RESPONSE BY
SENIOR ORDER STUDENT GOVERNMENTS
AT MCMASTAR UNIVERSITY

TO THE

DRAFT REPORT OF THE UNIVERSITY FEES COMMITTEE
ON A REVIEW OF NON-TUITION (MISCELLANEOUS) FEES

GRADUATE STUDENTS ASSOCIATION OF MCMASTAR UNIVERSITY (GSA),
MCMASTAR ASSOCIATION OF PART-TIME STUDENTS (MAPS),
MCMASTAR MBA ASSOCIATION (MBAA)
AND THE
MCMASTAR STUDENTS UNION (MSU)

MARCH 15, 2006
Background

At the Administration-Student Consultation Committee meeting on December 14, 2005, the University tabled a draft report from the University Fees Committee (UFC) that proposed significant change to non-tuition (ancillary) fees. Any recommendations are ultimately subject to approval by the Board of Governors, the body with the final authority over fees collected by the University.

The UFC chair has met separately with representatives of each the GSA, MAPS, and the MSU to discuss the draft report. Dr. Hall has explained the key objectives of the fee restructuring as:

- To simplify the structure of fees by consolidating several different fees into three new fees (Student Services Fee, Student Organization Fee, Building Fee).
- To achieve greater "equity" within three major student groups (graduate, undergraduate, and other) by having students in each group pay the same fees:
  - on a per unit basis rather than the current "flat" fees (wherever practical)
  - regardless of usage of the services for which the fees are assessed
- To be revenue neutral for the purposes for which fees are collected.

Assumptions underlying the report

The UFC cites a number of assumptions which we respectfully suggest are unsound:

(1) The arbitrary creation of three consolidated student categories has put two existing senior order student governments (SOSGs) into each the "undergraduate student" and "graduate student" groups. This ignores the historical development of MAPS, MSU, GSA, and MBAA, and the practical realities of advocacy and service delivery for very different constituencies.

(2) The consolidation of fees is counter to the principles of transparency and accountability.

(3) The pursuit of equity is said to be a driver for the UFC’s recommendations; however, the committee’s proposals are better described as seeking equality in fee assessment. We support the principle of equity; however by definition equity refers to fairness, not making fees equal. Accordingly, we believe fees must be considered within the context of the individual SOSGs, not across one of more of those jurisdictions.

(4) There are significantly different average service usage patterns between the part-time and full-time student constituencies. Part-time students (PTS) generally do not use the Campus Health Centre. It is not sufficient to say that "a student is a student" and argue that an individual’s choice to use a service [or not] is irrelevant to the assessment of "community good" taxation. Fairness and reasonableness demand that usage patterns also be a factor. This notion of fairness is what drives the light, medium, and heavy meal plan options offered to residence students.
(5) The report also suggests that administrative efficiencies are one of the desired outcomes of fee restructuring. We believe Business Office software should be designed to meet program needs rather than radically changing program design to accommodate existing software limitations.

The draft report also contains a number of factual errors and/or inconsistencies, a number of which were brought forward in a list of questions submitted to Dr. Hall prior to his meeting on January 9th with representatives of MAPS. An updated list is provided in Appendix A.

**The requirement for student consent**

The Government of Ontario's ancillary policies require the consent of student governments to increase existing ancillary fees or implement new fees. The definition of "student governments" in the provincial policy was built into the Compulsory Ancillary Fee Protocol approved by the McMaster University Board of Governors in June 2001:

"Student Governments" shall mean the minimum number of student organizations which have both elected leadership and by-laws setting out their methods of operation and which when viewed in combination at an individual institution represents all students who are eligible to vote for a student organization (i.e. McMaster Association of Part-Time Students, Graduate Students Association, Medical Students Association, McMaster MBA Association and McMaster Students Union).

Each organization has established its own procedures for seeking approval to adjust fees. These procedures typically involve a referendum by mail in MAPS, a general meeting in the GSA, a referendum in the MBAA, and a grant-of-poll referendum in the MSU. In 2005, medical students joined the MSU with the result that the McMaster Medical Students Council no longer constitutes a senior order student government.

We concur with Dr. Hall’s observation that it is too late to implement ancillary fee reform for 2006-07. If a final proposal is developed by the University that is acceptable to the SOSGs, several months would be required to seek student consent within their jurisdictions, and pending such consent, to then secure all the necessary University approvals. We suggest that a final proposal would need to be received by the SOSGs no later than July 1, 2006, to support an approval process leading to Board of Governors’ approval of a fee schedule for implementation in September of the following year.

