Budget and Planning Issues

Town Hall Meetings
October 23 and 29, 2019

Last Year . . . . . . . . . !!!
Year Ago – at this Time

- New Provincial Government
  - Committed to Expenditure Reductions
  - Uncertainties about PSE-related Funding
  - No word on Tuition Fees
- At Western
  - New Provost
  - Presidential Transition
  - Final Year of 4-Year Plan (i.e. 2018-19)
- Recommendation: 2-Year Transitionary Plan

January 2019
**Provincial Government Actions**

- Domestic Tuition Rolled-back 10% in 2019-20 and then held flat for 2020-21
- Student Choice Initiative – provides students “opt out” on some fees
- Changes to OSAP
- No public announcement on changes to Grants
  - However . . . About $4M cut in capital grants
- Government controls over 70% of our Operating Revenue

**Impact on Western’s Budget**

- Domestic Tuition Roll Back
  - Estimated Revenue Loss of $43M at the end of next 2 years
  - Partially offset by Increases in Int’l Tuition
- Changes to Ancillary Fee System
  - Lower revenues for some Student Services
- Changes to OSAP
  - Direct “financial impact” on students
  - Increased pressure on our Student Aid Budget
**Internal Planning Parameters**

- Implemented Two-Year Plan (2019-20 & 2020-21)
- Current Budget Approach Continues
  - 3% Inflationary Budget Adjustment (IBA)
  - Selective Investments through APF/SUPF
  - Funding for Strategic Priorities
  - Tuition Revenue Sharing with Faculties on Incremental Enrolments
- **Additional Base Reductions**
  - 2.5% in each of the 2 years, for a total base reduction of 5% -- on top of IBA

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**Strategic Priorities: Investments and New Initiatives in Year 1 (2019-20)**

<table>
<thead>
<tr>
<th>Priority Initiatives</th>
<th>Investment</th>
<th>Strategic Plan Pillars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing Our Endowments: The Endowed Chairs Matching Program</td>
<td>$12M One-Time</td>
<td>1, 3, 4</td>
</tr>
<tr>
<td>Long-Range Space/Capital Plan: Indigenous Spaces, Medical Facilities</td>
<td>$12M One-Time</td>
<td>1, 2</td>
</tr>
<tr>
<td>Efficiency and Innovation Fund</td>
<td>$10M One-Time</td>
<td>4</td>
</tr>
<tr>
<td>Strategic Expansion of Engineering: Multi-Year Self-Funding Plan</td>
<td>$8M One-Time &amp; $950K Base</td>
<td>1, 2, 4</td>
</tr>
<tr>
<td>Innovation &amp; Collaboration Hub in Imaging</td>
<td>$3M One-Time</td>
<td>1, 2</td>
</tr>
<tr>
<td>Postdoctoral Fellowships Program (Pilot)</td>
<td>$452K One-Time</td>
<td>1, 4</td>
</tr>
<tr>
<td>Entrepreneurship Initiatives</td>
<td>$400K Base</td>
<td>2</td>
</tr>
</tbody>
</table>
Internal Planning Parameters

• Other Planning Initiatives
  – Faculty Voluntary Retirement Program
    • 62 members accepted offer
    • Funding released remains within Faculty budgets
    • Faculty complement planning to be addressed through future planning cycles
    • Longer-term goal is faculty renewal
  – Staff Retirement Program
    • Program currently underway

Update on Efficiency & Innovation Fund

• Call for Proposal issued on March 12, 2019
• Aimed at “major initiatives that will support significant revenue generation and/or cost reductions”
• 25 Proposals Received (totaling $6.2M)
• 7 Proposals met the program’s parameters – and are being funded (total of $2M)
• 3 Proposals (involving IT infrastructure) are being pursued through other channels
Enrolments: The Main Driver of Operating Revenues

Feb 2019 SUEPP-approved Enrolment Plans
For Budget Planning Purposes – for 2019-20 and 2020-21

• Undergraduate
  – First-year class of 5,250 to 5,300
  – Which includes International intake of 680 to 730
    • Based on input from Deans and academic/educational quality considerations
    • We will do our best to expand further
• Graduate
  – Plans submitted by the Faculties
Full-Time Year 1 Undergraduate International Enrolment at Western

