

Sauder Building Renewal Fee

FAQ

Get informed *quickly*

Background Information

- ✗ Dean Dan Muzyka came to Sauder School of Business in 1999 with plans to increase the reputation of the faculty
- ✗ The main problem for the faculty at that time was the unsatisfactory condition of Henry Angus building
- ✗ The fact that the building did not meet the world standards was not only well-known *inside* the faculty but also repeatedly emphasized by *outsiders* such as recruiters and accreditation agencies (AACSB & EFDM)
- ✗ The initial renewal plan implied that the building reconstruction would be funded by both government and fund-raising
- ✗ Fund-raising provided \$21,226,000 (confirmed) for the Phase 1 but the government never committed capital funding for the project

How much should the fee be?

- ✗ \$500 in “real dollars” for the annual fee for undergraduates
- ✗ Where does this number come from?
 - The missing portion of the funding is \$25,000,000 (out of \$65,000,000)
 - The mortgage has 5.75% interest rate over 35 years
 - The average number of BCom students per year is 2400
 - Thus, the estimated amount of student contribution should be a little less than \$20,000,000
- ✗ The fee will be implied once the project is complete
- ✗ The additional money will be used for maintenance upgrades so that the building stays up-to-date

Should we be building the building?

- ✗ To meet international standards and provide even better educational experience for students, the building needs enhanced:
 - Teaching Space
 - Group-work space
 - Informal interaction space
- ✗ This vision, expressed by accreditation agencies, was supported by the majority of students in the 2006 referendum

How do other faculties do it?

- ✗ New Student Union Building fee:
 - The fee levies on all active members on a yearly basis

- It was \$10 per year in 2008/09
- It is \$20 this year
- It will increase by an increment of \$10 a year up to and including 2016/17 after which it will remain constant
- ✘ AMS Council will establish a process for members demonstrating need to apply for a refund of the Fee

How do other universities do it?

- ✘ Architecture faculty (SALA) held a referendum to raise student fee by \$300 (\$50 to \$350) (item 10, page 11 AMS Council Minutes January 2009).
- ✘ Reason: "It's an IT fee to cover a deficit in the IT budget and create a buffer for the future. It's being passed on to the School."
- ✘ It is impossible to compare the process with universities in other provinces due to the differences in governmental requirements

What is this accreditation thing anyway?

- ✘ Accreditation is a sign of competency and credibility for a business school provided by a trusted association
- ✘ There are 2 sources of accreditations:
 - Government oversight
 - Independent accreditation bodies
- ✘ Sauder School of Business is currently accredited by 2 major agencies:
 - AACSB (American Association of Collegiate Business Schools)
 - EFMD (European Federation of Management)
- ✘ How does accreditation work?
 - The school fills out 50-page report that describes all its operations
 - Then, 3-4 deans from comparable business schools visit for 2-3 days to observe and make their conclusion
 - Note all 3-4 of them are completely independent
- ✘ Why do we need an accreditation?
 - Exchange programs (many schools work with accredited partners only)
 - Rankings (the school has to be accredited *before* it is measured in the rankings)

What is the total building cost?

- ✘ The total cost for the project is \$65,000,000
- ✘ Phase I budget was \$46,100,000, Phase II proposed budget is \$17,900,000

What is the scope of Phase II?

- ✘ Major renovations and upgrades to Henry Angus classrooms with state-of-the art technology (classroom blocks on 2nd, 3rd, 4th floors) ;
- ✘ New Conference Centre at the top of HA Tower (for exclusive use of Sauder students, faculty and staff)

- ✗ New Learning Commons / David Lam Library
- ✗ Trading Room
- ✗ Student Break out rooms/ case room
- ✗ Audio visual, security, code seismic and life safety upgrades
- ✗ Computer Lab improvements
- ✗ Renovations to David Lam and Henry Angus Tower

Who has funded the project to this point?

✗ For Phase I:	
Sauder Fundraising (confirmed)	\$ 21,226,000
Sauder Fundraising (verbal commitment)	850,000
Sauder Fundraising (underway)	1,815,000
	<u>23,891,000</u>
MBA Student Fee (Bridge financed by GPOF)	5,500,000
Sauder Borrowing (for façade)	4,400,000
BCom Student Fee	10,224,000
	<u>20,124,000</u>
UBC Match	1,985,000
Classroom Services (Social Space FF&E)	250,000
Provincial Grant (Allocation for Phase 1)	100,000
	<u>2,335,000</u>
✗ Total Phase 1	<u>46,350,000</u> <input checked="" type="checkbox"/>

What are the reasons for the time pressure now?

- ✗ Government informed the Dean's office the last week before Olympics break that they will not be funding the project anytime soon even though they had it as part of their election campaign (BC Liberals Party).
- ✗ Phase II has to begin over the summer to avoid class interruptions in September 2011.
- ✗ Phase II cannot begin without secured funding
- ✗ Referendum results need to be sent to the AMS 21 days before they can discuss them and then, following their approval (if the case), they have to then go to the Board of Governors to approve the fee as well

Pro's and Con's: Where do we get that?

- ✗ Dialogue on Tuesday, March 9th
- ✗ 1-2pm Sauder Exchange Café
- ✗ Conor Topley vs. Adrian Pape

What are the options if the fee does not go through?

- ✗ The renewal and renovation of the school will continue, but will take longer and be more disruptive
- ✗ Fund-raising in the business community will be more difficult
- ✗ Student services may suffer
- ✗ The Dean will have a hard time meeting his commitments to the accreditation bodies

Is there room for student input in the Phase II?

- ✗ There is not a lot of student input in Phase II due to lack of forced flexibility in the project
- ✗ However, student initiative will be highly appreciated in such areas as:
 - computer labs
 - lockers
 - café
 - bookstore