



Western
UNIVERSITY • CANADA

2018-19 Operating and Capital Budgets

March 31, 2018

2018-19 Budget Highlights

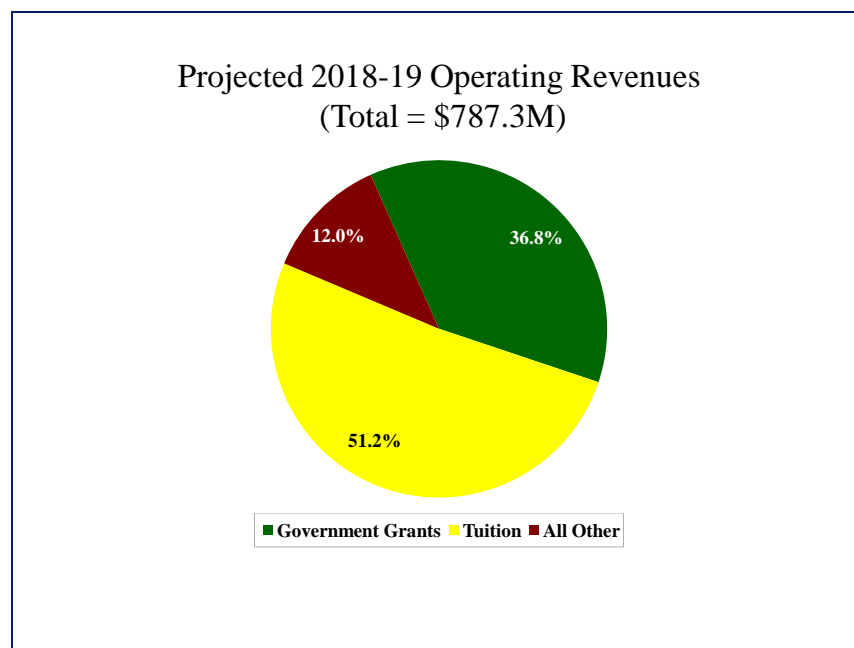
A. Introduction

Western's 2018-19 Operating and Capital Budgets move us into the final year of the 4-year budget plan spanning the period 2015-16 to 2018-19. This budget builds on the multi-year plan developed three years ago in the context of our Strategic Plan – *Achieving Excellence on the World Stage* – and with reference to the priorities outlined in the Faculty Academic Plans and the Support Unit Operational Plans. The budgetary context is one of constrained growth in revenues. The two major sources of revenue – government grants and tuition fees – have been confirmed for the final year of our 4-year planning period. The structure of grant funding has been modified where – starting with 2017-18 – grant funding for domestic enrolment growth is not being provided. The government has committed to keeping our overall level of provincial grant funding constant/flat up to the end of 2019-20. The current domestic student tuition framework – which allows for the overall average increase of 3% – is in place for 2018-19.

B. The 2018-19 Operating Budget

Revenues

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



Expenditures

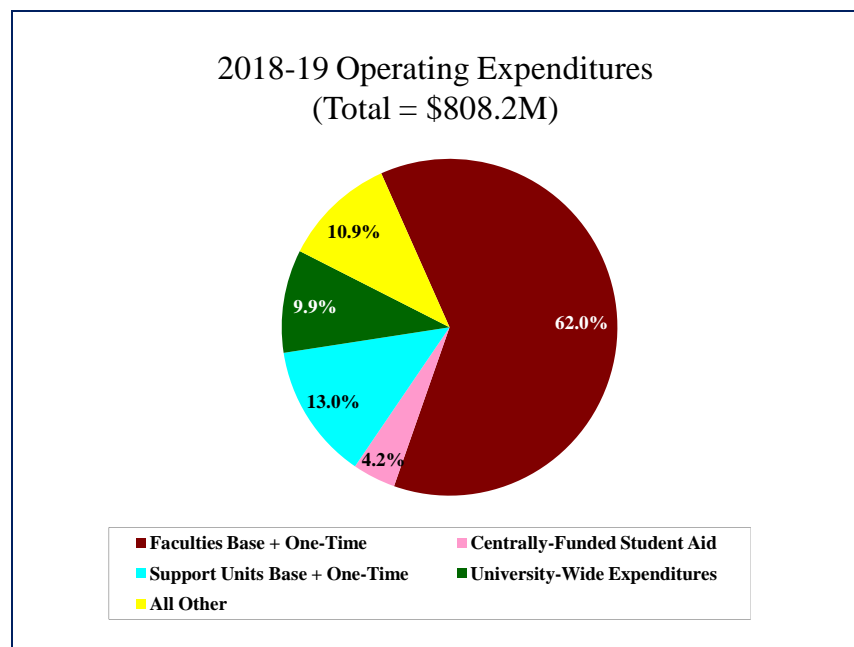
Total expenditures for 2018-19 are projected to be \$808.2 million, and include the following investments in new initiatives and priorities:

- Growing our endowments is a University priority – and, in support of this, a sum of \$15 million in one-time funding is being recommended to augment our ***Endowed Chairs Matching Program***.
- Western continues with its ***integrated long-range approach to space/facilities planning*** – and we are recommending one-time funding to support the following high priority projects:
 - Multi-phased renewal of the Weldon Library – including space realignment to create student spaces (\$15 million)
 - Creation of the Western Wellness Centre in Thames Hall (\$10 million)
 - Realignment of spaces in the Natural Sciences Centre to create student spaces – including renewal and realignment of the Taylor Library (\$10 million)
- The self-funding ***multi-year Engineering Expansion Plan*** that supports expansion of enrolments and faculty/staff complements, and the construction of a new building. In 2018-19, a sum of \$898,000 in base funding and \$6.8 million in one-time funding (to support the new Engineering Building – Three C+) are recommended.
- Support for ***Scholarship/Research Initiatives in the SSHRC Disciplines*** was identified as a high priority in the 2016-17 budget – and has been supported through the creation of an endowment with \$7.5 million in total allocations over the last two years. It is recommended that this endowment be supplemented by an additional \$2.5 million with a one-time allocation in 2018-19. This will result in an annual spendable amount of \$400,000 in the steady-state.
- As signaled in our Campus Master Plan (approved in June 2015) and re-iterated in recent budgets, we have started the multi-year plan to transform our campus into a ***vehicle-free, pedestrian-friendly, and safe campus*** (now known as the “***Open Space Strategy***”). In support of this, a sum of \$2 million in one-time funding is being recommended.
- We are continuing with a series of initiatives aimed at containing utilities costs into the future. In support of this, a sum of \$1 million in one-time funding is being recommended to implement campus-wide ***Energy Conservation Initiatives***.
- A new program aimed at attracting and retaining top-tier postdoctoral talent is being initiated as a 2-year pilot in 2018-19 – ***the Postdoctoral Fellowship Program***.. It is recommended that \$226,000 in one-time funding being allocated in the 2018-19 budget.
- Western’s Indigenous Strategic Plan was approved by Senate and the Board of Governors in October/November 2016. In order to support the priorities set out in that plan, it is recommended that \$600,000 in base funding be allocated in support of ***faculty appointments***

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

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

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



C. The 2018-19 Capital Budget

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

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

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

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

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

Table of Contents

<u>2018-19 Operating Budget</u>	Pages 1 to 37
A. Planning and Budgetary Context	1
B. Updates on Priorities and Initiatives from Last Year’s Budget	4
C. Priorities for the 2018-19 Budget and New Initiatives	7
D. Four-Year Operating Budget Summary	11
E. Summary of the 2018-19 Operating Budget	12
Table 1: Four-Year Operating Budget Outlook	13
Table 2: Summary of the 2018-19 Operating Budget	14
F. Details of the 2018-19 Operating Revenue Forecasts	15
Government Grants	15
Tuition Fees	15
All Other Revenues	15
G. Details of the 2018-19 Expenditure Recommendations	17
1. Faculty Budget Recommendations	17
2. Scholarships and Bursaries	20
3. Support Unit Budget Recommendations	20
4. University-wide Expenditures	21
5. One-Time Recommendations	22
Table 3: Operating Revenues	24
Table 4: Base Budgets for Faculties	25
Table 4a: Revenue Sharing Allocations for the Faculties	26
Table 5: Scholarships and Bursaries	27
Table 6: Base Budgets for Support Areas	28
Table 7: University-wide Expenditures	29
Table 8: One-Time Allocations	30
Table 9: Canada Research Chairs	31
Table 10: Research Infrastructure Support Fund	32
Table 11: Undergraduate Tuition Fees	33
Table 12: Graduate Tuition Fees	34
Table 13: Summary of Enrolment Forecast	35
Table 14: Update to Western’s Long-Range Space Plan	37

