MINUTES OF THE MEETING OF THE BOARD OF GOVERNORS

April 25, 2013

The meeting was held at 1:00 p.m. in Room 4155 Stevenson Hall.

PRESENT: Mr. S. Coxford, Chair
Ms. I. Birrell, Secretary

Mr. J. Adams
Dr. C. Beynon
Dr. A. Chakma
Dr. J. Deakin
Mr. M. Dietrich
Ms. L. Gainey
Ms. S. Grindrod
Mr. H. Hassan
Mr. P. Jenkins
Mr. J. Knowles
Ms.G. Kulczycki
Mr. C. Lassonde
Mr. D. Lemieux
Mr. C. Shah
Mr. A. Syed
Ms. J. Vanderheyden
Mr. M. Wilson
Mr. K. Zerebecki

By Invitation: R. Chelladurai, H. Connell, L. Logan, M. Ruddock, A. Weedon

BG.13-28 **REPORT OF THE PRESIDENT**

The President's Report included the following: government update, leadership update, Strategic Plan renewal and faculty and staff culture survey results. Details are found in his report distributed with the agenda.

BG.13-29 **UNANIMOUS CONSENT AGENDA** [Appendix I]

The chair noted that item 18, Reports of the Academic Colleague had been removed from the Unanimous Consent Agenda as a member had a question.

It was moved by K. Zerebecki, seconded by L. Gainey,

> That the items 1-7 and 19 listed in Appendix I be approved and/or received for information by the Board of Governors by unanimous consent.
>
> CARRIED

BG.13-30 **Minutes of the Previous Meeting**

The minutes of the meeting of January 31, 2013 were approved as circulated.

REPORT OF THE PROPERTY AND FINANCE COMMITTEE [Appendix II]

BG.13-31 **2013-2014 University Operating and Capital Budgets and Tuition Fees**

It was moved by K. Zerebecki, seconded by C. Shah,

> That the Board of Governors approve the 2013-14 University Operating and Capital Budgets, and the proposed Program Specific Fees and Other Supplemental Fees for

2013-14.

Ms. G. Kulczycki, Vice-President (Resources and Operations), and Dr. Janice Deakin, Provost and Vice-President (Academic) presented the 2013-14 University Operating and Capital Budgets, the third year of the four-year budget cycle, detailed in Appendix II, Annex 1. The presentation highlighted the planning and budgetary context, operating revenues, new initiatives and priorities, expenditures, including recommendations for faculties, and support units, university-wide expenditures, one-time expenditures, operating reserve forecast and an overview of the 2013-14 capital budget. Overhead slides used in the presentation are attached as **Appendix 1.**

Revenues for 2013-14 are projected to be $653.7 million with $662.5 million in expenditures. The operating reserve will be at $44 million at the end of 2012-13 and $35.2 million at the end of 2013-14. The operating reserve is projected to be $6.1 million in 2014-15 at the end of the four-year budget cycle, which is above the Board of Governors' requirement of $2.5 million.

In discussion, the following was noted:

- With respect to recovery of the $750 international student tax for non-PhD International Students, tuition for undergraduate international students will be reviewed in the context of establishing tuition levels more consistent with peer institutions. Ontario's universities will continue to lobby against this tax, which is difficult to rationalize. Institutions would be better off if the government administered a budget cut outright, rather than attaching a fee to a specific group of students.

- While the Property and Finance Committee was satisfied that there was no structural deficits in the proposed budget, some potential risks were identified, including the impact on the Operating Reserve as expenditures continue to surpass revenue and risks associated with revenues in the context of enrolment. In the Committee's view, it was timely to review the Board's operating reserve policy, recognizing that the required level had been set many years ago in different economic circumstances.

- With respect to the ability to adjust the budget in the event of unexpected revenue shortfalls, it was noted that, as happened in 2008-09 during the downturn in the global equity market, the university could cut back on capital and one-time program expenditures. The non-endowed investment funds could also be a draw for one-time funds if necessary.

