



A Brief History of McGill Ancillary Fees & SSMU Moratoria

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About Divest McGill



What is Divestment?

“For an institution to “divest” means to withdraw its investments from a specific industry, and redirect that money into a more responsible and ethical portfolio.”

- Divestment is a political statement attacking the power and legitimacy of a given industry, **removing its social license to operate**



Divest McGill's Campaign Goals

1. Complete and transparent divestment from the top 200 fossil fuel companies (globally, by carbon reserves)
2. Mobilize our supporters in solidarity with Indigenous and other marginalized students on campus, in Montreal, and in Canada
3. Educate and mobilize the McGill community (administration, staff, and students) in support of bold and justice-oriented climate action such as carbon neutrality and pipeline resistance



Divest McGill & SSMU

- SSMU's support for divestment stems from the **Climate Justice Policy**

7.2.1 Fossil Fuel Divestment

Fossil fuel divestment has been the most visible tactic towards the goals of climate justice supported by the Society. SSMU divested its funds from fossil fuels in 2013, and has actively supported the autonomous Divest McGill campaign through funding, outreach assistance, space booking, and task completion as needed through the Campaigns Coordinators and Vice-President (External Affairs). The Society shall continue to assist in these ways, and to coordinate initiatives between campus divestment campaigns.

Ancillary Fees, In Brief



What are ancillary fees?

- Ancillary fees, or *frais institutionnels obligatoires* (FIOs), are **mandatory fees charged to students** and **dedicated toward a particular unit or program**, and may cover costs such as technology improvements, student life, support services, and sports or recreational activities
- Aside from automatic adjustments for inflation, the creation or increase of an ancillary fee **requires approval from students via referendum**, although this may be university- or student-initiated



What do ancillary fees support?

- Ancillary fees support McGill's self-funded units, i.e. units that do not receive significant financial support from the university's main operating budget
- These units include:
 - Student Services (\$184.33 or \$110.74/term)
 - Athletics and Recreation (\$154.21 or \$93.27/term)



What do ancillary fees support?

- Ancillary fees also support certain initiatives at McGill, including:
 - Access McGill (\$2/term): Used to provide the services, equipment and facilities necessary to help make McGill accessible to students with disabilities
 - World University Services Canada Refugee Program (\$4/term): Sponsors 4-5 refugee students to study at McGill for a year
 - McGill Writing Centre (\$1.50/term): The MWC Fee provides support for the Centre's non-credit resources including one-to-one individualized tutoring and small-group workshops

Ancillary Fees: A Recent History



Winter 2017 - SSMU General Assembly

SSMU General Assembly approves Motion Regarding Policy Against Ancillary Fee Increases

by Julia Metraux — on February 23, 2017



Winter 2017 - SSMU General Assembly

- Be It Resolved, That the SSMU **will not consider referenda questions for new FIOs, or increases to existing FIOs**, until McGill University:
 - Implements a **moratorium on increases to overhead charges on fee-funded units** including Student Services, Athletics and Recreation, and Student Housing and Hospitality Services;
 - Develops a transparent overhead formula for the above units, in consultation with the relevant student societies, including a capped percentage deduction of no more than 1.5% annually;



Winter 2017 - SSMU General Assembly

- Be It Resolved, That the SSMU **will not consider referenda questions for new FIOs, or increases to existing FIOs**, until McGill University:
 - Provides yearly financial information to the Executive Committee regarding the distribution of all FIOs by SSMU Members, including the global budgets of all units receiving FIO revenues;
 - Requires that the yearly budgets of the above units each be approved by a university committee with at least parity student representation.



What are overhead fees?

- Overhead fees, at least nominally, are charges to self-funded units for “central administrative services,” i.e. accounting, legal, IT, etc.

Student Services Budget

The following table outlines the financials for **Student Services** in fiscal years 2015 forward.

Revenue	FY15	FY16	FY17	FY18	FY19	Expense					
Grants - Québec	1,809,675	1,838,850	1,856,253	1,892,175	1,894,255	Salaries	9,223,943	9,764,148	10,400,579	11,278,641	12,273,219
Tuition and Fees	8,496,918	8,634,233	8,789,418	9,110,298	9,290,160	Non-Salary	1,785,976	1,944,488	1,920,631	2,216,877	3,024,692
Sales of Goods and Services	1,053,983	1,061,494	1,292,623	1,250,897	1,006,000	Overhead	332,506	579,231	621,678	542,897	359,505
Gifts and Bequests	4,800	2,500	3,290	4,949	4,000	Total Expense	11,342,425	12,287,867	12,942,888	14,038,415	15,657,416
Endowment Revenue	24,537	27,431	29,984	31,512	32,000						
Total Revenue	11,389,913	11,564,498	11,971,568	12,289,831	12,226,415						



What is the problem with overhead fees?

- In the words of Erin Sobat, SSMU VP University Affairs 2016-2017:
“Our administration uses overhead charges to convert a portion of this restricted fee funding – set aside for Student Services – into ‘discretionary’ money that they can redistribute as part of the operating budget.”
“This approach would be comparable to SSMU taking money out of our Club Fund in order to pay for accounting services, then announcing that we do not have enough resources to support our student groups.”

