

F2021-13

**Motion to Create and Levy the Arts Undergraduate Society (AUS) Administration and Operations Fee**

***Whereas****,* many functions central to the delivery of AUS’s mandate, services and compliance with standards of transparency and administrative quality are filled by elected student officials or volunteer/stipended staff whose effective employment terms are rarely longer than one year;

***Whereas****,* the AUS effectively replaces upwards of 70% of its staff and management contingent yearly and like other student unions, suffers from extremely high rates of employee and management turnover;

***Whereas****,* high rates of turnover increase the probability that administrative policy, program delivery and internal administrative procedure will be subject to unnecessary uncertainty, change and modification;

***Whereas****,* high rates of turnover impose significant (yet preventable) training, efficiency and learning costs on the AUS (i.e. in the form of basic errors, unnecessary administrative inconsistency between years, uncertainty in the competence of staff and executives to implement competently important administrative processes…etc.) and on the student who support the AUS through fees;

***Whereas****,* ultimately, high rates of turnover negatively impact service delivery and administrative quality;

***Whereas****,* in the AUS, high rates of turnover specifically impact the following key (hereafter “core areas”) of administration negatively:

* Management of SNAX Café
* AUS Laptop lending Program
* AUS locker rental program
* Ongoing AUS legal matters
* Tracking and ensuring compliance with legal obligations to governments and other stakeholders
* Completion and management of AUS’s annual financial audit
* Annual budget development and implementation
* Lack of budget control mechanisms and ongoing reporting on actual spending
* Oversight of AUS’s bookkeeping, supervision of payroll and oversight of recording transactions in accounting software

***Whereas****,* the AUS must reduce turnover on those core areas to improve the quality, clarity and consistency of their administration;

***Whereas****,* to reduce turnover in those areas and move these core areas beyond the tumult and uncertainty of unnecessary transitions and changes, and to better guarantee they are competently administered, the AUS will hire a permanent full time General Manager to oversee them;

***Whereas****,* furthermore, by hiring a permanent full time General Manager, and reducing turnover, the AUS will professionalize the delivery of services and the implementation of AUS’s mandates, administrative processes and programs in those core areas;

***Whereas****,* the AUS has hired other professional staff to great benefit in other areas of AUS operations (i.e. bookkeeping and payment processing, table booking…etc.);

***Whereas****,* assuming return to normal (pre-COVID-19) financial operations by FY2022, hiring a full time, permanent and professional staff member (and thus reducing turnover and improving performance in core areas), would be impossible without running a structural budgetary deficit or reducing funding to other areas of AUS operation;

***Whereas****,* to implement this long-term position for a permanent and professional staff member (and improve performance in the core areas through reducing turnover) without imposing a structural deficit on the AUS or negatively impacting other areas of operation, a new fee must be levied (according to the costing and assumptions in *Appendix A*);

***Therefore, be it resolved*,** that:

1. The AUS send the following question regarding the creation of a new AUS Administration and Operations fee levy to the Winter 2021 referendum:
   1. **Do you agree to create an opt-outable Arts Undergraduate Society Administration and Operations Fee of $3.00 per semester for full-time (9 credits or more) Bachelors of Arts students and $1.50 per semester for part-time (less than 9 credits) Bachelors of Arts Students, and half those amounts for Bachelors of Arts and Science Students (based on their full-time/part-time status) starting Fall 2021 and ending Fall 2024 (inclusive)?**
2. The AUS VP Finance be authorized to make insubstantial and non-destructive changes (as directed by the DPSLL’s office) to the question above to ensure the validity and implantability of said referendum question, and;
3. The description for the AUS Administration and Operations Fee will read: “This fee will allow the Arts Undergraduate Society (AUS) to hire more fulltime and permanent professional staff. In so doing the AUS will improve the quality, clarity and consistency of its administration while reducing the unnecessary costs imposed by exorbitantly high staff turnover. Furthermore, this fee will ensure that hiring said staff will have no negative financial/budgetary impact on other key areas of AUS mandate or service delivery and administration.”

Moved by,

Ananya Nair, AUS President

Stefan Suvajac, AUS VP Finance

**Appendix A**

1. Costing Table:

|  |  |  |
| --- | --- | --- |
| **Item** | **Annual Cost** | **Description** |
| Compensation and Benefits | ($60 000.00) | * Maximum contracted salary/wage and benefits. * Position will be advertised with negotiable compensation between $40-60K. |
|  |  |  |
| **Item** | **Annual Savings** | **Description** |
| Removal of SNAX student management | $15 200.00 | * Annual salaries no longer paid. |
| VP Services Removal | $4 454.00 | * Annual wages for VP Services (at wage of $13.10). |
| Wage Savings on AUS Executives | $2 672.40 | * 2 hours/week saved for VP Finance, President and VP Internal. * Can be thought of as average time savings to other paid staff (at $13.10/h) of 6 hours/week. |
| **Item** | **Net Impact** | **Description** |
| Cost subtract savings | ($37 673.60) | * Amounted needed from fee for sustainable operation |

1. **Fee Calculation:**

* Simple Regression Line (date from FY2020) between opt-out rate (as a percentage of the total AUS Population) and fee size is represented by (where “f(x)” is Opt out rate in percent as a proportion of the total AUS student body, and “X” is fee size): **f(x) = 0.0003x+0.0488**
* Probabilities (data from FY2020 – very similar to current year, numbers up, but probability of full-time/part-time changed) of paying full-time, part-time and less fees in Arts are: P(Full-time)= 0.907412, P(Part-time)=0.091759 and P(less)=0.000829 respectively.
* Total fees collected modeled by: f(x) = [(8446\*0.907412)x]+[(8446\*0.091759)\*(x/2)]+[(8446\*0.000829)\*(x/4)]-[(8446\*(0.0003x+0.0488)]x
* Simplified: **f(x) = 7641.0852x -2.5338x^2** (where “f(x)” is total raised after opt out and “x” is total fee levied for winter and fall semester).
* **Solve f(x) for $38 000** to yield $4.98/year. Divide by two to give semester cost of $2.49. Round up to give $2.50/semester. **Increase to $3.00 to allow for errors.**