- Diversification of revenues is a long-term goal, and one that will be achieved through a number of incremental changes. Some possibilities include expanding international student enrolment, expanding professional masters programs, reviewing charges for research overhead costs and expanding distance education. Collectively, these and other initiatives could improve the university's revenue situation. However, untimely decisions made by the Provincial Government with respect to university funding will always present an ongoing risk to the budget.

The motion was called and CARRIED.

BG.13-32 **Student Fee-Funded Units, Ancillaries and Academic Supports**

It was moved by J. Knowles, seconded by M. Wilson,

> That the Board of Governors approve the 2013-14 budgets for Student Fee Funded Units, Ancillaries, and Academic Support Units summarized in the report entitled "Student Fee Funded Units, Ancillaries, Academic Support Units, and Associated Companies".
>
> CARRIED

BG.13-33 **Student Organization Fee Proposals for 2013-2014**

It was moved by L. Gainey, seconded by C. Lassonde,

> That the organization fees for the University Students' Council for 2013-14 shown in Appendix II, Annex 4A be approved, as requested by the USC.
>
> That the organization fees for the Society of Graduate Students for 2013-14 shown in Appendix II, Annex 4B, be approved as requested by SOGS
>
> That the organization fee for the Honors Business Administration Association for 2013-14 shown in Appendix II, Annex 4C, be approved, as requested by the HBAA.
>
> That the organization fee for the Master of Business Administration Association for 2013-14 shown in Appendix II, Annex 4D, be approved, as requested by the MBAA.
>
> CARRIED

BG.13-34 **Annual Report and Recommendations of the Student Services Committee**

It was moved by J. Adams, seconded by J. Vanderheyden,

> That the ancillary fees collected by the University be those detailed in Appendix II, Annex 5, as recommended by the Student Services Committee.
>
> CARRIED

BG.13-35 **Information Items Reported by the Property and Finance Committee**

The Report of the Property and Finance Committee, detailed in Appendix II, contained the following items that were received for information by unanimous consent.

- New and Revised Scholarships and Awards
- Troost Professorship in Leadership
- Scott Beattie Professorship in Marketing
- Investment Committee Report
- Quarterly Financial Report, Operating Budgets – Results to January 31
- Investment Committee – Membership Appointment

BG.13-36 **REPORT OF THE AUDIT COMMITTEE** [Appendix III]

The Report of the Audit Committee, detailed in Appendix III, contained the following items that were received for information by unanimous consent.

- 2012 Annual Report – Campus Community Police Service
- Western's Response to Auditor General's Report – University Undergraduate Teaching Quality

REPORT OF THE SENIOR OPERATIONS COMMITTEE [Appendix IV]

BG.13-37 **Campus Alcohol Policy (MAPP 1.33) – Amendments**

Proposed revisions to the Campus Alcohol Policy (MAPP 1.33) were detailed in Appendix IV, Annex 1. It was noted that the suggested revisions could be interpreted to prohibit alcohol advertising by and in licensed venues on campus. G. Kulczycki responded that this was not the intention of the revisions and it was agreed to defer the proposal to the June Board meeting to allow this issue to be addressed.

BG.13-38 **Information Items Reported by the Senior Operations Committee**

The Report of the Senior Operations Committee, detailed in Appendix IV, contained the following item that was received for information by unanimous consent.

- Annual Report on Code of Student Conduct

REPORT OF THE FUND RAISING AND DONOR RELATIONS COMMITTEE [Appendix V]

BG.13-39 **Information Items Reported by the Fund Raising and Donor Relations Committee**

The Report of the Fund Raising and Donor Relations Committee, detailed in Appendix V, contained the following item that was received for information by unanimous consent.