Table of Contents (cont'd)

<u>2018-19 Capital Budget</u>	Pages 38 to 48
A. The Evolution of Capital Expenditures	38
1. New Construction.....	39
2. Major Building Renovations	39
3. Utilities and Infrastructure Projects.....	39
4. Modernization of Instructional and Research Facilities.....	39
5. General Maintenance and Modernization Projects.....	39
6. Housing Renovations	39
7. Ancillary Projects	40
8. Carrying Costs and Debt Repayments.....	40
9. Other Capital Expenditures	40
B. Sources of Funding and Capital Expenditures in 2018-19	42
<u>Capital Budget Tables</u>	43 to 48
Table 15: Capital Budget Summary, 2014-15 to 2018-19	43
Table 16: Major Capital Projects	44
Table 17: Capital Budget Sources of Funding	45
Table 18: Capital Expenditures for New Construction and Major Building Renovations: 2017-18 and 2018-19.....	47
Table 19: Capital Reserves and Debt at Fiscal Year-End	48
<u>Long-Term Financial Trends</u>	Pages 49 to 53
A. Capital Reserves and Debt	49
B. Employee Future Benefits	51
C. Deferred Maintenance	52

ACRONYMS used in University Budget Document

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

2018-19 Operating Budget

A. Planning and Budgetary Context

The current planning cycle leads us to the final year of the 4-year budget plan spanning the period 2015-16 to 2018-19. This budget builds on the multi-year plan developed three years ago in the context of our Strategic Plan – *Achieving Excellence on the World Stage* – and with reference to the priorities outlined in the Faculty Academic Plans and the Support Unit Operational Plans.

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

- The Province has introduced a new University Funding Formula – the “corridor system”, where grant funding remains constant/flat starting in 2017-18. Provincial grants are now grouped into three broad categories – the Core Operating Grant (which is enrolment based and associated with the corridor), the Differentiation Envelope, and Special Purpose Grants.
- The current domestic tuition framework – which allows for an overall increase of 3% – ends with 2018-19.
- Undergraduate enrolments at Western are approaching steady-state – with planned modest increases in international enrolments.
- The net impact of these parameters is that our overall revenues are projected to grow by 2.7% in 2018-19.

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

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

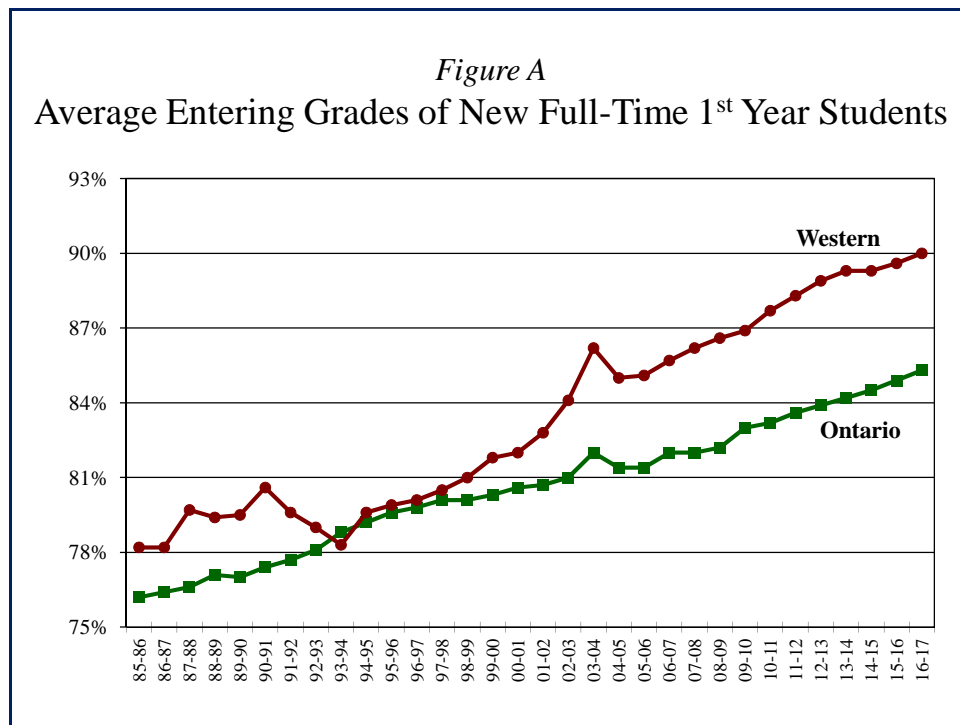
- Attract the brightest students as demonstrated through the highest entering grade average. Our first-year class is expected to be about 5,170 for the final year of the 4-year planning period.
- Over time, increase the number of undergraduate international students to 15% of the undergraduate student body. Our plan is to recruit 650 first-year international students next year.
- Increase the number of out-of-province students to at least 10% of the undergraduate student body. Our plan is to recruit 500 first-year out-of-province students.
- Increase graduate student enrolment to at least 20% of the total student body. The graduate enrolment plans from the Faculties are projected to take us just past this threshold at the end of this 4-year planning period.

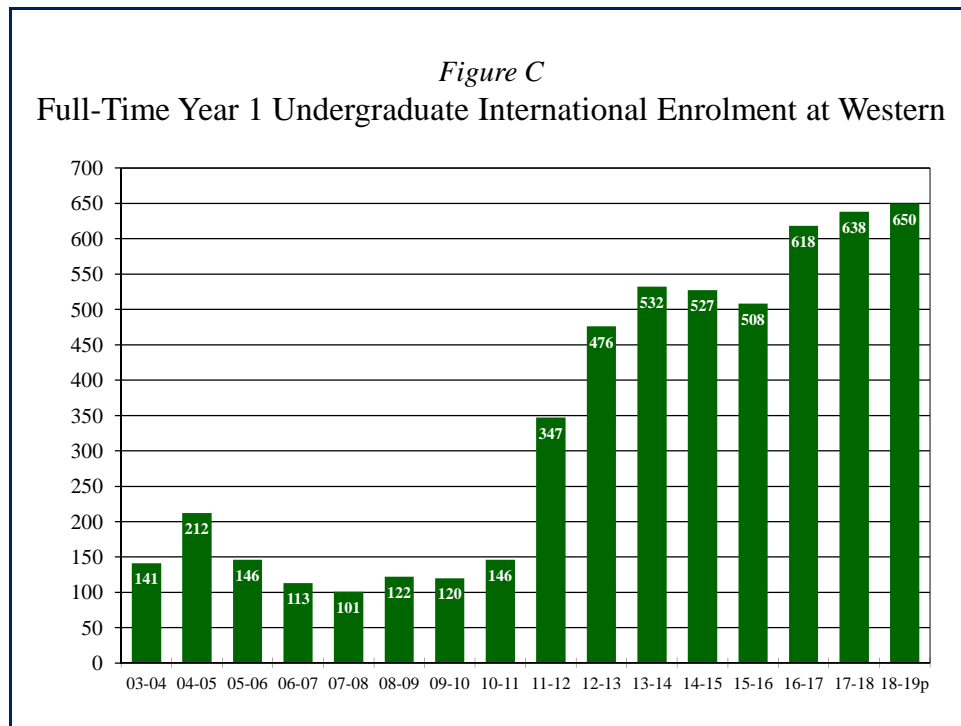
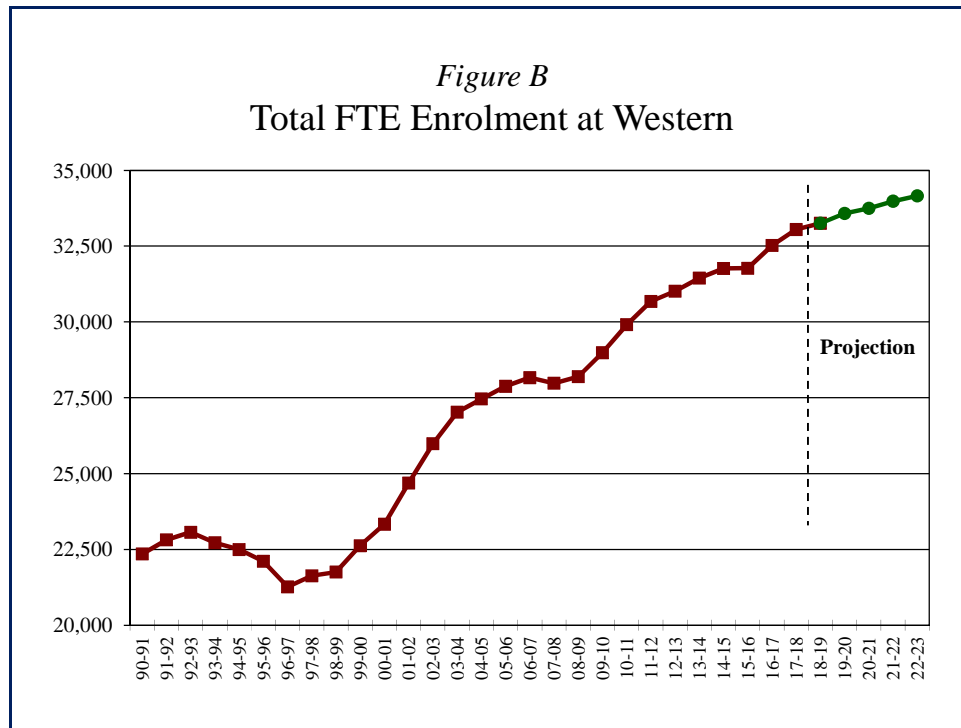
Our approach to enrolment planning allows us to make significant enhancements to the quality of education and the educational experience we offer our students:

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

- Graduation rates of our undergraduate students have been steadily increasing – and they are currently much higher than the rates at our peer universities in Canada and the United States. Nearly 84% of Western’s 2010-11 entering cohort graduated within 6 years.
- Our efforts in undergraduate international enrolment expansion resulted in 12.5% of our fall 2017 first-year class coming from other countries.
- Expansion of graduate enrolments (in areas of demand and capacity) continues to be a strategic priority at Western. The current plans from the Faculties show significant growth aspirations. In the current year, full-time graduate students comprise 19.4% of total full-time enrolment.
- Results of exit surveys and course/instructor evaluations at Western indicate that our students rate their courses, instructors, and the quality of their education very high.

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





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

The following initiatives were included in the 2017-18 Budget, and involved substantial investments.

1. Indigenous Initiatives

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

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

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

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

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

2. Growing our Endowment: The Endowed Chairs Matching Program

Growing our Endowment continues to be a high priority for the University – and this priority has been supported through the expansion of the Endowed Chairs Matching Program, which started in 2010-11. In 2017-18, a sum of \$25 million in one-time funding was added to this program – bringing the total to \$68.5 million over the 8-year period. From this \$25 million, a commitment was made to assign/hold a minimum of one chair to each Faculty for up to three years. If within this 3-year period (ending on April 30, 2020), private donations to match the chair are not identified, the funding and the chair will return to the central pool for reallocation to other Faculties.

3. Strategic Expansion of Engineering

The multi-year self-funding Engineering Expansion Plan – launched in 2015-16 is well underway. The plan includes expansion of undergraduate enrolment, faculty/staff complements, and space/facilities. The specific elements for 2017-18 were as follows:

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

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

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

The need to provide incremental targeted internal resources to support scholarship/research in the SSHRC disciplines was identified as a priority in the 2016-17 Budget – and a \$5 million endowment was established that year. In 2017-18, an incremental \$2.5 million was added to the endowment – bringing the total to \$7.5 million. In the steady-state, this \$7.5 million is expected to yield an annual amount of \$300,000 to support this priority.

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

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

6. Facilities Enhancements in the Faculties

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

7. Pedestrian-Friendly and Campus Safety Initiatives

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

8. Energy Conservation Initiatives

The University's utilities costs – after recoveries from self-funding operations – are projected to exceed \$25 million. In order to help contain utilities costs in the future, last year's budget allocated \$1.5 million in one-time funding in support of University-wide Energy Conservation Initiatives. These funds have been invested in campus-wide infrastructure projects such as insulation improvement, fume hood infrastructure enhancements, and upgrades to chilled water distribution systems, plumbing infrastructure, and electrical systems. These projects will help reduce electricity, water, and natural gas consumption – and the projected "payback" period for the \$1.5 million investment is less than four years.

9. Long-Range Space Plan

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

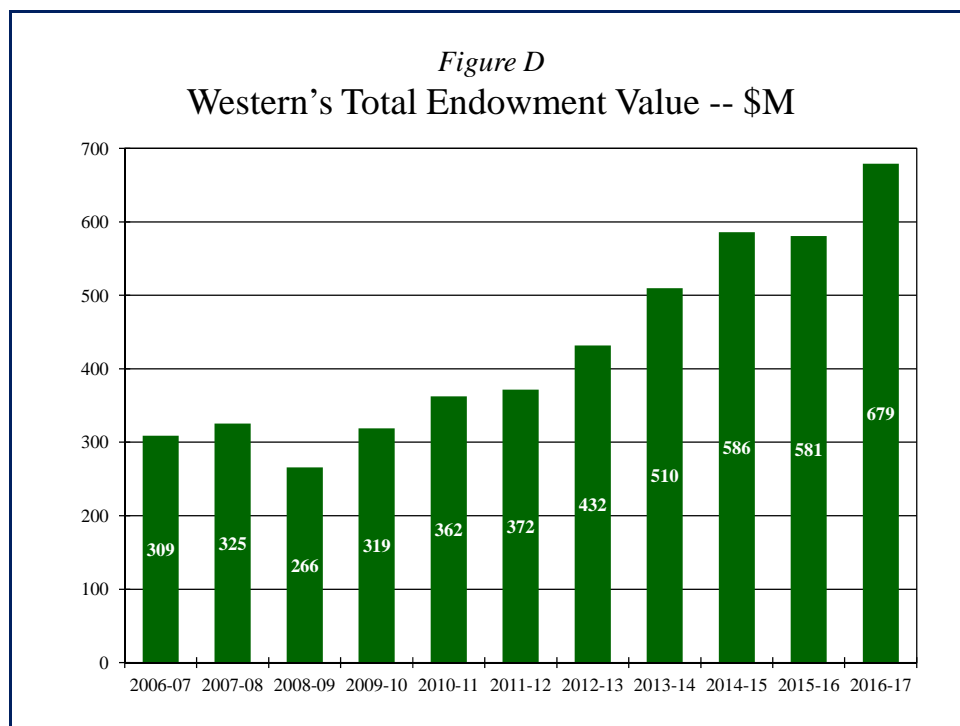
- Modernization of Thames Hall. The Project has been approved by the Board of Governors and we are currently in the process of selecting an Architect.
- The Integrated Learning and Innovation Centre (ILIC). This Project has been delayed for a short period of time, as we work through the multi-year funding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

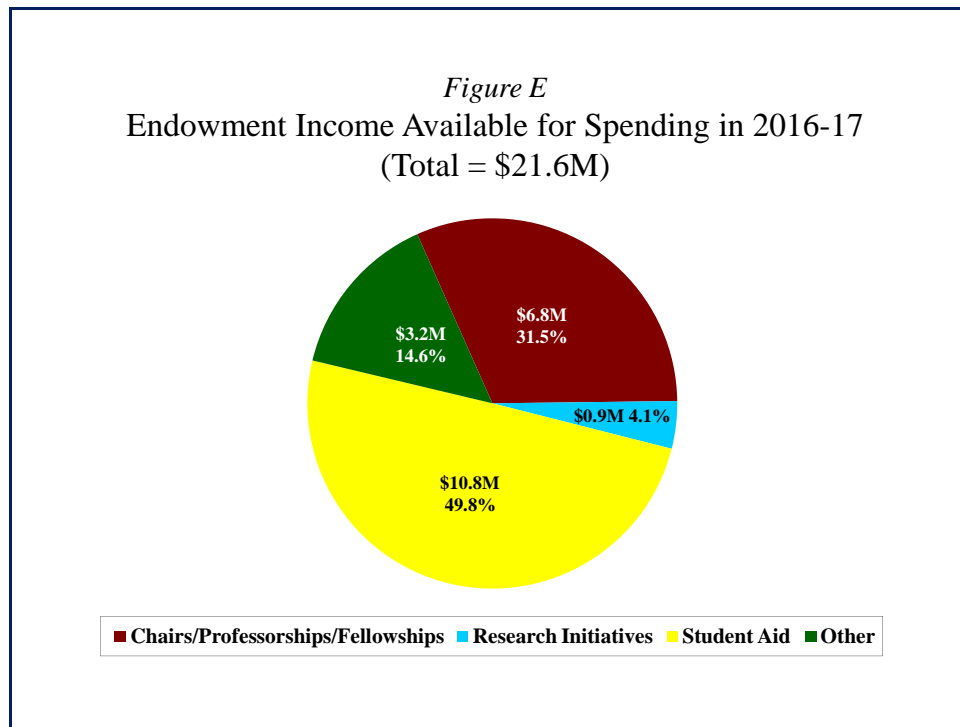
C. Priorities for the 2018-19 Budget and New Initiatives

1. Growing our Endowment: The Endowed Chairs Matching Program

Growing our Endowment is a high priority for the University – and our budgetary allocations in recent years to the Endowed Chairs Matching Program have directly supported this priority. Starting in 2010-11, a total of \$68.5 million has been allocated to support the Endowed Chairs Program. To-date, pledges have been committed for 23 endowed chairs (of a possible 40 to 45). The Vice-President External is in discussions with donors at various stages for an additional 15 to 20 chairs (ranging from \$3 million to \$5 million per chair) – which, if successful, will bring the total to 38 to 43 chairs. In addition, a further 22 to 25 chairs have been identified by Deans as high priorities. Given the success of this program, and in order to continue with the Endowed Chairs Matching Program, it is recommended that a sum of \$15 million in one-time funding be allocated in 2018-19 to support this high priority.

