

# UMSGINC

## University of Maine Student Government *Proposals for Increasing the Student Activity Fee: A Spring 2025 Consideration Report*

*Compiled by Keegan Tripp, President '24 - '25*

### **Background**

The University of Maine Student Government, Inc. (UMSG) is a 501(c)(3) nonprofit operated by students focused on enhancing campus life through advocacy and resource allocation. This report, prepared by the UMSG President, presents three proposals for adjusting the Student Activity Fee (SAF) for Spring 2025: a \$22 increase, an \$11 increase, or no increase with financial restructuring. Using current enrollment numbers, the report outlines the monetary impacts of each approach to help the General Student Senate decide whether to send the proposal to referendum. The report also includes a timeline to guide the process. The Senate's decision will determine the proposal presented to the Student Body for a vote.

### **Table of Contents**

<b>Introduction.....</b>	<b>2</b>
<b>PREAMBLE of the UMSGINC. CONSTITUTION.....</b>	<b>2</b>
<b>Contextualizing the UMSG Budget Process.....</b>	<b>3</b>
<b>Calculating the Path Forward.....</b>	<b>4</b>
<b>Approach 1: Go Big – \$22 Increase Semesterly (\$100 Total).....</b>	<b>6</b>
<b>Approach 2: Go Mid – \$11 Increase Semesterly (\$89 Total).....</b>	<b>7</b>
<b>Approach 3: Go Home – Financial Restructuring (No Increase).....</b>	<b>8</b>
<b>Options Chart:.....</b>	<b>11</b>
<b>Timing Breakdown.....</b>	<b>12</b>
<b>Conclusion:.....</b>	<b>12</b>
<b>President’s Perspective.....</b>	<b>13</b>

## Introduction

The Student Activity Fee (SAF) at the University of Maine is \$78 per semester, with \$63 allocated directly to UMSG and the remaining \$5 divided among other student services such as WMEB and Media Services. This structure ensures significant student autonomy in how the fee is spent, which aligns with UMSG's mission to represent and serve the General Student Body by providing effective programs and advocating for the efficient use of student resources. The funds support ongoing student initiatives, including student organizations, events, and services, per the goals outlined in the UMSG Financial Policies. However, rising costs and increasing demand have stretched the current fee, making it insufficient to meet the growing needs of student organizations.

### **Challenges:**

Despite the relatively low fee, student organization funding demand exceeds the available budget. The unallocated pool, which supports ad-hoc funding requests, has been shrinking, and the gap between available resources and student needs continues to widen. This puts UMSG at a crossroads: either the SAF must be increased, or current financial practices must be restructured to maximize efficiency and ensure equitable support for all student organizations. The outcome of this decision is critical to UMSG's ability to continue fulfilling its mission, ensuring that student needs are met in the most effective way possible.

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## PREAMBLE of the UMSGINC. CONSTITUTION

To serve the General Student Body of the University of Maine by providing social, cultural, and educational programs and activities to expand the scope of the educational experience; ***by providing the most effective use of student money and effort;*** by informing students of issues which are their concern and to eliminate confusion about those issues, by representing the General Student Body to the State Government, the Board of Trustees, the Chancellor, the Administration, and any other appropriate body or organization and to give input to those bodies relating to student opinion; by encouraging student participation and input; and to be more worthy of the Motto of the State of Maine ***Dirigo, "I Lead"***.

We the General Student Body of the University of Maine hereby approve this Constitution as of the 12th day of the 4th month of the year 1978 (April 12, 1978).

## **Contextualizing the UMSG Budget Process**

### **Receiving the SAF:**

The annual budget for UMSG is based on projected numbers, as the actual figures are not available until all SAF installments are received. This uncertainty exists because the University of Maine cannot predict enrollment exactly. Enrollment fluctuates due to various factors, such as general trends (which have been steadily declining) and specific issues like dropouts, transfers, students paying late, or the late arrival of scholarships. These variables make it difficult to determine precise funding amounts until all students paying the fee have been accounted for.

