

## FY19 and FY20 Budget Overview

Budget Item	2018-19 Current Proposal	2019-20 Current Proposal
State Appropriations	1.8%	2.0% (Assumption)
Tuition and Fees	<p>No increase for resident freshmen, \$360 per academic year for non-resident freshmen</p> <p>Increases of \$360 per academic year for resident and non-resident Core/Professional sophomores-seniors</p> <p>\$540 per semester for resident and non-resident junior &amp; senior Business and Engineering students</p> <p style="padding-left: 40px;">4.0% for most graduate students</p> <p style="padding-left: 40px;">2.0% for resident medical students</p> <p style="padding-left: 40px;">0.0% for non-resident medical students</p>	<p>No tuition rate increase for all undergraduate students</p> <p>A new undergraduate rate structure that includes per-credit rates for students taking 11 credits or less, block rates for students taking 12-18 credits, and a hybrid block/per-credit structure for students taking 19+ credits</p> <p style="padding-left: 40px;">4.0% for most graduate students</p> <p style="padding-left: 40px;">2.0% for resident medical students, 0.0% for non-resident medical students</p>
<b>Total Tuition &amp; Fee Revenue</b>	<b>\$1,002.8</b>	<b>\$1,051.5</b>
Financial Aid	4.5%	7.1%
Graduate Assistants	2.0%	2.0%
Faculty Salaries	1.5%+0.5%*	2.5%+0.5%*
Utilities	-6.1%	0.0%
Health Care	5.0%**	5.0%**
<b><u>Financial Framework</u></b>		
Competitiveness	\$2.5	\$3.2
Technology	\$3.5	\$6.5
Performance Efficiency Reallocation	-1.0%	-1.0%
Base Budget Reduction	<u>-1.0%</u>	<u>0.0%</u>
<b>Total Budget</b>	<b>\$1,391.5</b>	<b>\$1,449.2</b>

Preliminary 2018-19 budget approved by the BOT in June 2017

\*For 2018-19, includes 1.50% general merit, 0.5% provost market pool; for 2019-20, includes 2.50% general merit, 0.5% provost market pool

\*\*Health care budget augmented by amounts previously committed to collective bargaining groups due to claims experience

**MICHIGAN STATE**  
**U N I V E R S I T Y**

June 22, 2018

**MEMORANDUM**

**To:** Trustee Finance Committee

**From:** John Engler  
June P. Youatt  
Satish Udpa

**Subject:** 2018-19 Budget Development Guidelines and  
2019-20 Budget Development Guidelines

**RECOMMENDATION:**

The Trustee Finance Committee recommends that the Board of Trustees adopt the 2018-19 Budget Development Guidelines and 2019-20 General Fund Budget Development Guidelines, which include revenue and expenditure totals and tuition and fee rates for 2018-19 and 2019-20.



OFFICE OF THE  
**PROVOST**

OFFICE OF THE  
**VICE PRESIDENT  
FOR FINANCE  
AND OPERATIONS  
AND TREASURER**

OFFICE OF THE  
**EXECUTIVE VICE  
PRESIDENT FOR  
ADMINISTRATIVE  
SERVICES**

**RESOLUTION:**

BE IT RESOLVED, that the Board of Trustees adopts the attached 2018-19 Budget Development Guidelines (FY19 Budget Guidelines) and 2019-20 General Fund Budget Development Guidelines (FY20 Budget Guidelines); and

BE IT FURTHER RESOLVED, that the Administration is directed to develop and implement the 2018-19 General Fund, MSU AgBioResearch, Michigan State University Extension, and Intercollegiate Athletics budgets in accordance with the FY19 Budget Guidelines and to develop the 2019-20 General Fund budget in accordance with the FY20 Budget Guidelines.

**BACKGROUND:**

Attachment A summarizes revenues and expenditures for the 2018-19 and 2019-20 budgets. Attachment B1 provides student tuition and fee information for 2018-19. Attachment B2 provides student tuition and fee information for 2019-20. Attachment C provides detailed general fund revenue and expenditure changes for the proposed 2018-19 and 2019-20 budgets.

The 2018-19 and 2019-20 budgets are designed to enable continuity and planning certainty for students and their families, while, at the same time, providing the resources necessary for the university to respond to numerous opportunities and challenges. MSU's strength and stature as one of the top 100 research universities results from its focus on exceptional programming accessible to Michigan students and is evidenced by the largest and most diverse entering class in MSU's history, anticipated for fall 2019.

In order to maintain and enhance MSU's international standing in the face of increased competition for Michigan, domestic non-resident, and international students, MSU must maintain its value proposition for students and their families. The 2018-19 and 2019-20 budgets implement a tuition rate freeze for resident freshmen for fall 2018 and freezes tuition for all undergraduate students for fall of 2019. In addition to the tuition rate freeze in 2019-20, undergraduate tuition and fee rates will restructured to a block approach in fall 2019, incentivizing students to pursue more credits, lowering time to degree and related indebtedness. By administering our resources effectively and responding to the needs of our students, our communities, and our nation, we seek success for our university and for all that attend or work here.