- Quarterly Report on Fund Raising

ITEMS REFERRED BY SENATE [Appendix VI]

BG.13-40 **Introduction of a Master in Public Health** (MPH)

It was moved by J. Knowles, seconded by C. Shah,

> That pending Quality Council approval, the Master in Public Health (MPH) be introduced in the School of Graduate and Postdoctoral Studies, as set out in Appendix VI, Annex 1, effective September 1, 2013.
>
> CARRIED

Asked about the pricing/tuition strategy for the MPH program, Dr. Deakin said the tuition has been requested at a level appropriate for professionals seeking to take this three-term/twelve-month program. With respect to program delivery, Dr. Deakin said that the first priority is to obtain U.S. accreditation, but beyond that, Schulich might consider offering this as an executive model in the future.

BG.13-41 **Articulation Agreement for Admission from the Fanshawe College Business-Accounting Diploma Program into Year 3 of the Management and Organizational Studies (Specialization in Accounting) Program at Huron University College**

It was moved by J. Knowles, seconded by C. Shah,

That the Articulation Agreement regarding transfer credit for students in the Fanshawe College Business-Accounting Diploma Program for admission into Year 3 of the Management and Organizational Studies (Specialization in Accounting) Program at Huron University College be approved, effective September 1, 2013 as set out in Appendix VI, Annex 3.

CARRIED (By unanimous consent)

BG.13-42 **Reports of the Academic Colleague**

In response to questions with respect to items in the Reports, Dr. Deakin noted the following:

(a) Strategic Management Agreements

It appears unlikely that the SMAs will have a direct impact on future funding allocations. However, this does not preclude the government from using other means to affect changes to universities.

(b) On-Line Consortium

The recently-announced online consortium will respond to the government's priority for a better credit transfer system between colleges and universities. However, given the very low attrition rates at Western, the practical impact for the university will be minimal. Nonetheless, the university will continue to pursue college pathways where it makes sense to do so.

BG.13-43 **Articulation Agreement for Transfer of Credit by Graduates of the Police Foundations Diploma Program at Fanshawe College to King's University College and Western**

It was moved by J. Knowles and seconded by C. Shah,

> That the Articulation Agreement regarding the transfer of credit by graduates of the Police Foundations Diploma Program at Fanshawe College to programs at King's University College and Western, as set out in Appendix VI, Annex 4 , be approved effective April 1, 2013.
>
> CARRIED (By Unanimous Consent)

BG.13-44 **Articulation Agreement for the Transfer of Credit by Graduates of the Police Foundations Diploma Program at Lambton College to King's University College and Western**

It was moved by J. Knowles and seconded by C. Shah,

> That the Articulation Agreement regarding the transfer of credit by graduates of the Police Foundations Diploma Program at Lambton College to programs at King's University College and Western, as set out in Appendix VI, Annex 5, be approved effective April 1, 2013.
>
> CARRIED (By Unanimous Consent)

BG.13-45 **Information Items Referred by Senate**

Appendix VI, Items Referred by Senate, contained the following items that were received for information by unanimous consent:

- 2013-14 University Operating and Capital Budgets
- Five-Year Enrolment Projections
- Honorary Degree Recipients – MD, Hong Kong and Ivey MBA Spring Convocations – 2013
- Excellence in Teaching Award Winners for 2012-2013
- Report on Internal Research Funds
- Academic Administrative Appointments
- Honorary Degree Recipients – Spring Convocation 2013

S Coxford
Chair

I. Birrell
Secretary

2013-14 Operating and Capital Budgets

Board of Governors
April 25, 2013

Western

Operating and Capital Budgets, Tuition and Fees

- On the Recommendation of the Property & Finance Committee:

  That the Board of Governors approve the 2013-14 University Operating and Capital Budgets and the proposed Program Specific Fees and Other Supplemental Fees.

