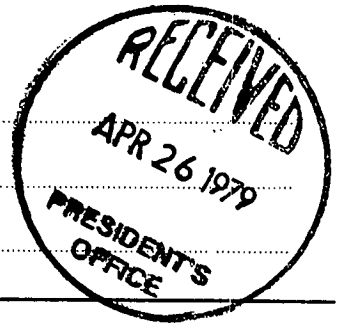


SIMON FRASER UNIVERSITY

MEMORANDUM

S.79-45



To K. G. Pedersen

President

From J. J. Weinkam

Chairman, SCUB

Subject Student Financial Aid
Endowment Fund

Date April 25, 1979

INTRODUCTION

At its April 2nd meeting, Senate referred the following motion and proposed motion to the Senate Committee on the University Budget.

Motion II (1)

"That Senate recommend to the Board of Governors that a portion of the money saved due to the strike be returned to students in the form of the establishment of an endowment fund to be used for non-repayable grants."

Motion II (2)

"The terms of reference of said fund to be established in consultation with the Simon Fraser Student Society."

In referring these two motions to SCUB, Senate acknowledged that SCUB should provide its advice directly to you while informing Senate of the action taken.

ANALYSIS

In its evaluation of these two motions, SCUB identified three major issues to be addressed:

First, are there likely to be substantial savings from the strike by AUCE #2?

Second, is the establishment of an endowment fund for student financial aid the most appropriate method for attracting and retaining academically excellent students?

Third, if the response to the second issue is affirmative, what magnitude of fund is required in order to satisfy the objective underlying its establishment?

It may well be fallacious to assume major cost reductions resulting from the strike. Offsetting the reduction in AUCE salaries paid are rebates to those living in residence, overtime compensation, and other strike related expenses. Most important, the formula for allocating the provincial operating grant among the three universities includes a financial penalty for those universities whose actual enrolments are less than projections. Specifically, if our 1979/80 actual enrolments are less than our projections, the University will in 1980/81 have to pay back monies reflecting the enrolment shortfall. Such a shortfall would also affect expected tuition revenues. The combined effect of all of these factors suggests that even if "net cost reduction" is realized, the University should be cautious in assuming major new commitments.

Irrespective of "strike savings," the primary issue is surely one of concern with the effect of the strike on the continued academic viability of the institution. This issue affects all members of the University community and demands that discussion be focused on those actions which Simon Fraser could and should take in order to maintain and enhance its reputation for academic excellence. If we are successful in this endeavour, then the University will continue to retain and attract high quality students and faculty.

RECOMMENDATION

In light of this analysis, we recommend the following:

1. With regard to disposition of any "net cost reduction"
 - (a) the decision of how to utilize such funds await the availability of complete accounting information on the net amount of cost reduction and updated enrolment figures.
 - (b) Since any cost reduction will be a non-recurring item, creation of endowment funds for specific purposes or the allocation of one-time funds to solve non-recurring problems would be appropriate.

Possible purposes for which endowments might be created include: Graduate and Undergraduate Scholarships, bursaries, Aid to Foreign Students and Funding for Distinguished Speakers. Possible non-recurring areas for which a one-time infusion of funds might be appropriate include: Day Care Centre and Open House.

We emphasize that these suggestions are neither exhaustive nor ordered by priority.

2. A fundamental problem area is the maintenance of S.F.U.'s attractiveness to students particularly in light of the negative publicity resulting from the strike. Regardless of any strike-related cost reductions, the Committee believes it is imperative that steps be taken immediately to counteract these negative effects.

In addition to those actions which are already being taken, the Committee suggests consideration of the following. First, the bringing to campus of select groups of academically excellent high school and regional college students from around the Province. Second, enlisting the co-operation of academic departments in an intensified high school and regional college liaison effort. While both of these activities will require the expenditure of substantial dollars, we believe that the return to Simon Fraser in public image, student enrolment - both quantitative and qualitative - will outweigh the costs.

J. Chase for
J. J. Weinkam
Chairman
SCUB

JJ:dw