In the event anticipated recurring State support is reduced, deferred, delayed, or withheld, contingent budget preservation authority is provided to the President under paragraph 14 of the FY19 Budget Guidelines, paragraph 13 of the FY20 Budget Guidelines, and Attachment D to protect the quality of MSU programs and simultaneously maintain student access. The President will report to the Board in writing at least two weeks prior to implementation any tuition and fee rate and financial aid adjustments and any tuition and fee surcharges authorized by this resolution. Should appropriations support exceed the budgeted amount in 2018-19 or in 2019-20, the President will have authority under Attachment D, with two weeks prior written notice to the Board, to use the excess to reserve funds against the possibility of subsequent reductions in State appropriations; to benefit students and their families by increased financial aid or tuition offsets; to advance specific Bolder by Design initiatives; or to fund nonrecurring infrastructure needs, including technology needs.

In accordance with the FY19 Budget Guidelines, the proposed 2018-19 budgets for the General Fund, MSU AgBioResearch, MSU Extension, and Intercollegiate Athletics will be developed and implemented. Similarly, in accordance with the FY20 Budget Guidelines, the 2019-20 General Fund budget will be developed and initiated by July 1, 2019.

Detailed revenue and expenditure variables for 2019-20 for MSU AgBioResearch, MSU Extension, and Intercollegiate Athletics will be presented to the Board of Trustees for action by July 2019.

### Attachments

CC: Board of Trustees Policy Committee  
Carol Viventi, Vice President and Special Counsel to the President  
Robert Young, Vice President for Legal Affairs and General Counsel  
William Beekman, Vice President and Secretary of the Board of Trustees, Interim Athletic Director  
David Byelich, Assistant Vice President and Director of Planning and Budgets

**MICHIGAN STATE UNIVERSITY  
2018-19 2019-20 BUDGETS  
Overview**

<b>ESTIMATED REVENUES</b>	<b>State Appropriation</b>	<b>Federal Funds</b>	<b>Tuition &amp; Fee Funds*</b>	<b>Other</b>	<b>Restricted</b>	<b>2018-19 Total</b>	<b>2019-20 Total</b>
University General Fund	\$286,100,000		\$1,003,900,000	\$101,500,000		\$1,391,500,000	\$1,449,200,000
MSU AgBioResearch	34,591,362	6,876,477			4,772,106	\$46,239,945	
MSU Extension	29,837,652	11,206,021		7,800,000	4,066,103	\$52,909,776	
Intercollegiate Athletics				133,062,770		\$133,062,770	
<b>Total Estimated Revenues</b>	<b>\$350,529,014</b>	<b>\$18,082,498</b>	<b>\$1,003,900,000</b>	<b>\$140,862,770</b>	<b>\$8,838,209</b>	<b>\$1,623,712,491</b>	<b>\$1,449,200,000</b>

\*Includes new revenue-based initiatives increment of \$1.1 million

<b>ESTIMATED EXPENDITURES</b>	<b>State Appropriation</b>	<b>Federal Funds</b>	<b>University Funds</b>	<b>Other</b>	<b>Restricted</b>	<b>2018-19 Total</b>	<b>2019-20 Total</b>
University General Fund						\$1,391,500,000	\$1,449,200,000
Michigan Agricultural Experiment Station						\$46,239,945	
MSU Extension						\$52,909,776	
Intercollegiate Athletics						\$133,062,770	
<b>Total Estimated Expenditures</b>						<b>\$1,623,712,491</b>	<b>\$1,449,200,000</b>

FY18 budget totals: University General Fund - \$1,362,100,000, MSU AgBioResearch - \$46,343,277, MSU Extension - \$48,672,538, and Intercollegiate Athletics - \$127,680,449

# 2018-19 BUDGET DEVELOPMENT GUIDELINES AND 2019-20 GENERAL FUND BUDGET DEVELOPMENT GUIDELINES

## 2018-19 Budget Development Guidelines

Proposed 2018-19 budgets for the University General Fund, MSU AgBioResearch, Michigan State University Extension, and Intercollegiate Athletics total \$1.49 billion.

Board action authorizes the administration to develop and implement 2018-19 budgets in accordance with the following 2018-19 Budget Development Guidelines (FY19 Budget Guidelines):

### Revenues

1. State appropriations are estimated at \$286.1 million, an increase of \$5.1 million or 1.8 percent. The estimate is predicated on the 2018-19 Higher Education Appropriation. This increment is derived from performance funding adjustments contained in the State funding formula. The conditions to receive the performance funding are expected to include limiting the 2018-19 resident undergraduate tuition/fee rate increase to not more than 3.8 percent.
2. The general fund operating budget for 2018-19 has been developed based on revenue estimates of \$1,391.5 million. The major revenue items in the budget are: \$286.1 million in appropriations; \$1,002.8 million in tuition and fees; and \$100.2 million in other revenues, which are composed primarily of investment income and indirect cost recovery. Additionally, the budget includes pass-through allocations of \$2.4 million in new revenue-based initiative and research facilitation proceeds.
3. Effective Fall 2018, the existing tuition and fee rate structure will be differentiated by student class (e.g., freshman, sophomore), replacing the lower division and upper division delineations.
4. Tuition rates will not increase for resident freshman students, frozen at \$482 per credit. Tuition increases for resident sophomores, juniors and seniors in Core/Professional colleges will increase by approximately \$360 per academic year, the equivalent of approximately \$1.00 per day or \$12.00 per credit. Similarly, tuition rates for non-resident and international undergraduate students in Core/Professional colleges will increase by \$360 per academic year, the equivalent of approximately \$1.00 per day or \$12.00 per credit. For resident and non-resident sophomores, juniors and seniors enrolled in the College of Business and the College of Engineering, tuition rates will increase by \$360 per academic year for sophomores and \$540 per academic year for juniors and seniors, the equivalent of \$1.00 per day or \$12.00 per credit for sophomores and approximately \$1.50 per day and \$18.00 per credit for juniors and seniors.