### **Rollover as the Operating Budget:**

Since UMSG doesn't receive its first installment of the SAF until well into the first semester, there is a gap between the start of the academic year and when funds become available. This is where the concept of "rollover" comes into play. Rollover refers to the unspent funds from the previous fiscal year, including unused amounts in the unallocated budget and funds left over from other areas like sports clubs, office allocations, and executive funds. These leftover funds are carried over to sustain UMSG during the waiting period between semesters, effectively acting as the bridge until the first installment of the new year's SAF arrives.

### **Traditional Budget Projection Practices:**

To account for the uncertainty in enrollment and the timing of SAF installments, the UMSG Vice President for Financial Affairs (VPFA) has traditionally created a buffer zone in the budget projections. This practice involves taking the projected enrollment numbers for the upcoming year and subtracting *500 student activity fees* (500 x \$63) from each semester's projected revenue. This buffer zone is intended to account for any unexpected fluctuations in enrollment, such as dropouts or late payments, providing a cushion that helps ensure that UMSG has the resources to meet its needs throughout the year.

For example, subtracting 500 SAFs (~\$31,500 per semester) from the projections creates a conservative estimate, which has typically allowed UMSG to avoid budget shortfalls. Over both semesters, this results in a ~\$63,000 buffer zone for the year. This is not a formal policy but a practice that has been used to ensure financial stability.

However, the former VPFA did not apply this traditional buffer this past year. Instead, they subtracted \$500 from each semester, effectively creating a \$1,000 buffer zone, and projected the unallocated budget at its maximum rather than using the conservative estimate typical of past years.

**Annual Budgeting:**

The annual budgeting process for UMSG follows guidelines outlined in the UMSG Financial Policies. The budget is primarily based on that projected figure outlined in the last section, estimated by the VPFA using anticipated undergraduate enrollment figures. These projections are conservative and subject to the Executive Budgetary Committee's (EBC) approval. Budgeting aims to allocate funds equitably among student organizations, events, and programs while ensuring financial sustainability and alignment with UMSG's mission.

**Changes in the Buffer Zone Practice:**

However, the budgeting process deviated from this traditional approach in the past year. Instead of creating a buffer zone of ~\$63,000, the former VPFA subtracted only \$1,000 from the year's projected revenue, leading to overestimating the available funds. This more *optimistic* financial outlook led to increased funding being allocated to several key areas based on the assumption of a larger budget. Notably, the Senate approved increases in funding for:

- Sports Clubs: Through tiered funding increases and the introduction of the "Pay to Play" system. These changes are detailed in the Financial Policies, Section 1, Part N for the Tier System, and Section 1, Part O for Pay to Play funding, which outlines the funding tiers and the criteria for "Pay to Play" support.
- Student Entertainment: Enhanced funding was allocated to expand student programming and bring more diverse events to campus.

While these increases were made to support student organizations and meet growing demand, the decision was based on a projection that did not incorporate a sufficient buffer zone, increasing the reliance on projected figures and reducing the margin for error. **Thus, here we are.**

**Calculating the Path Forward**

This report uses the current fiscal year's UMSG budget as a baseline to analyze the financial impact of the proposed Student Activity Fee (SAF) adjustments. The total budget for UMSG is derived from the number of undergraduates enrolled each semester and the portion of the SAF allocated directly to UMSG, which is \$63 per student per semester.

- For Semester 1, 7,719 undergraduates enrolled.
- For Semester 2, with 7,254 undergraduates enrolled

The total projected UMSG budget for the year, before any buffer adjustments, is:

- \$486,537 (Semester 1) + \$457,002 (Semester 2) = \$943,539

## UMSG SAF CONSIDERATIONS - 5

As mentioned, a smaller buffer was used during the most recent budget process. Instead of subtracting \$31,500 per semester, only \$500 was subtracted from each semester’s budget. This results in a \$1,000 yearly buffer (instead of the traditional \$63,000).

