



Western
UNIVERSITY • CANADA

2016-17 Operating and Capital Budgets

March 21, 2016

2016-17 Budget Highlights

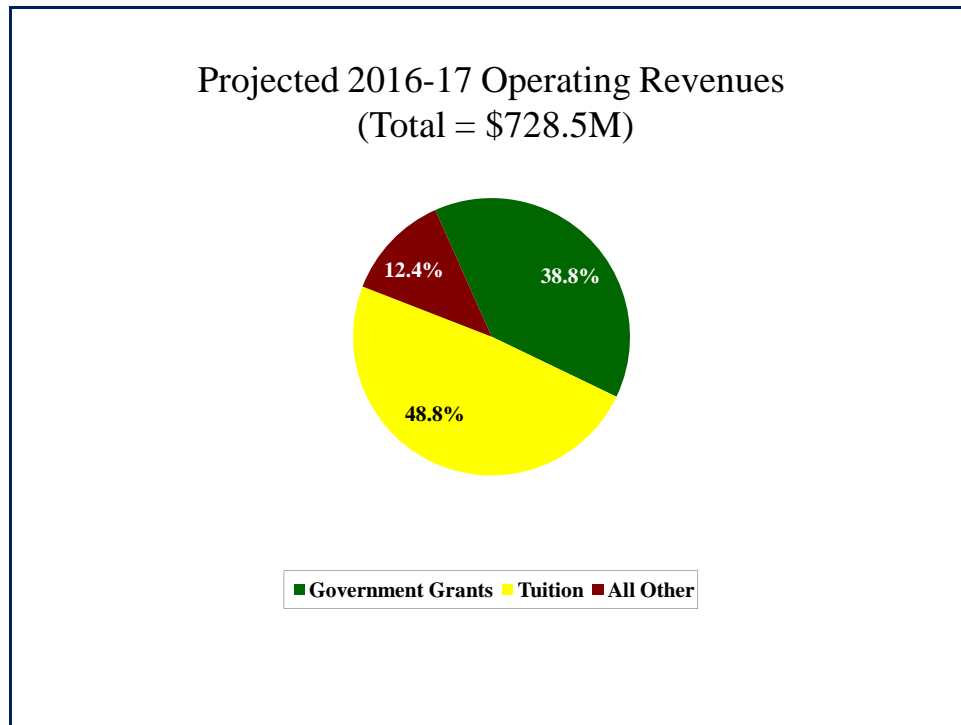
A. Introduction

Western's 2016-17 Operating and Capital Budgets lead us to the second year of the 4-year budget plan spanning the period 2015-16 to 2018-19. This budget builds on the multi-year plan developed last year 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 continued uncertainty and a period of constrained growth in revenues. The future of our two major sources of revenue – government grants and tuition fees – are under review/consideration by the Province.

B. The 2016-17 Operating Budget

Revenues

The 2016-17 Operating Budget projects total revenue of \$728.5 million – which is based on stable government grants, the current tuition framework which allows for an overall increase of 3% for domestic students, and stable undergraduate enrolment and modest growth in graduate enrolments.

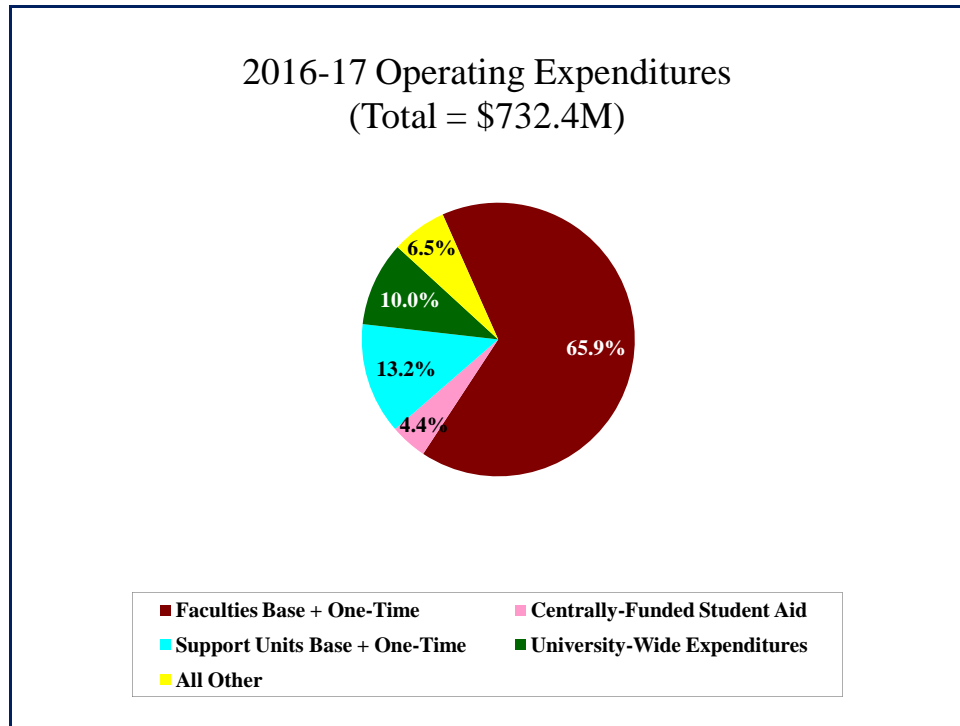


Expenditures

Total expenditures for 2016-17 are projected to be \$732.4, and include the following investments in new initiatives and priorities:

- Support for our Long-Range Space Plan – specifically to create additional student-centered teaching, learning, and innovation spaces through the construction of ***the Integrated Learning and Innovation Centre*** – through an investment of \$15 million one-time.
- The self-funding ***multi-year Engineering Expansion Plan*** that will result in expansion of enrolments and faculty/staff complements, and the construction of a new building. In 2016-17, a sum of \$800,000 in base funding and \$5.5 million in one-time funding (to support the building project) are recommended.
- Support for ***Scholarship/Research Initiatives in the SSHRC Disciplines*** has been identified as a high priority. In 2016-17, a total \$5.2 million in one-time funding is being recommended – which is comprised of \$5 million to create an endowment (which will yield an annual amount of \$200,000 starting in 2017-18) and \$200,000 for spending in 2016-17.
- As signaled in our Campus Master Plan (approved in June 2015), we are in the early stages of a multi-year plan to transform our campus into a ***pedestrian-friendly and safe campus***. In support of this, a sum of \$2 million in one-time funding is being recommended.
- In order to help contain utilities costs into the future, a sum of \$1.5 million in one-time funding is being invested in campus-wide ***Energy Conservation Initiatives***.
- In order to strengthen our ***Library Acquisitions Budget*** – which has been significantly impacted by the weakening of the Canadian Dollar – the budget invests \$500,000 in base funding and \$1.1 million in one-time funding.
- In order to better coordinate and expand the University’s ***Student Entrepreneurship Ecosystem***, a sum of \$1 million one-time is being recommended.
- Growing our endowments is a University priority – and, in support of this, a special provision is being made in this budget. A sum of \$500,000 one-time is being recommended to complete the ***Alice Munro Chair in Creativity*** in the Faculty of Arts & Humanities.
- A sum of \$500,000 is being recommended to continue a number of ***advertising initiatives*** to support our fundraising campaign and recruitment of students, faculty, and staff.
- A number of ***facilities enhancements and equipment/infrastructure renewals in the Faculties*** are being supported through the investment of \$6.6 million in one-time funding.

The Provost's Taskforce on University Budget Models (January 25, 2016) 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, 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 2016-17 Capital Budget

The Capital Budget supports our Long-Range Space Plan which involves a number of high priority projects.

Funding for the Capital Budget in 2016-17 is derived from the following sources: Government Grants (\$11.2 million), transfers from the Operating Budget – including unit budgets (\$55.6 million), fundraising (\$2.6 million), borrowing (\$21.9 million), and self-funded or ancillary operations (\$19.9 million).

Capital Expenditures are projected to be \$134.4 million in 2016-17, with a breakdown as follows:

- \$55.7 million in support of *new construction*, which includes the new academic building to house the Faculty of Information and Media Studies and Nursing, completion of the Music Building Project, the Western Interdisciplinary Research Building, and the New Engineering Building.

- \$25.9 million in support of **major renovation projects**, which includes modernization of University College, re-alignment of medical school research facilities, and renewal of instructional facilities in the Faculty of Education.
- \$8.5 million for **utilities and infrastructure projects**.
- \$9.8 million associated with the **modernization/adaptation of instructional and research facilities** across campus.
- \$10.7 million for **general campus maintenance projects**.
- \$13.6 million in support of **renewal in our residences**.
- \$10.2 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	AMP	Advanced Manufacturing Park
2	APF	Academic Priorities Fund
3	APPF	Academic Planning, Policy, and Faculty
4	B.Ed.	Bachelor of Education Program/Degree
5	CFI	Canada Foundation for Innovation
6	CLA	Campus-Linked Accelerator
7	CPI	Consumer Price Index
8	CRCs	Canada Research Chairs
9	CRV	Current Replacement Value (of Buildings)
10	CSD	Communication Sciences and Disorders Program
11	DM	Deferred Maintenance
12	DSG	Doctoral Supervision Grant
13	EFB	Employee Future Benefits
14	FEB	Faculty of Education Building
15	FFICR	Federal Funding for the Indirect Costs of Research
16	FIMS	Faculty of Information & Media Studies
17	FTE	Full-Time Equivalent
18	H.S.A.	Health Sciences Addition
19	HBA	Honours Business Administration Degree/Program
20	IBA	Initial Budget Adjustment
21	ICFAR	Institute for Chemicals and Fuels from Alternative Resources
22	IDIs	Interdisciplinary Initiatives
23	ILIC	Intergraded Learning and Innovation Centre
24	ITIF	Information Technology Infrastructure Fund
25	JD	Juris Doctor Degree
26	MBA	Master of Business Administration Degree/Program
27	MD	Doctor of Medicine Degree/Program
28	MEng	Master of Engineering Degree/Program
29	MESc	Master of Engineering Science Degree
30	MIT	Media, Information, and Technoculture Program
31	MMI	Maintenance, Modernization, and Infrastructure
32	MoHLTC	Ontario Ministry of Health and Long-Term Care
33	MOOC	Massive Open Online Courses
34	MSc	Master of Science Degree
35	MTCU	Ministry of Training, Colleges, and Universities
36	MTP	Media, Theory, and Production Program
37	NCB	Natural Campus Building
38	NSc	Natural Sciences Centre
39	OMRI	Ontario Ministry of Research and Innovation
40	OT	Occupational Therapy (School/Program)
41	PhD	Doctor of Philosophy Degree
42	PT	Physical Therapy (School/Program)
43	RISF	Research Infrastructure Support Fund
44	RRI	Robarts Research Institute
45	SEB	Spencer Engineering Building
46	SCUP	Senate Committee on University Planning
47	SMA	Strategic Mandate Agreement
48	SSHRC	Social Science and Humanities Research Council
49	SUEPP	SCUP's Subcommittee on Enrolment Planning and Policy
50	SUPF	Support Unit Priorities Fund
51	TRAC	Thompson Recreation and Athletic Centre
52	UCC	University Community Centre
53	USC	University Students' Council
54	WindEEEE	Wind Engineering, Energy, and Environment (a CFI Initiative)
55	WRC	Western Research Chairs Program

2016-17 Operating Budget

A. Planning and Budgetary Context

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

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

The budgetary context is one of continued uncertainty and a period of constrained growth in revenues.

- The Province is in the middle of a review of the University Funding Formula – and there is a strong possibility that enrolment growth funding may come to an end.
- The tuition framework beyond 2016-17 has not yet been announced and significant changes have been announced (in the 2016 Provincial Budget) to the tuition collection/payment mechanisms for Ontario universities.
- Undergraduate enrolments at Western are reaching steady-state.

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

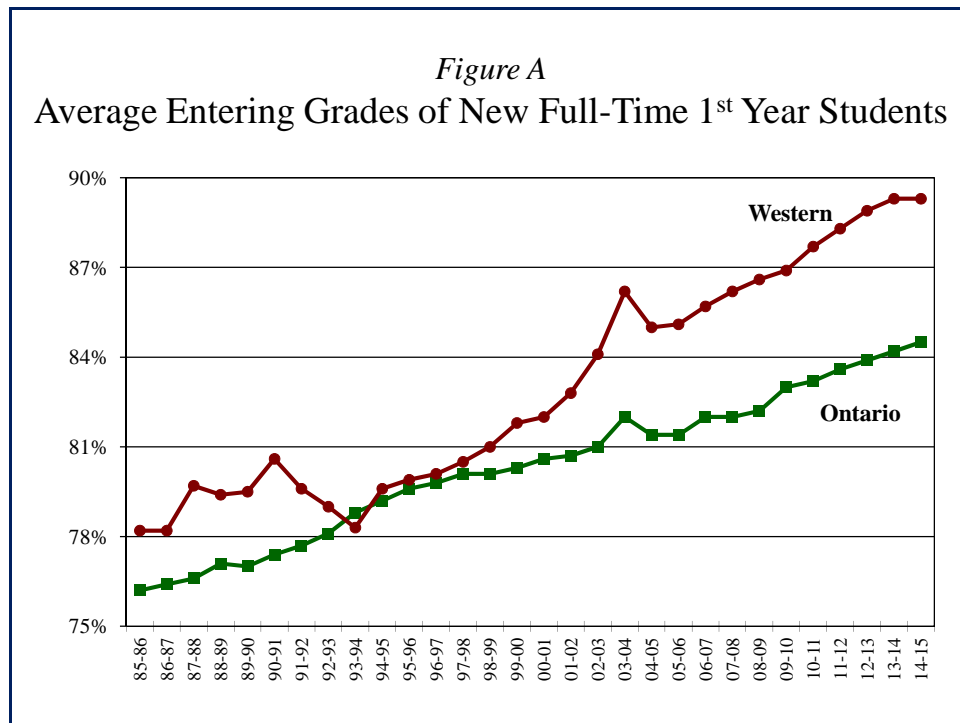
At Western, our multi-year approach to planning serves us well – and we continue to focus our budget planning on our strategic priorities. Our enrolment planning follows the objectives set out in our Strategic Plan:

