



Sent by e-mail

April 22, 2018

Members of the Board of Governors, Western University
c/o Kathleen Kwan, University Secretary
Room 4101, Stevenson Hall
Western University
London, Ontario
N6A 5B8

Dear Members of the Board of Governors:

UWOFA is writing to express its concern regarding Western's 2019-20 proposed Operating and Capital Budget. UWOFA recognizes that the 10% tuition reduction announced by the Provincial Government will have an impact on the operating budget. As outlined during the recent Senate meeting, the total impact through the 2020-21 academic year will be a shortfall of \$43.3 million. It is during these exceptional times that Western can respond in an extraordinary way, preserving the high-quality education offered to students by dedicated contract and full-time faculty in all units and Faculties across the Western Campus.

This can be achieved in a number of ways that would not negatively impact student's learning experience at Western. According to audited financial statements, Western has an undistributed investment returns balance of \$303 million as of September 2018. In the fiscal year ending April 2018, Western had \$131.6 million in operating surpluses and an accumulated surplus of \$687 million since 2010. The Board of Governors sets an annual operating reserve of \$7.5 million, however, the key financial indicators report to the Board reported a balance of \$80.3 million as of April 2018. If Western's stringent financial practices were in place to be able to respond to unforeseen events, this is such an occasion.

Most units on campus are addressing the negative budget adjustment by reducing faculty complement, including not replacing retiring faculty, non-renewal of Limited Term faculty and reductions in Limited Duties teaching. Each of these cuts compromise the educational mission of Western. It is our contention that these cuts are unnecessary if other choices are contemplated. Some potential steps would include to stop transfers to some programs from operating for one year, carry forward a smaller operating reserve, or transfer less to capital projects from the operating budget.

How Western responds to this crisis will speak loudly to its commitment to preserving the best student experience and to its desire to be, indeed, extraordinary. The university budget conditions are our students' learning conditions. The question UWOFA asks – will Western remain extraordinary and protect its teachers and researchers by addressing the budget shortfall for 2019-20 and 2020-21 through operational surpluses, undistributed investment returns or set-asides and leave the budgets of Faculties intact so that they can deliver their programming?

Yours truly,



Daniel J. Belliveau
President, UWOFA

cc. Amit Chakma, President and Vice Chancellor
Ruban Chelladurai, Associate Vice President (Planning, Budgeting and IT)
Andrew Hrymak, Provost