Dr. Hall has observed that the University ‘could’ stop collecting student organization fees on behalf of student groups. With respect, we note that such a move would be inconsistent with McMaster’s tradition of constructive University-SOSG relations.
The impact on senior order student governments

Impacts affecting two or more student organizations

The consolidation of fees does not serve the objectives of accountability and transparency. To the contrary, it obfuscates the clarity in resource allocation that currently exists and weakens students’ influence on the scope and delivery of services that support their McMaster experience.

By consolidating four student service fees into a single levy, the University also makes it easier to secure future fee increases. As an example, at the undergraduate level, a substantial fee increase of $30 per year for a student in a full course load would be “an easier sell” were it to appear on a referendum ballot as an increase of just $1 per unit. We also recognize the potential for the student body to be pressured into accepting increases by being told that the alternative is service cuts across all the funded departments.

The UFC proposes that alumni be charged user fees, starting six months after graduation, for services covered by the Administrative Services Fee. This is a fundamental change to the terms under which members of each MAPS, the GSA, and the MSU approved the fee by referendum in 2000. These services were to be provided to students and alumni for life. Assessing user fees as proposed would set a dangerous precedent for unilateral abrogation of an existing agreement and could have negative consequences such as discontinuation of the capital fees supporting the new Athletics & Recreation Centre.

The UFC’s proposals impact negatively on the bottom line of MAPS and the MSU, but positively on total revenue for the University. Errors in enrolment and unit count calculations would seem to be at least partly responsible for this fiscal imbalance. The draft report claims the proposal aims to be revenue neutral; clearly, it is not. The UFC suggests that the negative impact on total undergraduate student organization revenue could be mitigated by increasing the per unit amount of the Student Organization Fee (with a corresponding reduction to the Building Fee). This realignment of fee proportions assume that MAPS members would pay fee components in the future that they do not pay now (Health Services, Student Services, ARC, and MUSC). The SOSGs oppose any changes that result in assessment of what amount to “new fees” on students within a [SOSG] jurisdiction.

McMaster Association of Part-Time Students

The UFC proposes that:
1. The MAPS membership fee be replaced by a consolidated MSU student organization fee that would be payable by all MAPS members.
2. MAPS members pay a consolidated Student Services Fee of $9.61 per unit, including $4.85 per unit in respect of the existing Student Health Services Fee ($49.27), and $3.76/unit in respect of the existing Services Fee. MAPS members do not currently pay these fees.
3. MAPS members pay a building fee of $4.85/unit that would include ARC and MUSC components. MAPS members do not currently pay these fees.

Under these proposals, MAPS members would face an 84% increase in fees from $10.28 to $18.93, per unit. Dr. Hall has suggested that it would be up to the MSU and MAPS to come to an agreement on how to share [student organization fee] revenue. In response to this, we note:
1. MAPS and the MSU are independent SOSGs. It is not appropriate to consolidate their fees.
2. The concept of "one student" has been selectively applied. MAPS fees have been consolidated with the MSU, but fees of undergraduate academic societies have not, nor have GSA and MBAA fees.
3. The proposed reduction by 10.6% of student organization fees paid by part-time students would significantly reduce MAPS' revenue stream. The MSU has indicated that it would be prepared to transfer these funds en bloc to MAPS; however, both organizations face a net loss in revenue under the UFC's initial proposal.

The UFC proposal to remit student organization fees collected from part-time students to the MSU would seem to be designed to 'encourage' an organizational merger between MAPS and the MSU. The two associations evolved as separate entities because of the distinctive nature of their memberships. While a merger may be in the University's interest, it is not in the interest of either MAPS or MSU members.

**Graduate Students Association and the McMaster MBA Association**

MBA students are not members of the GSA and do not pay GSA fees. The proposal that MBA students pay GSA fees in addition to those of their own association would seem to be designed to 'encourage' an organizational merger between the two groups. The two associations evolved as separate entities because of the distinctive nature of their members. A merger is not desired by either organization, nor is it reasonable that MBA students pay fees to an organization in which they are not members.

**McMaster Students Union**

The MSU does not view the rights and responsibilities of membership as an a la carte menu. Most of its levies, with the exception of capital projects, are flat fees because to be an MSU member is to pay a fixed membership price; as long as a student is in a minimum of 18 units, he/she is not more or less a member based on his/her academic course load. The UFC recommendation that fees be assessed on a per unit model is at odds with the MSU's traditional organizational culture.

