

2015-16 Operating and Capital Budgets

Senate
April 10, 2015

External Context

- **Provincial Deficit and Debt** continue at very high levels
- **Grant Funding being reduced in “Small Pieces”**
 - Policy Levers, ISR recoveries, B.Ed. Changes, Cuts in Student Aid Envelopes
- **Tuition Increases capped at 3% -- up to 2016-17**
 - 10% of incremental revenue has to be used for Student Aid
- **Other Tuition-related Issues**
 - Program Tuition Threshold Changes
 - Other Tuition/Fee Collection Related Changes
- **Future Uncertainties**
 - Funding Formula Review
 - Future Tuition Framework
 - Ontario Pension Plan
 - Provincial Budgets: 2015 and 2016

Estimated Impact of the “Cuts in Small Pieces” (\$M) (Constituent University Only)

	Base Reduction: 2016-17 over 2011-12
Policy Levers	4.4
International Student Related Recoveries	2.3
B.Ed. Program Funding Reduction	1.8
Reductions to Student Aid Programs	3.9
Total	12.4

Estimated Impact of Other Tuition-related Proposals (\$M) (Constituent University Only)

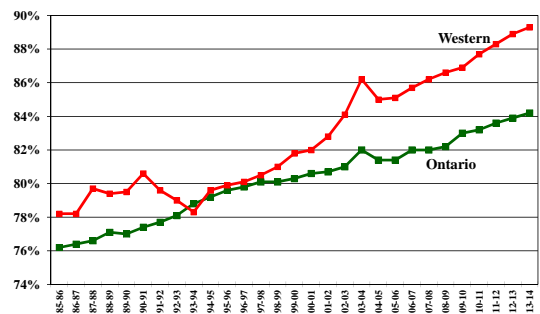
	Base Revenue Loss
Flat Fee Threshold Change	1.0
Fee Collection Related Changes	1.2
Total	2.2

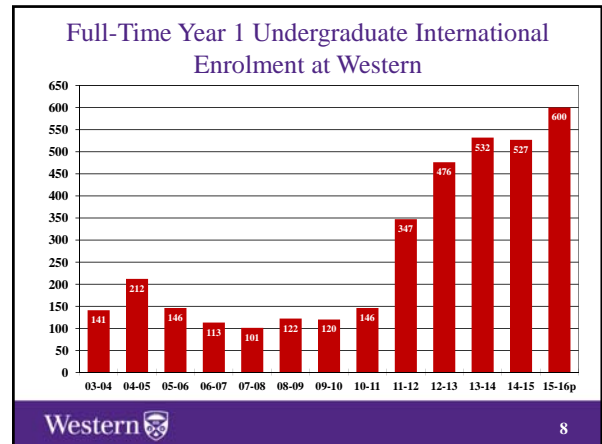
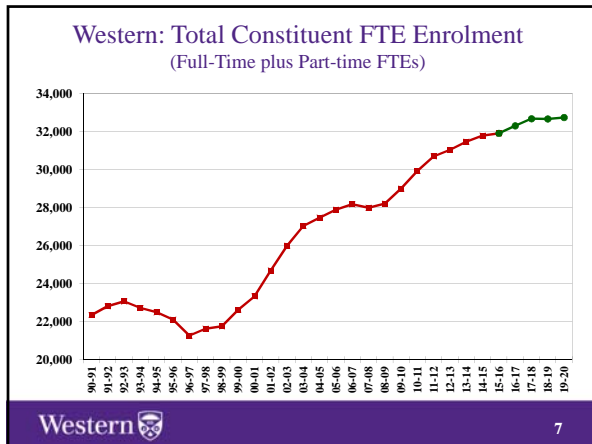
Total Revenue Reduction \$14.6M

