34 | 34 |
| 52 | **Total Graduate FTEs** | **75** | **69** | **76** | **74** | **75** | **85** | **85** | **85** | **85** | **85** |
| 53 | **Total Affiliate FTEs** | **5,626** | **5,748** | **5,894** | **6,115** | **6,066** | **6,151** | **6,191** | **6,224** | **6,277** | **6,335** |
| 54 | **Total UWO FTEs** | **33,823** | **34,735** | **35,807** | **36,794** | **37,084** | **38,055** | **38,471** | **38,621** | **38,823** | **39,023** |

## Table 13
## SUMMARY OF ENROLMENT FORECAST

| | | Actual | | | | | Forecast | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| | ***Rows 55 to 86 Included above*** | | | | | | | | | | |
| 55 | **International Students** | | | | | | | | | | |
| 56 | Constituent Full-Time | | | | | | | | | | |
| 57 | Undergraduates | 573 | 631 | 703 | 923 | 1,257 | 1,665 | 2,020 | 2,200 | 2,200 | 2,200 |
| 58 | Medical Residents | 120 | 109 | 121 | 127 | 108 | 115 | 115 | 115 | 115 | 115 |
| 59 | Masters (excluding Ivey) | 254 | 320 | 378 | 452 | 463 | 394 | 393 | 400 | 410 | 420 |
| 60 | MBA (Regular), Ivey MSc | 21 | 17 | 27 | 30 | 22 | 46 | 43 | 43 | 43 | 43 |
| 61 | Executive MBA | 71 | 71 | 80 | 44 | 22 | 107 | 117 | 117 | 117 | 117 |
| 62 | Ph.D. | 361 | 426 | 463 | 510 | 499 | 540 | 545 | 550 | 560 | 570 |
| 63 | Affiliates | | | | | | | | | | |
| 64 | Undergraduates | 511 | 536 | 524 | 497 | 476 | | | | | |
| 65 | Masters | 2 | 2 | 2 | 2 | 4 | | | | | |
| 66 | **Year 1 Only** | | | | | | | | | | |
| 67 | **Constituent** | | | | | | | | | | |
| 68 | Arts & Humanities | 312 | 259 | 258 | 272 | 236 | 225 | 250 | 250 | 250 | 250 |
| 69 | Engineering | 327 | 343 | 351 | 416 | 412 | 435 | 415 | 415 | 415 | 415 |
| 70 | Health Sciences | | | | | | | | | | |
| 71 | BHSc Program | 273 | 270 | 273 | 314 | 292 | 310 | 300 | 300 | 300 | 300 |
| 72 | Kinesiology | 349 | 347 | 330 | 366 | 331 | 350 | 350 | 350 | 350 | 350 |
| 73 | Nursing | 129 | 130 | 133 | 128 | 128 | 125 | 125 | 125 | 125 | 125 |
| 74 | Media, Information, & Tech | 363 | 333 | 361 | 334 | 314 | 320 | 335 | 335 | 335 | 335 |
| 75 | MOS Program | 727 | 773 | 717 | 846 | 816 | 840 | 840 | 840 | 840 | 840 |
| 76 | Music | 153 | 135 | 141 | 142 | 144 | 135 | 140 | 140 | 140 | 140 |
| 77 | Science | 1,097 | 1,106 | 1,366 | 1,388 | 1,313 | 1,325 | 1,310 | 1,310 | 1,310 | 1,310 |
| 78 | Social Science | 789 | 757 | 794 | 850 | 837 | 835 | 835 | 835 | 835 | 835 |
| 79 | **Total Year 1 - Constituent** | **4,519** | **4,453** | **4,724** | **5,056** | **4,823** | **4,900** | **4,900** | **4,900** | **4,900** | **4,900** |
| 80 | **Affiliated University Colleges** | | | | | | | | | | |
| 81 | Brescia | 254 | 268 | 260 | 292 | 284 | 297 | 289 | 299 | 312 | 327 |
| 82 | Huron | 406 | 397 | 404 | 381 | 367 | 405 | 405 | 405 | 405 | 405 |
| 83 | King's | 949 | 946 | 916 | 878 | 821 | 840 | 850 | 860 | 870 | 880 |
| 84 | **Total Year 1 - Affiliates** | **1,609** | **1,611** | **1,580** | **1,551** | **1,472** | **1,542** | **1,544** | **1,564** | **1,587** | **1,612** |
| 85 | **Total UWO Year 1** | **6,128** | **6,064** | **6,304** | **6,607** | **6,295** | **6,442** | **6,444** | **6,464** | **6,487** | **6,512** |
| 86 | **Masters** | | | | | | | | | | |
| 87 | All Programs (excluding MBAs) | 2,204 | 2,262 | 2,364 | 2,380 | 2,420 | 2,689 | 2,871 | 2,938 | 3,007 | 3,077 |
| 88 | Ivey (excl EMBA) | 162 | 157 | 188 | 183 | 144 | 190 | 214 | 214 | 214 | 214 |
| 89 | Executive MBA | 240 | 229 | 248 | 260 | 192 | 272 | 282 | 282 | 282 | 282 |

For Information

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 90 | Year 1 Constituent International Students | 122 | 120 | 146 | 347 | 476 | 500 | 500 | 500 | 500 | 500 |