Resident and non-resident graduate tuition rates will increase by 4.0 percent in most cases. Resident and non-resident graduate professional medical tuition rate increases are established at 2.0 percent and 0.0 percent, respectively, in order to continue a multi-year process to limit medical student debt levels.

## Expenditures

5. Major expenditure items will provide funding for student financial aid; utilities, including the cost of utilities for newly constructed space; employee compensation; and supplies, services, and equipment increments. A 1.0 percent budget reduction will be implemented in addition to the 1.0 percent program efficiency and reinvestment fund reallocation. Specific expenditure recommendations are:
  - a. Regular student financial aid increases of \$6.6 million, or approximately 4.5 percent
  - b. Continuing utility costs will be reduced by approximately \$3.4 million, or 6.1 percent; \$1.2 million in new funding has been added for utility, facility, and operational costs for newly constructed space.
  - c. Employee compensation adjustments of approximately \$18.1 million, including benefit increases. Health care costs are budgeted to increase 5.0 percent and other benefit costs are budgeted to increase 3.0 percent from the 2017-18 budget, with health care budgets augmented by previously committed support staff salary increases due to claims experience.
    - i. Faculty and academic staff salary adjustments will continue to be determined based on merit. The general components of the raise are noted below; more specific information is included in the annual faculty and academic staff raise guidelines developed by the Office of the Provost. Salary adjustments for faculty and nonunionized academic staff at 1.5 percent are to be based on merit. A 0.5 percent segment is recommended for market adjustments administered centrally and targeted for ranked faculty, but open to all faculty and academic staff. Merit and centrally administered market raises will be effective October 1, 2018.
    - ii. Stipend ranges for graduate assistants holding research or administrative appointments are to be increased 2.0 percent. Stipend increases for individual assistants will be determined by the employing units.

Compensation adjustments, including stipends, health care, and graduate assistant tuition waiver, for assistants holding teaching appointments are determined through collective bargaining.

- iii. Existing minima and maxima for student labor pay ranges will be increased by 4.0 percent.
  - iv. Increases in pay rates for undergraduate and professorial assistants will parallel student labor adjustments.
  - v. Salary and wage adjustments for most other employee groups are subject to collective bargaining agreements.
- d. An increment for supplies, services, and equipment of \$2.8 million, approximately 2.0 percent. Unit allocations can be differential, based upon identified programmatic need.
  - e. An increment for other budgetary adjustments of \$2.0 million, which includes funding for additional debt service and other general University purposes
  - f. A budget reduction of 1.0 percent to be assessed on all major administrative units
  - g. Continuation of the 1.0 percent program efficiency and reinvestment fund. Reinvestments will address normal year-to-year programmatic adjustments. Over the past 17 years, internal reallocations totaling approximately \$82 million have been implemented across campus.
  - h. Continuation of the \$11.6 million Technology/Teaching and Learning Fund. As in previous years, allocations from this Fund will be made on a nonrecurring basis to enhance instructional technology.
6. Expenditures for incremental revenue-based initiatives and research facilitation of approximately \$2.4 million include the following:
- a. Virtual, off-campus, and other programs totaling \$1.1 million; and
  - b. Indirect cost recovery pass-through to units of \$1.3 million.
7. Funding of \$6.0 million for University initiatives focused on academic competitiveness and on information technology stabilization, student success analytics, research computing, campus and classroom Wi-Fi improvements, and other technology-based projects.

8. General Fund expenditures for 2018-19 will be based on the budget and, upon completion of the current year, resources carried forward for subsequent expenditure. Carry forward amounts will be noted in the 2018-19 financial statements.
9. The 2.0 percent tax on auxiliary income continues in 2018-19. The tax is levied on auxiliary income derived from external sources, not on internal budget transfers.
10. Proceeds from tuition revenue that exceeds budgeted values may be spent to accelerate allocations for academic competitiveness initiatives and for other critical needs within the long-term Financial Framework presented to the Board annually.

### General

11. The 2018-19 Preliminary General Fund Budget Guidelines passed by the Board of Trustees in June, 2017 established a budget level of \$1,401.4 million prior to inclusion of revenue-based initiatives, research facilitation, and other revenue changes. As noted elsewhere in the Guidelines, such changes add \$2.4 million to the above total, which would establish the total 2018-19 General Fund Budget based on the June 2017 Board action at \$1,403.8 million.

