

MINUTES OF THE MEETING OF SENATE

December 4, 2015

The meeting was held at 1:30 p.m. in Room 56, University Community Centre.

SENATORS: 74

E. Addison	R. Kennedy	C. Phelps
L. Allaer	J. Knowles	A. Rice-Hoyt
R. Anderson	G. Kopp	D. Rogers
I. Birrell	G. Kulczycki	S. Roland
P. Bishop	R. Kurji	L. Rosen
J. Capone	D. Laird	M. Rothstein
T. Carmichael	G. Lucas	M. Salvadori
C. Chambers	S. Macfie	V. Schwean
B. Cheadle	J. Malkin	I. Scott
M. Cheesman	M. McDayter	K. Siddiqui
K. Clark	M. McGlynn	Z. Sinel
K. Cole	L. McKivir	A. Singh
R. Collins	K. Mequanint	R. Soulodré-La France
D. Coward	R. Mercer	C. Sprengler
J. Deakin	M. Milde	V. Staroverov
C. Dean	J. Millaire	C. Steeves
G. Dekaban	L. Miller	M. Strong
G. Dresser	J. Mitchell	L. Sunseri
N. Dyer-Witthford	V. Nielsen	S. Taylor
A. Engineer	C. Nolan	G. Tigert
J. Faflak	K. Olson	J. Toswell
C. Farber	H. Orbach-Miller	J. Weese
A. Grzyb	P. Pare	N. Wolfe
T. Hunt	G. Parraga	B. Younker
L. Jackson	W. Pearson	

Observers: A. Bigelow, K. Campbell, E. Chamberlain, R. Chelladruai, J. Doerksen, M Fox, T. Hinan, J. McMullin, C. Waugh, A. Weedon

By Invitation: T. Quigley

S.15-214

MINUTES OF THE PREVIOUS MEETING

Referring to item S.15-212, Enquiries and New Business – Western’s Budget Model and Strategic Plan Goals, M. McDayter noted that the minutes accurately reflected his original question to the Provost and her answer, but did not include the follow up question. It was agreed that the meeting recording would be reviewed and that an additional note would be drafted and sent to Senator McDayter for approval and inclusion in the December meeting minutes. With that agreement, the minutes were approved. Following is the additional text to be added to the November minutes:

Senator McDaytor agreed that the IDI program clearly supports initiatives but it does not recognize many outstanding programs that were in existence before the IDI program was

created. He noted that there is a difference between supporting and enabling these kinds of initiatives and providing incentives or rewarding success. We should be recognizing excellence and not just enabling it. The Provost agreed, noting that these were all steps on a path. As reported by the President, in COU discussions about the funding formula review, there has been a proposal for the creation of a "performance fund" as part of the funding model. The Office of Institutional Planning & Budgeting already does a great deal of work on key performance indicators and it is possible to identify goals and measure against them. Determining what rewards should be in place if targets are met, as well as what to do if targets are not met, is the tricky part. As the funding formula develops, there may be opportunity for further discussion of this.

Business Arising from the Minutes

S.15-215 Gift Acceptance Policies (S.15-213)

As a follow up to a question asked in Enquiries and New Business session at the November meeting, Vice-President (External) K. Cole provided a report on how the policies governing receipt of a gift for, and the establishment and naming of a research centre had been applied in the case of the Yamana Centre for Sustainable Exploration & Resource Development. A reputational risk assessment had been conducted in accordance with normal practice and that assessment did identify specific events enumerated by Senator Dyer-Witthford at the last meeting. However, it was noted that the risks identified were not uncommon in the mining industry and the naming proposal was, therefore, approved by the subcommittee established through the Naming Policy. The establishment of the Centre was approved by the Provost and by the Vice-President (Research) in accordance with the policy in place at the time. She noted that the policy governing the creation of research centres and institutes had since been amended by Senate and Board and future approvals would also involve representatives from the University Research Board. Also in accordance with policy, the establishment of the Centre had been reported to SCUP, Senate and Board for information in March and April 2014.

In response, Senator Grzyb noted that although all had been done according to policy in this case, the policies themselves do not provide opportunities for discussion of such partnerships at Senate or Board before they are approved. The outcome of a discussion with respect to the Yamana Centre might or might not have been different, but it would have been more democratic to have it discussed openly in Senate. She believed that the process and policies needed to be revisited and suggested that a discussion be held at the January meeting of Senate. Other members suggested that any such discussion needed to be an informed discussion and recommended that a debate be deferred until members could be educated on the issues. It was agreed that the matter should be referred to the Senate Committee on University Planning for review.

S.15-216 REPORT OF THE PRESIDENT

Dr. Deakin's report on behalf of the President consisted of the following: update on the Academic Vice-Presidents' meetings in Toronto; President's Lecture by Dr. David Bentley; award to Dr. Jeff Tennant of the Ordre des Palmes Académiques (Order of Academic Palms) recognizing his work in French phonetics and sociolinguistics, alongside his dedication to fostering shared learning and intercultural relations with France; the Syrian refugees sponsorship

fund which has raised \$45,000 to date; decanal reappointments – Faculty of Science and Don Wright Faculty of Music and funding formula review update.

On behalf of Senate, she offered thanks to Dr. Jim Weese for his service to the Faculty of Health Sciences, the university as a whole, and the Senate (as member and Vice-Chair), noting that his final term as Dean of Health Sciences was coming to an end.

REPORT OF THE OPERATIONS/AGENDA COMMITTEE [Exhibit I]

S.15-217 **Revisions to the Terms of Reference of the University Council on Animal Care (UCAC)**

It was moved by P. Bishop, seconded by B. Cheadle,

That the changes to the Terms of Reference of UCAC be revised as shown in Exhibit I, Appendix 1.

CARRIED

S.15-218 **Revision to Rules and Procedures Related to the 30 Minute Discussion and Question Period**

It was moved by P. Bishop, seconded by R. Kennedy,

That Section 4 of The Adopted Policies and Procedures of Senate, "Enquiry Period in the Agenda," be deleted and replaced with the rules and procedures with respect to a "Discussion and Question Period" as contained in Exhibit I, Appendix 3.