## Table 14

## 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 | **Ontario Hall -- New Undergraduate Residence** | New Construction |
| 3 | **WindEEE -- CFI Initiative -- at the AMP** | New Construction |
| 4 | **Western Centre for Public Health and Family Medicine** | New Construction |
| 5 | **Fraunhofer Project Centre Expansion -- at the AMP** | New Construction; Industrial Collaboration |
| 6 | **Conversion of former Thames Hall Pool to GU Facilities** | Renewal |
| 7 | **Centre for Technology Commercialization -- at the AMP** | New Construction |
| 8 | **Artificial Turf Sport Fields** | New Construction |
| 9 | **Expansion/Modernization of Talbot College** | New Construction / Renewal |
| 10 | **Nursing Space -- Addition to the Labatt Health Sciences Building** | New Construction |
| 11 | **Renewal of Former Ivey Facilities** | Renewal |
| 12 | **Building Materials Testing Centre -- at the AMP** | New Construction |
| 13 | **Graduate Student Housing Expansion** | New Construction |
| 14 | **Delaware Hall Residence Renovations** | Renewal |
| 15 | **Interdisciplinary Advanced Studies Building** | New Construction |
| 16 | **Campus Sustainability Initiatives (multiple stages)** | Renewal |
| | | |
| | **CATEGORY 2 -- High Priority -- Government/Private Funding Needed** | |
| 17 | **Renewal of University College** | Renewal |
| 18 | **Renewal of Medical/Dental School Facilities** | Renewal |
| 19 | **Renewal of SEB, TH, HSA, Elborn** | Renewal |
| 20 | **Expansion of Medical School Facilities** | New Construction |
| | | |
| | **CATEGORY 3 -- For Future Consideration -- if Funding Identified** | |
| 21 | **New Research Initiatives/Partnerships at the Advanced Manufacturing Park** | New Construction |
| 22 | **Library Facilities -- Renewal, Realignment, and Expansion** | Renewal and New Construction |
| 23 | **Consolidation of the Psychology Department** | New Construction |
| 24 | **North Academic Campus** | New Construction |
| 25 | **Athletic Facilities -- Indoor and Outdoor** | New Construction |
| 26 | **Asset Acquisitions** | Acquisition |

# 2013-14 Capital Budget

## A. The Evolution of Capital Expenditures

The Capital Budget for 2013-14 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 15 sets out expenditures in the Capital Budget since 2009-10 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 2013-14 total $132.6 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 $12.5 million in 2013-14 ($11.75 M in 2012-13). These are expenditures directed at modification of existing space and renewal and expansion of the utilities and infrastructure of the University.

In planning future expenditures on Maintenance, Modernization, and Infrastructure, it is useful to review the value of our current fixed assets on campus. At February 28, 2013, our buildings and infrastructure have a current replacement value (CRV) of approximately $1,984 million, as follows:

| | CRV $M | Square Metres | Major Buildings |
|---|---|---|---|
| Major Non-Residential Buildings | 1,425 | 501,230 | 65 |
| Utilities and Infrastructure | 183 | | |
| Subtotal, Eligible for MMI | 1,608 | 501,230 | 65 |
| Housing | 292 | 233,159 | 14 |
| Other Ancillary Buildings | 84 | 45,949 | 7 |
| Total | 1,984 | 780,338 | 86 |

At February 28, 2013, the University had 501,230 gross square metres in 65 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 233,000 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 seven major buildings which are operated largely or entirely as ancillaries: Western Student Recreation Centre, Thompson Recreation and Athletic Centre, TD

Waterhouse Stadium, Boundary Layer Wind Tunnel, Child Care Centre, Spencer Hall, and the Fraunhofer Project Centre.

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

**1. New Construction**. This category includes projects which create new buildings, including housing, additions to existing buildings, and other new facilities such as parking lots and athletic fields. It does not include projects which improve the space within existing buildings or projects which upgrade other existing facilities.

**2. Major Building Renovations**. This category involves major maintenance and renovation expenditures on non-residential building projects of over $1 million – and the projects generally span more than one year. Of the 500,000 square metres in major buildings, over 59% was built before 1980, so renovations to major buildings will be a continuing part of University capital planning.

**3. Utility Infrastructure Projects**. This category involves projects with values greater than $10,000 directed at the upgrading and new installation of utilities and other infrastructure, including boilers and chillers, as well as electrical, water, and sewer distribution systems. Given that most of our Utilities and Infrastructure plant and equipment is over thirty years old, these projects will continue to be a critical part of our capital budget. It is noted that proposed projects in this category include many that are devoted to the renewal of portions of our steam, water and chilled water systems. Major projects in future years will include continued work on electrical distribution systems and utility conservation.

**4. Modernization of Instructional and Research Facilities**. This category includes the renewal and modernization of classrooms, laboratories, libraries, and other space used for instruction and research, as well as upgrades to information technology. These expenditures are critical to maintaining Western's reputation as a leader in the quality of teaching and research. These projects are sometimes funded by the units themselves with operating or research funds.

**5. General Maintenance and Modernization Projects**. This category consists of a wide variety of maintenance and modernization projects which are not included in categories 2 to 4. Most of the projects are under $100,000, involving such work as roof replacement, interior and exterior painting, road, bridge, and sidewalk repair, and general maintenance of structures and systems. A provision of $500,000 for unforeseen projects forms part of the allotment in this category.