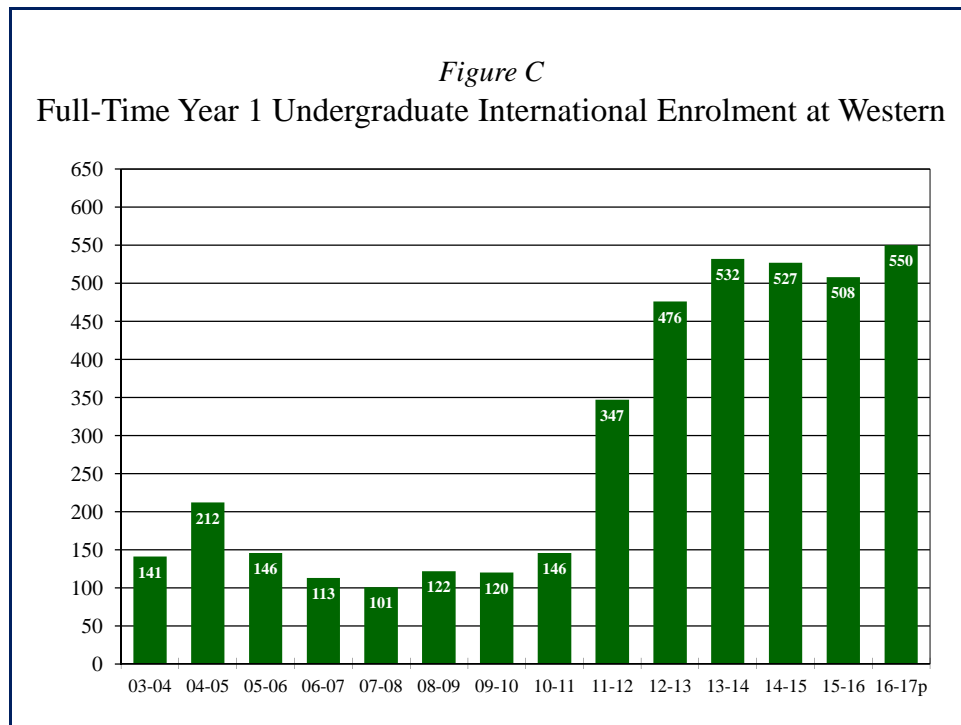
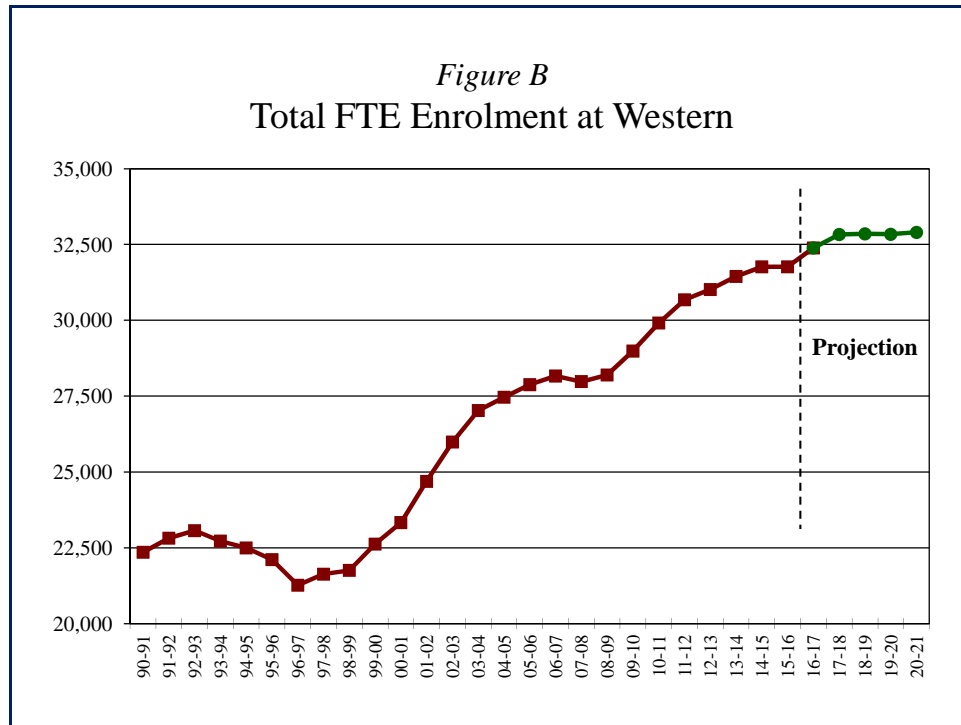
- Attract the brightest students as demonstrated through the highest entering grade average. Our first-year class is expected to be about 5,100 for the remaining three years of the 4-year planning period.
 - Over time, increase the number of undergraduate international students to 15% of the undergraduate student body. Our plan is to recruit 600 first-year international students.
 - Increase the number of out-of-province students to at least 10% of the undergraduate student body. Our plan is to recruit 500 first-year out-of-province students.
 - Increase graduate student enrolment to at least 20% of the total student body. The graduate enrolment plans from the Faculties are projected to take us beyond this threshold by the end of the 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 2014 was 89.3% – highest in the province, and well above the Ontario average.
- Nearly 93% of our first-year students continue into their second year. Our retention rates are amongst the highest in Canada and much higher than at our peer institutions in the United States.
- Graduation rates of our undergraduate students have been steadily increasing – and they are currently much higher than the rates at our peer universities in Canada and the United States. Over 82% of Western’s 2008-09 entering cohort graduated within 6 years.
- Our efforts in undergraduate international enrolment expansion resulted in nearly 10% of our fall 2015 first-year class coming from other countries.
- Expansion of graduate enrolments (in areas of demand and capacity) continues to be a strategic priority at Western. The current plans from the Faculties show significant growth aspirations. In the current year, full-time graduate students comprise 18.6% 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 2015-16 Budget, and involved substantial investments.

1. Long-Range Space Plan

Our long-range approach to space/facilities/capital planning identified a number of high priority projects which are central to our educational priorities. Due to limitations in targeted capital funding from external sources (such as government or fundraising), we look to borrowing (while adhering to the Board of Governors' debt policy) and support from the Operating Budget to allow us to move forward with priority projects. In recognition of this, a sum of \$10 million in one-time funding was allocated in last year's budget in support of our Long-Range Space Plan. The funding has allowed us to move forward with the University College Renovations Project, which is currently in the design stage.

2. Support for our Fundraising Campaign – the Endowed Chairs Matching Program

Our Strategic Plan – *Achieving Excellence on the World Stage* – sets out a target of adding 100 research chairs, including 50 endowed chairs, in areas of strength. In support of this priority, last year's budget set aside a sum of \$7.5 million in one-time funding to allow us to pursue private donations aimed at creating new endowed chairs which support our Faculties' academic priorities. This allocation supplemented previous similar allocations, bringing the total over the last six years to \$43.5 million – for the University matching component of our endowed chairs matching program. To-date, 16 chairs have been confirmed through the matching program – with the support of \$25 million from the \$43.5 million fund. The Vice-President External is currently in discussions with prospective donors regarding a number of other endowed chair opportunities.

3. Interdisciplinary Initiatives (IDI)

Support for and promotion of Interdisciplinary Initiatives – by fostering activities that transcend academic disciplines and create new areas of scholarship – continues to be of high priority at Western. Since 2007-08, a total of over \$5 million has been allocated in support of outstanding interdisciplinary proposals from across the campus. Last year's budget announced the continuation of the IDI Program – with the allocation of \$4 million in one-time funding which was partitioned from the \$30 million committed in the 2012-13 University Budget in support of our research priorities. A call for proposals was issued in the spring of 2015 with a commitment to spend up to \$1 million (of the total \$4 million) in 2016-17. Eighteen proposals were received seeking a total of \$6.5 million in support – and the selection committee has recommended the following four projects for partial funding:

- \$350,000 over three years for “Applied Indigenous Scholarship” – led by Professor Chantelle Richmond, Faculty of Social Science
- \$200,000 over three years for “Global Mental Health Incubator for Disruptive Solutions” – led by Professor Arlene MacDougal, Schulich School of Medicine & Dentistry
- \$200,000 for “Mary J. Wright Centre for Research and Education at Merrymount” – led by Professor Vicki Schwean, Faculty of Education
- \$200,000 for “Smart Healthy Campus” – led by Professor Kevin Shoemaker, Faculty of Health Sciences

4. Expansion of the Teaching Fellows Program

The 2013-14 University budget initiated the Teaching Fellows Program by allocating \$250,000 in base funding, with the ultimate goal of appointing one teaching fellow per Faculty. The Teaching Fellows are appointed from within our faculty colleagues who have outstanding credentials in teaching. They initiate and coordinate Faculty-specific programming to respond to the teaching and learning needs of individual instructors, departments, schools, and disciplines on innovation in curriculum development, technology-assisted learning, and on-line course/program delivery. Last year's budget supplemented the funding for the program with an additional \$250,000 base allocation – bringing the total to \$500,000.

At this point in time, eight Faculty-specific Teaching Fellows and three University-wide Teaching Fellows have been appointed. The Teaching Fellows undertake research on teaching and share the outcomes widely, contributing to teaching innovation across Western.

5. Support for our Fundraising Campaign – Advertising Initiatives

Last year's budget committed \$500,000 in one-time funding in support of our fundraising campaign. The funds were used to support the Be Extraordinary Campaign that featured more than thirty outstanding alumni to promote Western's development of leaders – through advertisements in print and on-line versions of national newspapers and the installation of banners across campus. These initiatives also assist us with student, faculty, and staff recruitment.

6. Energy Conservation Initiatives

The University's utilities costs – after recoveries from ancillary operations – currently exceed \$23 million. Our projections are that costs will continue to increase in the future at rates above CPI. 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 improvements, fume hood infrastructure enhancements, and upgrades to chilled water distribution systems. These projects will reduce electricity, water, and natural gas consumption – and the projected “payback” period for the \$1.5 million investment is less than four years.

7. Strategic Expansion of High-Demand Undergraduate Programs: Engineering

Our Strategic Plan sets out the objective of attracting the brightest students as demonstrated through the highest entering grade average. Western's approach to direct-entry undergraduate program admissions has placed high priority on maintaining and increasing entrance standards. In recent years, the minimum entrance requirements for high-demand limited-enrolment programs have continued to increase. One such program is Engineering – where demand for entry from very high quality applicants continues to increase. As an outcome of last year's planning process, the Provost and the Dean of Engineering discussed the concept of a long-range self-funding enrolment, budget, complement, and space/facilities expansion plan. Last year's budget signaled this initiative.

Over the past year, the Provost and the Dean of Engineering have worked through and reached agreement on a multi-year fully self-funding plan with the following elements:

- First-year intake into Engineering will be set at 580 students – an increase of 150 relative to the 2013-14 level of 430
- All the revenues resulting from this increase and the associated flow through will be invested as follows:
 - Base allocations to Engineering to support expansion of faculty and staff complements and associated non-salary costs
 - Funding to support the construction of a new building and all associated operating costs
 - Revenue sharing allocations to other Faculties to support the teaching of the incremental Engineering students
 - All other central costs – including student aid, student services, and IT infrastructure

It should be noted that this initiative results in expansion of our overall first-year class to 5,110 students (see line 79 of Table 13). The Engineering expansion does not impact the collective level of intake into all other Faculties.

C. Priorities for the 2016-17 Budget and New Initiatives

1. 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. The updated Long-Range Space Plan is summarized in Table 14. The need for additional student-centered teaching, learning, and innovation spaces was identified as a priority in our space plan in last year's budget. The need was reaffirmed as "high priority" in the most recent planning cycle, and therefore it is recommended that we begin planning for the construction of a new facility – *the Integrated Learning and Innovation Centre (ILIC)*. The facility will house a wide array of student-centered spaces – including smart classrooms, student collaborative and study spaces, and student service operations. In order to start this project, it is recommended that a sum of \$15 million in one-time funding be allocated in 2016-17. This funding will allow us to begin the initial planning for spaces in the facility – and will also help us leverage other funding sources such as private donations, governments, and student fees. It should also be noted that, depending on the overall budgetary situation, further allocations from the operating budget may be recommended in future years.

Category 1 of Table 14 lists the projects that are currently under way or are being recommended to move forward as part of this budget. Category 2 lists projects that are in various planning stages – and includes a new item, the construction of Multi-Level Parking Structures which was signaled in our Campus Master Plan. Due to constraints in the amount of buildable land on our campus, our new buildings are being constructed on parking lots – thus increasing the pressure on available parking. In addition, campus expansion (buildings and people) has led to increased vehicular traffic on our campus – which in turn is raising concerns about pedestrian safety. In order to respond to parking needs and to reduce traffic through/on campus (which will help us move towards a pedestrian-friendly and safer campus), we are exploring options for the construction of parking garages in the periphery of campus – including location, funding plan, and the required parking fee rates to finance the structures. Our initial assessment indicates that, in the near future, we will need to re-align our parking lot categories and fee rates – including a multi-year plan to increase parking fee rates.

2. Strategic Expansion of Engineering

As noted above (in section B.7), the Provost and the Dean of Engineering have developed a self-funding multi-year plan that will result in expansion of enrolments, faculty/staff complements, and the construction of a new building. In 2016-17, the direct allocations associated with this strategic initiative are:

- \$2,999,357 in base funding to the Engineering budget (Table 4, line 4, column e). This includes the transfer of \$2.2 million in undergraduate revenue sharing to base budget. Going forward, Engineering will not receive undergraduate revenue sharing allocations – but will receive annual base allocations through this multi-year expansion plan.
- \$5,543,126 in one-time funding to the Capital Budget (Table 8, line 2) as part of the multi-year transfer to finance the new building.

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

Discussions during the recently-completed planning process identified the need to provide additional targeted internal resources to support scholarship and research initiatives in the SSHRC disciplines. In order to support this priority, it is recommended that \$5 million in one-time funding be allocated to create an endowment that will yield an annual amount of \$200,000 (i.e. the equivalent of base funding). The first \$200,000 from this endowment will not be available until 2017-18. Therefore, in order to have the resources available in 2016-17, it is recommended that an additional \$200,000 one-time be allocated to spend in the upcoming year – bringing the total one-time allocation to \$5.2 million. The Vice-President (Research) will work through the University Research Board and consult with stakeholders to develop terms of reference for this fund, and to implement the specific programs.

4. Pedestrian-Friendly and Campus Safety Initiatives

As noted earlier (in section C.1.), campus expansion (buildings and people) has resulted in increased vehicular traffic on campus – which in turn has raised concerns about pedestrian safety within our campus. As signaled in our Campus Master Plan, we are in the early stages of a multi-year plan to transform our campus into a pedestrian-friendly and safe campus – including reducing/eliminating vehicular traffic, improved pedestrian and bicycle access, and moving parking to the periphery of campus. As part of the initial steps in the transformation of our campus, we are looking at new/improved safety-related signage and traffic calming and vehicle speed reduction initiatives. In support of these initiatives, it is recommended that a sum of \$2 million in one-time funding be allocated in 2016-17. As we move forward in future years, towards the ultimate goal of a Pedestrian-friendly and Safe Campus, we will require further budgetary investments.

5. Energy Conservation Initiatives

As noted earlier (in section B.6.), energy conservation is a priority for the University. In order to help contain utilities costs into the future, last year's budget allocated \$1.5 million in one-time funding in support of University-wide Energy Conservation Initiatives. It is recommended that a similar amount (another \$1.5 million one-time) be allocated in the 2016-17 Budget. These funds will be invested in campus-wide infrastructure projects that will result in reduced energy and water consumption.

