

# Undergraduate Association Student Life Fee Increase

November 16, 2015



# Timeline

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).

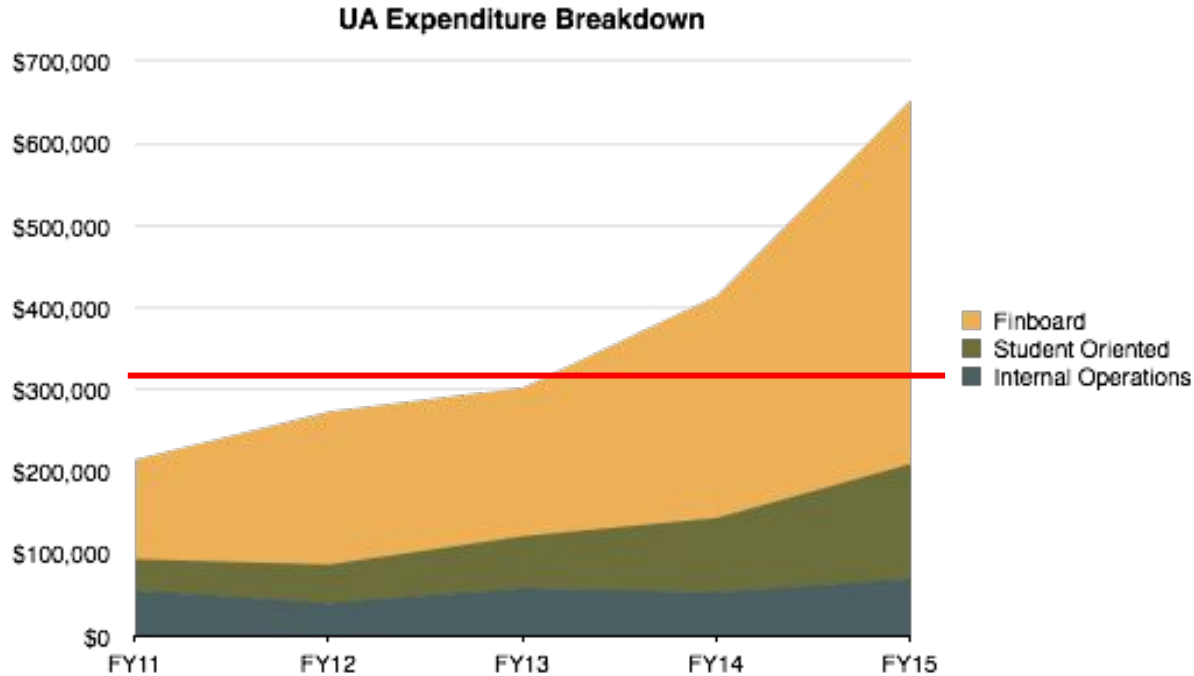
\$70,000 funds “student-oriented activities”;

\$35,000 funds “UA internal operations”;

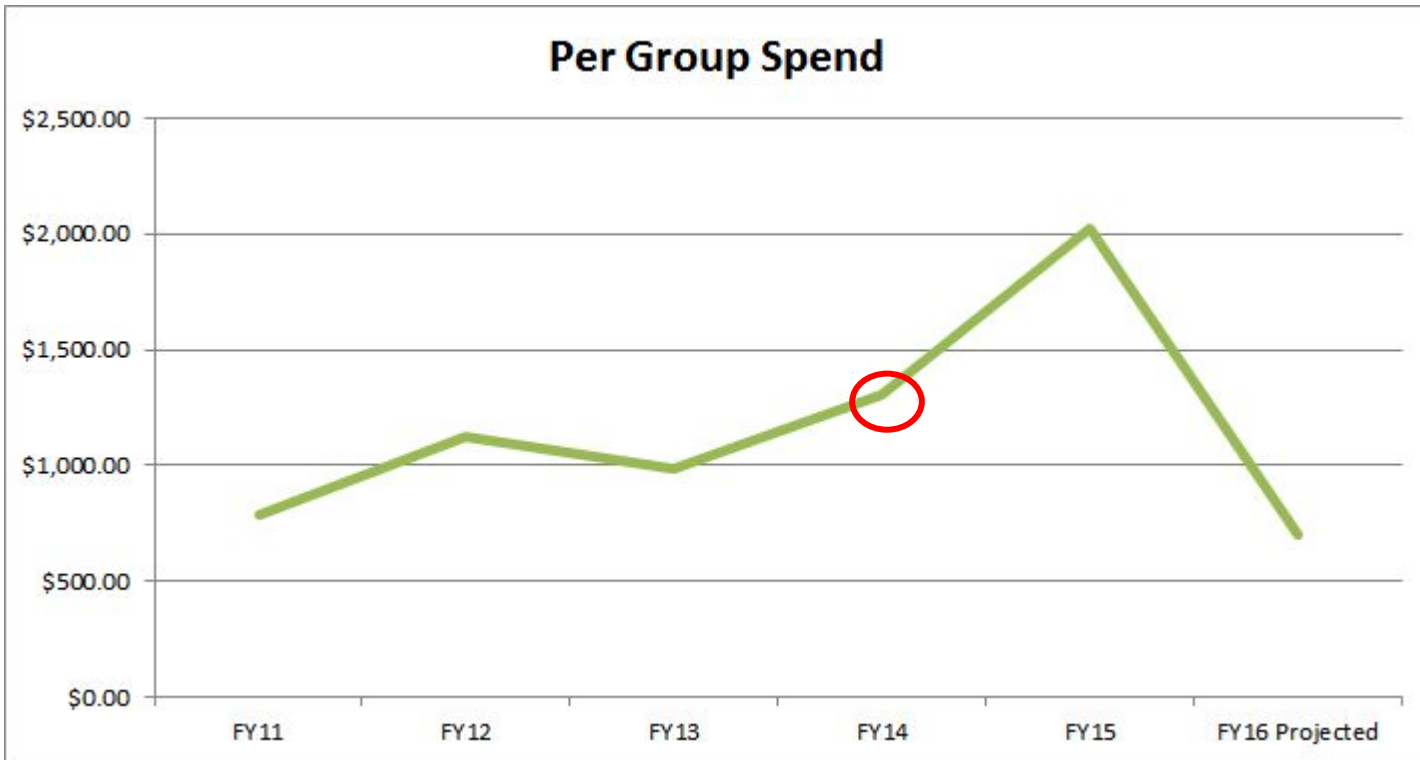
Remainder funds student groups through Financial Board.



# Basic Overview of Finances



# Basic Funding Overview



# 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.



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