**6. Housing Renovations**. This category includes all maintenance and modernization expenditures on University residences and apartment buildings. Construction of a new residence or apartment building would be included in category 1. Maintenance and modernization expenditures, projected to be $8.5 million in 2013-14, 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 15 are labeled A to M. Line A shows total sources of funding for the capital budget, including debt; B, sources of funds less expenditures; C, the capital reserve at year-end (which changes each year by the amount in line B); and D, capital debt outstanding at year-end. Details on these items are shown in Tables 17 and 19. Annual changes in the Capital Reserve (line C) are driven by the differences between funding and expenditure (line B). Thus for 2011-12, line B shows ($6,566), the difference between funding of $91,242 (all figures in $000) and expenditures of $97,808. The capital reserve in line C decreases by this same amount of $6,566, reflecting a reduction in the capital reserve.

Line E shows the replacement value of non-residential buildings and utilities and infrastructure – the assets eligible for MMI spending -- while line F shows the ratio of the annual MMI expenditure to the replacement value. For example, in 2011-12, MMI expenditures were $31.5 million, while the estimated replacement value of non-residential buildings, utilities, and infrastructure was $1.6 billion. The ratio of the two is 2.0%, as shown in line F.

Line G of Table 15 shows the annual transfer from the operating budget to the capital budget for Maintenance, Modernization, and Infrastructure (the MMI transfer). As part of the 1995 Strategic Plan, the Board of Governors approved an incremental annual base transfer of $750,000 from operating to capital in support of maintenance spending for ten years, from 1996-97 to 2005-06. Since there was an existing transfer of $500,000 in 1995-96, the annual transfer was $8.0 million in 2005-06. In 2004, Western's Board of Governors approved the recommendation that the base transfer of $750,000 be continued for another ten years after 2005-06 until 2015-16, when the annual transfer will be $15.5 million. This commitment established Western as a leader among Canadian universities in maintaining its facilities and dealing with deferred maintenance. For 2009-10 and 2010-11, given the financial constraints faced by the University at that time, the Board approved the annual transfer be held at $10.25 million. Since that time the base transfer has resumed. In 2013-14, the base transfer will be increased by $750,000 to $12.50 million (2012-13, $11.75 million) and will reach the intended maximum annual transfer of $15.5 million in 2017-18.

Line H of Table 15 shows the ratio of the annual MMI transfer to total MMI expenditures; for example, in 2011-12, the transfer was $11.0 million and MMI expenditures were $31.5 million, so the ratio in line H is 34.9%. Other sources of funding for MMI expenditures include the annual capital facilities renewal grant from the Province (currently about $1.5 million); special Provincial grants; additional one-time allocations from the University's operating budget; additional one-time allocations from the Province; research funds from such sources as the Canada Foundation for Innovation and the Ontario Ministry of Research and Innovation; fundraising; and borrowing.

Line J contains an estimate of maintenance spending, defined narrowly as spending required to bring aging facilities up to their condition when originally built. In fact, whenever Western undertakes a major maintenance project, there is also modernization of the facility, and whenever we carry out a major modernization project, there is generally some maintenance expenditure; it is thus difficult to separate the two. Line J is calculated on the assumption that 2/3 of the expenditures in categories 2, 3, and 5 involve maintenance (the remaining 1/3 involve modernization), while 1/3 of the expenditures in category 4 is for maintenance (the remaining 2/3 involves modernization). While these ratios would vary by project and by year, Facilities Management considers them a reasonable average for the four categories over a number of years.

The value of line J in 2011-12 is $19.6 million, or (in line K) 1.2% 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 16 reviews major capital projects – and the projects are assigned to one of the nine categories. For most of the projects, the year and month of the start and end of construction are shown.

The projects listed in Table 16 are the result of an update to the Long-Range Space Plan outlined in Table 14 of the Operating Budget portion of this document. These projects include new construction that will create the additional space necessary to accommodate undergraduate and graduate enrolment expansion and the associated additional faculty and staff, and major building renovations and utilities and infrastructure projects – reflecting the need to maintain and modernize Western's aging physical plant.

## B. Sources of Funding and Capital Expenditures in 2013-14

Table 17 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2012-13, divided into seven major categories: federal, provincial and municipal government grants; funds from the Canada Foundation for Innovation (CFI) and the Ontario Ministry of Research and Innovation (OMRI) awarded on a competitive basis; funds transferred from Western's operating budget; undistributed investment returns; general fundraising; borrowing; and other sources, including internal recoveries. As compared to a decade ago, the University is more dependent on capital revenues from competitive research sources (e.g. CFI/OMRI), private fundraising, transfers from the operating budget, and debt.

Table 18 shows expenditures in Categories 1 and 2, for 2012-13 (estimates as of February 28, 2013) and 2013-14 (current proposals).