As noted above, building our endowments is a high priority for the University – and is a central component of our fundraising efforts. Endowments provide the University with substantial additional resources (incremental to the funds in the Operating Budget) in the form of on-going or base resources – to support faculty positions (chairs, professorships, fellowships), research initiatives, student aid, and other priority needs. Figure D shows the total value of Western’s endowments since 2006-07 and Figure E shows the funding that was available for spending from the endowments in 2016-17 by major category (totaling \$21.6 million).





2. Long-Range Space Plan

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

Category 1 of Table 14 lists the projects that are currently under way or soon-to-start and category 2 lists projects that are in various planning stages. In this budget, one-time funding is being recommended for the following major projects in categories 1 and 2:

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

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

3. Strategic Expansion of Engineering

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

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

- A transfer of \$6.8 million one-time to the Capital Budget to finance the new Engineering Building (ThreeC+).

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

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

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

As noted in recent budgets, campus expansion (buildings and people) has resulted in substantially increased vehicle traffic on campus – which in turn has increased concerns about pedestrian safety within our core campus. As signaled in our Campus Master Plan, we have started the multi-year journey to a vehicle-free pedestrian-friendly core campus – including the ultimate elimination of vehicular traffic, accommodation of the possible Bus Rapid Transit (BRT) System along the Board-approved route within our campus, improved pedestrian and bicycle access, and moving parking to the periphery of campus. It is recommended that a sum of \$2 million in one-time funding be allocated in 2018-19 to continue and expand the initiatives already underway (see section B.7 above).

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

6. Energy Conservation Initiatives

We are continuing with a series of initiatives aimed at containing utilities costs into the future. In support of this, a sum of \$1 million in one-time funding is being recommended to implement campus-wide Energy Conservation Initiatives.

7. The Postdoctoral Fellowships Program

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

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

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

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

8. Indigenous Initiatives – New Faculty Appointments

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

9. Support for Front-Line Student Mental Health Services

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

D. Four-Year Operating Budget Summary

We seek approval of the 2018-19 Budget as outlined in this document. The recommendations in this document have been guided by projections of operating revenues and expenditures for the final year of this 4-year planning period. These projections respect the requirement of an operating reserve at the Board-mandated minimum level of \$7.5 million at the end of the 4-year cycle. Table 1 summarizes our current forecast for 2018-19 – and the major underlying assumptions are as follows:

Revenues

- Provincial government grant funding remains constant for the final year – consistent with the new corridor funding system.
- The \$750 international student recovery by the Province (which is applied as a base grant reduction) continues in this 4-year planning period.
- All other government grants continue under the current arrangements/levels.
- Enrolment projections and plans (shown in Table 13) underlying the tuition revenue projections will be achieved.
- As previously communicated by the Provost (in early March), starting in the fall term of 2018, tuition fees for international Ph.D. students at Western will be set at the same level as domestic students. This approach is consistent with some of our sister research-intensive universities in Ontario – and will ensure that we are able to recruit outstanding international Ph.D. students.

Expenditures

- Enrolment-related revenue sharing allocations to the Faculties continues during this 4-year planning period, and the projections are shown in Table 4a. It should be noted that the 2018-19 allocations (which are based on 2017-18 enrolments/teaching) is the final year of the current revenue sharing system.
- Increases in non-salary costs for major University-wide budget items (e.g. utilities, insurance, IT infrastructure) will be consistent with recent trends and/or known cost escalations.
- We need to set aside the necessary funds to cover the operating costs of incremental space in our new facilities. It should be noted that the Faculties are responsible for covering 50% of the operating costs of incremental space.

Net Position and the Operating Reserve

- As can be seen in line 32 of Table 1, the Operating Reserve is projected to be at \$80.3 million at the end of the current year (i.e. 2017-18). The reserve is projected to be \$59.4 million at the end of the current 4-year planning period (i.e. 2018-19) – above the Board-mandated minimum level of \$7.5 million.

E. Summary of the 2018-19 Operating Budget

Table 2 summarizes the 2018-19 Operating Budget – including total revenues, expenditures by area, net position for the year, and the projected operating reserve.

Line 5: Total operating revenues are projected to be \$787.3 million in 2018-19 – an increase of 2.7% over 2017-18. Details of the operating revenues are shown in Table 3.

Line 13: Total expenditures are projected to be \$808.2 million in 2018-19 – an increase of 7.2% over 2017-18. Details of the expenditures (by area) are shown in Tables 4 through 8.

Line 14: The in-year net position is projected to be a surplus of \$12.6 million in 2017-18 and a deficit of \$20.8 million in 2018-19.

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

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

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

Table 2
SUMMARY OF OPERATING BUDGET: 2018-19

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

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

Government Grants

As a result of the Provincial Government's new funding formula, the overall level of grant funding will remain constant in 2018-19 (i.e. the same level as 2017-18). Consistent with the new funding formula structure, provincial grants are presented in three categories: the Core Operating Grant (enrolment based), the Differentiation Envelope, and Special Purpose Grants which are targeted towards specific provincial priorities.

Tuition Fees

The recommended tuition fee rates for 2018-19 are based on the current domestic tuition framework – and are shown in Tables 11 and 12. Tuition revenue projections are a function of tuition rates and the enrolment forecasts shown in Table 13.

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

Domestic Students

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

International Students

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

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

All Other Revenues

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

- Table 9 summarizes the CRC distribution at Western. Our current total allocation is 64 CRCs. There are currently 17 actively advertised CRC vacancies – with additional searches underway or planned to fill current or pending vacancies. The net effect of the transition in CRC occupancy is that, in 2018-19, we are projecting \$6.4 million for 42 chairs with incumbents.

- The Transfer from the Affiliated University Colleges represents payments for services and teaching provided to their students. The transfer rate for 2018-19 is at the steady-state level of 12% of the Colleges' grant and tuition revenue.
- Fundraising for needs-based Student Awards continues to be of high priority to the University. In 2018-19, we project a sum of \$7.3 million from this source.
- The revenue from Royalties and Licences includes patents/licences associated with the Robarts Research Institute.
- Western's self-funded operations and ancillary units generate substantial revenue for the University Operating Budget by way of recoveries associated with facilities costs and services provided by the University. The category also includes the payment from the Ivey Business School to the University for services provided by the University to Ivey – a component within the funding model for the Ivey School that was introduced in 2004-05.

G. Details of the 2018-19 Expenditure Recommendations

1. Faculty Budget Recommendations

Table 4 shows the 2018-19 **base budget recommendations** for Western's Faculties. Final 2018-19 base budgets are the net result of the following:

- Starting base budgets;
- The Initial Budget Adjustments (IBA) established as part of the multi-year budget plan;
- Faculty Turnover Recovery, which returns the greater of \$88,000 or 60% of the retiring or departing member's salary to the Faculty budget;
- Academic Priorities Fund (APF) allocations;
- Targeted government program expansion funding; and
- Funds associated with CRC positions (detailed in Table 9).

The **Initial Budget Adjustment (IBA)** – which reduces the base budget by 3% – is applied annually. This adjustment is required to help fund inflationary costs, which are primarily the annual employee salary increases as negotiated through collective bargaining agreements. It is also intended to provide central funding to support institutional priorities.

As an outcome of the 2016-17 planning cycle, in order to provide Faculties with resources to support faculty renewal, the **Faculty Turnover Recovery Program** was temporarily suspended. Turnover recovery is being waived for all tenured/probationary faculty retirements (or exits of faculty members at age 55 or higher) signed between February 1, 2016 and June 30, 2019 – where the faculty member leaves the University by July 1, 2019. Turnover recovery associated with all previous exits – which are currently built into the Faculties' budget plans – will be applied as planned.

