



Western
UNIVERSITY • CANADA

2018-19 Operating and Capital Budgets

March 31, 2018

2018-19 Budget Highlights

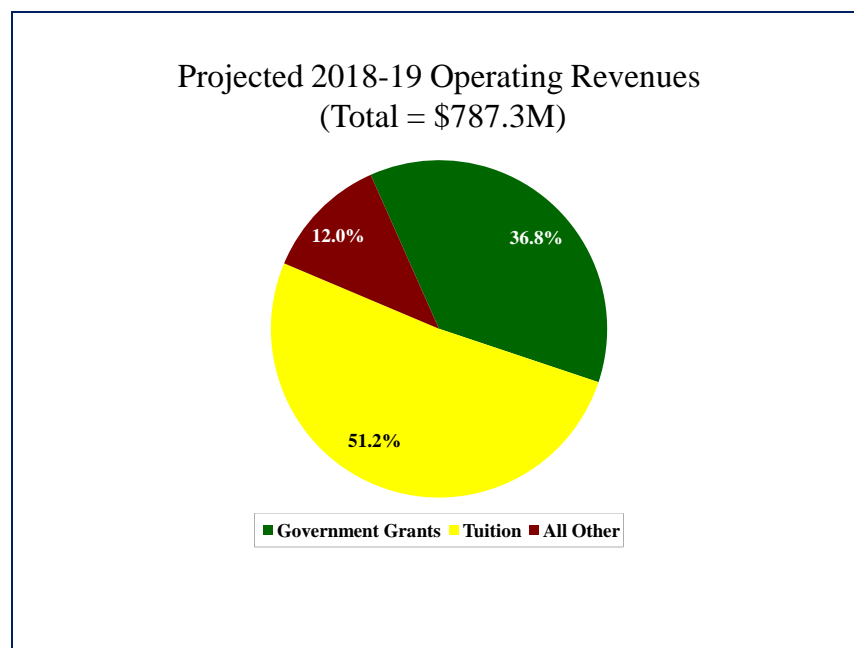
A. Introduction

Western's 2018-19 Operating and Capital Budgets move us into the final year of the 4-year budget plan spanning the period 2015-16 to 2018-19. This budget builds on the multi-year plan developed three 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 one of constrained growth in revenues. The two major sources of revenue – government grants and tuition fees – have been confirmed for the final year 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 is not being provided. The government has committed to keeping our overall level of provincial grant funding constant/flat up to the end of 2019-20. The current domestic student tuition framework – which allows for the overall average increase of 3% – is in place for 2018-19.

B. The 2018-19 Operating Budget

Revenues

The 2018-19 Operating Budget projects total revenue of \$787.3 million – which is based on stable government grants, the current tuition framework, and stable undergraduate enrolment and modest growth in graduate enrolments.



Expenditures

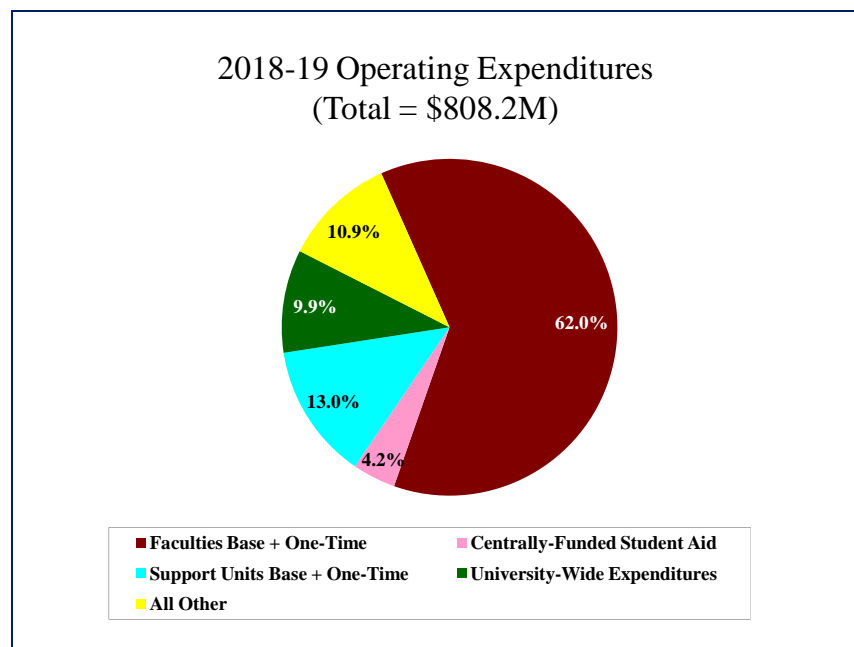
Total expenditures for 2018-19 are projected to be \$808.2 million, and include the following investments in new initiatives and priorities:

- Growing our endowments is a University priority – and, in support of this, a sum of \$15 million in one-time funding is being recommended to augment our ***Endowed Chairs Matching Program***.
- Western continues with its ***integrated long-range approach to space/facilities planning*** – and we are recommending one-time funding to support the following high priority projects:
 - Multi-phased renewal of the Weldon Library – including space realignment to create student spaces (\$15 million)
 - Creation of the Western Wellness Centre in Thames Hall (\$10 million)
 - Realignment of spaces in the Natural Sciences Centre to create student spaces – including renewal and realignment of the Taylor Library (\$10 million)
- The self-funding ***multi-year Engineering Expansion Plan*** that supports expansion of enrolments and faculty/staff complements, and the construction of a new building. In 2018-19, a sum of \$898,000 in base funding and \$6.8 million in one-time funding (to support the new Engineering Building – Three C+) are recommended.
- Support for ***Scholarship/Research Initiatives in the SSHRC Disciplines*** was identified as a high priority in the 2016-17 budget – and has been supported through the creation of an endowment with \$7.5 million in total allocations over the last two years. It is recommended that this endowment be supplemented by an additional \$2.5 million with a one-time allocation in 2018-19. This will result in an annual spendable amount of \$400,000 in the steady-state.
- As signaled in our Campus Master Plan (approved in June 2015) and re-iterated in recent budgets, we have started the multi-year plan to transform our campus into a ***vehicle-free, pedestrian-friendly, and safe campus*** (now known as the “***Open Space Strategy***”). 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 million in one-time funding is being recommended to implement campus-wide ***Energy Conservation Initiatives***.
- A new program aimed at attracting and retaining top-tier postdoctoral talent is being initiated as a 2-year pilot in 2018-19 – ***the Postdoctoral Fellowship Program***.. It is recommended that \$226,000 in one-time funding being allocated in the 2018-19 budget.
- Western’s Indigenous Strategic Plan was approved by Senate and the Board of Governors in October/November 2016. In order to support the priorities set out in that plan, it is recommended that \$600,000 in base funding be allocated in support of ***faculty appointments***

in the area of Indigenous Education. This will be a Cluster Hire Initiative designed to attract and appoint Indigenous Scholars in any discipline across the Academy.

- Western’s Student Mental Health and Wellness Strategic Plan (currently being reviewed by our governance bodies) outlines a set of goals and priorities – with an underlying theme of strengthening front-line/direct services to our students. In support of this priority, we are recommending the allocation of \$400,000 in base funding in 2018-19. A portion of this funding will be used to partner with our student organizations for matching/incremental funding – through our Student Services Committee process.

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 2018-19 Capital Budget

The Capital Budget supports our Long-Range Space Plan which involves a number of high priority projects – including three major academic projects which are starting in 2018-19:

- Modernization of Thames Hall – including the creation of an integrated Western Wellness Centre
- The Biomedical Research Facility – phase 1 of the multi-phased Medical School facilities renewal/realignment/expansion plan
- Modernization of Library facilities – including the creation of students spaces in the Weldon and Taylor Libraries

Funding for the Capital Budget in 2018-19 is derived from the following sources: Government Grants (\$23.2 million), transfers from the Operating Budget – including unit budgets (\$67.3 million), fundraising (\$3 million), and self-funded or ancillary operations (\$17.9 million).

Capital Expenditures are projected to be \$104.2 million in 2018-19, with a breakdown as follows:

- \$31.2 million in support of ***new construction*** (including planning/design). This includes completion of the Western Interdisciplinary Research Building (WIRB), the New Engineering Building (ThreeC+), the Biomedical Research Facility, and multi-level parking structures.
- \$14.9 million in support of ***major renovation projects***, which includes modernization of University College and Thames Hall.
- \$16.5 million for ***utilities and infrastructure projects***.
- \$4.8 million associated with the ***modernization/adaptation of instructional and research facilities*** across campus.
- \$15.9 million for ***general campus maintenance projects***.
- \$13.2 million in support of ***renewal in our residences***.
- \$7.7 million for all ***other capital expenditures*** – which includes carrying costs and debt repayment.

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ACRONYMS used in University Budget Document

| | Acronym | Description |
|----|----------------|---|
| 1 | ADF | Academic Development Fund |
| 2 | APF | Academic Priorities Fund |
| 3 | APPF | Academic Planning, Policy, and Faculty |
| 4 | AQ | Additional Qualification Courses in the Faculty of Education |
| 5 | B.Ed. | Bachelor of Education Program/Degree |
| 6 | BRT | Bus Rapid Transit System |
| 7 | CERC | Canada Excellence Research Chairs Program |
| 8 | CRCs | Canada Research Chairs |
| 9 | CRV | Current Replacement Value (of Buildings) |
| 10 | CSD | Communication Sciences and Disorders Program |
| 11 | DM | Deferred Maintenance |
| 12 | Ed.D. | Doctor of Education Degree |
| 13 | EFB | Employee Future Benefits |
| 14 | FIMS | Faculty of Information & Media Studies |
| 15 | FRSF | Federal Research Support Fund (formerly FFICR) |
| 16 | FTE | Full-Time Equivalent |
| 17 | HBA | Honours Business Administration Degree/Program |
| 18 | IBA | Initial Budget Adjustment |
| 19 | ILIC | Intergraded Learning and Innovation Centre |
| 20 | ITIF | Information Technology Infrastructure Fund |
| 21 | MAESD | Ministry of Advanced Education and Skills Development (formerly MTCU) |
| 22 | MBA | Master of Business Administration Degree/Program |
| 23 | MC | Middlesex College |
| 24 | M.Cl.Sc. | Masters in Clinical Sciences Degree |
| 25 | MD | Doctor of Medicine Degree/Program |
| 26 | M.Ed. | Masters in Education Degree/Program |
| 27 | MEng | Master of Engineering Degree/Program |
| 28 | MESc | Master of Engineering Science Degree |
| 29 | MMI | Maintenance, Modernization, and Infrastructure |
| 30 | M.O.S. | Management & Organizational Studies Program |
| 31 | MSc | Master of Science Degree |
| 32 | MTP | Media, Theory, and Production Program |
| 33 | NCB | Natural Campus Building |
| 34 | OT | Occupational Therapy (School/Program) |
| 35 | Ph.D. | Doctor of Philosophy Degree |
| 36 | PT | Physical Therapy (School/Program) |
| 37 | RISF | Research Infrastructure Support Fund |
| 38 | SGPS | School of Graduate & Postdoctoral Studies |
| 39 | SSHRC | Social Science and Humanities Research Council |
| 40 | STEM | Science, Technology, Engineering, and Mathematics |
| 41 | SUPF | Support Unit Priorities Fund |
| 42 | ThreeC+ | Connect, Collaborate, Create. Name of New Engineering Building |
| 43 | WSC | Western Science Centre |

2018-19 Operating Budget

A. Planning and Budgetary Context

The current planning cycle leads us to the final year of the 4-year budget plan spanning the period 2015-16 to 2018-19. This budget builds on the multi-year plan developed three 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 Province has introduced a new University Funding Formula – the “corridor system”, where grant funding remains constant/flat starting in 2017-18. Provincial grants are now grouped 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% – ends with 2018-19.
- Undergraduate enrolments at Western are approaching steady-state – with planned modest increases in international enrolments.
- The net impact of these parameters is that our overall revenues are projected to grow by 2.7% in 2018-19.

Given the constrained revenue context, the incremental resources available to us will be more modest in the coming years than in the last three 4-year cycles. In addition, we will have to wait for the results of the summer 2018 Ontario provincial election to assess the impact on future government funding for Ontario universities.

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:

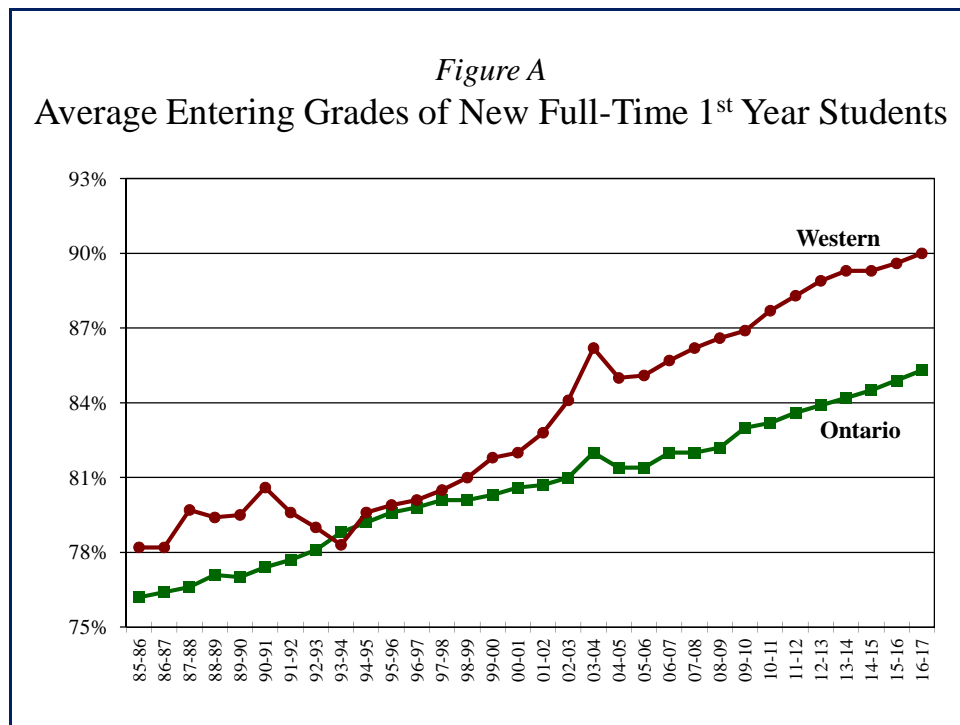
- Attract the brightest students as demonstrated through the highest entering grade average. Our first-year class is expected to be about 5,170 for the final year of the 4-year planning period.
- Over time, increase the number of undergraduate international students to 15% of the undergraduate student body. Our plan is to recruit 650 first-year international students next year.
- 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 just past this threshold at the end of this 4-year planning period.