The details for expenditures in Categories 3 through 7, and can be found at:
http://www.ipb.uwo.ca/documents/2013-14_Capital_Budget_Detail_Tables.pdf

# Table 15
# CAPITAL BUDGET SUMMARY, 2009-10 TO 2013-14
# ($000)

| Category | Purpose | Actual 2009-10 | Actual 2010-11 | Actual 2011-12 | Projected 2012-13 | Budget 2013-14 |
|---|---|---|---|---|---|---|
| | **New Construction** | | | | | |
| **1** | New Construction (Table 18, line 15) | 23,775 | 38,141 | 56,062 | 107,404 | 75,350 |
| | | | | | | |
| | **Maintenance, Modernization, and Infrastructure (MMI)** | | | | | |
| **2** | Major Building Renovations (Table 18, line 27) | 23,835 | 31,281 | 15,284 | 7,986 | 9,180 |
| **3** | Utilities and Infrastructure Projects | 4,777 | 5,347 | 4,819 | 5,462 | 10,624 |
| **4** | Modernization of Instructional and Research Facilities | 4,285 | 5,102 | 4,089 | 5,305 | 5,919 |
| **5** | General Maintenance and Modernization Projects | 9,320 | 7,583 | 7,288 | 6,299 | 7,641 |
| | Sub-Total MMI | 42,217 | 49,313 | 31,480 | 25,052 | 33,364 |
| | **Other** | | | | | |
| **6** | Housing Renovations | 4,736 | 5,393 | 6,039 | 6,410 | 8,488 |
| **7** | Ancillary Projects | 179 | 535 | 459 | 1,042 | 320 |
| **8** | Carrying Costs and Debt Repayments | 3,327 | 2,626 | 3,704 | 3,569 | 15,069 |
| **9** | Other Capital Expenditures | 1,758 | 262 | 64 | 50 | 50 |
| | Sub-Total Other | 10,000 | 8,816 | 10,266 | 11,071 | 23,927 |
| | | | | | | |
| **10** | **Total Expenditures** | **75,992** | **96,270** | **97,808** | **143,527** | **132,641** |

| Line | | Actual 2009-10 | Actual 2010-11 | Actual 2011-12 | Projected 2012-13 | Budget 2013-14 |
|---|---|---|---|---|---|---|
| | **Sources of Funding, Reserves, and Debt** | | | | | |
| A | Total Sources of Funding, Including Debt (Table 17) | 70,304 | 118,368 | 91,242 | 137,531 | 126,276 |
| B | Sources of Funding less Expenditures | (5,688) | 22,098 | (6,566) | (5,996) | (6,365) |
| C | Capital Reserve, Year End (Table 19) | 8,725 | 30,823 | 24,257 | 18,261 | 11,896 |
| D | Capital Debt Outstanding, Year End (Table 19) | 208,923 | 217,014 | 215,406 | 314,075 | 306,658 |
| | | | | | | |
| E | Replacement Value of Nonresidential Buildings, Utilities & Infrastructure, $M | 1,341 | 1,469 | 1,596 | 1,608 | 1,625 |
| F | MMI Expenditures/Replacement Value | 3.1% | 3.4% | 2.0% | 1.6% | 2.1% |
| G | Annual MMI transfer from Operating to Capital Budget | 10,250 | 10,250 | 11,000 | 11,750 | 12,500 |
| H | MMI transfer/MMI Expenditures | 24.3% | 20.8% | 34.9% | 46.9% | 37.5% |
| J | Estimate of Maintenance Expenditure | 26,716 | 31,175 | 19,624 | 14,933 | 20,270 |
| K | Maintenance Expenditure/Replacement Value | 2.0% | 2.1% | 1.2% | 0.9% | 1.2% |
| | | | | | | |
| L | Number of Major Buildings | 83 | 82 | 84 | 86 | 90 |
| M | Total Gross Square Meters (000's) | 753 | 747 | 777 | 780 | 824 |

*Category 8 does not include carrying costs and loan repayments for Residences and Apartments, Research Park and Richard Ivey School of Business.*