The **Academic Priorities Fund (APF)** shown in line 18 of Table 4 was established in 2011-12. The Provost's APF recommendations are in direct response to requests from the Faculties – and are made in the context of the following considerations:

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

The **Faculty-specific APF base recommendations** for 2018-19 (shown in column <d> of Table 4) are:

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

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

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

As noted earlier (in section C.2.), the multi-year **strategic expansion of Engineering** will flow a sum of \$898,000 in base funding to the Engineering budget (Table 4, line 4, column e).

The **funding model for the Ivey Business School** – introduced in 2004-05 – flows all tuition fees and government grants deriving from the School’s enrolments directly to Ivey. Under this funding model, the Ivey School does not participate in the University’s other funding programs such as the APF or the Research Infrastructure Support Fund (RISF), and the School is responsible for all cost increases – including annual employee salary increases. The School also makes an annual payment to the central budget reflecting the cost of the services provided to the School by the University.

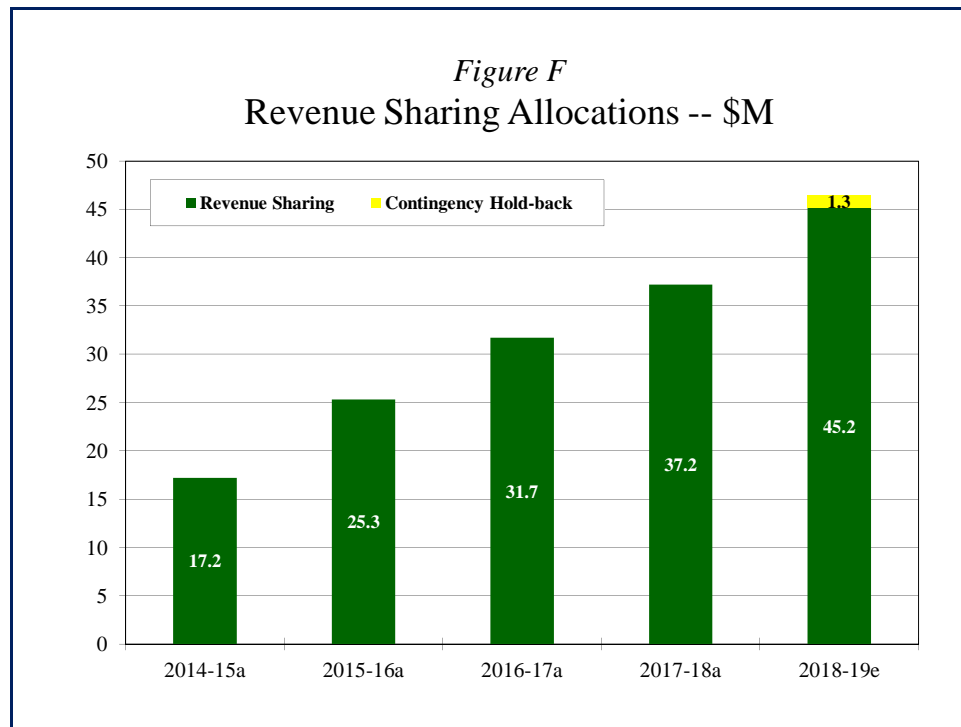
Over and above the base budget allocations, the Faculties receive substantial additional on-going funds through the **enrolment-related revenue sharing mechanism** that was implemented in 2011-12. The proportions of incremental revenues (tuition and applicable grant) flowing to the Faculties are as follows:

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

As noted earlier, the Provincial Government has confirmed the structure of the new University Funding Formula – which began in 2017-18. Under the new structure, the major portion of our grant funding which is associated with enrolments will be frozen – and domestic enrolment growth will not attract incremental grant funding. This, in turn, will have significant implications for the University budget and revenue sharing with the Faculties. Therefore, the 2018-19 budget is the final year for the current revenue-sharing mechanism (i.e. The allocations which are based on 2017-18 enrolments/teaching). Line 15 in Table 4 shows the projected \$46.5 million that will be available to the Faculties in 2018-19. The Faculty-specific breakdown of this \$46.5 million is shown in Table 4a. This amount is on top of a total of \$19 million that was rolled into Faculty base budgets in 2014-15.

The Faculties also receive additional budgetary support through:

- **Funding for targeted student financial awards in support of special recruitment efforts** – which are included in Table 5;
 - **One-time operating budget allocations** – which are detailed in Table 8 (lines 16 to 24);
 - **The Research Infrastructure Support Fund (RISF)** allocations shown in Table 10; and
 - Support for **Faculty-specific capital projects** through the University’s Capital Budget.
-



The one-time allocations shown in Table 8 include substantial funding to the Faculty of Arts & Humanities and the Don Wright Faculty of Music. These two Faculties are facing serious budgetary pressures and their operating budgets are in deficit situation – largely due to decline in enrolments, which is a nation-wide pattern. In order to manage the budget and work towards a balanced budget, the Provost and the respective Deans are working collaboratively on a multi-year plan that includes expenditure reductions in the Faculty budgets and incremental transitional budgetary support from the central budget. In 2018-19, the central budget allocation is \$1.9 million for the Faculty of Arts & Humanities and \$415,000 for the Don Wright Faculty of Music. These allocations mark the end of the transitional budget provisions – and the status of these Faculty budgets will be reviewed as part of the new 4-year planning cycle.

For information, a consolidated summary of the Provost’s allocation recommendations for the Faculties (from the various sources described above) is presented in Figure G. These recommendations are for the 2018-19 Budget – and, given our multi-year planning approach, should be considered in the context of resource allocations made in previous years.

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

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

Note: These recommendations are for the 2018-19 budget -- and, given our multi-year planning approach, should be considered in the context of resource allocations made in previous years.

2. Scholarships and Bursaries

Base budget allocations for centrally-funded student support are shown in Table 5. Overall student support funding is projected to be \$33.6 million in 2018-19.

- Fundraising for undergraduate and graduate student needs-based awards continues to be of high priority to the University. In 2018-19, we project a sum of \$7.3 million from this source.
- As the footnote in Table 5 indicates, graduate student funding is now addressed through the Faculty budgets – and the Faculty Plans estimate a total of \$58 million in 2018-19 for this high priority item.

3. Support Unit Budget Recommendations

Table 6 shows the 2018-19 base budget recommendations for Support Units. Final 2018-19 base budgets are the net result of the following:

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

The **Support Unit Priorities Fund (SUPF)** was established in 2011-12, and the unit-specific base allocations for 2018-19 (shown in column <c> of Table 6) are:

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

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

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

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

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

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

- **One-time operating budget allocations** – which are detailed in Table 8 (lines 27 through 40); and
- Support for **Unit-specific capital projects** through the University’s Capital Budget.

4. University-wide Expenditures

Table 7 summarizes University-wide Expenditures – expenses that extend across all areas of the University.

- The increase in the University’s physical plant **Utilities** is the net result of projected rate increases, utilization patterns, anticipated savings resulting from the implementation of energy efficiency initiatives, and the opening of new buildings.
- The **Library Acquisitions Budget** continues to be a high priority – and is being increased by \$300,000 to a level of \$15.4 million.
- The **Maintenance, Modernization, and Infrastructure (MMI)** transfer to the Capital Budget is being maintained at the Board-approved level of \$15.5 million. The status of this budget will be reviewed as part of the 2020-21 planning process.
- The **FRSF Transfer to Capital** continues at the \$3 million level – and these funds are used to support major projects in our Long-range Space Plan that involve research facilities.

- The **Information Technology Infrastructure Fund (ITIF)** supports rapidly-expanding University-wide central IT infrastructure – including our networks, wireless technologies, internet bandwidth, IT security infrastructure, general university computer labs, instructional support and eLearning software applications, central university databases, the hardware necessary to run the applications and databases, and maintenance costs associated with all the hardware and software.
- **Contingency** is being set at \$2 million – 0.25% of Operating Revenues, as in previous years.
- Western attracts outstanding students. Their recruitment, within an increasingly competitive environment, continues to be of high priority to the University – and the **Student Recruitment** base budget supports a wide array of recruitment activities, including out-of-province student recruitment initiatives.

5. One-Time Recommendations

The Faculties and Support Units will receive substantial one-time funding in 2018-19. The specific one-time recommendations are summarized in Table 8 – and include unit-specific items as well as allocations for University-wide initiatives.