The total adjusted UMSG budget for the year, after applying the smaller buffer, is:

- \$486,037 (Semester 1) + \$456,502 (Semester 2) = **\$942,539**

*This adjusted figure of \$942,539 will serve as the basis for analyzing the potential impacts of the proposed changes to the SAF throughout this report.*

### **Understand the Impact of Proposed SAF Increase According to the Unallocated:**

***For the sake of simplicity in this report, each proposed increase in the SAF will not alter the amounts already allocated in the current budget. Instead, the new funds generated by the fee increase will be assumed to go directly into the unallocated pool, which started at around \$73,000 (total of ~ \$101,000) for this fiscal year. VPFA Bois and President Tripp adjusted for \$30,000 to create that missing buffer, which almost broke even.***

The increase in SAF will be considered based on its impact on UMSG's buying power, which is reflected in the additional funds available to the unallocated pool. This allows UMSG to address the growing demand for support without adjusting the allocations already made for student organizations or services.

Such resource restructuring can only be reliably done once a decision on the activity fee is final. For the no-increase scenario, President Tripp’s approach will instead outline where necessary cuts need to be made to bring equity to the limited resources available, ensuring that funding is fairly distributed across UMSG’s initiatives and programs.

<b>Baseline (FY25)</b>	<b>Amount</b>	<b>Explanation</b>
Semester One Revenue	\$486,537	7719 x \$63
Semester Two Revenue	\$456,502	7254 x \$63
<b>TOTAL BUDGET</b>	<b>\$942,539</b>	Combining both semesters.
Starting Projected Unallocated (\$1,000 buffer)	~\$103,000	Rough FY 2025 Unallocated
Projected Unallocated (\$63,000 buffer)	~\$40,000	Rough FY 2025 Unallocated with corrected buffer

**Approach 1: Go Big – \$22 Increase Semesterly (\$100 Total)**

**Overview:**

The table below presents the financial impact of the Go Big proposal, which raises the Student Activity Fee (SAF) by \$22 per semester, bringing it to \$100. Under this proposal, the total budget for UMSG increases to \$1,272,705, derived from the updated \$85 SAF per student across both semesters (7,719 students in Semester 1 and 7,254 in Semester 2). This increase will significantly boost the unallocated pool, which serves as a financial buffer for ad-hoc requests and unforeseen expenses. With the \$1,000 buffer, the projected unallocated funds will total \$402,166, while applying the traditional \$63,000 buffer brings it to \$339,166. This shows how the proposed SAF increase would expand UMSG’s capacity to support student initiatives and respond to growing financial needs.

<b>Go Big</b>	<b>Amount</b>	<b>Explanation</b>
Semester One Revenue	~\$656,115	7719 x \$85
Semester Two Revenue	~\$616,590	7254 x \$85
TOTAL BUDGET	~\$1,272,705	Combining both semesters
Projected Unallocated (\$1,000 buffer)	~\$432,166	Rough FY 2025 Unallocated (103,000 + (TOTAL BUDGET - \$943,539))
Projected Unallocated (\$63,000 buffer)	~\$369,166	Rough FY 2025 Unallocated (40,000 + (TOTAL BUDGET - \$943,539))

**Approach 2: Go Mid – \$11 Increase Semesterly (\$89 Total)**

**Overview:**

The table below presents the financial impact of the Go Mid proposal, which raises the Student Activity Fee (SAF) by \$11 per semester, bringing it to \$89. Under this proposal, the total budget for UMSG increases to \$1,107,998, derived from the updated \$74 SAF per student across both semesters (7,719 students in Semester 1 and 7,254 in Semester 2). This increase will significantly boost the unallocated pool, which serves as a financial buffer for ad-hoc requests and unforeseen expenses. With the \$1,000 buffer, the projected unallocated funds will total \$267,459, while applying the traditional \$63,000 buffer brings it to \$174,459. This shows how the proposed SAF increase would expand UMSG’s capacity to support student initiatives and respond to growing financial needs.