CARRIED

S.15-219 **Convocation Statistics 2015**

Senate received for information the Convocation Statistics for 2015, detailed in Exhibit I, Appendix 4.

S.15-220 **Proposal to Establish Pro-Chancellor Positions**

Senate was advised that the proposal to establish Pro-Chancellor positions had been forwarded to the Director of Convocation for her input and that of the Convocation Planning Committee.

SENATE COMMITTEE ON ACADEMIC POLICY AND AWARDS [Exhibit II]

S.15-221 **Faculty of Arts and Humanities: Renaming and Changing of Requirements for Visual Arts Modules**

It was moved by S. Macfie, seconded by C. Sprengler,

That effective September 1, 2016 the Honors Specialization in Art History and Criticism be renamed the Honors Specialization in Art History and Museum Studies, and that the requirements of the module be revised as shown in Exhibit II, Appendix 1, and

That effective September 1, 2016 the Honors Specialization in Visual Arts be renamed the Honors Specialization in Art History and Studio Art, and that the requirements of the module be revised as shown in Exhibit II, Appendix 2, and

That effective September 1, 2016 the Major in Visual Arts be renamed the Major in Art History and Studio Art, and that the requirements of the module be revised as shown in Exhibit II, Appendix 3, and

That students currently enrolled in the modules be allowed to graduate with the old module names until September 1, 2019 upon fulfillment of the (old) requirements.

CARRIED

S.15-222 **Faculty of Arts and Humanities: Withdrawal and Introduction of Minors in Visual Arts**

It was moved by S. Macfie, seconded by C. Sprengler,

That effective September 1, 2016 the Minor in Visual Arts and the Minor in Art History and Criticism be withdrawn, and

That the Minor in Art History and Studio Art be introduced as shown in Exhibit II, Appendix 4, and

That students currently enrolled in the modules be allowed to graduate with the old module names until September 1, 2019 upon fulfillment of the (old) requirements.

CARRIED

S.15-223 **Faculty of Law: Revisions to Progress Requirements for the Combined Degree Programs**

It was moved by S. Macfie, seconded by I. Scott,

That the Progression Requirements for the Combined Degree Programs offered with the Faculty of Law be revised effective January 1, 2016 as shown in Exhibit II, Appendix 5.

CARRIED

S.15-224 **Faculty of Law: Withdrawal of Combined Degree Programs**

It was moved by S. Macfie, seconded by I. Scott,

That the following Combined Degree Programs be withdrawn with the last eligible students being admitted to the Faculty of Law in September 2018:

Combined Undergraduate Degree, Honors Specialization in Kinesiology (BA)/JD

Combined Undergraduate Degree, Honors Specialization in Media, Information and Technoculture (BA)/JD

Combined Honors Specialization in Political Science (BA)/JD

Combined Honors BSc (Computer Science)/JD

CARRIED

S.15-225 **Revisions to the "Definitions of Types of Examinations" Policy**

It was moved by S. Macfie, seconded by P. Bishop,

That effective December 1, 2015 the "Definitions of Types of Examinations" Policy be revised as shown in Exhibit II, Appendix 6.

CARRIED

S.15-226 **Revision to MAPP 2.10 – Scholarships, Awards and Prizes – Definitions and Approval Process**

It was moved by S. Macfie, seconded by J. Weese,

That amendments to the Scholarships, Awards and Prizes – Definitions and Approval Process Policy (MAPP 2.10) be approved as outlined in Exhibit II, Appendix 7.

CARRIED

S.15-227 **SUPR-G Report: Cyclical Review: Master of Environment and Sustainability (MES) Program**

Senate was informed that the following cyclical review was approved by SCAPA:

Faculty/Affiliates	Program	Date of Review	SUPR-G recommendation
	Master of Environment and Sustainability	April 16-17, 2015	Good Quality

The detailed Final Assessment Report for this review can be found in Exhibit II, Appendix 8.

S.15-228 **Report of Scholastic Offences for the period July 1, 2014 – June 30, 2015**

The Report of Scholastic Offences for the period July 1, 2014 – June 30, 2015, detailed in Exhibit II, Appendix 9, was received for information.

S.15-229 **New Scholarships and Awards**

Senate was advised that SCAPA approved, on its behalf, the Terms of Reference for the new scholarships and awards shown in Exhibit II, Appendix 10 for recommendation to the Board of Governors through the Vice-Chancellor.

SENATE COMMITTEE ON UNIVERSITY PLANNING [Exhibit III]

S.15-230 **Change in Reporting Structure for Western Sports and Recreation**

It was moved by B.A. Younker, seconded by J. Weese,

That the reporting structure for Western Sports and Recreation be changed from the Dean of the Faculty of Health Sciences to the Associate Vice-President (Student Experience).

CARRIED

S.15-231 **The Provost's Task Force on University Budget Models**

Dr. Deakin reported that the Task Force on University Budget Models has had two town hall meetings but requires more time for consultations. Meetings are scheduled in the new year. It is expected that a report will be brought to SCUP and Senate in February. However, she thought it would be helpful for Senators to hear the background presentations that the Vice-President (Resources & Operations) and the Associate Vice-President (Institutional Planning, Budgeting & Information Technology) had given at the town halls:

Western's Approach to Planning and Budgeting – Background/Content and Outcomes
A Primer on Western's Investments and Debts

Slides for each of the presentations are contained in [Appendix 1](#) and [2](#), respectively, of these minutes.