6. Strengthening our Library Acquisitions Budget

The weak Canadian Dollar has had a significant impact on the purchasing power of the Library Acquisitions Budget – since nearly 80% of our acquisitions are in U.S. dollars. The estimated impact is equivalent to a reduction of \$3 million. The Library Acquisitions Budget is a University priority – and therefore, it is recommended that the Library Acquisitions Base Budget be increased by \$500,000 in each of the next three years (as opposed to the previously planned increase of \$250,000 per year). In addition, it is recommended that \$1.1 million in one-time funding be provided in 2016-17.

7. Western's Entrepreneurship Eco-system

Our Strategic Plan – *Achieving Excellence on the World Stage* – makes a clear commitment to strengthen the entrepreneurship eco-system on campus, and it is noted that regardless of the program of study, all students should graduate having explored and acquired leadership and entrepreneurship skills. Student entrepreneurship related initiatives are developing/evolving in many areas across campus. Discussions are underway to better coordinate and integrate the various activities into an overall Entrepreneurship Ecosystem at Western – and a steering committee is being formed. In support of this, it is recommended that \$1 million in one-time funding be allocated in 2016-17 – with the expenditures to occur over the next three years.

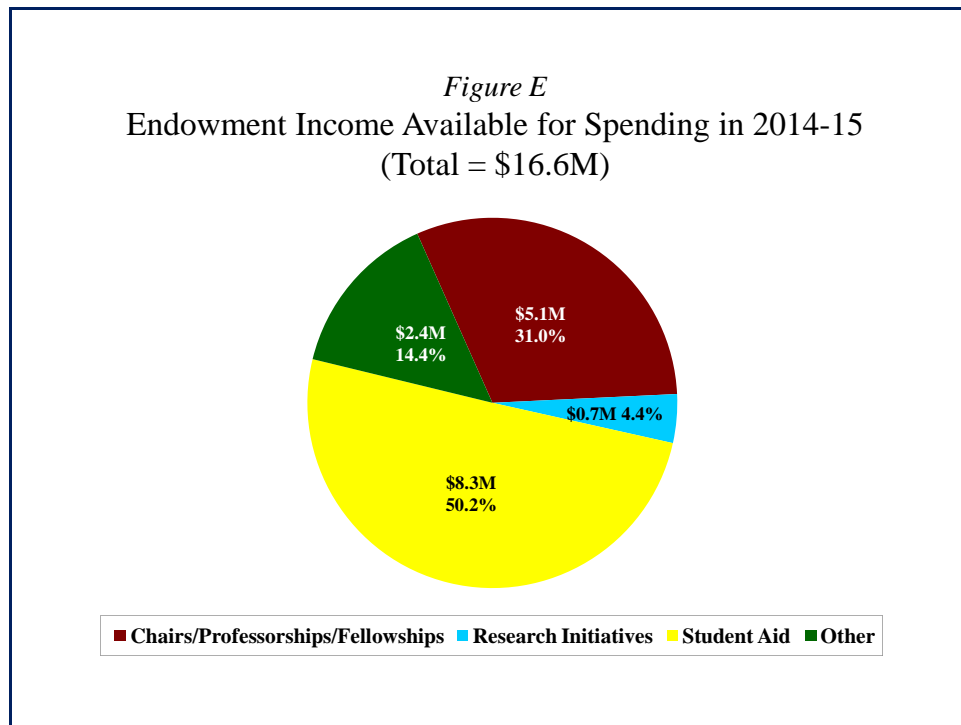
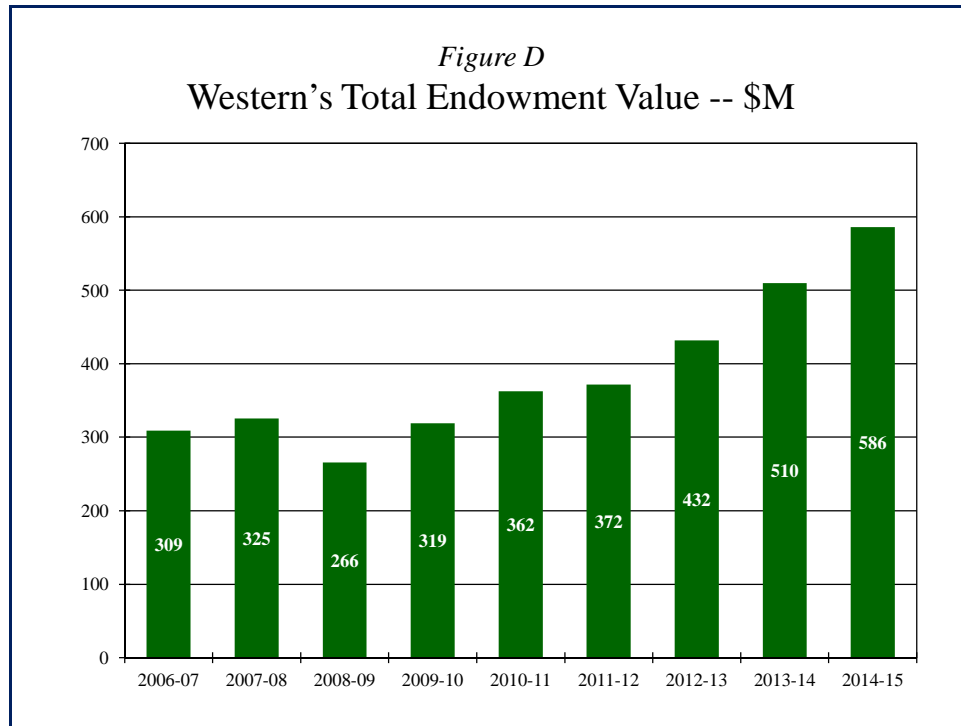
8. Growing our Endowment: The Alice Munro Chair in Creativity

As noted earlier (in section B.2.), building our endowments 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. The matching program provides \$1.5 million in university resources to match a \$1.5 million donation – thus creating a \$3 million endowment to fund a chair (a faculty position) at an annual rate of \$120,000 in perpetuity. Endowments and the endowed chairs provide us with a funding source that is “permanent” in nature. A special provision to the matching program is being recommended in this budget. *The Alice Munro Chair in Creativity* (in the Faculty of Arts & Humanities) was established in celebration of Western alumnae Alice Munro who received the Nobel Prize in Literature in 2013. To-date, nearly \$1 million in private donations has been raised. In order to complete the funding for the chair (to the total level of \$3 million) and move forward with the search process in 2016-17, it is recommended that \$500,000 in one-time funding be allocated from the operating budget. This allocation will supplement the \$1 million raised to-date and the \$1.5 million that will come from the matching funds, thus achieving the total \$3 million required for the chair.

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 this 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 2014-15 by major category (totaling \$16.6 million).

9. Support for the Fundraising Campaign: Advertising Initiatives

The continuation of support for our fundraising campaign is of high priority to the University. It is recommended that \$500,000 in one-time funds be allocated to support our campaign – to be targeted at advertising initiatives which will focus on messaging that involves extraordinary scholars, researchers, students, and alumni. The advertising will also support us in the areas of student, faculty, and staff recruitment. The recommended \$500,000 allocation supplements a similar allocation made last year.



10. Facilities and Equipment Infrastructure Needs in the Faculties

As an outcome of the current planning process, the Faculties brought forward a number of priority needs in the areas of modernization of space/facilities and equipment renewal. In direct response to these needs, a total of \$6.6 million in one-time funding is being recommended for the following priorities:

- Social Science: creation of student space and interdisciplinary research/scholarship space (\$1,497,750)
- Science: modernization of Chemistry Laboratory and creation of space for the Western Integrated Science Program (\$1,924,100)
- Music: incremental allocation to complete the Music Building Project (\$2,000,000)
- Law: improvements to building systems (\$375,000)
- FIMS: studio instructional equipment renewal and incremental furniture (\$440,000)
- Health Sciences: Nursing simulation equipment renewal and incremental furniture (\$375,000)

D. Four-Year Operating Budget Forecast

We seek approval of the 2016-17 Budget as outlined in this document. The recommendations in this document have been guided by projections of operating revenues and expenditures for the remaining three years of this 4-year planning period. These projections respect the requirement of an operating reserve at the Board-mandated minimum level of \$7.5 million at the end of the 4-year cycle. Table 1 summarizes our current forecast for the remaining three years – and the major underlying assumptions are as follows:

Revenues

- Government grant funding commitments for enrolment growth continue in 2016-17. However, with the funding formula review currently underway, the future of enrolment growth funding may be at risk.
- 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 grant programs continue under the current arrangements.
- Enrolment projections and plans (shown in Table 13) underlying the tuition revenue projections will be achieved.

Expenditures

- Enrolment-related revenue sharing allocations to the Faculties will continue during this 4-year planning period, and the projections are shown in Table 4a.
- Increases in non-salary costs for major University-wide budget items (e.g. utilities, insurance, IT infrastructure) will be consistent with recent trends and/or known cost escalations.
- We need to set aside the necessary funds to cover the operating costs of incremental space in our new facilities. It should be noted that the Faculties are responsible for covering 50% of the operating costs of incremental space.

Net Position and the Operating Reserve

- As can be seen in line 34 of Table 1, the Operating Reserve is projected to be at \$48.0 million at the end of the current year (i.e. 2015-16). The reserve is projected to be \$9.5 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 2016-17 Operating Budget

Table 2 summarizes the 2016-17 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 \$728.5 million in 2016-17 – an increase of 3.4% over 2015-16. Details of the operating revenues are shown in Table 3.

Line 13: Total expenditures are projected to be \$732.4 million in 2016-17 – an increase of 5.3% over 2015-16. 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 \$8.5 million in 2015-16 and a deficit of \$3.9 million in 2016-17.

Line 17: The Operating Reserve is forecast to be \$48.0 million at the end of 2015-16 and \$44.1 million at the end of 2016-17.

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

		2014-15	2015-16	2016-17	2017-18	2018-19
1	REVENUES					
2	Government Grants					
3	Base Grants	207.3	204.4	204.6	204.5	204.5
4	Undergraduate Accessibility Grant	5.5	6.9	5.0	3.9	1.8
5	Graduate Expansion Fund	11.2	12.9	16.0	17.3	17.3
6	Quality Improvement Fund	10.0	9.9	9.9	9.8	9.8
7	Research-related Grants	11.6	11.6	11.6	11.6	11.6
8	All Other	36.0	35.4	35.4	35.4	35.3
9	Total	281.6	281.1	282.5	282.5	280.3
10	Tuition Revenue	312.3	334.3	355.5	370.4	383.3
11	All Other Revenues					
12	Canada Research Chairs (CRCs)	8.0	7.7	7.2	7.2	7.2
13	Recoverable Salaries	27.9	28.3	28.3	28.3	28.3
14	All Other	54.1	52.9	55.0	56.6	58.2
15	Total	90.0	88.9	90.5	92.1	93.7
16	Total Revenues	683.9	704.3	728.5	745.0	757.3
17	EXPENDITURES					
18	Faculties					
19	Base Budgets	361.4	370.7	370.5	365.7	360.6
20	Revenue Sharing Allocations	17.2	25.3	31.1	40.1	46.0
21	Canada Research Chairs (CRCs)	6.9	6.7	6.3	6.3	6.3
22	All Other	64.4	61.8	61.6	62.5	62.8
23	Total	449.9	464.5	469.5	474.6	475.7
24	Scholarships and Bursaries	29.9	30.8	32.0	34.3	35.9
25	Support Areas	90.7	93.3	93.0	94.5	94.5
26	University-wide Expenditures	66.8	70.8	73.3	76.8	80.6
27	Provision for Cost Fluctuations	0.0	0.0	15.1	29.4	46.1
28	One-Time Allocations	48.5	36.4	49.5	47.0	47.5
29	Total Expenditures	685.8	695.8	732.4	756.6	780.3
30	REVENUES minus EXPENDITURES	-1.9	8.5	-3.9	-11.6	-23.0
31	OPERATING RESERVE					
32	Beginning Operating Reserve	41.4	39.5	48.0	44.1	32.5
33	Surplus / (Deficit) -- from Line 30 above	-1.9	8.5	-3.9	-11.6	-23.0
34	Ending Operating Reserve	39.5	48.0	44.1	32.5	9.5

Table 2
SUMMARY OF OPERATING BUDGET: 2016-17

	<a>		<c>	
	2015-16 Budget (@Feb 29, 2016)	2016-17 Budget	\$ Change from 2015-16	
1	Operating Revenues (Table 3)			
2	Government Grants	281,137,698	282,465,925	1,328,227
3	Tuition Revenue	334,337,802	355,517,452	21,179,650
4	All Other	88,805,150	90,523,288	1,718,138
5	Total Revenues	704,280,650	728,506,665	24,226,015
6	Expenditure Budgets			
7	Faculties (Table 4)	464,427,019	469,514,651	5,087,632
8	Scholarships and Bursaries (Table 5)	30,826,936	31,963,428	1,136,492
9	Support Areas (Table 6)	93,277,681	93,029,611	-248,070
10	University-wide Expenditures (Table 7)	70,845,177	73,285,794	2,440,617
11	Provision for Cost Fluctuations	0	15,114,302	15,114,302
12	One-Time Allocations	36,438,530	49,507,321	13,068,791
13	Total Expenditures	695,815,343	732,415,107	36,599,764
14	Surplus / (Deficit) - Line 5 minus Line 13	8,465,307	-3,908,442	
15	Beginning Operating Reserve Balance	39,533,943	47,999,250	
16	Surplus / (Deficit) -- Line 14 above	8,465,307	-3,908,442	
17	Closing Operating Reserve Balance	47,999,250	44,090,808	
18	Board-mandated Minimum Level Reserve Target	7,500,000	7,500,000	

F. Details of the 2016-17 Operating Revenue Forecasts (Table 3)

Government Grants

The major changes in government grants include (a) undergraduate accessibility (i.e. growth) funding decline due to the projected reduction in domestic enrolments and (b) the continuation of graduate expansion funding.

Tuition Fees

The recommended tuition fee rates for 2016-17 are based on the current Ontario universities 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.

As noted earlier, 2016-17 is the final year of the current tuition framework – and our Ministry is currently having preliminary internal discussions regarding the structure of the future framework.

Domestic Students

Our recommendations for domestic student tuition fees for 2016-17 follow the current framework – which allows for an overall annual increase of 3%.

International Students

The last six University budgets highlighted the fact that Western's international student tuition rates were below the average of our peer research-intensive institutions in Ontario – and it was noted that, looking forward, our recommendations for international student tuition will seek to move Western's tuition rates to the level of our peers. The recommendations for international student tuition fees for 2016-17 continue on the path to narrowing the gap with our peer institutions.

All Other Revenues

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

- Table 9 summarizes the CRC distribution at Western. Our current total allocation is 65 CRCs – of which, 11 are currently unfilled with searches underway, and 5 are unfilled with nominations for incumbents under review by the CRC program. In addition, some Chairs will shortly become open and searches/nominations are in progress for these. The net effect of this transition is that, in 2016-17, Western will receive \$7.2 million in funding support for the 49 CRCs with confirmed incumbents.
- The Transfer from the Affiliated University Colleges represents payments for services and teaching provided to their students. The transfer rate for 2016-17 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 2016-17, we project a sum of \$6.5 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 2016-17 Expenditure Recommendations

1. Faculty Budget Recommendations

Table 4 shows the 2016-17 **base budget recommendations** for Western's Faculties. Final 2016-17 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 \$86,000 or 60% of the retiring or departing member's salary to the Faculty budget;
- Academic Priorities Fund (APF) allocations;
- Targeted government program expansion funding; and
- Funds associated with CRC positions (detailed in Table 9).