<b>Go Mid</b>	<b>Amount</b>	<b>Explanation</b>
Semester One Revenue	~\$571,206	7719 x \$74
Semester Two Revenue	~\$536,796	7254 x \$74
TOTAL BUDGET	~\$1,107,998	Combining both semesters
Projected Unallocated (\$1,000 buffer)	~\$267,459	Rough FY 2025 Unallocated (103,000 + (TOTAL BUDGET - \$943,539))
Projected Unallocated (\$63,000 buffer)	~\$204,459	Rough FY 2025 Unallocated (40,000 + (TOTAL BUDGET - \$943,539))

**Approach 3: Go Home – Financial Restructuring (No Increase)**

**Overview:**

Rather than increasing the SAF, this option proposes financial restructuring through cuts and reallocating current resources.

**Rationale:**

By making strategic reductions, UMSG could free up more money for the unallocated budget without raising the SAF.

**Current Distribution Breakdown for Reference:**

Current Distribution Without Compensation		
Boards	\$27,720.00	5.48%
Community Associations	\$34,840.00	6.89%
Student Leadership	\$2,650.00	0.52%
Committees	\$6,945.00	1.37%
<b>Student Entertainment</b>	<b>\$163,000.00</b>	<b>32.24%</b>
Clubs (office budget)	\$2,743.01	0.54%
<b>Sports Clubs</b>	<b>\$163,660.00</b>	<b>32.37%</b>
<b>Special Allocations pay2play</b>	<b>\$24,670.00</b>	<b>4.88%</b>
Special Allocations	\$8,000.00	1.58%
<b>Unallocated</b>	<b>\$71,427.20</b>	<b>14.13%</b>
Total	\$505,655.21	~100.00%

} 37.25%

**Proposed Cuts:**

Firstly, the increases made under the assumption of the unallocated without the traditional buffer should be reverted. This action is twofold...

1. In the '24 Spring Semester, UMSG raised the maximum Tier Funding in the following ways:
  - a. Tier 1 from \$8,000 to \$10,000
  - b. Tier 2 from \$4,000 to \$5,000
  - c. Tier 3 from \$2,000 to \$2,500

**Total Sports Club Spending Increase of \$33,500**



**UMSG SAF CONSIDERATIONS - 9**

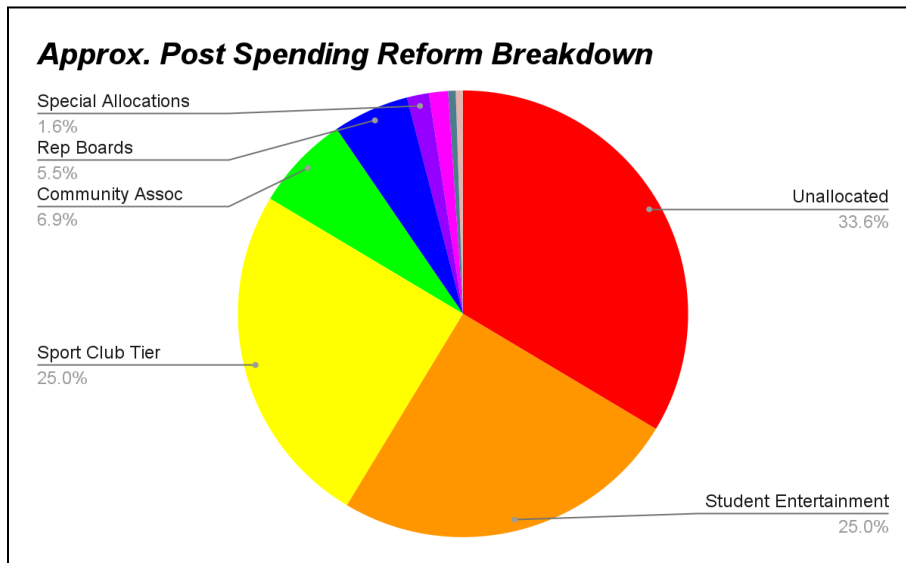
- The Pay to Play program, introduced in the '24 Spring Semester, cost UMSG an extra \$24,670.