- As described earlier in Section C of this document, the following high priority university-wide initiatives are recommended for support in the 2018-19 budget – with one-time allocations:
 - **Growing our Endowment – The Endowed Chairs Matching Program:** \$15 million.
 - **Support for our Long-Range Space Plan** – renewal of the Weldon Library (\$15 million), construction of the Western Wellness Centre in Thames Hall (\$10 million), and creation of student spaces in the Natural Sciences Centre and renewal of the Taylor Library (\$10 million).
 - Multi-year **Financing of the New Engineering Building (ThreeC+):** \$6.8 million
 - Support for **Scholarship/Research Initiatives in the SSHRC Disciplines:** \$2.5 million
 - **Pedestrian-Friendly and Campus Safety Initiatives** – \$2 million.
 - **Energy Conservation Initiatives** – \$1 million.
 - The **Postdoctoral Fellowships Pilot Program** – \$226,000
- A sum of \$1 million is being committed to support the hosting of the **2020 SSHRC Congress**.
- **Space realignment in Alumni Hall** is required to accommodate the Sports & Recreation Services support spaces along with **relocation of general university spaces** – both of which will be displaced from Thames Hall, at an estimated cost of \$1 million.
- **Replacement of the Artificial Turf in TD Stadium** is being supported with an allocation of \$1 million.
- **Modernization of our Instructional Facilities** is an on-going priority – and is being supported through a one-time allocation of \$1 million.
- As a result of a funding partnership arrangement between the University Students' Council, the Society of Graduate Students, and the University, we created two **artificial turf playing fields** in 2013-14. The 24-year arrangement involves revenues from a targeted student fee and annual

contributions from the University. In 2018-19, the University's contribution amounts to \$264,100.

- A sum of \$1.9 million is being allocated to the Vice-President (Research) to support a number of **research-related initiatives**, including research promotion and commercialization of intellectual property.

Table 3
2018-19 OPERATING REVENUES

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

Table 4
FACULTIES

	<a>		<c>	<d>	<e>	<f>	<g>
	2017-18 Base Budget (@March 31, 2018)	IBA	Faculty Turnover Recovery	APF	Other Base Changes	Canada Research Chairs	Resulting 2018-19 Base Budget
1	Faculties						
2	Arts & Humanities	-841,521	-167,265	110,000		170,000	32,252,959
3	Education	7,873,917	-258,677				7,487,073
4	Engineering	30,515,592	-705,005		897,901		30,708,488
5	Health Sciences	30,097,336	-790,191	100,000			29,334,086
6	Information & Media Studies	10,201,161	-278,835	150,000			9,974,796
7	Law	7,931,176	-217,765				7,615,325
8	Medicine & Dentistry	63,117,452	-1,721,510			-260,000	61,062,692
9	Music	10,316,628	-280,012				10,036,616
10	Science	58,062,865	-1,491,075	125,000			56,607,061
11	Social Science	57,100,204	-1,529,535	500,000		180,000	56,134,666
12	Sub-Total Faculties (excluding Business)	308,198,076	-8,114,126	985,000	897,901	90,000	301,213,762
13	Business	77,840,487			2,008,470		79,848,957
14	Sub-Total Faculties	386,038,563	-8,114,126	985,000	2,906,371	90,000	381,062,719
15	Revenue Sharing Allocation	37,195,843			9,284,483		46,480,326
16	Research Infrastructure Support Fund (RISF)	750,000					750,000
17	Faculty Recruitment Initiatives	907,052			600,000		1,507,052
18	Academic Priorities Fund (APF)	11,877,335					11,877,335
19	Total -- with Revenue Sharing Allocation	436,768,793	-8,114,126	985,000	12,790,854	90,000	441,677,432
20	All Other						
21	Western Strategic Success Programs	1,500,000					1,500,000
22	Continuing Studies: Trois-Pistoles	1,042,598			9,233		1,051,831
23	Education: Continuing Education for Teachers	1,199,880					1,199,880
24	Medicine & Dentistry: International Students and Primary Care	10,043,088			3,251,597		13,294,685
25	Medicine & Dentistry: Robarts	5,151,649			-713,532		4,438,117
26	Faculty Share of Research Overheads	1,075,000					1,075,000
27	Faculty Scholars & Distinguished University Professors	239,000					239,000
28	Graduate and Undergraduate Program Reviews	140,000					140,000
29	Recoverable Salaries	27,376,000			584,147		27,960,147
30	Sub-Total	47,767,215			3,131,445		50,898,660
31	Total Academic Units	484,536,008	-8,114,126	985,000	15,922,299	90,000	492,576,092

Table 4a
FACULTIES: REVENUE SHARING ALLOCATIONS

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

Table 5
SCHOLARSHIPS and BURSARIES

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

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

Table 6
SUPPORT AREAS

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

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

Table 7
UNIVERSITY-WIDE EXPENDITURES and EMPLOYEE BENEFIT COSTS

		<a>		<c>	<d>
		2017-18 Base Budget (@March 31, 2018)	New Investment	Other Changes	Resulting 2018-19 Base Budget
1	Utilities	23,665,159		2,019,981	25,685,140
2	Library Acquisitions	15,115,896	300,000		15,415,896
3	Transfer to MMI: Operating	15,500,000			15,500,000
4	Transfer to MMI: Ancillaries	600,000			600,000
5	FRSF Transfer to Capital	3,000,000			3,000,000
6	CRC Transfer to Capital	680,000		8,000	688,000
7	Information Technology Infrastructure Fund (ITIF)	9,663,083		460,147	10,123,230
8	Property Taxes	2,236,950		52,200	2,289,150
9	Insurance	1,671,300		87,000	1,758,300
10	Contingency	1,891,083		77,279	1,968,362
11	Services for Students with Disabilities	1,208,699			1,208,699
12	Professional Fees	1,282,500			1,282,500
13	Institutional Memberships	1,150,000			1,150,000
14	Student Recruitment	850,000			850,000
15	Sports and Recreation Services - Subsidy	919,983		8,932	928,915
16	Convocation and Diplomas	340,000			340,000
17	Costs Associated with Employee Contracts	589,000			589,000
18	Ombudsperson	108,539			108,539
19	University Surveys and Teaching Evaluations	75,000			75,000
20	Centre for Research on Violence Against Women and Children - Subsidy	55,000			55,000
21	Museum of Ontario Archaeology - Subsidy	50,000			50,000
22	Total University-wide Expenditures	80,652,192	300,000	2,713,539	83,665,731
23	Employee Benefit Plan Costs	109,872,006		7,429,994	117,302,000
24	Employee Benefit Recoveries	-117,775,000		-3,084,000	-120,859,000
25	Net Employee Benefits	-7,902,994		4,345,994	-3,557,000
26	Net University-wide Expenditures	72,749,198	300,000	7,059,533	80,108,731

Table 8
2018-19 ONE-TIME ALLOCATIONS

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

Table 9
CRC Allocations -- by Faculty (Cumulative)

		2017-18 Final						2018-19 Preliminary					
		Tier 1		Tier 2		Total		Tier 1		Tier 2		Total	
		N	\$	N	\$	N	\$	N	\$	N	\$	N	\$
1	Arts & Humanities	2	340,000	1	90,000	3	430,000	3	510,000	1	90,000	4	600,000
2	Business	2	340,000	0	0	2	340,000	2	340,000	0	0	2	340,000
3	Education												
4	Engineering	3	510,000	4	360,000	7	870,000	3	510,000	4	360,000	7	870,000
5	Health Sciences	2	340,000	1	90,000	3	430,000	2	340,000	1	90,000	3	430,000
6	Info & Media Studies												
7	Law												
8	Medicine & Dentistry	7	1,190,000	5	450,000	12	1,640,000	6	1,020,000	4	360,000	10	1,380,000
9	Music												
10	Science	4	680,000	6	540,000	10	1,220,000	4	680,000	6	540,000	10	1,220,000
11	Social Science	2	340,000	2	180,000	4	520,000	2	340,000	4	360,000	6	700,000
12	Total to Faculties	22	3,740,000	19	1,710,000	41	5,450,000	22	3,740,000	20	1,800,000	42	5,540,000
13	Total CRC Funding		4,400,000		1,900,000		6,300,000		4,400,000		2,000,000		6,400,000

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

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

Table 11
2018-19 TUITION FEE PROPOSALS FOR UNDERGRADUATE PROGRAMS

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

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

The % increase figures are calculated on the previous year of study in the previous academic year;
for example, the % increase for year 2 is the increase over the year 1 tuition in the previous academic year.