Subsequently, projected 2018-19 revenues were constrained by \$12.3 million based upon adjustment of State appropriations to recommended levels, reduction of undergraduate tuition increases, recognition of changes to the residency mix in undergraduate enrollment, and other minor adjustments to tuition and fee revenues. The 2018-19 General Fund Budget as presently proposed is, therefore, \$1,391.5 million, \$12.3 million less than the adjusted June 2017 action.

12. Other University budgets, including those for MSU AgBioResearch, the Michigan State University Extension Service, and the Department of Intercollegiate Athletics, have been developed within available resources and in accordance with University-wide guidelines for compensation adjustments as outlined above.
13. Proceeds from non-donor, administrative-based trust income may be used to fund just-in-time, debt service, academic infrastructure requirements, or any combination thereof. Expenditures will be reported annually as part of the financial statements. Other sources of funds for these expenses include the 2.0 percent tax noted in paragraph 9 and debt financing. Just-in-time infrastructure requirements necessary to support University utilities are accounted for in the 6.1 percent reduction in continuing utility costs.

14. In the event the anticipated State base main campus operating appropriation is reduced, deferred, delayed, or withheld, contingent budget preservation authority is provided to the President under Attachment D to protect the quality of MSU programs and simultaneously maintain student access through a recurring tuition and fee increase or a nonrecurring tuition and fee surcharge.

Under Attachment D, contingent budget preservation authority is included so that the President may increase tuition and fees to offset appropriation shortfalls in the event that State appropriation support for 2018-19 is less than the budgeted amount, \$286.1 million. If appropriations exceed \$286.1 million for 2018-19, the President can use the excess to reserve funds against the possibility of subsequent reductions in State appropriations; to benefit students and their families by increased financial aid or tuition offsets; to advance specific Bolder by Design initiatives; and/or to fund nonrecurring infrastructure needs, including technology needs.

The President will report to the Board, at least two weeks prior to its implementation, any tuition and fee rate and financial aid adjustment, tuition and fee surcharge, or other action authorized by Attachment D to the FY19 Budget Guidelines.

15. Attachment A contains the summary of proposed budgets for the General Fund, MSU AgBioResearch, Michigan State University Extension, and Intercollegiate Athletics.

## 2019-20 Budget Development Guidelines

Proposed 2019-20 budgets for the University General Fund total \$1.45 billion.

Board action authorizes the administration to develop and implement 2019-20 budgets in accordance with the following 2019-20 Budget Development Guidelines (FY20 Budget Guidelines):

### Revenues

1. State appropriations are assumed at \$291.8 million, an increase of \$5.7 million or 2.0 percent. The estimate is predicated on the RSQE estimate for increases to Detroit CPI. This increment also anticipates continuation of performance funding contained in the current State funding formula. The conditions to receive performance funding are expected to include limiting the 2019-20 resident undergraduate tuition/fee rate increase to not more than 3.8 percent.
2. The general fund operating budget for 2019-20 has been developed based on revenue estimates of \$1,449.2 million. The major revenue items in the budget are: \$291.8 million in appropriations; \$1,051.5 million in tuition and fees; and \$103.5 million in other revenues, which are composed primarily of investment income and indirect cost recovery. Additionally, the budget includes pass-through allocations of \$2.4 million in new revenue-based initiative and research facilitation proceeds.
3. Tuition rates will not increase for all undergraduate students.

Resident and non-resident graduate tuition rates will increase by 4.0 percent in most cases. Resident and non-resident graduate professional medical tuition rate increases are established at 2.0 percent and 0.0 percent, respectively, in order to continue a multi-year process to limit medical student debt levels.

4. Effective Fall 2019, a new rate structure will be implemented for undergraduate students. For resident undergraduate students enrolling in up to 11 credit hours, the per credit rate will remain in place; \$482 for resident Core/Professional, Business, and Engineering freshmen; \$494 for resident Core/Professional, Business, and Engineering sophomores; \$555 for resident Core/Professional juniors and seniors; and \$573 for resident Business/Engineering juniors and seniors. For resident undergraduates enrolling in 12-18 credits hours, a block tuition rate will be assessed; \$7,230 for resident Core/Professional, Business, and Engineering freshmen; \$7,410 for Core/Professional, Business, and Engineering sophomores; \$8,325 for Core/Professional juniors and seniors; and \$8,595 for Business/Engineering juniors and seniors. For undergraduates enrolling in 19 or more credit hours, the block rate will be assessed and, in addition, the applicable per credit rate will be assessed for credit hours 19 and above.

Non-resident tuition rates will follow a similar rate structure to the one detailed above. (See Attachment B2.).