The **Initial Budget Adjustment (IBA)** – which reduces the base budget by 3% – is applied annually. This adjustment is required to help fund inflationary costs, which are primarily the annual employee salary increases as negotiated through collective bargaining agreements. It is also intended to provide central funding to support institutional priorities. However, in recent years, the IBA has not covered the full cost of annual salary increases. Table 4b illustrates this for the Faculties in the current year (i.e. 2015-16) – where the IBA totals \$8.9 million and the annual salary increase allocation totals \$13.1 million. The Report of the Provost's Task Force on University Budget Models (January 25, 2016) suggested that the IBA terminology be changed – and we will review this in the coming year.

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

The **Academic Priorities Fund (APF)** shown in line 18 of Table 4 was established in 2011-12. A portion of the APF is being allocated as an outcome of this planning cycle. Recommendations for additional allocations in support of University priorities will be brought forward in future years. The Provost's APF recommendations are in direct response to requests from the Faculties – and are informed by advice from the Vice-Provosts, 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 2016-17 (shown in column <d> of Table 4) are:

- \$430,000 to the Faculty of Health Sciences for a tenure-track appointment in Global Health, incremental technical staffing, and to Faculty-wide educational initiatives;
- \$947,000 to the Faculty of Science for a faculty appointment in Mining, incremental technical staffing in Biology, and support for teaching expansion and research opportunities; and
- \$1,000,000 to the Faculty of Social Science for two faculty appointments in Sociology, a Faculty-wide Strategic Research Fund, and resources to accommodate enrolment pressures.

As noted earlier (in section C.2.), the multi-year **strategic expansion of Engineering** will flow a sum of \$3 million in base funding to the Engineering budget (Table 4, line 4, column e). This includes the conversion to base funding of \$2.2 million in existing undergraduate revenue sharing and a true incremental allocation of about \$800,000 associated with the multi-year expansion plan. Going forward, Engineering will not receive undergraduate revenue sharing allocations – but will receive annual base allocations through this multi-year expansion plan.

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.

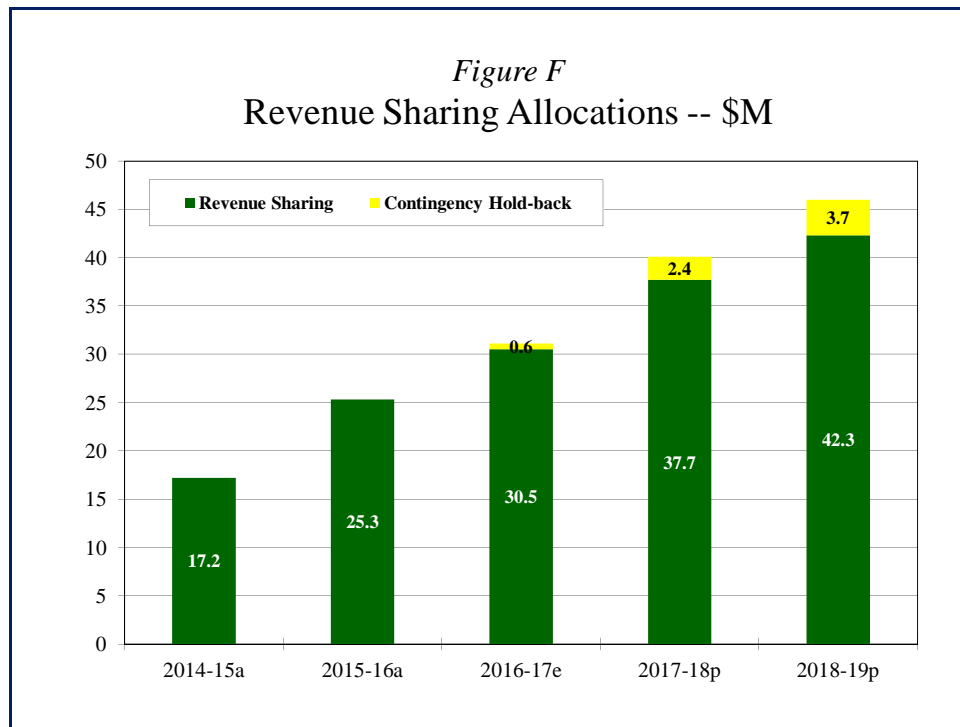
Over and above the base budget allocations, the Faculties receive substantial additional on-going funds through the **enrolment-related revenue sharing mechanism** that was implemented in 2011-12. The proportion of incremental revenues flowing to the Faculties is as follows:

- 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 – with the remaining 15% set aside to fund *the Doctoral Excellence Research Awards Program*, which is aimed at recruiting doctoral students holding external awards,

Line 15 in Table 4 shows the projected \$31.1 million that will be available to the Faculties in 2016-17. The Faculty-specific breakdown of this \$31.1 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 11 to 23);
- **The Research Infrastructure Support Fund (RISF)** allocations shown in Table 10; and
- Support for **Faculty-specific capital projects** through the University’s Capital Budget.



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 2016-17 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 2016-17 ALLOCATION RECOMMENDATIONS FOR THE FACULTIES

		Base Allocations (Subset of Table 4, Columns d and e)	One-Time Allocations (Subset of Table 8, Rows 8 to 20)	Targetted Student Awards (Subset of Table 5, Row 1)	Capital Allocations (Included in Table 15, Category 4)
1	Arts & Humanities		550,000	200,000	96,000
2	Education				500,000
3	Engineering	797,771	34,992		294,516
4	Health Sciences	430,000	490,000		150,000
5	Information & Media Studies		503,000		
6	Law		475,000		
7	Medicine & Dentistry				
8	Music		2,433,000	100,000	
9	Science	947,000	2,524,100		
10	Social Science	1,000,000	1,547,750		
11	Total	3,174,771	8,557,842	300,000	1,040,516

Note: These recommendations are for the 2016-17 budget -- and, given our multi-year planning approach, should be considered in the context of resource allocations made in previous years.

2. Scholarships and Bursaries

Base budget allocations for centrally-funded student support are shown in Table 5. Overall student support funding is projected to be nearly \$32 million in 2016-17.

- The Provincial Government's Aiming for the Top Program comes to an end in 2016-17, as reflected in line 5 of Table 5. The gradual phasing-out of the program started four years ago.
- Fundraising for undergraduate and graduate student needs-based awards continues to be of high priority to the University. In 2016-17, we project a sum of \$6.5 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 \$54 million in 2016-17 for this high priority item.

3. Support Unit Budget Recommendations

Table 6 shows the 2016-17 base budget recommendations for Support Units. Final 2016-17 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 allocations for 2016-17 (shown in column <c> of Table 6) are:

- \$90,000 to Information Technology Services in support of additional staffing;
- \$35,000 to the Registrar's Office for increased recruitment-related costs;
- \$53,000 to the Vice-Provost (Academic Policy, Planning, & Faculty) Portfolio to maintain staffing levels.
- \$13,100 to the Office of Institutional Planning & Budgeting to maintain staffing levels;
- \$310,000 to Western International in support of initiatives aimed at achieving our international goals, international student safety-abroad initiatives, and funding to support a Scholars at Risk (SAR) Program;
- \$6,500 to the McIntosh Gallery to maintain staffing levels;
- \$50,000 to Financial Services for an eLearning Specialist staff position (joint with Human Resources);
- \$50,000 to Human Resources for the eLearning Specialist staff position (join with Financial Services);
- \$65,000 to the Campus Community Police Service to maintain security service levels;
- \$100,000 to the Vice-President (Research) Portfolio in support of service enhancement; and
- \$115,000 to the Vice-President (External) Portfolio in support of our fundraising campaign.

The Provost and the Vice-President (Resources & Operations) are also carrying forward a portion of the SUPF resources associated with their units for allocation in the future. These are shown in lines 14 and 23 of Table 6.

The Support Units receive nearly \$1.1 million additional base allocations (column d, Table 6) to **maintain core services and to cover the incremental operating costs** associated with new facilities.

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

- **One-time operating budget allocations** – which are detailed in Table 8 (lines 24 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, and anticipated savings resulting from the implementation of energy efficiency initiatives.
- The **Library Acquisitions Budget** is being increased by \$500,000 to a level of \$14.6 million. As described earlier (in section C.6.), as a result of the weak Canadian dollar’s purchasing power, we are investing additional resources to this high priority budget line. The \$500,000 base allocation is being supplemented by a one-time allocation of \$1.1 million (Table 8, line 6).
- The **Maintenance, Modernization, and Infrastructure (MMI)** transfer to the Capital Budget is being increased by \$750,000 – based on the Board of Governors’ recommendation that this rate of annual increase continue until the transfer reaches \$15.5 million.
- The **FFICR Transfer to Capital** continues at the \$3 million level – and these funds are used to support major projects in our Long-range Space Plan that involve research facilities.
- The **Information Technology Infrastructure Fund (ITIF)** supports rapidly-expanding University-wide central IT infrastructure – including our networks, wireless technologies, internet bandwidth, IT security infrastructure, general university computer labs, instructional support and eLearning software applications, central university databases, the hardware necessary to run the applications and databases, and maintenance costs associated with all the hardware and software.
- **Contingency** is being set at \$1.8 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 2016-17. 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 areas are recommended for support in the 2016-17 budget – with one-time allocations:
 - **Long-Range Space Plan** – \$15 million – to be directed at the proposed new *Integrated Learning and Innovation Centre*.
 - \$5.5 million to finance the new **Engineering Building** as part of the multi-year strategic Engineering expansion plan.
 - **Support for Scholarship/Research Initiatives in the SSHRC Disciplines** – \$5 million to create an endowment and \$200,000 to spend in 2016-17, for a total of \$5.2 million.
 - **Pedestrian-Friendly and Campus Safety Initiatives** – \$2 million.
 - **Energy Conservation Initiatives** – \$1.5 million.
 - **Support for the Library Acquisitions Budget** – \$1.1 million.
 - **Entrepreneurship Ecosystem** – \$1 million.
 - Completion of funding for the **Alice Munro Chair in Creativity** – \$500,000.
 - Support for our Fundraising Campaign (**University Advertising Initiatives**) – \$500,000.
 - **Modernization of Instructional Facilities** – \$500,000.

- As a result of a funding partnership arrangement between the University Students' Council, the Society of Graduate Students, and the University, we created two **artificial turf playing fields** in 2013-14. The 24-year arrangement involves revenues from a targeted student fee and annual contributions from the University. In 2016-17, the University's contribution amounts to \$297,400.

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

Table 3
2016-17 OPERATING REVENUES

	2015-16 Budget Forecast (@Feb 29, 2016) (1)	2016-17 Budget (2)	Increase / (Decrease) Amount (3)	% Change (2) to (1)	
1	Government Grants				
2	Base Grants	204,435,373	204,569,553	134,180	0.1%
3	Undergraduate Accessibility Fund	6,907,658	5,009,312	-1,898,346	-27.5%
4	<i>Sub-Total Base Grants & Accessibility Fund</i>	<i>211,343,031</i>	<i>209,578,865</i>	<i>-1,764,166</i>	<i>-0.8%</i>
5	Graduate Expansion Fund	12,835,292	16,018,037	3,182,745	24.8%
6	Quality Improvement Fund	9,931,270	9,873,193	-58,077	-0.6%
7	Performance Fund	2,263,147	2,263,147	0	0.0%
8	Program Expansion Grants	23,884,324	23,944,304	59,980	0.3%
9	Provincial Research Infrastructure Grant	2,632,735	2,632,735	0	0.0%
10	Federal Funding for Indirect Costs of Research	8,976,988	8,936,834	-40,154	-0.4%
11	Provincial Government Student Support Grants	1,218,054	1,201,955	-16,099	-1.3%
12	Other Targetted Government Grants	8,052,857	8,016,855	-36,002	-0.4%
13	Sub-Total Government Grants	281,137,698	282,465,925	1,328,227	0.5%
14	Tuition Revenue				
15	Undergraduate	213,958,669	226,123,117	12,164,448	5.7%
16	Graduate	51,527,871	56,764,297	5,236,426	10.2%
17	<i>Sub-Total General Programs</i>	<i>265,486,540</i>	<i>282,887,414</i>	<i>17,400,874</i>	<i>6.6%</i>
18	Ivey Programs (HBA, MBAs, MSc, PhD)	56,888,913	60,283,262	3,394,349	6.0%
19	International Medical and Dental Students	11,211,635	11,605,776	394,141	3.5%
20	<i>Sub-Total Other Programs</i>	<i>68,100,548</i>	<i>71,889,038</i>	<i>3,788,490</i>	<i>5.6%</i>
21	Miscellaneous Fees	750,714	741,000	-9,714	-1.3%
22	Sub-Total Tuition Revenue	334,337,802	355,517,452	21,179,650	6.3%
23	Other Revenues				
24	Canada Research Chairs (CRCs)	7,700,000	7,200,000	-500,000	-6.5%
25	Transfer from Affiliated University Colleges	8,878,705	8,956,557	77,852	0.9%
26	Recoverable Salaries	28,250,147	28,250,147	0	0.0%
27	Investment Income (Robarts)	445,679	452,299	6,620	1.5%
28	Fundraising -- Need-based Student Awards and Bursaries	6,425,000	6,525,000	100,000	1.6%
29	Application Fees	1,780,258	1,780,258	0	0.0%
30	Research Overheads	2,025,000	2,250,000	225,000	11.1%
31	Royalties and Licences	3,984,461	3,456,027	-528,434	-13.3%
32	Contributions from Self-Funded & Ancillary Operations	28,591,900	30,929,000	2,337,100	8.2%
33	Miscellaneous Revenues	724,000	724,000	0	0.0%
34	Sub-Total Other Revenues	88,805,150	90,523,288	1,718,138	1.9%
35	Total Revenues	704,280,650	728,506,665	24,226,015	3.4%