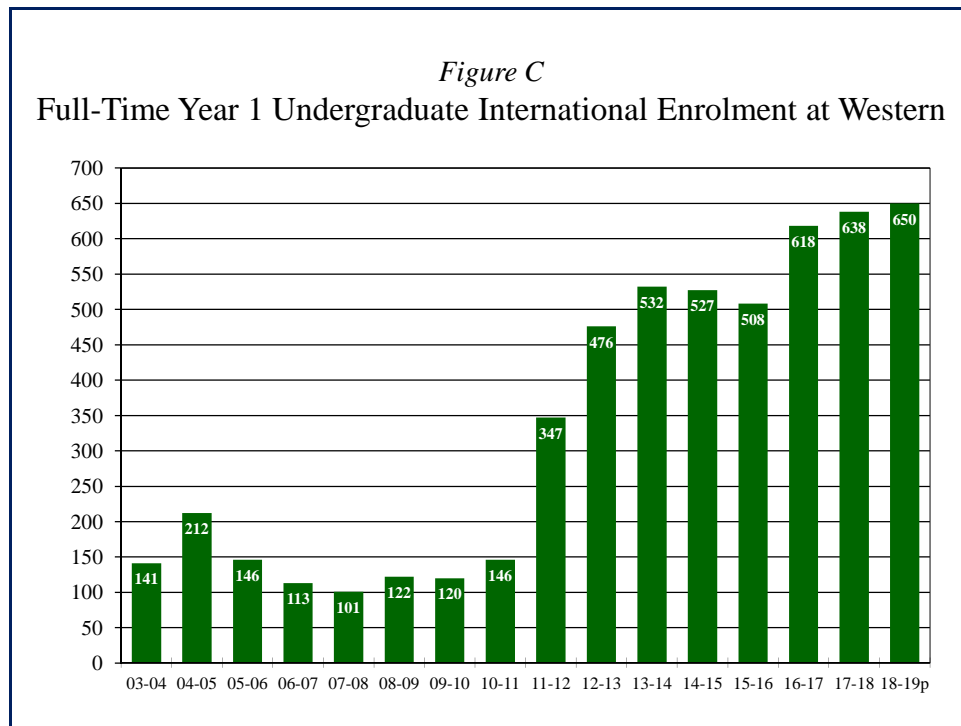
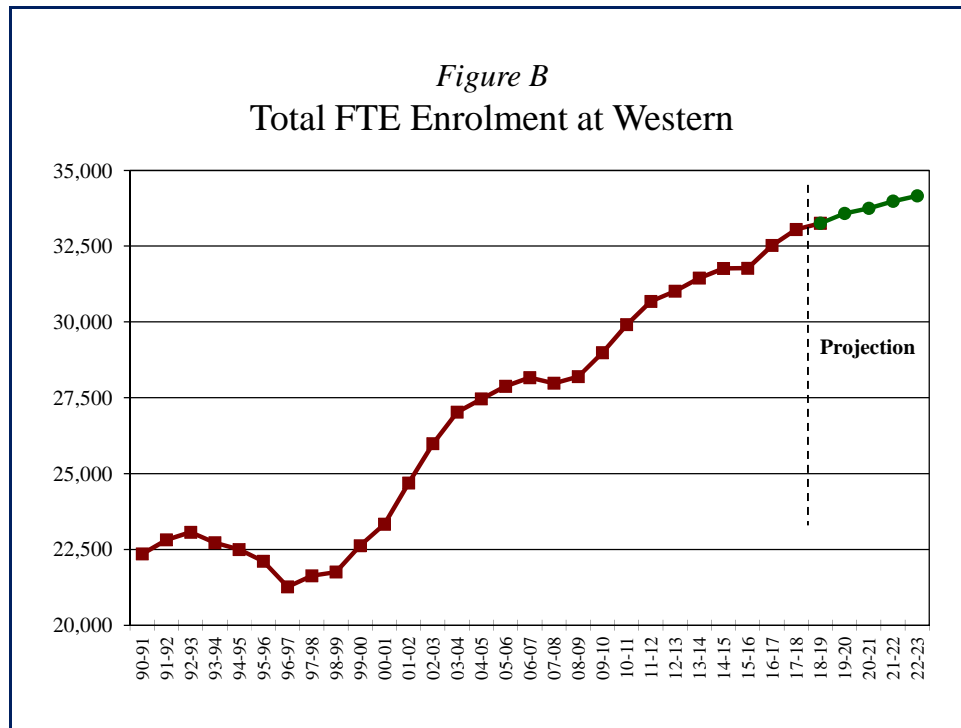
Our approach to enrolment planning allows us to make significant enhancements to the quality of education and the educational experience we offer our students:

- Recruitment of outstanding undergraduate students is a high priority. The average entering grade of our incoming class in the fall of 2016 was 90% – second highest in the province, and well above the Ontario average.
- Over 93% of our first-year students continue into their second year. Our retention rates are amongst the highest in Canada and much higher than at our peer institutions in the United States.

- Graduation rates of our undergraduate students have been steadily increasing – and they are currently much higher than the rates at our peer universities in Canada and the United States. Nearly 84% of Western’s 2010-11 entering cohort graduated within 6 years.
- Our efforts in undergraduate international enrolment expansion resulted in 12.5% of our fall 2017 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 19.4% 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 2017-18 Budget, and involved substantial investments.

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
- Indigenize 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 are being pursued by the Provost's Implementation Committee – a sum of \$1 million in base funding was committed in the 2017-18 Budget. From this amount, the following allocations have been made:

- \$390,000 in base funding to the Faculty of Social Science to support the creation of a new academic department
- \$147,000 in base funding to the Faculty of Law to support a faculty appointment in the area of Indigenous Teaching, Scholarship, and Outreach
- \$91,000 in one-time funding to the Indigenous Services Department to support a staff position over a two-year period

Future allocations from the unspent monies will be in support of the recommendations of the Provost's Task Force on Implementation of Western's Indigenous Strategic Plan – expected to be presented to the Provost in the coming months.

2. Growing our Endowment: The Endowed Chairs Matching Program

Growing our Endowment continues to be a high priority for the University – and this priority has been supported through the expansion of the Endowed Chairs Matching Program, which started in 2010-11. In 2017-18, a sum of \$25 million in one-time funding was added to this program – bringing the total to \$68.5 million over the 8-year period. From this \$25 million, a commitment was made to assign/hold 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.

3. 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 2017-18 were as follows:

- Full-time undergraduate enrolment reached 1,981 – an increase of 435 from the 2014-15 level of 1,546.

- \$848,000 in incremental base funding was added to the Engineering budget – to support expansion of faculty and staff complements.
- \$6.5 million in one-time funding was transferred to the capital budget in support of the new Engineering Building (ThreeC+). The new building is expected to open this summer.

4. 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 the 2016-17 Budget – and a \$5 million endowment was established that year. In 2017-18, an incremental \$2.5 million was added to the endowment – bringing the total to \$7.5 million. In the steady-state, this \$7.5 million is expected to yield an annual amount of \$300,000 to support this priority.

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

In last year's budget, we committed a sum of \$2.5 million in one-time funding as matching contribution to the 2017 CERC competition. Western's proposals were not successful and therefore this funding was not required.

6. Facilities Enhancements in the Faculties

As committed last year, a sum of \$2.4 million was allocated to support facilities renewal and space realignment within the Faculties – \$1.3 million to Science and \$1.1 million to Social Science.

7. Pedestrian-Friendly and Campus Safety Initiatives

The initial steps towards the transformation of our campus into a vehicle-free pedestrian-friendly campus are underway. In support of this, a sum of \$2 million in one-time funding was allocated in 2017-18 – bringing the total allocation to \$4 million over the last two years. This included new/improved safety-related signage, traffic calming or vehicle speed reduction initiatives in high traffic and pedestrian areas, and improved lighting – in areas such as Alumni Circle, the Natural Sciences precinct, the Engineering Precinct, Talbot College areas, and various high-traffic parking lots.

8. Energy Conservation Initiatives

The University's utilities costs – after recoveries from self-funding operations – are projected to exceed \$25 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.

9. Long-Range Space Plan

Western continues with its integrated long-range approach to space/facilities planning. Last year's budget identified four projects as priorities:

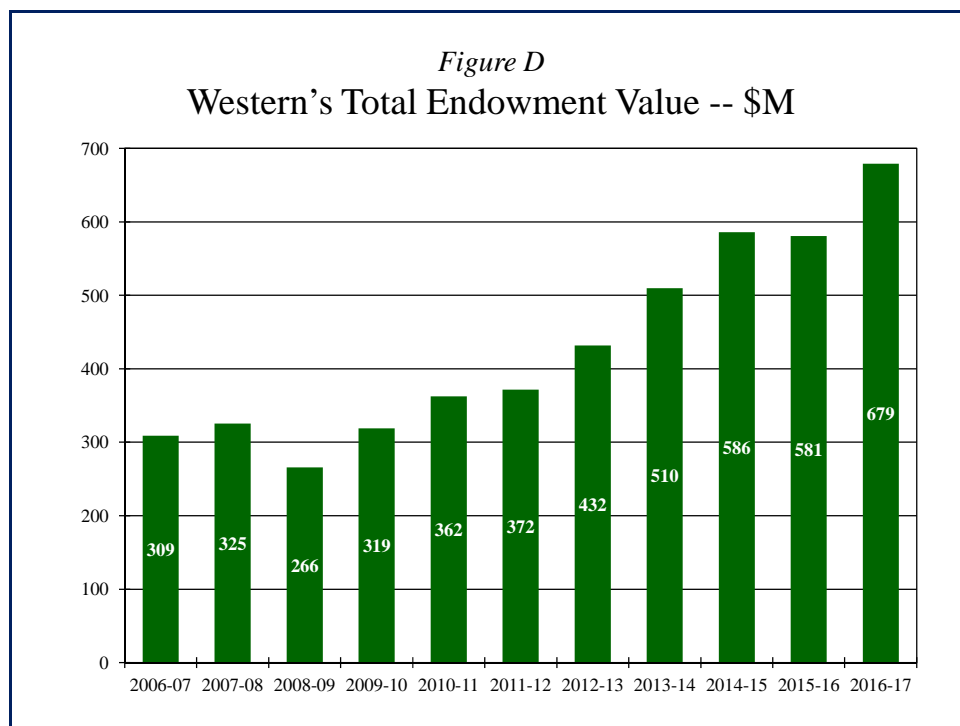
- Modernization of Thames Hall. The Project has been approved by the Board of Governors and we are currently in the process of selecting an Architect.
- The Integrated Learning and Innovation Centre (ILIC). This Project has been delayed for a short period of time, as we work through the multi-year funding requirements for our overall Long-Range Space Plan.
- Renewal/Replacement/Expansion of Medical School Facilities. Phase 1 of this multi-phased project – the Biomedical Research Facility – is underway with the recent selection of the Project Architect.
- Parking Garages. We are currently in the site assessment stage of the planning for parking structures.

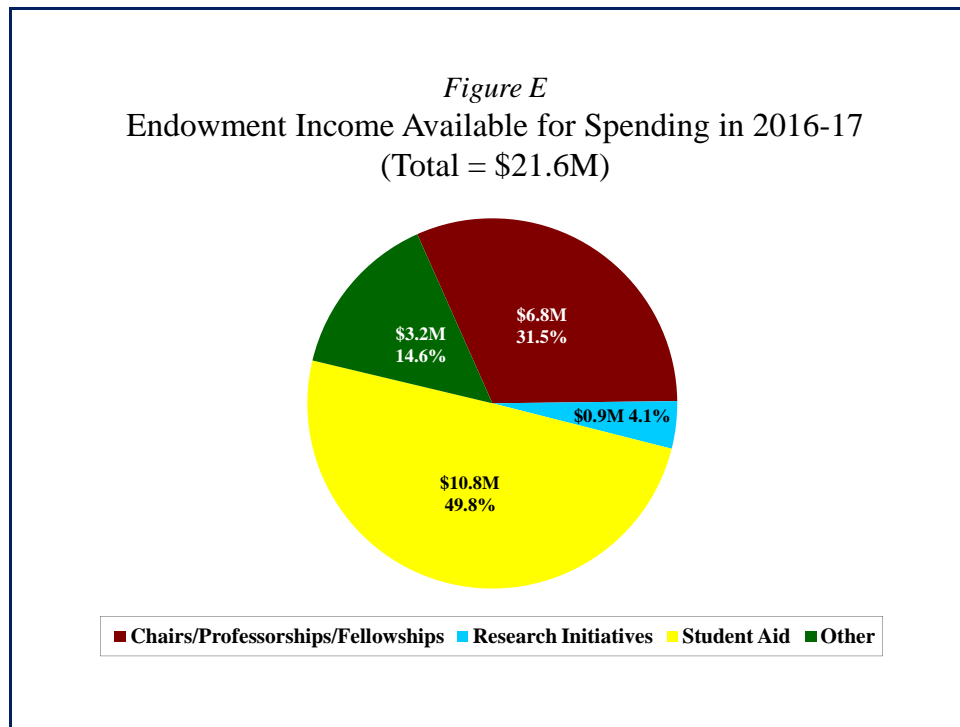
C. Priorities for the 2018-19 Budget and New Initiatives

1. 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 \$68.5 million has been allocated to support the Endowed Chairs Program. To-date, pledges have been committed for 23 endowed chairs (of a possible 40 to 45). The Vice-President External is in discussions with donors at various stages for an additional 15 to 20 chairs (ranging from \$3 million to \$5 million per chair) – which, if successful, will bring the total to 38 to 43 chairs. In addition, a further 22 to 25 chairs have been identified by Deans as high priorities. Given the success of this program, and in order to continue with the Endowed Chairs Matching Program, it is recommended that a sum of \$15 million in one-time funding be allocated in 2018-19 to support this high priority.