## Expenditures

5. Major expenditure items will provide funding for student financial aid; utilities, including the cost of utilities for newly constructed space; employee compensation; and supplies, services, and equipment increments. The 1.0 percent program efficiency and reinvestment fund reallocation remains in place. Specific expenditure recommendations are:
  - a. Regular student financial aid increases of \$10.9 million, or approximately 7.1 percent
  - b. Continuing utility costs will not increase from 2018-19 levels; \$3.0 million in new funding has been added for utility, facility, and operational costs for newly constructed space.
  - c. Employee compensation adjustments of approximately \$25.4 million, including benefit increases. Health care costs are budgeted to increase 5.0 percent and other benefit costs are budgeted to increase 3.0 percent from the 2018-19 budget, with health care budgets augmented by previously committed support staff salary increases due to claims experience.
    - vi. Faculty and academic staff salary adjustments will continue to be determined based on merit. The general components of the raise are noted below; more specific information is included in the annual faculty and academic staff raise guidelines developed by the Office of the Provost. Salary adjustments for faculty and nonunionized academic staff at 2.5 percent are to be based on merit. A 0.5 percent segment is recommended for market adjustments administered centrally and targeted for ranked faculty, but open to all faculty and academic staff. Merit and centrally administered market raises will be effective October 1, 2019.
    - vii. Stipend ranges for graduate assistants holding research or administrative appointments are to be increased 2.0 percent. Stipend increases for individual assistants will be determined by the employing units.

Compensation adjustments, including stipends, health care, and graduate assistant tuition waiver, for assistants holding teaching appointments are determined through collective bargaining.

- viii. Existing minima and maxima for student labor pay ranges will be increased by 4.0 percent.
    - ix. Increases in pay rates for undergraduate and professorial assistants will parallel student labor adjustments.
    - x. Salary and wage adjustments for most other employee groups are subject to collective bargaining agreements.
  - d. An increment for supplies, services, and equipment of \$2.9 million, approximately 2.0 percent. Unit allocations can be differential, based upon identified programmatic need.
  - e. An increment for other budgetary adjustments of \$3.4 million, which includes funding for additional debt service and other general University purposes
  - f. Continuation of the 1.0 percent program efficiency and reinvestment fund. Reinvestments will address normal year-to-year programmatic adjustments. Over the past 18 years, internal reallocations totaling approximately \$88 million have been implemented across campus. No additional reductions are planned.
  - g. Continuation of the \$11.6 million Technology/Teaching and Learning Fund. As in previous years, allocations from this Fund will be made on a nonrecurring basis to enhance instructional technology.
- 6. Expenditures for incremental revenue-based initiatives and research facilitation of approximately \$2.4 million include the following:
  - a. Virtual, off-campus, and other programs totaling \$1.1 million; and
  - b. Indirect cost recovery pass-through to units of \$1.3 million.
- 7. Funding of \$9.7 million for University initiatives focused on academic competitiveness and on information technology stabilization, student success analytics, research computing, campus and classroom Wi-Fi improvements, and other technology-based projects.
- 8. General Fund expenditures for 2019-20 will be based on the budget and, upon completion of the current year, resources carried forward for subsequent expenditure. Carry forward amounts will be noted in the 2019-20 financial statements.
- 9. The 2.0 percent tax on auxiliary income continues in 2019-20. The tax is levied on auxiliary income derived from external sources, not on internal budget transfers.

10. Proceeds from tuition revenue that exceeds budgeted values may be spent to accelerate allocations for academic competitiveness initiatives and for other critical needs within the long-term Financial Framework presented to the Board annually.

### General

11. Other University budgets, including those for MSU AgBioResearch, the Michigan State University Extension Service, and the Department of Intercollegiate Athletics, will developed within available resources and in accordance with University-wide guidelines for compensation adjustments as outlined above. Formal budget proposals for the above units will be presented to the Board of Trustees prior to July 2019
12. Proceeds from non-donor, administrative-based trust income may be used to fund just-in-time, debt service, academic infrastructure requirements, or any combination thereof. Expenditures will be reported annually as part of the financial statements. Other sources of funds for these expenses include the 2.0 percent tax noted in paragraph 9 and debt financing. Just-in-time infrastructure requirements necessary to support University utilities are accounted for in continuing utility costs. .
13. In the event the anticipated State base main campus operating appropriation is reduced, deferred, delayed, or withheld, contingent budget preservation authority is provided to the President under Attachment D to protect the quality of MSU programs and simultaneously maintain student access through a recurring tuition and fee increase or a nonrecurring tuition and fee surcharge.

Under Attachment D, contingent budget preservation authority is included so that the President may increase tuition and fees to offset appropriation shortfalls in the event that State appropriation support for 2019-20 is less than the budgeted amount, \$291.8 million. If appropriations exceed \$291.8 million for 2019-20, the President can use the excess to reserve funds against the possibility of subsequent reductions in State appropriations; to benefit students and their families by increased financial aid or tuition offsets; to advance specific Bolder by Design initiatives; and/or to fund nonrecurring infrastructure needs, including technology needs.

The President will report to the Board, at least two weeks prior to its implementation, any tuition and fee rate and financial aid adjustment, tuition and fee surcharge, or other action authorized by Attachment D to the FY20 Budget Guidelines.