Table 4
FACULTIES
2016-17 BASE BUDGETS

	<d>		<c>	<d>	<e>	<f>	<g>
	2015-16 Base Budget (@Feb.29, 2016)	IBA	Faculty Turnover Recovery	APF	Other Base Changes	Canada Research Chairs	Resulting 2016-17 Base Budget
1 Faculties							
2 Arts & Humanities	32,188,643	-894,378					31,294,265
3 Education	8,036,146	-274,925	-167,275				7,593,946
4 Engineering	26,925,017	-749,288			2,999,357		29,175,086
5 Health Sciences	29,971,869	-839,825		430,000	-838		29,561,206
6 Information & Media Studies	10,404,079	-296,349	-83,622				10,024,108
7 Law	7,962,414	-231,444					7,730,970
8 Medicine & Dentistry	64,214,660	-1,829,643	-189,998		-25,013	-90,000	62,080,006
9 Music	10,457,284	-297,600	-94,688				10,064,996
10 Science	58,318,104	-1,584,732	-70,506	947,000		-170,000	57,439,866
11 Social Science	58,061,771	-1,625,609	-445,387	1,000,000	-1,371	-90,000	56,899,404
12 Sub-Total Faculties (excluding Business)	306,539,987	-8,623,793	-1,051,476	2,377,000	2,972,135	-350,000	301,863,853
13 Business	69,099,920				4,117,918	-90,000	73,127,838
14 Sub-Total Faculties	375,639,907	-8,623,793	-1,051,476	2,377,000	7,090,053	-440,000	374,991,691
15 Revenue Sharing Allocation	25,250,572				5,864,683		31,115,255
16 Research Infrastructure Support Fund (RISF)	750,000						750,000
17 Faculty Recruitment Initiatives	1,016,702						1,016,702
18 Academic Priorities Fund (APF)	11,241,062			23,000			11,264,062
19 Total -- with Revenue Sharing Allocation	413,898,243	-8,623,793	-1,051,476	2,400,000	12,954,736	-440,000	419,137,710
20 All Other							
21 Western Strategic Success Programs (formerly ADF)	1,500,000						1,500,000
22 Continuing Studies: Trois-Pistoles	1,019,078				19,179		1,038,257
23 Education: Continuing Education for Teachers	1,730,995				-346,199		1,384,796
24 Medicine & Dentistry: International Students and Primary Care	11,561,440				394,141		11,955,581
25 Medicine & Dentistry: Roberts	5,218,116				-372,956		4,845,160
26 Faculty Share of Research Overheads	870,000				154,000		1,024,000
27 Faculty Scholars & Distinguished University Professors	239,000						239,000
28 Graduate and Undergraduate Program Reviews	140,000						140,000
29 Recoverable Salaries	28,250,147				0		28,250,147
30 Sub-Total	50,528,776	0	0	0	-151,835	0	50,376,941
31 Total Academic Units	464,427,019	-8,623,793	-1,051,476	2,400,000	12,802,901	-440,000	469,514,651

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

Table 4a
FACULTIES: REVENUE SHARING ALLOCATIONS

		2014-15a	2015-16a	2016-17e	2017-18p	2018-19p
1	Arts & Humanities	-74,390	-64,190	-255,705	383,190	704,838
2	Education	2,951,298	5,531,940	7,565,029	7,924,974	8,401,376
3	Engineering	2,178,257	3,803,227	2,228,171	2,972,039	3,273,494
4	Health Sciences	1,543,158	2,196,864	2,599,722	3,301,362	3,810,276
5	Information & Media Studies	397,427	149,498	458,335	1,025,039	1,391,486
6	Law	641,164	895,587	1,294,600	1,444,439	1,432,662
7	Medicine & Dentistry	3,809,577	4,170,113	5,298,785	6,311,962	6,779,621
8	Music	205,051	83,852	205,038	457,777	501,120
9	Science	2,785,763	4,063,965	5,242,198	6,763,847	7,587,395
10	Social Science	2,217,097	3,891,051	5,035,187	5,993,678	7,199,195
11	Inter-Disciplinary Programs	535,849	528,665	821,592	1,111,701	1,281,593
12	Sub-Total	17,190,251	25,250,572	30,492,952	37,690,008	42,363,056
13	Contingency Hold-back			622,303	2,405,746	3,683,742
14	Sub-Total	17,190,251	25,250,572	31,115,255	40,095,754	46,046,798

Table 4b
2015-16 FACULTIES' BUDGETS
BUDGET PRESENTED LAST YEAR COMPARED TO ACTUAL FINAL BUDGET
(for information only)

		<a>		<c>	<d>	<e>	<f>	<g>	<h>
		As in 2015-16 Budget Document							
		2014-15 Base Budget (@Feb 28, 2015)	IBA	Faculty Turnover Recovery	APF	Other Base Changes	Canada Research Chairs		Resulting 2015-16 Base Budget
1	Faculties								
2	Arts & Humanities	31,334,655	-922,040	-157,583	200,000				30,455,032
3	Education	10,055,137	-283,428	-141,567					9,630,142
4	Engineering	26,528,740	-772,462	-77,543		-401	90,000		25,768,334
5	Health Sciences	29,119,956	-865,799	-346,447	200,000	-808			28,106,902
6	Information & Media Studies	10,183,806	-305,514	-71,640	100,000				9,906,652
7	Law	7,953,386	-238,602		57,375				7,772,159
8	Medicine & Dentistry	65,411,263	-1,886,229	-734,205		-24,090	-80,000		62,686,739
9	Music	10,226,793	-306,804		100,000				10,019,989
10	Science	56,298,151	-1,633,745	-289,989	800,000		180,000		55,354,417
11	Social Science	56,732,846	-1,675,885	-623,989	800,000	-37,224	90,000		55,285,748
12	Sub-Total	303,844,733	-8,890,508	-2,442,963	2,257,375	-62,523	280,000		294,986,114
13	Business	62,621,292				2,465,870	-90,000		64,997,162
14	Total	366,466,025	-8,890,508	-2,442,963	2,257,375	2,403,347	190,000		359,983,276

		<a>		<c>	<d>	<e>	<f>	<g>	<h>
		Actual Final -- as of February 29, 2016							
		2014-15 Base Budget (@Feb 28, 2015)	IBA	Faculty Turnover Recovery	APF	Other Base Changes	Canada Research Chairs	Salary Increases	Resulting 2015-16 Base Budget
1	Faculties								
2	Arts & Humanities	31,334,655	-922,040	-157,583	200,000	29,873	-170,000	1,873,738	32,188,643
3	Education	10,055,137	-283,428	-141,567		-1,872,660		278,664	8,036,146
4	Engineering	26,528,740	-772,462	-77,543		-401	0	1,246,683	26,925,017
5	Health Sciences	29,119,956	-865,799	-346,447	450,000	355,201	170,000	1,088,958	29,971,869
6	Information & Media Studies	10,183,806	-305,514	-71,640	100,000			497,427	10,404,079
7	Law	7,953,386	-238,602		57,375	-18,708		208,963	7,962,414
8	Medicine & Dentistry	65,411,263	-1,886,229	-734,205		71,369	-340,000	1,692,462	64,214,660
9	Music	10,226,793	-306,804		100,000			437,295	10,457,284
10	Science	56,298,151	-1,633,745	-289,989	800,000			3,143,687	58,318,104
11	Social Science	56,732,846	-1,675,885	-623,989	800,000	124,276	90,000	2,614,523	58,061,771
12	Sub-Total	303,844,733	-8,890,508	-2,442,963	2,507,375	-1,311,050	-250,000	13,082,400	306,539,987
13	Business	62,621,292				6,478,628			69,099,920
14	Total	366,466,025	-8,890,508	-2,442,963	2,507,375	5,167,578	-250,000	13,082,400	375,639,907

Table 5
SCHOLARSHIPS and BURSARIES
2016-17 BASE BUDGETS

		<a>		<c>
		2015-16 Base Budget (@Feb 29, 2016)	Changes	Resulting 2016-17 Base Budget
1	Undergraduate Scholarships	7,300,000		7,300,000
2	Tuition Re-Investment	14,507,337	572,591	15,079,928
3	Western Bursaries	776,545		776,545
4	Privately-Funded Need-based Awards & Bursaries	6,425,000	100,000	6,525,000
5	Government "Aiming for the Top" Program	18,500	-18,500	0
6	MTCU Bursaries	587,955		587,955
7	Global Opportunities Awards	200,000		200,000
8	Graduate Bursaries and Fellowships	1,011,599	2,401	1,014,000
9	Doctoral Excellence Research Awards		480,000	480,000
10	Total Scholarships and Bursaries	30,826,936	1,136,492	31,963,428

Graduate student funding is now addressed through the Faculty budgets. In 2015-16, this funding is estimated to be \$51.2 million and the plan for 2016-17 is \$54.4 million.

Table 6
SUPPORT AREAS
2016-17 BASE BUDGETS

		<a>		<c>	<d>	<e>
		2015-16 Base Budget (@Feb 29, 2016)	IBA	SUPF	Other Base Changes	Resulting 2016-17 Base Budget
1	Reporting to the Provost					
2	Teaching Support Centre	703,617	-20,105		8,042	691,554
3	Writing Support Centre	336,086				336,086
4	Information Technology Services	7,265,219	-195,775	90,000	97,888	7,257,332
5	Libraries	13,002,288	-372,737		149,095	12,778,646
6	Registrar's Office	5,898,121	-170,789	35,000	85,395	5,847,727
7	Student Experience Portfolio	906,545	-16,936		6,774	896,383
8	Office of Vice-Provost (APPF)	1,279,361	-28,691	53,000	11,476	1,315,146
9	Graduate & Postdoctoral Studies	1,824,686	-52,870		21,148	1,792,964
10	Institutional Planning and Budgeting	4,622,495	-141,899	13,100	56,760	4,550,456
11	Western International	2,100,441	-55,300	310,000	22,120	2,377,261
12	McIntosh Gallery - Subsidy	267,794		6,500		274,294
13	Teaching Fellows Program	500,000				500,000
14	Support Unit Priorities Fund (SUPF)	205,235		-82,600		122,635
15	Sub-Total	38,911,888	-1,055,102	425,000	458,698	38,740,484
16	Reporting to the Vice-President Resources & Operations					
17	Financial Services	4,731,798	-137,316	50,000	54,926	4,699,408
18	Human Resources	6,686,379	-194,496	50,000	77,798	6,619,681
19	Workplace Health Services	170,813				170,813
20	Facilities Management	17,353,603	-420,320		287,574	17,220,857
21	Police	2,816,688	-82,293	65,000	34,421	2,833,816
22	Internal Audit	431,254	-12,427		6,214	425,041
23	Support Unit Priorities Fund (SUPF)	349,000		195,000		544,000
24	Sub-Total	32,539,535	-846,852	360,000	460,933	32,513,616
25	Reporting to the Vice-President Research					
26	Animal Care/Veterinary Services - Subsidy	800,000				800,000
27	Research Western	4,116,907	-108,900	100,000	43,560	4,151,567
28	Research Promotion Fund	250,000				250,000
29	Small Grants Support for Arts/Humanities/Social Sciences	250,000				250,000
30	Western Innovation Fund	400,000				400,000
31	Sub-Total	5,816,907	-108,900	100,000	43,560	5,851,567
32	Vice-President External Portfolio	11,639,673	-334,010	115,000	133,603	11,554,266
33	General Administration					
34	Offices of the President/Vice-Presidents	3,262,292				3,262,292
35	University Secretariat	1,107,386				1,107,386
36	Sub-Total	4,369,678	0	0	0	4,369,678
37	Total Support Areas	93,277,681	-2,344,864	1,000,000	1,096,794	93,029,611

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
2016-17 BASE BUDGETS

		<a>		<c>	<d>
		2015-16 Base Budget (@Feb 29, 2016)	New Investment	Other Changes	Resulting 2016-17 Base Budget
1	Utilities	23,138,932		989,337	24,128,269
2	Library Acquisitions	14,115,896	500,000		14,615,896
3	Transfer to MMI: Operating	14,000,000	750,000		14,750,000
4	Transfer to MMI: Ancillaries	600,000			600,000
5	FFICR Transfer to Capital	3,000,000			3,000,000
6	CRC Transfer to Capital	808,000		-48,000	760,000
7	Information Technology Infrastructure Fund (ITIF)	8,764,701		438,235	9,202,936
8	Property Taxes	2,168,025		-5,025	2,163,000
9	Insurance	1,803,220		99,280	1,902,500
10	Contingency	1,732,914		88,353	1,821,267
11	Services for Students with Disabilities	1,225,396		-16,697	1,208,699
12	Professional Fees	1,282,500			1,282,500
13	Institutional Memberships	1,020,000			1,020,000
14	Student Recruitment	850,000			850,000
15	Sports and Recreation Services - Subsidy	906,827		8,546	915,373
16	Convocation and Diplomas	340,000			340,000
17	Costs Associated with Employee Contracts	589,000			589,000
18	Ombudsperson	103,354			103,354
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	76,628,765	1,250,000	1,554,029	79,432,794
23	Employee Benefit Plan Costs	106,868,412		2,794,588	109,663,000
24	Employee Benefit Recoveries	-112,652,000		-3,158,000	-115,810,000
25	Net Employee Benefits	-5,783,588		-363,412	-6,147,000
26	Net University-wide Expenditures	70,845,177	1,250,000	1,190,617	73,285,794

