

SM 6/11/67 Academic Plan
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Paper S-74

THE HISTORY OF THE CAPITAL FINANCING OF S. F. U.

In response to the recommendation of the Macdonald Report (January 1963) the provincial government moved for the establishment of Simon Fraser University to be ready to receive students by September 1965.

The capital financing of the construction and expansion of S. F. U. was combined with that for the other two provincial universities into a five year capital program to run from 1964 to 1969. Based on a 1970 enrolment projection of 22,000 for U. B. C. 5,000 for Victoria and 7,000 (total annual) for S. F. U., the total cost of the capital program was estimated at \$68,700,000. Of this needed total, the government agreed to provide \$40,700,000 over the five year period and the universities agreed to raise the rest - \$28 million or 41% -- from public subscription through what became known as the "3 Universities Campaign". S. F. U.'s share of the total \$68,700,000 as based on its 1970 enrolment projection was to be 42% or \$29,760,000.

It soon became clear, however, that the 7,000 annual total student population by 1970 (or 5,000 student places), the basis of S. F. U.'s share of the \$68,700,000, was going to materialize in less than half the time expected, indeed by September 1967. It was necessary, therefore, to try to build to 5,000 student places even before the middle of the five year period -- by the summer of 1967. To do this borrowing was carried out on the basis of the guaranteed income over the five years from our portion of the government share (paid in annual installments) and the pledges on the capital development fund. However, even in this situation of a greatly accelerated building program there have been additional complications because of a short fall in the total anticipated from the capital fund drive and from pressures on certain areas of space. To date the three universities capital fund is approximately \$7 million short of the \$28 million goal which means for S. F. U. a loss in anticipated revenue from the five year program of 42% of \$7 million. The result has been an inability to complete the five year program which our enrolment was demanding immediately; Phase IIA (there was to be a building phase every year from 1964-65) had to be cut short on classrooms and labs. Then further pressures on space developed because of the efficient use of space that was built into the design (S. F. U. came out with the lowest per student building cost realized in the country in recent years - approximately \$5,000) meant that there was virtually no unused space. The cushion that institutions like U. B. C. enjoy just did not exist here.

Finally there was the problem of the need to forecast originally not only the total student population but also to project carefully the enrolment by different disciplines in order to work out particular space requirements. The result is that even with the 5,000 students some disciplines such as Biology are considerably over the forecast for their discipline.

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The result of these complications in the provision of space has been that the need to provide 5,000 student places for this year has necessitated the cannibalization of the 5th floor of the library, of some corridors in the Science Complex, of the third floor of the west face of the academic quad, and the provision of trailers for tutorial rooms and T. As in the more crowded disciplines.

Anticipation of these various space problems was foreseen as early as 1966 when plans were laid for the commencement that year of construction beyond that originally contemplated in the five year plan. A third building phase was to be completed, ready to handle the areas of bulge and provide the necessary flexibility following September 1967 enrolment. Unfortunately Phase III money, which had to come from beyond the five year capital program, just did not and has not materialized. Phase III construction (an extension to the science complex and a new classroom block on the north side of the academic quad) was designed and out to tender by Autumn 1966.

The greatest expectation for money for this additional construction was a definite indication that Ottawa was about to implement the capital grant recommendation of the Bladen Commission on "Financing Higher Education in Canada". This proposal called for an immediate university \$5 per capita grant based on provincial population commensurate with the already existing federal operating grant. This would have meant at least a third of \$9 million per annum for S. F. U.

The tragedy was that on the eve of the Dominion Provincial Conference last October, when the government had their plan for this capital grant already to announce, a hurriedly called Federal Cabinet meeting reversed the position entirely and announced to a startled conference that the federal government was bowing out of direct grants for post secondary education entirely and would give the provinces tax rebates to an amount that discharged any obligations the Federal Government might have. This meant that the capital grant plan was scrapped and the two existing grants, the per capita operating grant (had been raised to \$5 per head earlier that year) and the vocational schools grant, were transformed into a money transfer to the provincial governments with educational costs being used as a formula only. So there was to be no capital money from the federal government.

These sad developments left Phase III still on the books with indications that with 5,000 students in the Fall semester of 1967, we would need at least

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part of the planned buildings. Thereafter the Board of Governors and I spent many hours in exploring with the provincial government various systems of raising the capital money, the most recent of which has been a suggestion for a public bond issue similar to that for university capital money in the New York State system and not unlike the issue announced last week by the Alberta Government.

With the money not at hand and Phase III still not underway the reality, besides the present crowding in certain disciplines, has been that we cannot go beyond a 5,000 student enrolment in any one semester. This means a curtailment in new enrolment next September, a fact that the Chancellor and I have recently made quite clear. Under the pressures of this reality we are hopeful of some solution within a very short time.

When a continuing source of capital money has been arranged we will return to our original intent of building the University on the Architects planned modular basis on a 2 year prediction of student population.

P. D. McTaggart-Cowan
President.
October 25, 1967

I am Satisfied with the answer