

Executive
University of Toronto Students' Union

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STATEMENT

For immediate release
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RE: Statement on Service Reductions and Layoffs

On March 31, 2017, the Board of Directors of the University of Toronto Students' Union approved the elimination of two services, as recommended by the Services Committee. The services in question were 1) a designated member of the full-time staff to assist clubs and service groups and 2) a designated member of the full-time staff to assist students with the Health and Dental Plan. While the UTSU will still be able to support clubs and service groups and assist students with the Health and Dental Plan, the service of a specific "point person" for each will be eliminated. The Services Committee made its recommendation in the context of the following:

1. Membership fees are the UTSU's only significant source of unrestricted revenue. While the membership fee increases at the rate of inflation (an average of 2.0% per year), the cost of the UTSU's single largest expense—human resources—increases at an average rate of 3.5%. This trend is unsustainable.
2. The Student Commons is scheduled to open in 2018. The building will run a deficit of at least \$344,000 in its first year of operation, and will continue to run deficits until its tenth year of operation. The UTSU will need to draw on membership fees to offset these deficits. The Student Commons was always an ill-conceived project from a financial standpoint, but the UTSU has no choice but to proceed. We're determined to make the best of it for the sake of students and student clubs.
3. In October 2016, 70% of members at the St. George Campus voted against the creation of a new fee—distinct from the membership fee—that would have been used exclusively to fund clubs, events, and services. Opponents of the fee argued that the UTSU currently spends too much money on HR, and that it should therefore not be given any more money until it makes the necessary cuts. That argument ultimately prevailed.
4. The UTSU has one of the lowest students' union membership fees in Canada, and the size of the fee is not offset by the number of fee-paying members. Given the result of the October 2016 referendum, there is no prospect of the members approving a fee increase.

In light of the above, and in the interest of ensuring the long-term financial viability of the organization, the Services Committee concluded that eliminating services is an unfortunate but necessary step (the alternative being cuts to other large expenses, such as funding for clubs). The motion as passed gave the President, the Vice-President Internal, and the Executive Director—who together comprise the Management Committee—a mandate to implement the service reductions “as soon as possible.” The Management Committee then met with Local 1281 of the Canadian Union of Public Employees (CUPE), the union that represents the full-time staff of the UTSU. Unfortunately, CUPE and the UTSU were unable to come to an agreement on how to implement the service reductions. Nonetheless, we have honoured and will continue to honour the Collective Agreement between CUPE and the UTSU.

On April 28, 2017, the Executive Committee approved the elimination of the position of Clubs and Service Groups Coordinator and the position of Health and Dental Plan Coordinator. The position of Financial Coordinator, which has been vacant since August 2016, will also be eliminated. This decision was not made lightly, and it should not be celebrated. We are committed to ensuring that the current occupants of these positions are justly compensated for their years of service to the UTSU. If the UTSU is able to re-establish these positions at any point in the next two years, they will be given to the current occupants, as required by the Collective Agreement. This course of action was born of necessity, not ideology. It is the end result of years of mismanagement. The reality that the UTSU must now confront is nothing less than a tragedy.

Every year, there are reports of students' unions facing bankruptcy. Every time, the same question is asked: “Why was nothing done?” The answer, in every case, is that nothing was done because the students responsible chose comfort over conflict and refused to take the necessary corrective action. A students' union does not collapse overnight. At the UTSU, the writing has been on the wall for a long time, and we cannot ignore it any longer.

If these three positions are not eliminated, the UTSU will have a carried-forward deficit of \$2 million by 2022. The deficit will grow to \$3.8 million by 2027. If the positions are eliminated, the UTSU will post have a carried-forward deficit of \$250,000 in 2022 and a carried-forward deficit of \$500,000 in 2027. The latter scenario would be significantly more manageable. Importantly, CUPE has also sought the restoration of two full-time positions that were eliminated in 2014-15, as well as the creation of a new full-time position to manage the Student Commons. The effect would be to bring the number of full-time staff to eleven, and to bring the UTSU to the point of insolvency.

Members should rest assured that coverage under the Health and Dental Plan will not be affected, nor will there be any effect on funding for clubs and service groups. The services provided by the Clubs and Service Groups Coordinator have always been provided jointly with the Vice-President Campus Life, and the services provided by the Health and Dental Plan Coordinator have always been provided jointly with the plan administrator. While having a specific member of staff for each service is convenient and good for students, it is not a level of service that the UTSU can afford to provide. The services themselves, however, will remain.

The UTSU has always engaged with CUPE in good faith. We have fulfilled all of our obligations under the Collective Agreement. We will continue to do so.

We are grateful to our members for their patience and for their understanding. A detailed analysis of the UTSU's financial position, including all information that was provided to the Board of Directors and to CUPE, is available at the link [here](#). Those members who have questions are not only welcome but encouraged to email president@utsu.ca, vpinternal@utsu.ca, or executivedirector@utsu.ca.

Yours in service,

The UTSU Executive

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