**Returning these funds to the unallocated pool would increase it by around \$54,000, but more is needed to fully address the funding gap the increases aimed to resolve. Allocating over 36% of UMSG’s budget to sports clubs while leaving only 14% for all other student organizations is inequitable. President Tripp proposes capping sports clubs’ tier funding at 25% of UMSG’s total budget to promote fairness. This would require scaling down the tier maximums proportionally to ensure balanced spending.**

Similarly, the Student Government should apply the same funding standards to itself as we do to clubs, allocating funds based on UMSG’s discretion rather than individual requests. President Tripp proposes reducing the entertainment budget to 25%, which would return about \$36,000 to the unallocated pool. This shift would move Student Entertainment from two large shows to a single show with a tighter budget, though funding for the individual show could be higher. This would require restructuring the Entertainment division, potentially cutting smaller programs like Food Trucks or Movie Tickets. It would also render the Assistant Vice President of Student Entertainment position unnecessary, reallocating the \$4,350 wage to the Entertainment budget.

**Rough Breakdown After Proposed Cuts:**

<b>Proposed* Distribution Without Compensation</b>		
Boards	\$27,720.00	5.48%
Community Associations	\$34,840.00	6.89%
Student Leadership	\$2,650.00	0.52%
Committees	\$6,945.00	1.37%
<b>Student Entertainment</b>	<b>\$126,413.80</b>	<b>25%</b>
Clubs (office budget)	\$2,743.01	0.54%
<b>Sports Clubs</b>	<b>\$126,413.80</b>	<b>25%</b>
Special Allocations pay2play	\$0	0%
Special Allocations	\$8,000.00	1.58%
<b>Unallocated</b>	<b>\$169,929.60.</b>	<b>33.62%</b>
Total	\$505,655.21	~100.00%



**What Would The Scaling Look Like At Current Spending Levels?**

Given:

- Tier 1 funding: \$10,000 per club, with 6 clubs.
- Tier 2 funding: \$5,000 per club, with 17 clubs.
- Tier 3 funding: \$2,500 per club, with 2 clubs.

The total current funding for each tier is:

- Tier 1:  $10,000 \times 6 = 60,000$
- Tier 2:  $5,000 \times 17 = 85,000$
- Tier 3:  $2,500 \times 2 = 5,000$

The total current sports clubs' **MAXIMUM** funding is as follows:

- $60,000 + 85,000 + 5,000 = 150,000$

Now, if the maximum total funding for sports clubs is capped at \$126,413.80, we will use a scaling factor.

Scaling Factor =  $126,413.80 / 150,000 = 0.8428$

- Tier 1:  $10,000 \times 0.8428 = 8,428$
- Tier 2:  $5,000 \times 0.8428 = 4,214$
- Tier 3:  $2,500 \times 0.8428 = 2,107$

With this adjustment, the tier funding is scaled to:

- Tier 1: \$8,428 per club
- Tier 2: \$4,214 per club
- Tier 3: \$2,107 per club

This ensures the funding for all sports clubs remains within the \$126,413.80 cap while maintaining the relative distribution across the tiers. ***The proposed return to previous tier levels 1, 2, and 3 falls below these numbers (by \$428, \$214, and \$107, respectively).***

**Options Chart:**

<b>Approach</b>	<b>Activity Fee Price (Semesterly)</b>	<b>Unallocated Pool Size (with \$63,000 buffer)</b>	<b>Consequences</b>
Go Big – \$22 Increase	\$100	~\$369,166	\$44 increase on students, but a substantial increase in funding and long-term stability. A likely return of larger shows and an ability to invest in large-scale student events/projects.
Go Mid – \$11 Increase	\$89	~\$204,459	\$22 increase on students that would simply meet the demands of current spending levels (give or take \$4,000)
Go Home – No Increase	\$78	~\$169,929.60.	\$0 increase on students, but relies on budget restructuring in the name of equity. This comes at the cost of smaller sports club budgets, a smaller entertainment department, and likely an executive position.
<b>Current – NO CHANGE AT ALL</b>	<b>\$78</b>	<b>~\$40,000</b>	<b>No SAF or UMSG Spending changes are made, but the traditional buffer is applied.</b>