Western

External Context

- **Very Uncertain External Environment**
  - Funding for Enrolment Growth?
  - Known Grant Cuts – Policy Levers
    - $2.5M 2013-14 – doubling in 2014-15
    - *Further reductions in BIU funding?*
  - International Student-related Recoveries
    - $720K impact for Western – growing to ~$2M
  - Phase-out of Various Student Aid Programs
  - New Tuition Framework – Lower Increases

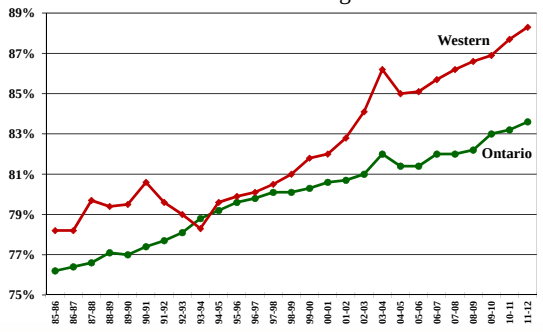
Western

Western's Planning Parameters/Priorities

- Moving to 3rd Year of Four-Year Plan
- Enrolments
  - Undergraduate: First-Year Class of 4900
  - Graduate: as per Faculty Plans
    - High Priority – especially Domestic Enrolments
- Focus on "Enhancing our Research/Scholarship Profile"
  - Recruitment of World-class Faculty
  - Research Clusters

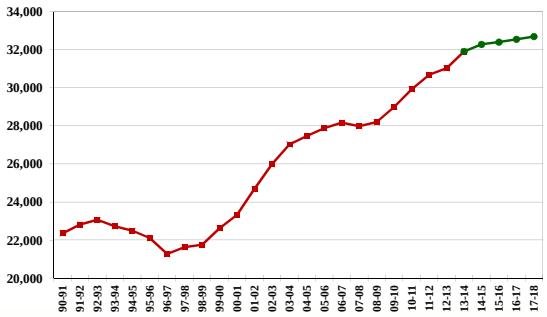
Western

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



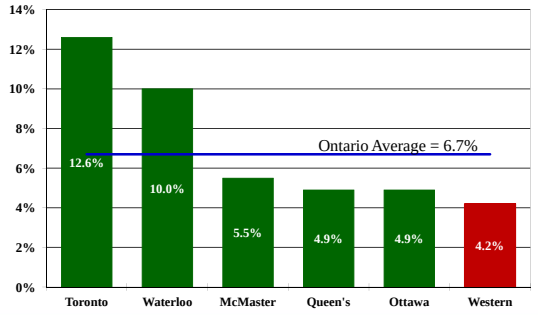
Western

Western: Total Constituent FTE Enrolment
(Full-Time plus Part-time FTEs)



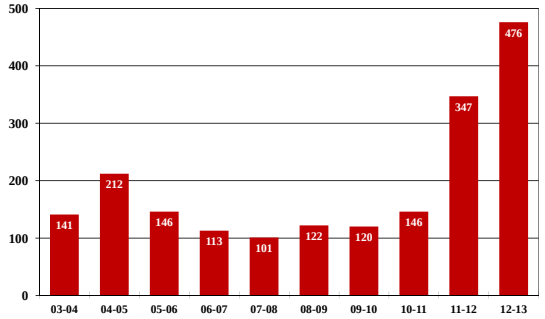
Western

2011-12 Full-Time Undergraduate Enrolments Percentage International Students



Western

Full-Time Year 1 Undergraduate International Enrolment at Western



Western

Operating Revenues from Remaining 2 Years

- Modest Enrolment Growth Provides Add'l Revenues
- Tuition Fees
  - New Framework – with lower overall increase
- *Against Reductions* in Government Funding
  - Policy Lever Grant Cuts
  - International Student Recoveries
  - -$6.3M in confirmed reductions over next two years