Questions and comments included the following:

- D. Laird asked why the presentation did not include information about research funding. It was noted that in the aggregate operating budget, approximately 90 percent was attributable to enrolment; no direct operating revenue comes from granting agencies and there is no base money from research grants. Research is actually a cost centre that is subsidized through operating grants and tuition.
- There was a lengthy discussion of the way in which the annual Academic Priorities Fund is allocated. N. Dyer-Witthford expressed concern that the huge variation in awards from this fund was often to the detriment of smaller faculties and asked where or if Senators could find the principles used in determining each year's allocation. The Provost noted that there was no codified set of principles or formula for the allocations; they were based on submissions from deans in accordance with faculty strategic plans. There were always many more requests than funds and some factors considered in coming to final decisions included weighted teaching units, faculty mass, enrolment levels, net contributions, and service teaching of individual faculties. Senator Dyer-Witthford responded that he appreciated that the global amount available was small, and that difficult choices had to be made. It remained his view that there should be greater transparency about what the high level principles are for allocation of the APF and opportunities to debate the relative weight given to those principles.

ENQUIRIES AND NEW BUSINESS

S.15-232

Course Outline Policy

T. Hunt noted that the current course outline policy states that outlines must be ready "no later than the first day of class." He asked if an earlier deadline is feasible, such as at registration. J. Doerksen responded that providing course outlines earlier would be a challenge. Instructors would need to have them ready in June for the fall term and the development of new courses and teaching assignments might not be ready by June. Course descriptions are available and can provide some guidance for students, although he acknowledged that they were brief summaries. He noted that Senate has mandated that the Registrar's office maintain a database of course outlines. Although not complete, if it were the will of Senate, those historical course outlines could be made available to students.

S.15-233

Degree/Job Outcomes

G. Lucas asked how Westerns saw its responsibility for its students once they leave the institution. Does Western give students the skills they need to be successful? J. Doerksen said that the answer to those questions vary from faculty to faculty. The survey of graduating students, which is available on Western's website, is a tool used to track graduating students' satisfaction. It includes questions about time management, problem solving, communications, leadership skills - what they think about their "preparation for life" as they graduate. There are also surveys done at the program level - particularly in the professional programs. At the system level, MTCU does a survey every year of graduates at with respect to employment at six months and two years post-graduation. For Western graduates, there is a 93.3 percent employment rate two years out. HEQCO recently released a table that shows university areas of study and categories of jobs which demonstrated that there was not a one-to-one correlation between field of study and employment. This shows that university graduates are learning skills that are truly transferrable. Many students continue with their studies by taking graduate degree courses. At the program development stage, there is attention paid to student demand and evidence of substantial societal need, which might include career expectations. R. Kennedy said that although it is helpful to have this information, it is hard to obtain good data and cautioned that several states in the U.S. now require universities to gather the data, leading to differential state funding across the disciplines.

J. Deakin noted that Sue Herbert, Executive Lead, University Funding Model Reform stated that the employers they consulted said nothing about students being ill-prepared, and that they focused on skills rather than particular credentials. It was clear that the government was committed to looking at funding through the lens of learning outcomes.

S.15-234

Transmittal of Reports from the Senate Committee on University Planning (SCUP) to Senate

J. Toswell noted that SCUP's terms of reference indicate that the committee receives and transmits to Senate several reports and asked when the reports might come forward this year. The Secretary provided the following information:

- Annual Report of the University Librarian is on the bring forward list for SCUP in January
- The Report on Faculty Recruitment and Retention is given by Alan Weedon every year and would be submitted sometime between January and March meetings.
- Annual Report on Student Financial Aid: The separate report on student finances was discontinued in 2009 when the annual survey of students with respect to their finances was discontinued. The survey was discontinued because the number of respondents got too low to provide adequate data. To replace the separate report, a section was included in the Performance Indicators Report to speak to student financial aid and student indebtedness.
- Report on Enrolment and Entering Averages: Information comes forward each year as part of the report from the Subcommittee on Enrolment Policy and Planning (which is a subcommittee of SCUP). This report usually comes forward in the January/February time frame.
- Annual Report on Performance Activity Indicators: The last report on KPIs was in 2013. Some of the sources of the data for the report have been changed and what is being made available is no longer adequate for the year over year reporting that has made up this report in the past. IPB has been working on a solution and hopes to be able to have a report to SCUP in January or February.
- National Survey of Student Experience (NSSE) Institutional Benchmark Report: The only time that Senate received the full NSSE report was in 2005 when Western first joined the survey. Since then, elements of the NSSE report have been reported through the Performance Activity Indicators Report. However, the NSSE data is one of the data sets that has caused problems in producing the report because the format and benchmarks for the study changed.

The Secretary noted that it may be time for SCUP to revisit its terms of reference and consider what reports it wants to receive on a regular basis. She agreed to refer this issue to the committee for discussion.

S.15-235

Report of the Board's Governance Review Task Force

Responding to questions from M. McDayter regarding the Board's reception of the Governance Review Task Force Report, I. Birrell said that the Board approved the report in principle and tasked its By-Laws Committee with developing an implementation plan.

S.15-236

Western's New Email Service – Office365

K. Olson questioned why faculty email is being moved from Western's own secure servers to servers that are more easily accessible by the National Security Agency (NSA). She was concerned about the implications for academic freedom and whether data would be less secure. The Chair noted that there was no one present to answer the question and agreed to bring a response back to Senate in January.

ADJOURNMENT

The meeting adjourned at 3:51 p.m.