*Line B is equal to Line A Total Sources of Funding less Total Expenses.*

*The change in line C from one year to the next is equal to Line B.*

*Line J consists of 2/3 of Category 2, 3 and 5 and 1/3 of Category 4.*

## Table 16
## MAJOR CAPITAL PROJECTS

| | | Category | Start | End | Cost |
|---|---|---|---|---|---|
| | | | | | ($M) |
| 1 | ***Projects Completed up to March 2013*** | | | | |
| 2 | IT Network and Infrastructure Upgrades (VOIP) | **2** | May 08 | Jun 12 | 4.7 |
| 3 | Physics and Astronomy Building Renovations | **2** | Mar 10 | Jul 12 | 26.5 |
| 4 | Dental Sciences Building 2nd Floor Renovations | **2** | Jul 11 | Jul 12 | 2.8 |
| 5 | ***Total*** | | | | ***34.0*** |
| | | | | | |
| 6 | ***Projects Underway*** | | | | |
| 7 | New Ivey Building | **1** | Aug 09 | Aug 13 | |
| 8 | The Wind Engineering, Energy, and Environment Facility (WindEEE) - at AMP | **1** | Dec 10 | Nov 13 | |
| 9 | Ontario Hall - New Undergraduate Residence | **1** | May 11 | Jan 14 | |
| 10 | Fraunhofer Project Centre - at the AMP | **1** | Aug 11 | Mar 14 | |
| 11 | Western Centre for Public Health and Family Medicine | **1** | Oct 11 | Jul 13 | |
| 12 | Centre for Technology Commercialization - at the AMP | **1** | Jan 12 | Mar 14 | |
| 13 | Expansion/Modernization of Talbot College | **1&2** | Mar 12 | Aug 14 | |
| 14 | Ivey Toronto Facilities Expansion/Renovations | **2** | Jul 12 | Sep 13 | |
| 15 | Renewal of Former Ivey Facilities and Follow On Renovations | **2** | Sept 12 | Dec 15 | |
| 16 | Dental Sciences Building General Anaesthesia Suite | **2** | Nov 12 | Sept 13 | |
| 17 | Conversion of former Thames Hall Pool to GU Facilities | **2** | Dec 12 | Aug 13 | |
| 18 | Artificial Turf Sports Fields | **1** | Jan 13 | Sept 13 | |
| 19 | Nursing Space - Addition to the Labatt Health Sciences Building | **1** | Jan 13 | Jan 15 | |
| 20 | Building Materials Test Centre - at the AMP | **1** | Mar 13 | Mar 14 | |
| | | | | | |
| 21 | ***Projects Planned or Under Consideration*** | | | | |
| 22 | Graduate Student Housing Expansion | **1** | tbd | tbd | |
| 23 | Delaware Hall Residence Renovations | **7** | tbd | tbd | |
| 24 | Interdisciplinary Advanced Studies Building | **1** | tbd | tbd | |
| 25 | Campus Sustainability Initiatives | **3&5** | Ongoing | | |
| | | | | | |
| 26 | ***Projects for Future Consideration*** | | | | |
| 27 | Renewal of University College | **2** | tbd | tbd | |
| 28 | Renewal of Medical/Dental School Facilities | **2** | tbd | tbd | |
| 29 | Renewal of SEB, TH, HSA and Elborn | **2** | tbd | tbd | |
| 30 | Expansion of Medical School Facilities | **1** | tbd | tbd | |
| 31 | New Research Initiatives/Partnerships at the Advanced Manufacturing Park | **1** | tbd | tbd | |
| 32 | Library Facilities - Renewal, Realignment and Expansion | **1&2** | tbd | tbd | |
| 33 | Consolidation of the Psychology Department | **1** | tbd | tbd | |
| 34 | North Academic Campus | **1** | tbd | tbd | |
| 35 | Athletic Facilities - Indoor and Outdoor | **1** | tbd | tbd | |
| 36 | Asset Acquisitions | **9** | tbd | tbd | |

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

| | | Projected 2012-13 | Budget 2013-14 |
|---|---|---|---|
| 1 | ***Government Grants*** | | |
| 2 | Federal Economic Development Agency for Southern Ontario (Fed Dev) | 1,403 | 6,431 |
| 3 | MTCU Graduate Expansion Capital Grant | 3,889 | 3,899 |
| 4 | MTCU Capital Support Program - Renewal of Former Ivey Facilities | 500 | 2,910 |
| 5 | MTCU Annual Capital Grant (Facilities Renewal Program) | 1,517 | 1,517 |
| 6 | City of London - Fraunhofer Project Centre | 1,312 | 0 |
| 7 | MOHLTC - Dental Sciences Building General Anaesthesia Suite | 900 | 0 |
| 8 | ***Sub-Total*** | ***9,521*** | ***14,757*** |
| | | | |
| 9 | ***CFI/OMRI Federal/Provincial Funding*** | | |
| 10 | The Wind Engineering, Energy, and Environment Facility (WindEEE) | 7,576 | 0 |
| 11 | Brain and Mind Renovations in Natural Sciences Building | 300 | 0 |
| 12 | Addition to the Museum of Ontario Archaeology | 109 | 0 |
| 13 | ***Sub-Total*** | ***7,985*** | ***0*** |
| | | | |
| 14 | ***Operating Budget*** | | |
| 15 | Operating Budget MMI Transfer - Base | 11,750 | 12,500 |
| 16 | Operating Budget MMI Transfer - Base (Ancillaries) | 600 | 600 |
| 17 | Operating Budget - FFICR | 3,000 | 3,000 |
| 18 | Operating Budget - One-Time Allocation | 257 | 3,893 |
| 19 | Operating Budget - CRC Transfer | 904 | 912 |
| 20 | Ivey Operating Budget - New Ivey Building | 1,500 | 1,700 |
| 21 | Library Operating Budget - Map and Data Centre in Weldon Library | 376 | 1,350 |
| 22 | Dentistry Operating Budget - Dental Sciences Building General Anaesthesia Suite | 760 | 795 |
| 23 | Dentistry Operating Budget - Dental Sciences Building 2nd Floor Renovations | 750 | 0 |
| 24 | Science Operating Budget - B&GS Courtyard: Create Outdoor Gathering Space | 0 | 200 |
| 25 | Engineering Operating Budget - Fraunhofer Project Centre | 1,000 | 0 |
| 26 | Miscellaneous Faculty/Department Budgets | 483 | 435 |
| 27 | ***Sub-Total*** | ***21,380*** | ***25,385*** |
| | | | |
| 28 | ***Interest Earned*** | ***38*** | ***39*** |
| | | | |
| 29 | ***Undistributed Investment Returns - for Ontario Hall (to be repaid)*** | ***0*** | ***35,000*** |
| | | | |