Taken further, if a student chooses to do a 120-unit honours degree at a rate of 18-21 units per session, that student is an MSU member for six years and not four (at 30 units/year). That is six years of opportunities to use MSU services; this is the MSU's rationale for having students pay flat fees in each year of membership.

The University's seeming desire to have the part-time student organization subsumed within the MSU, is opposed for both philosophical and technical reasons. Contrary to the view expressed by some senior officers of the University, the members of MAPS and the MSU represent very different constituencies. While there are numerous opportunities for collaboration between the two organizations, we recognize that the needs of their members in relation to service delivery and advocacy are not the same.
Accuracy in data and financial modeling

When we attempted to replicate the UFC’s modeling as part of our exploration of options, errors in the model became apparent. Notwithstanding our concerns about fee consolidation and the per unit approach to assessment, our preliminary modeling based on the University’s own data suggests per unit fees could be lower and still generate existing revenue levels.

The enrolment data underlying the financial analysis in the UFC report is incomplete. By using the headcount recorded as at November 1, second term undergraduate registrants in part-time degree studies are missed, resulting in the omission of hundreds of students enrolled in thousands of units (378 students in over 4,400 units in 2000-01). As a consequence, the projected fee revenue in the modelling is underestimated.

To facilitate our continued analysis, we request per unit undergraduate enrolment data for 2001-02 to 2005-06, in separate reports for each year and for each winter and summer sessions. Each of these reports should be for enrolment as at March 1.

Response to specific UFC proposals

Consolidation of PTS and FTS fees

GSA, MAPS, MBAA, and the MSU are senior order student governments with membership fees that are properly set by each organization independently. A unified fee approach would preclude such independence of action.

We oppose consolidation of fees of different student organizations or any change in the amount of such fees not expressly requested by the affected student organization.

Assessment of new fees on PTS

The proposal calls for MAPS members to pay a consolidated Student Services fee of $9.61 per unit. MAPS members do not currently pay some of the components of these fees and we note that these services are not relevant to, or utilized by, an overwhelming majority of MAPS’ members. Accordingly, we oppose the assessment of student services fees other than those already paid by MAPS members.

The proposal also calls for MAPS members to pay ARC and MUSC fees of $4.85 per unit; part-time students do not currently pay fees in respect to these building projects. These existing full-time student levies were approved by MSU referenda (in 2003 and 1989, respectively). It is not reasonable to make part-time students pay for a philanthropic gift commitment in which they had no part. Moreover, MAPS members have already concluded a referendum approved five-year MUSC capital levy (1997-2002) that resulted in the contribution of $500,000 by MAPS members to the cost of the student centre. Accordingly, we oppose the assessment of Building Fees on MAPS members.
Consolidation of existing student services and administrative services fees

We note that the provincial government’s ancillary policies require that:

All compulsory ancillary fees levied by a university or related institution must ... be announced prior to collection through the institution’s calendar and/or published fee schedule(s). [The fee announcements must provide a breakdown of all compulsory non-tuition related ancillary fees which explains their purpose(s) sufficiently to allow the student to understand clearly what materials, services or facilities have been made available through payment of the fee(s)];

The SOSGs have no objection to assessment of individual non-tuition fees on a per unit basis where doing so is practical in terms of program and/or third party vendor requirements. However, in the interest of transparency and accountability, we believe fees should be levied separately and held in funding envelopes for specified purposes. For this reason, we oppose the proposed consolidation of fees.

Alumni user fees for Administrative Services

The report proposes to charge alumni user fees, starting six months after graduation, for services covered by the Administrative Services Fee. These services were promised to the students/alumni for life and it was on that basis that the fee was approved in referenda by each the GSA, MAPS and the MSU. We view the proposed user fees on alumni as a breach of promise by the University; accordingly, we oppose the implementation of such fees.

Other options for fee administration reform

Refunds of ancillary fees in specified instances

Students who register in 18 or more units at any point in an academic session are automatically being assessed full MSU fees. If a student reduces their course load to a level below 18 units before the end of Drop & Add, the University refunds the applicable tuition but not the ancillary fees. In the interest of fairness, and since the University’s accounting software already has the capacity to credit student accounts for the tuition amounts, it would seem reasonable to adjust ancillary fees to reflect the movement from full-time to part-time status so long as this happens before the end of Drop & Add.