14. Attachment A contains the summary of proposed budgets for the General Fund.

**MICHIGAN STATE UNIVERSITY  
2018-19 TUITION & FEES RATE STRUCTURE**

<b>PER CREDIT RATES</b>	<b>RESIDENT</b>	<b>NONRESIDENT</b>
<b>Undergraduates - Core/Professional (1)</b>		
Freshman	\$482.00	\$1,325.50
Sophomore	\$494.00	\$1,325.50
Junior	\$555.00	\$1,366.75
Senior	\$555.00	\$1,366.75
<b>Undergraduates - Eli Broad College of Business</b>		
Freshman	\$482.00	\$1,325.50
Sophomore	\$494.00	\$1,325.50
Junior	\$573.00	\$1,385.75
Senior	\$573.00	\$1,385.75
<b>Undergraduates - College of Engineering</b>		
Freshman	\$482.00	\$1,325.50
Sophomore	\$494.00	\$1,325.50
Junior	\$573.00	\$1,385.75
Senior	\$573.00	\$1,385.75
<b>Masters - Core/Professional (1)</b>	<b>\$755.50</b>	<b>\$1,484.50</b>
<b>Masters - College of Engineering</b>	<b>\$842.00</b>	<b>\$1,578.00</b>
<b>Doctoral - Core/Professional (1)</b>	<b>\$755.50</b>	<b>\$1,484.50</b>
<b>Doctoral - College of Engineering</b>	<b>\$842.00</b>	<b>\$1,578.00</b>
<b>Lifelong Education</b>	<b>\$755.50</b>	<b>\$968.25</b>
<b>PER SEMESTER BLOCK RATES</b>	<b>RESIDENT</b>	<b>NONRESIDENT</b>
<b>Broad MBA</b>	<b>\$15,912</b>	<b>\$25,220</b>
<b>Human and Osteopathic Medicine</b>	<b>\$15,349</b>	<b>\$29,033</b>
<b>Extended Medical Curriculum</b>	<b>\$10,238</b>	<b>\$19,365</b>
<b>Medical Scientist Training Program</b>	<b>\$10,570</b>	<b>\$20,135</b>
<b>College of Veterinary Medicine (CVM-8)</b>	<b>\$15,504</b>	<b>\$28,235</b>
<b>CVM Clinical Year - Fall &amp; Spring</b>	<b>\$13,710</b>	<b>\$25,138</b>
<b>CVM Clinical Year - Summer</b>	<b>\$9,713</b>	<b>\$16,773</b>
<b>Medical Scientist Training Program</b>	<b>\$9,959</b>	<b>\$18,389</b>

**Footnotes:**

1 Core/Professional units: Arts and Letters, Natural Science, Social Science, University Undergraduate Division, Lyman Briggs, James Madison, Residential College in Arts & Humanities, and Communication Arts & Sciences, Nursing, Education, Veterinary Medicine, Agriculture & Natural Resources, Music, Osteopathic Medicine, and Human Medicine.

**Fee Notes:**

- 1 Student tuition and fees include University support for student health services.
- 2 Part-time students for fee assessment are defined as those enrolling for four credits or less per semester.
- 3 Special programmatic fees will be assessed to undergraduate juniors and seniors as follows: \$100 per semester (\$50 part-time) for students in science and technology intensive majors; \$100 per semester (\$50 part-time) for students in health sciences majors; and \$226 per semester (\$113 part-time) for students in Eli Broad majors.
- 4 The Engineering program fee is established at \$670 for full-time status (\$402 part-time, except \$0 for summer) and applies to upper division (admitted major) Engineering students.
- 5 All undergraduate international students entering will be assessed a registration fee of \$750 per semester (\$375 part-time).
- 6 All graduate international students and graduate professional students, except those enrolling in Graduate Studies in Education Overseas, will be assessed a registration fee of \$75 (\$37.50 part-time) per semester.
- 7 Block fee for Teacher Certification Internship year is \$7,863 for resident students and \$17,109 for nonresident students.
- 8 College of Education Masters, Doctoral, and Educational Specialist students will be assessed a special fee of \$33 per credit hour in addition to general tuition and fees applicable to all graduate students.
- 9 Tuition and fees for special programs and courses will be determined administratively, based on programmatic considerations; this includes BISK online programs and graduate certificate programs.

