

Criteria for PAIC Funding – June 11, 2015

Whereas:

- A. In November 2008, College registrants voted to increase their annual fees for the purpose of developing a fund to support chiropractic education in B.C. in the form of a chiropractic school (the “School”) to be located at Simon Fraser University (“SFU”)
- B. At the time the commitment was made, there were just broad conceptual ideas for the project development, the School, the timing and the funding.
- C. Apart from a commitment to collect funds for 10 years and a commitment to return the funds collected if the School did not proceed, there are no other specific terms and conditions presently binding the College other than the CCBC Education in BC Statement of July 11, 2015 (*Motion 064/14-15*) in relation to how it collects and manages the funds for the purpose of supporting the establishment of the School.
- D. The general intent is to use the funds to provide support for the School either in the construction phase, the start-up phase, or in the first few years of the school’s operation.
- E. The College has an obligation to ensure the funds collected from its registrants are used for the purposes intended.
- F. The College recognizes and accepts that there will always be some risk attached to any funding advance. Advances may be justified for certain expenses required in the construction or start up phases, yet the project or the school still may not get off the ground. The risk likely will be greater earlier in the timeline than later. However, at any point, there will be no guarantees that ultimate goal of a successful School will be achieved.
- G. The College intends to create terms and conditions for funding the project which fairly support the original commitment to establish a School while at the same time reasonably protecting the registrant’s investment.
- H. Further, the College intends to do so in a manner that is as transparent as possible for all concerned including the registrants, the board, the B.C. Chiropractic Association, the Pacific Academic Institute of Chiropractic (“PAIC”), the University of Western States (“UWS”), the Pacific Spinal Research & Education Foundation (PSREF), the developers CIS, and SFU.
- I. To date, since December 2014, the College has advanced the total amount of \$258,000 to PAIC (\$188,000 to cover operations from December 2014 to March 31, 2015 and \$70,000 to cover the months of April, May, and June) to allow PAIC to continue planning for the School;

- J. PAIC has requested an additional \$236,000 to cover additional planning and development costs to be incurred by PAIC through December 31, 2015;
- K. The money collected from the registrants (the “Principal Amount”) has been generating income. The advances made by the College to date have come from the income earned on the Principal Amount.
- L. The income earned on the Principal Amount is subject to market fluctuations and will vary as the markets change.
- M. If the additional request is granted, then the balance of the current income earned by the College on the Principal Amount may be exhausted.

Now therefore be it resolved that:

Part One

- 1. Subject at all times to the proviso that the College, in its own discretion, has sufficient income earned available to it for distribution, the College will advance to PAIC the amount of \$236,000 from its income earned on the Principal Amount.
- 2. Subject to the proviso in paragraph 1, this advance will be made in equal monthly instalments of \$39,333.33 to cover the months of July to December 2015 to be paid in advance on or before the first day of each month.
- 3. If, at any time between the date of this motion and November 30, 2015, it becomes apparent to the College that the School will not be established at SFU, then the College may cease making the monthly instalment payments.
- 4. The College is not obligated to make further advances from the income earned on the Principal Amount. Any such requests for additional money will be considered independently on the merits of each request. Each request will be evaluated in the context of the demonstrated timely progress of PAIC towards its objective of establishing the School.

Part Two

- 5. The College will not consider making any advance to PAIC from the Principal Amount unless and until all of the following conditions are met to the satisfaction of the College:
 - a. There is a firm commitment from CIS to proceed with the construction of the facility as evidenced by:
 - i. A fully executed agreement between SFU and CIS approving the construction of the facility within an acceptable timeline for the start and finish of construction; and

- ii. A fully executed lease between PAIC and CIS for the use of the facility;
 - b. There is an agreement with UWS to proceed with the establishment of a School to be transferred to PAIC as evidenced by:
 - i. A fully executed agreement between PAIC and UWS for the creation of the School at SFU and its subsequent transfer to PAIC; and
 - ii. Letters from all relevant accrediting agencies and governments indicating that there is no objection in principle to UWS establishing the School at SFU with the intent to transfer the operation of the school to PAIC at the appropriate time; and
 - c. The financial viability of PAIC is confirmed as evidenced by:
 - i. The fundraising results of PAIC;
 - ii. Commitment Letters from one or more financial institutions confirming that PAIC has established effective borrowing options to assist it with the financing of the School and lease obligations;
- 6. If and when the conditions in paragraph 5 are met to the satisfaction of the College, then a specific agreement will be made between the College and PAIC to govern the timing of, the conditions for, and the amount of advances from the Principal Amount.