



**Western**  
UNIVERSITY • CANADA

# **2017-18 Operating and Capital Budgets**

**March 30, 2017**



## 2017-18 Budget Highlights

---

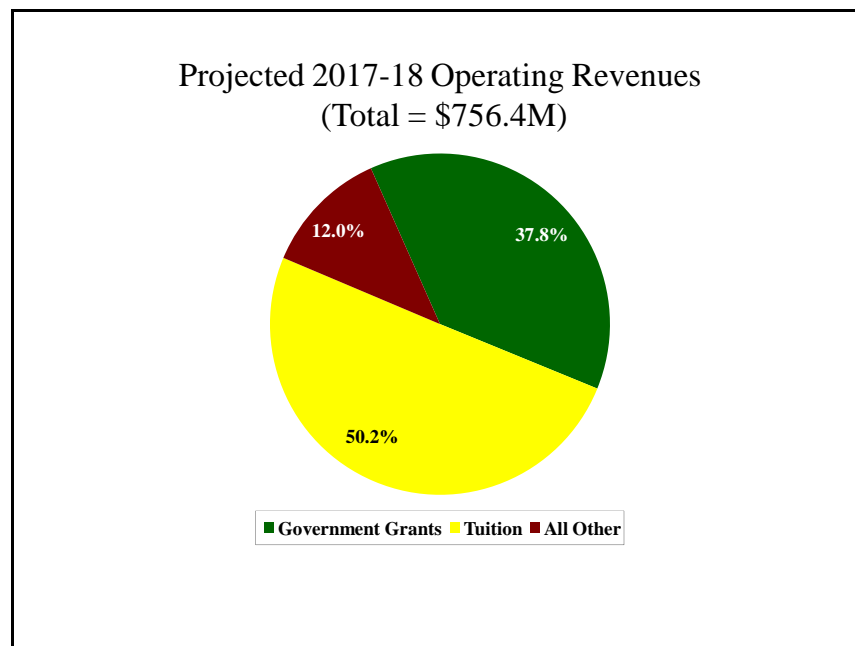
### A. Introduction

Western's 2017-18 Operating and Capital Budgets move us into the third year of the 4-year budget plan spanning the period 2015-16 to 2018-19. This budget builds on the multi-year plan developed two years ago in the context of our Strategic Plan – *Achieving Excellence on the World Stage* – and with reference to the priorities outlined in the Faculty Academic Plans and the Support Unit Operational Plans. The budgetary context is a period of constrained growth in revenues. The two major sources of revenue – government grants and tuition fees – have recently been confirmed for the remaining two years of our 4-year planning period. The structure of grant funding has been modified where – starting with 2017-18 – grant funding for domestic enrolment growth will not be provided. The government has committed to keeping our overall level of provincial grant funding constant/flat for the next three years. The current domestic student tuition framework – which allows for the overall average increase of 3% – has been extended for two more years (i.e. 2017-18 and 2018-19).

### B. The 2017-18 Operating Budget

#### Revenues

The 2017-18 Operating Budget projects total revenue of \$756.4 million – which is based on stable government grants, the new tuition framework, and stable undergraduate enrolment and modest growth in graduate enrolments.



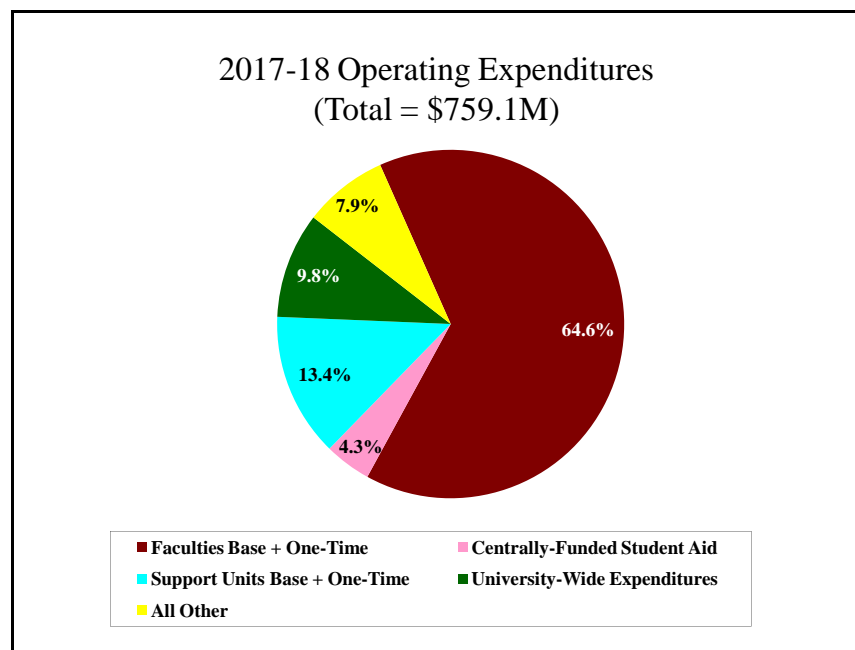
## **Expenditures**

Total expenditures for 2017-18 are projected to be \$759.1 million, and include the following investments in new initiatives and priorities:

- Western's Indigenous Strategic Plan was approved by Senate and the Board of Governors in October/November 2016. In order to pursue the direction set out in that plan, it is recommended that \$1 million in base funding be allocated in support of ***Indigenous Initiatives*** – which includes the creation of a new academic department in the Faculty of Social Science and a faculty appointment in the Faculty of Law in the area of Indigenous Teaching, Scholarship, and Outreach.
- Growing our endowments is a University priority – and, in support of this, a sum of \$25 million in one-time funding is being recommended to augment our ***Endowed Chairs Matching Program***.
- The self-funding ***multi-year Engineering Expansion Plan*** that will result in expansion of enrolments and faculty/staff complements, and the construction of a new building. In 2017-18, a sum of \$848,000 in base funding and \$6.5 million in one-time funding (to support the building project) are recommended.
- Support for ***Scholarship/Research Initiatives in the SSHRC Disciplines*** was identified as a high priority in last year's budget – and was supported through the creation of a \$5 million endowment (which will yield an annual amount of \$200,000 starting in 2017-18). It is recommended that this endowment be supplemented by \$2.5 million with a one-time allocation in 2017-18. This will provide an additional \$100,000 starting in 2018-19 – bringing the total spendable annual amount to \$300,000.
- The next round of the ***Canada Excellence Research Chairs Program (CERC)*** is underway. It is recommended that \$2.5 million in one-time funding be allocated as matching contribution to support the University's proposals – currently being developed under the leadership of the Vice-President Research. Our intention is to recommend a similar amount in 2018-19.
- Two ***facilities enhancement projects in the Faculties*** (one in Social Science and one in Science) were identified as high priorities – and are being supported through the investment of \$2.4 million in one-time funding.
- As signaled in our Campus Master Plan (approved in June 2015) and re-iterated in last year's budget, we have started the multi-year plan to transform our campus into a ***vehicle-free, pedestrian-friendly, and safe campus***. In support of this, a sum of \$2 million in one-time funding is being recommended.

- We are continuing with a series of initiatives aimed at containing utilities costs into the future. In support of this, a sum of \$1.5 million in one-time funding is being recommended to implement campus-wide *Energy Conservation Initiatives*.

The 2016 Provost's Taskforce on University Budget Models concluded that strong support remains for Western's current hybrid budget model – and its ability to evolve over time and to adopt various components found in Incremental, Responsibility-centered Management (RCM), and Performance-based models. The recommendations in this budget continue with the underlying principles that drive our current model: maintain high student and educational quality in the context of a research-intensive university. A high-level breakdown of the expenditure recommendations is as follows:



### C. The 2017-18 Capital Budget

The Capital Budget supports our Long-Range Space Plan which involves a number of high priority projects – including three new major academic projects which are starting in 2017-18:

- The new Integrated Learning and Innovation Centre (ILIC)
- Modernization of Thames Hall
- Renewal/Realignment/Expansion of Medical School Facilities.

Funding for the Capital Budget in 2017-18 is derived from the following sources: Government Grants (\$33.2 million), transfers from the Operating Budget – including unit budgets (\$40.0 million), fundraising (\$1.9 million), borrowing (\$33.8 million), and self-funded or ancillary operations (\$30.0 million).

Capital Expenditures are projected to be \$136.2 million in 2017-18, with a breakdown as follows:

- \$57.8 million in support of ***new construction*** (including planning/design). This includes completion of the Music Building Project, Phase 1 of the Western Interdisciplinary Research Building (WIRB), the New Engineering Building (3C+), the Integrated Learning and Innovation Centre (ILIC), expansion/realignment of Medical School Facilities, and multi-level parking structures.
- \$29.3 million in support of ***major renovation projects***, which includes modernization of University College, re-alignment of medical school facilities, and modernization of Thames Hall.
- \$8.6 million for ***utilities and infrastructure projects***.
- \$6.2 million associated with the ***modernization/adaptation of instructional and research facilities*** across campus.
- \$11.0 million for ***general campus maintenance projects***.
- \$13.8 million in support of ***renewal in our residences***.
- \$9.6 million for all ***other capital expenditures*** – which includes carrying costs and debt repayment.

## Table of Contents

<b><u>2017-18 Operating Budget</u></b>	<b>Pages 1 to 38</b>
<b>A. Planning and Budgetary Context</b>	1
<b>B. Updates on Priorities and Initiatives from Last Year’s Budget</b>	4
<b>C. Priorities for the 2017-18 Budget and New Initiatives</b>	7
<b>D. Four-Year Operating Budget Forecast</b>	13
<b>E. Summary of the 2017-18 Operating Budget</b>	14
Table 1: Four-Year Operating Budget Outlook	15
Table 2: Summary of the 2017-18 Operating Budget	16
<b>F. Details of the 2017-18 Operating Revenue Forecasts</b>	17
Government Grants	17
Tuition Fees	17
All Other Revenues	17
<b>G. Details of the 2017-18 Expenditure Recommendations</b>	19
1. Faculty Budget Recommendations	19
2. Scholarships and Bursaries	22
3. Support Unit Budget Recommendations	22
4. University-wide Expenditures	23
5. One-Time Recommendations	24
Table 3: Operating Revenues	25
Table 4: Base Budgets for Faculties	26
Table 4a: Revenue Sharing Allocations for the Faculties	27
Table 5: Scholarships and Bursaries	28
Table 6: Base Budgets for Support Areas	29
Table 7: University-wide Expenditures	30
Table 8: One-Time Allocations	31
Table 9: Canada Research Chairs	32
Table 10: Research Infrastructure Support Fund	33
Table 11: Undergraduate Tuition Fees	34
Table 12: Graduate Tuition Fees	35
Table 13: Summary of Enrolment Forecast	36
Table 14: Update to Western’s Long-Range Space Plan	38

## Table of Contents (cont'd)

<b><u>2017-18 Capital Budget</u></b> .....	<b>Pages 39 to 49</b>
<b>A. The Evolution of Capital Expenditures</b> .....	39
1. New Construction.....	40
2. Major Building Renovations .....	40
3. Utilities and Infrastructure Projects.....	40
4. Modernization of Instructional and Research Facilities.....	40
5. General Maintenance and Modernization Projects.....	40
6. Housing Renovations .....	40
7. Ancillary Projects .....	41
8. Carrying Costs and Debt Repayments.....	41
9. Other Capital Expenditures .....	41
<b>B. Sources of Funding and Capital Expenditures in 2017-18</b> .....	42
<b><u>Capital Budget Tables</u></b> .....	44 to 49
Table 15: Capital Budget Summary, 2013-14 to 2017-18 .....	44
Table 16: Major Capital Projects .....	45
Table 17: Capital Budget Sources of Funding .....	46
Table 18: Capital Expenditures for New Construction and Major Building Renovations: 2016-17 and 2017-18.....	48
Table 19: Capital Reserves and Debt at Fiscal Year-End .....	49
<b><u>Long-Term Financial Trends</u></b> .....	<b>Pages 50 to 54</b>
<b>A. Capital Reserves and Debt</b> .....	50
<b>B. Employee Future Benefits</b> .....	52
<b>C. Deferred Maintenance</b> .....	53



---

## 2017-18 Operating Budget

---

### A. Planning and Budgetary Context

The current planning cycle leads us to the third year of the 4-year budget plan spanning the period 2015-16 to 2018-19. This budget builds on the multi-year plan developed two years ago in the context of our Strategic Plan – *Achieving Excellence on the World Stage* – and with reference to the priorities outlined in the Faculty Academic Plans and the Support Unit Operational Plans. The recommendations in this budget document support the following high-priority areas:

- Research Excellence and Enhancing our Research Profile – including interdisciplinarity and Endowed Chairs.
- Enhancing the Student Experience – including innovations in pedagogy and increased experiential learning opportunities.
- Internationalization – including continued expansion of our undergraduate international enrolments and student mobility.
- Continuing with Graduate Expansion – with the recruitment of highly-qualified students in areas of demand and capacity.

The budgetary context is a period of constrained growth in revenues.

- The Province has confirmed the structure of the new University Funding Formula – and, as anticipated, a corridor system of funding where grant funding remains constant/flat comes into effect starting in 2017-18. While the details of the new grant structure have not been finalized, the grants will be placed into three broad categories – the Core Operating Grant (which is enrolment based and associated with the corridor), the Differentiation Envelope, and Special Purpose Grants.
- The current domestic tuition framework – which allows for an overall increase of 3% -- has been extended for two more years (i.e. 2017-18 and 2018-19).
- Undergraduate enrolments at Western are projected to reach steady-state.
- The net impact of these parameters is that our overall revenues are projected to grow at a rate of about 2.4% per year for the next two years and at about 1.5% to 2% beyond that – compared to the 4%+ annual growth in recent years.

Given the constrained revenue context, the incremental resources available to us will be much more modest in the coming years than in the last three 4-year cycles.

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 objectives set out in our Strategic Plan:

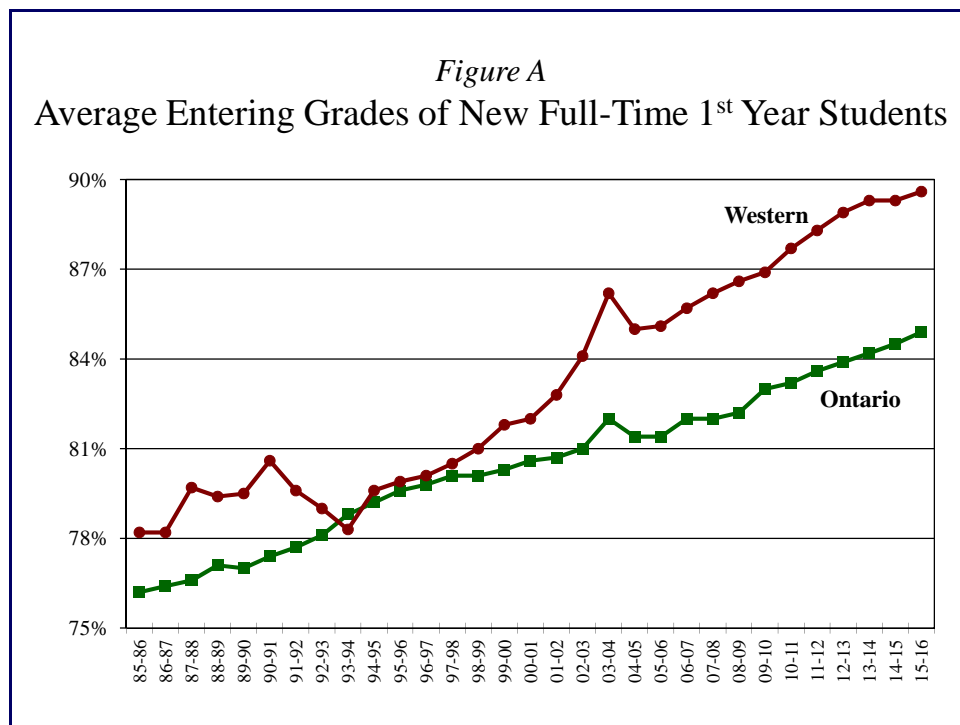
- Attract the brightest students as demonstrated through the highest entering grade average. Our first-year class is expected to be about 5,100 for the remaining two years of the 4-year planning period.
- Over time, increase the number of undergraduate international students to 15% of the undergraduate student body. Our plan is to recruit 600 first-year international students.
- Increase the number of out-of-province students to at least 10% of the undergraduate student body. Our plan is to recruit 500 first-year out-of-province students.