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 2016-17 by major category (totaling \$21.6 million).





2. 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 soon-to-start and category 2 lists projects that are in various planning stages. In this budget, one-time funding is being recommended for the following major projects in categories 1 and 2:

- Multi-phased Weldon Library renewal and space realignment to create student spaces (\$15 million)
- Funding to support the creation of the Western Wellness Centre in Thames Hall (\$10 million)
- Realignment of space in the Natural Sciences Centre to create student spaces – including renewal and realignment of the Taylor Library (\$10 million)

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

3. Strategic Expansion of Engineering

The multi-year strategic expansion of Engineering continues with the allocation of additional resources in 2018-19, as follows:

- A sum of \$898,000 in base funding to the Engineering Budget.

- A transfer of \$6.8 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.4 above, support for research/scholarship initiatives in the SSHRC disciplines was identified as a priority two years ago – and an endowment has been created, with \$7.5 million allocated to-date. It is recommended that this endowment be expanded by an additional one-time allocation of \$2.5 million in 2018-19 – bringing the total value of the endowment to \$10 million. This will increase the annual amount available for spending by \$100,000 – to a total of \$400,000 in the steady-state. The Vice-President Research will develop university-wide strategic initiatives with this incremental \$100,000.

5. Pedestrian-Friendly Safe Campus Initiatives – Western’s Open Space Strategy

As noted in recent budgets, campus expansion (buildings and people) has resulted in substantially increased vehicle traffic on campus – which in turn has increased 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 possible 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 2018-19 to continue and expand the initiatives already underway (see section B.7 above).

The Vice-President (Operations & Finance) has been leading the planning in this area – which, through various consultations, is evolving under the name “Western’s Open Space Strategy”.

6. 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 million in one-time funding is being recommended to implement campus-wide Energy Conservation Initiatives.

7. The Postdoctoral Fellowships Program

A new program aimed at attracting and retaining top-tier postdoctoral talent (domestic and international) is being initiated as a 2-year pilot in 2018-19. The program – to be administered through the Vice-President (Research) Office – is being supported with one-time allocations of \$226,000 in 2018-19 and \$452,000 in 2019-20. The high-level elements of the program are as follows:

- Ten fellowships will be available on an annual basis – at a rate of \$45,200 per year for a period of two years (non-renewable).
- The award is based on a 1:1 matching – with \$22,600 from the Vice-President (Research) and \$22,600 to come from another source such as grant funding from a supervisor, industry funding, or departmental/Faculty budgets).
- Five fellowships will be available to postdoctoral fellows whose primary supervisor is affiliated with Social Sciences and Humanities-related disciplines (Arts & Humanities, Education, Information & Media Studies, Law, Music, Business, Health Sciences, and Social Science).

- Five fellowships will be available to postdoctoral fellows whose primary supervisor is affiliated with STEM-related disciplines (Science, Medicine & Dentistry, Engineering, and Health Sciences).
- Proposals involving interdisciplinary scholarship/research are encouraged.
- At least one fellowship (from the available ten) will be reserved for outstanding individuals that will undertake high quality research that has the potential of advancing excellence in Indigenous research – as outlined in Western’s Indigenous Strategic Plan.

The Office of the Vice-President (Research) will follow up with more details on the program – including the eligibility criteria and application/adjudication processes. The program will be reviewed at the end of the 2-year pilot period for its effectiveness and outcomes.

8. Indigenous Initiatives – New Faculty Appointments

In support of our priorities in the area of Indigenous Education, we are recommending \$600,000 in base funding in 2018-19 to support faculty appointments. This will be a Cluster Hire Initiative designed to attract and appoint Indigenous Scholars in any discipline across the Academy. The Provost will provide details on the call for applications in the coming weeks.

9. Support for Front-Line Student Mental Health Services

Western’s Student Mental Health and Wellness Strategic Plan (currently being reviewed by our governance bodies) outlines a set of goals and priorities – with an underlying theme of strengthening front-line/direct services to our students. In support of this priority, we are recommending the allocation of \$400,000 in base funding in 2018-19. A portion of this funding will be used to partner with our student organizations for matching/incremental funding – through the Student Services Committee process.

D. Four-Year Operating Budget Summary

We seek approval of the 2018-19 Budget as outlined in this document. The recommendations in this document have been guided by projections of operating revenues and expenditures for the final year 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 2018-19 – and the major underlying assumptions are as follows:

Revenues

- Provincial government grant funding remains constant for the final year – consistent with the new corridor funding system.
- 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.
- As previously communicated by the Provost (in early March), starting in the fall term of 2018, tuition fees for international Ph.D. students at Western will be set at the same level as domestic students. This approach is consistent with some of our sister research-intensive universities in Ontario – and will ensure that we are able to recruit outstanding international Ph.D. students.

Expenditures

- Enrolment-related revenue sharing allocations to the Faculties continues during this 4-year planning period, and the projections are shown in Table 4a. It should be noted that the 2018-19 allocations (which are based on 2017-18 enrolments/teaching) is the final year of the current revenue sharing system.
- 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 \$80.3 million at the end of the current year (i.e. 2017-18). The reserve is projected to be \$59.4 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 2018-19 Operating Budget

Table 2 summarizes the 2018-19 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 \$787.3 million in 2018-19 – an increase of 2.7% over 2017-18. Details of the operating revenues are shown in Table 3.

Line 13: Total expenditures are projected to be \$808.2 million in 2018-19 – an increase of 7.2% over 2017-18. 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 \$12.6 million in 2017-18 and a deficit of \$20.8 million in 2018-19.

Line 17: The Operating Reserve is forecast to be \$80.3 million at the end of 2017-18 and \$59.4 million at the end of 2018-19.

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

| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|----|--|--------------|--------------|--------------|--------------|--------------|
| 1 | REVENUES | | | | | |
| 2 | Government Grants | | | | | |
| 3 | Provincial: Core Operating Grant (enrolment-based) | 247.6 | 248.8 | 253.7 | 241.7 | 241.7 |
| 4 | Provincial: Differentiation Envelope | 15.2 | 14.8 | 15.0 | 22.0 | 22.0 |
| 5 | Provincial: Special Purpose Grants | 9.7 | 9.2 | 9.5 | 17.2 | 16.3 |
| 6 | Federal: Research Support Fund (FRSF) | 9.1 | 9.0 | 9.8 | 9.8 | 9.7 |
| 7 | Total | 281.6 | 281.8 | 288.0 | 290.7 | 289.6 |
| 8 | Tuition Revenue | 312.3 | 334.5 | 361.8 | 383.6 | 403.4 |
| 9 | All Other Revenues | | | | | |
| 10 | Canada Research Chairs (CRCs) | 8.0 | 7.7 | 7.5 | 6.3 | 6.4 |
| 11 | Recoverable Salaries | 27.9 | 27.9 | 26.6 | 27.4 | 28.0 |
| 12 | All Other | 54.1 | 54.6 | 59.6 | 58.9 | 59.9 |
| 13 | Total | 90.0 | 90.2 | 93.7 | 92.6 | 94.3 |
| 14 | Total Revenues | 683.9 | 706.5 | 743.5 | 766.9 | 787.3 |
| 15 | EXPENDITURES | | | | | |
| 16 | Faculties | | | | | |
| 17 | Base Budgets | 361.4 | 370.7 | 379.5 | 382.2 | 377.8 |
| 18 | Revenue Sharing Allocations | 17.2 | 25.3 | 31.7 | 37.2 | 46.5 |
| 19 | Canada Research Chairs (CRCs) | 6.9 | 6.7 | 6.5 | 5.5 | 5.5 |
| 20 | All Other | 64.4 | 61.8 | 59.4 | 59.6 | 62.8 |
| 21 | Total | 449.9 | 464.5 | 477.1 | 484.5 | 492.6 |
| 22 | Scholarships and Bursaries | 29.9 | 30.8 | 32.8 | 33.1 | 33.6 |
| 23 | Support Areas | 90.7 | 93.3 | 95.4 | 99.4 | 101.3 |
| 24 | University-wide Expenditures | 66.8 | 70.8 | 71.5 | 72.7 | 80.1 |
| 25 | Provision for Cost Fluctuations | 0.0 | 0.0 | 0.0 | 2.8 | 21.0 |
| 26 | One-Time Allocations | 48.5 | 33.5 | 52.2 | 61.7 | 79.6 |
| 27 | Total Expenditures | 685.8 | 692.9 | 729.0 | 754.2 | 808.2 |
| 28 | REVENUES minus EXPENDITURES | -1.9 | 13.6 | 14.5 | 12.7 | -20.9 |
| 29 | OPERATING RESERVE | | | | | |
| 30 | Beginning Operating Reserve | 41.4 | 39.5 | 53.1 | 67.6 | 80.3 |
| 31 | Surplus / (Deficit) -- from Line 28 above | -1.9 | 13.6 | 14.5 | 12.7 | -20.9 |
| 32 | Ending Operating Reserve | 39.5 | 53.1 | 67.6 | 80.3 | 59.4 |

Table 2
SUMMARY OF OPERATING BUDGET: 2018-19

| | <a> | | <c> | |
|----|--|--------------------|------------------------------|-------------------|
| | 2017-18 Budget (@March 31, 2018) | 2018-19 Budget | \$ Change from 2017-18 | |
| 1 | Operating Revenues (Table 3) | | | |
| 2 | Government Grants | 290,672,498 | 289,606,524 | -1,065,974 |
| 3 | Tuition Revenue | 383,653,530 | 403,415,802 | 19,762,272 |
| 4 | All Other | 92,553,674 | 94,322,423 | 1,768,749 |
| 5 | Total Revenues | 766,879,702 | 787,344,749 | 20,465,047 |
| 6 | Expenditure Budgets | | | |
| 7 | Faculties (Table 4) | 484,536,008 | 492,576,092 | 8,040,084 |
| 8 | Scholarships and Bursaries (Table 5) | 33,115,545 | 33,566,389 | 450,844 |
| 9 | Support Areas (Table 6) | 99,401,886 | 101,345,900 | 1,944,014 |
| 10 | University-wide Expenditures (Table 7) | 72,749,198 | 80,108,731 | 7,359,533 |
| 11 | Provision for Cost Fluctuations | 2,774,885 | 20,978,494 | 18,203,609 |
| 12 | One-Time Allocations | 61,705,858 | 79,596,873 | 17,891,015 |
| 13 | Total Expenditures | 754,283,380 | 808,172,479 | 53,889,099 |
| 14 | Surplus / (Deficit) - Line 5 minus Line 13 | 12,596,322 | -20,827,730 | |
| 15 | Beginning Operating Reserve Balance | 67,656,263 | 80,252,585 | |
| 16 | Surplus / (Deficit) -- Line 14 above | 12,596,322 | -20,827,730 | |
| 17 | Closing Operating Reserve Balance | 80,252,585 | 59,424,855 | |
| 18 | Board-mandated Minimum Level Reserve Target | 7,500,000 | 7,500,000 | |

F. Details of the 2018-19 Operating Revenue Forecasts (Table 3)

Government Grants

As a result of the Provincial Government's new funding formula, the overall level of grant funding will remain constant in 2018-19 (i.e. the same level as 2017-18). 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 2018-19 are based on the current 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 eight University budgets highlighted the fact that Western's international undergraduate 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 these tuition fees will seek to move Western's tuition rates to the level of our peers. The recommendations for international undergraduate tuition fees continue on the path to narrowing the gap with our peer institutions.

As noted earlier, tuition rates for international Ph.D. students are set at the same rate as domestic students – starting with the fall term of 2018.

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 17 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 2018-19, we are projecting \$6.4 million for 42 chairs with incumbents.

- The Transfer from the Affiliated University Colleges represents payments for services and teaching provided to their students. The transfer rate for 2018-19 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 2018-19, we project a sum of \$7.3 million from this source.
- The revenue from Royalties and Licences includes patents/licences associated with the Robarts Research Institute.
- Western's self-funded operations and ancillary units generate substantial revenue for the University Operating Budget by way of recoveries associated with facilities costs and services provided by the University. The category also includes the payment from the 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 2018-19 Expenditure Recommendations

1. Faculty Budget Recommendations

Table 4 shows the 2018-19 **base budget recommendations** for Western's Faculties. Final 2018-19 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 \$88,000 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.

As an outcome of the 2016-17 planning cycle, in order to provide Faculties with resources to support faculty renewal, the **Faculty Turnover Recovery Program** was temporarily suspended. Turnover recovery is being waived for all 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. 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 2018-19 (shown in column <d> of Table 4) are:

- \$110,000 to the Faculty of Arts & Humanities for a faculty appointment in the Department of Women's Studies and Feminist Research;
- \$100,000 to the Faculty of Health Sciences – in support of a new graduate diploma in Applied Health Sciences as well as Faculty-wide educational and research priorities;
- \$150,000 to the Faculty of Information & Media Studies in support of a faculty appointment;
- \$125,000 to the Faculty of Science for a faculty appointment in Computer Science;

- \$500,000 to the Faculty of Social Science to support Faculty-wide educational and research initiatives.

In addition, as described in section D.8, we are recommending \$600,000 in base funding in 2018-19 for **new faculty appointments in the area of Indigenous Education**. This will be a Cluster Hire Initiative designed to attract and appoint Indigenous Scholars in any discipline across the Academy. The Provost will provide details on the call for applications in the coming weeks.

As noted earlier (in section C.2.), the multi-year **strategic expansion of Engineering** will flow a sum of \$898,000 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.

