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To Vice-President Martin Pochurko and the Department of Finance,

The Simon Fraser Student Society appreciates that the Department of Finance has given us an opportunity to provide input with regard to the changes in tuition and student fees proposed to take effect in 2021-22. While we have taken advantage of the opportunities to give comments during the overall budget consultation process, including through letters directly to Vice-President Pochurko and countless conversations at University working groups and committees, the concerns that we raised throughout that process remain unresolved with seemingly little to no intention from the University administration to resolve them. We have found the input of student societies in the budget drafting process to be largely symbolic, as we have not seen any of our feedback taken into consideration in the recent past. Despite this, we hope that the Board of Governors can take our input into serious consideration when voting on the budget.

As was raised by the SFSS during the previous budget cycle, the timeline by which student societies are expected to provide a thorough analysis of SFU's draft budget is still exceptionally restrictive. While we acknowledge the effort made this year to provide the SFSS and GSS with more time (10 days) to provide feedback, there has been little recognition and redress of a number of key hurdles regarding the budget and feedback process. Firstly, student societies are fully student-funded, through much smaller fees that student societies gather from members and are democratically voted upon through referenda of the membership—something that the University should seriously consider getting consent of students for proposed tuition increases and budgeting decisions. For this reason, we have less financial and staffing resources, and are naturally more limited in the resources we have to take on the project of providing this feedback. Therefore, the limited window of time in which we are expected to undergo this process significantly impacts the quality and the detail of our analysis. We strongly recommend that the existing policy on Consultation with Students on Tuition Fees (B10.15) be revised to provide student societies with a minimum of 30 days to review the budget draft, and provide feedback. Additionally, a small, but tangible, change to the budget feedback process would be to make an addition to the manner in which financial information is shared. In future years, we would recommend that the budget document is provided in multiple formats including a spreadsheet format with raw data, so that we may more comprehensively analyze the information being provided.

What is of paramount concern to us in the draft 2021-22 budget is the imposition of a 2% increase in domestic tuition and fees and the 4% increase in tuition and fees for international students. We are concerned about the long-term trends that these increases represent in terms of the burden on international and domestic students alike. Students have become increasingly concerned about their ability to complete their studies, and they increasingly face crushing debt burdens. A growing number of students are finding money woes and part-time work obligations to be a major source of stress and distraction from their studies.



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As the first wave of the COVID-19 pandemic struck in March 2020, students were rapidly thrust into financial unpredictability. In a survey conducted by the SFSS in Spring 2020, 36% of undergraduates expressed that they could not enrol in their desired courses for the next semester because of their uncertain financial position due to the pandemic^[1]. Not only are students dealing with existing debt and expenses, but they are also entering a weak job market. Students have largely been left vulnerable to job losses as a direct result of the pandemic, or, they are taking up jobs that significantly increase their risks of contracting COVID-19^[2].

At the SFSS Annual General Meeting on October 26th, 2021, over 600 students gathered to overwhelmingly support a motion to formally condemn SFU for the tuition increases during the 2020-2021 fiscal year, and to demand a response from the Administration and Board of Governors. The motion approved by our Membership is shown below:

Whereas Simon Fraser University undergraduate students have reported unprecedented financial hardship in the face of the COVID-19 pandemic;

Whereas one of the strategic priorities of the Simon Fraser Student Society is to advocate and push for the financial health and wellbeing of our members;

Whereas the Simon Fraser University Board of Governors passed a vote in favour of implementing a 2% increase in tuition for domestic undergraduate students, and 4% for international undergraduate students for the 2020-2021 academic year despite the extreme financial hardship being faced by our membership during the COVID-19 pandemic;

Be it resolved that the Membership of the Simon Fraser Student Society condemn Simon Fraser University for increasing tuition fees by 2% for domestic students and 4% for international students for the 2020-2021 academic year.

Be it further resolved that the Membership of the Simon Fraser Student Society formally demands a response from the Board of Governors and University Administration on a plan of action to withdraw the tuition fee increases for the 2020-2021 academic year, and to address the other impacts of the pandemic on undergraduate students.

In an email received by the SFSS from Vice President Pochurko and former Vice President Driver, it was noted that the 2020-2021 budget was approved before the COVID-19 the pandemic began. While we recognize that in March, there was much uncertainty regarding how the pandemic would unfold, the budget was still approved during a time of extreme uncertainty and distress, which we do not believe was an act of good faith.