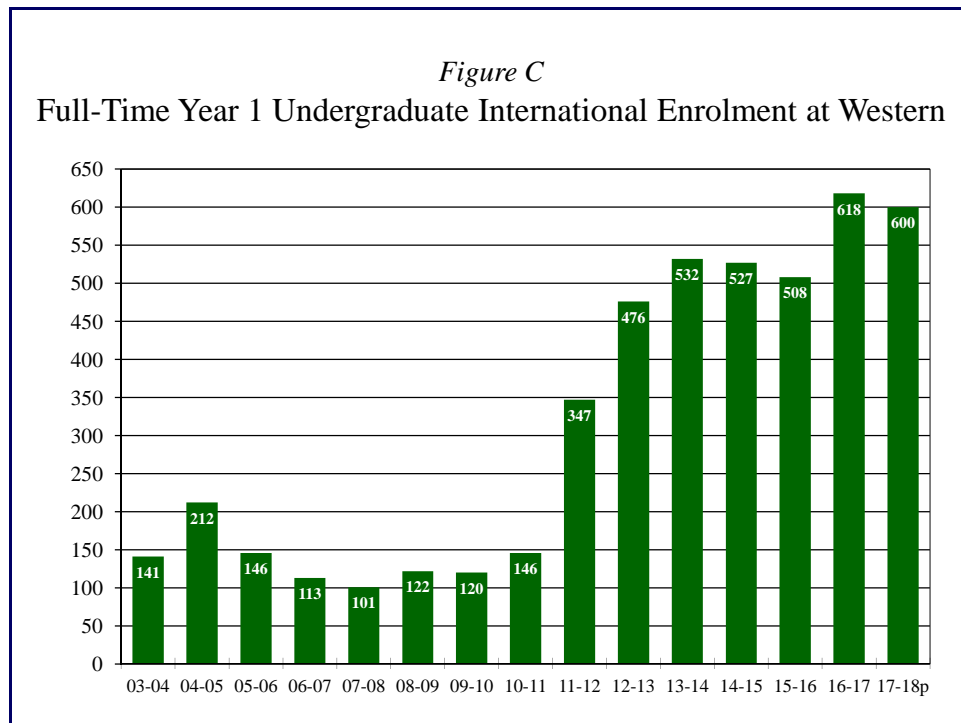
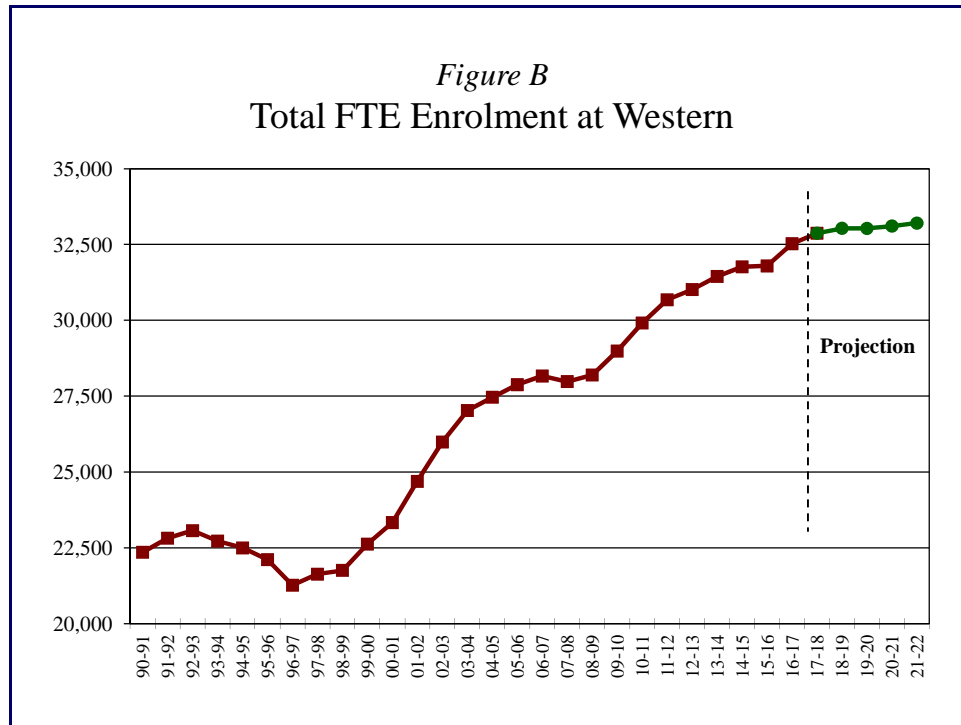
- Increase graduate student enrolment to at least 20% of the total student body. The graduate enrolment plans from the Faculties are projected to take us very close to this threshold at the end of this 4-year planning period.

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

- Recruitment of outstanding undergraduate students is a high priority. The average entering grade of our incoming class in the fall of 2015 was 89.6% – second highest in the province, and well above the Ontario average.
- Over 94% of our first-year students continue into their second year. Our retention rates are amongst the highest in Canada and much higher than at our peer institutions in the United States.
- Graduation rates of our undergraduate students have been steadily increasing – and they are currently much higher than the rates at our peer universities in Canada and the United States. Nearly 84% of Western’s 2009-10 entering cohort graduated within 6 years.
- Our efforts in undergraduate international enrolment expansion resulted in 11.5% of our fall 2016 first-year class coming from other countries.
- Expansion of graduate enrolments (in areas of demand and capacity) continues to be a strategic priority at Western. The current plans from the Faculties show significant growth aspirations. In the current year, full-time graduate students comprise 18.5% of total full-time enrolment.
- Results of exit surveys and course/instructor evaluations at Western indicate that our students rate their courses, instructors, and the quality of their education very high.

We remain committed to building on the substantive gains we have made in the areas of student quality, educational quality, and the students’ educational experience. Going forward, we will continue to manage our resources and target them towards our highest priority – *Achieving Excellence on the World Stage*.





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

The following initiatives were included in the 2016-17 Budget, and involved substantial investments.

### **1. Long-Range Space Plan**

Western continues with its integrated long-range approach to space/facilities planning. Last year's budget signaled the need for additional student-centered teaching, learning, and innovation spaces – and it was recommended that we begin planning for the construction of a new facility – *the Integrated Learning and Innovation Centre (ILIC)* which will house a wide array of student-centered spaces, including smart classrooms, student collaborative and study spaces, and space for Western's Entrepreneurship Ecosystem. Preliminary site planning/assessment is currently underway – and we expect formal design to begin in the summer of 2017. The proposed site is in the courtyard (west of Oxford Drive) bounded by Weldon Libraries, the UCC, and the Social Science Centre – also known as the Concrete Beach.

Last year's budget also signaled the need to construct multi-level parking structures (at the periphery of campus) – as part of the move to a vehicle-free pedestrian-friendly campus. We are currently in the process of reviewing site options for parking structures.

### **2. Strategic Expansion of Engineering**

The multi-year self-funding Engineering Expansion Plan – launched in 2015-16 is well underway. The plan includes expansion of undergraduate enrolment, faculty/staff complements, and space/facilities. The specific elements for 2016-17 are as follows:

- Full-time undergraduate enrolment reached 1,952 – an increase of 406 from the 2014-15 level of 1,546.
- \$800,000 in incremental base funding was added to the Engineering budget.
- The Provost approved 8 additional faculty positions and 4 additional staff positions.
- \$5.5 million in one-time funding was transferred to the capital budget in support of the new Engineering Building (ThreeC+). Construction of the new building is well underway.

### **3. Support for Scholarship/Research Initiatives in the SSHRC Disciplines**

The need to provide incremental targeted internal resources to support scholarship/research in the SSHRC disciplines was identified as a priority in last year's budget – and it was recommended that a \$5 million endowment (which will provide \$200,000 per year starting in 2017-18) be created along with a \$200,000 in-year allocation in 2016-17 to launch the programs. The endowment has been set up and the Vice-President Research – in collaboration with the Deans of the SSHRC disciplines – has transferred the in-year funds (\$200,000) to the Deans. The Deans are expected to report back on the use of the funds, which in turn will be summarized into an annual report by the Vice-President Research. The current process is a pilot for 2016-17 and 2017-18 – and will be reviewed in the coming year.

### **4. Pedestrian-Friendly and Campus Safety Initiatives**

As committed in last year's budget (supported by a \$2 million one-time allocation), the first steps to transforming our campus into a vehicle-free pedestrian-friendly campus are underway. This includes

new/improved safety-related signage and traffic calming or vehicle speed reduction initiatives in high traffic and pedestrian areas such as Alumni Circle and the Natural Sciences precinct.

## **5. Energy Conservation Initiatives**

The University's utilities costs – after recoveries from self-funding operations – currently exceed \$23 million. In order to help contain utilities costs in the future, last year's budget allocated \$1.5 million in one-time funding in support of University-wide Energy Conservation Initiatives. These funds have been invested in campus-wide infrastructure projects such as insulation improvement, fume hood infrastructure enhancements, and upgrades to chilled water distribution systems, plumbing infrastructure, and electrical systems. These projects will help reduce electricity, water, and natural gas consumption – and the projected “payback” period for the \$1.5 million investment is less than four years.

## **6. Strengthening our Library Acquisitions Budget**

In last year's budget, as a result of the impact of the weak Canadian Dollar on the purchasing power of the Library Acquisitions Budget (a negative impact of nearly \$3 million), it was recommended that the Library Acquisitions Budget be supplemented with incremental allocations of \$250,000 base funding (on top of the previously-committed \$250,000 base) and \$1.1 million one-time funding. These allocations were indeed transferred to the Library Acquisitions Budget – and the Libraries have developed a revised plan that will allow them to pursue the highest library acquisitions priorities.

## **7. Western's Entrepreneurship Ecosystem**

Our Strategic Plan – *Achieving Excellence on the World Stage* – makes a clear commitment to strengthen the Entrepreneurship Ecosystem on campus, and noted that regardless of the program of study, all students should graduate having explored and acquired leadership and entrepreneurship skills. In support of this priority, last year's budget allocated \$1 million in one-time funding (to be spent over the three-year period 2016-17 to 2018-19). The following initiatives have been launched in 2016-17 as part of our Entrepreneurship Ecosystem:

- Two new graduate courses – “Design Thinking” and “New Venture Creation” – were introduced.
- A Faculty Ambassador Program was created – and faculty representatives from each Faculty have been confirmed.
- A Graduate Student Innovation Scholars Program (GSIS) was launched. The program provides a stipend to participating students who have been assigned to teams of three members. At present, nine students are participating in a pilot.
- The Western Accelerator – which is open to all students, faculty, staff, and recent alumni who have high potential business ideas and require coaching/mentoring and co-working experience – has been launched. At present, four teams are participating in a pilot.

## **8. Growing our Endowment: The Alice Munro Chair in Creativity**

Last year's budget recommended the allocation of one-time funds (estimated at that time to be about \$500,000) to complete the funding for the Alice Munro Chair in Creativity (in the Faculty of Arts & Humanities). A sum of \$500,000 was allocated – and the Chair is now fully funded, and recruitment is currently underway.

---

**9. Support for the Fundraising Campaign: Advertising Initiatives**

Last year's budget committed \$500,000 in one-time funding to support fundraising-related and recruitment-related advertising initiatives. The funds are being used to support the Be Extraordinary Campaign through print and on-line versions of national newspapers.

## **C. Priorities for the 2017-18 Budget and New Initiatives**

### **1. Indigenous Initiatives**

Western's Indigenous Strategic Plan – approved by Senate and the Board of Governors in October/November 2016 – sets out eight strategic directions for the University:

- Strengthen and build relationships with Indigenous Communities
- Nurture an inclusive campus culture that values Indigenous peoples, perspectives, and ways of knowing
- Enhance Indigenous students' experience at Western
- Achieve excellence in Indigenous scholarship and research
- Excel in Indigenous teaching and learning
- Indigenousize Western's institutional practices and spaces
- Become a university of choice for Indigenous students
- Increase Indigenous representation in faculty and staff complements

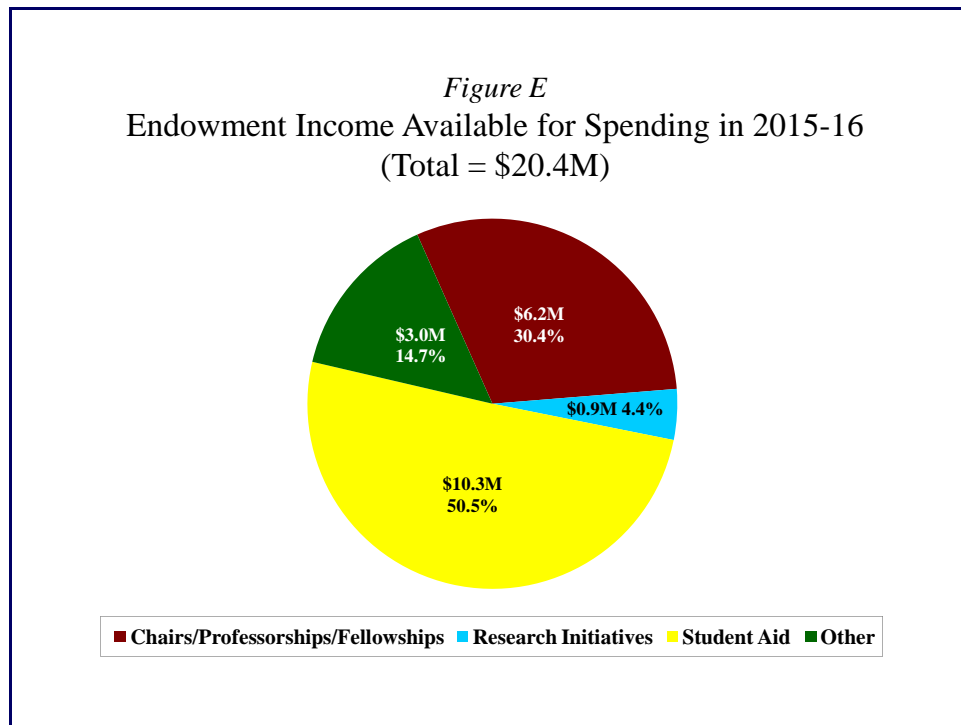
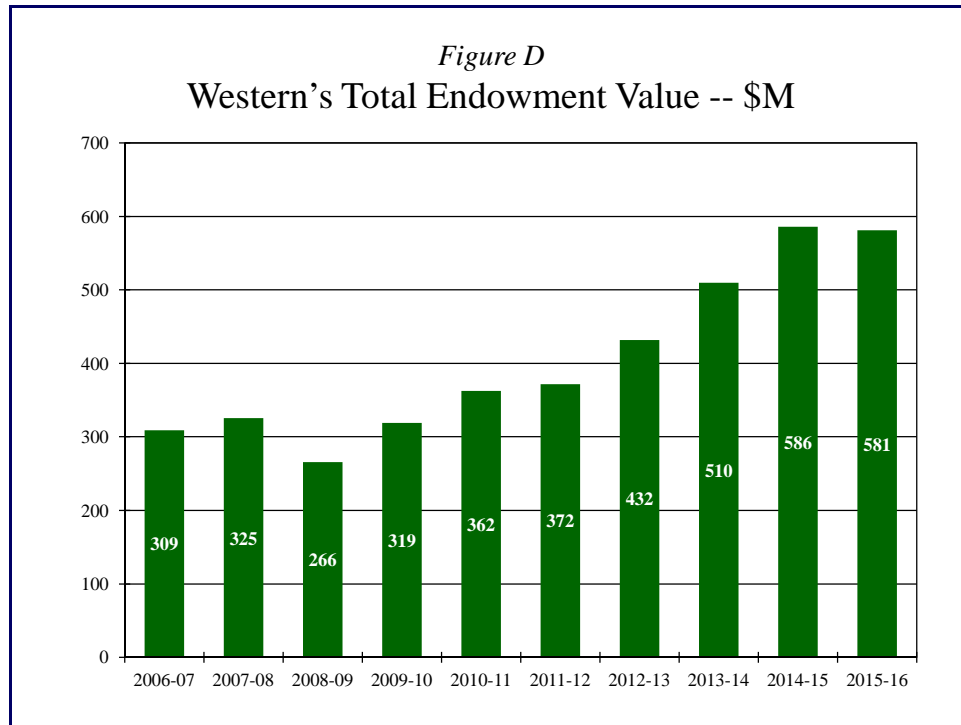
In order to support these directions – which will be pursued by the Provost's implementation committee – it is recommended that a sum of \$1 million in base funding be committed in the 2017-18 budget. Of this amount, a sum of \$390,000 base funding will be transferred to the Faculty of Social Science to support the creation of a new academic department and \$147,000 is allocated to the Faculty of Law to support a faculty appointment in the area of Indigenous Teaching, Scholarship, and Outreach. Specific plans for the remaining \$463,000 will be developed in the coming months.

