FY21 Performing Arts Advisory Council Financial Appropriation Appeal

Dear Financial Appropriations Committee,

Thank you for taking the time again to work diligently to fund all the Georgetown advisory boards. We understand the difficult situation FinApp is in due to the cut in funding because of the student endowment fund. Therefore, we are grateful for your reallocation of $50,000, as we know most boards were cut from their allocations last year. However, this letter serves as a request to appeal our original allocation of $50,000. After reviewing our documents and budgets we received for next year we believe that in order to just provide regular season programming and support our 5 new groups in NCD we would need **$75,000**. The remainder of this letter will address concerns with our reserve account, tickets and ads accounting, and help to justify our $75,000 appeal.

*Original Request for FY21: $85,000*

*Initial Allocation for FY21: $50,000*

*Appeals Request for FY21:$75,000*

Each year we are asked about why our reserve account is so large. As I argued in the first presentation, we face a uniquely high financial risk such as replacing a light board or buying a piano. However, we are aware of the fact that’s too high and agree that we need to continue to use small amounts each year to help dwindle the account. Therefore, we believe that it’s fair to assume that we should be using around 5% to help fund group funding. With a current reserve account of around $350,000, we believe spending $17,500 in FY21 to cover groups costs is an acceptable amount to take responsibility for the size of our reserve account.

In addition to taking responsibility of our reserve account, we wanted to point out the addition of 5 new groups into the New Club Development process. Of these 5 groups, 4 will be presenting this spring and are on track to be accepted as a new club soon. PAAC hasn’t accepted a new group over the past 4/5 years. Therefore, we believe that we will see a large increase in yearly group requests for FY21. All 4 of these groups are classified as dance groups. To give context about the average cost for a dance group for the year is about $7300 (This value includes expected income from tickets and ads subtracted from yearly expenses). Most dance groups usually have about 20% of their yearly expenses covered by tickets and other sales. For example, GU Dance Company requested $15,117 and expected to make $3,167 in ticket sales. Therefore, their total request from PAAC for FY20 was $11,950. If we apply similar financial expectation to the four new dance groups, we can expect to incur an additional $29,200 in yearly requested budgets for PAAC because of the addition of these 4 groups.

Lastly, we wanted to demonstrate exactly how we determined that we are appealing for $75,000. When examining our financial document, it can been seen that our total expected group request is $142,000. This number reflects *only the financial expenses* of each group added together. Each of the groups also report their tickets and programming incomes, which is expected to be $61,348 for the FY21 year. To clarify, all ticketing and ad incomes go directly to offset the expenses of each group. Therefore, ticket sales never come back to PAAC reserves. So, overall the net group expense for FY21 is expected to be $80,652 for current existing PAAC groups. If add in the net $29,200 ($7300 per group) that we expect to add with the 4 new dance groups, our total expected net allocation to groups increases to $109,852. We receive $28,056 from student affairs and $7,447 from our Coke Grant. If we exclude GUSA’s contribution, we would have a net loss of $74,349. Therefore, we are in need of $75,000 to cover just our bare programming. This does not even include ad hoc funding, which we would use our reserve account to fund. With the current allocation of $50,000 for PAAC, we would expect a loss of $25,000 to cover season programming alone with an additional $15,000 loss in ad hoc (This reflects a conservative ad hoc allocation; yearly average for ad hoc is $31,00). Thus, the current GUSA allocation would result in a net loss of around at minimum $40,000 from PAAC, since this number reflects an ad hoc budget of half our average.

Overall, we are grateful for our initial allocation as it does greatly help offset the costs of performing arts. But as seen above, we truly need $75,000 to run our regular season programming. Given that PAAC supports groups that are one of the few ways students can express their artistic selves, we are asking for you to reconsider your allocation. We understand that FinApp/GUSA is trying to push the university to have a better funding for the arts. However, if we are not funded at $75,000 this year, we will have to restrict out regular season programming or heavily use our reserve accounts to cover the differences. Therefore, we ask that in light of these facts FinApp please reconsider their allocation and help fulfill our bare needs to have a regular arts season next year.

Sincerely,

Matt Loria

*Chair of PAAC*