M. Milde
Vice-Chair

I. Birrell
Secretary

Western's Approach to Planning and Budgeting

Background/Context and Outcomes

Senate
December 4, 2015

History Background/Context

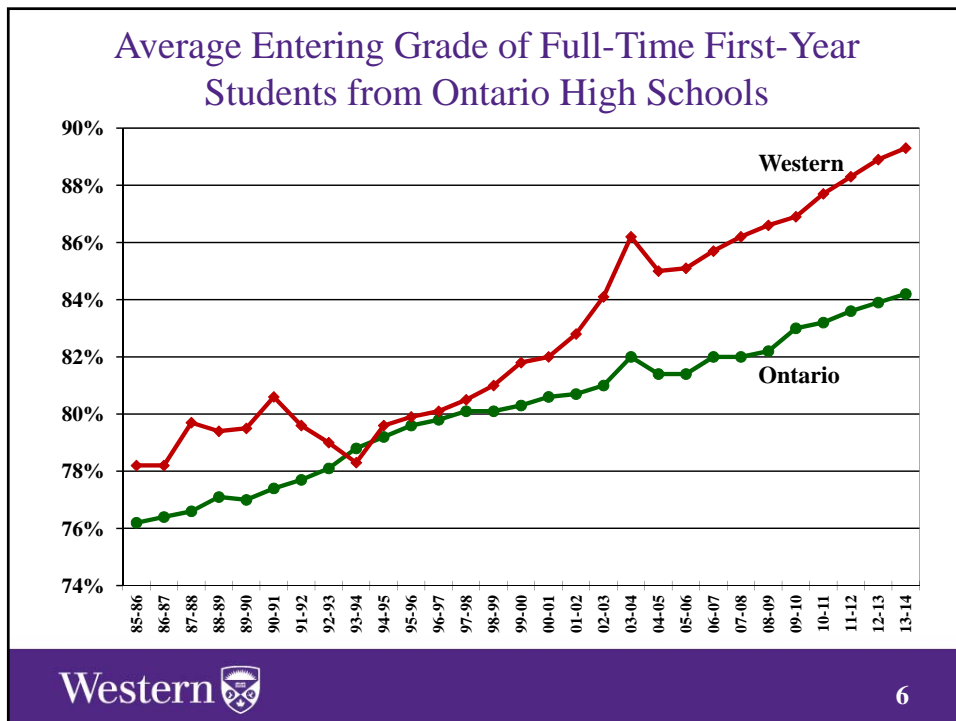
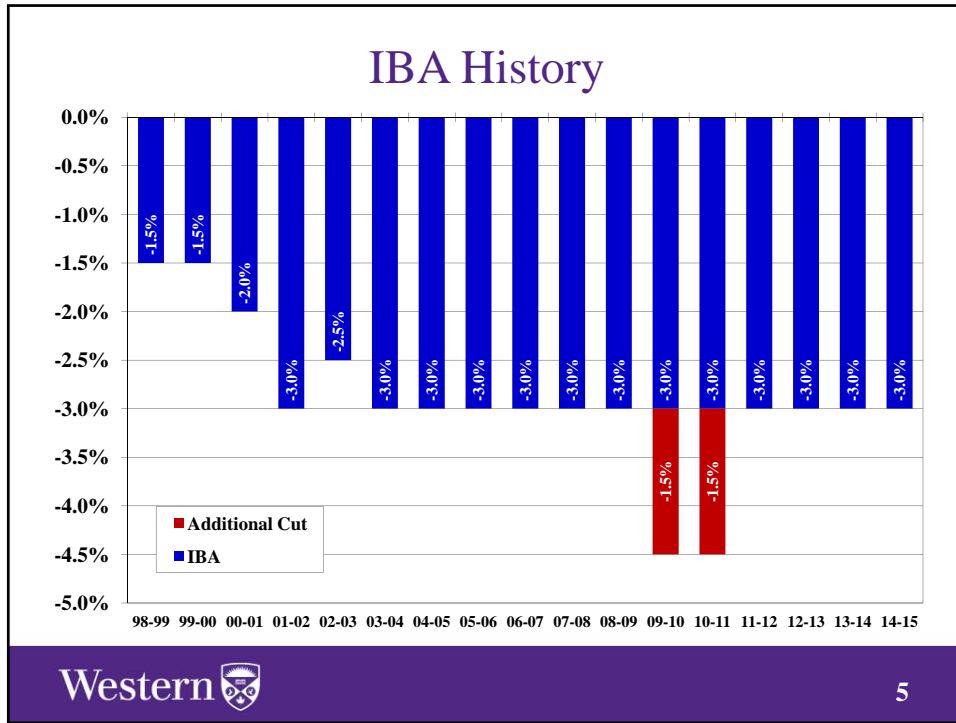
- **Back in the mid-1990's At Western**
- Declining Student Quality and Demand Party School Image
 - Average Entering Grade below Ontario Average
 - Low Undergraduate Student Retention and Graduation Rates
- Government Funding Cutbacks
 - Social Contract
 - Common Sense Revolution (CSR)
 - Discounted Funding for Growth (if any)
- New President (in 1994) was faced with an accumulated deficit
- **No relationship between Enrolments/Teaching Levels and Faculty Budgets**
 - Budgets changes were “across the board” – on a historical base budget