Western’s Planning Parameters

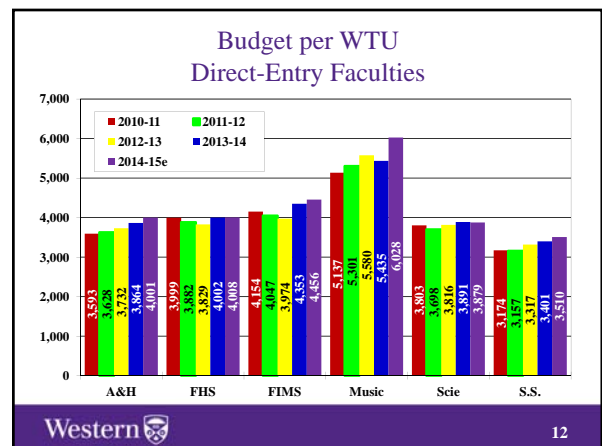
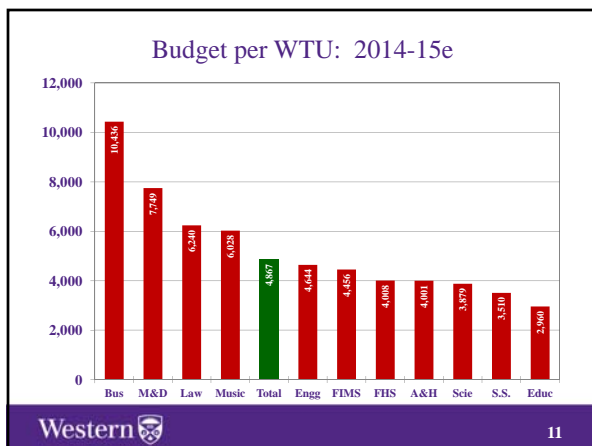
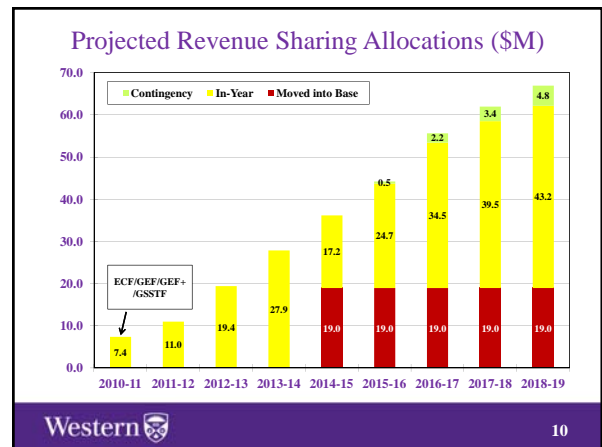
- Moving to New 4-Year Plan
- Enrolments
 - Undergraduate: First-Year Class of 5000 to 5100
 - With goal of 600 International
 - Graduate: as per Faculty Plans
- Revenue Sharing Continues (contingent on enrolments)
- Recommendations Guided by Strategic Plan
- Tuition Rates
 - Domestic Rates at Max of 3% Overall
 - Undergrad Int'l: still moving towards Ontario-U6 levels

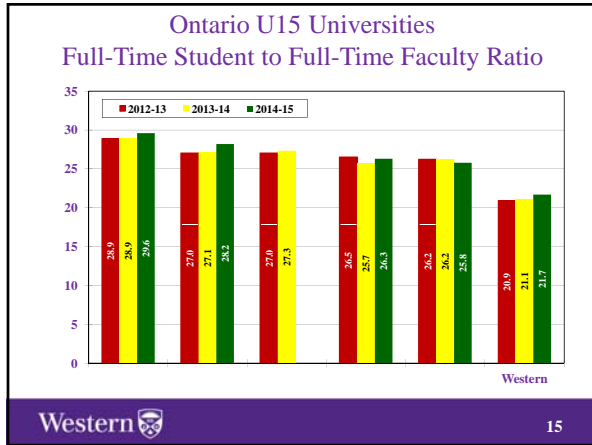
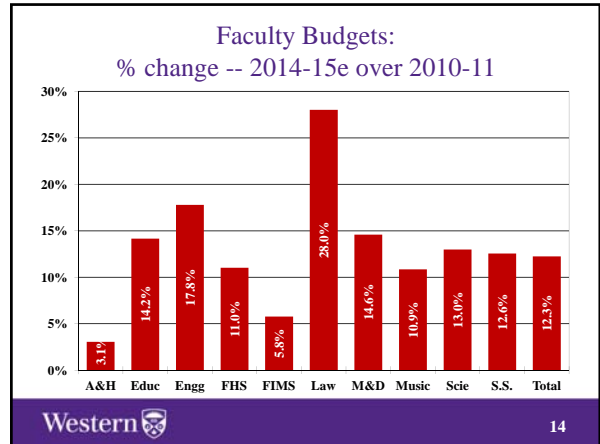
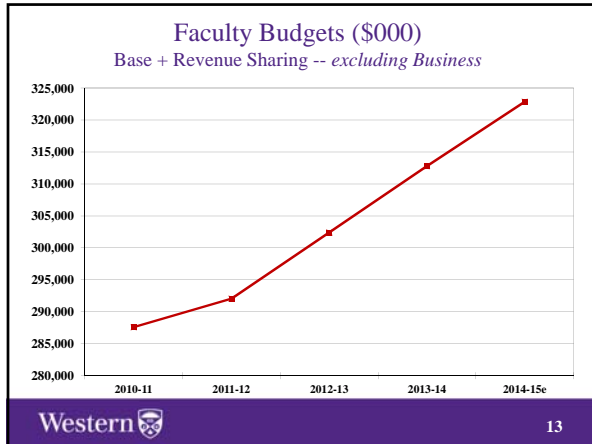
Average Entering Grade of Full-Time First-Year Students from Ontario High Schools





