

Memorial grabs pension funds

ST. JOHN'S (CUP)—Rising costs and a looming deficit have prompted the administration at Memorial University to consider using money from the university pension fund to cover salary increases to faculty and staff.

Despite a provincial government wage freeze, the university agreed to the increases to its employees, including security and maintenance personnel, who successfully struck for higher wages this spring. The administration says it agreed to wage increases to faculty to secure Memorial's reputation as an academic institution. However, the provincial government, in its annual grant to the university, did not provide funding for the increases.

Administration president Les Harris said the move may be the only way the university can avoid a deficit in its budget. The board of regents consulted an actuary (employment benefit consultant) on how much money could be taken from the pension fund.

Although the actuarial report

found \$3 million safely available, faculty and staff representatives were upset they were not properly consulted about the proposal.

"We were informed, but we don't think we were fully consulted," said faculty association president Mark Graesser. "This was a unilateral action by the president." Harris circulated a letter to faculty informing them of the proposal earlier this summer.

Graesser said the faculty association isn't "necessarily adamantly opposed to the proposal." But one labour official is.

"I think it stinks," said John Lewis, local president of Canadian Union of Public Employees. "The money wasn't put there for the university to play with."

Harris said it is difficult to maintain operations without letting quality of education slip. At the time of the salary increase this year, Harris said, "we have fallen so far behind the rest of the country, we were in danger of having debilitated morale and loss of potential recruitment. There is

no way we could survive as a reputable institution (without an increase)."

The pension fund currently has a surplus because employees leaving the university withdraw their own contributions, but not the university's share. A similar proposal from the administration at Dalhousie University in Halifax nearly led to a faculty

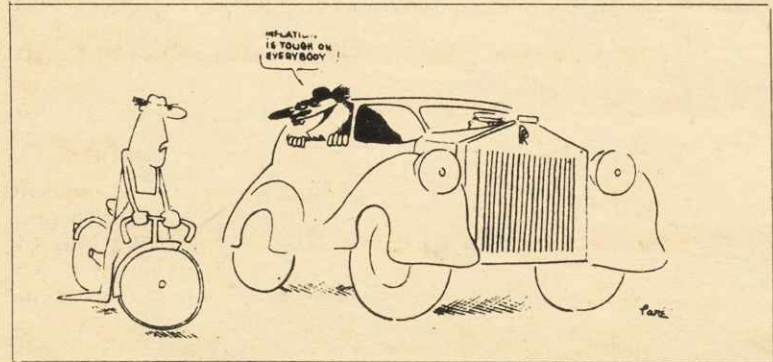
strike earlier this year. Memorial faculty are not unionized, but are launching a certification drive this fall.

While the current Memorial budget calls for a deficit, Harris said if the university comes by increased revenue, the administration will not have to use the pension fund. Harris cited an increased enrolment as a possible

revenue source.

If the administration decides to use the pension fund to pay for the salary increase, the university will have nothing to fall back on next year if the government's grant is as small as this year's allotment.

"Next year, we'll just have to wait and see," said Harris. "It's a long way away."



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