### **2. Growing our Endowment: The Endowed Chairs Matching Program**

Growing our Endowment is a high priority for the University – and our budgetary allocations in recent years to the Endowed Chairs Matching Program have directly supported this priority. Starting in 2010-11, a total of \$43.5 million has been allocated to support the Endowed Chairs Program. To-date, pledges have been committed for 18 endowed chairs (of a possible 29). The Vice-President External is in discussions with donors for an additional 8 chairs – which, if successful, will bring the total to 26 chairs. Given the success of this program, and in order to continue with the Endowed Chairs Matching Programs, it is recommended that a sum of \$25 million in one-time funding be allocated in 2017-18 to support this high priority.

From this new \$25 million allocation, a commitment will be made to assign a minimum of one chair to each Faculty for up to three years. If within this 3-year period (ending on April 30, 2020), private donations to match the chair are not identified, the funding and the chair will return to the central pool for reallocation to other Faculties.

As noted above, building our endowments is a high priority for the University – and is a central component of our fundraising efforts. Endowments provide the University with substantial additional resources (incremental to the funds in the Operating Budget) in the form of on-going or base resources – to support faculty positions (chairs, professorships, fellowships), research initiatives, student aid, and other priority needs. Figure D shows the total value of Western's endowments since 2006-07 and Figure E shows the funding that was available for spending from the endowments in 2015-16 by major category (totaling \$20.4 million).





### **3. Strategic Expansion of Engineering**

The multi-year strategic expansion of Engineering continues with the allocation of additional resources in 2017-18, as follows:

- A sum of \$848,000 in base funding to the Engineering Budget.
- A transfer of \$6.5 million one-time to the Capital Budget to finance the new Engineering Building (ThreeC+).

### **4. Support for Scholarship/Research Initiatives in the SSHRC Disciplines**

As noted in section B.3 above, support for research/scholarship initiatives in the SSHRC disciplines was identified as a priority last year – and a \$5 million endowment was created. It is recommended that this endowment be expanded by an additional one-time allocation of \$2.5 million in 2017-18 – bringing the total value of the endowment to \$7.5 million. This will increase the annual amount available for spending by \$100,000 – to a total of \$300,000 (starting in 2018-19). The Vice-President Research will develop university-wide strategic initiatives with this incremental \$100,000.

### **5. Support for the Canada Excellence Research Chairs (CERC) Competition**

The next round of the Canada Excellence Research Chairs Program (CERC) is underway. It is recommended that \$2.5 million in one-time funding be allocated as matching contribution to support the University's proposals – currently being developed under the leadership of the Vice-President Research. Our intention is to recommend a similar amount in 2018-19. We plan to allocate an additional \$2.5 million next year.

### **6. Facilities Enhancements in the Faculties**

The recently-completed planning process identified a number of priority space/facilities renewal and realignment needs in the Faculties. Many of the smaller projects are being funded through our capital budget. Two of the larger projects are being supported through one-time allocations (totaling \$2.4 million) from the operating budget – one in Social Science (\$1.1 million) and one in Science (\$1.3 million).

### **7. Pedestrian-Friendly Safe Campus Initiatives**

As noted in last year's budget, campus expansion (buildings and people) has resulted in substantially increased vehicle traffic on campus – which in turn has raised concerns about pedestrian safety within our core campus. As signaled in our Campus Master Plan, we have started the multi-year journey to a vehicle-free pedestrian-friendly core campus – including the ultimate elimination of vehicular traffic, accommodation of the Bus Rapid Transit (BRT) System along the Board-approved route within our campus, improved pedestrian and bicycle access, and moving parking to the periphery of campus. It is recommended that a sum of \$2 million in one-time funding be allocated in 2017-18 to continue and expand the initiatives already underway (see section B.4 above).

#### **Vehicle-Free Pedestrian-Friendly Core Campus Vision**

Western's core campus – where the majority of student-centered educational activities occur – can be viewed as the land bounded by Western Road (on the west side), the Thames River (on the north and

---

east sides), and Philip Aziz Drive (on the south side). The green section in Figure F defines this “core campus”. It is recommended that we move forward with the goal of transforming this “core campus” into a vehicle-free pedestrian-friendly campus. With this objective, the following high-level elements (to be achieved/implemented over time) are proposed:

- a. **The core campus is completely vehicle free** – except for emergency/service vehicles and accessibility requirements. This will require the core campus entry points to become attended or automated gates.
- b. **Improve bi-cycle and pedestrian mobility/connectivity/access infrastructure/systems.**
- c. **Eliminate parking in the core campus and locate all parking at the campus periphery** (except for service vehicles and accessibility requirements).
- d. **Construct parking garages** in flood fringe land that cannot be used for academic buildings. Two possibilities for such structures include the Chemistry Parking Lot and the Huron Flats Parking Lot near TD Stadium.
- e. Preserve the Springett/Brescia Lands for future academic buildings – but **maintain Springett as a surface parking lot** until academic buildings are constructed. When such construction takes place, underground parking should be included.
- f. Maintain the **Medway Lot as the primary student parking lot.**
- g. Develop a **multi-year Parking Strategy** to provide a reasonable/adequate level of parking spaces – by incorporating the above concepts – including the financing plan for the parking garages and the necessary increases to parking rates.
- h. **Create passenger drop-off areas** – in the campus periphery.
- i. Work with the City (as part of the BRT planning and associated University needs) to **implement pedestrian-safety mobility enhancements in high traffic areas** – in particular on Western Road (at Sarnia Road, Brescia Lane, and Elgin Drive) and at the University gates on Richmond Street. Such enhancements could include dedicated/enforced pedestrian access underground tunnels.
- j. As we move forward with this vision, we should incorporate the **recommendations in our Campus Master Plan – including the creation of high quality public spaces and establishment of campus gateways.**

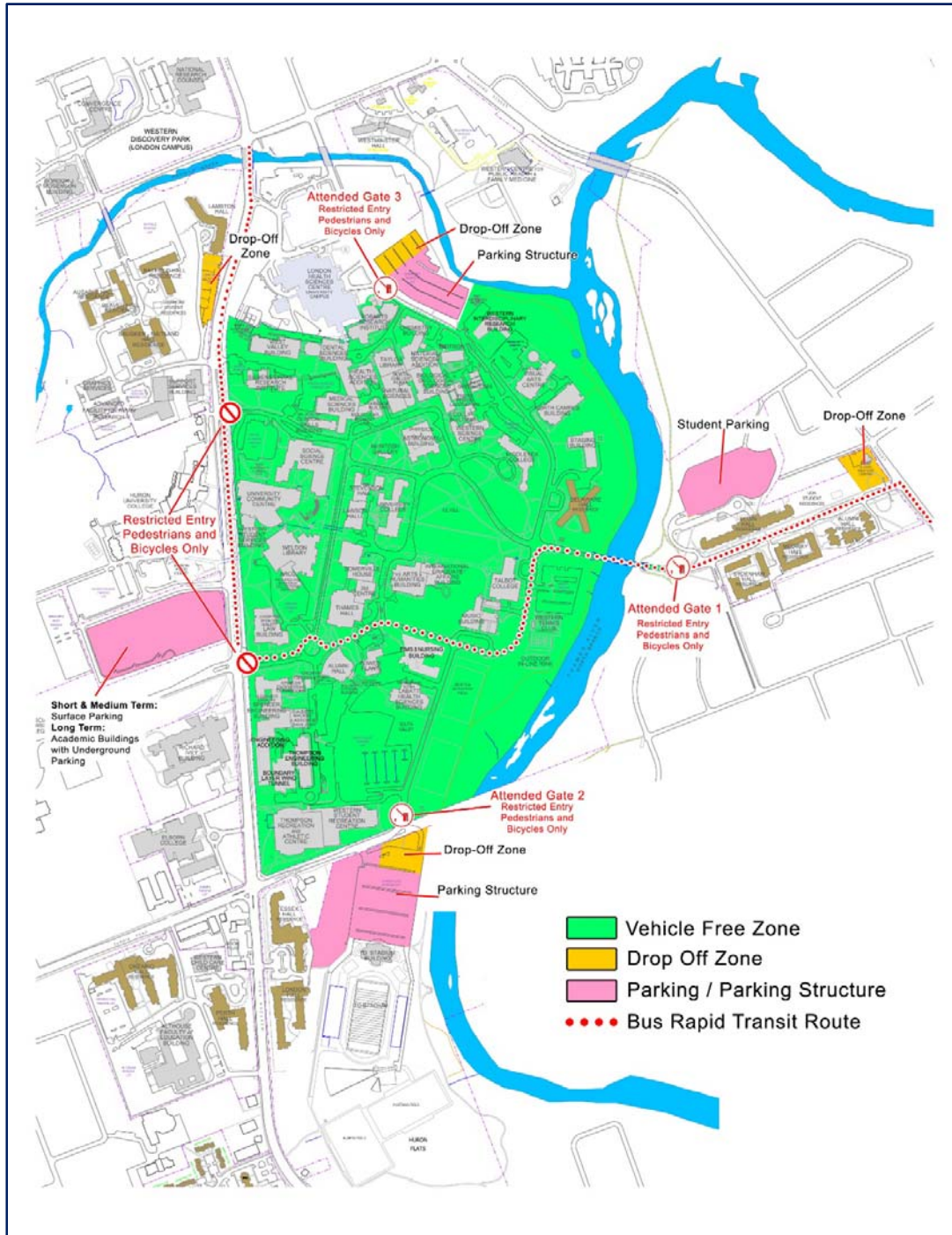
The above vision is presented as a high-level concept – and Figure F simulates this concept. As we move forward, the various elements need to be analyzed in greater detail (with appropriate consultation) and modified as necessary and implemented over time. In addition, as part of the BRT discussions, we need to work with the City to ensure its support for the above vision – and that it will provide the necessary approvals required to achieve our vision. For example, city support will be required for parking garages on flood fringe lands, elimination of vehicular traffic in the core campus, waive parking requirements associated with future new buildings in the core campus –

---

except for emergency/service vehicles and accessibility requirements, vehicular access to/from our lands from/to city roads – both in the core campus and surrounding areas.

Figure F

### Pedestrian Friendly Campus Vision



## **8. Energy Conservation Initiatives**

We are continuing with a series of initiatives aimed at containing utilities costs into the future. In support of this, a sum of \$1.5 million in one-time funding is being recommended to implement campus-wide *Energy Conservation Initiatives*.

## **9. Long-Range Space Plan**

The University's space/facilities requirements to support our academic priorities are reviewed as part of our integrated approach to planning – and the updated Long-Range Space Plan is summarized in Table 14.

Category 1 of Table 14 lists the projects that are currently under way or are being recommended to move forward as part of this budget. Four new projects are now in this category:

- The Integrated Learning and Innovation Centre (ILIC)
- Modernization of Thames Hall
- Renewal/Replacement/Expansion of Medical School Facilities (a multi-phased project)
- Parking Garages

*Note: These projects will also require us to expand utilities infrastructure.*

Preliminary planning and site assessment are underway for these four projects – including the utilities infrastructure expansion needs associated with these projects. We are exploring options for the construction of parking garages in the periphery of campus – including location, funding plan, and the required parking fee rates to finance the structures. Our initial assessment indicates that, in the near future, we will need to re-align/harmonize our parking lot categories and fee rates – including a multi-year plan to increase parking fee rates.

As part of this budget document, we seek approval in principle from the Board of Governors to proceed with formal planning for the four new projects in Category 1 – with the understanding that these projects and the funding plans will be brought forward on an individual basis for formal Board-approval.

It should be noted that the four new projects will require additional borrowing. In order to ensure that we remain within the Board's debt limits, we will be recommending (to the Board of Governors) a draw on our non-endowed funds reserve to pay down the outstanding debt associated with already-completed or almost-completed projects that have no clear funding sources. These projects include the new FIMS and Nursing Building, the New Music Building, and the University College Modernization Project.

## **D. Four-Year Operating Budget Forecast**

We seek approval of the 2017-18 Budget as outlined in this document. The recommendations in this document have been guided by projections of operating revenues and expenditures for the remaining two years of this 4-year planning period. These projections respect the requirement of an operating reserve at the Board-mandated minimum level of \$7.5 million at the end of the 4-year cycle. Table 1 summarizes our current forecast for the remaining two years – and the major underlying assumptions are as follows:

### **Revenues**

- Provincial government grant funding remains constant for the remaining two years – as part of the commitments associated with the new funding formula. Increases in domestic enrolments will not yield incremental grant funding.
- The \$750 international student recovery by the Province (which is applied as a base grant reduction) continues in this 4-year planning period.
- All other government grants continue under the current arrangements/levels.
- 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 this 4-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 and/or known cost escalations.
- 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 the Faculties are responsible for covering 50% of the operating costs of incremental space.

### **Net Position and the Operating Reserve**

- As can be seen in line 32 of Table 1, the Operating Reserve is projected to be at \$64.2 million at the end of the current year (i.e. 2016-17). The reserve is projected to be \$34.7 million at the end of the current 4-year planning period (i.e. 2018-19) – above the Board-mandated minimum level of \$7.5 million.

## **E. Summary of the 2017-18 Operating Budget**

Table 2 summarizes the 2017-18 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 \$756.4 million in 2017-18 – an increase of 2.4% over 2016-17. Details of the operating revenues are shown in Table 3.

Line 13: Total expenditures are projected to be \$759.1 million in 2017-18 – an increase of 4.3% over 2016-17. Details of the expenditures (by area) are shown in Tables 4 through 8.

Line 14: The in-year net position is projected to be a surplus of \$11.1 million in 2016-17 and a deficit of \$2.7 million in 2017-18.

Line 17: The Operating Reserve is forecast to be \$64.2 million at the end of 2016-17 and \$61.5 million at the end of 2017-18.