- ### Context for Provost's Recommendations for the Faculties
- Recommendations based on Consideration of:
 - Overall Enrolments / Teaching
 - Graduate Expansion and New Graduate Programs
 - Revenue Sharing Allocations
 - Relative Position of Faculty Budgets
 - Cost Structure Variations
 - Faculty Complement
 - Other Revenue Streams
 - Research-related Initiatives
- Western 9





- ### Our Priorities and New Initiatives
- Strategic Plan Priorities
- Enhancing our Research/Scholarship Profile
 - Graduate Expansion
- New Priorities in this Budget
- Long-Range Space Plan
 - Endowed Chairs Matching Program
 - Interdisciplinary Initiatives
 - Teaching Fellows Program
 - Advertising Initiatives
 - Energy Conservation Initiatives
 - Expansion of High-Demand Programs: Engineering
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Summary of the Operating Budget

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Summary of the 2015-16 Operating Budget (Table 2)

• Revenue Forecast	= \$ 693.2M
– Increase of 1.6%	
• Expenditure Plan	= \$ 692.9M
– Increase of 0.4%	
• Projected In-Year Position	= \$ +0.3M
• Projected Operating Reserve	= \$ 34.0M
– Forecast to be at \$6M at end of 4-year period	

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Operating Revenues

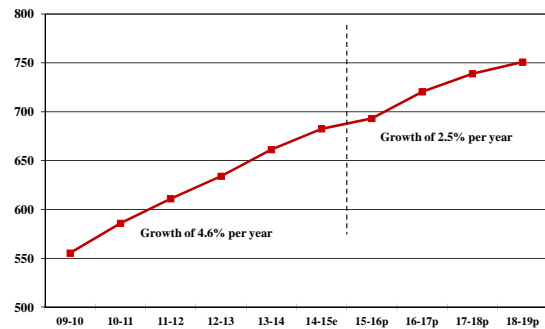
Operating Revenues for 2015-16: Context

- Total FTE Enrolment remains flat
 - After accounting for (temporary) B.Ed. reduction
- Tuition Fees
 - Domestic Framework – 3% overall increase
 - Undergraduate International – moving towards levels at sister institutions in Ontario
- *Against Reductions* in Government Funding
 - International Student Recoveries
 - B.Ed. Changes
 - Student Aid Programs

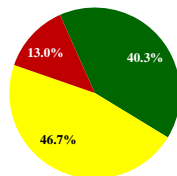
2015-16 Operating Revenues (Table 3)

- Government Grants are Lower by \$1.7M
 - Net of Reductions and Targeted Increases
- Tuition Revenues Increase by \$10.8M
 - Due to Rate Increases and additional Int'l Students
- All Other Revenues Increase by \$1.6M – over a number of Revenue Lines
- Overall Revenue Increase of \$10.6M (or 1.6%)

Operating Revenues (\$M)



Projected 2015-16 Operating Revenues (Total = \$693.2M)



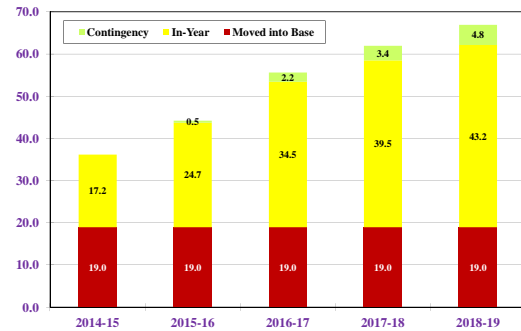
■ Govt Grants ■ Tuition ■ All Other

Operating Expenditures

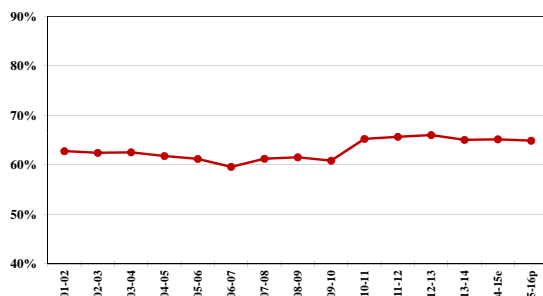
Recommendations for the Faculties (Table 4)