Table 8
2016-17 ONE-TIME ALLOCATIONS

1	Long-Range Space Plan: Support for the Integrated Learning and Innovation Centre	15,000,000
2	New Engineering Building: Multi-year Financing Plan	5,543,126
3	Scholarship/Research Initiatives in the SSHRC Disciplines: Create Endowment (\$5M), 2016-17 Spending (\$200K)	5,200,000
4	Pedestrian-Friendly and Campus Safety Initiatives	2,000,000
5	Energy Conservation Initiatives	1,500,000
6	Strengthening our Library Acquisitions Budget	1,100,000
7	Western's Entrepreneurship Ecosystem	1,000,000
8	Support for Fundraising Campaign: Advertising Initiatives	500,000
9	Classroom Modernization Initiatives	500,000
10	University Contribution for Artificial Turf Playing Fields	297,400
11	Faculties	
12	Alice Munro Chair in Creativity (Arts & Humanities): Additional Allocation to Complete the Endowment	500,000
13	Arts & Humanities: Undergraduate Recruitment Initiatives	50,000
14	Engineering: Upgrades to Undergraduate Lab (\$34.9K)	34,992
15	Health Sciences: Targetted Government Funding for Clinical Education (\$842K) and Nurse Practitioner Program (\$580K), Roth Chair Bridge Funding (\$65K), Nursing Simulation Suite Equipment (\$300K), Incremental Furniture for Nursing (\$75K)	1,862,412
16	Info & Media Studies: HD Equipment for Instructional Facilities (\$280K), Incremental Furniture (\$160K), Grants Facilitator Position (\$43K), and Recruitment, Promotion and Experiential Learning Initiatives (\$20K)	503,000
17	Law: Building Systems Improvements (\$375K), Capstone Courses (\$40K), Blended Learning & eLearning Initiatives (\$40K), and International and Pre-Eminent Visiting Scholars Program (\$20K)	475,000
18	Medicine & Dentistry: Targetted Government Funding for Dental Clinical Education (\$1.2M) and MD Expansion (\$2.4M)	3,538,879
19	Music: New Building Phase 2 (\$2M), Bridge Funding for Faculty Appt (\$40K), Music Education Initiatives (\$19.5K), Support for AEDO (\$50K), Incremental Furniture (\$75K), Equipment for CEARP Lab (\$38.5K), Piano Purchase (\$150K), Recruitment & Community Awareness Initiatives (\$45K), and Percussion Equipment Acquisition (\$15K)	2,433,000
20	Science: Chemistry Lab Renovations & Creation of space for WISc Program (\$1.9M) and Research Start-up Funding (\$600K)	2,524,100
21	Social Science: Support for Academic Capital Needs (\$1.5M) and Research Matching & Support Fund (\$50K)	1,547,750
22	Provost: Use of Base APF for One-time Purposes	-45,992
23	Sub-Total Faculties	13,423,141
24	Support Units	
25	Registrar's Office: First Generation Initiatives (\$282K), Additional Special Projects Staffing (\$35K), and Liaison Staffing - Joint with Western International (\$33K)	350,480
26	Western International: Liaison Staffing (\$33K) - Joint with Registrar's Office	33,000
27	Student Experience: Experiential Learning Initiatives (\$70K), Career Services and First Nations Initiatives (\$180K), Targetted Government Funding for Sexual Violence Public Education (\$130K), and SRS - Women's Athletic Awards (\$50K)	430,000
28	Teaching Support Centre: 360 Degree Initiative for Graduate Students (\$300K), Faculty Mentor Program (\$40K), and Turn-it-in Software License Costs (\$63K)	403,000
29	Vice-Provost (APPF): Training and Development Initiatives and Faculty Recruitment/Retention Initiatives	70,000
30	SGPS: Maintain Service and Staffing Levels (\$175K), Recruitment and Retention Initiatives (\$110), Exchange Program Travel Costs (\$15K), Aboriginal Graduate Education Initiatives (\$36K), Thesis Writing Boot Camp (\$19K), International Recruitment Initiatives (\$50K), and International Recruitment Coordinator Position (\$90K)	495,000
31	McIntosh Gallery: Exhibition and Publication of Contemporary Indigenous Art	30,000
32	Provost: Unallocated Support Unit Priorities Fund (SUPF)	14,000
33	Financial Services: Best Value Business Model Initiative (\$135K) and SciQuest Systems Support (\$5K)	139,968
34	Human Resources: Employee Relations Staffing (\$142K), Job Evaluation Initiatives (\$40K), Sexual Violence Policy/Bill 132 Education Initiatives (\$20K), Space Re-Alignment (\$10K), and Fall 2016 Leadership Symposium (\$30K)	241,802
35	Facilities Management: Land Development Initiatives (\$150K) and Construction Procurement Services (\$255K)	405,000
36	Police: Fire Safety Inspections (\$40K) and Communications Centre Upgrade (\$62K)	102,000
37	Vice-President (Resources & Operations): Use of Base SUPF for One-Time Purposes	-528,770
38	Vice-President (Research): Support for Research/Scholarship Initiatives	1,100,000
39	Vice-President (External): Support for Fundraising Campaign	158,174
40	Sub-Total Support Units	3,443,654
41	Total One-Time Allocations	49,507,321

Table 9
CRC Allocations -- by Faculty (Cumulative)

		2015-16 Final						2016-17 Preliminary					
		Tier 1		Tier 2		Total		Tier 1		Tier 2		Total	
		N	\$	N	\$	N	\$	N	\$	N	\$	N	\$
1	Arts & Humanities	2	340,000	1	90,000	3	430,000	2	340,000	1	90,000	3	430,000
2	Business	2	340,000	1	90,000	3	430,000	2	340,000	0	0	2	340,000
3	Education												
4	Engineering	3	510,000	3	270,000	6	780,000	3	510,000	3	270,000	6	780,000
5	Health Sciences	2	340,000	1	90,000	3	430,000	2	340,000	1	90,000	3	430,000
6	Info & Media Studies												
7	Law												
8	Medicine & Dentistry	7	1,190,000	7	630,000	14	1,820,000	7	1,190,000	6	540,000	13	1,730,000
9	Music												
10	Science	5	850,000	11	990,000	16	1,840,000	4	680,000	11	990,000	15	1,670,000
11	Social Science	3	510,000	5	450,000	8	960,000	3	510,000	4	360,000	7	870,000
12	Total to Faculties	24	4,080,000	29	2,610,000	53	6,690,000	23	3,910,000	26	2,340,000	49	6,250,000
13	Total CRC Funding		4,800,000		2,900,000		7,700,000		4,600,000		2,600,000		7,200,000

Table 10
RESEARCH INFRASTRUCTURE SUPPORT FUND (RISF)
2016-17 Allocations

1	Arts & Humanities	10,300
2	Education	7,600
3	Engineering	120,900
4	Health Sciences	41,400
5	Information & Media Studies	5,000
6	Law	5,000
7	Medicine & Dentistry	297,100
8	Music	5,000
9	Science	166,100
10	Social Science	91,600
11	Total	750,000

Table 11
2016-17 TUITION FEE PROPOSALS FOR UNDERGRADUATE PROGRAMS

		Canadian Students			International Students		
		Actual 2015-16 Tuition	2016-17		Actual 2015-16 Tuition	2016-17	
			Proposed Tuition	<a> % Increase		Proposed Tuition	<a> % Increase
1	First-Entry Programs 						
2	Year 1	6,154	6,338	3.0%	22,817	24,643	8.0%
3	Year 2	6,154	6,338	3.0%	21,972	23,730	4.0%
4	Year 3	6,154	6,338	3.0%	21,158	22,851	4.0%
5	Year 4	6,154	6,338	3.0%	20,376	22,004	4.0%
6	Engineering						
7	Year 1	11,802	12,392	5.0%	29,281	31,623	8.0%
8	Year 2	11,802	12,392	5.0%	28,196	30,452	4.0%
9	Year 3	11,802	12,392	5.0%	27,152	29,324	4.0%
10	Year 4	11,468	12,392	5.0%	26,146	28,238	4.0%
11	M.T.P.						
12	Year 2	6,438	6,631	3.0%	23,660	25,553	8.0%
13	Year 3	6,438	6,631	3.0%	22,776	24,606	4.0%
14	Year 4	6,438	6,631	3.0%	22,776	23,687	4.0%
15	M.O.S.						
16	Year 1	6,154	6,338	3.0%	24,538	27,483	12.0%
17	Year 2	6,154	6,338	3.0%	22,785	25,520	4.0%
18	Year 3	6,154	6,338	3.0%	21,158	23,697	4.0%
19	Year 4	6,154	6,338	3.0%	20,376	22,004	4.0%
20	Nursing						
21	Year 1	6,154	6,338	3.0%	29,281	31,623	8.0%
22	Year 2	6,154	6,338	3.0%	28,196	30,452	4.0%
23	Year 3	6,154	6,338	3.0%	27,152	29,324	4.0%
24	Year 4	6,154	6,338	3.0%	26,146	28,238	4.0%
25	Second-Entry Programs						
26	Business (HBA)						
27	Year 1	24,905	25,652	3.0%	35,906	36,653	2.1%
28	Year 2	24,905	25,652	3.0%	35,906	36,653	2.1%
29	Dentistry						
30	Year 1	33,923	35,619	5.0%	65,164	70,377	8.0%
31	Year 2	33,923	35,619	5.0%	62,750	67,771	4.0%
32	Year 3	33,923	35,619	5.0%	60,427	65,260	4.0%
33	Year 4	32,963	35,619	5.0%	58,189	62,844	4.0%
34	Education (B.Ed.)	7,395	7,616	3.0%	24,246	25,215	4.0%
35	Law						
36	Year 1	19,342	20,309	5.0%	29,281	31,623	8.0%
37	Year 2	19,342	20,309	5.0%	28,196	30,452	4.0%
38	Year 3	19,342	20,309	5.0%	27,152	29,324	4.0%
39	Medicine (M.D.)						
40	Year 1	23,927	25,123	5.0%	n.a.	n.a.	n.a.
41	Year 2	23,927	25,123	5.0%	n.a.	n.a.	n.a.
42	Year 3	23,927	25,123	5.0%	n.a.	n.a.	n.a.
43	Year 4	23,249	25,123	5.0%	n.a.	n.a.	n.a.

<a> The proposed 2016-17 rates are effective May 1, 2016.

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, MTP year 1, Music, Science, Social Science (excl. M.O.S.).

Table 12
2016-17 TUITION FEE PROPOSALS FOR GRADUATE PROGRAMS

		Canadian Students			International Students		
		Actual 2015-16 Tuition	2016-17		Actual 2015-16 Tuition	2016-17	
			Proposed Tuition	<a> % Increase		Proposed Tuition	<a> % Increase
1	Masters Category 1						
2	Arts & Humanities	6,827	6,915	1.3%	17,276	17,501	1.3%
3	Engineering (M.E.Sc.)	6,827	6,915	1.3%	17,276	17,501	1.3%
4	Health & Rehabilitation Sciences	6,827	6,915	1.3%	17,276	17,501	1.3%
5	Health Information Sciences	9,300	9,420	1.3%	24,381	24,698	1.3%
6	Interdisciplinary Programs 	6,827	6,915	1.3%	17,276	17,501	1.3%
7	Kinesiology	6,827	6,915	1.3%	17,276	17,501	1.3%
8	Law/Studies in Law	11,521	11,521	0.0%	26,749	26,749	0.0%
9	Media Studies	6,827	6,915	1.3%	17,276	17,501	1.3%
10	Medicine (Basic Health Sciences)	6,827	6,915	1.3%	17,276	17,501	1.3%
11	Music	6,827	6,915	1.3%	17,276	17,501	1.3%
12	Nursing (M.Sc.)	8,199	8,305	1.3%	24,381	24,698	1.3%
13	Science	6,827	6,915	1.3%	17,276	17,501	1.3%
14	Social Science	6,827	6,915	1.3%	17,276	17,501	1.3%
15	Masters Category 2						
16	C.S.D./O.T./P.T. (MPT) <c>	10,841	11,383	5.0%	25,813	27,362	6.0%
17	Dentistry (Orthodontics) <c>	26,275	27,588	5.0%	60,422	64,047	6.0%
18	Education (M.Ed) <c>	10,441	10,963	5.0%	25,813	27,362	6.0%
19	Education (MPE, GDPE)	10,441	10,963	5.0%	25,813	27,362	6.0%
20	Engineering (M.Eng.) <c>	10,441	10,963	5.0%	25,813	27,362	6.0%
21	Environment & Sustainability	11,692	12,276	5.0%	25,813	27,362	6.0%
22	M.M. in Journalism & Communication	13,000	13,650	5.0%	25,813	27,362	6.0%
23	Library & Information Science <c>	10,441	10,963	5.0%	25,813	27,362	6.0%
24	Medicine (Family Medicine) <c>	13,749	14,436	5.0%	25,813	27,362	6.0%
25	Medicine (Pathology Assistant) <c>	---	11,385	---	---	27,362	---
26	Medicine (Public Health)	29,767	31,255	5.0%	47,191	50,022	6.0%
27	Physical Therapy (M.Cl.Sc.) <c>	10,441	10,963	5.0%	25,813	27,362	6.0%
28	Doctoral						
29	Doctor of Musical Arts	6,827	6,915	1.3%	17,276	17,501	1.3%
30	Ph.D/MSc Clinical Med. Biophysics	13,772	14,208	3.2%	26,804	27,601	3.0%
31	Doctor of Education (EdD)	9,693	10,177	5.0%	25,813	27,362	6.0%
32	PhD Programs	6,827	6,915	1.3%	17,276	17,501	1.3%

<a> The proposed 2016-17 rates are effective September 1, 2016.

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

<c> The proposed 2016-17 rates apply to domestic students, who entered in 2013-14 or later;
for students who entered prior to 2013-14, rates increases by 4%.

Table 13
SUMMARY OF ENROLMENT FORECAST

<adjusted for new Full-Time definition beginning in 2016-17>

	Actual					Forecast				
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1	Constituent University									
2	Full-Time Undergraduates									
3	Arts & Humanities	1,232	1,180	1,147	1,121	1,027	938	931	921	922
4	Business (HBA)	979	1,065	1,116	1,100	1,093	1,130	1,130	1,130	1,130
5	Dentistry	260	266	264	262	265	265	264	264	264
6	Education	700	677	597	657	286	668	668	668	668
7	Engineering	1,262	1,335	1,449	1,546	1,761	1,871	1,949	1,963	1,942
8	Health Sciences									
9	BHSc Program	1,185	1,160	1,170	1,163	1,179	1,166	1,163	1,138	1,130
10	Kinesiology	1,246	1,203	1,169	1,240	1,204	1,179	1,190	1,167	1,168
11	Nursing	808	820	825	835	868	909	939	961	959
13	Sub-Total	3,239	3,183	3,164	3,238	3,251	3,254	3,292	3,266	3,257
14	Law	465	476	480	486	474	468	468	468	468
15	Media, Information, & Tech	963	919	930	924	983	967	960	955	949
16	Medicine									
17	MD Program	646	667	680	683	684	684	684	684	684
18	BMedSci Program	688	778	862	892	881	892	892	892	892
19	Music	527	542	512	457	432	404	392	390	393
20	Science	4,222	4,334	4,482	4,606	4,679	4,605	4,599	4,516	4,443
21	Social Science	6,618	6,648	6,674	6,601	6,482	6,222	6,215	6,199	6,221
22	Total Full-Time Undergraduates	21,801	22,070	22,357	22,573	22,298	22,368	22,444	22,316	22,233
23	Concurrent Programs	144	155	173	201	255	255	255	255	255
24	Medical Residents	810	829	853	913	947	943	940	940	940
25	Full-Time Graduates									
26	Masters	2,823	2,756	2,977	3,146	3,276	3,608	3,839	3,917	3,960
27	Ph.D.	1,947	2,021	2,026	2,075	2,088	2,196	2,274	2,345	2,370
28	Total Full-Time Graduates	4,770	4,777	5,003	5,221	5,364	5,804	6,113	6,262	6,330
29	Total Full-Time Enrolment	27,525	27,831	28,386	28,908	28,864	29,370	29,752	29,773	29,758
30	Part-Time FTEs									
31	Undergraduate	2,243	2,317	2,251	2,123	2,226	2,445	2,445	2,445	2,445
32	Education (AQs)	745	673	635	607	595	465	525	525	525
33	Masters	140	175	149	99	79	80	80	80	80
34	Ph.D.	26	22	27	29	32	30	30	30	30
35	Total Part-Time FTEs	3,154	3,187	3,062	2,858	2,932	3,020	3,080	3,080	3,080
36	Total Constituent FTEs	30,679	31,018	31,448	31,766	31,796	32,390	32,832	32,853	32,838
37	Affiliated University Colleges									
38	Full-Time Undergraduates									
39	Brescia	1,067	1,121	1,150	1,269	1,327	1,389	1,410	1,477	1,520
40	Huron	1,272	1,230	1,250	1,144	1,062	1,065	1,025	1,050	1,120
41	King's	3,286	3,244	3,169	3,063	3,004	2,892	2,940	3,007	3,106
42	Total Full-Time Undergraduates	5,625	5,595	5,569	5,476	5,393	5,346	5,375	5,534	5,746
43	Part-Time Undergraduate FTEs									
44	Brescia	94	94	83	86	80	105	105	105	105
45	Huron	70	63	65	65	58	50	50	50	50
46	King's	252	239	252	277	260	340	340	340	340
47	Total Part-Time FTEs	416	396	400	428	398	495	495	495	495
48	Graduate FTEs									
49	Brescia	29	32	32	28	33	38	38	38	38
50	Huron	14	10	8	11	9	11	13	15	17
51	King's	31	33	31	33	29	45	45	45	45
52	Total Graduate FTEs	74	75	71	72	71	94	96	98	100
53	Total Affiliate FTEs	6,115	6,066	6,040	5,976	5,862	5,935	5,966	6,127	6,341
54	Total UWO FTEs	36,794	37,084	37,488	37,742	37,658	38,325	38,798	38,980	39,179