**MICHIGAN STATE UNIVERSITY  
2019-20 TUITION & FEES RATE STRUCTURE**

Structure Credits	RESIDENT - Per Semester			NON-RESIDENT - Per Semester		
	Per Credit 1-11	Block 12-18	Block/Credit 19+	Per Credit 1-11	Block 12-18	Block/Credit 19+
<b>Undergraduates - Core/Professional <sup>(1)</sup></b>						
Freshman	\$482.00	\$7,230	Block + per credit >=19	\$1,325.50	\$19,883	Block + per credit >=19
Sophomore	\$494.00	\$7,410	Block + per credit >=19	\$1,325.50	\$19,883	Block + per credit >=19
Junior	\$555.00	\$8,325	Block + per credit >=19	\$1,366.75	\$20,501	Block + per credit >=19
Senior	\$555.00	\$8,325	Block + per credit >=19	\$1,366.75	\$20,501	Block + per credit >=19
<b>Undergraduates - Eli Broad College of Business</b>						
Freshman	\$482.00	\$7,230	Block + per credit >=19	\$1,325.50	\$19,883	Block + per credit >=19
Sophomore	\$494.00	\$7,410	Block + per credit >=19	\$1,325.50	\$19,883	Block + per credit >=19
Junior	\$573.00	\$8,595	Block + per credit >=19	\$1,385.75	\$20,786	Block + per credit >=19
Senior	\$573.00	\$8,595	Block + per credit >=19	\$1,385.75	\$20,786	Block + per credit >=19
<b>Undergraduates - College of Engineering</b>						
Freshman	\$482.00	\$7,230	Block + per credit >=19	\$1,325.50	\$19,883	Block + per credit >=19
Sophomore	\$494.00	\$7,410	Block + per credit >=19	\$1,325.50	\$19,883	Block + per credit >=19
Junior	\$573.00	\$8,595	Block + per credit >=19	\$1,385.75	\$20,786	Block + per credit >=19
Senior	\$573.00	\$8,595	Block + per credit >=19	\$1,385.75	\$20,786	Block + per credit >=19
		<b>Per Credit</b>			<b>Per Credit</b>	
Masters - Core/Professional <sup>(1)</sup>		\$785.75			\$1,544.00	
Masters - College of Engineering		\$875.75			\$1,641.00	
Doctoral - Core/Professional <sup>(1)</sup>		\$785.75			\$1,544.00	
Doctoral - College of Engineering		\$875.75			\$1,641.00	
Lifelong Education		\$785.75			\$1,007.00	
<b>PER SEMESTER BLOCK RATES</b>						
		<b>RESIDENT</b>			<b>NONRESIDENT</b>	
Broad MBA		\$16,549			\$26,229	
Human and Osteopathic Medicine		\$15,656			\$29,033	
Extended Medical Curriculum		\$10,443			\$19,365	
Medical Scientist Training Program		\$10,820			\$20,288	
College of Veterinary Medicine (CVM-8)		\$15,814			\$28,235	
CVM Clinical Year - Fall & Spring		\$13,984			\$25,138	
CVM Clinical Year - Summer		\$9,907			\$16,773	
Medical Scientist Training Program		\$10,197			\$18,542	

**Footnotes:**

<sup>1</sup> Core/Professional units: Arts and Letters, Natural Science, Social Science, University Undergraduate Division, Lyman Briggs, James Madison, Residential College in Arts & Humanities, Communication Arts & Sciences, Nursing, Education, Veterinary Medicine, Agriculture & Natural Resources, Music, Osteopathic Medicine, and Human Medicine.

**Fee Notes:**

- 1 Part-time students for fee assessment are defined as those enrolling for four credits or less per semester.
- 2 Special programmatic fees will be assessed to undergraduate juniors and seniors as follows: \$100 per semester (\$50 part-time) for students in science and technology intensive majors; \$100 per semester (\$50 part-time) for students in health sciences majors; and \$226 per semester (\$113 part-time) for students in Eli Broad majors.
- 3 The Engineering program fee is established at \$670 for full-time status (\$402 part-time, except \$0 for summer) and applies to upper division (admitted major) Engineering students.
- 4 All undergraduate international students will be assessed a registration fee of \$750 per semester (\$375 part-time)
- 5 All graduate international students and graduate professional students, except those enrolling in Graduate Studies in Education Overseas, will be assessed a registration fee of \$75 (\$37.50 part-time) per semester.
- 6 Block fee for Teacher Certification Internship year is \$8,046 for resident students and \$17,466 for nonresident students.
- 7 College of Education Masters, Doctoral, and Educational Specialist students will be assessed a special fee of \$33 per credit hour in addition to general tuition and fees applicable to all graduate students.
- 8 Tuition and fees for special programs and courses will be determined administratively, based on programmatic considerations; this includes BISK online programs and graduate certificate programs.

**Michigan State University  
2018-19 and 2019-20 Budget Guidelines**

Attachment C

	<u>2017-18</u>	<b>Proposed 2018-19 Budget</b>	<b>Proposed 2019-20 Budget</b>
<b>Revenues</b>			
<hr/>			
Beginning Base		<b>\$1,362.1</b>	<b>\$1,391.5</b>
State Appropriations		5.1	5.7
Student Tuition and Fees		19.9	47.5
Other Revenues		2.0	2.1
Research Facilitation Passthrough		1.3	1.3
Revenue-Based Initiatives		1.1	1.1
Total Estimated Revenues	<b>\$1,362.1</b>	<b>\$1,391.5</b>	<b>\$1,449.2</b>
		<hr/>	<hr/>
<b>Expenditures</b>			
<hr/>			
Beginning Base		<b>\$1,362.1</b>	<b>\$1,391.5</b>
Financial Aid		6.6	10.9
Salaries & Benefits		18.1	25.4
Utilities & New Space		(2.2)	3.0
Supplies and Services		2.8	2.9
Other Operating		2.0	3.4
Framework		6.0	9.7
Research Facilitation Support		1.3	1.3
Revenue-Based Initiatives		1.1	1.1
Base Budget Reduction		(6.2)	0.0
Total Estimated Expenditures	<b>\$1,362.1</b>	<b>\$1,391.5</b>	<b>\$1,449.2</b>
		<hr/>	<hr/>

**CONTINGENT BUDGET PRESERVATION AUTHORITY 2018-20**  
*Attachment D*

I.

(a) The authority provided to the President under the 2018-19 Budget Development Guidelines (FY19 Budget Guidelines) and under the 2019-20 General Fund Budget Guidelines (FY20 Budget Guidelines) is intended to preserve the integrity of the General Fund budgets established by the Board in the face of a variety of contingencies relating to State support for the University's operations.