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Even more worrisome is the University's proposed tuition increases for the 2021-2022 academic year after an outpouring of students indicating that the ongoing financial stressors brought about by post-secondary education and COVID-19 have made further increases unrealistic. Minister Anne Kang, the new Minister of Advanced Education and Skills Training, recently put out an announcement regarding flexibility being afforded to post-secondary institutions with regard to running budget deficits for the upcoming two fiscal years. While we recognize that SFU is in a significantly better position than many other post-secondary institutions, nor do we recommend adjusting the budget in a way that would put SFU into an operational deficit, we see this as an opportunity to review carry-over funding and budget increases in certain departments, and reallocate those funds to other areas to prevent any tuition increase from being necessary in the 2021-2022 budget.

Next, we would like to draw attention to the information provided to students regarding the financial status of the University, and how that plays into our analysis of the scheduled increases to tuition costs. Specifically, what has struck us as unique this year is that SFU has not only publicly communicated a 2% and 4% increases in tuition fees for domestic and international, respectively, for the 2021-2022 year, but in an email to SFU community members on November 6th, 2020, the University stated that it is proposing "similar increases for the next two years."

Upon review of the consolidated budget, along with the comparisons between the projected enrollment versus budget changes for individual departments, we see a number of trends that do not align with some of the messaging coming from SFU - notably regarding the financial hardships brought upon by COVID-19. In the consolidated budget under the statement of operations, we see that the overall operating surplus before restricted contributions is forecasted for 2020-21 to be approximately \$43.8M, which is a significant increase compared to the 2019-20 actual figure of \$41.3M. While there is a downward trend in operating surplus for upcoming years, it is noted there are unfavourable forecasts for revenue in a number of areas such as Athletic and Recreation, student housing, lost parking fees, dining hall, bookstore, food court tenant rentals and more, all of which were attributed to COVID-19. As SFU administration begins to look into plans to return to some level of in-person operation later this year, we recognize that this trend is temporary and will return to normalcy. Additionally, with regard to the line item for supplies and other operational expenses, it is noted that the budget variance of \$15M can be attributed to an increase in contingency due to COVID-19.