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

| | | Projected 2012-13 | Budget 2013-14 |
|---|---|---|---|
| 30 | ***Fundraising*** | | |
| 31 | New Ivey Building | 7,500 | 3,346 |
| 32 | The Claudette MacKay-Lassonde Pavilion (Green Building) | 830 | 525 |
| 33 | Western Fund | 350 | 350 |
| 34 | SuperBuild Projects | 463 | 93 |
| 35 | All Other | 326 | 52 |
| 36 | ***Sub-Total*** | ***9,469*** | ***4,366*** |
| | | | |
| 37 | ***Borrowing*** | | |
| 38 | Ontario Hall - New Undergraduate Residence | 47,191 | 29,650 |
| 39 | Graduate Student Housing Expansion | 0 | 2,500 |
| 40 | Long-Range Space Plan | 29,550 | 0 |
| 41 | ***Sub-Total*** | ***76,741*** | ***32,150*** |
| | | | |
| 42 | ***Other*** | | |
| 43 | Housing Contribution - Ontario Hall | 0 | 2,200 |
| 44 | Richard Ivey School of Business Foundation - Toronto Facilities Expansion/Renovations | 1,054 | 1,446 |
| 45 | Student Contributions - Western Student Recreation Centre | 1,069 | 1,129 |
| 46 | Targeted Student Fee - Artificial Turf Sports Fields | 0 | 152 |
| 47 | University Students Council (USC) - UCC Renovations | 200 | 50 |
| 48 | Energy Conservation Incentives | 35 | 35 |
| 49 | Projects Funded by Housing | 6,410 | 8,488 |
| 50 | Projects Funded by Units | 2,587 | 759 |
| 51 | Projects Funded by Ancillaries | 1,042 | 320 |
| 52 | ***Sub-Total*** | ***12,397*** | ***14,579*** |
| | | | |
| 53 | **Total Sources of Funding** | **137,531** | **126,276** |

**Table 18**

**CAPITAL EXPENDITURES FOR NEW CONSTRUCTION AND MAJOR BUILDING RENOVATIONS**

**2012-13 and 2013-14**

**($000)**

| | | Projected 2012-13 | Budget 2013-14 |
|---|---|---|---|
| 1 | ***Category 1: New Construction*** | | |
| 2 | Ontario Hall - New Undergraduate Residence | 46,100 | 31,850 |
| 3 | Expansion/Modernization of Talbot College | 2,000 | 16,500 |
| 4 | Centre for Technology Commercialization - at the AMP | 230 | 6,690 |
| 5 | New Ivey Building | 29,445 | 6,655 |
| 6 | Artificial Turf Sports Fields | 20 | 4,552 |
| 7 | Nursing Space - Addition to the Labatt Health Sciences Building | 250 | 4,360 |
| 8 | Graduate Student Housing Expansion | 0 | 2,500 |
| 9 | Building Materials Test Centre - at the AMP | 83 | 1,117 |
| 10 | Western Centre for Public Health and Family Medicine | 15,150 | 490 |
| 11 | B&GS Courtyard -- Create Outdoor Gathering Space | 236 | 246 |
| 12 | The Wind Engineering, Energy, and Environment Facility (WindEEE) - at the AMP | 10,174 | 217 |
| 13 | Fraunhofer Project Centre - at the AMP | 3,607 | 173 |
| 14 | Addition to the Museum of Ontario Archaeology | 109 | 0 |
| 15 | ***Total, Category 1*** | ***107,404*** | ***75,350*** |
| | | | |
| 16 | ***Category 2: Major Building Renovations*** | | |
| 17 | Conversion of former Thames Hall Pool to GU Facilities | 70 | 2,890 |
| 18 | Renewal of Former Ivey Facilities and Follow-on Renovations | 860 | 2,550 |
| 19 | Ivey Toronto Facilities Expansion/Renovations | 1,054 | 1,446 |
| 20 | Physics and Astronomy Building Renovations | 2,429 | 1,149 |
| 21 | Dental Sciences Building General Anaesthesia Suite | 1,660 | 795 |
| 22 | Support Services Follow-on Renovations | 380 | 300 |
| 23 | University Community Centre Renovations (USC) | 0 | 50 |
| 24 | Dental Sciences Building 2nd Floor Renovations | 750 | 0 |
| 25 | Stevenson Hall and Lawson Hall Renovations | 623 | 0 |
| 26 | Brain and Mind Renovations in Natural Sciences Building | 160 | 0 |
| 27 | ***Total, Category 2*** | ***7,986*** | ***9,180*** |

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

| | | Actual 2009-10 | Actual 2010-11 | Actual 2011-12 | Projected 2012-13 | Budget 2013-14 |
|---|---|---|---|---|---|---|
| 1 | **A. Capital Reserves** | | | | | |
| 2 | General Capital Fund | 15,483 | 15,015 | 12,633 | 12,475 | 6,717 |
| 3 | Designated Capital Fund | (8,380) | 14,186 | 9,998 | 4,152 | 3,536 |
| 4 | Gibbons Property | 1,622 | 1,622 | 1,626 | 1,634 | 1,643 |
| 5 | **Total Capital Reserves** | **8,725** | **30,823** | **24,257** | **18,261** | **11,896** |