## Timing Breakdown

### **Important Dates:**

- Final Senate Meeting of the Fall - *Dec 10, 2024*
- Tentative Increase Amount Submitted to Vice President Kelly Sparks (University VPFA) Passed the Senate - *Feb 25, 2025*
- Exec Election Week - *~March 10-15, 2025*
- Board Meeting for Activity Fee Raise Consideration - *May 2025*

### **Mock Timeline:**

1. Final Senate Meeting of the Fall: *Dec 10, 2024*
2. Tentative Increase Passes the Senate: *Feb 24, 2025*
3. Amount Submitted to Vice President Kelly Sparks (University VPFA): *Feb 25th, 2025*
4. Activity Fee Raise Passes/Fails: *March 10-15, 2025*
5. Results submitted to VPFA Sparks and the President's office: *March 24th, 2025*
6. Board Meeting for Activity Fee Raise Consideration: *May 2025*

## Conclusion:

The decision to raise the Student Activity Fee (SAF) or restructure current financial practices is critical in shaping the future of student services at the University of Maine. Each proposed approach—Go Big, Go Mid, and Go Home—offers distinct advantages and consequences that balance financial sustainability with student affordability.

- **Go Big** proposes a \$22 increase per semester, significantly boosting UMSG's capacity to fund student organizations and activities. This approach offers long-term financial stability, but it also increases cost to the student.
- **Go Mid**, with an \$11 increase per semester, provides a more moderate increase that sustains current spending levels. It supports a return to the previous funding levels for student organizations with less cost to students than Go Big.
- **Go Home** takes the opposite approach by avoiding a fee increase altogether, focusing instead on restructuring the current budget. While this option avoids imposing additional costs on students, it comes at the cost of reducing allocations for sports clubs, student entertainment, and potentially some administrative positions.

Ultimately, the decision will rest on the student body's values and priorities. Should UMSG prioritize expansion and stability through a fee increase or focus on equity and efficiency through restructuring? This report lays out the financial implications of each approach.

## President's Perspective

As we navigate the decision-making process for adjusting the Student Activity Fee (SAF), I want to emphasize several key points that I believe are crucial for the future stability and fairness of UMSG's financial approach.

Firstly, I strongly advocate pursuing the proposals in the Go Home model, regardless of the final decision on the SAF increase. This is because, *without any guarantees of a fee raise, it is fiscally responsible to prepare for this scenario*. A resolution should be written and passed, which would only take effect if no raise to the SAF is enacted. This will allow us to restructure the budget to ensure fairness and equity across the board, even if a fee increase doesn't happen. I am happy to write it and put it through Polipro.




Secondly, sending at least one of the two raise options (Go Mid or Go Big) to the student body for a vote is essential. Even if the Senate feels a raise is unnecessary (which I doubt is the case), I think allowing the student body to decide is best. Involving as many students as possible in this decision is an opportunity to increase their engagement and investment in student government decisions. Giving them a direct say is vital to ensuring we reflect their collective wants.

Finally, while both the Go Mid and Go Big options have their merits, I favor the Go Big proposal. A \$22 increase per semester would significantly improve UMSG's financial standing, addressing immediate needs and future stability. This approach would effectively take the issue off the table for several years because the SAF was only increased by \$10 in 2023 to account for inflation since 2018. Raising the fee to \$100 per semester would provide a solid financial base for at least eight years if handled correctly, especially during these uncertain times of fluctuating enrollment and ongoing University restructuring. This stability would allow us to focus on supporting student organizations, large-scale initiatives, and campus life without revisiting the issue of the SAF every few years.

In conclusion, while I understand that the student body makes the final decision, pursuing these strategies, particularly the Go Big option, will best position UMSG to meet the evolving needs of our campus community. Of course, my opinion remains subject to change as conversations continue.

-President Tripp

**Resources/Supporting Materials:**

1.  SAF Raise calculator (Make a copy; change the blue block to see what that amount raise would do to the SAF red block)
2. **Silly AI Podcast Episode Interpretation of the Situation:** [UMSG SAF Proposal Deep Dive Episode](#)
3.  STARTING VPFA REPORT.docx
4.  GSS SAF Raise Report '25 WORKING DOCUMENT - Pie chart 1 APPROX. BREAKDOWN