Student Services & Scholarship Funding Compared with Student Costs, 2011-22

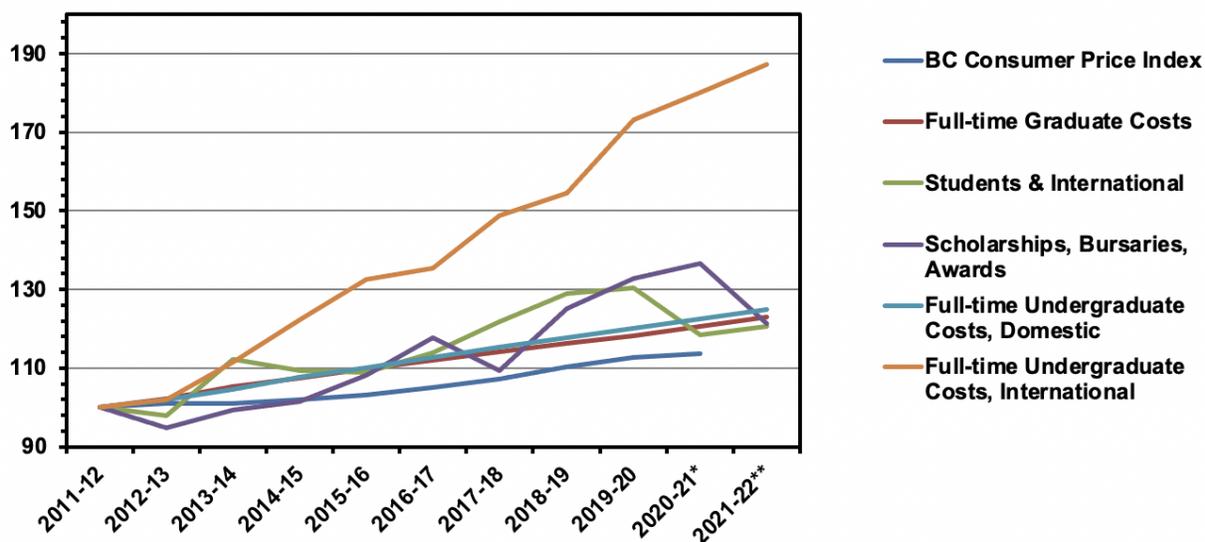


Figure 1

Figures 1, 2 and 3 are looking at a longer-term trend in expenditures in different SFU departments, created from long-term data provided to us by the Graduate Student Society, compiled from SFU’s Institutional Research and Planning. The BC Consumer Price Index is included as a referenced trend through to 2021. In Figure 1, comparing Student Services & Scholarship Funding, we see a significant drop slated for the upcoming year - this is particularly concerning because not only is COVID-19 still ongoing and likely to continue to be a cost-factor in students’ lives, but the funding is dropping below pre-COVID levels - an approximately 11% drop within the last year. Considering that a major justification for continuous tuition hikes on International students is that a large portion is going into scholarships and bursaries, this trend does not line up with the increases.

While we recognize the extensive planning in place for ongoing projects, and the focus on post-COVID recovery, we see room for re-prioritizing of student affordability initiatives and a revision of the tuition increase schedule, especially considering that we have yet to receive information on the use of current carry-forward in upcoming years.

Academic Department Funding Compared with Student Costs, 2011-22

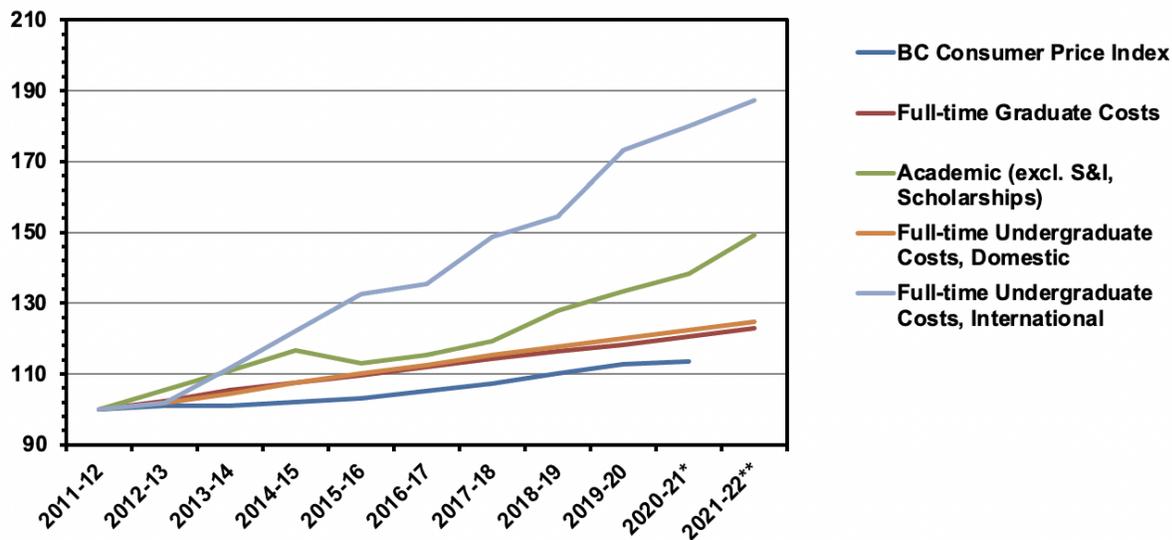


Figure 2

As shown in Figure 2, undergraduate students continue to bear the brunt of the cost associated with the rapid inflation of the Academic portfolio, with our figures already excluding any costs that go towards student services through the Students and International portfolio or scholarships. We once again would like to draw your attention to the steep rise in academic department funding (with an average cost growth of 4.1% since 2011-12) when compared to student services - there needs to be an effort to lobby to both increase funding to post-secondary institutions in the spirit of student affordability, while also balancing the budget in a way that eases this burden from students.

This trend has been steady, and the SFSS is concerned with the potential of further increases to the Academic portfolio funding that we have received different justifications for, but would like to see further examined. With no significant changes to the per-FTE funding being received by the province, it will not be possible for students to continue to bear this cost.