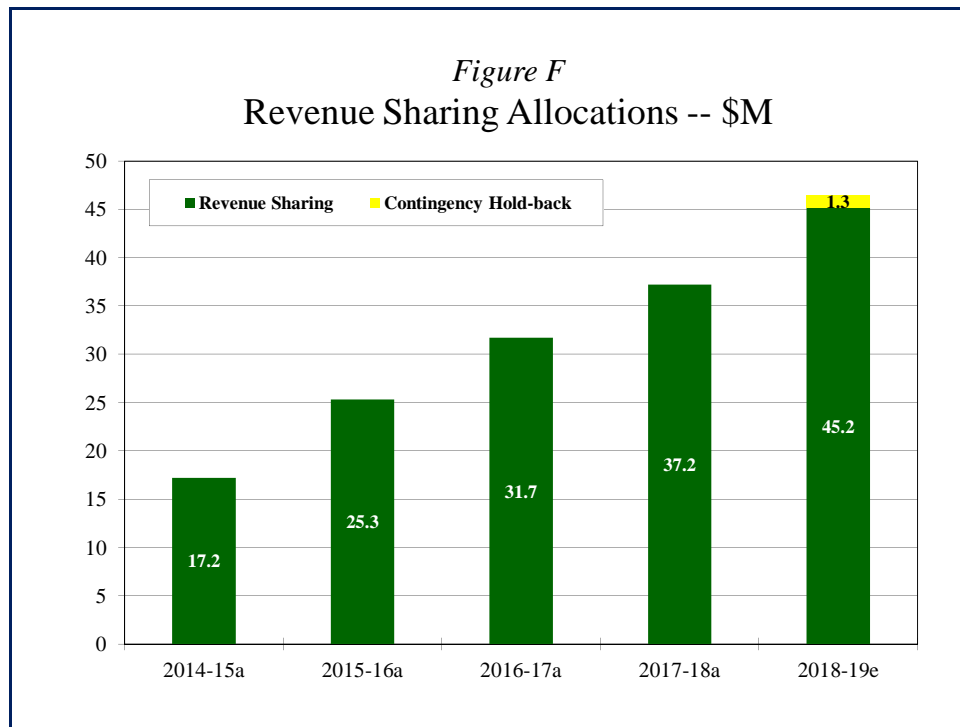
Over and above the base budget allocations, the Faculties receive substantial additional on-going funds through the **enrolment-related revenue sharing mechanism** that was implemented in 2011-12. The proportions of incremental revenues (tuition and applicable grant) flowing to the Faculties are as follows:

- 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 began 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. Therefore, the 2018-19 budget is the final year for the current revenue-sharing mechanism (i.e. The allocations which are based on 2017-18 enrolments/teaching). Line 15 in Table 4 shows the projected \$46.5 million that will be available to the Faculties in 2018-19. The Faculty-specific breakdown of this \$46.5 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 16 to 24);
- **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 transitional budgetary support from the central budget. In 2018-19, the central budget allocation is \$1.9 million for the Faculty of Arts & Humanities and \$415,000 for the Don Wright Faculty of Music. These allocations mark the end of the transitional budget provisions – and the status of these Faculty budgets will be reviewed as part of the new 4-year planning cycle.

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 2018-19 Budget – and, given our multi-year planning approach, should be considered in the context of resource allocations made in previous years.

Figure G
SUMMARY OF 2018-19 ALLOCATION RECOMMENDATIONS FOR THE FACULTIES

| | | Base Allocations | One-Time Allocations | Targetted Student Awards | Capital Allocations |
|----|--|------------------|----------------------|--------------------------|---------------------|
| 1 | Arts & Humanities | 110,000 | 2,029,330 | 200,000 | 36,800 |
| 2 | Education | | 30,000 | | |
| 3 | Engineering | 897,901 | 138,300 | | |
| 4 | Health Sciences | 100,000 | 150,000 | | 140,000 |
| 5 | Information & Media Studies | 150,000 | 235,500 | | |
| 6 | Law | | 310,000 | | |
| 7 | Medicine & Dentistry | | | | 205,000 |
| 8 | Music | | 689,681 | 80,000 | |
| 9 | Science | 125,000 | | | |
| 10 | Social Science | 500,000 | 200,000 | | 87,500 |
| 11 | Indigenous Initiatives: Faculty Appointments | 600,000 | | | |
| 12 | Total | 2,482,901 | 3,782,811 | 280,000 | 469,300 |

Note: These recommendations are for the 2018-19 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 \$33.6 million in 2018-19.

- Fundraising for undergraduate and graduate student needs-based awards continues to be of high priority to the University. In 2018-19, we project a sum of \$7.3 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 million in 2018-19 for this high priority item.

3. Support Unit Budget Recommendations

Table 6 shows the 2018-19 base budget recommendations for Support Units. Final 2018-19 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 2018-19 (shown in column <c> of Table 6) are:

- \$80,000 to the Registrar's Office in support of technology-related infrastructure and staffing;
- \$87,000 to the School of Graduate & Postdoctoral Studies in support of expansion of career services for graduate students;

- \$112,300 to the Office of Institutional Planning & Budgeting to maintain staffing levels;
- \$6,500 to the McIntosh Gallery to maintain staffing levels;
- \$45,000 to Internal Audit to sustain operations;
- \$100,000 to the Vice-President (Research) Portfolio in support of service enhancement;
- \$115,000 to the Vice-President (External) Portfolio in support of our fundraising campaign.

The Vice-President (Operations & Finance) is also carrying forward a portion of the SUPF resources associated with her units for allocation in the future. This is shown in line 23 of Table 6.

The Support Units receive nearly \$3.3 million in additional base allocations (column d, Table 6) to **maintain core services** and the following targeted special allocations:

- \$400,000 to Western Technology Services to enhance staffing and infrastructure in the areas of Cyber Security and Learning Technologies;
- \$200,000 to Western Libraries in support of Organizational Renewal and other unit priorities;
- \$800,000 to the Student Experience Portfolio in support of (a) the Propel Entrepreneurship Group – \$300,000, (b) a Sexual Violence Prevention/Education/Support Coordinator staff position – \$100,000, and (c) front-line student mental health services – \$400,000;
- \$734,599 to Facilities Management to cover the incremental operating costs associated with new facilities;
- \$70,000 to University Police to support a Mass Emergency Communications Notification System.

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 27 through 40); 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, anticipated savings resulting from the implementation of energy efficiency initiatives, and the opening of new buildings.
- The **Library Acquisitions Budget** continues to be a high priority – and is being increased by \$300,000 to a level of \$15.4 million.
- The **Maintenance, Modernization, and Infrastructure (MMI)** transfer to the Capital Budget is being maintained at the Board-approved level of \$15.5 million. The status of this budget will be reviewed as part of the 2020-21 planning process.
- 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 \$2 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 2018-19. 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 2018-19 budget – with one-time allocations:
 - **Growing our Endowment – The Endowed Chairs Matching Program:** \$15 million.
 - **Support for our Long-Range Space Plan** – renewal of the Weldon Library (\$15 million), construction of the Western Wellness Centre in Thames Hall (\$10 million), and creation of student spaces in the Natural Sciences Centre and renewal of the Taylor Library (\$10 million).
 - Multi-year **Financing of the New Engineering Building (ThreeC+):** \$6.8 million
 - Support for **Scholarship/Research Initiatives in the SSHRC Disciplines:** \$2.5 million
 - **Pedestrian-Friendly and Campus Safety Initiatives** – \$2 million.
 - **Energy Conservation Initiatives** – \$1 million.
 - The **Postdoctoral Fellowships Pilot Program** – \$226,000
- A sum of \$1 million is being committed to support the hosting of the **2020 SSHRC Congress**.
- **Space realignment in Alumni Hall** is required to accommodate the Sports & Recreation Services support spaces along with **relocation of general university spaces** – both of which will be displaced from Thames Hall, at an estimated cost of \$1 million.
- **Replacement of the Artificial Turf in TD Stadium** is being supported with an allocation of \$1 million.
- **Modernization of our Instructional Facilities** is an on-going priority – and is being supported through a one-time allocation of \$1 million.
- 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 2018-19, the University's contribution amounts to \$264,100.

- 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
2018-19 OPERATING REVENUES

| | | 2017-18 Budget Forecast (@March 31, 2018) (1) | 2018-19 Budget (2) | Increase / (Decrease) Amount (3) | % Change (2) to (1) |
|----|---|---|--------------------------|---|------------------------|
| 1 | Government Grants | | | | |
| 2 | Provincial: Core Operating Grant (Enrolment-Based) | 241,671,833 | 241,671,833 | 0 | 0.0% |
| 3 | Provincial: Differentiation Envelope | 21,984,916 | 21,984,916 | 0 | 0.0% |
| 4 | Provincial: Special Purpose Grants | 17,200,586 | 16,249,775 | -950,811 | -5.5% |
| 5 | Federal Research Support Fund (FRSF) | 9,815,163 | 9,700,000 | -115,163 | -1.2% |
| 6 | Sub-Total Government Grants | 290,672,498 | 289,606,524 | -1,065,974 | -0.4% |
| 7 | Tuition Revenue | | | | |
| 8 | Undergraduate | 245,995,213 | 260,462,362 | 14,467,149 | 5.9% |
| 9 | Graduate | 62,237,231 | 62,480,583 | 243,352 | 0.4% |
| 10 | <i>Sub-Total General Programs</i> | <i>308,232,444</i> | <i>322,942,945</i> | <i>14,710,501</i> | <i>4.8%</i> |
| 11 | Ivey Programs (HBA, MBAs, MSc, PhD) | 64,912,803 | 66,712,977 | 1,800,174 | 2.8% |
| 12 | International Medical and Dental Students | 9,693,283 | 12,944,880 | 3,251,597 | 33.5% |
| 13 | <i>Sub-Total Other Programs</i> | <i>74,606,086</i> | <i>79,657,857</i> | <i>5,051,771</i> | <i>6.8%</i> |
| 14 | Miscellaneous Fees | 815,000 | 815,000 | 0 | 0.0% |
| 15 | Sub-Total Tuition Revenue | 383,653,530 | 403,415,802 | 19,762,272 | 5.2% |
| 16 | Other Revenues | | | | |
| 17 | Canada Research Chairs (CRCs) | 6,300,000 | 6,400,000 | 100,000 | 1.6% |
| 18 | Transfer from Affiliated University Colleges | 9,284,427 | 9,284,427 | 0 | 0.0% |
| 19 | Recoverable Salaries | 27,376,000 | 27,960,147 | 584,147 | 2.1% |
| 20 | Investment Income | 1,335,620 | 1,723,222 | 387,602 | 29.0% |
| 21 | Fundraising -- Need-based Student Awards and Bursaries | 7,300,000 | 7,300,000 | 0 | 0.0% |
| 22 | Application Fees | 1,780,258 | 1,780,258 | 0 | 0.0% |
| 23 | Research Overheads | 2,325,000 | 2,300,000 | -25,000 | -1.1% |
| 24 | Royalties and Licences | 4,050,000 | 3,350,000 | -700,000 | -17.3% |
| 25 | Scholarship/Research Initiatives in the SSHRC Disciplines | 216,869 | 266,869 | 50,000 | 23.1% |
| 26 | Contributions from Self-Funded & Ancillary Operations | 31,861,500 | 33,233,500 | 1,372,000 | 4.3% |
| 27 | Miscellaneous Revenues | 724,000 | 724,000 | 0 | 0.0% |
| 28 | Sub-Total Other Revenues | 92,553,674 | 94,322,423 | 1,768,749 | 1.9% |
| 29 | Total Revenues | 766,879,702 | 787,344,749 | 20,465,047 | 2.7% |

Table 4
FACULTIES

| | <a> | | <c> | <d> | <e> | <f> | <g> |
|----|---|--------------------|---------------------------------|----------------|--------------------------|------------------------------|-------------------------------------|
| | 2017-18 Base Budget (@March 31, 2018) | IBA | Faculty Turnover Recovery | APF | Other Base Changes | Canada Research Chairs | Resulting 2018-19 Base Budget |
| 1 | Faculties | | | | | | |
| 2 | Arts & Humanities | -841,521 | -167,265 | 110,000 | | 170,000 | 32,252,959 |
| 3 | Education | -258,677 | -128,167 | | | | 7,487,073 |
| 4 | Engineering | -705,005 | -73,059 | 100,000 | 897,901 | | 30,708,488 |
| 5 | Health Sciences | -790,191 | -73,059 | 100,000 | | | 29,334,086 |
| 6 | Information & Media Studies | -278,835 | -97,530 | 150,000 | | | 9,974,796 |
| 7 | Law | -217,765 | -98,086 | | | | 7,615,325 |
| 8 | Medicine & Dentistry | -1,721,510 | -73,250 | | | -260,000 | 61,062,692 |
| 9 | Music | -280,012 | | | | | 10,036,616 |
| 10 | Science | -1,491,075 | -89,729 | 125,000 | | | 56,607,061 |
| 11 | Social Science | -1,529,535 | -116,003 | 500,000 | | 180,000 | 56,134,666 |
| 12 | Sub-Total Faculties (excluding Business) | 308,198,076 | -843,089 | 985,000 | 897,901 | 90,000 | 301,213,762 |
| 13 | Business | 77,840,487 | | | 2,008,470 | | 79,848,957 |
| 14 | Sub-Total Faculties | 386,038,563 | -843,089 | 985,000 | 2,906,371 | 90,000 | 381,062,719 |
| 15 | Revenue Sharing Allocation | 37,195,843 | | | 9,284,483 | | 46,480,326 |
| 16 | Research Infrastructure Support Fund (RISF) | 750,000 | | | | | 750,000 |
| 17 | Faculty Recruitment Initiatives | 907,052 | | | 600,000 | | 1,507,052 |
| 18 | Academic Priorities Fund (APF) | 11,877,335 | | | | | 11,877,335 |
| 19 | Total -- with Revenue Sharing Allocation | 436,768,793 | -843,089 | 985,000 | 12,790,854 | 90,000 | 441,677,432 |
| 20 | All Other | | | | | | |
| 21 | Western Strategic Success Programs | 1,500,000 | | | | | 1,500,000 |
| 22 | Continuing Studies: Trois-Pistoles | 1,042,598 | | | 9,233 | | 1,051,831 |
| 23 | Education: Continuing Education for Teachers | 1,199,880 | | | | | 1,199,880 |
| 24 | Medicine & Dentistry: International Students and Primary Care | 10,043,088 | | | 3,251,597 | | 13,294,685 |
| 25 | Medicine & Dentistry: Robarts | 5,151,649 | | | -713,532 | | 4,438,117 |
| 26 | Faculty Share of Research Overheads | 1,075,000 | | | | | 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 | 27,376,000 | | | 584,147 | | 27,960,147 |
| 30 | Sub-Total | 47,767,215 | | | 3,131,445 | | 50,898,660 |
| 31 | Total Academic Units | 484,536,008 | -843,089 | 985,000 | 15,922,299 | 90,000 | 492,576,092 |