MAPS-MSU membership transferability

The interest among some part-time students with disabilities to be MSU members prompted a broader discussion about the potential for membership transferability. MAPS and the MSU have come to a draft agreement on an eligibility framework for limited transferability, the key elements of which would be as follows:
A MAPS member could transfer membership to the MSU if he/she is:

- A part-time undergraduate degree student registered in 12 to 17 units in a fall/winter academic session who is a student registered with the Centre for Student Development (CSD) as having a permanent disability requiring accommodation; or

- A part-time undergraduate degree student registered in 12 to 17 units in a fall/winter academic session, who has been a Full MSU Member in a previous fall/winter academic session AND who on successful completion of the courses in which they are registered shall be eligible to graduate from their academic programme

An MSU member could transfer membership to MAPS if he/she is:

- A degree student registered in 18-20 units in a fall/winter academic session who has been a member of MAPS in a previous fall/winter academic session, or

- A degree student registered in 21-23 units in a fall/winter academic session who has been members of MAPS in a previous fall/winter academic session, and who on successful completion of the course in which they are registered will have completed their undergraduate degree programme.

Membership transfer administration:

- Students eligible to transfer their student government membership would have until September 30 in the fall term, and January 31 in the winter term, to apply for what would be an irrevocable transfer. Their membership with the receiving student government would be retroactive to September 1 and continue until the following August 31.

- MAPS and the MSU would take steps to inform their membership of the membership transfer opportunity through The Silhouette, The Link, and The MSU Almanac. The University would be asked to put appropriate notice in the Undergraduate Calendar and on the University’s web site.

This proposal is designed to address three concerns: (1) the interest in MSU membership that has been expressed by some part-time students with disabilities; (2) part-time students who, for a session, cross the 18 unit barrier but who still identify with MAPS rather than the MSU; and (3) fee sticker-shock experienced by students crossing from 15 to 18 units.
In closing

We believe the UFC membership should be revised to include representation from each of the SOSCOS. Had our organizations been represented at the table, we would have been in a position to contribute the analytical thinking about tangible mechanics of assessing fees and delivering services that has been missing at the UFC, including the need for more appropriate data sets for financial modelling. The absence of the SOSCOS on the UFC is inconsistent with the spirit of collegiality and student leader engagement often cited by McMaster’s president.

We remain open to discussions of reforms that are: (1) within the context of the individual SOSCOS, and (2) strengthen accountability and transparency in the administration of student fees. Our organizations, however, are not prepared to consent to the proposals set out in the draft report dated December 2, 2005.

Yanxu Li  
GSA President

David Moore  
MAPS President

Hannan Fleiman  
MBAA President

Tommy Piribauer  
MSU President
APPENDIX A:
MAPS inquiries sent to Dr. Hall on 01/09/06 not yet answered by the University

Page 3:

- How are the MSU’s “opt-out” fees (dental, health insurance, OPIRG) “problematic” for the University when it is the MSU or OPIRG that administer opt-out/refund processes? Why doesn’t the University simply refer inquiries to the “owners” of the fee(s) in question?

- Would the departments funded by the current fees (A&R, CSD, Health Services, etc.) still have their allocations (plus future indexing) guaranteed as “funding envelopes” or could the proportions of a unified “Student Services Fee envelope” be allocated to the various departments be changed? As an example of the latter, could the Athletics and Recreation allocation be reduced in order to shift resources to Student Health Services?

Page 4:

- Guiding Principle #3. Aren’t these decisions properly made by duly elected student governments?

- Guiding Principle #5. Does this mean the University proposes to change its practice and refund ancillary fees charged to students if they reduce course load before the end of Drop and Add? How do consolidated fees meet the aims of transparency and accountability in terms of students knowing what they are paying for?

- Guiding Principle #7. Is the University acknowledging that the components of the proposal that would affect MAPS members cannot be implemented without the consent of all the senior order student governments?

Page 5:

- Guiding Principle #8. What constitutes a “program exception”? Who decides what will constitute “program exceptions”? Shouldn’t this be the student groups themselves?

- Recommendation #5. What is the timeline for the University to develop “implementation options,” and consult with stakeholders before taking recommendations forward to decision-making bodies?

- Recommendation #6: When?

- Recommendation #8. What is the rationale for possibly introducing proposed changes over two academic years?

Page 6:

- What services (and related costs) do Divinity College students currently negotiate from each the GSA and the MSU?
Page 7:

- For clarity to readers, the name “Multi Sports Complex” should be changed to “Athletics & Recreation Centre” (the name now used for the facility).

- The report states that student organizations involved would have to resolve issues around the assessing of third party fees. What are the issues to be resolved?

Page 8:

- Corrections to the third paragraph:
  - “…University Centre MUSC…”
  - “…the fee for Athletics and Recreation ($4.28 per unit) and…” [EXPLANATION: students in 18 or more units currently pay a flat rate of $96.30, not a per unit rate.]