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

		2014-15	2015-16	2016-17	2017-18	2018-19
1	<b>REVENUES</b>					
2	<b>Government Grants</b>					
3	Provincial: Core Operating Grant (enrolment-based)	247.6	248.8	252.3	252.2	252.0
4	Provincial: Differentiation Envelope	15.2	14.8	15.1	15.1	15.1
5	Provincial: Special Purpose Grants	9.7	9.2	9.1	9.1	9.1
6	Federal: Research Support Fund (FRSF)	9.1	9.0	9.8	9.8	9.8
7	<b>Total</b>	<b>281.6</b>	<b>281.8</b>	<b>286.3</b>	<b>286.2</b>	<b>286.0</b>
8	<b>Tuition Revenue</b>	<b>312.3</b>	<b>334.5</b>	<b>361.6</b>	<b>379.5</b>	<b>395.8</b>
9	<b>All Other Revenues</b>					
10	Canada Research Chairs (CRCs)	8.0	7.7	7.5	6.6	6.6
11	Recoverable Salaries	27.9	27.9	26.8	28.0	28.0
12	All Other	54.1	54.6	56.5	56.1	58.0
13	<b>Total</b>	<b>90.0</b>	<b>90.2</b>	<b>90.8</b>	<b>90.7</b>	<b>92.6</b>
14	<b>Total Revenues</b>	<b>683.9</b>	<b>706.5</b>	<b>738.7</b>	<b>756.4</b>	<b>774.4</b>
15	<b>EXPENDITURES</b>					
16	<b>Faculties</b>					
17	Base Budgets	361.4	370.7	379.5	375.5	371.6
18	Revenue Sharing Allocations	17.2	25.3	31.7	37.2	43.1
19	Canada Research Chairs (CRCs)	6.9	6.7	6.5	5.7	5.7
20	All Other	64.4	61.8	59.4	61.5	62.4
21	<b>Total</b>	<b>449.9</b>	<b>464.5</b>	<b>477.1</b>	<b>479.9</b>	<b>482.8</b>
22	<b>Scholarships and Bursaries</b>	<b>29.9</b>	<b>30.8</b>	<b>32.8</b>	<b>32.9</b>	<b>34.9</b>
23	<b>Support Areas</b>	<b>90.7</b>	<b>93.3</b>	<b>95.4</b>	<b>96.6</b>	<b>96.8</b>
24	<b>University-wide Expenditures</b>	<b>66.8</b>	<b>70.8</b>	<b>71.5</b>	<b>74.5</b>	<b>81.6</b>
25	<b>Provision for Cost Fluctuations</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>18.3</b>	<b>35.0</b>
26	<b>One-Time Allocations</b>	<b>48.5</b>	<b>33.5</b>	<b>50.8</b>	<b>56.9</b>	<b>70.1</b>
27	<b>Total Expenditures</b>	<b>685.8</b>	<b>692.9</b>	<b>727.6</b>	<b>759.1</b>	<b>801.2</b>
28	<b>REVENUES minus EXPENDITURES</b>	<b>-1.9</b>	<b>13.6</b>	<b>11.1</b>	<b>-2.7</b>	<b>-26.8</b>
29	<b>OPERATING RESERVE</b>					
30	Beginning Operating Reserve	41.4	39.5	53.1	64.2	61.5
31	Surplus / (Deficit) -- from Line 30 above	-1.9	13.6	11.1	-2.7	-26.8
32	<b>Ending Operating Reserve</b>	<b>39.5</b>	<b>53.1</b>	<b>64.2</b>	<b>61.5</b>	<b>34.7</b>

**Table 2****SUMMARY OF OPERATING BUDGET: 2017-18**

	<a>	<b>	<c>	
	2016-17 Budget (@Feb 28, 2017)	2017-18 Budget	\$ Change from 2016-17	
1	<b>Operating Revenues (Table 3)</b>			
2	Government Grants	286,358,288	286,246,488	-111,800
3	Tuition Revenue	361,629,488	379,489,695	17,860,207
4	All Other	90,703,596	90,696,926	-6,670
5	<b>Total Revenues</b>	<b>738,691,372</b>	<b>756,433,109</b>	<b>17,741,737</b>
6	<b>Expenditure Budgets</b>			
7	Faculties (Table 4)	477,120,828	479,862,252	2,741,424
8	Scholarships and Bursaries (Table 5)	32,845,447	32,949,868	104,421
9	Support Areas (Table 6)	95,357,434	96,618,826	1,261,392
10	University-wide Expenditures (Table 7)	71,462,868	74,542,572	3,079,704
11	Provision for Cost Fluctuations	0	18,294,248	18,294,248
12	One-Time Allocations	50,841,153	56,893,689	6,052,536
13	<b>Total Expenditures</b>	<b>727,627,730</b>	<b>759,161,455</b>	<b>31,533,725</b>
14	<b>Surplus / (Deficit) - Line 5 minus Line 13</b>	<b>11,063,642</b>	<b>-2,728,346</b>	
15	<b>Beginning Operating Reserve Balance</b>	<b>53,141,219</b>	<b>64,204,861</b>	
16	Surplus / (Deficit) -- Line 14 above	11,063,642	-2,728,346	
17	<b>Closing Operating Reserve Balance</b>	<b>64,204,861</b>	<b>61,476,515</b>	
18	<b>Board-mandated Minimum Level Reserve Target</b>	<b>7,500,000</b>	<b>7,500,000</b>	



## **F. Details of the 2017-18 Operating Revenue Forecasts (Table 3)**

### **Government Grants**

As committed by the Provincial Government – as part of the new funding formula structure – the overall level of grant funding will remain constant in 2017-18 (i.e. the same level as 2016-17). Consistent with the new funding formula structure, provincial grants are presented in three categories: the Core Operating Grant (enrolment based), the Differentiation Envelope, and Special Purpose Grants which are targeted towards specific provincial priorities.

### **Tuition Fees**

The recommended tuition fee rates for 2017-18 are based on the new domestic tuition framework – and are shown in Tables 11 and 12. Tuition revenue projections are a function of tuition rates and the enrolment forecasts shown in Table 13.

It should be noted that we are presenting tuition fee proposals for the next two years (i.e. 2017-18 and 2018-19) as requested by the Provincial Government.

### **Domestic Students**

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

### **International Students**

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

- Table 9 summarizes the CRC distribution at Western. Our current total allocation is 64 CRCs. There are currently 16 actively advertised CRC vacancies – with additional searches underway or planned to fill current or pending vacancies. The net effect of the transition in CRC occupancy is that, in 2017-18, we are projecting \$6.6 million for 43 chairs with incumbents.
- The Transfer from the Affiliated University Colleges represents payments for services and teaching provided to their students. The transfer rate for 2017-18 is at the steady-state level of 12% of the Colleges' grant and tuition revenue.

- Fundraising for needs-based Student Awards continues to be of high priority to the University. In 2017-18, we project a sum of \$7.2 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 Ivey Business School 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 2017-18 Expenditure Recommendations

### 1. Faculty Budget Recommendations

Table 4 shows the 2017-18 **base budget recommendations** for Western's Faculties. Final 2017-18 base budgets are the net result of the following:

- Starting base budgets;
- The Initial Budget Adjustments (IBA) established as part of the multi-year budget plan;
- Faculty Turnover Recovery, which returns the greater of \$87,000 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 **Initial Budget Adjustment (IBA)** – which reduces the base budget by 3% – is applied annually. This adjustment is required to help fund inflationary costs, which are primarily the annual employee salary increases as negotiated through collective bargaining agreements. It is also intended to provide central funding to support institutional priorities. However, in recent years, the IBA has not covered the full cost of annual salary increases.

As an outcome of last year's planning cycle, in order to provide Faculties with resources to support faculty renewal, the **Faculty Turnover Recovery Program** was temporarily suspended. Turnover recovery will be waived for all new tenured/probationary faculty retirements (or exits of faculty members at age 55 or higher) signed between February 1, 2016 and June 30, 2019 – where the faculty member leaves the University by July 1, 2019. Turnover recovery associated with all previous exits – which are currently built into the Faculties' budget plans – will be applied as planned.

The **Academic Priorities Fund (APF)** shown in line 18 of Table 4 was established in 2011-12. A portion of the APF is being allocated as an outcome of this planning cycle. Recommendations for additional allocations in support of University priorities will be brought forward in future years. The Provost's APF recommendations are in direct response to requests from the Faculties – and are made in the context of the following considerations:

- The Faculty's overall resource situation relative to enrolments/teaching
- Plans for program expansion and/or development of new graduate and undergraduate programs
- Projected revenue sharing allocations
- Resources relative to similar programs/Faculties
- Cost structure variations among disciplines/Faculties
- Relationship between resources, enrolments, and faculty/staff complements
- Scholarship/research activities and new initiatives, including interdisciplinary or cross-Faculty initiatives
- Previous investments made in the 4-year planning cycle

The **Faculty-specific APF base recommendations** for 2017-18 (shown in column <d> of Table 4) are:

- \$102,000 to the Faculty of Arts & Humanities for a tenure-track appointment in Classical Studies;
- \$129,500 to the Faculty of Health Sciences – as partial support for two tenure-track appointments;
- \$12,633 to the Faculty of Information & Media Studies to maintain staffing levels;
- \$340,000 to the Faculty of Science for three faculty appointments -- one in each of Actuarial Sciences, Synchrotron Radiation & Biological Systems, and Data Analytics for Exercise Health & Mobility;
- \$632,500 to the Faculty of Social Science for two tenure-track appointments in the MOS Program and resources to support Faculty-wide educational and research initiatives.

Two additional Faculty-specific base allocations are recommended (as described in section C.1) in **support of Indigenous Initiatives**:

- \$146,625 to the Faculty of Law for a faculty appointment in the area of Indigenous Teaching, Scholarship, and Outreach;
- \$390,000 to the Faculty of Social Science to support the creation of a new academic department.

As noted earlier (in section C.2.), the multi-year **strategic expansion of Engineering** will flow a sum of \$848,000 in base funding to the Engineering budget (Table 4, line 4, column e).

The **funding model for the Ivey Business School** – 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. The proportions of incremental revenues (tuition and applicable grant) flowing to the Faculties are as follows:

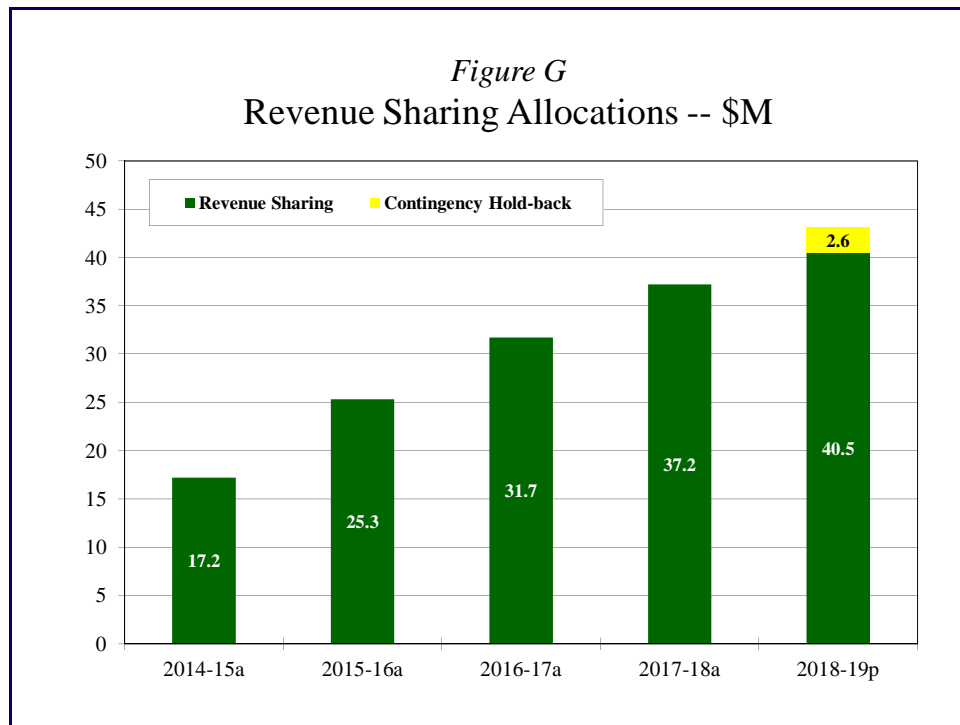
- 25% on direct-entry undergraduate enrolments/teaching
- 50% on second-entry (or professional) undergraduate enrolments
- 50% on professional masters enrolments
- 85% on research masters and doctoral enrolments

As noted earlier, the Provincial Government has confirmed the structure of the new University Funding Formula – which will begin in 2017-18. Under the new structure, the major portion of our grant funding which is associated with enrolments will be frozen – and domestic enrolment growth will not attract incremental grant funding. This, in turn, will have significant implications for the University budget and revenue sharing with the Faculties. However, since we’re in the middle of a multi-year plan, we will honour the revenue sharing commitments up to the end of this 4-year planning period. That is, since revenue-sharing flows funds on a slip-year basis, enrolments and teaching activity in 2017-18 will be used in calculating the 2018-19 revenue-sharing allocations. Therefore, 2017-18 enrolments/teaching (which is associated with the 2018-19 budget) is the final year for the current revenue-sharing mechanism.

Line 15 in Table 4 shows the projected \$37.2 million that will be available to the Faculties in 2017-18. The Faculty-specific breakdown of this \$37.2 million is shown in Table 4a. This amount is on top of a total of \$19 million that was rolled into Faculty base budgets in 2014-15.

The Faculties also receive additional budgetary support through:

- **Funding for targeted student financial awards in support of special recruitment efforts** – which are included in Table 5;
- **One-time operating budget allocations** – which are detailed in Table 8 (lines 10 to 21);
- **The Research Infrastructure Support Fund (RISF)** allocations shown in Table 10; and
- Support for **Faculty-specific capital projects** through the University’s Capital Budget.



The one-time allocations shown in Table 8 include substantial funding to the Faculty of Arts & Humanities and the Don Wright Faculty of Music. These two Faculties are facing serious budgetary pressures and their operating budgets are in deficit situation – largely due to decline in enrolments, which is a nation-wide pattern. In order to manage the budget and work towards a balanced budget, the Provost and the respective Deans are working collaboratively on a multi-year plan that includes expenditure reductions in the Faculty budgets and incremental budgetary support from the central budget. In 2017-18, the central budget allocation is \$1.8 million for the Faculty of Arts & Humanities and \$323,000 for the Don Wright Faculty of Music. A similar partnership approach will also be implemented in 2018-19.

For information, a consolidated summary of the Provost’s allocation recommendations for the Faculties (from the various sources described above) is presented in Figure G. These recommendations are for the 2017-18 budget – and, given our multi-year planning approach, should be considered in the context of resource allocations made in previous years.

*Figure H*  
**SUMMARY OF 2017-18 ALLOCATION RECOMMENDATIONS FOR THE FACULTIES**

		Base Allocations	One-Time Allocations	Targetted Student Awards	Capital Allocations
1	Arts & Humanities	102,000	1,893,536	200,000	72,000
2	Education		30,000		260,000
3	Engineering	847,761			87,000
4	Health Sciences	129,500	245,000		99,750
5	Information & Media Studies	12,633	105,500		
6	Law	146,625	100,000		
7	Medicine & Dentistry				480,423
8	Music		701,519	80,000	
9	Science	340,000	1,360,000		
10	Social Science	1,022,500	1,156,000		
11	<b>Total</b>	<b>2,601,019</b>	<b>5,591,555</b>	<b>280,000</b>	<b>999,173</b>

*Note: These recommendations are for the 2017-18 budget -- and, given our multi-year planning approach, should be considered in the context of resource allocations made in previous years.*

## **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 nearly \$33 million in 2017-18.

- Fundraising for undergraduate and graduate student needs-based awards continues to be of high priority to the University. In 2017-18, we project a sum of \$7.2 million from this source.
- As the footnote in Table 5 indicates, graduate student funding is now addressed through the Faculty budgets – and the Faculty Plans estimate a total of \$58.6 million in 2017-18 for this high priority item.

## **3. Support Unit Budget Recommendations**

Table 6 shows the 2017-18 base budget recommendations for Support Units. Final 2017-18 base budgets are the net result of the following:

- Starting base budgets;
- The initial budget adjustments (IBA) established as part of the multi-year budget plan;
- Support Units Priorities Fund (SUPF) allocations; and
- Other strategic base allocations in support of: maintaining core services and the operating costs of new facilities.

The **Support Unit Priorities Fund (SUPF)** was established in 2011-12, and the unit-specific base allocations for 2017-18 (shown in column <c> of Table 6) are:

- \$53,958 to the Libraries to maintain staffing levels;

- \$110,000 to the Registrar’s Office in support of technology-related infrastructure and staffing;
- \$117,563 to the Student Experience Portfolio to maintain staffing levels;
- \$150,000 to Vice-Provost (Academic Planning, Policy, & Faculty) Portfolio to maintain staffing levels;
- \$102,700 to the Office of Institutional Planning & Budgeting to maintain staffing levels;
- \$350,000 to Western International to support various internationalization-related initiatives;
- \$6,500 to the McIntosh Gallery to maintain staffing levels;
- \$80,000 to Financial Services for a Compliance Officer staff position;
- \$95,000 to Human Resources in support of developing new attendance support programs and an Absence Management System;
- \$18,000 to Facilities Management to support Land Development Initiatives;
- \$82,000 to the University Secretariat for additional staffing in the area of Legal Services;
- \$450,000 to the Vice-President (Research) Portfolio in support of service enhancement;
- \$85,000 to Animal Care & Veterinary Services to support the increased cost of legislated activities; and
- \$465,000 to the Vice-President (External) Portfolio in support of our fundraising campaign.

The Provost and the Vice-President (Finance & 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 14 and 23 of Table 6.

The Support Units receive nearly \$1.4 million additional base allocations (column d, Table 6) to **maintain core services and to cover the incremental operating costs** associated with new facilities.

Similar to the Faculties, the Support Units also receive additional budgetary support through:

- **One-time operating budget allocations** – which are detailed in Table 8 (lines 22 through 37); and
- Support for **Unit-specific capital projects** through the University’s Capital Budget.

#### **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, utilization patterns, and anticipated savings resulting from the implementation of energy efficiency initiatives.
- The **Library Acquisitions Budget** is being increased by \$500,000 to a level of \$15.1 million. As described earlier (in section B.6.), as a result of the weak Canadian dollar’s purchasing power, we are investing additional resources to this high priority budget line.
- 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. In 2017-18, we would have reached this \$15.5 million target – and the status of this budget line will be reviewed next year.