Table 4a
FACULTIES: REVENUE SHARING ALLOCATIONS

| | | 2014-15a | 2015-16a | 2016-17a | 2017-18a | 2018-19e |
|----|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 | Arts & Humanities | -74,390 | -64,190 | -287,293 | -153,256 | 486,181 |
| 2 | Education | 2,951,298 | 5,531,940 | 7,719,417 | 8,904,614 | 10,242,320 |
| 3 | Engineering | 2,178,257 | 3,803,227 | 2,273,644 | 1,792,590 | 2,420,930 |
| 4 | Health Sciences | 1,543,158 | 2,196,864 | 2,697,430 | 3,288,542 | 4,594,124 |
| 5 | Information & Media Studies | 397,427 | 149,498 | 494,448 | 389,873 | 421,369 |
| 6 | Law | 641,164 | 895,587 | 1,342,719 | 1,717,906 | 1,910,743 |
| 7 | Medicine & Dentistry | 3,809,577 | 4,170,113 | 5,363,074 | 7,125,965 | 8,246,260 |
| 8 | Music | 205,051 | 83,852 | 220,228 | 562,704 | 687,667 |
| 9 | Science | 2,785,763 | 4,063,965 | 5,898,300 | 6,532,764 | 7,519,843 |
| 10 | Social Science | 2,217,097 | 3,891,051 | 5,094,821 | 5,777,562 | 6,701,670 |
| 11 | Inter-Disciplinary Programs | 535,849 | 528,665 | 838,358 | 1,256,579 | 1,920,980 |
| 12 | Sub-Total | 17,190,251 | 25,250,572 | 31,655,146 | 37,195,843 | 45,152,087 |
| 13 | Contingency Hold-back | | | | | 1,328,239 |
| 14 | Sub-Total | 17,190,251 | 25,250,572 | 31,655,146 | 37,195,843 | 46,480,326 |

Table 5
SCHOLARSHIPS and BURSARIES

| | | <a> | | <c> |
|---|--|---|----------------|-------------------------------------|
| | | 2017-18 Base Budget (@March 31, 2018) | Changes | Resulting 2018-19 Base Budget |
| 1 | Undergraduate Scholarships | 7,300,000 | | 7,300,000 |
| 2 | Tuition Re-Investment | 15,944,610 | 439,412 | 16,384,022 |
| 3 | Western Bursaries | 776,545 | | 776,545 |
| 4 | Privately-Funded Need-based Awards & Bursaries | 7,300,000 | | 7,300,000 |
| 5 | MAESD Bursaries | 514,268 | | 514,268 |
| 6 | Global Opportunities Awards | 200,000 | | 200,000 |
| 7 | Graduate Bursaries and Fellowships | 1,080,122 | 11,432 | 1,091,554 |
| 8 | Total Scholarships and Bursaries | 33,115,545 | 450,844 | 33,566,389 |

Graduate student funding is now addressed through the Faculty budgets. In 2017-18, this funding is estimated to be \$57.3 million and the plan for 2018-19 is \$58.0 million.

Table 6
SUPPORT AREAS

| | <a> | | <c> | <d> | <e> |
|----|---|-------------------|-------------------|--------------------------|-------------------------------------|
| | 2017-18 Base Budget (@ March 31, 2018) | IBA | SUPF | Other Base Changes | Resulting 2018-19 Base Budget |
| 1 | Reporting to the Provost | | | | |
| 2 | Teaching Support Centre | 726,164 | -18,917 | 7,567 | 714,814 |
| 3 | Writing Support Centre | 357,245 | | | 357,245 |
| 4 | Western Technology Services | 10,051,053 | -184,205 | 642,103 | 10,508,951 |
| 5 | Libraries | 13,195,352 | -350,709 | 340,284 | 13,184,927 |
| 6 | Registrar's Office | 6,214,580 | -160,695 | 80,000 | 6,214,233 |
| 7 | Student Experience Portfolio | 1,357,157 | -15,935 | 806,374 | 2,147,596 |
| 8 | Office of Vice-Provost (APPF) | 1,514,146 | -26,996 | 10,798 | 1,497,948 |
| 9 | Graduate & Postdoctoral Studies | 1,642,263 | -49,745 | 87,000 | 1,699,416 |
| 10 | Institutional Planning and Budgeting | 2,157,923 | -133,513 | 112,300 | 2,190,115 |
| 11 | Western International | 2,798,285 | -52,032 | 20,813 | 2,767,066 |
| 12 | McIntosh Gallery - Subsidy | 280,794 | | 6,500 | 287,294 |
| 13 | Teaching Fellows Program | 500,000 | | | 500,000 |
| 14 | Sub-Total | 40,794,962 | -992,747 | 285,800 | 1,981,590 |
| 15 | Reporting to the Vice-President Operations & Finance | | | | |
| 16 | Financial Services | 4,886,675 | -129,201 | 51,680 | 4,809,154 |
| 17 | Human Resources | 6,873,360 | -183,001 | 73,200 | 6,763,559 |
| 18 | Workplace Health Services | 170,813 | | | 170,813 |
| 19 | Facilities Management | 17,990,707 | -395,479 | 932,339 | 18,527,567 |
| 20 | Police | 2,904,435 | -77,429 | 100,972 | 2,927,978 |
| 21 | Internal Audit | 442,900 | -11,692 | 45,000 | 482,054 |
| 22 | Legal Services | 0 | | 193,545 | 193,545 |
| 23 | Support Unit Priorities Fund (SUPF) | 629,000 | | 315,000 | 944,000 |
| 24 | Sub-Total | 33,897,890 | -796,802 | 360,000 | 1,357,582 |
| 25 | Reporting to the Vice-President Research | | | | |
| 26 | Animal Care/Veterinary Services - Subsidy | 1,000,000 | | | 1,000,000 |
| 27 | Research Western | 5,184,685 | -102,464 | 100,000 | 5,223,207 |
| 28 | Research Promotion Fund | 579,930 | | | 579,930 |
| 29 | Small Grants Support for Arts/Humanities/Social Sciences | 250,000 | | | 250,000 |
| 30 | Scholarship/Research Initiatives in the SSHRC Disciplines | 216,869 | | 50,000 | 266,869 |
| 31 | Western Innovation Fund | 400,000 | | | 400,000 |
| 32 | Sub-Total | 7,631,484 | -102,464 | 100,000 | 90,986 |
| 33 | Vice-President External Portfolio | 12,230,427 | -314,271 | 115,000 | 125,708 |
| 34 | General Administration | | | | |
| 35 | Offices of the President/Vice-Presidents | 3,602,779 | | | 3,602,779 |
| 36 | University Secretariat | 1,244,344 | | -266,368 | 977,976 |
| 37 | Sub-Total | 4,847,123 | 0 | 0 | -266,368 |
| 38 | Total Support Areas | 99,401,886 | -2,206,284 | 860,800 | 3,289,498 |

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

| | | <a> | | <c> | <d> |
|----|--|---|-------------------|------------------|-------------------------------------|
| | | 2017-18 Base Budget (@March 31, 2018) | New Investment | Other Changes | Resulting 2018-19 Base Budget |
| 1 | Utilities | 23,665,159 | | 2,019,981 | 25,685,140 |
| 2 | Library Acquisitions | 15,115,896 | 300,000 | | 15,415,896 |
| 3 | Transfer to MMI: Operating | 15,500,000 | | | 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 | 680,000 | | 8,000 | 688,000 |
| 7 | Information Technology Infrastructure Fund (ITIF) | 9,663,083 | | 460,147 | 10,123,230 |
| 8 | Property Taxes | 2,236,950 | | 52,200 | 2,289,150 |
| 9 | Insurance | 1,671,300 | | 87,000 | 1,758,300 |
| 10 | Contingency | 1,891,083 | | 77,279 | 1,968,362 |
| 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 | 919,983 | | 8,932 | 928,915 |
| 16 | Convocation and Diplomas | 340,000 | | | 340,000 |
| 17 | Costs Associated with Employee Contracts | 589,000 | | | 589,000 |
| 18 | Ombudsperson | 108,539 | | | 108,539 |
| 19 | University Surveys and Teaching Evaluations | 75,000 | | | 75,000 |
| 20 | Centre for Research on Violence Against Women and Children - Subsidy | 55,000 | | | 55,000 |
| 21 | Museum of Ontario Archaeology - Subsidy | 50,000 | | | 50,000 |
| 22 | Total University-wide Expenditures | 80,652,192 | 300,000 | 2,713,539 | 83,665,731 |
| | | | | | |
| 23 | Employee Benefit Plan Costs | 109,872,006 | | 7,429,994 | 117,302,000 |
| 24 | Employee Benefit Recoveries | -117,775,000 | | -3,084,000 | -120,859,000 |
| 25 | Net Employee Benefits | -7,902,994 | | 4,345,994 | -3,557,000 |
| | | | | | |
| 26 | Net University-wide Expenditures | 72,749,198 | 300,000 | 7,059,533 | 80,108,731 |

Table 8
2018-19 ONE-TIME ALLOCATIONS

| | | |
|----|---|-------------------|
| 1 | Endowed Chairs Matching Program | 15,000,000 |
| 2 | Long Range Space Plan: Renewal of Weldon Library -- Phase 1 | 15,000,000 |
| 3 | Long Range Space Plan: Construction of The Western Wellness Centre in Thames Hall | 10,000,000 |
| 4 | Long Range Space Plan: Create Student Spaces in the Natural Sciences Centre and Taylor Library Modernization | 10,000,000 |
| 5 | New Engineering Building (ThreeC+): Multi-year Financing Plan | 6,794,314 |
| 6 | Scholarship/Research Initiatives in the SSHRC Disciplines: Supplement Endowment | 2,500,000 |
| 7 | Pedestrian-Friendly and Campus Safety Initiatives | 2,000,000 |
| 8 | Energy Conservation Initiatives | 1,000,000 |
| 9 | Support for Hosting 2020 SSHRC Congress | 1,000,000 |
| 10 | Space Re-alignment in Alumni Hall and GU Space Re-location (from Thames Hall) | 1,000,000 |
| 11 | TD Stadium Turf Replacement | 1,000,000 |
| 12 | Classroom Modernization Initiatives | 1,000,000 |
| 13 | University Contribution for Artificial Turf Playing Fields | 264,100 |
| 14 | Post Doctoral Fellowships Program | 226,000 |
| 15 | Faculties | |
| 16 | Arts & Humanities: Undergraduate Recruitment Initiatives (\$50K), and Support to Manage Deficit (\$1.9M) | 2,029,330 |
| 17 | Education: Indigenous Graduate Student Support | 30,000 |
| 18 | Engineering: Compressor System Laboratory Equipment (\$50K), and Tensile Testing Equipment (\$88K) | 138,300 |
| 19 | Health Sciences: Targetted Government Funding for Clinical Education (\$842K) and Nurse Practitioner Program (\$580K), and a Special Allocation to address Faculty Priorities (\$150K) | 1,572,412 |
| 20 | Info & Media Studies: Grants Facilitator Position (\$43K), Faculty Development Officer and Related Initiatives (\$42.5K), and Infrastructure Support for Media Production & Practice (\$150K) | 235,500 |
| 21 | Law: Capstone Courses (\$20K), Blended Learning & eLearning Initiatives (\$50K), International and Pre-Eminent Visiting Scholars Program (\$20K), Student Wellness Advisor (\$200K), and Experiential Learning Initiatives (\$20K) | 310,000 |
| 22 | Medicine & Dentistry: Targetted Government Funding for Dental Clinical Education (\$1.2M) and MD Expansion (\$2.4M) | 3,538,879 |
| 23 | Music: Recruitment & Community Awareness Initiatives (\$15K), Percussion Equipment (\$15K), Music Education Initiatives (\$20K), Piano Inventory Renewal (\$75K), Outreach Initiatives (\$150K), and Support to Manage Deficit (\$415K) | 689,681 |
| 24 | Social Science: Technology Infrastructure for Big Data Lab (\$150K) and Research Matching & Support Fund (\$50K) | 200,000 |
| 25 | Sub-Total Faculties | 8,744,102 |
| 26 | Support Units | |
| 27 | Registrar's Office: First Generation Initiatives | 282,480 |
| 28 | Student Experience: Experiential Learning Initiatives (\$70K), Career Services and First Nations Initiatives (\$180K), Major Maps Content Developer (\$78K), and SRS - Women's Athletic Awards (\$50K) | 378,449 |
| 29 | Teaching Support Centre: 360 Degree Initiative for Graduate Students (\$300K), and Faculty Mentor Program (\$40K) | 340,000 |
| 30 | Institutional Planning & Budgeting: Maintain Staffing Levels | 50,000 |
| 31 | Western International: International Worlds Challenge | 98,450 |
| 32 | Vice-Provost (APPF): Training and Development Initiatives (\$50K), Faculty Recruitment/Retention Initiatives (\$20K), and Support for a New IT System (\$15K) | 84,742 |
| 33 | SGPS: Maintain Service and Staffing Levels (\$175K), Recruitment and Retention Initiatives (\$110), Exchange Program Travel Costs (\$15K), and Thesis Writing Boot Camp (\$19K) | 319,000 |
| 34 | Financial Services: Systems Projects & Travel Program | 100,000 |
| 35 | Human Resources: Smoke-Free Campus Initiatives | 100,000 |
| 36 | Police: Fire Safety Bridge Funding (\$117.4K), and Mass Emergency Communications Notification System (\$30K) | 147,400 |
| 37 | Internal Audit: Strategic Risk Management (\$100K), and Investigation Assistance (\$25K) | 125,000 |
| 38 | Vice-President (Operations & Finance): Unallocated Support Units Priorities Fund | 17,600 |
| 39 | Vice-President (Research): Support for Research/Scholarship Initiatives | 1,600,000 |
| 40 | Vice-President (External): Support for Fundraising Campaign | 425,236 |
| 41 | Sub-Total Support Units | 4,068,357 |
| 42 | Total One-Time Allocations | 79,596,873 |