Annual Changes in Academic Department Funding Compared with Student Costs, 2012-21

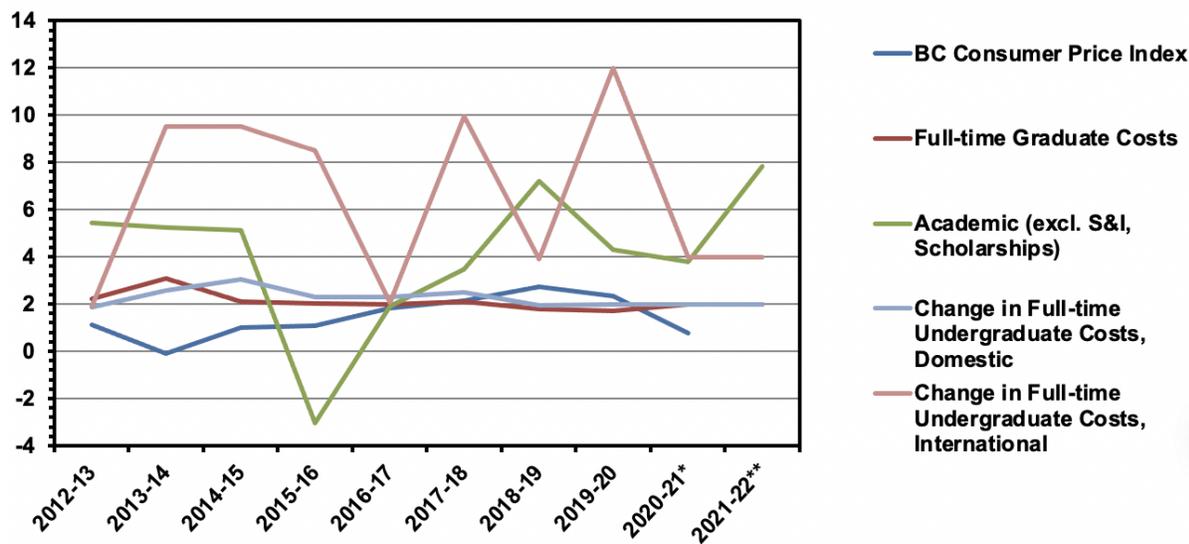


Figure 3

In addition to the findings from Figure 2, Figure 3 shows the annual changes in Academic Department Funding compared with student costs 2012-21. Once again, we note a trend with the volatility of changes in full-time International undergraduate costs, with each peak (notably in 2017-18 and in 2019-20) acting as a subsidizing agent for the funding going into the Academic portfolio. Without a plan to address these long-term trends as they have been sustained in the past, we are not confident that the cost-burden on International students can be adequately addressed.

The SFSS continues to have many concerns regarding this proposed budget, as we see from the above analysis, and some of the contradictions found between SFU administration’s justifications for continuing to propose tuition increases, and the financial reality of the University - which has proven to be quite healthy even through the COVID-19 pandemic. While the Student Affordability working group (established through the work of the GSS and SFSS) has been one avenue through which the SFSS has worked alongside the University to address cost drivers in students’ lives, it is important that we do not continue to ignore tuition costs, which are the biggest burden on student finances. The SFSS will continue to push for fair outcomes for our members, which cannot happen without the University making student affordability a real priority through budget re-evaluation and provincial lobbying to review the current post-secondary funding model to truly alleviate the burden on students.



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As a result, the SFSS would like to reiterate some of the recommendations we have made through JOG, in written statements to Vice-Presidents Pochurko and Driver, as well as from this analysis, and the recommendations shared by our membership at our 2020-2021 Annual General Meeting.

Recommendations:

- 1) Work with the student societies throughout the budget development process in order to receive sufficient student feedback regarding funding priorities. This includes, but isn't limited to, providing 30 days (minimum) to revise budget draft, and providing more comprehensive financial information including the regular draft budget document and also raw data in spreadsheet format.
- 2) Commit to a tuition freeze for the duration of the pandemic to account for the uncertainty presented by COVID-19, and to allow students to financially recover post-pandemic through the re-evaluation of SFU's current budget model - particularly by looking into areas of surplus and re-prioritizing student affordability.
- 3) Renew efforts and commit to working with the SFSS in lobbying the provincial government to increase operational funding for post secondary institutions, and develop a model that isn't just tied to domestic enrollment.
- 4) Provide financial relief to low-income students through bursaries, scholarships, and student service delivery, in a way that is proportional to the trend of increases in tuition fees.

Thank you for giving us the opportunity to submit our feedback to this process once again and we hope that the Department of Finance and Board of Governors can take our input into consideration.

On behalf of the Simon Fraser Student Society,

A handwritten signature in black ink, appearing to read "Osob Mohamed". The signature is fluid and cursive, with a large loop at the end.

Osob Mohamed
President