Page 9:

- Correction in the first paragraph:
  - “…a Medical student pays $204.49 $500.14 and a…” [EXPLANATION: Medical students have a one-year transitional arrangement with the MSU under which they are paying $75 collected by the University and a further $220.65 directly to the MSU in respect of their full MSU membership fees for 2005-06. All fees will be collected by the University for 2006-07 and subsequent years.]

Page 10:

- The report states that its recommendations seek revenue neutrality for the MSU, University fees, and capital fees (ARC and MUSC). Why is revenue neutrality for MAPS not one of the guiding principles of the committee’s work?

- Is an assumption being made that the MSU would be contractually required to transfer to MAPS all “Student Organization Fees” collected from students in 1-17 units? If so, “transparency” is actually weakened by not having an explicit MAPS Fee line in the nontuition fee schedule. Further, even such a requirement is not revenue neutral; MAPS’ revenue stream is reduced by 10.6% (the reduction in the per unit fee from $5 to $4.47).

- Why should MAPS members (students in 1-17 units) pay MSU fees when they have no membership or rights in the McMaster Students Union to participate in the governance of the organization that is ultimately responsible for the administration (setting rates, approving budgets and service levels) of those fees? As an example, MAPS members are not entitled to receive the Marmor after graduation, yet they would be paying a fee for the yearbook.

- The ARC and MUSC fees are “gifts” to the University decided by MSU referenda in which MAPS members had no say. Part-time students have already completed their capital gift to the MUSC, approved by referendum in 1996 and paid 1997 through 2002. Members of MAPS have not consented to an ARC levy.
Pages 10 and 22:

- The total MSU membership for the purpose of calculating flat fees is said to have been 15,835 (i.e. students enrolled in 18 or more units) in 2003-2004. In March 2004, the Office of the Registrar provided the MSU with documentation reporting a total of 16,334 students. Explain the discrepancy of 499 students.

Page 13:

- The current MBAA fee is $130 ($65 per term). The report proposes that this change to $84.60. What is the rationale for this change?

Page 15:

- ALUMNI. The report proposes to charge alumni user fees, starting six months after graduation, for services covered by the Administrative Services Fee. This is a fundamental change to the terms under which members of MAPS, the GSA, and the MSU approved the fee in referenda (in 2000) – which promised these services free for life. A unilateral change by the University would seem to abrogate the agreement under which students gave their consent to the fee. If such agreements are subject to termination by one party, then other fees approved by referendum could be terminated unilaterally by student groups. Is this fundamental shift in the nature of referenda-approved fees really something that the University wants to pursue?

- CERTIFICATE AND DIPLOMA PROGRAM STUDENTS. The report refers to a “negotiated fee” to support Student Services. With whom have these “negotiations” been undertaken? What is the fee level and in respect of what services is the fee paid?

- The language in the report suggests that certificate and diploma CCE units are included for the “part-time” students that are to be assessed the new fees, but that general interest CCE units are not.

- Students in general interest CCE courses currently pay $5 per unit to MAPS …“and as a group would need to be reviewed.” What does this mean?

Page 18:

- #8 – MSU Organization Fee. Medical/midwifery column should show $56.25 being paid by medical students through an agreement with the MSU for a discounted amount.
• #10 – Other MSU fees. Medical/midwifery column should show $31.46 being paid by medical students through an agreement with the MSU (less the $30 premium amount the University collects from medical students in respect to the Health Insurance fee. These anomalies will be rectified in the 2006-07 fee schedule now that medical students are MSU members).

Page 19:

• #12 – Dental Plan. Medical/midwifery column should show $95 being paid by medical students through an agreement with the MSU (same as #11 – HSR Bus Pass).

Page 21:

• The “sticker shock” experienced by students when crossing from 17 to 18 units is also a function of the flat fees assessed by academic societies (especially in Business and Engineering), but this is not addressed in the report.

Page 22:

• Why was enrolment data for 2003-04 used instead of 2004-05? Modeling should be updated using 2005-06 data as at February 1, 2006.

Pages 23-27:

• The “Refugee” fee is properly referred to as the “WUSC Bursary” fee.

Page 27:

• Why is Medicine shown separately from the MSU when medical students are full MSU members? The supplementary fees they pay should reflect this and, further, the Medical Student Council levy ($80) should be added to the fee schedule published by the University.

• The student government representation of these students, and associated fees, needs to be clarified. It is our understanding that all students are to be represented by one of the SOSGS.