Table 9
CRC Allocations -- by Faculty (Cumulative)

| | | 2017-18 Final | | | | | | 2018-19 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 | 3 | 510,000 | 1 | 90,000 | 4 | 600,000 |
| 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 | 4 | 360,000 | 7 | 870,000 | 3 | 510,000 | 4 | 360,000 | 7 | 870,000 |
| 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 | 7 | 1,190,000 | 5 | 450,000 | 12 | 1,640,000 | 6 | 1,020,000 | 4 | 360,000 | 10 | 1,380,000 |
| 9 | Music | | | | | | | | | | | | |
| 10 | Science | 4 | 680,000 | 6 | 540,000 | 10 | 1,220,000 | 4 | 680,000 | 6 | 540,000 | 10 | 1,220,000 |
| 11 | Social Science | 2 | 340,000 | 2 | 180,000 | 4 | 520,000 | 2 | 340,000 | 4 | 360,000 | 6 | 700,000 |
| | | | | | | | | | | | | | |
| 12 | Total to Faculties | 22 | 3,740,000 | 19 | 1,710,000 | 41 | 5,450,000 | 22 | 3,740,000 | 20 | 1,800,000 | 42 | 5,540,000 |
| | | | | | | | | | | | | | |
| 13 | Total CRC Funding | | 4,400,000 | | 1,900,000 | | 6,300,000 | | 4,400,000 | | 2,000,000 | | 6,400,000 |

Table 10
RESEARCH INFRASTRUCTURE SUPPORT FUND (RISF)
2018-19 Allocations

| | | |
|----|-----------------------------|----------------|
| 1 | Arts and Humanities | 9,000 |
| 2 | Education | 7,000 |
| 3 | Engineering | 136,000 |
| 4 | Health Sciences | 41,000 |
| 5 | Information & Media Studies | 5,000 |
| 6 | Law | 5,000 |
| 7 | Medicine & Dentistry | 291,000 |
| 8 | Music | 5,000 |
| 9 | Science | 173,000 |
| 10 | Social Science | 78,000 |
| 11 | Total | 750,000 |

Table 11
2018-19 TUITION FEE PROPOSALS FOR UNDERGRADUATE PROGRAMS

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

<a> 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.

 Includes Arts & Humanities, BMedSc program, Health Sciences, Kinesiology, MIT program, Music, Science,
Social Science (excl. M.O.S.).

Table 12
2018-19 TUITION FEE PROPOSALS FOR GRADUATE PROGRAMS

| | | Domestic Students | | | International Students | | |
|----|------------------------------------|------------------------------|---------------------|-------------------|------------------------------|---------------------|-------------------|
| | | Actual 2017-18 Tuition | 2018-19 | | Actual 2017-18 Tuition | 2018-19 | |
| | | | Proposed Tuition | <a> % Increase | | Proposed Tuition | <a> % Increase |
| 1 | Masters Category 1 | | | | | | |
| 2 | Arts & Humanities | 6,991 | 7,067 | 1.1% | 17,694 | 17,889 | 1.1% |
| 3 | Engineering (M.E.Sc.) | 6,991 | 7,067 | 1.1% | 17,694 | 17,889 | 1.1% |
| 4 | Health & Rehabilitation Sciences | 6,991 | 7,067 | 1.1% | 17,694 | 17,889 | 1.1% |
| 5 | Health Information Sciences | 9,523 | 9,627 | 1.1% | 24,970 | 25,245 | 1.1% |
| 6 | Interdisciplinary Programs | 6,991 | 7,067 | 1.1% | 17,694 | 17,889 | 1.1% |
| 7 | Kinesiology | 6,991 | 7,067 | 1.1% | 17,694 | 17,889 | 1.1% |
| 8 | Law/Studies in Law | 11,521 | 11,521 | 0.0% | 26,749 | 26,749 | 0.0% |
| 9 | Media Studies | 6,991 | 7,067 | 1.1% | 17,694 | 17,889 | 1.1% |
| 10 | Medicine (Basic Health Sciences) | 6,991 | 7,067 | 1.1% | 17,694 | 17,889 | 1.1% |
| 11 | Music | 6,991 | 7,067 | 1.1% | 17,694 | 17,889 | 1.1% |
| 12 | Nursing (M.Sc.) | 8,396 | 8,488 | 1.1% | 24,970 | 25,245 | 1.1% |
| 13 | Science | 6,991 | 7,067 | 1.1% | 17,694 | 17,889 | 1.1% |
| 14 | Social Science | 6,991 | 7,067 | 1.1% | 17,694 | 17,889 | 1.1% |
| 15 | Masters Category 2 | | | | | | |
| 16 | C.S.D./O.T./P.T. (MPT) | 11,952 | 12,549 | 5.0% | 28,730 | 30,167 | 5.0% |
| 17 | Dentistry (Orthodontics) | 28,967 | 30,415 | 5.0% | 67,249 | 70,611 | 5.0% |
| 18 | Education (M.Ed) | 11,511 | 12,086 | 5.0% | 28,730 | 30,167 | 5.0% |
| 19 | Engineering (M.Eng.) | 11,511 | 12,086 | 5.0% | 28,730 | 30,167 | 5.0% |
| 20 | Environment & Sustainability | 12,889 | 13,533 | 5.0% | 28,730 | 30,167 | 5.0% |
| 21 | Financial Economics | 32,328 | 33,944 | 5.0% | 48,673 | 51,107 | 5.0% |
| 22 | Library & Information Science | 11,511 | 12,086 | 5.0% | 28,730 | 30,167 | 5.0% |
| 23 | M.M. in Journalism & Communication | 14,332 | 15,048 | 5.0% | 28,730 | 30,167 | 5.0% |
| 24 | M.N Nurse Practitioner | 11,511 | 12,086 | 5.0% | 28,730 | 30,167 | 5.0% |
| 25 | Master of Data Analytics | 24,665 | 25,898 | 5.0% | 42,473 | 44,597 | 5.0% |
| 26 | Master of Mgmt. of Applied Science | 20,837 | 21,878 | 5.0% | 42,473 | 44,597 | 5.0% |
| 27 | Medicine (Family Medicine) | 15,157 | 15,914 | 5.0% | 28,730 | 30,167 | 5.0% |
| 28 | Medicine (Pathology Assistant) | 11,954 | 12,551 | 5.0% | 28,730 | 30,167 | 5.0% |
| 29 | Medicine (Public Health) | 32,817 | 34,457 | 5.0% | 52,523 | 55,149 | 5.0% |
| 30 | Physical Therapy (M.Cl.Sc.) | 11,511 | 12,086 | 5.0% | 28,730 | 30,167 | 5.0% |
| 31 | Doctoral | | | | | | |
| 32 | Doctor of Musical Arts | 6,991 | 7,067 | 1.1% | 17,694 | 7,067 | ----- |
| 33 | Doctor of Education (EdD) | 10,685 | 11,219 | 5.0% | 28,730 | 30,167 | 5.0% |
| 34 | PhD Programs | 6,991 | 7,067 | 1.1% | 17,694 | 7,067 | ----- |

<a> The proposed 2018-19 rates are effective September 1, 2018.

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

Revised on April 13, 2018

Table 13
SUMMARY OF ENROLMENT FORECAST

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

| | Actual | | | | | Forecast | | | | | |
|----------|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | |
| 1 | Constituent University | | | | | | | | | | |
| 2 | Full-Time Undergraduates | | | | | | | | | | |
| 3 | Arts & Humanities | 1,147 | 1,121 | 1,027 | 979 | 985 | 977 | 980 | 986 | 992 | 995 |
| 4 | Business (HBA) | 1,116 | 1,100 | 1,093 | 1,120 | 1,109 | 1,130 | 1,130 | 1,130 | 1,130 | 1,130 |
| 5 | Dentistry | 264 | 262 | 265 | 265 | 263 | 264 | 264 | 264 | 264 | 264 |
| 6 | Education | 597 | 657 | 286 | 653 | 747 | 668 | 668 | 668 | 668 | 668 |
| 7 | Engineering | 1,449 | 1,546 | 1,761 | 1,951 | 1,981 | 2,039 | 2,033 | 2,107 | 2,112 | 2,111 |
| 8 | Health Sciences | | | | | | | | | | |
| 9 | BHSc Program | 1,170 | 1,163 | 1,179 | 1,199 | 1,189 | 1,167 | 1,177 | 1,180 | 1,175 | 1,175 |
| 10 | Kinesiology | 1,169 | 1,240 | 1,204 | 1,247 | 1,231 | 1,199 | 1,205 | 1,196 | 1,203 | 1,205 |
| 11 | Nursing | 825 | 835 | 868 | 903 | 960 | 979 | 967 | 952 | 952 | 952 |
| 13 | Sub-Total | 3,164 | 3,238 | 3,251 | 3,349 | 3,380 | 3,345 | 3,349 | 3,328 | 3,330 | 3,331 |
| 14 | Law | 480 | 486 | 474 | 482 | 478 | 468 | 468 | 468 | 468 | 468 |
| 15 | Media, Information, & Tech | 930 | 924 | 983 | 966 | 898 | 944 | 944 | 931 | 951 | 964 |
| 16 | Medicine | | | | | | | | | | |
| 17 | MD Program | 680 | 683 | 684 | 682 | 699 | 684 | 684 | 684 | 684 | 684 |
| 18 | BMedSci Program | 862 | 892 | 881 | 928 | 1,021 | 970 | 970 | 970 | 970 | 970 |
| 19 | Music | 512 | 457 | 432 | 417 | 412 | 429 | 446 | 459 | 468 | 468 |
| 20 | Science | 4,482 | 4,606 | 4,679 | 4,826 | 4,948 | 4,993 | 5,031 | 5,002 | 5,010 | 5,030 |
| 21 | Social Science | 6,674 | 6,601 | 6,482 | 6,520 | 6,501 | 6,465 | 6,553 | 6,630 | 6,749 | 6,825 |
| 22 | Total Full-Time Undergraduates | 22,357 | 22,573 | 22,298 | 23,138 | 23,422 | 23,376 | 23,521 | 23,627 | 23,797 | 23,908 |
| 23 | Concurrent Programs | 173 | 200 | 255 | 233 | 231 | 235 | 235 | 235 | 235 | 235 |
| 24 | Medical Residents | 853 | 913 | 923 | 942 | 934 | 930 | 930 | 930 | 930 | 930 |
| 25 | Full-Time Graduates | | | | | | | | | | |
| 26 | Masters | 2,977 | 3,146 | 3,276 | 3,431 | 3,750 | 3,949 | 3,988 | 4,028 | 4,069 | 4,109 |
| 27 | Ph.D. | 2,026 | 2,075 | 2,088 | 2,083 | 2,185 | 2,237 | 2,259 | 2,282 | 2,305 | 2,328 |
| 28 | Total Full-Time Graduates | 5,003 | 5,221 | 5,364 | 5,514 | 5,935 | 6,186 | 6,247 | 6,310 | 6,374 | 6,437 |
| 29 | Total Full-Time Enrolment | 28,386 | 28,907 | 28,840 | 29,827 | 30,522 | 30,727 | 30,933 | 31,102 | 31,336 | 31,510 |
| 30 | Part-Time FTEs | | | | | | | | | | |
| 31 | Undergraduate | 2,251 | 2,123 | 2,226 | 2,084 | 2,102 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| 32 | Education (AQs) | 635 | 607 | 595 | 499 | 401 | 400 | 400 | 400 | 400 | 400 |
| 33 | Masters | 149 | 99 | 79 | 89 | 95 | 100 | 100 | 100 | 100 | 100 |
| 34 | Ph.D. | 27 | 29 | 32 | 29 | 29 | 30 | 30 | 30 | 30 | 30 |
| 35 | Total Part-Time FTEs | 3,062 | 2,858 | 2,932 | 2,701 | 2,627 | 2,530 | 2,530 | 2,530 | 2,530 | 2,530 |
| 36 | Total Constituent FTEs | 31,448 | 31,765 | 31,772 | 32,528 | 33,149 | 33,257 | 33,463 | 33,632 | 33,866 | 34,040 |
| 37 | Affiliated University Colleges <2> | | | | | | | | | | |
| 38 | Full-Time Undergraduates | | | | | | | | | | |
| 39 | Brescia | 1,150 | 1,269 | 1,327 | 1,329 | 1,306 | 1,345 | 1,400 | 1,413 | 1,454 | 1,500 |
| 40 | Huron | 1,250 | 1,144 | 1,062 | 979 | 882 | 924 | 956 | 1,017 | 1,122 | 1,196 |
| 41 | King's | 3,169 | 3,063 | 3,004 | 3,070 | 3,034 | 3,049 | 3,068 | 3,100 | 3,137 | 3,177 |
| 42 | Total Full-Time Undergraduates | 5,569 | 5,476 | 5,393 | 5,378 | 5,222 | 5,318 | 5,424 | 5,530 | 5,713 | 5,873 |
| 43 | Part-Time Undergraduate FTEs | | | | | | | | | | |
| 44 | Brescia | 83 | 86 | 80 | 69 | 84 | 75 | 75 | 75 | 75 | 75 |
| 45 | Huron | 65 | 65 | 58 | 42 | 65 | 55 | 55 | 55 | 55 | 55 |
| 46 | King's | 252 | 277 | 260 | 232 | 234 | 223 | 219 | 218 | 219 | 219 |
| 47 | Total Part-Time FTEs | 400 | 428 | 398 | 343 | 383 | 353 | 349 | 348 | 349 | 349 |
| 48 | Graduate FTEs | | | | | | | | | | |
| 49 | Brescia | 32 | 28 | 33 | 35 | 35 | 35 | 35 | 35 | 35 | 35 |
| 50 | Huron | 8 | 11 | 9 | 9 | 7 | 4 | 4 | 4 | 4 | 4 |
| 51 | King's | 31 | 33 | 29 | 41 | 48 | 47 | 47 | 47 | 47 | 47 |
| 52 | Total Graduate FTEs | 71 | 72 | 71 | 85 | 90 | 86 | 86 | 86 | 86 | 86 |
| 53 | Total Affiliate FTEs | 6,040 | 5,976 | 5,862 | 5,806 | 5,695 | 5,757 | 5,859 | 5,964 | 6,148 | 6,308 |
| 54 | Total UWO FTEs | 37,488 | 37,741 | 37,634 | 38,334 | 38,844 | 39,014 | 39,322 | 39,596 | 40,014 | 40,348 |