Winter 2017 - SSMU General Assembly Aftermath



- Due to a pre-existing agreement with McGill, the motion was ultimately not adopted
- Post-Graduate Students' Society (PGSS) did not sign a similar agreement, vetoed a motion from McGill Athletics and Recreation proposing an ancillary fee increase
- SSMU Legislative Council endorsed a “no” vote in a referendum question regarding an Athletics and Recreation ancillary fee increase, which subsequently passed anyways



Winter 2019 - #ChangeTheName Campaign

- SSMU Legislative Council approved a motion to send the Athletics Facility Improvement Fee to referendum, in the midst of the #ChangeTheName campaign (16Y-3N-1A)
- The “No” campaign (affiliated with the #ChangeTheName campaign) pointed out that “the approval of the Athletics Facility Improvement Fee would only enable McGill athletics and further limit Indigenous students from using facilities which are meant to be open and accessible to all McGill students.”
- The referendum question failed with 58% voting “No”



Winter 2019 - #ChangeTheName Campaign

- At a subsequent Legislative Council following the vote, 2017-2018 SSMU VP External Connor Spencer read a statement on behalf of Tomas Jirousek (Indigenous Affairs Commissioner), and Christelle Tessonno, president of the Black Students' Network
- The statement explained that by letting this question go to referendum, SSMU has failed *“in its mandate to stand as an ally with Indigenous students at McGill.”* By including the question, SSMU failed to realize that *“McGill athletics complexes exist as physically hostile environments for Indigenous students [...] [the racism of the R*dmen name] is physically manifested in these athletic facilities.”*



Fall 2019 - The Current Moratorium

- The Committee to Advise on Matters of Social Responsibility (CAMSR) and the Board of Governors was reconsidering divestment, with a decision to be made by the end of 2019
- After consultation with Divest McGill, we identified ancillary fees as a way to be able to apply further financial pressure on the university to divest
- SSMU Legislative Council passed the Policy on Moratorium on McGill Fees Until Fossil Fuel Divestment and immediately rejected the proposed Athletics Facility Improvement Fee referendum question



Fall 2019 - The Current Moratorium

- BE IT RESOLVED, THAT the Society establish a Policy on the Moratorium on considering Referendum questions for new Ancillary Fees, increases to existing Ancillary Fees, or any other new fees or increases to existing fees that McGill University wishes the Society to send to Referendum for approval by the Membership until McGill University:
 - Divests from its investments in companies whose primary business is the extraction, distribution, and/or sale of fossil fuels, and



Fall 2019 - The Current Moratorium

- BE IT RESOLVED, THAT the Society establish a Policy on the **Moratorium on considering Referendum questions for new Ancillary Fees, increases to existing Ancillary Fees, or any other new fees or increases to existing fees** that McGill University wishes the Society to send to Referendum for approval by the Membership until McGill University:
 - Pledges to refrain from investing in all companies whose primary business is the extraction, distribution, and/or sale of fossil fuels, and from all mutual funds that invest in such companies in the future



Fall 2019 - The Current Moratorium

- BE IT FURTHER RESOLVED, THAT the Society's Executives be **mandated to form a "No" Referendum committee** should McGill University force a vote on new Ancillary Fees, increases to existing Ancillary Fees, or any other new fees or increases to existing fees upon the student body



Fall 2019 - The Current Moratorium

- CAMSR recommended (and the McGill Board of Governors approved) that university move towards **decarbonization**, but **not divestment** from fossil fuel companies entirely
- Decarbonization: removing investments of highly carbon-intensive companies, but not the fossil fuel industry as a whole
- PGSS adopted a similar moratorium based off of the SSMU moratorium
- The moratorium remains in place to this day

10 years of working within and against the system

Fall 2019: disrupting an attempt to pass CAMSR's report promoting greenwashing



10 years of working within and against the system

Fall 2019: Mass student walkout and “Paid by McGill” mock video



Key Takeaways



Financial Pressure is Effective

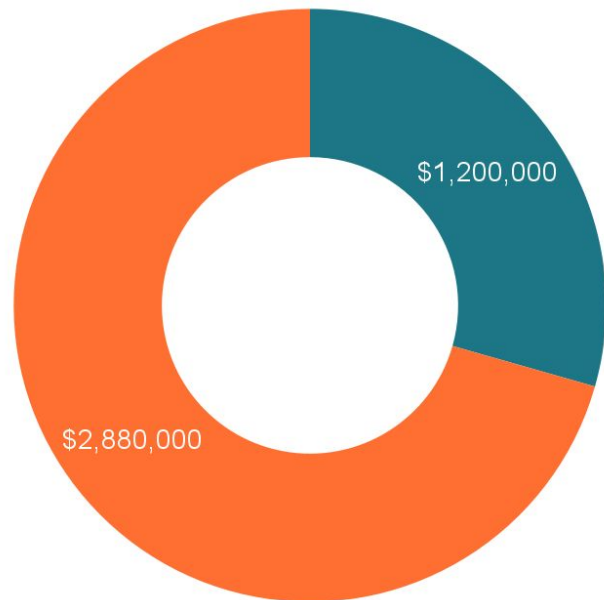
- The moratorium seeks to **impose a financial cost** on the university's decision to reject divestment
- Over time, the **amount lost** by the university as a result of this moratorium **will exceed the amount gained** by the university's continued investment in the fossil fuel industry
- Prospective donors to Athletics and Recreation have stated that they are **hesitant to donate money** to the university as a result of the moratorium, **further increasing financial pressure** on McGill



The Moratorium is SSMU's Most Impactful Tactic

- Athletics Facility Improvement Fee:
\$10/term x 5 terms
- Fiat Lux Fee:
\$30/term x 4 terms
- Total Withheld:
~\$4,080,000

Amount Withheld Due to Moratorium (Based on 24,000 Students)



● Athletics Facility Improvement Fee ● Fiat Lux Fee



Conclusion: The Moratorium Cannot Be Amended

- Divest McGill believes that any amendment that would weaken the moratorium **would jeopardize the momentum of the campaign** and would relieve pressure on the university at a crucial time
- The administration would believe that students no longer care about divestment, further dampening our efforts
- **We are counting on you** to uphold the Society's commitment to demonstrating leadership in matters of human rights, social justice, and environmental protection

Thanks for listening!
Questions?