- Initial Budget Adjustment (IBA)
- Faculty Turnover Recovery – if applicable
- Academic Priorities Fund (APF) Allocations
- Ivey School’s Funding Model
- CRC Allocations
- Revenue Sharing Mechanism for the Faculties
- **Total Base Allocation of \$449.7M**
- Faculties also receive \$6.4M in One-Time Funding – as shown in Table 8

Projected Revenue Sharing Allocations (\$M)



Faculties Base Budget (Table 4 in Budget) as % of Total Operating Expenditures Budget



Scholarships and Bursaries (Table 5)

- Major Changes
 - Undergraduate Scholarships increase by \$300K
 - Tuition Re-Investment increases by \$200K
 - Privately-Funded Awards Increase by 200K
 - Govt’s “Aim for the Top” Declines by \$530K
- **Overall increase of \$180K – bringing total to \$30.1M from Central Budget**
- Faculties now responsible for Graduate Support
 - \$56M Projected for 2015-16

Recommendations for Support Units (Table 6)

- Initial Budget Adjustment (IBA)
- Support Unit Priorities Fund (SUPF) Allocations
- Base Allocations to “Maintain Core Services”
- Operating Costs of New Facilities
 - To Facilities Management and Police
- **Total Base Allocation of \$91.2M**
- Support Units also receive \$3.4M in One-Time Funding (shown in Table 8)

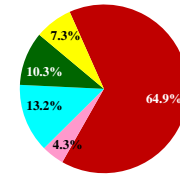
University-wide Expenditures (Table 7)

- **Total of \$71.6M**
- Major items:
 - Utilities (\$22.1M)
 - Library Acquisitions (\$14.1M)
 - MMI Transfer (\$14.0M)
 - IT Infrastructure (\$8.8M)

One-Time Allocations (Table 8)

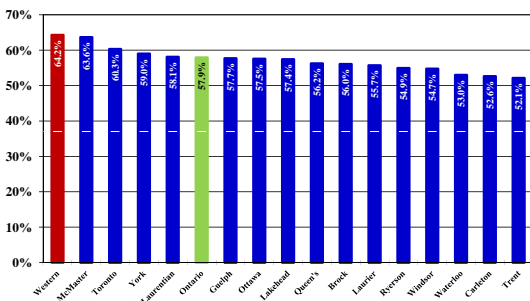
- Total of \$30.1M
 - Substantial Reduction from Previous Levels
- Major Priority Items
 - Support for Long-Range Space Plan (\$10M)
 - Endowed Chairs Matching (\$7.5M)
 - Energy Conservation Initiatives (\$1.5M)
 - Classroom Modernization (\$500K)
 - Advertising Initiatives (\$500K)

2015-16 Operating Expenditures (Total = \$692.9M)

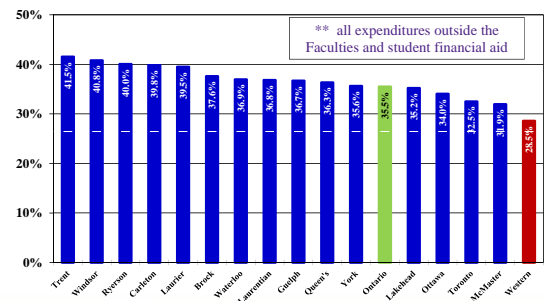


■ Faculties ■ Schol/Burs ■ Support Units ■ University-Wide Exp ■ All Other

Instructional & Research Expenditures as a % of Total Operating Expenditures Ontario Universities -- 2013-14 (Source: COFO Reports)



Non-Instructional & Non-Research Expenditures ** as a % of Total Operating Expenditures Ontario Universities -- 2013-14 (Source: COFO Reports)



The Capital Budget

Overview of the 2015-16 Capital Budget

- Supports Long-Range Space Plan (Table 14)
- Major Projects: Underway or Soon-to-Start
 - Music Building
 - Academic Building to House FIMS and Nursing
 - IT Data Centre at the AMP
 - Delaware Hall Residence Renovations
 - Modernization of University College
 - Interdisciplinary Research Building
 - University-wide Infrastructure Projects
 - Parking-related Projects

Overview of the 2015-16 Capital Budget

- **Total Spending of \$91.5M** (Table 15)
 - \$34.6M for New Construction (Table 18)
 - \$10.4M for Major Renovations (Table 18)
 - \$46.5M for All Other Expenditures
 - Utilities and Infrastructure
 - Modernization of Academic Facilities
 - General Maintenance and Modernization
 - Housing Renovations