Revised on April 13, 2018

Table 13
SUMMARY OF ENROLMENT FORECAST

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

| | Actual | | | | | Forecast | | | | | |
|----|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | |
| 55 | Rows 55 to 86 Included above | | | | | | | | | | |
| 56 | International Students | | | | | | | | | | |
| 56 | Constituent Full-Time | | | | | | | | | | |
| 57 | Undergraduates | 1,611 | 1,895 | 1,990 | 2,217 | 2,342 | 2,500 | 2,700 | 2,780 | 2,920 | 3,075 |
| 58 | Medical Residents | 109 | 130 | 128 | 130 | 123 | 125 | 125 | 125 | 125 | 125 |
| 59 | Masters (excluding Ivey) | 439 | 495 | 576 | 596 | 715 | 731 | 738 | 746 | 753 | 761 |
| 60 | MBA (Regular), Ivey MSc | 43 | 39 | 56 | 68 | 75 | 76 | 75 | 75 | 75 | 75 |
| 61 | Executive MBA | 40 | 35 | 24 | 2 | 1 | 0 | 0 | 0 | 0 | 0 |
| 62 | Ph.D. | 516 | 547 | 562 | 562 | 581 | 581 | 587 | 593 | 599 | 605 |
| 63 | Affiliates | | | | | | | | | | |
| 64 | Undergraduates | 497 | 577 | 661 | 718 | 732 | 813 | 890 | 966 | 1,037 | 1,095 |
| 65 | Masters | 3 | 0 | 0 | 2 | 0 | 0 | 0 | 1 | 2 | 2 |
| 66 | Year 1 Only | | | | | | | | | | |
| 67 | Constituent | | | | | | | | | | |
| 68 | Arts & Humanities | 213 | 267 | 217 | 240 | 229 | 240 | 240 | 240 | 240 | 240 |
| 69 | Engineering | 430 | 511 | 637 | 598 | 571 | 580 | 580 | 580 | 580 | 580 |
| 70 | Health Sciences | | | | | | | | | | |
| 71 | BHSc Program | 338 | 347 | 336 | 320 | 335 | 325 | 325 | 325 | 325 | 325 |
| 72 | Kinesiology | 315 | 386 | 335 | 350 | 318 | 335 | 335 | 335 | 335 | 335 |
| 73 | Nursing | 132 | 131 | 143 | 162 | 144 | 135 | 135 | 135 | 135 | 135 |
| 74 | Media, Information, & Tech | 332 | 336 | 350 | 304 | 245 | 255 | 270 | 275 | 275 | 275 |
| 75 | MOS Program | 741 | 857 | 794 | 861 | 769 | 820 | 845 | 875 | 895 | 895 |
| 76 | Music | 121 | 99 | 100 | 102 | 112 | 120 | 120 | 120 | 120 | 120 |
| 77 | Science | 1,347 | 1,474 | 1,445 | 1,599 | 1,551 | 1,520 | 1,530 | 1,530 | 1,550 | 1,550 |
| 78 | Social Science | 878 | 803 | 796 | 817 | 815 | 840 | 840 | 855 | 865 | 865 |
| 79 | Total Year 1 - Constituent | 4,847 | 5,211 | 5,153 | 5,353 | 5,089 | 5,170 | 5,220 | 5,270 | 5,320 | 5,320 |
| 80 | Affiliated University Colleges | | | | | | | | | | |
| 81 | Brescia | 309 | 315 | 350 | 321 | 313 | 328 | 352 | 368 | 370 | 370 |
| 82 | Huron | 388 | 274 | 290 | 253 | 250 | 310 | 340 | 368 | 401 | 416 |
| 83 | King's | 848 | 740 | 774 | 777 | 788 | 815 | 823 | 841 | 854 | 867 |
| 84 | Total Year 1 - Affiliates | 1,545 | 1,329 | 1,414 | 1,351 | 1,351 | 1,453 | 1,515 | 1,577 | 1,625 | 1,653 |
| 85 | Total UWO Year 1 | 6,392 | 6,540 | 6,567 | 6,704 | 6,440 | 6,623 | 6,735 | 6,847 | 6,945 | 6,973 |
| 86 | Masters | | | | | | | | | | |
| 87 | All Programs (excluding MBAs) | 2,583 | 2,781 | 2,877 | 3,004 | 3,280 | 3,511 | 3,543 | 3,583 | 3,624 | 3,664 |
| 88 | Ivey (excl EMBA) | 181 | 161 | 208 | 255 | 265 | 267 | 270 | 270 | 270 | 270 |
| 89 | Executive MBA | 213 | 204 | 191 | 172 | 205 | 171 | 175 | 175 | 175 | 175 |

For Information

| | | | | | | | | | | | |
|----|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 90 | Year 1 Constituent International Students | 532 | 527 | 508 | 618 | 638 | 650 | 700 | 750 | 800 | 800 |
|----|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

<1> 2017-18 part-time undergraduate FTEs are estimated.

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

Note: within each category, the projects are not prioritized

| | Project | Type |
|----|--|----------------------------------|
| | | |
| | CATEGORY 1 -- Underway or Soon-to-Start | |
| 1 | Western Interdisciplinary Research Building -- Phase 1 | New Construction |
| 2 | Modernization of University College | Modernization |
| 3 | ThreeC+ -- The New Engineering Building | New Construction |
| 4 | Science Space Re-alignment Project (NCB, MC, WSC) | Modernization / Adaptation |
| 5 | Biomedical Research Facility - Phase 1 of Medical School Project | New Construction |
| 6 | Modernization of Thames Hall | Modernization |
| 7 | Multi-Level Parking Structures | New Construction |
| 8 | University-wide Infrastructure Projects (multiple stages) | New Construction / Modernization |
| 9 | Ivey Spencer Leadership Centre Renewal and Expansion | New Construction / Modernization |
| 10 | Residence Projects | Modernization |
| 11 | Campus Sustainability and Energy Conservation Initiatives (multiple stages) | Modernization / Infrastructure |
| | | |
| | CATEGORY 2 -- Projects in Various Planning Stages | |
| 12 | Space Realignment in the Natural Sciences Centre | Modernization / Adaptation |
| 13 | Renewal and/or Realignment of Library Facilities | Modernization |
| 14 | Integrated Learning and Innovation Centre | New Construction |
| | | |
| | CATEGORY 3 -- For Future Consideration -- if Funding Identified | |
| 15 | Renewal/Replacement/Expansion of Medical School Facilities -- Future Phases | Modernization / New Construction |
| 16 | Renewal of Chemistry Facilities, Elborn College, Talbot College, Spencer Engineering Building | Modernization or Replacement |
| 17 | Western Interdisciplinary Research Building -- Phase 2 | New Construction |
| 18 | New Research Initiatives/Partnerships at the Research Parks | New Construction |
| 19 | Athletic Facilities -- Indoor and Outdoor | New Construction / Renewal |
| 20 | Asset Acquisitions | Acquisition |

2018-19 Capital Budget

A. The Evolution of Capital Expenditures

The Capital Budget for 2018-19 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 2014-15 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 Unit 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 2018-19 total \$104.2 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 remain at \$15.5 million in 2018-19 (\$15.5 M in 2017-18). 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 14, 2018, our buildings and infrastructure have a current replacement value (CRV) of approximately \$2,519 million, as follows:

| | CRV \$M | Square Metres | Major Buildings |
|---------------------------------|---------|---------------|-----------------|
| Major Non-Residential Buildings | 1,775 | 547,482 | 71 |
| Utilities and Infrastructure | 210 | | |
| Subtotal, Eligible for MMI | 1,985 | 547,482 | 71 |
| Housing | 427 | 257,546 | 15 |
| Other Ancillary Buildings | 107 | 49,300 | 8 |
| Total | 2,519 | 854,328 | 94 |

At February 14, 2018, the University had 547,000 gross square metres in 71 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 structures or lots, power plants 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 547,000 square metres in major buildings, 51% 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 Plant 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 \$13.2 million in 2018-19, 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 2016-17, line B shows a deficit of \$1,853, the difference between funding of \$92,798 (all figures in \$000) and expenditures of \$94,651. The capital reserve in line C decreases by this same amount of \$(1,853), reflecting a decrease 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 2016-17, MMI expenditures were \$34.1 million, while the estimated replacement value of non-residential buildings, utilities, and infrastructure was \$1.91 billion. The ratio of the two is 1.8%, 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 2018-19, the base transfer will be maintained at the current maximum annual transfer of \$15.5 million (2017-18, \$15.5 million).

Line H of Table 15 shows the ratio of the annual MMI transfer to total MMI expenditures; for example, in 2016-17, the transfer was \$14.75 million and MMI expenditures were \$34.1 million, so the ratio in line H is 43.3%. Other sources of funding for MMI expenditures include the annual capital facilities renewal grant from the Province (projected for 2017-18 and 2018-19 at \$3.5 and \$4.6 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 2016-17 is \$20.1 million, or (in line K) 1.1% of the replacement value in that year. A standard target in industry for this ratio is 2.0%: if large buildings last an average of 50 years, then on average maintenance spending should be 2.0% of replacement value. When the actual ratio is consistently lower than 2.0%, as has been the case at Western and most Canadian universities over the last three decades, the level of deferred maintenance will grow. As Western continues to renovate aging buildings, there will be years that deferred maintenance will decline.

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 moving forward with the planning 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 2018-19

Table 17 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2017-18, divided into six major categories: federal, provincial and municipal government grants; funds transferred from Western's operating budget; interest earned; undistributed investment returns; 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 2017-18 (estimates as of January 31, 2018) and 2018-19 (current proposals).

Table 15
CAPITAL BUDGET SUMMARY, 2014-15 TO 2018-19
(\$000)

| Category | Purpose | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Projected 2017-18 | Budget 2018-19 |
|----------|---|-------------------|-------------------|-------------------|----------------------|-------------------|
| | New Construction | | | | | |
| 1 | New Construction (Table 18, line 10) | 23,523 | 32,343 | 45,717 | 47,388 | 31,160 |
| | | | | | | |
| | Maintenance, Modernization, and Infrastructure (MMI) | | | | | |
| 2 | Major Building Renovations (Table 18, line 18) | 4,215 | 4,737 | 15,789 | 21,408 | 14,915 |
| 3 | Utilities and Infrastructure Projects | 9,790 | 8,046 | 5,719 | 5,308 | 16,532 |
| 4 | Modernization of Instructional and Research Facilities | 6,480 | 6,640 | 7,816 | 9,062 | 4,812 |
| 5 | General Maintenance and Modernization Projects | 5,523 | 5,923 | 4,775 | 6,835 | 15,882 |
| | Sub-Total MMI | 26,008 | 25,346 | 34,099 | 42,613 | 52,141 |
| | Other | | | | | |
| 6 | Housing Renovations | 20,012 | 9,124 | 9,192 | 9,979 | 13,205 |
| 7 | Ancillary Projects | 1,187 | 2,239 | 1,170 | 1,884 | 1,075 |
| 8 | Carrying Costs and Debt Repayments | 5,843 | 4,702 | 4,453 | 2,694 | 5,600 |
| 9 | Other Capital Expenditures | 493 | 3,399 | 20 | 2,325 | 1,025 |
| | Sub-Total Other | 27,535 | 19,464 | 14,835 | 16,882 | 20,905 |
| | | | | | | |
| 10 | Total Expenditures | 77,066 | 77,153 | 94,651 | 106,883 | 104,206 |

| Line | | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Projected 2017-18 | Budget 2018-19 |
|------|---|-------------------|-------------------|-------------------|----------------------|-------------------|
| | Sources of Funding, Reserves, and Debt | | | | | |
| A | Total Sources of Funding, Including Debt (Table 17) | 88,934 | 80,836 | 92,798 | 111,547 | 96,018 |
| B | Sources of Funding less Expenditures | 11,868 | 3,683 | -1,853 | 4,664 | -8,188 |
| C | Capital Reserve, Year End (Table 19) | 39,921 | 43,604 | 41,751 | 46,415 | 38,227 |
| D | Capital Debt Outstanding, Year End (Table 19) | 299,065 | 291,392 | 283,725 | 375,869 | 367,668 |
| | | | | | | |
| E | Replacement Value of Non-Residential Buildings, Utilities & Infrastructure, \$M | 1,783 | 1,852 | 1,906 | 1,985 | 2,052 |
| F | MMI Expenditures/Replacement Value | 1.5% | 1.4% | 1.8% | 2.1% | 2.5% |
| G | Annual MMI transfer from Operating to Capital Budget | 13,250 | 14,000 | 14,750 | 15,500 | 15,500 |
| H | MMI transfer/MMI Expenditures | 50.9% | 55.2% | 43.3% | 36.4% | 29.7% |
| J | Estimate of Maintenance Expenditure | 15,179 | 14,684 | 20,127 | 25,388 | 33,157 |
| K | Maintenance Expenditure/Replacement Value | 0.9% | 0.8% | 1.1% | 1.3% | 1.6% |
| | | | | | | |
| L | Number of Major Buildings | 91 | 92 | 93 | 94 | 95 |
| M | Total Gross Square Meters (000's) | 829 | 836 | 843 | 854 | 864 |