Table 13
SUMMARY OF ENROLMENT FORECAST

<adjusted for new Full-Time definition beginning in 2016-17>

	Actual					Forecast					
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	
<i>Rows 55 to 86 Included above</i>											
55	International Students										
56	Constituent Full-Time										
57	Undergraduates	923	1,257	1,611	1,895	1,990	2,160	2,215	2,330	2,350	2,350
58	Medical Residents	127	108	112	134	136	135	135	135	135	135
59	Masters (excluding Ivey)	452	463	439	495	576	618	657	671	680	690
60	MBA (Regular), Ivey MSc	30	22	43	39	56	79	96	97	98	100
61	Executive MBA	44	22	40	35	24	0	0	0	0	0
62	Ph.D.	510	499	516	547	562	570	558	556	560	565
63	Affiliates										
64	Undergraduates	497	476	497	577	661	669	698	724	747	773
65	Masters	2	4	3	0	0	3	3	3	3	3
66	Year 1 Only										
67	Constituent										
68	Arts & Humanities	272	236	213	267	217	230	230	230	230	230
69	Engineering	416	412	430	511	637	580	580	580	580	580
70	Health Sciences										
71	BHSc Program	314	292	338	347	336	325	325	325	325	325
72	Kinesiology	366	331	315	386	335	335	335	335	335	335
73	Nursing	128	128	132	131	143	140	140	140	140	140
74	Media, Information, & Tech	334	314	332	336	350	335	335	335	335	335
75	MOS Program	846	816	741	857	794	800	800	800	800	800
76	Music	142	144	121	99	100	105	105	105	105	105
77	Science	1,388	1,313	1,347	1,474	1,445	1,450	1,450	1,450	1,450	1,450
78	Social Science	850	837	878	803	796	810	810	810	810	810
79	Total Year 1 - Constituent	5,056	4,823	4,847	5,211	5,153	5,110	5,110	5,110	5,110	5,110
80	Affiliated University Colleges										
81	Brescia	292	284	309	315	350	356	365	377	389	403
82	Huron	381	367	388	274	290	310	320	330	340	355
83	King's	878	821	848	740	774	795	805	815	825	835
84	Total Year 1 - Affiliates	1,551	1,472	1,545	1,329	1,414	1,461	1,490	1,522	1,554	1,593
85	Total UWO Year 1	6,607	6,295	6,392	6,540	6,567	6,571	6,600	6,632	6,664	6,703
86	Masters										
87	All Programs (excluding MBAs)	2,380	2,420	2,583	2,781	2,877	3,129	3,328	3,391	3,434	3,474
88	Ivey (excl EMBA)	183	144	181	161	208	314	346	361	361	361
89	Executive MBA	260	192	213	204	191	165	165	165	165	165

For Information

90	Year 1 Constituent International Students	347	476	532	527	508	550	600	600	600	600
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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	New Music Building -- and removal of Old Music Building	New Construction / Demolition
2	New Academic Building (To House FIMS and Nursing)	New Construction
3	Medical Research Facilities (Microbiology & Immunology)	New Construction / Modernization
4	Modernization of University College	Modernization
5	Western Interdisciplinary Research Building -- Phase 1	New Construction
6	New Engineering Building	New Construction
7	Follow-on Renovation Projects -- HSA, NCB	Modernization / Adaptation
8	Integrated Learning and Innovation Centre	New Construction
9	University-wide Infrastructure Projects (multiple stages)	New Construction / Modernization
10	Parking-related Projects	Infrastructure
11	Campus Sustainability Initiatives (multiple stages)	Modernization / Infrastructure
	CATEGORY 2 -- Projects in Various Planning Stages	
12	Modernization of Thames Hall	Modernization
13	Follow-on Renovation Projects -- NSc	Modernization / Adaptation
14	New Research Initiatives/Partnerships at the Research Parks	New Construction
15	Renewal/Replacement/Expansion of Medical/Dental School Facilities	Modernization / New Construction
16	Multi-Level Parking Structures	New Construction
17	Renewal of Engineering Facilities -- SEB	Modernization
	CATEGORY 3 -- For Future Consideration -- if Funding Identified	
18	Renewal and/or Realignment of Library Facilities	Modernization
19	Renewal of Talbot College, Elborn College, Chemistry Addition	Modernization or Replacement
20	Residence Projects	New Construction / Modernization
21	Athletic Facilities -- Indoor and Outdoor	New Construction
22	Asset Acquisitions	Acquisition

2016-17 Capital Budget

A. The Evolution of Capital Expenditures

The Capital Budget for 2016-17 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 2012-13 in nine categories.

Category 1 shows all new construction, while categories 2 to 7 show renovations to existing space. Category 1 expenditures are usually funded from general University funds, the major exceptions being projects funded all or in part from external research grants, private funds, government, student contributions, and Housing construction – the latter being funded from the Housing budget. Categories 2 to 5 are funded primarily from general University funds and government, while category 6 is funded from Housing operations, and category 7 is funded by the particular Ancillary undertaking the work. Categories 8 and 9 involve carrying costs and loan repayments, and other expenditures such as purchases of land and buildings and transfers from the capital budget for other purposes. Planned capital expenditures for 2016-17 total \$134.4 million.

Categories 2 to 5 involve **Maintenance, Modernization, and Infrastructure (MMI)** and are eligible to receive funds from the annual MMI transfer from the operating budget to the capital budget, which is budgeted to increase to \$14.75 million in 2016-17 (\$14.0 M in 2015-16). 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 29, 2016, our buildings and infrastructure have a current replacement value (CRV) of approximately \$2,363 million, as follows:

	CRV \$M	Square Metres	Major Buildings
Major Non-Residential Buildings	1,652	529,319	69
Utilities and Infrastructure	200		
Subtotal, Eligible for MMI	1,852	529,319	69
Housing	411	257,546	15
Other Ancillary Buildings	100	49,300	8
Total	2,363	836,165	92

At February 29, 2016, the University had 529,000 gross square metres in 69 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 \$200 million in utilities and infrastructure, are the physical assets generally eligible for MMI expenditures. On that same date, the University had 258,000 square metres of Housing space in eleven major undergraduate residences, four major apartment buildings, and numerous smaller buildings for graduate students in Platt's Lane Estates. Other than Housing, there are many buildings which are operated largely or entirely as ancillaries: Western Student Recreation Centre, Thompson Recreation and Athletic Centre, TD Stadium, Boundary Layer Wind Tunnel, Child Care Centre, the Ivey Spencer Leadership Centre, and facilities at the Research Parks.

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

- 1. New Construction.** This category includes projects which create new buildings, including housing, additions to existing buildings, and other new facilities such as parking lots and athletic fields. It does not include projects which improve the space within existing buildings or projects which upgrade other existing facilities.
- 2. Major Building Renovations.** This category involves major maintenance and renovation expenditures on non-residential building projects – and the projects generally span more than one year. Of the 529,000 square metres in major buildings, over 57% 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. Given that most of our Utilities and Infrastructure plant and equipment is over thirty years old, these projects will continue to be a critical part of our capital budget. It is noted that proposed projects in this category include many that are devoted to the renewal of portions of our steam, water and chilled water systems. Major projects in future years will include continued work on electrical distribution systems and utility conservation.
- 4. Modernization of Instructional and Research Facilities.** This category includes the renewal and modernization of classrooms, laboratories, libraries, and other space used for instruction and research, as well as upgrades to information technology. These expenditures are critical to maintaining Western's reputation as a leader in the quality of teaching and research. These projects are sometimes funded by the units themselves with operating or research funds.
- 5. General Maintenance and Modernization Projects.** This category consists of a wide variety of maintenance and modernization projects which are not included in categories 2 to 4. Most of the projects are under \$100,000, involving such work as roof replacement, interior and exterior painting, road, bridge, and sidewalk repair, and general maintenance of structures and systems. A small 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 \$13.6 million in 2016-17, 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 2014-15, line B shows a surplus of \$11,868, the difference between funding of \$88,934 (all figures in \$000) and expenditures of \$77,066. The capital reserve in line C increases by this same amount of \$11,868, reflecting an increase in the capital reserve.

Line E shows the replacement value of non-residential buildings and utilities and infrastructure – the assets eligible for MMI spending -- while line F shows the ratio of the annual MMI expenditure to the replacement value. For example, in 2014-15, MMI expenditures were \$26.0 million, while the estimated replacement value of non-residential buildings, utilities, and infrastructure was \$1.78 billion. The ratio of the two is 1.5%, 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 2016-17, the base transfer will be increased by \$750,000 to \$14.75 million (2015-16, \$14.0 million) and will reach the intended maximum annual transfer of \$15.5 million in 2017-18.

Line H of Table 15 shows the ratio of the annual MMI transfer to total MMI expenditures; for example, in 2014-15, the transfer was \$13.25 million and MMI expenditures were \$26.0 million, so the ratio in line H is 50.9%. Other sources of funding for MMI expenditures include the annual

capital facilities renewal grant from the Province (projected for 2015-16 and 2016-17 at \$2.4 million), 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 2014-15 is \$15.2 million, or (in line K) 0.9% of the replacement value in that year. A standard target in industry for this ratio is 2.0%: if large buildings last an average of 50 years, then on average maintenance spending should be 2.0% of replacement value. When the actual ratio is consistently lower than 2.0%, as has been the case at Western and most Canadian universities over the last three decades, the level of deferred maintenance will grow.

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

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

B. Sources of Funding and Capital Expenditures in 2016-17

Table 17 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2015-16, divided into six major categories: federal, provincial and municipal government grants; funds transferred from Western's operating budget; interest earned; general fundraising; borrowing; and other sources, including internal recoveries. As compared to a decade ago, the University's capital budget is more dependent on transfers from the operating budget and debt.

Table 18 shows expenditures in Categories 1 and 2, for 2015-16 (estimates as of January 31, 2016) and 2016-17 (current proposals).

Table 15
CAPITAL BUDGET SUMMARY, 2012-13 TO 2016-17
(\$000)

Category	Purpose	Actual 2012-13	Actual 2013-14	Actual 2014-15	Projected 2015-16	Budget 2016-17
	New Construction					
1	New Construction (Table 18, line 7)	108,508	55,619	23,523	27,557	55,747
	Maintenance, Modernization, and Infrastructure (MMI)					
2	Major Building Renovations (Table 18, line 13)	5,565	3,506	4,215	5,401	25,877
3	Utilities and Infrastructure Projects	4,760	3,737	9,790	8,279	8,518
4	Modernization of Instructional and Research Facilities	5,805	5,266	6,480	6,753	9,813
5	General Maintenance and Modernization Projects	4,826	4,819	5,523	6,218	10,670
	Sub-Total MMI	20,956	17,328	26,008	26,651	54,878
	Other					
6	Housing Renovations	5,860	7,073	20,012	9,680	13,587
7	Ancillary Projects	1,099	1,503	1,187	2,317	880
8	Carrying Costs and Debt Repayments	3,541	5,077	5,843	6,613	6,354
9	Other Capital Expenditures	48	18	493	1,555	2,986
	Sub-Total Other	10,548	13,671	27,535	20,165	23,807
10	Total Expenditures	140,012	86,618	77,066	74,373	134,432

Line		Actual 2012-13	Actual 2013-14	Actual 2014-15	Projected 2015-16	Budget 2016-17
	Sources of Funding, Reserves, and Debt					
A	Total Sources of Funding, Including Debt (Table 17)	146,646	83,780	88,934	78,168	111,206
B	Sources of Funding less Expenditures	6,634	-2,838	11,868	3,795	-23,226
C	Capital Reserve, Year End (Table 19)	30,891	28,053	39,921	43,716	20,490
D	Capital Debt Outstanding, Year End (Table 19)	314,148	306,703	299,065	291,565	283,784
E	Replacement Value of Nonresidential Buildings, Utilities & Infrastructure, \$M	1,608	1,750	1,783	1,852	1,883
F	MMI Expenditures/Replacement Value	1.3%	1.0%	1.5%	1.4%	2.9%
G	Annual MMI transfer from Operating to Capital Budget	11,750	12,500	13,250	14,000	14,750
H	MMI transfer/MMI Expenditures	56.1%	72.1%	50.9%	52.5%	26.9%
J	Estimate of Maintenance Expenditure	12,036	9,797	15,179	15,516	33,314
K	Maintenance Expenditure/Replacement Value	0.7%	0.6%	0.9%	0.8%	1.8%
L	Number of Major Buildings	86	91	91	92	93
M	Total Gross Square Meters (000's)	784	829	829	836	848

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

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	New Music Building - and removal of Old Music Building	1&9	Mar 12	Apr 17
3	New Academic Building (To House FIMS and Nursing)	1	Jan 14	Dec 16
4	Medical Research Facilities (Microbiology & Immunology & RRI)	2	Dec 14	Dec 16
5	Modernization of University College	2	Jan 15	Sep 18
6	Western Interdisciplinary Research Building - Phase 1	1	Nov 15	Jan 18
7	New Engineering Building	1	Jan 16	Sep 18
8	Follow-on Renovation Projects - HSA, NCB	2	Jan 17	Aug 18
9	Integrated Learning and Innovation Centre	1	Sep 16	tbd
10	University-wide Infrastructure Projects (multiple stages)	1&3	May 16	Apr 17
11	Parking-related Projects	1&3	May 14	tbd
12	Campus Sustainability Initiatives (multiple stages)	3&5	Ongoing	
13	<i>Projects Under Consideration</i>			
14	Modernization of Thames Hall	2	tbd	tbd
15	Follow-on Renovation Projects - NSc	5	tbd	tbd
16	New Research Initiatives/Partnerships at the Research Parks	1	tbd	tbd
17	Renewal/Replacement/Expansion of Medical/Dental School Facilities	1&2	tbd	tbd
18	Multi-Level Parking Structures	1	tbd	tbd
19	Renewal of Engineering Facilities - SEB	4	tbd	tbd
20	<i>Projects for Future Consideration</i>			
21	Renewal and/or Realignment of Library Facilities	2	tbd	tbd
22	Renewal of Talbot College, Elborn College, Chemistry Addition	2	tbd	tbd
23	Residence Projects	1&7	tbd	tbd
24	Athletic Facilities - Indoor and Outdoor	1	tbd	tbd
25	Asset Acquisitions	9	tbd	tbd