- The **FRSF 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, IT security infrastructure, 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 \$1.9 million – 0.25% of Operating Revenues, as in previous years.
- Western attracts outstanding students. Their recruitment, within an increasingly competitive environment, continues to be of high priority to the University – and the **Student Recruitment** base budget supports a wide array of recruitment activities, including out-of-province student recruitment initiatives.

## 5. One-Time Recommendations

The Faculties and Support Units will receive substantial one-time funding in 2017-18. 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, the following high priority university-wide initiatives are recommended for support in the 2017-18 budget – with one-time allocations:
    - **Growing our Endowment – The Endowed Chairs Matching Program:** \$25 million.
    - Multi-year **Financing of the New Engineering Building (ThreeC+):** \$6.5 million
    - Support for **Scholarship/Research Initiatives in the SSHRC Disciplines:** \$2.5 million
    - Matching funds for the **Canada Excellence Research Chairs** Competition: \$2.5 million
    - **Pedestrian-Friendly and Campus Safety Initiatives** – \$2 million.
    - **Energy Conservation Initiatives** – \$1.5 million.
  - A sum of \$500,000 is being provided to support the continuation of **University Advertising Initiatives**.
  - **Modernization of our Instructional Facilities** is an on-going priority – and is being supported through a one-time allocation of \$500,000.
  - As a result of a funding partnership arrangement between the University Students' Council, the Society of Graduate Students, and the University, we created two **artificial turf playing fields** in 2013-14. The 24-year arrangement involves revenues from a targeted student fee and annual contributions from the University. In 2017-18, the University's contribution amounts to \$280,900.
  - A sum of \$1.9 million is being allocated to the Vice-President (Research) to support a number of **research-related initiatives**, including research promotion and commercialization of intellectual property.
-



**Table 3**  
**2016-17 OPERATING REVENUES**

		2016-17 Budget Forecast (@Feb 28, 2017) (1)	2017-18 Budget (2)	Increase / (Decrease) Amount (3)	% Change (2) to (1)
1	<b>Government Grants</b>				
2	Provincial: Core Operating Grant (Enrolment-Based)	252,304,392	252,142,992	-161,400	-0.1%
3	Provincial: Differentiation Envelope	15,094,169	15,094,169	0	0.0%
4	Provincial: Special Purpose Grants	9,167,427	9,217,027	49,600	0.5%
5	Federal Research Support Fund (FRSF)	9,792,300	9,792,300	0	0.0%
6	<b>Sub-Total Government Grants</b>	<b>286,358,288</b>	<b>286,246,488</b>	<b>-111,800</b>	<b>0.0%</b>
7	<b>Tuition Revenue</b>				
8	Undergraduate	232,606,298	242,295,213	9,688,915	4.2%
9	Graduate	55,414,293	59,237,231	3,822,938	6.9%
10	<i>Sub-Total General Programs</i>	<i>288,020,591</i>	<i>301,532,444</i>	<i>13,511,853</i>	<i>4.7%</i>
11	Ivey Programs (HBA, MBAs, MSc, PhD)	61,986,725	65,030,627	3,043,902	4.9%
12	International Medical and Dental Students	10,867,672	12,178,624	1,310,952	12.1%
13	<i>Sub-Total Other Programs</i>	<i>72,854,397</i>	<i>77,209,251</i>	<i>4,354,854</i>	<i>6.0%</i>
14	Miscellaneous Fees	754,500	748,000	-6,500	-0.9%
15	<b>Sub-Total Tuition Revenue</b>	<b>361,629,488</b>	<b>379,489,695</b>	<b>17,860,207</b>	<b>4.9%</b>
16	<b>Other Revenues</b>				
17	Canada Research Chairs (CRCs)	7,500,000	6,600,000	-900,000	-12.0%
18	Transfer from Affiliated University Colleges	8,978,840	9,038,460	59,620	0.7%
19	Recoverable Salaries	26,749,519	28,008,147	1,258,628	4.7%
20	Investment Income (Robarts)	788,889	605,541	-183,348	-23.2%
21	Fundraising -- Need-based Student Awards and Bursaries	7,200,000	7,200,000	0	0.0%
22	Application Fees	1,780,258	1,780,258	0	0.0%
23	Research Overheads	2,250,000	2,325,000	75,000	3.3%
24	Royalties and Licences	3,456,027	2,456,000	-1,000,027	-28.9%
25	Scholarship/Research Initiatives in the SSHRC Disciplines	200,000	200,000	0	0.0%
26	Contributions from Self-Funded & Ancillary Operations	31,076,063	31,759,520	683,457	2.2%
27	Miscellaneous Revenues	724,000	724,000	0	0.0%
28	<b>Sub-Total Other Revenues</b>	<b>90,703,596</b>	<b>90,696,926</b>	<b>-6,670</b>	<b>0.0%</b>
29	<b>Total Revenues</b>	<b>738,691,372</b>	<b>756,433,109</b>	<b>17,741,737</b>	<b>2.4%</b>

**Table 4  
FACULTIES  
2017-18 BASE BUDGETS**

	<d>	<b>	<c>	<d>	<e>	<f>	<g>
	2016-17 Base Budget (@Feb.28, 2017)	IBA	Faculty Turnover Recovery	APF	Other Base Changes	Canada Research Chairs	Resulting 2017-18 Base Budget
1 <b>Faculties</b>							
2 Arts & Humanities	33,053,486	-867,547	-25,322	102,000			32,262,617
3 Education	7,985,179	-266,677	-45,456				7,673,046
4 Engineering	29,810,298	-726,810	-76,834		847,332		29,853,986
5 Health Sciences	30,262,944	-814,630	-152,725	129,500	-870		29,424,219
6 Information & Media Studies	10,262,967	-287,458		12,633			9,988,142
7 Law	7,967,841	-224,500	-102,193		146,625		7,787,773
8 Medicine & Dentistry	63,912,654	-1,774,753	-71,436		-25,972	-520,000	61,520,493
9 Music	10,345,133	-288,672					10,056,461
10 Science	58,784,504	-1,537,190	-196,294	340,000		-100,000	57,291,020
11 Social Science	57,238,829	-1,576,841	-538,336	632,500	388,577	-180,000	55,964,729
12 <b>Sub-Total Faculties (excluding Business)</b>	<b>309,623,835</b>	<b>-8,365,078</b>	<b>-1,208,596</b>	<b>1,216,633</b>	<b>1,355,692</b>	<b>-800,000</b>	<b>301,822,486</b>
13 Business	74,724,710				2,814,360		77,539,070
14 <b>Sub-Total Faculties</b>	<b>384,348,545</b>	<b>-8,365,078</b>	<b>-1,208,596</b>	<b>1,216,633</b>	<b>4,170,052</b>	<b>-800,000</b>	<b>379,361,556</b>
15 Revenue Sharing Allocation	31,655,146				5,540,697		37,195,843
16 Research Infrastructure Support Fund (RISF)	750,000						750,000
17 Faculty Recruitment Initiatives	907,052						907,052
18 Academic Priorities Fund (APF)	11,264,062			183,367	463,375		11,910,804
19 <b>Total -- with Revenue Sharing Allocation</b>	<b>428,924,805</b>	<b>-8,365,078</b>	<b>-1,208,596</b>	<b>1,400,000</b>	<b>10,174,124</b>	<b>-800,000</b>	<b>430,125,255</b>
20 <b>All Other</b>							
21 Western Strategic Success Programs (formerly ADF)	1,500,000						1,500,000
22 Continuing Studies: Trois-Pistoles	997,703				799		998,502
23 Education: Continuing Education for Teachers	1,482,030				2,970		1,485,000
24 Medicine & Dentistry: International Students and Primary Care	11,217,477				1,310,952		12,528,429
25 Medicine & Dentistry: Roberts	4,971,294				-1,208,375		3,762,919
26 Faculty Share of Research Overheads	899,000				176,000		1,075,000
27 Faculty Scholars & Distinguished University Professors	239,000						239,000
28 Graduate and Undergraduate Program Reviews	140,000						140,000
29 Recoverable Salaries	26,749,519				1,258,628		28,008,147
30 <b>Sub-Total</b>	<b>48,196,023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,540,974</b>	<b>0</b>	<b>49,736,997</b>
31 <b>Total Academic Units</b>	<b>477,120,828</b>	<b>-8,365,078</b>	<b>-1,208,596</b>	<b>1,400,000</b>	<b>11,715,098</b>	<b>-800,000</b>	<b>479,862,252</b>

Note: Funding to cover the costs of negotiated employee salary and benefits increases will be incrementally added to Faculty base budgets (in year, to column g), as the information is available.

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

		<b>2014-15a</b>	<b>2015-16a</b>	<b>2016-17a</b>	<b>2017-18a</b>	<b>2018-19p</b>
1	Arts & Humanities	-74,390	-64,190	-287,293	-153,256	269,132
2	Education	2,951,298	5,531,940	7,719,417	8,904,614	8,977,667
3	Engineering	2,178,257	3,803,227	2,273,644	1,792,590	1,996,059
4	Health Sciences	1,543,158	2,196,864	2,697,430	3,288,542	3,355,824
5	Information & Media Studies	397,427	149,498	494,448	389,873	456,945
6	Law	641,164	895,587	1,342,719	1,717,906	1,986,683
7	Medicine & Dentistry	3,809,577	4,170,113	5,363,074	7,125,965	7,193,188
8	Music	205,051	83,852	220,228	562,704	734,290
9	Science	2,785,763	4,063,965	5,898,300	6,532,764	7,967,858
10	Social Science	2,217,097	3,891,051	5,094,821	5,777,562	6,262,209
11	Inter-Disciplinary Programs	535,849	528,665	838,358	1,256,579	1,269,205
12	<b>Sub-Total</b>	<b>17,190,251</b>	<b>25,250,572</b>	<b>31,655,146</b>	<b>37,195,843</b>	<b>40,469,060</b>
13	<b>Contingency Hold-back</b>					<b>2,583,135</b>
14	<b>Sub-Total</b>	<b>17,190,251</b>	<b>25,250,572</b>	<b>31,655,146</b>	<b>37,195,843</b>	<b>43,052,195</b>

**Table 5**  
**SCHOLARSHIPS and BURSARIES**  
**2017-18 BASE BUDGETS**

		<a>	<b>	<c>
		2016-17 Base Budget (@Feb 28, 2017)	Changes	Resulting 2017-18 Base Budget
1	Undergraduate Scholarships	7,300,000		7,300,000
2	Tuition Re-Investment	15,368,510	581,496	15,950,006
3	Western Bursaries	776,545		776,545
4	Privately-Funded Need-based Awards & Bursaries	7,200,000		7,200,000
5	MAESD Bursaries	484,317		484,317
6	Global Opportunities Awards	200,000		200,000
7	Graduate Bursaries and Fellowships	1,036,075	2,925	1,039,000
8	Doctoral Excellence Research Awards	480,000	-480,000	0
9	<b>Total Scholarships and Bursaries</b>	<b>32,845,447</b>	<b>104,421</b>	<b>32,949,868</b>

*Graduate student funding is now addressed through the Faculty budgets. In 2016-17, this funding is estimated to be \$56.9 million and the plan for 2017-18 is \$58.6 million.*

**Table 6**  
**SUPPORT AREAS**  
**2017-18 BASE BUDGETS**

		<a>	<b>	<c>	<d>	<e>
		2016-17 Base Budget (@Feb 28, 2017)	IBA	SUPP	Other Base Changes	Resulting 2017-18 Base Budget
1	<b>Reporting to the Provost</b>					
2	Teaching Support Centre	713,887	-19,502		7,801	702,186
3	Writing Support Centre	345,785				345,785
4	Information Technology Services	7,438,451	-189,902		157,451	7,406,000
5	Libraries	13,106,262	-361,555	53,958	144,622	12,943,287
6	Registrar's Office	5,973,723	-165,665	110,000	82,833	6,000,891
7	Student Experience Portfolio	1,083,047	-16,428	117,563	6,571	1,190,753
8	Office of Vice-Provost (APPF)	1,357,276	-27,830	150,000	11,132	1,490,578
9	Graduate & Postdoctoral Studies	1,635,965	-51,284		20,514	1,605,195
10	Institutional Planning and Budgeting	4,779,552	-137,642	102,700	55,057	4,799,667
11	Western International	2,534,497	-53,641	350,000	21,456	2,852,312
12	McIntosh Gallery - Subsidy	274,294		6,500		280,794
13	Teaching Fellows Program	500,000				500,000
14	Support Unit Priorities Fund (SUPF)	122,635		-115,721		6,914
15	<b>Sub-Total</b>	<b>39,865,374</b>	<b>-1,023,449</b>	<b>775,000</b>	<b>507,437</b>	<b>40,124,362</b>
16	<b>Reporting to the Vice-President Finance &amp; Operations</b>					
17	Financial Services	4,796,551	-133,197	80,000	53,279	4,796,633
18	Human Resources	6,756,303	-188,661	95,000	75,464	6,738,106
19	Workplace Health Services	170,813				170,813
20	Facilities Management	17,497,826	-407,710	18,000	554,924	17,663,040
21	Police	2,905,056	-79,824		31,930	2,857,162
22	Internal Audit	436,437	-12,054		6,027	430,410
23	Support Unit Priorities Fund (SUPF)	544,000		85,000		629,000
24	<b>Sub-Total</b>	<b>33,106,986</b>	<b>-821,446</b>	<b>278,000</b>	<b>721,624</b>	<b>33,285,164</b>
25	<b>Reporting to the Vice-President Research</b>					
26	Animal Care/Veterinary Services - Subsidy	915,000		85,000		1,000,000
27	Research Western	4,222,807	-105,633	450,000	42,253	4,609,427
28	Research Promotion Fund	250,000				250,000
29	Small Grants Support for Arts/Humanities/Social Sciences	250,000				250,000
30	Scholarship/Research Initiatives in the SSHRC Disciplines	200,000				200,000
31	Western Innovation Fund	400,000				400,000
32	<b>Sub-Total</b>	<b>6,237,807</b>	<b>-105,633</b>	<b>535,000</b>	<b>42,253</b>	<b>6,709,427</b>
33	<b>Vice-President External Portfolio</b>	<b>11,725,396</b>	<b>-323,990</b>	<b>465,000</b>	<b>129,596</b>	<b>11,996,002</b>
34	<b>General Administration</b>					
35	Offices of the President/Vice-Presidents	3,281,269				3,281,269
36	University Secretariat	1,140,602		82,000		1,222,602
37	<b>Sub-Total</b>	<b>4,421,871</b>	<b>0</b>	<b>82,000</b>	<b>0</b>	<b>4,503,871</b>
38	<b>Total Support Areas</b>	<b>95,357,434</b>	<b>-2,274,518</b>	<b>2,135,000</b>	<b>1,400,910</b>	<b>96,618,826</b>

Note: Funding to cover the costs of negotiated employee salary and benefits increases will be incrementally added to Unit base budgets (in year, to column e), as the information is available.