Western: Constituent University FTE Enrolment
Looking Ahead to 2020-21 and Beyond

Moving to Year 2 of Two-Year Plan

• External Context
  – Spring 2020 Provincial Budget ???
  – Moving to Performance-based Funding System
    – with no incremental monies

• Internal Planning at the Unit-level
  – Continue with Budget Parameters for Year 2
  – 3% IBA plus Additional 2.5% Reduction
  – Enrolment-related Revenue Sharing
  – APF and SUPF
University-wide Priorities under Consideration

• Indigenous Initiatives
  – Planning underway for New Facilities

• Entrepreneurship Initiatives
  – Planning underway for New Building

• Undergraduate International Enrolment
  – Exploring options for expansion . . .while ensuring diversification of source and destination

• On-Line Education
  – Provost’s Taskforce Established

University-wide Priorities under Consideration

• Data Analytics
  – Special Advisor to President Appointed

• Enhancing Scholarship/Research Impact & Profile
  – Vice-President (Research) collaborating with Provost and Deans
# Government’s Proposed Performance-based Funding System

## Performance/Outcomes Based Funding: Metrics and Timeline

<table>
<thead>
<tr>
<th>Funding Metrics:</th>
<th>2020-21 Max 35%, Min 10%</th>
<th>2021-22 Max 30%, Min 5%</th>
<th>2022-23 Max 25%, Min 5%</th>
<th>2023-24 Max 20%, Min 5%</th>
<th>2024-25 Max 20%, Min 5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Graduate Employment</td>
<td>Undergraduate</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2. Institutional Strength/Focus</td>
<td>Program(s) / Area(s)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>3. Graduation Rate</td>
<td>Undergraduate</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>4. Graduate Earnings</td>
<td>Undergraduate</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>5. Experiential Learning</td>
<td>Undergraduate</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>6. Skills &amp; Competencies</td>
<td>Undergraduate (TBD)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>7. Research Funding &amp; Capacity</td>
<td>Tri-Agency Funding, within Ontario</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>8. Community/Local Impact</td>
<td>Enrollment / Local Population</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>9. Institution Specific Metric</td>
<td>Re: Economic Impact (TBD)</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>10. Innovation</td>
<td>Research Revenue from Private Sector</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

**Accountability/Reporting Metrics:**

| a. Faculty Workload | TBD | X | X | X | X | X |
| b. Faculty Compensation | TBD | X | X | X | X | X |

| 100% | 100% | 100% | 100% | 100% |
## Estimates of Funding Envelopes – Ontario System

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Enrolment Funding (Corridor)</strong></td>
<td>92% $3.30B</td>
<td>68% $2.50B</td>
<td>58% $2.10B</td>
<td>48% $1.74B</td>
<td>38% $1.38B</td>
<td>33% $1.20B</td>
</tr>
<tr>
<td><strong>Special Purpose Grants</strong></td>
<td>6.7% $230M</td>
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</tr>
<tr>
<td><strong>Performance/Outcomes Based-Funding</strong></td>
<td>1.4% $51M</td>
<td>25% $898M</td>
<td>35% $1.26B</td>
<td>45% $1.62B</td>
<td>55% $1.98B</td>
<td>60% $2.16B</td>
</tr>
</tbody>
</table>

### Update on Capital Projects
Long-Range Space Plan

• Projects Underway or Soon-to-Start
  – Thames Hall Modernization
  – Weldon Library Renewal
  – Biomedical Research Facility
  – Ivey Spencer Leadership Centre
  – Entrepreneurship Facilities
  – Indigenous Learning Spaces
  – Pedestrian-Friendly Safe-Campus Initiatives

Long-Range Space Plan

• Projects under Discussion (in no particular order)
  – Renewal/Replacement/Expansion of Medical School Facilities
  – Renewal of Sports Facilities
  – Multi-level Parking Structures
  – Space for Student Career Services
  – Space realignment in Natural Sciences Centre
  – Community/Gathering Spaces – incl. Food Services
  – Renewal of Chemistry Facilities
Long-Range Space Plan

• For Future Consideration
  – Elborn College, Spencer Engineering Building, Social Sciences Centre
  – Other Library Facilities
  – Residence Projects
  – New Initiatives/Partnerships at the Research Parks
  – Sports Facilities – Indoor and Outdoor

End