| | | Actual 2009-10 | Actual 2010-11 | Actual 2011-12 | Projected 2012-13 | Budget 2013-14 |
|---|---|---|---|---|---|---|
| 6 | **B. Capital Debt** | | | | | |
| 7 | New Construction, Major Renovations & Other | 45,900 | 77,500 | 91,500 | 121,050 | 108,331 |
| 8 | Housing | 88,288 | 81,713 | 90,342 | 130,725 | 155,027 |
| 9 | Robarts Capital Leases | 926 | 284 | 0 | 0 | 0 |
| 10 | Research Park | 32,463 | 32,325 | 31,752 | 31,000 | 30,300 |
| 11 | Richard Ivey School of Business Foundation | 3,300 | 2,300 | 1,800 | 1,300 | 800 |
| 12 | Unused and Invested Debenture Proceeds | 38,046 | 22,892 | 12 | 30,000 | 12,200 |
| 13 | **Total Capital Debt** | **208,923** | **217,014** | **215,406** | **314,075** | **306,658** |

*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 15, proposed spending of some $795 million for the single year of 2013-14. 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 2013. Part of the credit rating evaluation focused on a number of long-term obligations that the University manages on an ongoing basis, including the three which we review below.

## A. Capital Reserves and Debt

Table 19 displays Capital Reserves and Debt for April 30 fiscal year-ends. Capital Reserves are divided into three categories:

- The General Capital Fund, not yet designated for specific purposes
- Designated Capital Fund, which has been assigned to specific projects
- Gibbons Property, the remaining funds from the sale of that property

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

Capital Debt is divided into the following categories:

- **New Construction, Major Renovations, and Other** – represents debt on projects that are largely new construction, additions to existing buildings, other new facilities, non-residential projects that involve major maintenance and renovations to existing space. It also includes debt on purchases of property.

- **Housing –** debt required for new construction, maintenance, and modernization projects for University residences and apartment buildings.

- **Robarts Capital Lease** – with the integration of Robarts into Western, a capital lease for equipment has been added to Capital Debt (noting that the lease came to an end in 2010-11).

- **Research Park –** debt incurred by the Research Park.

- **Richard Ivey School of Business Foundation** – debt held by Richard Ivey School of Business Foundation.

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

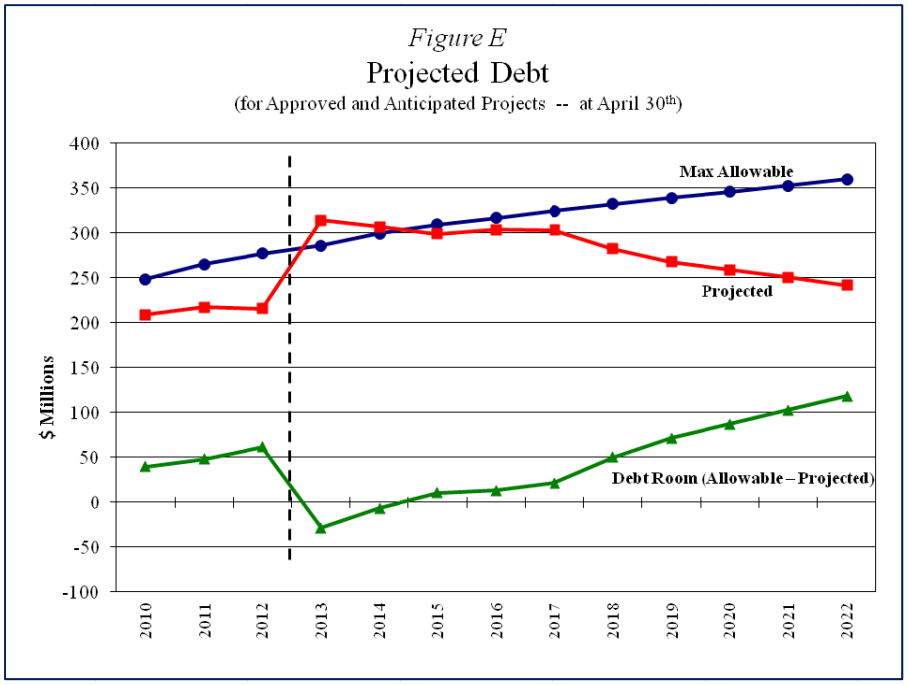
In 2002-03, the Board of Governors approved a Capital Debt Policy, which included a limit of $7,500 in debt per student full-time equivalent (FTE). In 2005-06, the Board policy was modified to increase the $7,500 each year by the change in the CPI, beginning in 2002. The table below shows the allowed debt per FTE (shown with indexation beginning in 2003-04) and actual debt per FTE; the figures are for years ending on April 30th. Debt was increased significantly in 2008 due to the issuance of the $190 million debenture, and again in 2013 when the University entered into a $100 million long-term facility to finance the new 1,000 bed residence and other capital projects.

| | Actual | | Forecast | |
|---|---|---|---|---|
| | 2011 | 2012 | 2013 | 2014 |
| Total Debt (in millions) | $ 217 | $ 215 | $ 314 | $ 307 |
| FTE Enrolment | 29,913 | 30,679 | 31,018 | 31,904 |
| Allowable debt per FTE | $8,851 | $9,028 | $ 9,209 | $9,393 |
| Actual debt per FTE | $7,255 | $7,022 | $10,125 | $9,612 |
| Debt room per FTE | $1,596 | $2,006 | $ (916) | $ (219) |

In 2013, the maximum allowed debt per FTE under Western's Capital Debt Policy is $9,209 and the forecast is $10,125. To accommodate the additional debt that 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 2010: 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 previously). In 2015, total debt once again reduces to within Board Policy.