**Table 7**  
**UNIVERSITY-WIDE EXPENDITURES and EMPLOYEE BENEFIT COSTS**  
**2017-18 BASE BUDGETS**

		<a>	<b>	<c>	<d>
		2016-17 Base Budget (@Feb 28, 2017)	New Investment	Other Changes	Resulting 2017-18 Base Budget
1	Utilities	23,089,329		801,996	23,891,325
2	Library Acquisitions	14,615,896	500,000		15,115,896
3	Transfer to MMI: Operating	14,750,000	750,000		15,500,000
4	Transfer to MMI: Ancillaries	600,000			600,000
5	FRSF Transfer to Capital	3,000,000			3,000,000
6	CRC Transfer to Capital	792,000		-80,000	712,000
7	Information Technology Infrastructure Fund (ITIF)	9,202,936		460,147	9,663,083
8	Property Taxes	2,163,000		73,950	2,236,950
9	Insurance	1,874,300		42,000	1,916,300
10	Contingency	1,821,267		69,816	1,891,083
11	Services for Students with Disabilities	1,208,699			1,208,699
12	Professional Fees	1,282,500			1,282,500
13	Institutional Memberships	1,150,000			1,150,000
14	Student Recruitment	850,000			850,000
15	Sports and Recreation Services - Subsidy	915,373		4,610	919,983
16	Convocation and Diplomas	340,000			340,000
17	Costs Associated with Employee Contracts	589,000			589,000
18	Ombudsperson	105,753			105,753
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	<b>Total University-wide Expenditures</b>	<b>78,530,053</b>	<b>1,250,000</b>	<b>1,372,519</b>	<b>81,152,572</b>
23	Employee Benefit Plan Costs	107,944,258		6,449,742	114,394,000
24	Employee Benefit Recoveries	-115,011,443		-5,992,557	-121,004,000
25	<b>Net Employee Benefits</b>	<b>-7,067,185</b>		<b>457,185</b>	<b>-6,610,000</b>
26	<b>Net University-wide Expenditures</b>	<b>71,462,868</b>	<b>1,250,000</b>	<b>1,829,704</b>	<b>74,542,572</b>

**Table 8**  
**2017-18 ONE-TIME ALLOCATIONS**

1	Endowed Chairs Matching Program	25,000,000
2	New Engineering Building (ThreeC+): Multi-year Financing Plan	6,482,489
3	Scholarship/Research Initiatives in the SSHRC Disciplines: Supplement Endowment	2,500,000
4	Canada Excellence Research Chairs Program (CERC) Matching	2,500,000
5	Pedestrian-Friendly and Campus Safety Initiatives	2,000,000
6	Energy Conservation Initiatives	1,500,000
7	Support for Fundraising Campaign: Advertising Initiatives	500,000
8	Classroom Modernization Initiatives	500,000
9	University Contribution for Artificial Turf Playing Fields	280,900
10	<b>Faculties</b>	
11	Arts & Humanities: Undergraduate Recruitment Initiatives (\$50K), and Support to Manage Deficit (\$1.8M)	1,893,536
12	Education: Indigenous Graduate Student Support	30,000
13	Health Sciences: Targetted Government Funding for Clinical Education (\$842K) and Nurse Practitioner Program (\$580K), Roth Chair Bridge Funding (\$65K), Audiology Clinic Equipment (\$30K), Technology to "connect classrooms" for Physical Therapy (\$100K)	1,617,412
14	Info & Media Studies: Grants Facilitator Position (\$43K), and Recruitment, Promotion and Experiential Learning Initiatives (\$20K), and Faculty Development Officer and Related Initiatives (\$42.5K)	105,500
15	Law: Capstone Courses (\$40K), Blended Learning & eLearning Initiatives (\$40K), and International and Pre-Eminent Visiting Scholars Program (\$20K)	100,000
16	Medicine & Dentistry: Targetted Government Funding for Dental Clinical Education (\$1.2M) and MD Expansion (\$2.4M)	3,538,879
17	Music: Recruitment & Community Awareness Initiatives (\$65K), Percussion Equipment (\$15K), Bridge Funding for Choral Faculty Hire (\$40K), Music Education Initiatives (\$58K), Wind Ensemble Tour (\$45K), Mozart & Modernity Conference Support (\$10K), Piano Inventory Renewal (\$75K), IT Recording Equipment (\$12K), RAP Studio (\$5.6K), Choral Trip (\$10.6K), Student Experience, Community Engagement and Awareness Initiatives (\$42.5K), and Support to Manage Deficit	701,519
18	Science: Space Realignment Plan Phase 2 -- NCB/MC/WSC (\$1.25M), Biology Lab Upgrades (\$65K), and Infrared Spectrometers in Undergraduate Teaching Lab (\$45K)	1,360,000
19	Social Science: Creation of Student Spaces and Instructional Facilities (\$1.1M) and Research Matching & Support Fund (\$50K)	1,156,000
20	Provost: Unallocated Academic Priorities Fund	330,800
21	<b>Sub-Total Faculties</b>	<b>10,833,646</b>
22	<b>Support Units</b>	
23	Registrar's Office: First Generation Initiatives (\$282K), Academic Counsellor Appointment Scheduling System (\$153K), and Scantron Transition (\$106K)	541,580
24	Student Experience: Experiential Learning Initiatives (\$70K), Career Services and First Nations Initiatives (\$180K), Targetted Government Funding for Sexual Violence Public Education (\$130K), and SRS - Women's Athletic Awards (\$50K)	430,000
25	Teaching Support Centre: 360 Degree Initiative for Graduate Students (\$300K), Faculty Mentor Program (\$40K), and Turn-it-in Software License Costs (\$66K)	406,000
26	Vice-Provost (APPF): Training and Development Initiatives and Faculty Recruitment/Retention Initiatives	70,000
27	SGPS: Maintain Service and Staffing Levels (\$175K), Recruitment and Retention Initiatives (\$110), Exchange Program Travel Costs (\$15K), Thesis Writing Boot Camp (\$19K), International Recruitment Initiatives (\$50K), and International Recruitment Coordinator Position (\$90K)	459,000
28	Provost: Use of Base SUPF for One-Time Purposes	-78,100
29	Financial Services: Best Value Business Model Initiative	135,000
30	Human Resources: Attendance Support Programs & Absence Management Systems (\$100K), Career and Leader Succession Programs (\$120K)	220,000
31	Facilities Management: Outdoor Bin Replacement (\$350K), and Capital Project Readiness for ILIC and Thames Hall (\$500K)	850,000
32	Police: New Telecommunications Recording System (\$45K), and Mass Emergency Communications Notification System joint with ITS and CPA (\$100K)	145,000
33	Secretariat: New Legal Services Office	145,000
34	Vice-President (Finance & Operations): Use of Base SUPF for One-Time Purposes	-535,000
35	Vice-President (Research): Support for Research/Scholarship Initiatives	1,850,000
36	Vice-President (External): Support for Fundraising Campaign	158,174
37	<b>Sub-Total Support Units</b>	<b>4,796,654</b>
38	<b>Total One-Time Allocations</b>	<b>56,893,689</b>

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

		2016-17 Final						2017-18 Preliminary					
		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	2	340,000	1	90,000	3	430,000
2	Business	2	340,000	0	0	2	340,000	2	340,000	0	0	2	340,000
3	Education												
4	Engineering	3	510,000	3	270,000	6	780,000	3	510,000	3	270,000	6	780,000
5	Health Sciences	2	340,000	1	90,000	3	430,000	2	340,000	1	90,000	3	430,000
6	Info & Media Studies												
7	Law												
8	Medicine & Dentistry	8	1,360,000	7	630,000	15	1,990,000	6	1,020,000	5	450,000	11	1,470,000
9	Music												
10	Science	4	680,000	11	990,000	15	1,670,000	5	850,000	8	720,000	13	1,570,000
11	Social Science	3	510,000	4	360,000	7	870,000	3	510,000	2	180,000	5	690,000
12	Total to Faculties	24	4,080,000	27	2,430,000	51	6,510,000	23	3,910,000	20	1,800,000	43	5,710,000
13	<b>Total CRC Funding</b>		<b>4,800,000</b>		<b>2,700,000</b>		<b>7,500,000</b>		<b>4,600,000</b>		<b>2,000,000</b>		<b>6,600,000</b>



**Table 10**  
**RESEARCH INFRASTRUCTURE SUPPORT FUND (RISF)**  
**2017-18 Allocations**

1	Arts and Humanities	8,000
2	Education	7,000
3	Engineering	115,000
4	Health Sciences	40,000
5	Information & Media Studies	5,000
6	Law	5,000
7	Medicine & Dentistry	310,000
8	Music	5,000
9	Science	170,000
10	Social Science	85,000
11	<b>Total</b>	<b>750,000</b>

**Table 11**  
**2017-18 & 2018-19 TUITION FEE PROPOSALS FOR UNDERGRADUATE PROGRAMS**

		Canadian Students					International Students				
		Actual 2016-17 Tuition	2017-18		2018-19		Actual 2016-17 Tuition	2017-18		2018-19	
			Proposed Tuition	<a> % Increase	Proposed Tuition	<a> % Increase		Proposed Tuition	<a> % Increase	Proposed Tuition	<a> % Increase
1	<b>First-Entry Programs &lt;b&gt;</b>										
2	Year 1	6,338	6,528	3.0%	6,723	3.0%	24,643	26,614	8.0%	28,743	8.0%
3	Year 2	6,338	6,528	3.0%	6,723	3.0%	23,730	25,628	4.0%	27,678	4.0%
4	Year 3	6,338	6,528	3.0%	6,723	3.0%	22,851	24,679	4.0%	26,653	4.0%
5	Year 4	6,338	6,528	3.0%	6,723	3.0%	22,004	23,765	4.0%	25,666	4.0%
6	Engineering										
7	Year 1	12,392	13,011	5.0%	13,661	5.0%	31,623	34,153	8.0%	36,886	8.0%
8	Year 2	12,392	13,011	5.0%	13,661	5.0%	30,452	32,888	4.0%	35,519	4.0%
9	Year 3	12,392	13,011	5.0%	13,661	5.0%	29,324	31,670	4.0%	34,204	4.0%
10	Year 4	12,392	13,011	5.0%	13,661	5.0%	28,238	30,496	4.0%	32,937	4.0%
11	M.T.P.										
12	Year 2	6,631	6,829	3.0%	7,033	3.0%	25,553	27,597	8.0%	29,805	8.0%
13	Year 3	6,631	6,829	3.0%	7,033	3.0%	24,606	26,575	4.0%	28,701	4.0%
14	Year 4	6,631	6,829	3.0%	7,033	3.0%	23,687	25,590	4.0%	27,638	4.0%
15	M.O.S.										
16	Year 1	6,338	6,528	3.0%	6,723	3.0%	27,483	30,781	12.0%	34,474	12.0%
17	Year 2	6,338	6,528	3.0%	6,723	3.0%	25,520	28,582	4.0%	32,012	4.0%
18	Year 3	6,338	6,528	3.0%	6,723	3.0%	23,697	26,540	4.0%	29,725	4.0%
19	Year 4	6,338	6,528	3.0%	6,723	3.0%	22,004	24,645	4.0%	27,602	4.0%
20	Nursing										
21	Year 1	6,338	6,528	3.0%	6,723	3.0%	31,623	34,153	8.0%	36,886	8.0%
22	Year 2	6,338	6,528	3.0%	6,723	3.0%	30,452	32,888	4.0%	35,519	4.0%
23	Year 3	6,338	6,528	3.0%	6,723	3.0%	29,324	31,670	4.0%	34,204	4.0%
24	Year 4	6,338	6,528	3.0%	6,723	3.0%	28,238	30,497	4.0%	32,937	4.0%
25	<b>Second-Entry Programs</b>										
26	Business (HBA)										
27	Year 1	25,652	26,750	4.3%	28,000	4.7%	36,653	38,222	4.3%	40,000	4.7%
28	Year 2	25,652	26,750	4.3%	28,000	4.7%	36,653	38,222	4.3%	40,000	4.7%
29	Dentistry										
30	Year 1	35,619	37,399	5.0%	39,268	5.0%	70,377	76,007	8.0%	82,088	8.0%
31	Year 2	35,619	37,399	5.0%	39,268	5.0%	67,771	73,192	4.0%	79,048	4.0%
32	Year 3	35,619	37,399	5.0%	39,268	5.0%	65,260	70,481	4.0%	76,120	4.0%
33	Year 4	35,619	37,399	5.0%	39,268	5.0%	62,844	67,871	4.0%	73,301	4.0%
34	Education (B.Ed.)	7,616	7,844	3.0%	8,079	3.0%	25,215	27,233	8.0%	29,411	8.0%
35	Law										
36	Year 1	20,309	21,324	5.0%	22,390	5.0%	31,623	34,153	8.0%	36,886	8.0%
37	Year 2	20,309	21,324	5.0%	22,390	5.0%	30,452	32,888	4.0%	35,519	4.0%
38	Year 3	20,309	21,324	5.0%	22,390	5.0%	29,324	31,670	4.0%	34,204	4.0%
39	Medicine (M.D.)										
40	Year 1	25,123	25,876	3.0%	26,652	3.0%	n.a.	n.a.	n.a.	n.a.	n.a.
41	Year 2	25,123	25,876	3.0%	26,652	3.0%	n.a.	n.a.	n.a.	n.a.	n.a.
42	Year 3	25,123	25,876	3.0%	26,652	3.0%	n.a.	n.a.	n.a.	n.a.	n.a.
43	Year 4	25,123	25,876	3.0%	26,652	3.0%	n.a.	n.a.	n.a.	n.a.	n.a.

<a> The proposed 2017-18 rates are effective May 1, 2017. The proposed 2018-19 rates are effective May 1, 2018  
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, Music, Science, Social Science (excl. M.O.S.).

**Table 12  
2017-18 & 2018-19 TUITION FEE PROPOSALS FOR GRADUATE PROGRAMS**

	Canadian Students				International Students				
	2017-18		2018-19		2017-18		2018-19		
	Actual 2016-17 Tuition	Proposed Tuition	<g> % Increase	<g> % Increase	Actual 2016-17 Tuition	Proposed Tuition	<g> % Increase	<g> % Increase	
<b>1 Masters Category 1</b>									
2 Arts & Humanities	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
3 Engineering (M.E.Sc.)	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
4 Health & Rehabilitation Sciences	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
5 Health Information Sciences	9,420	9,523	1.1%	9,627	24,698	24,970	1.1%	25,245	1.1%
6 Interdisciplinary Programs <b>	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
7 Kinesiology	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
8 Law/Studies in Law	11,521	11,521	0.0%	11,521	26,749	26,749	0.0%	26,749	0.0%
9 Media Studies	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
10 Medicine (Basic Health Sciences)	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
11 Music	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
12 Nursing (M.Sc.)	8,305	8,396	1.1%	8,488	24,698	24,970	1.1%	25,245	1.1%
13 Science	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
14 Social Science	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
<b>15 Masters Category 2</b>									
16 C.S.D./O.T./P.T. (MPT)	11,383	11,952	5.0%	12,549	27,362	28,730	5.0%	30,167	5.0%
17 Clinical Medical Biophysics	36,465	38,288	5.0%	40,202	50,500	53,025	5.0%	55,676	5.0%
18 Dentistry (Orthodontics)	27,588	28,967	5.0%	30,415	64,047	67,249	5.0%	70,611	5.0%
19 Education (M.Ed)	10,963	11,511	5.0%	12,086	27,362	28,730	5.0%	30,167	5.0%
20 Education (MPE, GDPE)	10,963	11,511	5.0%	12,086	27,362	28,730	5.0%	30,167	5.0%
21 Engineering (M.Eng.)	10,963	11,511	5.0%	12,086	27,362	28,730	5.0%	30,167	5.0%
22 Environment & Sustainability	12,276	12,889	5.0%	13,533	27,362	28,730	5.0%	30,167	5.0%
23 Financial Economics	30,789	32,328	5.0%	33,944	46,355	48,673	5.0%	51,107	5.0%
24 Library & Information Science	10,963	11,511	5.0%	12,086	27,362	28,730	5.0%	30,167	5.0%
25 M.M. in Journalism & Communication	13,650	14,332	5.0%	15,048	27,362	28,730	5.0%	30,167	5.0%
26 M.N Nurse Practitioner	10,963	11,511	5.0%	12,086	27,362	28,730	5.0%	30,167	5.0%
27 Master of Data Analytics		24,665	-----	25,898		42,473	-----	44,597	5.0%
28 Master of Mgmt. of Applied Science	19,845	20,837	5.0%	21,878	40,450	42,473	5.0%	44,597	5.0%
29 MCIsc in Driving Rehab Therapy	12,600	13,230	5.0%	13,891	27,362	28,730	5.0%	30,167	5.0%
30 Medicine (Family Medicine)	14,436	15,157	5.0%	15,914	27,362	28,730	5.0%	30,167	5.0%
31 Medicine (Pathology Assistant)	11,385	11,954	5.0%	12,551	27,362	28,730	5.0%	30,167	5.0%
32 Medicine (Public Health)	31,255	32,817	5.0%	34,457	50,022	52,523	5.0%	55,149	5.0%
33 Physical Therapy (M.Cl.Sc.)	10,963	11,511	5.0%	12,086	27,362	28,730	5.0%	30,167	5.0%
<b>34 Doctoral</b>									
35 Doctor of Musical Arts	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%
36 Doctor of Education (EdD)	10,177	10,685	5.0%	11,219	27,362	28,730	5.0%	30,167	5.0%
37 PhD Programs	6,915	6,991	1.1%	7,067	17,501	17,694	1.1%	17,889	1.1%

<g> The proposed 2016-17 rates are effective September 1, 2017. The proposed 2018-19 rates are effective September 1, 2018.