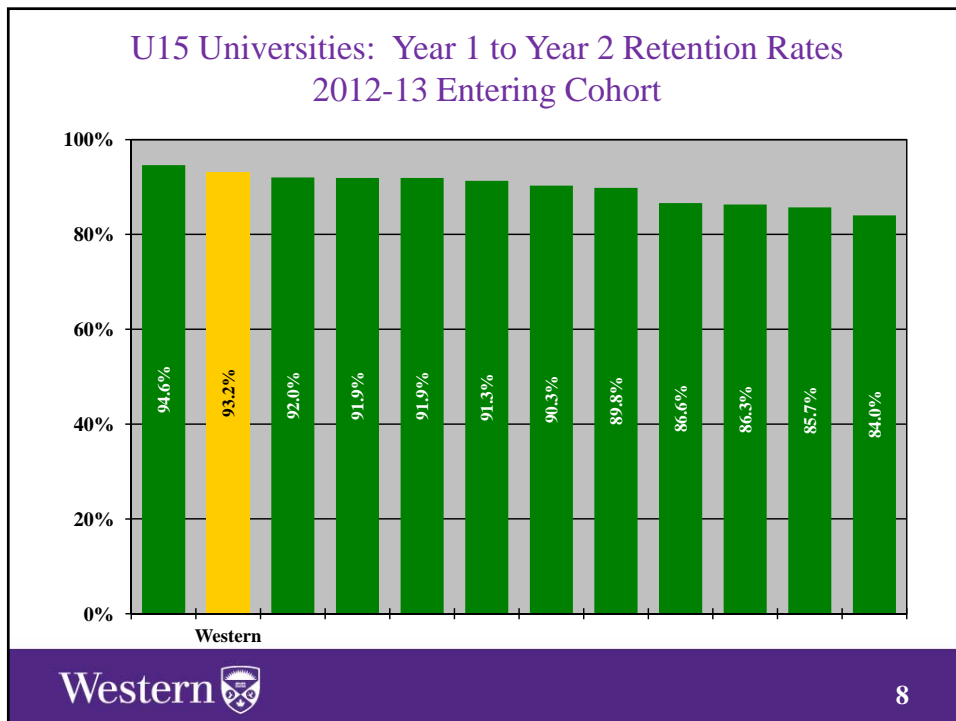
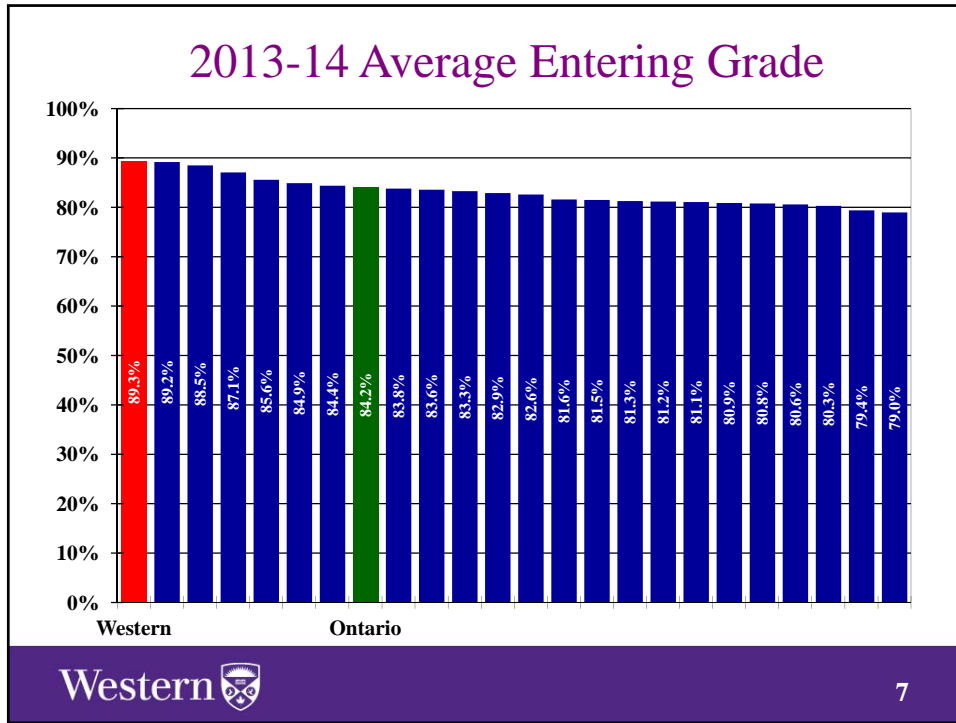
History Background/Context

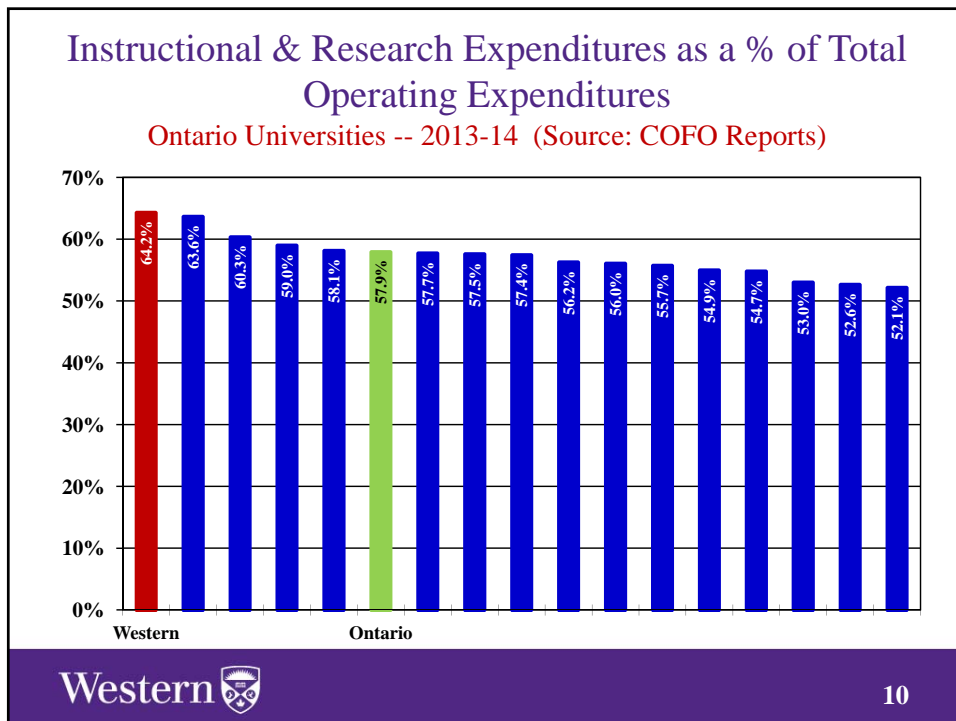
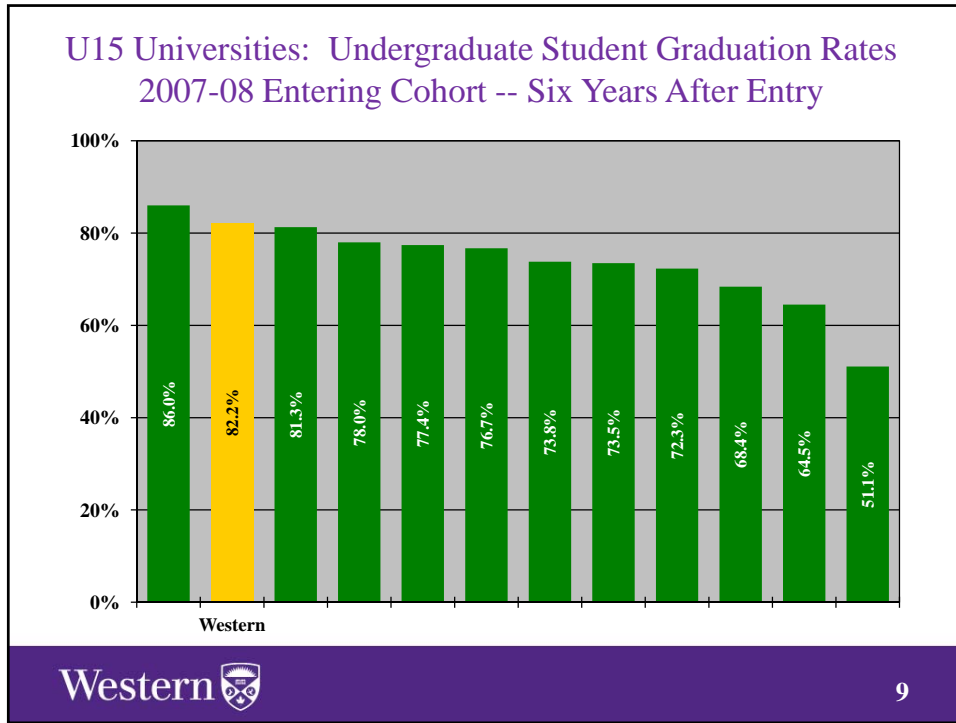
- After dealing with the large cuts from the CSR But still in a period of constrained resources
 - Tuition Controls and No Inflationary Funding from Governments
- A New Approach to Planning and Budgeting was Implemented – with the following objectives:
 - **Improving Student Quality became Priority #1**
 - Enrolment planning was based on student quality and demand
 - Year 1 intake was constrained to 4,000 – with a common entrance standard approach (3,725 target in 1995-96 and 1996-97)
 - Increased Central University Recruitment Efforts
 - Scholarship Guarantee, Housing Guarantee, First-Year Course Guarantee