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 | <i>Projects Underway or Soon-to-Start</i> | | | |
| 2 | Modernization of University College | 2 | Jan 15 | Sep 18 |
| 3 | Western Interdisciplinary Research Building - Phase 1 | 1 | Nov 15 | Sep 18 |
| 4 | ThreeC+ - The New Engineering Building | 1 | Jan 16 | Jul 18 |
| 5 | Science Space Re-alignment Project (NCB, MC, WSC) | 4 | Jan 17 | May 18 |
| 6 | Modernization of Thames Hall | 2 | Jan 17 | Apr 21 |
| 7 | The Biomedical Research Facility -- Phase 1 of Medical School Project | 1&2 | Jan 17 | Jun 21 |
| 8 | Multi-Level Parking Structures | 1 | Jun 17 | tbd |
| 9 | Ivey Building - Completion of Unfinished Space | 1 | Sep 17 | Aug 18 |
| 10 | Ivey Spencer Leadership Centre -- Renewal/Expansion | 1&2 | tbd | tbd |
| 11 | Residence Projects | 6 | May 18 | Apr 19 |
| 12 | University-wide Infrastructure Projects (multiple stages) | 1,3&5 | May 18 | tbd |
| 13 | Campus Sustainability and Energy Conservation Initiatives (multiple stages) | 3&5 | Ongoing | |
| | | | | |
| 14 | <i>Projects Under Consideration</i> | | | |
| 15 | Space realignment in Natural Sciences Centre | 2 | tbd | tbd |
| 16 | Renewal and/or Realignment of Library Facilities | 2 | tbd | tbd |
| 17 | Integrated Learning and Innovation Centre | 1 | tbd | tbd |
| | | | | |
| 18 | <i>Projects for Future Consideration</i> | | | |
| 19 | Renewal/Replacement/Expansion of Medical School Facilities - Future Phases | 1&2 | tbd | tbd |
| 20 | Renewal of Chemistry Facilities, Elborn College, Talbot College, Spencer Engineering Building | 2 | tbd | tbd |
| 21 | Western Interdisciplinary Research Building - Phase 2 | 1 | tbd | tbd |
| 22 | New Research Initiatives/Partnerships at the Research Parks | 1 | 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)

| | | Projected 2017-18 | Budget 2018-19 |
|----|--|------------------------------|---------------------------|
| 1 | Government Grants | | |
| 2 | MAESD/MOECG GGRP Innovation Fund | 0 | 11,610 |
| 3 | MAESD Annual Capital Grant (Facilities Renewal Program) | 3,477 | 4,630 |
| 4 | MAESD Graduate Expansion Capital Grant | 3,933 | 3,921 |
| 5 | Federal Strategic Investment Fund (SIF) | 21,800 | 3,000 |
| 6 | Sub-Total | 29,210 | 23,161 |
| 7 | Operating Budget | | |
| 8 | Operating Budget MMI Transfer - Base | 15,500 | 15,500 |
| 9 | Operating Budget MMI Transfer - Base (Ancillaries) | 600 | 600 |
| 10 | Operating Budget - Modernization of Weldon Library | 0 | 15,000 |
| 11 | Operating Budget - Realignment of Natural Sciences Centre to Create Student Spaces | 0 | 10,000 |
| 12 | Operating Budget - Western Wellness Centre (in Thames Hall) | 0 | 10,000 |
| 13 | Operating Budget - FRSF Transfer | 3,000 | 3,000 |
| 14 | Operating Budget - Pedestrian-Friendly and Campus Safety Initiatives | 2,000 | 2,000 |
| 15 | Operating Budget - Energy Conservation Initiatives | 1,500 | 1,000 |
| 16 | Operating Budget - Improvements to Alumni Hall to Accommodate SRS and Relocate GU Spaces | 0 | 1,000 |
| 17 | Operating Budget - CRC Transfer | 850 | 860 |
| 18 | Operating Budget - Classroom Modernization | 500 | 500 |
| 19 | Operating Budget - Planning for Future Projects | 250 | 0 |
| 20 | Operating Budget - ThreeC+ - The New Engineering Building | 6,482 | 6,794 |
| 21 | Medicine Operating Budget - Level 2/3 Infectious Disease Pathogenesis and Imaging Facility | 1,499 | 807 |
| 22 | Medicine Operating Budget - Schulich Facilities Expansion and Renewal | 5,000 | 0 |
| 23 | Education Operating Budget - Faculty of Education Courtyard Addition | 4,000 | 0 |
| 24 | Science Operating Budget - North Campus Building Second Floor Renovations | 2,340 | 0 |
| 25 | Ivey Operating Budget - Ivey Building | 2,300 | 0 |
| 26 | Miscellaneous Faculty/Department Budgets | 1,145 | 282 |
| 27 | Sub-Total | 46,966 | 67,343 |
| 28 | Undistributed Investment Returns/Interest Earned | 20,060 | 65 |

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

| | | Projected 2017-18 | Budget 2018-19 |
|----|--|------------------------------|---------------------------|
| 29 | Fundraising | | |
| 30 | The Claudette MacKay-Lassonde Pavilion (Green Building) | 0 | 1,990 |
| 31 | Ivey Building | 1,492 | 724 |
| 32 | Western Fund | 350 | 300 |
| 33 | Sub-Total | 1,842 | 3,014 |
| 34 | Borrowing | | |
| 35 | Long-Range Space Plan | -3,829 | -15,490 |
| 36 | Sub-Total | -3,829 | -15,490 |
| 37 | Other | | |
| 38 | Student Contribution - Western Student Recreation Centre | 1,287 | 1,325 |
| 39 | Energy Conservation Incentives (Rebates) | 103 | 940 |
| 40 | Sports & Recreation Services - Student Contribution for Artificial Turf Playing Fields | 165 | 168 |
| 41 | USC Contribution - Spoke Renovations | 1,195 | 0 |
| 42 | Projects Funded by Housing | 9,979 | 13,205 |
| 43 | Projects Funded by Units | 3,969 | 1,212 |
| 44 | Projects Funded by Ancillaries | 600 | 1,075 |
| 45 | Sub-Total | 17,298 | 17,925 |
| 46 | Total Sources of Funding | 111,547 | 96,018 |

Table 18
CAPITAL EXPENDITURES FOR NEW CONSTRUCTION AND MAJOR BUILDING RENOVATIONS
2017-18 and 2018-19
(\$000)

| | | Projected 2017-18 | Budget 2018-19 |
|----|--|------------------------------|---------------------------|
| 1 | <i>Category 1: New Construction</i> | | |
| 2 | ThreeC+ - The New Engineering Building | 26,818 | 11,905 |
| 3 | Biomedical Research Facility - Phase 1 of Medical School Project | 200 | 5,350 |
| 4 | Major Infrastructure - North Chiller Plant | 0 | 4,800 |
| 5 | Multi-Level Parking Structures | 100 | 4,000 |
| 6 | Faculty of Education Courtyard Addition | 150 | 3,644 |
| 7 | Western Interdisciplinary Research Building - Phase1 | 18,410 | 750 |
| 8 | Integrated Learning and Innovation Centre | 100 | 711 |
| 9 | New Academic Building (Housing FIMS and Nursing) | 1,610 | 0 |
| 10 | <i>Total, Category 1</i> | <i>47,388</i> | <i>31,160</i> |
| | | | |
| 11 | <i>Category 2: Major Building Renovations</i> | | |
| 12 | Modernization of Thames Hall | 1,005 | 6,289 |
| 13 | Modernization of University College | 15,894 | 3,901 |
| 14 | Renewal and Realignment of Library Facilities | 0 | 2,000 |
| 15 | Spencer Engineering Building - Structural Laboratory Upgrade | 100 | 1,900 |
| 16 | Infectious Disease Pathogenesis and Imaging Facility | 2,492 | 807 |
| 17 | Translational Cognitive Neuroscience Laboratories | 1,917 | 18 |
| 18 | <i>Total, Category 2</i> | <i>21,408</i> | <i>14,915</i> |

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

| | | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Projected 2017-18 | Budget 2018-19 |
|---|-------------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|
| 1 | A. Capital Reserves | | | | | |
| 2 | General Capital Fund | 13,802 | 16,973 | 20,291 | 23,879 | 21,388 |
| 3 | Designated Capital Fund | 24,469 | 24,979 | 19,807 | 20,883 | 15,186 |
| 4 | Gibbons Property | 1,650 | 1,652 | 1,653 | 1,653 | 1,653 |
| 5 | Total Capital Reserves | 39,921 | 43,604 | 41,751 | 46,415 | 38,227 |

| | | Actual 2014-15 | Actual 2015-16 | Actual 2016-17 | Projected 2017-18 | Budget 2018-19 |
|----|---|-------------------|-------------------|-------------------|----------------------|-------------------|
| 6 | B. Capital Debt | | | | | |
| 7 | New Construction, Major Renovations & Other | 100,290 | 96,681 | 61,970 | 41,446 | 31,049 |
| 8 | Housing | 144,575 | 132,437 | 120,247 | 107,023 | 93,819 |
| 9 | Research Park | 29,500 | 28,712 | 27,868 | 27,200 | 26,200 |
| 10 | Richard Ivey School of Business Foundation | 300 | 0 | 0 | 0 | 0 |
| 11 | Unused and Invested Debenture Proceeds | 24,400 | 33,562 | 73,640 | 200,200 | 216,600 |
| 12 | Total Capital Debt | 299,065 | 291,392 | 283,725 | 375,869 | 367,668 |

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 \$912 million for the single year of 2018-19. 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. Western issued a further \$100 million debenture in December 2017. 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 2018. 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 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 debenture issues 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, in 2013 when the University entered into a \$100 million fifteen-year facility to finance the new 1,000 bed residence and other capital projects, and in 2017 with the issuance of a \$100 million debenture.

| | Actual | | Forecast | |
|--------------------------|---------|---------|----------|----------|
| | 2016 | 2017 | 2018 | 2019 |
| Total Debt (in millions) | \$291 | \$284 | \$376 | \$368 |
| FTE Enrolment | 31,772 | 32,528 | 33,051 | 33,257 |
| Allowable debt per FTE | \$9,772 | N/A | N/A | N/A |
| Actual debt per FTE | \$9,170 | \$8,722 | \$11,375 | \$11,055 |
| Debt room per FTE | \$602 | N/A | 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 (%) |
|--------|------------|------------------------|---------------|-----------------|--------------------|
| 2014 | 306.7 | 1159.3 | 31,448 | 36,864 | 26.5% |
| 2015 | 299.0 | 1160.4 | 31,765 | 36,530 | 25.8% |
| 2016 | 291.4 | 1152.9 | 31,772 | 36,287 | 25.3% |
| 2017 | 283.7 | 1288.8 | 32,528 | 39,621 | 22.0% |
| 2018 p | 375.9 | 1198.2 | 33,051 | 36,253 | 31.3% |

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, 2017, the University's accrued benefit liability relating to the employee future benefit plans was \$474 million (2016 - \$526 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 2017 Audited Combined Statement of Operations is an annual expense in the amount of \$28.9 million (2016 - \$25.4 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 \$223 million to \$594 million and an unweighted average of \$358 million. Western ranked second in total liability for Employee Future Benefits. The ratio of obligations to total revenues ranged from 18.5% to 36.7% with an unweighted average of 24.0%.

Employee Future Benefits (EFB) Obligation and Expense as a % of Total Expenditures: 2013 to 2017

| | Obligation (\$M) | Expense (\$M) | Total University Expenses (\$M) | EFB Obligation as % of Total | EFB Expense as % of Total |
|------|---------------------|------------------|--|---------------------------------------|------------------------------------|
| 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% |
| 2017 | \$473.5 | \$28.9 | \$1,149 | 41.2% | 2.5% |

C. Deferred Maintenance

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

The estimates of deferred maintenance are different than estimates of debt or employee future benefits in the previous sections. There are actual contracts in place for the first two that allow us to make reasonable estimates. For deferred maintenance, that is not the case; therefore, we have to find other ways to quantify this liability. In 2001, a common capital-asset management system was purchased by the Ontario University system to assess, track, and report on the condition of facilities. The system requires that each major component of a building – roof sections, classrooms, heating, ventilation, air-conditioning systems and so on – be inspected, either entirely or on a sample basis. Data on the findings of these inspections are entered into a central database. The system uses industry-standard cost and lifecycle data to forecast the timing and costs of capital renewal projects. The Facilities Management Division estimates that (as of February 14, 2018) deferred maintenance at Western is \$210 million for non-residential buildings and \$36 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 14, 2018 is as follows:

| | Non-Residential Buildings | Combined Residences |
|---------------------------------|---------------------------|---------------------|
| Current Replacement Value (CRV) | \$1,985 million | \$ 427 million |
| Deferred Maintenance (DM) | \$210 million | \$36 million |
| DM/CRV | 10.6% | 8.4% |

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 37.7 years. Over 51% of our buildings were built before 1980. Western's residences are funded through rents which cover maintenance; the University has never had a problem with deferred maintenance on residences. A ratio of 10.6% (Deferred Maintenance/Current Replacement Value) for non-residential buildings indicates a significant need for maintenance funding.

If the average component of a large building lasts 50 years, then on average, maintenance spending should be 2.0% of replacement value. This level of spending is a standard target in the industry. When the actual ratio is consistently less than 2.0%, as has been the case at most Canadian universities, the volume of deferred maintenance will grow. Failure to adequately address deferred maintenance results in substandard facilities and could result in the failure of critical systems. Based on the current replacement value of our facilities at \$2.0 billion, spending on major maintenance for campus buildings at 2% should be in the range of \$40 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 2018-19, the base transfer will remain at the current maximum of \$15.5 million (2016-17, \$15.5 million).

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 2014-15 | Actual 2015-16 | Actual 2016-17 | Projected 2017-18 | Budget 2018-19 |
|-----------|-------------------|-------------------|-------------------|----------------------|-------------------|
| MMI (\$M) | \$ 13.25 | \$ 14.00 | \$ 14.75 | \$15.50 | \$15.50 |
| CRV (\$M) | \$ 1,783 | \$ 1,852 | \$ 1,906 | \$ 1,985 | \$ 2,052 |
| Ratio | 0.74% | 0.76% | 0.77% | 0.78% | 0.76% |

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 for 2017-18 and 2018-19 will not reach 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 \$4.6 million in 2018-19. 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.