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

**Table 13**  
**SUMMARY OF ENROLMENT FORECAST**

<Full-time undergraduate defined as 3.5 FCEs or more>

	Actual					Forecast				
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>1 Constituent University</b>										
<b>2 Full-Time Undergraduates</b>										
3 Arts & Humanities	1,180	1,147	1,121	1,027	979	998	1,004	1,004	1,007	1,009
4 Business (HBA)	1,065	1,116	1,100	1,093	1,120	1,130	1,130	1,130	1,130	1,130
5 Dentistry	266	264	262	265	265	264	264	264	264	264
6 Education	677	597	657	286	653	668	668	668	668	668
7 Engineering	1,335	1,449	1,546	1,761	1,952	2,010	2,026	2,012	2,075	2,073
8 Health Sciences										
9 BHSoc Program	1,160	1,170	1,163	1,179	1,199	1,181	1,153	1,143	1,144	1,144
10 Kinesiology	1,203	1,169	1,240	1,204	1,247	1,206	1,167	1,182	1,179	1,179
11 Nursing	820	825	835	868	903	930	966	967	952	952
13 Sub-Total	3,183	3,164	3,238	3,251	3,349	3,317	3,286	3,292	3,275	3,275
14 Law	476	480	486	474	482	482	482	482	482	482
15 Media, Information, & Tech	919	930	924	983	966	900	934	954	966	998
16 Medicine										
17 MD Program	667	680	683	684	682	682	682	682	682	684
18 BMedSci Program	778	862	892	881	928	892	892	892	892	892
19 Music	542	512	457	432	417	406	397	400	406	408
20 Science	4,334	4,482	4,606	4,679	4,826	4,892	4,845	4,784	4,753	4,748
21 Social Science	6,648	6,674	6,601	6,482	6,520	6,542	6,525	6,515	6,496	6,500
<b>22 Total Full-Time Undergraduates</b>	<b>22,070</b>	<b>22,357</b>	<b>22,573</b>	<b>22,298</b>	<b>23,139</b>	<b>23,183</b>	<b>23,135</b>	<b>23,079</b>	<b>23,096</b>	<b>23,131</b>
23 Concurrent Programs	155	173	201	255	233	235	235	235	235	235
24 Medical Residents	829	853	913	947	942	940	940	940	940	940
<b>25 Full-Time Graduates</b>										
26 Masters	2,756	2,977	3,146	3,276	3,431	3,680	3,832	3,861	3,900	3,939
27 Ph.D.	2,021	2,026	2,075	2,088	2,083	2,167	2,226	2,248	2,271	2,293
<b>28 Total Full-Time Graduates</b>	<b>4,777</b>	<b>5,003</b>	<b>5,221</b>	<b>5,364</b>	<b>5,514</b>	<b>5,847</b>	<b>6,058</b>	<b>6,109</b>	<b>6,171</b>	<b>6,232</b>
<b>29 Total Full-Time Enrolment</b>	<b>27,831</b>	<b>28,386</b>	<b>28,908</b>	<b>28,864</b>	<b>29,828</b>	<b>30,205</b>	<b>30,368</b>	<b>30,363</b>	<b>30,442</b>	<b>30,538</b>
<b>30 Part-Time FTEs</b>										
31 Undergraduate	2,317	2,251	2,123	2,226	2,084	2,050	2,050	2,050	2,050	2,050
32 Education (AQs)	673	635	607	595	499	500	500	500	500	500
33 Masters	175	149	99	79	89	90	90	90	90	90
34 Ph.D.	22	27	29	32	29	30	30	30	30	30
<b>35 Total Part-Time FTEs</b>	<b>3,187</b>	<b>3,062</b>	<b>2,858</b>	<b>2,932</b>	<b>2,701</b>	<b>2,670</b>	<b>2,670</b>	<b>2,670</b>	<b>2,670</b>	<b>2,670</b>
<b>36 Total Constituent FTEs</b>	<b>31,018</b>	<b>31,448</b>	<b>31,766</b>	<b>31,796</b>	<b>32,529</b>	<b>32,875</b>	<b>33,038</b>	<b>33,033</b>	<b>33,112</b>	<b>33,208</b>
<b>37 Affiliated University Colleges &lt;1&gt;</b>										
<b>38 Full-Time Undergraduates</b>										
39 Brescia	1,121	1,150	1,269	1,327	1,329	1,308	1,330	1,331	1,371	1,439
40 Huron	1,230	1,250	1,144	1,062	979	1,025	1,050	1,120	1,200	1,275
41 King's	3,244	3,169	3,063	3,004	3,070	3,094	3,124	3,150	3,169	3,184
<b>42 Total Full-Time Undergraduates</b>	<b>5,595</b>	<b>5,569</b>	<b>5,476</b>	<b>5,393</b>	<b>5,378</b>	<b>5,427</b>	<b>5,504</b>	<b>5,601</b>	<b>5,740</b>	<b>5,898</b>
<b>43 Part-Time Undergraduate FTEs</b>										
44 Brescia	94	83	86	80	69	90	90	90	90	90
45 Huron	63	65	65	58	42	50	50	50	50	60
46 King's	239	252	277	260	232	240	235	235	235	235
<b>47 Total Part-Time FTEs</b>	<b>396</b>	<b>400</b>	<b>428</b>	<b>398</b>	<b>343</b>	<b>380</b>	<b>375</b>	<b>375</b>	<b>375</b>	<b>385</b>
<b>48 Graduate FTEs</b>										
49 Brescia	32	32	28	33	35	35	35	35	35	35
50 Huron	10	8	11	9	9	13	15	17	18	25
51 King's	33	31	33	29	41	45	45	45	45	45
<b>52 Total Graduate FTEs</b>	<b>75</b>	<b>71</b>	<b>72</b>	<b>71</b>	<b>85</b>	<b>93</b>	<b>95</b>	<b>97</b>	<b>98</b>	<b>105</b>
<b>53 Total Affiliate FTEs</b>	<b>6,066</b>	<b>6,040</b>	<b>5,976</b>	<b>5,862</b>	<b>5,806</b>	<b>5,900</b>	<b>5,974</b>	<b>6,073</b>	<b>6,213</b>	<b>6,388</b>
<b>54 Total UWO FTEs</b>	<b>37,084</b>	<b>37,488</b>	<b>37,742</b>	<b>37,658</b>	<b>38,335</b>	<b>38,775</b>	<b>39,012</b>	<b>39,106</b>	<b>39,325</b>	<b>39,596</b>

**Table 13**  
**SUMMARY OF ENROLMENT FORECAST**

<Full-time undergraduate defined as 3.5 FCEs or more>

	Actual					Forecast					
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
55	<b>Rows 55 to 86 Included above</b>										
55	<b>International Students</b>										
56	Constituent Full-Time										
57	Undergraduates	1,257	1,611	1,895	1,990	2,217	2,275	2,375	2,420	2,420	2,420
58	Medical Residents	108	112	134	136	134	135	135	135	135	135
59	Masters (excluding Ivey)	463	439	495	576	596	693	714	721	728	735
60	MBA (Regular), Ivey MSc	22	43	39	56	68	79	81	80	80	80
61	Executive MBA	22	40	35	24	2	0	0	0	0	0
62	Ph.D.	499	516	547	562	562	600	605	611	617	623
63	Affiliates										
64	Undergraduates	476	497	577	661	718	717	758	788	821	875
65	Masters	4	3	0	0	2	0	0	0	0	2
66	<b>Year 1 Only</b>										
67	<b>Constituent</b>										
68	Arts & Humanities	236	213	267	217	240	240	240	240	240	240
69	Engineering	412	430	511	637	598	580	580	580	580	580
70	Health Sciences										
71	BHSc Program	292	338	347	336	320	325	325	325	325	325
72	Kinesiology	331	315	386	335	350	335	335	335	335	335
73	Nursing	128	132	131	143	162	135	135	135	135	135
74	Media, Information, & Tech	314	332	336	350	304	250	270	285	300	300
75	MOS Program	816	741	857	794	861	800	800	800	800	800
76	Music	144	121	99	100	102	105	105	105	105	105
77	Science	1,313	1,347	1,474	1,445	1,599	1,520	1,520	1,520	1,520	1,520
78	Social Science	837	878	803	796	817	810	810	810	810	810
79	<b>Total Year 1 - Constituent</b>	<b>4,823</b>	<b>4,847</b>	<b>5,211</b>	<b>5,153</b>	<b>5,353</b>	<b>5,100</b>	<b>5,120</b>	<b>5,135</b>	<b>5,150</b>	<b>5,150</b>
80	<b>Affiliated University Colleges &lt;2&gt;</b>										
81	Brescia	284	309	315	350	321	325	320	337	362	378
82	Huron	367	388	274	290	253	320	330	340	355	390
83	King's	821	848	740	774	777	785	790	795	795	795
84	<b>Total Year 1 - Affiliates</b>	<b>1,472</b>	<b>1,545</b>	<b>1,329</b>	<b>1,414</b>	<b>1,351</b>	<b>1,430</b>	<b>1,440</b>	<b>1,472</b>	<b>1,512</b>	<b>1,563</b>
85	<b>Total UWO Year 1</b>	<b>6,295</b>	<b>6,392</b>	<b>6,540</b>	<b>6,567</b>	<b>6,704</b>	<b>6,530</b>	<b>6,560</b>	<b>6,607</b>	<b>6,662</b>	<b>6,713</b>
86	<b>Masters</b>										
87	All Programs (excluding MBAs)	2,420	2,583	2,781	2,877	3,004	3,223	3,359	3,396	3,435	3,474
88	Ivey (excl EMBA)	144	181	161	208	255	288	299	300	300	300
89	Executive MBA	192	213	204	191	172	165	165	165	165	165

For Information

90	Year 1 Constituent International Students	476	532	527	508	618	600	600	600	600	600
----	---	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

<1> The affiliate enrolment plans will be reviewed/revised as part of the upcoming SMA and corridor negotiations.

**Table 14****WESTERN'S LONG-RANGE SPACE PLAN**

Note: within each category, the projects are not prioritized

	<b>Project</b>	<b>Type</b>
	<b>CATEGORY 1 -- Underway or Soon-to-Start</b>	
1	<b>Music Building Project -- Phase 2</b>	New Construction / Demolition
2	<b>Medical Research Facilities (Microbiology &amp; Immunology)</b>	New Construction / Modernization
3	<b>Modernization of University College</b>	Modernization
4	<b>Western Interdisciplinary Research Building -- Phase 1</b>	New Construction
5	<b>3C+ -- The New Engineering Building</b>	New Construction
6	<b>Science Space Re-alignment Project (NCB, MC, WSC) -- Phases 1 &amp; 2</b>	Modernization / Adaptation
7	<b>Integrated Learning and Innovation Centre</b>	New Construction
8	<b>Modernization of Thames Hall</b>	Modernization
9	<b>Renewal/Replacement/Expansion of Medical School Facilities</b>	Modernization / New Construction
10	<b>Multi-Level Parking Structures</b>	New Construction
11	<b>University-wide Infrastructure Projects (multiple stages)</b>	New Construction / Modernization
12	<b>Campus Sustainability Initiatives (multiple stages)</b>	Modernization / Infrastructure
	<b>CATEGORY 2 -- Projects in Various Planning Stages</b>	
13	<b>Follow-on Renovation Projects -- NSc</b>	Modernization / Adaptation
14	<b>Renewal of Engineering Facilities -- SEB</b>	Modernization
	<b>CATEGORY 3 -- For Future Consideration -- if Funding Identified</b>	
15	<b>Renewal and/or Realignment of Library Facilities</b>	Modernization
16	<b>Western Interdisciplinary Research Building -- Phase 2</b>	New Construction
17	<b>New Research Initiatives/Partnerships at the Research Parks</b>	New Construction
18	<b>Renewal of Talbot College, Elborn College, Chemistry Addition</b>	Modernization or Replacement
19	<b>Residence Projects</b>	New Construction / Modernization
20	<b>Athletic Facilities -- Indoor and Outdoor</b>	New Construction / Renewal
21	<b>Asset Acquisitions</b>	Acquisition

---

## 2017-18 Capital Budget

---

### A. The Evolution of Capital Expenditures

The Capital Budget for 2017-18 should be seen in the context of both recent trends in capital spending and the University's proposed Long-Range Space Plan as outlined in Table 14 of the Operating Budget portion of this document. Table 15 sets out expenditures in the Capital Budget since 2013-14 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 2017-18 total \$136.2 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 \$15.5 million in 2017-18 (\$14.75 M in 2016-17). 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, 2017, our buildings and infrastructure have a current replacement value (CRV) of approximately \$2,430 million, as follows:

	CRV \$M	Square Metres	Major Buildings
Major Non-Residential Buildings	1,696	536,390	70
Utilities and Infrastructure	210		
Subtotal, Eligible for MMI	1,906	536,390	70
Housing	417	257,546	15
Other Ancillary Buildings	107	49,300	8
Total	2,430	843,236	93

At February 28, 2017, the University had 536,000 gross square metres in 70 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 \$210 million in utilities and infrastructure, are the physical assets generally eligible for MMI expenditures. On that same date, the University had 258,000 square metres of Housing space in eleven major undergraduate residences, four major apartment buildings, and numerous smaller buildings for graduate students in Platt's Lane Estates. Other than Housing, there are many buildings which are operated largely or entirely as ancillaries: Western Student Recreation Centre, Thompson Recreation and Athletic Centre, TD Stadium, Boundary Layer Wind Tunnel, Child Care Centre, the Ivey Spencer Leadership Centre, and facilities at the Research Parks.

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 – and the projects generally span more than one year. Of the 536,000 square metres in major buildings, over 56% was built before 1980, so renovations to major buildings will be a continuing part of University capital planning.
- 3. Utilities and 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. Construction of a new Chiller Plant or major Power Plant expansion would be included in Category 1. 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 Central Power Plan upgrades, chiller capacity expansion, continued work on electrical distribution systems, and energy conservation initiatives.
- 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 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 \$13.8 million in 2017-18, are funded from Housing revenues. 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 2015-16, line B shows a surplus of \$3,683, the difference between funding of \$80,836 (all figures in \$000) and expenditures of \$77,153. The capital reserve in line C increases by this same amount of \$3,683, reflecting an increase in the capital reserve.

Line E shows the replacement value of non-residential buildings and utilities and infrastructure – the assets eligible for MMI spending -- while line F shows the ratio of the annual MMI expenditure to the replacement value. For example, in 2015-16, MMI expenditures were \$25.3 million, while the estimated replacement value of non-residential buildings, utilities, and infrastructure was \$1.85 billion. The ratio of the two is 1.4%, 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 2017-18, the base transfer will reach the intended maximum annual transfer of \$15.5 million (2016-17, \$14.75 million).

Line H of Table 15 shows the ratio of the annual MMI transfer to total MMI expenditures; for example, in 2015-16, the transfer was \$14.0 million and MMI expenditures were \$25.3 million, so the ratio in line H is 55.2%. Other sources of funding for MMI expenditures include the annual capital facilities renewal grant from the Province (projected for 2016-17 and 2017-18 at \$2.4 and \$3.5 million respectively), special Provincial grants; additional one-time allocations from the University's operating budget; additional one-time allocations from the Province; 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 2015-16 is \$14.7 million, or (in line K) 0.8% of the replacement value in that year. A standard target in industry for this ratio is 2.0%: if large buildings last an average of 50 years, then on average maintenance spending should be 2.0% of replacement value. When the actual ratio is consistently lower than 2.0%, as has been the case at Western and most Canadian universities over the last three decades, the level of deferred maintenance will grow.

Table 16 reviews major capital projects – and the projects are assigned to one of the nine categories. For most of the projects, the year and month of the start and end of the project are shown.

The projects listed in Table 16 are the result of an update to the Long-Range Space Plan outlined in Table 14 of the Operating Budget portion of this document. These projects include new construction that will create the additional space necessary to accommodate undergraduate and graduate enrolment expansion and the associated additional faculty and staff, and major building renovations and utilities and infrastructure projects – reflecting the need to maintain and modernize Western's aging physical plant. With new building construction on campus continuing, Western is utilizing scarce developable land in the core campus. The Campus Master Plan, approved in June 2015, highlights the constraints in the amount of buildable land on our campus, and the fact that new buildings are being constructed on parking lots – thus increasing the pressure on available parking. We are exploring options for the construction of parking garages in the periphery of campus – including siting, funding plan, and the required parking fee rates to finance the structures. University-wide Infrastructure Projects are also included on Table 16. These projects cover upgrades to Western's central power plant, chiller facilities and major electrical upgrades – and are typically comprised of multiple projects completed over a number of years.