Western

Our Priorities and New Initiatives

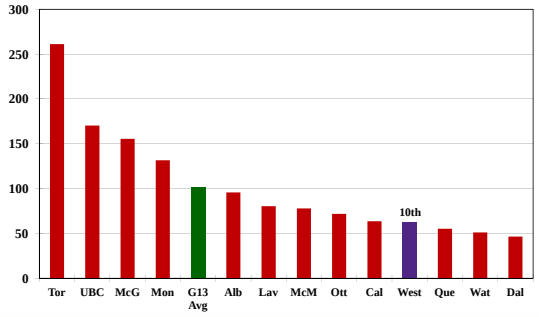
- **Enhancing our Research/Scholarship Profile**
  - Identified as Top University Priority in each Budget of this 4-Year Cycle
  - **Programs resulting from 2012-13 investments**
    - Western Clusters of Research Excellence
    - Western Research Chairs Program
    - Western Distinguished Scholars in Residence Program
- **Graduate Expansion**
- **Educational Pedagogy Enhancements and Faculty Development in Teaching**
  - Teaching Fellows Program

Western

Enhancing our Research/Scholarship Profile

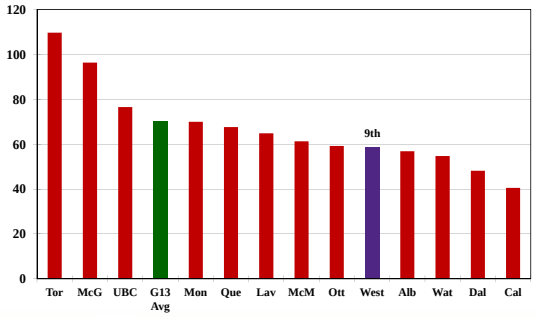
Western

G13 Universities: 2009-10 Total Granting Council Funding ($M) (Grants, Career Awards, and Scholarships)



Western

G13 Universities: 2009-10 Total Granting Council Funding per Eligible Researcher ($000)



Western

Western Clusters of Research Excellence

- **Establish up to Four Clusters – across all disciplines**
- **Funding Support over a 5-Year Period**
  - Recruitment of Senior Faculty
  - Support Personnel, Infrastructure, Facilities
  - Alignment of CRCs with Clusters
  - Support for Endowed Chairs in the Clusters
- **First Cluster – in Cognitive Neuroscience**
- **Subsequent Clusters – to be identified after approval of the New Strategic Plan**

Western

The Western Research Chair Program and The Western Distinguished Scholar in Residence Program

- The Western Research Chair Program
  - Modelled after Tier 1 CRCs
  - Recruitment of New Mid-level or Senior Scholar/Researcher
- The Western Distinguished Scholar in Residence Program
  - Aimed at attracting High-Profile Internationally-recognized Scholars and Leaders
  - Visiting Appointments – for One Term

Western

Summary of the Operating Budget

Western

Summary of the 2013-14 Operating Budget (Table 2)

- Revenue Forecast = $653.7M
  - Increase of 3.5%
- Expenditures = $662.5M
  - Increase of 4.9%
- In-Year Deficit = $ 8.9M
  - Due to $30M One-Time Allocation for "Enhancing our Research/Scholarship Profile"
- Operating Reserve = $ 35.2M

Western

Operating Revenues

Western

2013-14 Operating Revenues
(Table 3)

- Government Grants are Lower by $1.7M
  - Net of Cuts and Targetted Increases
- Tuition Revenues Increase by $21.5M
  - Due to Rate Increases and Enrolment Growth
- All Other Revenues Increase by $2.2M – over a number of Revenue Lines