Certain of these contingencies would result in the University receiving appropriations support from the State which is less than that included in legislative proposals or actions upon which the FY19 Budget Guidelines and the FY20 Budget Guidelines rely. In this regard, the contingent budget preservation authority hereby granted to the President recognizes that the two primary sources of revenue for the University are tuition and fees paid by students and the annual base main campus operating appropriation from the State, and that they are interdependent. (As in past years, cost containment measures and measures designed to optimize revenues from sources other than the State and tuition have already been built into the FY19 Budget Guidelines and the FY20 Budget Guidelines.) The potential for cuts in expected State support integral to the FY19 Budget Guidelines and the FY20 Budget Guidelines necessitates granting the President authority to respond to such cuts by generating sufficient additional tuition and fee revenues to protect the University's long-term financial health and its high standing in the academy for the benefit of its students, alumni, faculty, staff, and other members of the University community.

Other contingencies arise from the structure of the budgeting process for higher education presently employed by the State. This process makes the final appropriation received by the University at least partially dependent on the actions of the other public universities in Michigan, actions which may take place after the Board's vote on the FY19 Budget Guidelines and the FY20 Budget Guidelines. The contingent budget authority hereby granted to the President gives the President the ability to respond to a final State base main campus

appropriation which is either more or less than that anticipated by the University when projected decisions of other public universities were built into calculations of the appropriation figures included in the FY19 Budget Guidelines and FY20 Budget Guidelines.

Still other contingencies are the product of the current volatility of the State's budget, including the possibility of positive or negative supplemental appropriations during the 2018-19 fiscal year and the difficulty of predicting whether such appropriations, if they were to occur, would be recurring or nonrecurring.

(b) In adopting the FY19 Budget Guidelines and the FY20 Budget Guidelines, it is the expectation of the Board that MSU's 2018-19 base main campus operating appropriations from the State will be \$286.1 million, that its 2019-20 base main campus operating appropriations from the State will be \$291.8 million, and that the State will not defer, delay, or withhold any payments due to the University as part of its 2018-19 or 2019-20 base main campus operating appropriations from the State. The tuition and fee rates in the FY19 Budget Guidelines and FY20 Budget Guidelines are established by the Board in reliance on the timely payment of the anticipated amounts from the State.

In the event that the University's 2018-19 or 2019-20 base main campus operating appropriation from the State is less than the amount specified, the President is authorized to raise tuition and fees by a rate up to that sufficient to offset, on an annualized basis, the loss of expected State support and to provide the additional financial aid which students will need because of this tuition and fee increase.

Alternatively, if the University's 2018-19 base main campus appropriation from the State is more than \$286.1 million, the President is authorized to use the excess to reserve funds against the possibility of future reductions in State support, to increase financial aid, to reduce tuition and fees on a recurring or nonrecurring basis, to advance specific Bolder by Design initiatives, and/or to fund nonrecurring infrastructure needs, including technology needs. Similarly, if the 2019-20 base main campus appropriation from the State is more than \$291.8 million, the President is authorized to use the excess to reserve funds against the possibility of future

reductions in State support, to increase financial aid, to reduce tuition and fees on a recurring or nonrecurring basis, to advance specific Bolder by Design initiatives, and/or to fund nonrecurring infrastructure needs, including technology needs. In addition, if the University receives a nonrecurring appropriation for its General Fund budget from the State for its 2018-19 fiscal year, the President is authorized to use the excess to reserve funds against the possibility of future reductions in State support, to increase financial aid or reduce tuition and fees on a nonrecurring basis, to advance specific Bolder by Design initiatives, and/or to fund nonrecurring infrastructure needs, including technology needs.

Further, in the event that the State defers, delays, or withholds any part of any regularly scheduled 2018-19 or 2019-20 base main campus appropriation payment to the University, or the State takes any other action that reduces or postpones, on a nonrecurring basis, or changes the traditional schedule for, the payment to the University or any part of its 2018-19 or 2019-20 base main campus operating appropriation, the President is authorized to implement a tuition and fee surcharge to generate additional revenues up to the amount needed to make the University whole for the financial impact of the lost or delayed payments. Any such surcharge shall be for a specific period of time and shall be discontinued once the University has been made whole for the impact of the lost or delayed payments. Any such surcharge may be calculated to occur over a period of up to three years to moderate the impact of the surcharge on students during any one semester or academic year.

## II.

(a) The President will report to the Board, by written notice at least two weeks prior to its implementation, any tuition and fee rate adjustment, tuition and fee surcharge, or other action hereby authorized.

(b) It is the Board's expectation that any tuition and fee rate and financial aid adjustment and any tuition and fee surcharge will be implemented promptly after the need for such an adjustment or surcharge becomes clear, generally in the next semester for which bills reflecting the adjustment or surcharge can then be issued. If the schedule for sending out the bills reflecting the adjustment or surcharge permits, the President will also report to the Board about

the adjustment or surcharge at a Board meeting prior to its implementation. No such adjustment or surcharge shall be implemented retrospectively for any semester for which bills have already been issued.