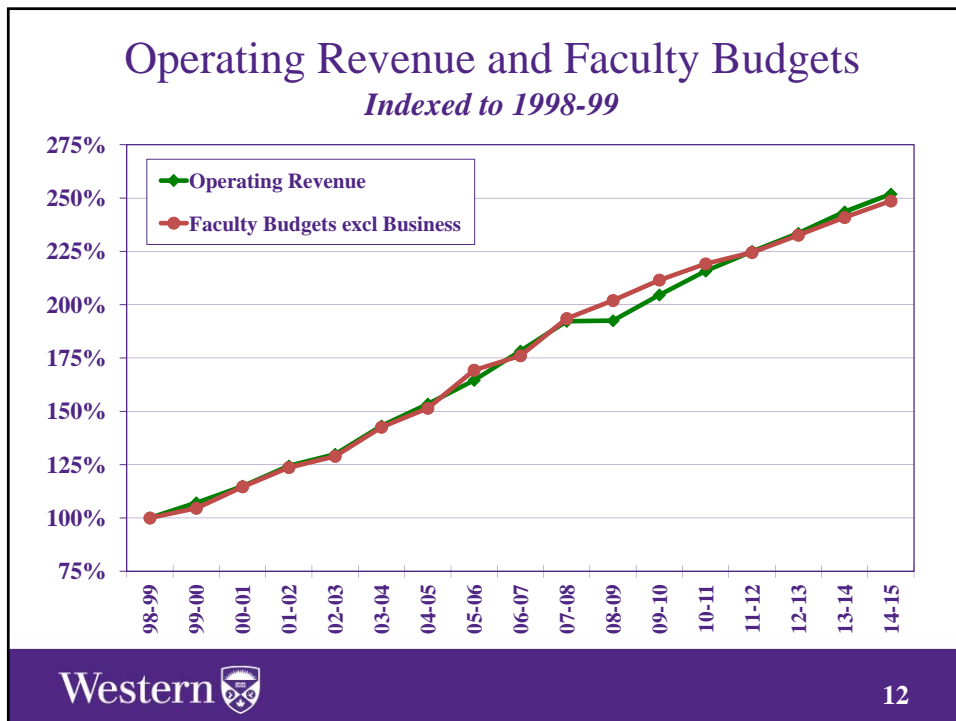
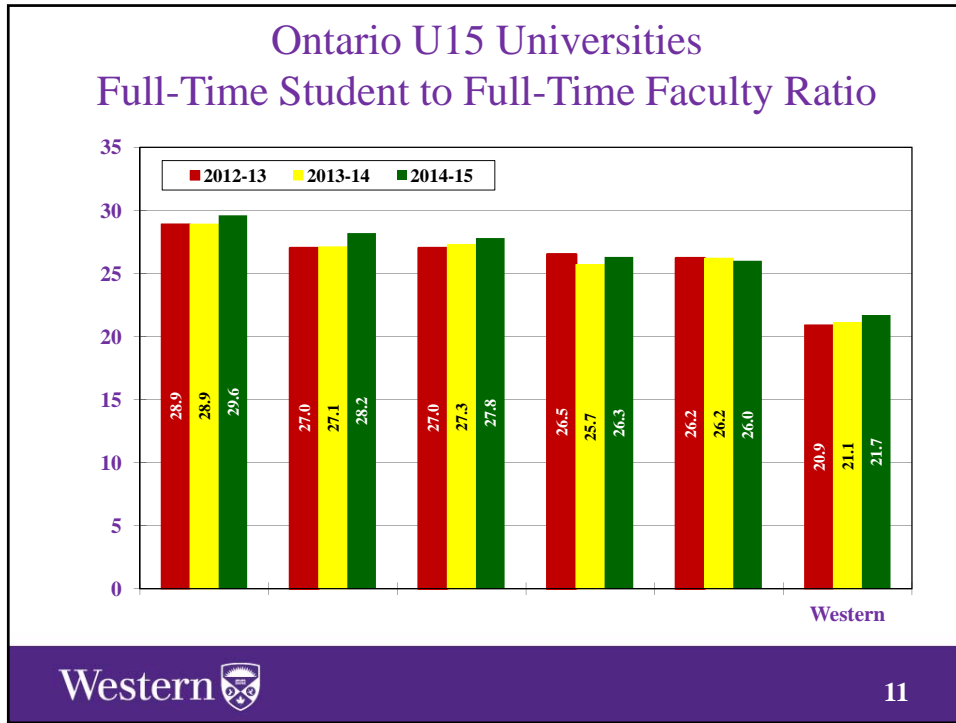
History Background/Context

