March 2015: Matthew speaks to Council as part of the campaign about the necessity of a student life fee (SLF) increase;

June 2015: Debt revelation that no surplus exists;

September 2015: Resource Development committee created;

October 2015: DSL grants $70,000 to the UA, informs us as to how SLF increases work;

November 2015: Increase finalized, email sent to undergrads, Council meeting held
Basic Overview of Finances

Every year, $315,400 is given to the UA from SLF and General Institute Budget (GIB).

$70,000 funds “student-oriented activities”;

$35,000 funds “UA internal operations”;

Remainder funds student groups through Financial Board.
Basic Overview of Finances

![UA Expenditure Breakdown Graph]

- Finboard
- Student Oriented
- Internal Operations

FY11, FY12, FY13, FY14, FY15
Basic Funding Overview

Per Group Spend

- $2,500.00
- $2,000.00
- $1,500.00
- $1,000.00
- $500.00
- $0.00

FY11  FY12  FY13  FY14  FY15  FY16 Projected
Basic Overview of Finances: The Gap

We have 233 active, funded student groups; we get around 16 more per year. At an average spend of $1,200 per group (FY2014 levels):

= $279,600 cost
+ $70,000 student-oriented funding
$349,000 ($34,200)

Does not include UA internal spending! Or student group growth!
The Proposal

A $4 increase to the Student Life Fee (brings in approximately $40,000) for FY2016;

The possibility to revisit the need of another increase of $4 in a year’s time for FY2017;

The possibility to revisit the need of a final increase of $3 in two year’s time for FY2018;

Budget planning around $1,200 per student group.
The Proposal

An Insurance Policy for the Future

- Hedges against poor future leadership that could detrimentally affect group funding;
- Hedges against poor performance by future Resource Development committees;
- Is flexible (no commitment for future increases).

Long Overdue

- SLF increase should have occurred in FY2013, due to club growth
There is still a gap!

$349,000 + $40,000 = $389,000; leaves a very small margin of $5,800 for UA internal spending, potential growth.

We will seek supplemental funding from:

- Continuing to build the Resource Development committee;
- Working with alumni;
- Reaching out across MIT departments.
What happens if we do not increase SLF?

We get to make tough choices together

- What do we want to fund - student groups, student-faculty dinners or shuttles, or Costco cards, or Spring/FallFest, or Trashion, or Wellness Week….
- Increased risk for future years
- We do not solve the spending of student groups
- Leads to systemic ineffectiveness of the organization
- Creates an unsustainable downward trend on expenses

$315,600: $70,000 + 233*x, where x = $1,054 per group (below FY2012)
Some Audit Report Clips

Observation #2: UA Umbrella settlement payments were not adequate to cover actual Finboard student expenditures.

Observation #4: Long term financial goals are not articulated, including management of the reserve account.
The Proposal

**A $4 increase** to the Student Life Fee (brings in approximately $40,000) for FY2016;

The possibility to revisit the need of another increase of $4 in a year’s time for FY2017;

The possibility to revisit the need of a final increase of $3 in two year’s time for FY2018;

Budget planning around $1,200 per student group.