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

Table 12
2018-19 TUITION FEE PROPOSALS FOR GRADUATE PROGRAMS

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

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

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

Revised on April 13, 2018

Table 13
SUMMARY OF ENROLMENT FORECAST

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

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

Revised on April 13, 2018

Table 13
SUMMARY OF ENROLMENT FORECAST

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

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

For Information

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

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

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

Note: within each category, the projects are not prioritized

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

2018-19 Capital Budget

A. The Evolution of Capital Expenditures

The Capital Budget for 2018-19 should be seen in the context of both recent trends in capital spending and the University's proposed Long-Range Space Plan as outlined in Table 14 of the Operating Budget portion of this document. Table 15 sets out expenditures in the Capital Budget since 2014-15 in nine categories.

Category 1 shows all new construction, while categories 2 to 7 show renovations to existing space. Category 1 expenditures are usually funded from general University funds, the major exceptions being projects funded all or in part from external research grants, private funds, government, student contributions, and Housing construction – the latter being funded from the Housing budget. Categories 2 to 5 are funded primarily from general university funds and government, while category 6 is funded from Housing operations, and category 7 is funded by the particular Ancillary Unit undertaking the work. Categories 8 and 9 involve carrying costs and loan repayments, and other expenditures such as purchases of land and buildings and transfers from the capital budget for other purposes. Planned capital expenditures for 2018-19 total \$104.2 million.

Categories 2 to 5 involve **Maintenance, Modernization, and Infrastructure (MMI)** and are eligible to receive funds from the annual MMI transfer from the operating budget to the capital budget, which is budgeted to remain at \$15.5 million in 2018-19 (\$15.5 M in 2017-18). These are expenditures directed at modification of existing space and renewal and expansion of the utilities and infrastructure of the University.

In planning future expenditures on Maintenance, Modernization, and Infrastructure, it is useful to review the value of our current fixed assets on campus. At February 14, 2018, our buildings and infrastructure have a current replacement value (CRV) of approximately \$2,519 million, as follows:

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

At February 14, 2018, the University had 547,000 gross square metres in 71 major non-residential buildings, ranging in size from the Cronyn Observatory (338 square metres) to the Social Science Centre (33,757 square metres). Those buildings, and \$210 million in utilities and infrastructure, are the physical assets generally eligible for MMI expenditures. On that same date, the University had 258,000 square metres of Housing space in eleven major undergraduate residences, four major apartment buildings, and numerous smaller buildings for graduate students in Platt's Lane Estates. Other than Housing, there are many buildings which are operated largely or entirely as ancillaries: Western Student Recreation Centre, Thompson Recreation and Athletic Centre, TD Stadium, Boundary Layer Wind Tunnel, Child Care Centre, the Ivey Spencer Leadership Centre, and facilities at the Research Parks.

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

- 1. New Construction.** This category includes projects which create new buildings, including housing, additions to existing buildings, and other new facilities such as parking structures or lots, power plants and athletic fields. It does not include projects which improve the space within existing buildings or projects which upgrade other existing facilities.
- 2. Major Building Renovations.** This category involves major maintenance and renovation expenditures on non-residential building projects – and the projects generally span more than one year. Of the 547,000 square metres in major buildings, 51% was built before 1980, so renovations to major buildings will be a continuing part of University capital planning.
- 3. Utilities and Infrastructure Projects.** This category involves projects with values greater than \$10,000 directed at the upgrading and new installation of utilities and other infrastructure, including boilers and chillers, as well as electrical, water, and sewer distribution systems. Construction of a new Chiller Plant or major Power Plant expansion would be included in Category 1. Given that most of our Utilities and Infrastructure plant and equipment is over thirty years old, these projects will continue to be a critical part of our capital budget. It is noted that proposed projects in this category include many that are devoted to the renewal of portions of our steam, water and chilled water systems. Major projects in future years will include Central Power Plant upgrades, chiller capacity expansion, continued work on electrical distribution systems, and energy conservation initiatives.
- 4. Modernization of Instructional and Research Facilities.** This category includes the renewal and modernization of classrooms, laboratories, libraries, and other space used for instruction and research, as well as upgrades to information technology. These expenditures are critical to maintaining Western's reputation as a leader in the quality of teaching and research. These projects are sometimes funded by the units themselves with operating or research funds.
- 5. General Maintenance and Modernization Projects.** This category consists of a wide variety of maintenance and modernization projects which are not included in categories 2 to 4. Most of the projects are under \$100,000, involving such work as roof replacement, interior and exterior painting, road, bridge, and sidewalk repair, and general maintenance of structures and systems. A provision for unforeseen projects forms part of the allotment in this category.
- 6. Housing Renovations.** This category includes all maintenance and modernization expenditures on University residences and apartment buildings. Construction of a new residence or apartment

building would be included in category 1. Maintenance and modernization expenditures, projected to be \$13.2 million in 2018-19, are funded from Housing revenues. Housing has always set aside adequate maintenance funds and does not have the significant deferred maintenance on its buildings which may be observed in many other University buildings.

7. **Ancillary Projects.** This category includes capital expenditures on Ancillaries other than Housing, including Hospitality Services, the Book Store, Parking Services, student fee-funded units, self-funded support units, and self-funded research units. These units pay a charge to the University for the space they occupy.
8. **Carrying Costs and Debt Repayments.** This category consists of principal repayments and interest on debt for capital projects.
9. **Other Capital Expenditures.** This category includes asset acquisitions and other miscellaneous expenditures. It has been an established principle in Western's Campus Master Plan that the University pursue, as appropriate, the purchase of lands contiguous to University property as lands become available. Western will continue to seek to protect the Regional Facilities zoning around the main campus and to buy land near our campus when it comes up for sale. The University will also look to acquire strategic physical assets.

The last twelve lines of Table 15 are labeled A to M. Line A shows total sources of funding for the capital budget, including debt; B, sources of funds less expenditures; C, the capital reserve at year-end (which changes each year by the amount in line B); and D, capital debt outstanding at year-end. Details on these items are shown in Tables 17 and 19. Annual changes in the Capital Reserve (line C) are driven by the differences between funding and expenditure (line B). Thus for 2016-17, line B shows a deficit of \$1,853, the difference between funding of \$92,798 (all figures in \$000) and expenditures of \$94,651. The capital reserve in line C decreases by this same amount of \$(1,853), reflecting a decrease in the capital reserve.

Line E shows the replacement value of non-residential buildings and utilities and infrastructure – the assets eligible for MMI spending -- while line F shows the ratio of the annual MMI expenditure to the replacement value. For example, in 2016-17, MMI expenditures were \$34.1 million, while the estimated replacement value of non-residential buildings, utilities, and infrastructure was \$1.91 billion. The ratio of the two is 1.8%, as shown in line F.

Line G of Table 15 shows the annual transfer from the operating budget to the capital budget for Maintenance, Modernization, and Infrastructure (the MMI transfer). As part of the 1995 Strategic Plan, the Board of Governors approved an incremental annual base transfer of \$750,000 from operating to capital in support of maintenance spending for ten years, from 1996-97 to 2005-06. Since there was an existing transfer of \$500,000 in 1995-96, the annual transfer was \$8.0 million in 2005-06. In 2004, Western's Board of Governors approved the recommendation that the base transfer of \$750,000 be continued for another ten years after 2005-06 until 2015-16, when the annual transfer will be \$15.5 million. This commitment established Western as a leader among Canadian universities in maintaining its facilities and dealing with deferred maintenance. For 2009-10 and 2010-11, given the financial constraints faced by the University at that time, the Board approved the annual transfer be held at \$10.25 million. Since that time the base transfer has resumed. In 2018-19, the base transfer will be maintained at the current maximum annual transfer of \$15.5 million (2017-18, \$15.5 million).

Line H of Table 15 shows the ratio of the annual MMI transfer to total MMI expenditures; for example, in 2016-17, the transfer was \$14.75 million and MMI expenditures were \$34.1 million, so the ratio in line H is 43.3%. Other sources of funding for MMI expenditures include the annual capital facilities renewal grant from the Province (projected for 2017-18 and 2018-19 at \$3.5 and \$4.6 million respectively), special Provincial grants; additional one-time allocations from the University's operating budget; additional one-time allocations from the Province; fundraising; and borrowing.

Line J contains an estimate of maintenance spending, defined narrowly as spending required to bring aging facilities up to their condition when originally built. In fact, whenever Western undertakes a major maintenance project, there is also modernization of the facility, and whenever we carry out a major modernization project, there is generally some maintenance expenditure; it is thus difficult to separate the two. Line J is calculated on the assumption that 2/3 of the expenditures in categories 2, 3, and 5 involve maintenance (the remaining 1/3 involve modernization), while 1/3 of the expenditures in category 4 is for maintenance (the remaining 2/3 involves modernization). While these ratios would vary by project and by year, Facilities Management considers them a reasonable average for the four categories over a number of years.

