



Responsible, Accountable, Predictable

Why the use of referenda for increasing mandatory fees balances the needs of stakeholders - September 2010

Balancing the Needs of All Stakeholders

As the Minister mentioned on August 11th any regulation around mandatory non-instructional fees would have to balance the needs of not only students but also of institutions and the government. The goal of such a regulation would be to ensure that institutions are accountable to their funders students and government - when levying fees. Yet the regulation must also not limit the institutions so much that it would have to be revisited in the future to allow special exceptions.

Institutions and Students Associations

The main point of concern for institutions is that a new regulation must not make it impossible for new fees to be established or old fees to be increased. Overly restrictive regulations would hurt their ability to provide services that students need or want. However, we cannot give institutions free reign as to how and what they levy non-instructional fees for. It is important that we force Boards of Governors at institutions, as well as student associations, to explain the reasoning behind new fees. As our data shows at the University of Alberta, University of Calgary, and University of Lethbridge students have accepted new fees or upward fee increases 71.3% of the time. This shows that students are open to accepting reasonable new fees as long as they are provided with a sound rationale.

Students

One of students' main concerns is excessive or unpredictable increases in costs, including textbooks, non-instructional fees, and tuition. CAUS believes that it is fair for students to pay a portion of the cost of an education as long as that cost is predictable and realistic. This is why CAUS supports the Consumer Price Index (CPI) cap on tuition, as it provides for predictability around the costs of education. Yet when we look at the way new non-instructional fees are established there is no predictability whatsoever. For example, last year at the University of Calgary our total fees more than tripled with only limited consultation

around the implementation of new fees the fees being approved was a foregone conclusion. Currently our institutions can effectively establish or increase any fees, for any amount of their choosing. A referendum would be the perfect mechanism by which to raise or establish fees because it would provide a standardized, predictable method for students and their institutions. Referenda allow students to vote directly on whether they would like the institution to provide a valuable service or not, and would prevent the establishment of fees for existing services that students already pay for.

Government

A regulation which uses referenda as the main approach by which to levy fees would benefit our government. It would force institutions to be more accountable to the taxpayer in the way they levy fees and budget from year to year. The government would be able to take a hands off approach and enable students and their institutions to make decisions about the funding of specific non-instructional services.

All in all we feel that using referendum as the mechanism by which to raise existing or levy new mandatory non-instructional fees is the only reasonable way to balance the needs of all stakeholders. Institutions, students and the government would all see benefits from this new structure in the form of predictability when it comes to fees as well as more accountability.

Establishing and Increasing Non-Instructional Fees

Putting in place a new fee or increasing an existing fee at Alberta's post-secondary education institutions should be a straight forward process with everybody understanding their role. At the core of any fee increase should be student approval through a referendum where students have the opportunity to be informed and to cast their ballot.

The first step of any referendum, whether it is a new fee or changing the amount of an existing fee, would come from one of three sources: the institution's administration, the institution's students' council as defined by the *Post-Secondary Learning Act* or students themselves through a petition. CAUS would imagine that any of these three groups could initiate a referendum through one of the following mechanisms:

- A letter from the institution's President addressed to the council of the students' association;
- A vote of the council of the students' association resolving to hold a referendum; or
- A student petition that meets the criteria set by 98(1) of the *Post-Secondary Learning Act* that deals with student petitions.

All three of these meet the spirit of what CAUS is looking for and is already in practice at many institutions. For example, at the University of Calgary Students' Union bylaws are already in place where the Students' Legislative Council or a student petition of 10% of the student body can initiate a referendum in regards to a non-instructional mandatory fee. The thresholds for student petitions can vary, as it is 15% at the University of Alberta and 500 students at the University of Lethbridge, but all of these meet the standard CAUS is suggesting. Looking at referenda that is initiated by the institution's administration prior to last year Alberta's research universities had taken a collaborative approach to instituting a fee increase with students' unions and the practice of having a letter from the institution's President would simply formalize the existing collaborative approach we imagine most institutions would take in regards

to such fees. Some of the most enthusiastically supported fees are a result of these collaborative approaches, such as the Universal Transit Pass at the University of Calgary and University of Alberta, where administrations actively supported the initiative with additional funding and campus planning in regards to transit and parking.

The question that would be posed to students would need to be made clear within the initiating mechanism, be it a letter from the President, the motion passed by the council of the students' association or the petition signed by students. In the ideal situation the question will have been reviewed by both the students' association and the institution's administration, but at a minimum it must be clear and unambiguous within the process that is requesting the referendum.

Referenda take time to implement and at most campuses there are traditional times students go to the polls, and the timing of any referendum to increase or establish a non-instructional fee should respect these campus traditions. At the same time, no party should hold up the process. Timing of referenda is a vital component to not only ensure all parties rights are being respected. We would expect that in any case the first and best outcome would be to hold the referendum in tandem with the election of the council of a students' association. At the vast majority of campuses this occurs annually in the spring and represents the best time to poll students. Most students' associations also hold by-elections in the fall and would offer an alternate period for polling. Any referendum, especially one initiated by the institution or the students' association should be expected to take advantage of one of these polling opportunities. However, at a minimum a referendum should be held within six months of the date of the letter, motion or petition that initiates the referendum unless otherwise stated. It is important too that students have sufficient time to educate themselves on the referendum. The University of Alberta Students' Union mandates a 28 day period between the announcement to students of the referendum and the polling day itself.