## **B. Sources of Funding and Capital Expenditures in 2017-18**

Table 17 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2016-17, divided into six major categories: federal, provincial and municipal government grants; funds transferred from Western's operating budget; interest earned; general fundraising;

---

borrowing; and other sources, including internal recoveries. As compared to a decade ago, the University's capital budget is more dependent on transfers from the operating budget and debt.

Table 18 shows expenditures in Categories 1 and 2, for 2016-17 (estimates as of January 31, 2017) and 2017-18 (current proposals).

**Table 15**  
**CAPITAL BUDGET SUMMARY, 2013-14 TO 2017-18**  
**(\$000)**

Category	Purpose	Actual 2013-14	Actual 2014-15	Actual 2015-16	Projected 2016-17	Budget 2017-18
	<b>New Construction</b>					
1	New Construction (Table 18, line 8)	55,619	23,523	32,343	47,662	57,791
	<b>Maintenance, Modernization, and Infrastructure (MMI)</b>					
2	Major Building Renovations (Table 18, line 17)	3,506	4,215	4,737	15,011	29,338
3	Utilities and Infrastructure Projects	3,737	9,790	8,046	6,359	8,575
4	Modernization of Instructional and Research Facilities	5,266	6,480	6,640	8,477	6,204
5	General Maintenance and Modernization Projects	4,819	5,523	5,923	5,284	10,991
	Sub-Total MMI	17,328	26,008	25,346	35,131	55,108
	<b>Other</b>					
6	Housing Renovations	7,073	20,012	9,124	9,433	13,760
7	Ancillary Projects	1,503	1,187	2,239	1,192	1,154
8	Carrying Costs and Debt Repayments	5,077	5,843	4,702	4,774	6,194
9	Other Capital Expenditures	18	493	3,399	2,448	2,220
	Sub-Total Other	13,671	27,535	19,464	17,847	23,328
10	<b>Total Expenditures</b>	<b>86,618</b>	<b>77,066</b>	<b>77,153</b>	<b>100,640</b>	<b>136,227</b>

Line		Actual 2013-14	Actual 2014-15	Actual 2015-16	Projected 2016-17	Budget 2017-18
	<b>Sources of Funding, Reserves, and Debt</b>					
A	Total Sources of Funding, Including Debt (Table 17)	83,780	88,934	80,836	88,214	129,763
B	Sources of Funding less Expenditures	-2,838	11,868	3,683	-12,426	-6,464
C	Capital Reserve, Year End (Table 19)	28,053	39,921	43,604	31,178	24,714
D	Capital Debt Outstanding, Year End (Table 19)	306,703	299,065	291,392	283,637	275,763
E	Replacement Value of Nonresidential Buildings, Utilities & Infrastructure, \$M	1,750	1,783	1,852	1,906	2,003
F	MMI Expenditures/Replacement Value	1.0%	1.5%	1.4%	1.8%	2.8%
G	Annual MMI transfer from Operating to Capital Budget	12,500	13,250	14,000	14,750	15,500
H	MMI transfer/MMI Expenditures	72.1%	50.9%	55.2%	42.0%	28.1%
J	Estimate of Maintenance Expenditure	9,797	15,179	14,684	20,595	34,671
K	Maintenance Expenditure/Replacement Value	0.6%	0.9%	0.8%	1.1%	1.7%
L	Number of Major Buildings	91	91	92	93	94
M	Total Gross Square Meters (000's)	829	829	836	843	859

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

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

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

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

**Table 16**  
**MAJOR CAPITAL PROJECTS**

		Category	Start	End
1	<b><i>Projects Underway or Soon-to-Start</i></b>			
2	Music Building Project - Phase 2	9	May 16	Feb 18
3	Medical Research Facilities (Microbiology & Immunology)	2	Jan 15	Aug 17
4	Modernization of University College	2	Jan 15	Sep 18
5	Western Interdisciplinary Research Building - Phase 1	1	Nov 15	Jan 18
6	ThreeC+ - The New Engineering Building	1	Jan 16	Sep 18
7	Science Space Re-alignment Project (NCB, MC, WSC) - Phases 1 & 2	4	Jan 17	tbd
8	Integrated Learning and Innovation Centre	1	Sep 16	tbd
9	Modernization of Thames Hall	2	Jan 17	tbd
10	Renewal/Replacement/Expansion of Medical School Facilities	1&2	Jan 17	tbd
11	Multi-Level Parking Structures	1	Jun 17	tbd
12	University-wide Infrastructure Projects (multiple stages)	1,3&5	May 16	tbd
13	Campus Sustainability Initiatives (multiple stages)	3&5	Ongoing	
14	<b><i>Projects Under Consideration</i></b>			
15	Follow-on Renovation Projects - NSc	2	tbd	tbd
16	Renewal of Engineering Facilities - SEB	2	tbd	tbd
17	<b><i>Projects for Future Consideration</i></b>			
18	Renewal and/or Realignment of Library Facilities	2	tbd	tbd
19	Western Interdisciplinary Research Building - Phase 2	1	tbd	tbd
20	New Research Initiatives/Partnerships at the Research Parks	1	tbd	tbd
21	Renewal of Talbot College, Elborn College, Chemistry Addition	2	tbd	tbd
22	Residence Projects	1&7	tbd	tbd
23	Athletic Facilities - Indoor and Outdoor	1	tbd	tbd
24	Asset Acquisitions	9	tbd	tbd

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

		<b>Projected 2016-17</b>	<b>Budget 2017-18</b>
1	<b>Government Grants</b>		
2	Federal Strategic Investment Fund (SIF)	19,200	25,800
3	MAESD Graduate Expansion Capital Grant	3,892	3,933
4	MAESD Annual Capital Grant (Facilities Renewal Program)	4,985	3,477
5	<b>Sub-Total</b>	<b>28,077</b>	<b>33,210</b>
6	<b>Operating Budget</b>		
7	Operating Budget MMI Transfer - Base	14,750	15,500
8	Operating Budget MMI Transfer - Base (Ancillaries)	600	600
9	Operating Budget - FRSF Transfer	3,000	3,000
10	Operating Budget - Pedestrian-Friendly and Campus Safety Initiatives	2,000	2,000
11	Operating Budget - Energy Conservation Initiatives	1,500	1,500
12	Operating Budget - CRC Transfer	792	712
13	Operating Budget - Classroom Modernization	500	500
14	Operating Budget - Planning for Future Projects	0	500
15	Operating Budget - Integrated Learning and Innovation Centre	15,000	0
16	Engineering Operating Budget - ThreeC+ - The New Engineering Building	5,543	6,482
17	Medicine Operating Budget - Schulich Facilities Expansion and Renewal	0	5,000
18	Medicine Operating Budget - Medical Research Facilities (Microbiology & Immunology)	88	2,306
19	Dentistry Operating Budget - Modernization of Instructional and Research Facilities	2,841	725
20	Music Operating Budget - Music Building Project	2,000	0
21	Education Operating Budget - Modernization of Instructional and Student Spaces	842	0
22	Miscellaneous Faculty/Department Budgets	497	1,130
23	<b>Sub-Total</b>	<b>49,953</b>	<b>39,955</b>
24	<b>Interest Earned</b>	<b>21</b>	<b>0</b>
25	<b>Fundraising</b>		
26	Ivey Building	1,921	1,500
27	Western Fund	250	350
28	The Claudette MacKay-Lassonde Pavilion (Green Building)	290	0
29	<b>Sub-Total</b>	<b>2,461</b>	<b>1,850</b>

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

		<b>Projected 2016-17</b>	<b>Budget 2017-18</b>
30	<b><i>Borrowing</i></b>		
31	Long-Range Space Plan	-9,812	33,772
32	<b><i>Sub-Total</i></b>	<b>-9,812</b>	<b>33,772</b>
33	<b><i>Other</i></b>		
34	Richard Ivey School of Business Foundation - New Ivey Building	500	2,100
35	Student Contributions - Western Student Recreation Centre	1,249	1,287
36	Parking Contribution - Multi Level Parking Structure	0	500
37	Energy Conservation Incentives (Rebates)	195	190
38	Projects Funded by Housing	9,434	13,760
39	Projects Funded by Units	4,783	1,820
40	Projects Funded by Ancillaries	1,353	1,319
41	<b><i>Sub-Total</i></b>	<b>17,514</b>	<b>20,976</b>
42	<b>Total Sources of Funding</b>	<b>88,214</b>	<b>129,763</b>

**Table 18**  
**CAPITAL EXPENDITURES FOR NEW CONSTRUCTION AND MAJOR BUILDING RENOVATIONS**  
**2016-17 and 2017-18**  
**(\$000)**

		<b>Projected 2016-17</b>	<b>Budget 2017-18</b>
1	<b><i>Category 1: New Construction</i></b>		
2	ThreeC+ - The New Engineering Building	9,670	32,540
3	Western Interdisciplinary Research Building	25,295	17,425
4	Major Infrastructure Upgrades and Expansion	0	5,500
5	New Academic Building (To House FIMS and Nursing)	12,442	1,181
6	Integrated Learning and Innovation Centre	255	645
7	Multi-Level Parking Structure	0	500
8	<b><i>Total, Category 1</i></b>	<b><i>47,662</i></b>	<b><i>57,791</i></b>
9	<b><i>Category 2: Major Building Renovations</i></b>		
10	Modernization of University College	7,725	14,225
11	Renewal/Replacement/Expansion of Medical School Facilities	0	5,000
12	Modernization of Thames Hall	0	4,840
13	Medical Research Facilities (Microbiology & Immunology)	4,638	3,289
14	Translational Cognitive Neuroscience Laboratories	746	1,955
15	Modernization of Instructional Facilities in the Althouse Faculty of Education Building	1,036	29
16	Modernization of Dentistry Teaching Laboratories	866	0
17	<b><i>Total, Category 2</i></b>	<b><i>15,011</i></b>	<b><i>29,338</i></b>



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

		Actual 2013-14	Actual 2014-15	Actual 2015-16	Projected 2016-17	Budget 2017-18
1	<b>A. Capital Reserves</b>					
2	General Capital Fund	17,118	13,802	16,973	17,328	13,379
3	Designated Capital Fund	9,293	24,469	24,979	12,197	9,682
4	Gibbons Property	1,642	1,650	1,652	1,653	1,653
5	<b>Total Capital Reserves</b>	<b>28,053</b>	<b>39,921</b>	<b>43,604</b>	<b>31,178</b>	<b>24,714</b>

		Actual 2013-14	Actual 2014-15	Actual 2015-16	Projected 2016-17	Budget 2017-18
6	<b>B. Capital Debt</b>					
7	New Construction, Major Renovations & Other	123,519	100,290	96,681	86,869	119,639
8	Housing	152,066	144,575	132,437	120,068	106,724
9	Research Park	30,318	29,500	28,712	27,900	27,000
10	Richard Ivey School of Business Foundation	800	300	0	0	0
11	Unused and Invested Debenture Proceeds	0	24,400	33,562	48,800	22,400
12	<b>Total Capital Debt</b>	<b>306,703</b>	<b>299,065</b>	<b>291,392</b>	<b>283,637</b>	<b>275,763</b>

*Line 2 includes the required \$6 million general capital reserve fund.*

*Line 3 includes fund balances for large capital projects.*

---

## Long-Term Financial Trends

---

The Operating and Capital Budgets set out in this document describe, in Tables 2 and 15, proposed spending of some \$895 million for the single year of 2017-18. 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 2017. 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 and funds designated for future infrastructure projects
- Designated Capital Fund, which has been assigned to specific capital projects
- Gibbons Property, the remaining funds from the sale of that property

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

Capital Debt is divided into the following categories:

- **New Construction, Major Renovations, Infrastructure, and Other** – represents debt on projects that are largely new construction, additions to existing buildings, other new facilities, non-residential projects that involve major maintenance and renovations to existing space. It also includes debt on purchases of property.
- **Housing** – debt required for new construction, maintenance, and modernization projects for University residences and apartment buildings.
- **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	
	2015	2016	2017	2018
Total Debt (in millions)	\$299	\$291	\$284	\$276
FTE Enrolment	31,766	31,796	32,529	32,875
Allowable debt per FTE	\$9,581	\$9,772	N/A	N/A
Actual debt per FTE	\$9,412	\$9,163	\$8,722	\$8,388
Debt room per FTE	\$169	\$609	N/A	N/A

In January 2017, the Board of Governors approved a new Capital Debt Policy that maintains debt per FTE as a monitoring ratio, not a compliance ratio.

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.

	Debt (\$M)	Combined Revenue (\$M)	FTE Enrolment	Revenue per FTE	Debt / Revenue (%)
2013	314.1	1081.3	31,018	34,860	29.0%
2014	306.7	1159.3	31,448	36,864	26.5%
2015	299.0	1160.4	31,766	36,530	25.8%
2016	291.4	1152.9	31,796	36,259	25.3%
2017 p	283.7	1157.3	32,529	35,577	24.5%

## 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, 2016, the University's accrued benefit liability relating to the employee future benefit plans was \$526 million (2015 - \$482 million).

Cost containment of active and post-retirement benefits has been a focus in recent negotiations. For staff, Western 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 2016 Audited Combined Statement of Operations is an annual expense in the amount of \$25.4 million (2015 - \$22.5 million) for non-pension employee future benefits.

A recent review of major research universities identified only five institutions with significant post-employment benefit obligations greater than \$200 million, ranging from \$279 million to \$567 million and an unweighted average of \$408 million. Western ranked second in total liability for Employee Future Benefits. The ratio of obligations to total revenues ranged from 19.5% to 45.6% with an unweighted average of 34.6%.

### Employee Future Benefits (EFB) Obligation and Expense as a % of Total Expenditures: 2012 to 2016

	Obligation (\$M)	Expense (\$M)	Total University Expenses (\$M)	EFB Obligation as % of Total	EFB Expense as % of Total
2012	\$339.9	\$19.6	\$975	34.9%	2.0%
2013	\$362.6	\$22.6	\$1,009	35.9%	2.2%
2014	\$401.7	\$23.2	\$1,067	37.6%	2.2%
2015	\$482.3	\$22.5	\$1,084	44.5%	2.1%
2016	\$525.7	\$25.4	\$1,107	47.5%	2.3%

### 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, 2017) deferred maintenance at Western is \$218 million for non-residential buildings and \$37 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, 2017 is as follows:

	Non-Residential Buildings	Combined Residences
Current Replacement Value (CRV)	\$1,906 million	\$ 417 million
Deferred Maintenance (DM)	\$218 million	\$37 million
DM/CRV	11.4%	8.9%

The average age of buildings for universities in the Province of Ontario was 42.9 years as of June 2016. Western's average age is 38.1 years. Over 56% of our buildings were built before 1980. Western's residences are funded through rents which cover maintenance; the University has never had a problem with deferred maintenance on residences. A ratio of 11.4% (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 \$1.9 billion, spending on major maintenance for campus buildings at 2% should be in the range of \$38 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 2017-18, the base transfer will be increased by \$750,000 to \$15.5 million (2015-16, \$14.75 million), and will reach the intended maximum annual transfer.

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 2013-14	Actual 2014-15	Actual 2015-16	Projected 2016-17	Budget 2017-18
MMI (\$M)	\$ 12.50	\$ 13.25	\$ 14.00	\$14.75	\$15.50
CRV (\$M)	\$ 1,750	\$ 1,783	\$ 1,852	\$ 1,906	\$ 2,003
Ratio	0.71%	0.74%	0.76%	0.77%	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 estimated ratios through 2017-18 will fall below the 2% target.

In 2015-16, the Province increased its annual facilities renewal grant to the prior level of \$40 million (for Ontario's universities and colleges). Western's share of this \$40 million is \$2.4 million in 2016-17. The Ontario government has committed to a gradual increase in this total level of funding to \$100 million by 2019-20, and the universities' share is normally about two-thirds of this total. Western's share will reach \$3.5 million in 2017-18. While this increased support is welcome, the most recent assessment within the sector indicates the need for much larger investments (on an entirely different scale) to begin to restore to the condition of university facilities.