- A New Approach to Planning and Budgeting
 - Faculty Budgets should have some relationship to Enrolments/Teaching
 - Enrolment Contingent Funding (ECF) Introduced
 - Need to Budget for “Inflationary Costs”
 - The “Initial Budget Adjustment (IBA)” was Introduced
 - **Note: Today, the IBA does not cover Salary Increases**
 - Retain Central Funds to Pursue Strategic Priorities
 - The “University Priorities Investment Fund” (UPIF) was Created
- This Budget/Planning Framework – based on “Academic Priorities” – has been in place since 1997
 - i.e. IBA, Central Funding for Salary Increases, Enrolment Growth Funding, and Selective Investments in University Priorities





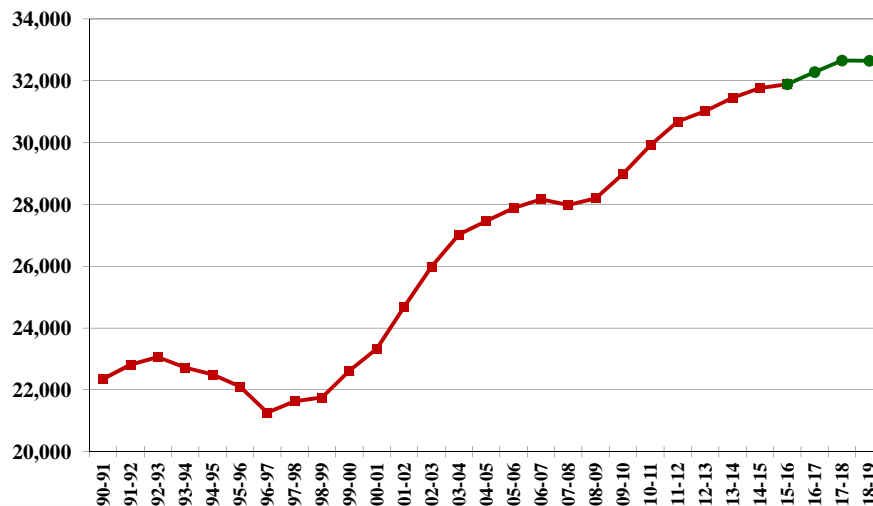


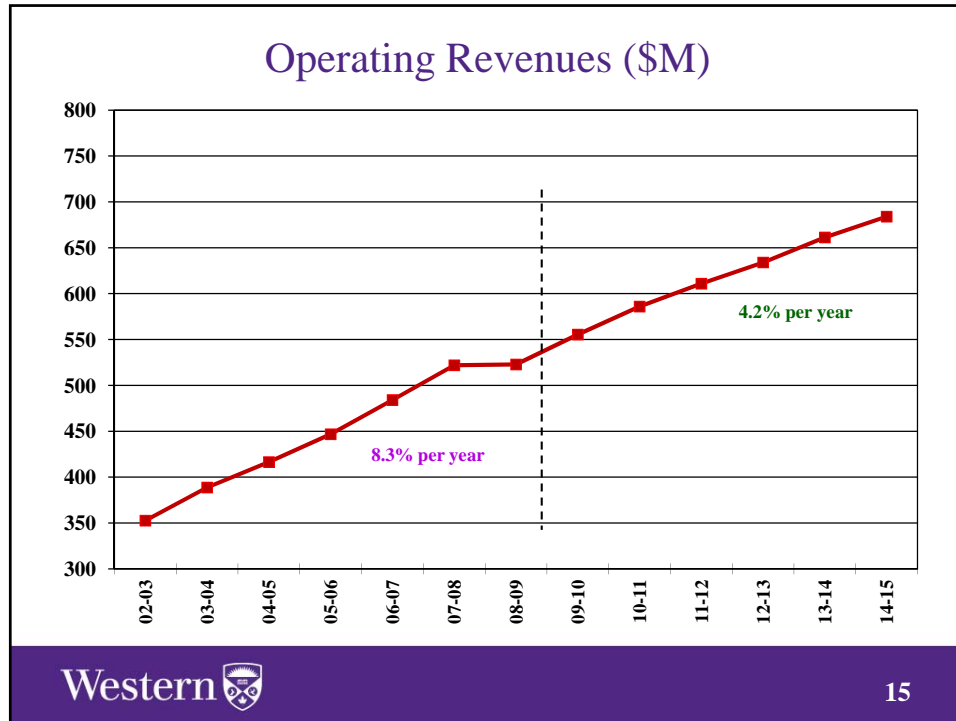


History From 2000 to 2014

- Western experienced substantial growth in the period between 2000 and 2014
- Enrolment Growth
 - Undergraduate and Graduate
 - Domestic and International
 - **Large part of the undergraduate growth was due to increased retention rates and students pursuing 4-year degrees instead of 3-year degrees**
- Substantial Growth in Operating Revenue
 - Government Investments – “Reaching Higher” and “Putting Students First”
 - Enrolment Growth
 - International Undergraduate Enrolment Tuition

Western: Total Constituent FTE Enrolment (Full-Time plus Part-time FTEs)