Other examples include British Columbia, where the provincial government requires all student association fees to be approved by referendum, which see times as short as 14 days as a minimum. CAUS would prefer to err on the side of caution, affording the most amount of flexibility to the organizations involved and to give students the most amount of time to educate themselves. A minimum time between the notice of a referendum and the vote itself should be at least 21 days, but can be made longer if desired.

Students also should not be subjected to referendum after referendum, especially within a calendar year. As long as institutions and students association strive to using already mandated elections for councillors for students associations it is unlikely students will find themselves overwhelmed by constant referenda. However, in order to make certain that no institution or students association unduly takes advantage of the electorate that faces voter fatigue no campus should face a vote on various referenda more than twice a year. Of course, each vote may have multiple questions dealing with multiple fees as has been the case at Alberta campuses for many years.

The costs of a referendum would likely be borne by the organization running the referendum, which in most cases would be the students association. Past referenda at Alberta institutions as well as looking at British Columbia where such votes are mandated by law show costs that range from \$200 to \$2,000, depending on the subsidies allowed for yes and no campaigns and the system in place at election time, but in most cases the cost is mitigated by holding the referendum in tandem with students association elections. In the event that an institution requests a referendum but the students association is unable to meet the financial obligations associated with a referendum CAUS would imagine the institution would fund the referendum process.

It is important to note that there would be an exception to this entire process in the case of a fee increase that is at or below CPI. Such minor increases could be done by an institution's Board of Governors or the council of the students association on an

annual basis provided the increase was not more than CPI. CPI is already used to govern the limits on tuition increases on our campuses and is a well-established and respected means of protecting the purchasing power of fees to guarantee the level of service. Alternatively, referenda have often put forward a schedule of fees that increase annually over the course of the period covered, such as universal transit pass agreements that cover three years of service at an escalating rate.

Ultimately all parties involved will have a role to play in a successful referendum. When an institution initiates a referendum they have the responsibility of ensuring that the fee is legally considered to be a non-instructional fee or otherwise a fee outside of the Tuition Fee Policy. They would also be responsible for informing the students council of the proposed referendum, and in the ideal circumstances, working with the students association to present students with a fee that is fair, equitable and meets the needs of both the students and the institution. The students association would have a similar set of expectations for fees that they present to their membership, as well as the additional assumed responsibility of running the referendum in conjunction with their elections according to bylaws and procedures set by the elected council of the association. Regardless of the origin of the referendum question, we would assume the institution would be compelled to collect all legal fees on behalf of the institution, the students association and service providers. Students themselves would have the responsibility of getting informed and casting their ballot within the referendum process as well as working with the students association to ensure a smooth process during the collection of signatures as a part of a student petition.

In all cases cooperation and collaboration would be the ideal situation for instituting new fees or increasing existing ones. That tradition of institutions and students working together to get the best result to bring to students has served Alberta's post-secondary system well, and putting that process into regulation is the next step to ensuring our non-instructional fees are fair, legitimate and in everyone's best interest.

Students are the best judge of student fees

Referenda are the only means of creating new fees for the Students Unions at the University of Alberta, University of Calgary and University of Lethbridge, and looking at the history of those referenda shows students to be good at determining what is a good value and what initiatives have merit not just for themselves, but the campus as a whole.

Looking at 82 referenda at these three campuses that deal with fee increases students approved 62 of them, or 76%. The services these fees are used for vary, from health and dental plans, library and academic support for the university, athletics, transit passes and students union fees are only some of the examples. The amounts levied also vary, from as low as a dollar a year to \$192 a year for the opt-out health and dental plan at the University of Alberta.

Some of the largest increases have come from the creation of universal transit passes, also known as the U-Pass, starting in Calgary's post-secondary institutions. At the University of Calgary the program started in 2002 at \$50 a semester, or \$100 a year for the typical full-time student. As a mandatory fee, even those students who chose to drive or walk to campus were subject to the fee but would be able to take advantage of Calgary Transit as long as they were a student. 60% of University of Calgary undergraduates voted in favour of the program, and were quickly joined by students at the University of Alberta, who along with other Edmonton institutions have their own U-Pass. Both passes now have increased in cost due to inflation and greater than anticipated student use, with a University of Alberta U-Pass costing \$91.67 a semester and a University of Calgary U-Pass \$105.00 a semester. In both cases that increase came with the approval for renewal by students in overwhelmingly positive referendums. The most recent U-Pass referendum at the University of Alberta passed with 89% in favour this spring, and the University of Calgary students supporting U-Pass renewal by 78%. It is a different story at the University of Lethbridge, with a smaller transit system and perhaps a perception of less value saw students reject a U-Pass in 2006.