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

		Projected 2015-16	Budget 2016-17
1	Government Grants		
2	MTCU Targeted Capital Grant - New Academic Building (to house FIMS and Nursing)	14,000	5,000
3	MTCU Graduate Expansion Capital Grant	3,846	3,808
4	MTCU Annual Capital Grant (Facilities Renewal Program)	2,424	2,424
5	Sub-Total	20,270	11,232
6	Operating Budget		
7	Operating Budget MMI Transfer - Base	14,000	14,750
8	Operating Budget MMI Transfer - Base (Ancillaries)	600	600
9	Operating Budget - Integrated Learning and Innovation Centre	0	15,000
10	Operating Budget - FFICR	3,000	3,000
11	Operating Budget - Energy Efficiency and Classroom Upgrades	1,908	2,000
12	Operating Budget - Pedestrian Friendly and Campus Safety Initiatives	0	2,000
13	Operating Budget - CRC Transfer	808	760
14	Engineering Operating Budget - New Engineering Building	4,476	5,543
15	Medicine Operating Budget - Medical Research Facilities (Microbiology & Immunology & RRI)	806	3,950
16	Music Operating Budget - New Music Building - and removal of Old Music Building	250	2,000
17	Science Operating Budget - Chemistry and WISc Integrated Laboratories	1,750	1,924
18	Education Operating Budget - Modernization of Instructional Facilities in FEB	0	1,600
19	Social Science Operating Budget - Academic Facility Renewal Projects	0	1,498
20	Dentistry Operating Budget - Modernization of Dentistry Teaching Laboratories	1,452	648
21	Miscellaneous Faculty/Department Budgets	871	307
22	Sub-Total	29,921	55,580
23	Interest Earned	52	0
24	Fundraising		
25	Ivey Building	2,400	1,921
26	Western Fund	350	350
27	The Claudette MacKay-Lassonde Pavilion (Green Building)	290	290
28	All Other	76	0
29	Sub-Total	3,116	2,561

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

		Projected 2015-16	Budget 2016-17
30	Borrowing		
31	Long-Range Space Plan	8,531	21,927
32	Sub-Total	8,531	21,927
33	Other		
34	Richard Ivey School of Business Foundation - Ivey Building	0	2,300
35	Student Contributions - Western Student Recreation Centre	1,213	1,249
36	Housing Contribution - Delaware Hall Residence Renovations	2,341	245
37	Energy Conservation Incentives (Rebates)	185	185
38	Miscellaneous	198	162
39	Projects Funded by Housing	7,339	13,342
40	Projects Funded by Units	2,685	1,543
41	Projects Funded by Ancillaries	2,317	880
42	Sub-Total	16,278	19,906
43	Total Sources of Funding	78,168	111,206

Table 18
CAPITAL EXPENDITURES FOR NEW CONSTRUCTION AND MAJOR BUILDING RENOVATIONS
2015-16 and 2016-17
(\$000)

		Projected 2015-16	Budget 2016-17
1	<i>Category 1: New Construction</i>		
2	Western Interdisciplinary Research Building - Phase 1	2,255	25,000
3	New Academic Building (To House FIMS and Nursing)	20,340	15,605
4	New Engineering Building	180	11,000
5	New Music Building - and removal of Old Music Building	2,431	4,000
6	Secondary IT Data Centre at the AMP	2,351	142
7	<i>Total, Category 1</i>	<i>27,557</i>	<i>55,747</i>
8	<i>Category 2: Major Building Renovations</i>		
9	Modernization of University College	2,362	12,875
10	Medical Research Facilities (Microbiology & Immunology & RRI)	1,587	10,254
11	Modernization of Instructional Facilities in the Althouse Faculty of Education Building	0	2,100
12	Modernization of Dentistry Teaching Laboratories	1,452	648
13	<i>Total, Category 2</i>	<i>5,401</i>	<i>25,877</i>

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

		Actual 2012-13	Actual 2013-14	Actual 2014-15	Projected 2015-16	Budget 2016-17
1	A. Capital Reserves					
2	General Capital Fund	13,359	17,118	13,802	16,922	10,238
3	Designated Capital Fund	15,898	9,293	24,469	25,142	8,600
4	Gibbons Property	1,634	1,642	1,650	1,652	1,652
5	Total Capital Reserves	30,891	28,053	39,921	43,716	20,490

		Actual 2012-13	Actual 2013-14	Actual 2014-15	Projected 2015-16	Budget 2016-17
6	B. Capital Debt					
7	New Construction, Major Renovations & Other	126,377	123,519	100,290	100,628	129,548
8	Housing	139,671	152,066	144,575	132,437	120,136
9	Research Park	31,100	30,318	29,500	28,800	27,900
10	Richard Ivey School of Business Foundation	1,300	800	300	0	0
11	Unused and Invested Debenture Proceeds	15,700	0	24,400	29,700	6,200
12	Total Capital Debt	314,148	306,703	299,065	291,565	283,784

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 \$867 million for the single year of 2016-17. That spending will take place, however, in a longer term context which must be understood in evaluating the Operating and Capital Budgets. The Administration and Board have identified three elements of that longer term context which should be reviewed in the annual Budget of the University: capital reserves and debt, employee future benefits, and deferred maintenance. These three items are described below.

The long term context for Western changed in May 2007, when the University issued its first debenture, for \$190 million. As part of this process, the University received a credit rating of AA from Standard & Poor's. This credit rating was reaffirmed in February of 2016. Part of the credit rating evaluation focused on a number of long-term obligations that the University manages on an ongoing basis, including the three which we review below.

A. Capital Reserves and Debt

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

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

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

Capital Debt is divided into the following categories:

- **New Construction, Major Renovations, Infrastructure, and Other** – represents debt on projects that are largely new construction, additions to existing buildings, other new facilities, non-residential projects that involve major maintenance and renovations to existing space. It also includes debt on purchases of property and parking related projects.
- **Housing** – debt required for new construction, maintenance, and modernization projects for University residences and apartment buildings.
- **Research Park** – debt incurred by the Research Park.
- **Richard Ivey School of Business Foundation** – debt held by Richard Ivey School of Business Foundation.

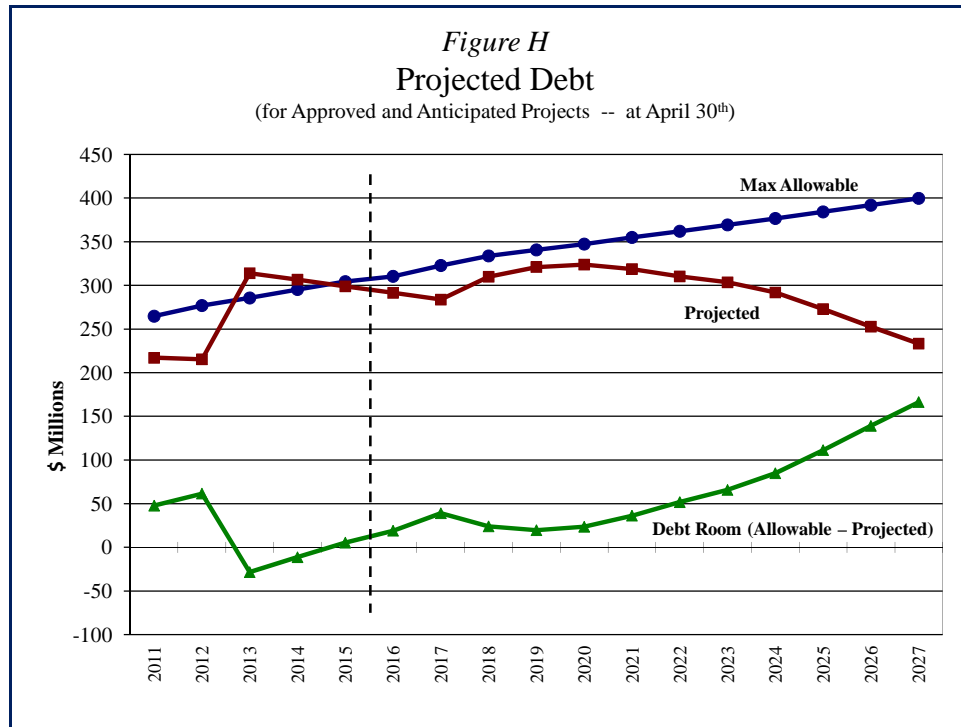
- **Unused and Invested Debenture Proceeds** – unused proceeds from Western’s first debenture issue that have been committed, and invested until the specific capital project requires the funding.

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

	Actual		Forecast	
	2014	2015	2016	2017
Total Debt (in millions)	\$307	\$299	\$292	\$284
FTE Enrolment	31,448	31,766	31,765	32,390
Allowable debt per FTE	\$9,393	\$9,581	\$9,772	\$9,968
Actual debt per FTE	\$9,753	\$9,412	\$9,175	\$8,762
Debt room per FTE	(\$360)	\$169	\$597	\$1,206

In 2016, the maximum allowed debt per FTE under Western’s Capital Debt Policy is \$9,772 and the forecast is \$9,175.

Figure E shows total debt as well as three measures of debt per FTE since 2013: the maximum allowable debt, indexed to the CPI; the actual and projected debt; and the difference between the two, which we call debt room. The projected debt is based on Board-approved projects with allowance for other projects which may be presented to the Board during the period under consideration. Figure E shows that projected debt grew beyond the maximum allowable debt from 2013 to 2014 to support the funding of the new student residence, as approved by the Board. In 2015, total debt once again reduced to within Board Policy.



	Debt (\$M)	Combined Revenue (\$M)	FTE Enrolment	Revenue per FTE	Debt / Revenue (%)
2012	215.4	1,017.4	30,679	\$33,163	21.2%
2013	314.1	1,081.3	31,018	\$34,860	29.0%
2014	306.7	1,159.3	31,448	\$36,864	26.5%
2015	299.0	1,160.4	31,766	\$36,530	25.8%
2016 p	291.5	1,101.8	31,765	\$34,686	26.5%

B. Employee Future Benefits

Subject to eligibility rules set within various collective agreements, the University provides medical, dental and life insurance benefits to eligible employees after their employment with Western has ended.

These employee future benefits are determined using actuarial valuations every three years. In the years between valuations, an extrapolation of the actuarial valuation is used to determine the projected benefit obligations. At April 30, 2015, the University's accrued benefit liability relating to the employee future benefit plans was \$482 million (2014 - \$402 million).

Cost containment of active and post-retirement benefits has been a focus in recent negotiations. For staff, Western introduced a measure that limits cost increases for active and retiree benefits to no greater than CPI (3% maximum) in each year, reduced the age limit for dependent coverage and increased service requirements to qualify for post-retirement benefits to 10 years. For faculty, the threshold for eligibility has been increased from 5 to 10 years for all new employees and cost containment changes were introduced to the plan.

Included in the University's 2015 Audited Combined Statement of Operations is an annual expense in the amount \$22.5 million (2014 - \$23.2 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 \$227 million to \$581 million and an unweighted average of \$371 million. Western ranked 2nd in total liability for Employee Future Benefits. The ratio of obligations to total revenues ranged from 20.5% to 41.6% with an unweighted average of 30.4%.

Employee Future Benefits (EFB) Obligation and Expense as a % of Total Expenditures: 2011 to 2015

	Obligation (\$M)	Expense (\$M)	Total University Expenses (\$M)	EFB Obligation as % of Total	EFB Expense as % of Total
2011	\$287.4	\$23.3	\$952	30.1%	2.4%
2012	\$339.9	\$19.6	\$975	34.9%	2.0%
2013	\$362.6	\$22.6	\$1,009	35.9%	2.2%
2014	\$401.7	\$23.2	\$1,067	37.6%	2.2%
2015	\$482.3	\$22.5	\$1,084	44.4%	2.1%

C. Deferred Maintenance

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

The estimates of deferred maintenance are different than estimates of debt or employee future benefits in the previous sections. There are actual contracts in place for the first two that allow us to make reasonable estimates. For deferred maintenance, that is not the case; therefore, we have to find other ways to quantify this liability. In 2001, a common capital-asset management system was purchased by the Ontario University system to assess, track, and report on the condition of facilities. The system requires that each major component of a building – roof sections, classrooms, heating, ventilation, air-conditioning systems and so on – be inspected, either entirely or on a sample basis. Data on the findings of these inspections are entered into a central database. The system uses industry-standard cost and lifecycle data to forecast the timing and costs of capital renewal projects. The Facilities Management Division estimates that (as of February 29, 2016) deferred maintenance at Western is \$210 million for non-residential buildings and \$35 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 29, 2016 is as follows:

	Non-Residential Buildings	Combined Residences
Current Replacement Value (CRV)	\$1,852 million	\$ 411 million
Deferred Maintenance (DM)	\$210 million	\$35 million
DM/CRV	11.3%	8.5%

The average age of buildings for universities in the Province of Ontario was 42.9 years as of June 2015. Western's average age is 39.5 years. Over 57% of our buildings were built before 1980. Western's residences are funded through rents which cover maintenance; the University has never had a problem with deferred maintenance on residences. A ratio of 11.3% (Deferred Maintenance/Current Replacement Value) for non-residential buildings indicates a significant need for maintenance funding.

If the average component of a large building lasts 50 years, then on average, maintenance spending should be 2.0% of replacement value. This level of spending is a standard target in the industry. When the actual ratio is consistently less than 2.0%, as has been the case at most Canadian universities, the volume of deferred maintenance will grow. Failure to adequately address deferred maintenance results in substandard facilities and could result in the failure of critical systems. Based

on the current replacement value of our facilities at \$1.85 billion, spending on major maintenance for campus buildings at 2% should be in the range of \$37 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 2016-17, the base transfer will be increased by \$750,000 to \$14.75 million (2015-16, \$14.0 million) and will reach the intended maximum annual transfer of \$15.5 million in 2017-18.

As explained at the start of the Capital Budget, the maintenance transfer is used for Maintenance, Modernization, and Infrastructure (MMI). The administration is sometimes asked by faculty and staff if the MMI transfer is too large. As lines G and E in Table 15 show, the ratio of the MMI transfer to the current replacement value (CRV) of our nonresidential buildings, utilities, and infrastructure has been below 1% in recent years.

	Actual 2012-13	Actual 2013-14	Actual 2014-15	Projected 2015-16	Budget 2016-17
MMI (\$M)	\$ 11.75	\$ 12.50	\$ 13.25	\$ 14.0	\$ 14.75
CRV (\$M)	\$ 1,608	\$ 1,750	\$ 1,783	\$ 1,852	\$ 1,883
Ratio	0.73%	0.71%	0.74%	0.77%	0.78%

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

Line J of Table 15 presents an estimate of maintenance spending from all sources, with maintenance defined as spending required to bring aging facilities up to their condition when originally built. During the five years, 2006-07 through 2010-11, the ratio was about 2%, so that the level of deferred maintenance was stabilized. The University reached the 2% ratio with one-time funds from the provincial and federal governments, and by borrowing. The actual ratio in 2014-15, and the estimated ratios through 2016-17 have fallen short of 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. 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.