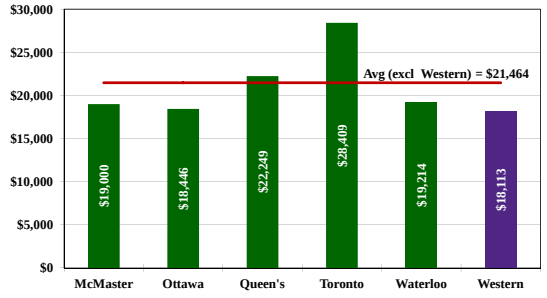
Western

Tuition Recommendations

- **Government Framework for Domestic Students**
  - 3% Overall Increase
  - First-Entry Undergrad: 3% -- All Years
  - All Other: 5% Incoming; 4% Continuing
- **Recommendations at Western: Domestic**
  - First-Entry Undergrad: 3% -- All Years
  - HBA, MBA: 3%
  - Engineering/Law/Med/Dent: 5% / 4%
  - PhD and Category 1 Masters: 2%
  - Category 2 Masters: 5% / 4%
- **International**
  - Undergraduate: 8% / 4%
  - HBA: 3%
  - PhD and Category 1 Masters: 4%
  - Category 2 Masters: 6%

Western

2012-13 International Tuition
Undergraduate Arts



Western

Operating Expenditures

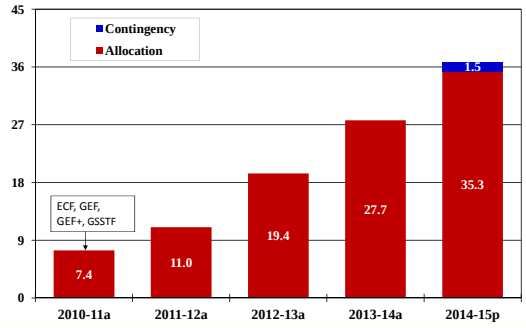
Western

Recommendations for the Faculties
(Table 4)

- Initial Budget Adjustment (IBA)
- Faculty Turnover Recovery – if applicable
- Academic Priorities Fund (APF) Allocations
- Ivey School's Funding Model
- CRC Allocations
- Revenue Sharing Mechanism for the Faculties
- Faculties also Receive One-time Allocations through the APF
- Overall Base Increase of $7.5M

Western

Revenue-Sharing Allocations ($M)



Western

Scholarships and Bursaries
(Table 5)

- Major Changes
  - Tuition Re-Investment increases by $578K
  - Privately-Funded Awards Increase by $150K
  - Govt's "Aim for the Top" Declines by $859K
- Faculties now responsible for Graduate Student Support
  - $52.9M Projected for 2013-14

Western

Recommendations for Support Units
(Table 6)

- Initial Budget Adjustment (IBA)
- Support Unit Priorities Fund (SUPF) Allocations
  - Including Teaching Fellows Program
- Base Allocations to "Maintain Core Services"
- Operating Costs of New Facilities
  - To Facilities Management and Police
- Additional Support for our Fundraising Campaign
- Overall Increase of $460K
- Support Units also receive $4.5M in One-Time Funding

Western

University-wide Expenditures (Table 7) and One-Time Allocations (Table 8)

- University-wide Expenditures
  - Major items include Utilities, Library Acquisitions, MMI Transfer, IT Infrastructure
  - Total of over $65M
- One-Time Allocations
  - $30M for Research Facilities Infrastructure
  - Other Major Items include Doctoral Supervision Grant, Energy Efficiency Initiatives, Support for Fundraising Campaign, Building Security Systems, Classroom Upgrades
  - Total of over $45M

Western

The Capital Budget

Western

Overview of the 2013-14 Capital Budget

- Supports Long-Range Space Plan (Table 14)
- Next Set of Major Projects
  - Expansion/Modernization of Talbot College
  - Renewal of Former Ivey Facilities
  - Nursing Space – Addition to the LHSB
  - Centre for Technology Commercialization
  - Delaware Hall Residence Renovations
  - Graduate Student Housing Expansion
  - Artificial Turf Sports Fields
  - Interdisciplinary Advanced Studies Building

Western

Overview of the 2013-14 Capital Budget

- Total Spending of $132.6M (Table 15)
  - $75.3M for New Construction (Table 18)
  - $9.2M for Major Renovations (Table 18)
  - $48.1M for All Other Expenditures
    - Utilities and Infrastructure
    - Modernization of Academic Facilities
    - General Maintenance and Modernization
    - Housing Annual Renovations

Western