Actual debt has increased by 39% since 2008, while revenues have grown by 20% over this same period, representing an increase in the ratio of debt to revenue from 26.61% to 30.74% in 2013. The forecast level of debt at April 30, 2013 is $314 million or $10,125 per FTE.




| | Debt $M | Combined Revenue $M | FTE | Revenue per FTE | Debt / Rev % |
|---|---|---|---|---|---|
| 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% |
| 2012 | 215.4 | 1,017.4 | 30,679 | $33,163 | 21.17% |
| 2013p | 314.1 | 1,022.0 | 31,018 | $32,949 | 30.74% |

## 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, 2012, the University's accrued benefit liability relating to the employee future benefit plans was $307 million (2011 - $287 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 2012 Audited Combined Statement of Operations is an annual expense in the amount $20.0 million (2011 - $23.3 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 2008 through 2012**

| | Obligation ($M) | Expense ($M) | Total University Expenses ($M) | EFB Obligation as % of Total | EFB Expense as % of Total |
|---|---|---|---|---|---|
| 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 | $ 287.4 | $ 23.3 | $ 952 | 30.1% | 2.4% |
| 2012 | $ 307.3 | $ 20.0 | $ 975 | 31.5% | 2.1% |

## C. Deferred Maintenance

Deferred Maintenance is defined as work on the maintenance of physical facilities that has been deferred on a planned or unplanned basis to a future budget cycle or postponed until funds become available. To avoid increasing the size of the deferred maintenance backlog, it is necessary to carry out replacement of facility components on an annual basis.

The estimates of deferred maintenance are different than estimates of debt or employee future benefits in the previous sections. There are actual contracts in place for the first two that allow us to make reasonable estimates. For deferred maintenance, that is not the case; therefore, we have to find other ways to quantify this liability. In 2001, a common capital-asset management system was purchased by the Ontario University system to assess, track, and report on the condition of facilities. The system requires that each major component of a building – roof sections, classrooms, heating,

ventilation, air-conditioning systems and so on – be inspected, either entirely or on a sample basis. Data on the findings of these inspections are entered into a central database. The system uses industry-standard cost and lifecycle data to forecast the timing and costs of capital renewal projects. The Facilities Management Division estimates that (as of February 28, 2013) deferred maintenance at Western is $169 million for non-residential buildings and $25 million for residences. Slightly more than 50% of the deferred maintenance for non-residential buildings relates to mechanical, electrical, and infrastructure requirements. Other major components include maintenance driven by code requirements and maintenance for roofs and windows.

A common measure for determining the overall condition of facilities is the ratio of deferred maintenance over replacement value of the facilities. The calculation for February 28, 2013 is as follows:

| | Non-Residential Buildings | Residences |
|---|---|---|
| Current Replacement Value (CRV) | $1,608 million | $ 292 million |
| Deferred Maintenance (DM) | $ 169 million | $ 25 million |
| DM/CRV | 10.5% | 8.6% |

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 38 years. Over 59% 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 10.5% (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 2013-14, the base transfer will be increased by $750,000 to $12.5 million (2012-13, $11.75 million) and will reach the intended maximum annual transfer of $15.5 million in 2017-18.

As explained at the start of the Capital Budget, the maintenance transfer is used for Maintenance, Modernization, and Infrastructure (MMI). The administration is sometimes asked by faculty and staff if the MMI transfer is too large. As lines G and E in Table 15 show, the ratio of the MMI

transfer to the current replacement value (CRV) of our nonresidential buildings, utilities, and infrastructure has been below 1% in recent years.

| | Actual 2009-10 | Actual 2010-11 | Actual 2011-12 | Projected 2012-13 | Budget 2013-14 |
|---|---|---|---|---|---|
| MMI | $10.25m | $10.25m | $11.00m | $11.75m | $12.50m |
| CRV | $1,341m | $1,469m | $1,596m | $1,608m | $1,625m |
| Ratio | 0.76% | 0.70% | 0.69% | 0.73% | 0.77% |

Thus the MMI transfer from the operating to the capital budget is less than half the 2% required to keep deferred maintenance from growing. Continuation of this MMI transfer is essential to maintaining a safe and reliable campus infrastructure, which supports modern research and teaching, and sustains faculty, staff, and student morale.

Line J of Table 15 presents an estimate of maintenance spending from all sources, with maintenance defined as spending required to bring aging facilities up to their condition when originally built. During the five years, 2006-07 through 2010-11, the ratio was about 2%, so that the level of deferred maintenance was stabilized. The University reached the 2% ratio with one-time funds from the provincial and federal governments, and by borrowing. The actual ratio in 2011-12, and the estimated ratios through 2013-14 have fallen short of the 2% target.

To sustain the 2% rate of expenditure, we need a greater annual commitment from the Province beyond the annual facilities renewal funding of $17 million (for Ontario's universities) – of which Western's share is about $1.5 million. A facilities renewal grant of $1.5 million is 0.1% of the current replacement value in 2012-13.