The value of line J in 2016-17 is \$20.1 million, or (in line K) 1.1% of the replacement value in that year. A standard target in industry for this ratio is 2.0%: if large buildings last an average of 50 years, then on average maintenance spending should be 2.0% of replacement value. When the actual ratio is consistently lower than 2.0%, as has been the case at Western and most Canadian universities over the last three decades, the level of deferred maintenance will grow. As Western continues to renovate aging buildings, there will be years that deferred maintenance will decline.

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

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

B. Sources of Funding and Capital Expenditures in 2018-19

Table 17 displays sources of funding for budgeted capital expenditures with estimates of comparative data for 2017-18, divided into six major categories: federal, provincial and municipal government grants; funds transferred from Western's operating budget; interest earned; undistributed investment returns; general fundraising; borrowing; and other sources, including internal recoveries. As compared to a decade ago, the University's capital budget is more dependent on transfers from the operating budget and debt.

Table 18 shows expenditures in Categories 1 and 2, for 2017-18 (estimates as of January 31, 2018) and 2018-19 (current proposals).

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

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

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

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

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

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

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

Table 16
MAJOR CAPITAL PROJECTS

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

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

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

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

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

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

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

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

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

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

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

Line 3 includes fund balances for large capital projects.

Long-Term Financial Trends

The Operating and Capital Budgets set out in this document describe, in Tables 2 and 15, proposed spending of some \$912 million for the single year of 2018-19. That spending will take place, however, in a longer term context which must be understood in evaluating the Operating and Capital Budgets. The Administration and Board have identified three elements of that longer term context which should be reviewed in the annual Budget of the University: capital reserves and debt, employee future benefits, and deferred maintenance. These three items are described below.

The long term context for Western changed in May 2007, when the University issued its first debenture, for \$190 million. Western issued a further \$100 million debenture in December 2017. As part of this process, the University received a credit rating of AA from Standard & Poor's. This credit rating was reaffirmed in February of 2018. Part of the credit rating evaluation focused on a number of long-term obligations that the University manages on an ongoing basis, including the three which we review below.

A. Capital Reserves and Debt

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

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

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

Capital Debt is divided into the following categories:

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

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

In 2002-03, the Board of Governors approved a Capital Debt Policy, which included a limit of \$7,500 in debt per student full-time equivalent (FTE). In 2005-06, the Board policy was modified to increase the \$7,500 each year by the change in the CPI, beginning in 2002. The table below shows the allowed debt per FTE (shown with indexation beginning in 2003-04) and actual debt per FTE; the figures are for years ending on April 30th. Debt was increased significantly in 2008 due to the issuance of the \$190 million debenture, in 2013 when the University entered into a \$100 million fifteen-year facility to finance the new 1,000 bed residence and other capital projects, and in 2017 with the issuance of a \$100 million debenture.

	Actual		Forecast	
	2016	2017	2018	2019
Total Debt (in millions)	\$291	\$284	\$376	\$368
FTE Enrolment	31,772	32,528	33,051	33,257
Allowable debt per FTE	\$9,772	N/A	N/A	N/A
Actual debt per FTE	\$9,170	\$8,722	\$11,375	\$11,055
Debt room per FTE	\$602	N/A	N/A	N/A

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

The projected debt is based on Board-approved projects with allowance for other projects which may be presented to the Board during the period under consideration.

	Debt (\$M)	Combined Revenue (\$M)	FTE Enrolment	Revenue per FTE	Debt / Revenue (%)
2014	306.7	1159.3	31,448	36,864	26.5%
2015	299.0	1160.4	31,765	36,530	25.8%
2016	291.4	1152.9	31,772	36,287	25.3%
2017	283.7	1288.8	32,528	39,621	22.0%
2018 p	375.9	1198.2	33,051	36,253	31.3%

B. Employee Future Benefits

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

These employee future benefits are determined using actuarial valuations every three years. In the years between valuations, an extrapolation of the actuarial valuation is used to determine the projected benefit obligations. At April 30, 2017, the University's accrued benefit liability relating to the employee future benefit plans was \$474 million (2016 - \$526 million).

Cost containment of active and post-retirement benefits has been a focus in recent negotiations. For staff, Western reduced the age limit for dependent coverage and increased service requirements to qualify for post-retirement benefits to 10 years. For faculty, the threshold for eligibility has been increased from 5 to 10 years for all new employees and cost containment changes were introduced to the plan.

Included in the University's 2017 Audited Combined Statement of Operations is an annual expense in the amount of \$28.9 million (2016 - \$25.4 million) for non-pension employee future benefits.

A recent review of major research universities identified only five institutions with significant post-employment benefit obligations greater than \$200 million, ranging from \$223 million to \$594 million and an unweighted average of \$358 million. Western ranked second in total liability for Employee Future Benefits. The ratio of obligations to total revenues ranged from 18.5% to 36.7% with an unweighted average of 24.0%.

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

	Obligation (\$M)	Expense (\$M)	Total University Expenses (\$M)	EFB Obligation as % of Total	EFB Expense as % of Total
2013	\$362.6	\$22.6	\$1,009	35.9%	2.2%
2014	\$401.7	\$23.2	\$1,067	37.6%	2.2%
2015	\$482.3	\$22.5	\$1,084	44.5%	2.1%
2016	\$525.7	\$25.4	\$1,107	47.5%	2.3%
2017	\$473.5	\$28.9	\$1,149	41.2%	2.5%

C. Deferred Maintenance

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

The estimates of deferred maintenance are different than estimates of debt or employee future benefits in the previous sections. There are actual contracts in place for the first two that allow us to make reasonable estimates. For deferred maintenance, that is not the case; therefore, we have to find other ways to quantify this liability. In 2001, a common capital-asset management system was purchased by the Ontario University system to assess, track, and report on the condition of facilities. The system requires that each major component of a building – roof sections, classrooms, heating, ventilation, air-conditioning systems and so on – be inspected, either entirely or on a sample basis. Data on the findings of these inspections are entered into a central database. The system uses industry-standard cost and lifecycle data to forecast the timing and costs of capital renewal projects. The Facilities Management Division estimates that (as of February 14, 2018) deferred maintenance at Western is \$210 million for non-residential buildings and \$36 million for residences. Slightly more than 50% of the deferred maintenance for non-residential buildings relates to mechanical, electrical, and infrastructure requirements. Other major components include maintenance driven by code requirements and maintenance for roofs and windows.

A common measure for determining the overall condition of facilities is the ratio of deferred maintenance over replacement value of the facilities. The calculation for February 14, 2018 is as follows:

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

The average age of buildings for universities in the Province of Ontario was 42.9 years as of June 2016. Western's average age is 37.7 years. Over 51% of our buildings were built before 1980. Western's residences are funded through rents which cover maintenance; the University has never had a problem with deferred maintenance on residences. A ratio of 10.6% (Deferred Maintenance/Current Replacement Value) for non-residential buildings indicates a significant need for maintenance funding.

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

As part of the 1995 Strategic Plan, the Board of Governors approved an incremental annual base transfer of \$750,000 from operating capital in support of maintenance spending for ten years, from 1996-97 to 2005-06. In 2004, Western's Board of Governors approved the recommendation that the base transfer of \$750,000 be continued for another ten years after 2005-06, until 2015-16, when the annual transfer will be \$15.5 million. However, for 2009-10 and 2010-11, the annual transfer was maintained at \$10.25 million. For 2018-19, the base transfer will remain at the current maximum of \$15.5 million (2016-17, \$15.5 million).

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

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

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

Line J of Table 15 presents an estimate of maintenance spending from all sources, with maintenance defined as spending required to bring aging facilities up to their condition when originally built. During the five years, 2006-07 through 2010-11, the ratio was about 2%, so that the level of deferred maintenance was stabilized. The University reached the 2% ratio with one-time funds from the provincial and federal governments, and by borrowing. The estimated ratios for 2017-18 and 2018-19 will not reach the 2% target.

In 2015-16, the Province increased its annual facilities renewal grant to the prior level of \$40 million (for Ontario's universities and colleges). Western's share of this \$40 million is \$2.4 million in 2016-17. The Ontario government has committed to a gradual increase in this total level of funding to \$100 million by 2019-20, and the universities' share is normally about two-thirds of this total. Western's share will reach \$4.6 million in 2018-19. While this increased support is welcome, the most recent assessment within the sector indicates the need for much larger investments (on an entirely different scale) to begin to restore to the condition of university facilities.