Health and dental plans are also relatively large non-instructional fees that have gone to referendum. At present all three institutions have health and dental plans, but not without several tries at the University of Alberta. Students had voted on a \$115 a year plan in 2005 that would have had no opt-out for students, a proposal that was rejected with only 38% of students voting in favour. A revised plan that cost more but had an unconditional opt-out available for students was accepted in 2009 at a cost of \$192 a year.

When we first approached Deputy Premier and Minister of Advanced Education and Technology Doug Horner on the topic of regulating non-instructional mandatory fees he expressed a willingness to do so, provided fees for students associations would also be subject to the regulation. We agreed, and believe that referenda have served students well for those fees as well. At the University of Alberta, University of Calgary and University of Lethbridge operating and capital fees levied on students are among the lowest in the country and we believe we offer our students good value for those dollars. And they agree, as those fees also are not increased beyond CPI without going to referendum.

Students Union Fees at U of A, U of C and U of L

University of Alberta	University of Calgary	University of Lethbridge
\$140.94 / yr	\$111.00 / yr	\$126.86 / yr

Excludes U-Pass and Health and Dental Fees

Presently the *Post-Secondary Learning Act* permits students associations to raise fees by a vote of the elected council, but in the case of the University of Alberta, University of Calgary and University of Lethbridge a referendum has proven to be a more legitimate mechanism, and has presented few problems to our organizations in getting operating revenue and in each case has encouraged us to diversify our revenue streams through operating businesses as well as building and operating a students union building on campus.

Our students have also voted on academic initiatives, additional non-instructional fees designed to improve the academic experience on campus, in Lethbridge for example, students voted on a \$7.50 per semester contribution to the Library Information Network Centre Building on campus, a contribution that made construction possible. At the University of Calgary, students passed a referendum for \$5 a semester towards the University of Calgary Library, a contribution that has made thousands of materials available for students and represents another example where the Students Union and the administration of the University of Calgary worked together to put a proposal in front of students that offered good value and made a positive contribution to the campus community.

Who is CAUS?

CAUS represents the interests of over 70,000 university students across Alberta. We represent undergraduate students from the University of Alberta, the University of Calgary and the University of Lethbridge to the public, government and other post-secondary education stakeholders.

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Referendum Results on Fee Increases at U of A, U of C and U of L Since 2001

Year	Institution	Fee Description	Fee Increase	In Favour
2010	U of A	Millennium Villages charity donation	\$15 / yr	44%
2010	U of A	U-Pass renewal	\$56 / yr	89%
2010	U of A	Physical activity centre construction	\$58 / yr	55%
2010	U of C	World University Service of Canada fee increase	\$3 / yr	69%
2009	U of A	Health and dental plan with opt-out	\$192 / yr	80%
2008	U of L	Students Union operating fee increase	\$5 / yr	59%
2008	U of C	Gauntlet student newspaper fee increase	\$2 / yr	60%
2007	U of L	CKXU student radio station fee increase	\$4 / yr	51%
2007	U of L	Nursing faculty fee (only for students in Nursing)	\$10 / yr	94%
2007	U of C	CJSW student radio station fee increase	\$2 / yr	64%
2007	U of C	Women s resource centre fee increase	\$2 / yr	53%
2006	U of A	Physical activity centre construction	\$40 / yr	45%
2006	U of L	U-Pass creation	\$110 / yr	40%
2005	U of A	Health and dental plan without opt-out	\$115 / yr	38%
2005	U of C	Lower Students Union operating fee	-\$1 / yr	71%
2004	U of A	U-Pass creation	\$60 / yr	63%
2004	U of A	Abolish Legacy Fund fee used for athletics	-\$8 / yr	39%
2004	U of L	Dental plan increase	\$25 / yr	59%
2004	U of C	Lower library assistance fee	-\$3 / yr	58%
2004	U of C	Lower accessibility levy for campus buildings	-\$1 / yr	58%
2004	U of C	Lower student academic travel fee	-\$2 / yr	55%
2004	U of C	Lower student legal assistance fee	-\$2 / yr	43%
2004	U of C	U-Pass renewal	\$16 / yr	78%
2003	U of A	Sexual assault centre fee	\$2 / yr	82%
2003	U of C	Health and Dental fee increase	\$15 / yr	49%
2003	U of C	Volunteer services fee increase	\$3 / yr	38%
2003	U of C	World University Service of Canada	\$1 / yr	64%
2002	U of A	Gateway student newspaper fee increase	\$5 / yr	71%
2002	U of C	CJSW student radio station fee increase	\$2 / yr	55%
2002	U of C	Health plan increase	\$25 / yr	41%
2002	U of C	Dental plan increase	\$4 / yr	47%
2002	U of C	NUTV student television fee increase	\$1 / yr	53%
2002	U of C	Student employment centre fee	\$20 / yr	32%
2002	U of C	U-Pass creation	\$112 / yr	60%
2001	U of A	Alberta public interest research group fee creation	\$5 / yr	66%
2001	U of L	Lethbridge public interest research group fee creation	\$10 / yr	71%