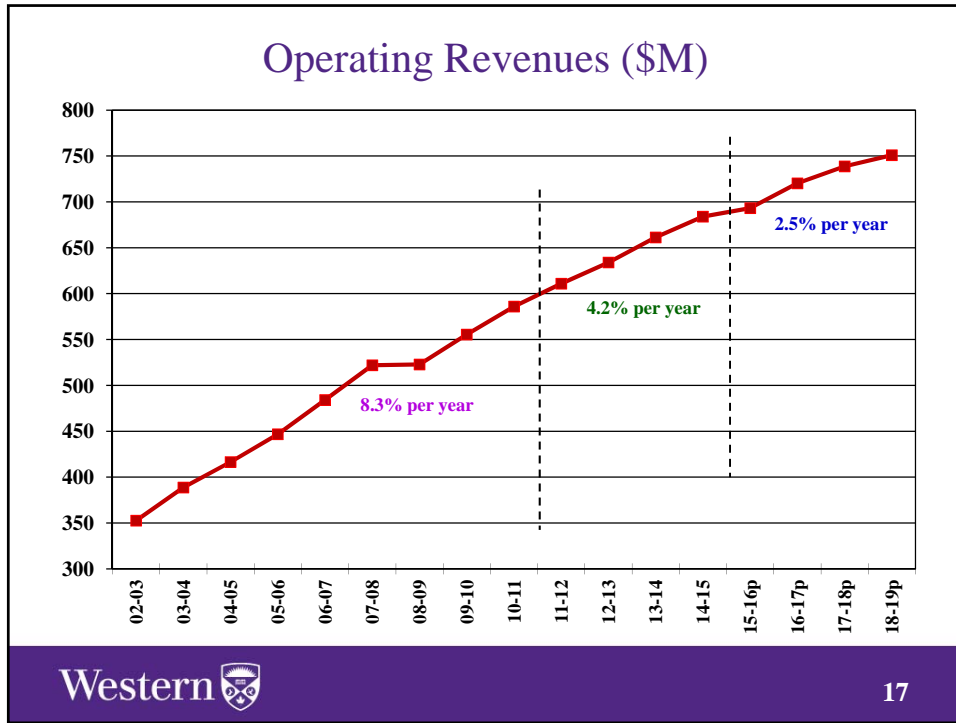





Today And Looking Forward

- We're moving into a Period of Constrained Revenues and Continued Increases in Cost Pressures
- Enrolments Reaching Steady-State
- Government Grant Reductions
 - Funding Formula Review Underway
- Tuition (currently) Capped at 3% Overall
- Costs Continue to Increase
 - Employee Salaries
 - Student Aid
 - Non-Salary Items: Utilities, IT Infrastructure, Deferred Maintenance, Library Acquisitions

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The Initial Budget Adjustment (IBA)

Western  18

Why have the IBA?

- Government does not provide grant increases to cover inflationary costs
 - Inflationary Costs (including salaries) continue to increase
- At the outset – “during difficult times” – the IBA was intended to cover inflationary costs and provide a modest fund to support university priorities
 - At Western, annual salary increases are funded centrally
- “In good times”, the IBA covers a portion of the salary increase costs

Changes in Faculty Budgets 8-Year Period: 2007-08 to 2014-15

	Net Impact of IBA & Salary Increases	Net Impact of All Puts & Takes *
Arts & Humanities	3,578,918	5,403,140
Education	125,169	3,573,925
Engineering	1,497,191	6,127,696
Health Sciences	2,776,920	8,734,693
FIMS	1,018,846	2,947,931
Law	569,050	2,451,626
Medicine & Dentistry	1,529,894	14,153,081
Music	926,340	2,287,365
Science	4,204,533	15,050,934
Social Science	5,377,271	14,987,756
Total	21,604,132	75,718,147

* Takes = IBA, Additional Cuts, and Turnover Recovery. Puts = APF, Revenue Sharing, and Other Base Investments

A Primer on Western's Investments and Debt

Senate
December 4, 2015



Investments

Two broad categories:

Endowed funds	\$ 554M
Non-endowed funds	<u>\$ 466M</u>
Total investments Sept. 30, 2015	\$1,020M
Cash/liquid assets to pay bills	\$ 379M

Endowed funds: 4% payout annually
Non-endowed funds: limited to support one-time initiatives on approval of Board



Endowed Funds

Endowed for a specific cause	\$530M
Endowed to a Faculty/unit:	
Ivey Business School	\$8.0
Medicine & Dentistry	\$4.0
General	\$3.0
All other	<u>\$9.0</u>
Total endowed funds	\$ 24M
	\$554M



Non-Endowed Funds

Composition:

Underlying obligations	\$267M
Underlying market gains	<u>\$199M</u>
Total September 30, 2015	\$466M



Debt

At April 30, 2015:

Debenture due May 24, 2047	\$189M
Mortgages	\$ 9M
Bank borrowings due Oct. 2026	<u>\$100M</u>
Total	\$298M

Projected to increase to \$330M based on current capital commitments



A Bit of History

- 2008: Global equity meltdown
- Planned draw from non-endowed reserves:

08-09	\$18.55M
09-10	\$11.35M
10-11	<u>\$16.35M</u>
Total	\$46.25M

All had to be reversed. Decision taken mid-year in a budget cycle.



Non-endowed Funds

Composition February, 2009:

Underlying obligations	\$263M
Amount "under water"	<u>\$(7M)</u>
Total non-endowed investments	\$256M



Globe and Mail Headline Saturday April 18, 2009

University slammed over stock-market losses

Officials defend investing strategy after University of Western Ontario suffered \$50M loss last year



Market Returns

At Sept. 30, 2015 looking back over 20 years:

Annualized returns	7.9%
Annualized CPI	<u>1.9%</u>
Real return	6.0%



Withstanding a Black Swan Event

- What is a black swan event?
- Annual stress test of our portfolio
- Last done for balances at April 30, 2014
- Considers the availability of short term assets, likelihood of government funding cuts, as well as draws on underlying obligations



Stress Testing Conclusions

- Result: shortfall of \$26.7M cash and underlying market gains reduced to \$53.9M
- Non-endowed portfolio can sustain a worst-case scenario when invested alongside the endowed portfolio as long as:
 - Sufficient short term assets are on hand
 - We maintain a sufficient reserve in assets to obligations; and
 - We manage draws on the non-endowed returns

