

# MSU Budget and Planning

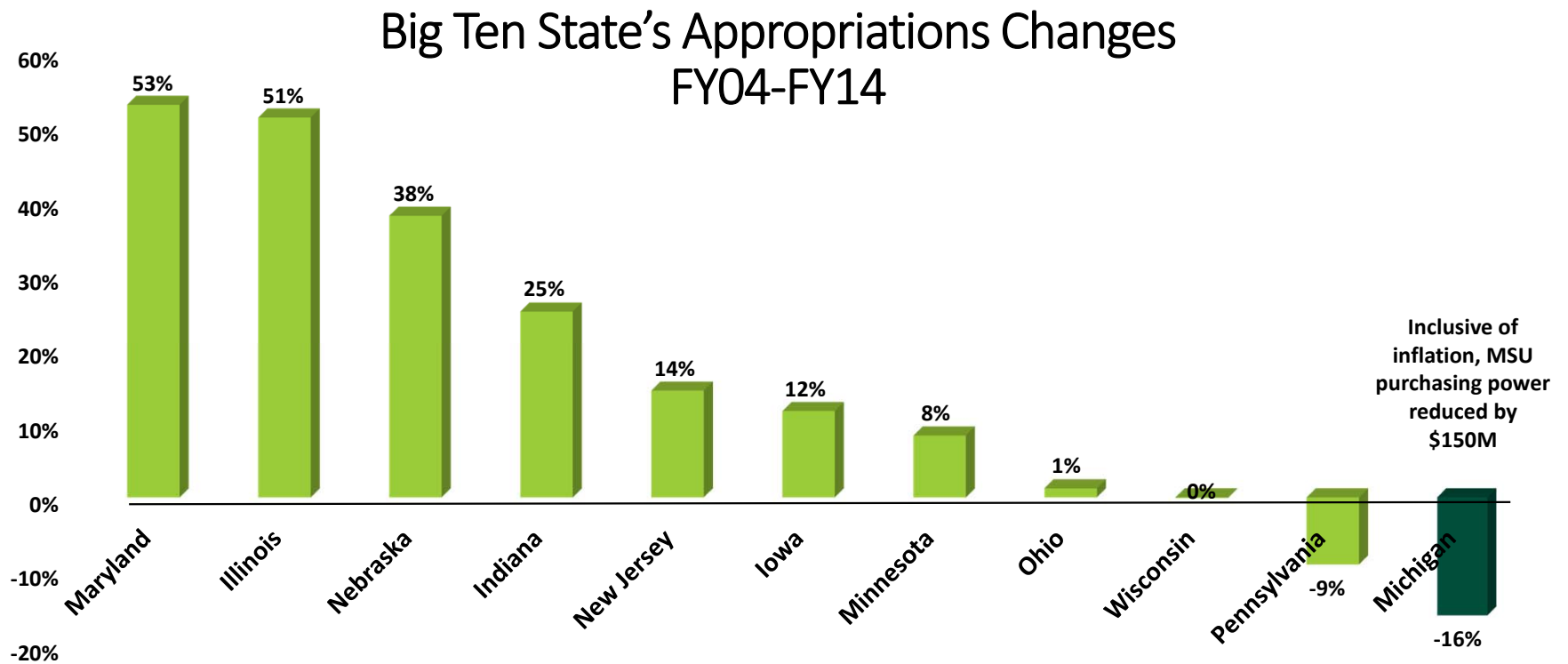
## *2014-15 / 2015-16*

### Budget Development

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Building value to students and stakeholders

# Michigan emerging from most difficult financial decade in history



# MSU operates with third fewest resources in the Big Ten

## Big Ten Resources Per Student

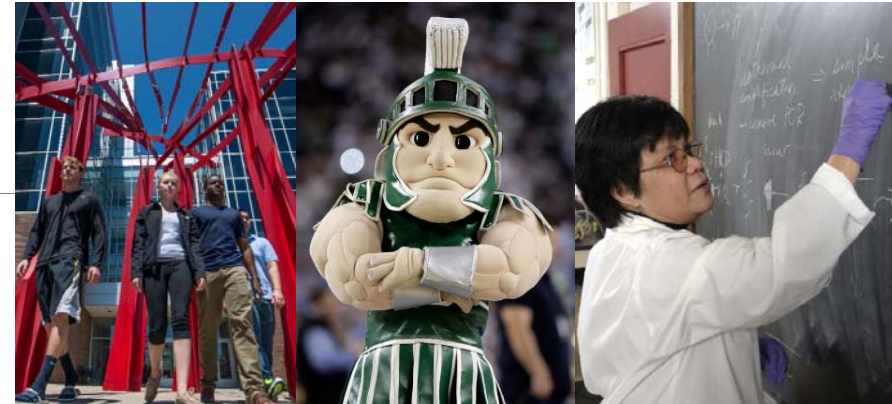
	<u>State</u> <u>Appropriation</u>	<u>Ranking</u>	<u>Tuition &amp;</u> <u>Fees</u>	<u>Ranking</u>	<u>Total</u> <u>Approp &amp; Tuition</u>	<u>Ranking</u>
Michigan	\$7,683	6	\$24,956	1	\$32,639	1
Minnesota	\$12,578	1	\$16,286	4	\$28,864	2
Indiana	\$6,213	9	\$18,281	2	\$24,494	3
Illinois	\$6,806	7	\$17,271	3	\$24,077	4
Purdue	\$7,960	4	\$15,918	5	\$23,879	5
Ohio State	\$7,954	5	\$15,773	6	\$23,727	6
Iowa	\$8,699	3	\$14,721	8	\$23,420	7
<b>Michigan State</b>	<b>\$6,449</b>	<b>8</b>	<b>\$15,132</b>	<b>7</b>	<b>\$21,581</b>	<b>8</b>
Wisconsin	\$10,690	2	\$10,741	9	\$21,431	9
Nebraska	\$5,066	10	\$7,162	10	\$12,228	10

Source: IPEDS 2010-11. Net of AES/CES component

# Team MSU

*Providing value to students and stakeholders*

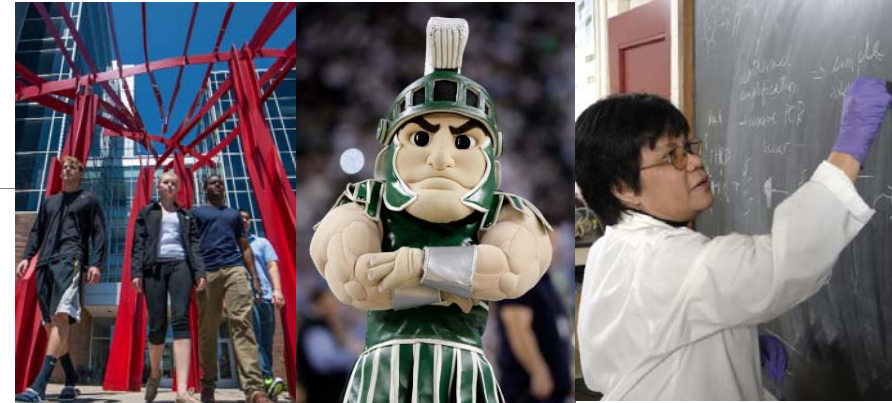
- Consistently ranked top 100 global institution
- 29 top 20 programs nationally
- Ranked as the 29<sup>th</sup> public university nationally by U.S. News & World Report, up 5 spots in 3 years
- Annual economic impact of \$5.2 billion
- Enrollment up 5,000 over 10 years
- Graduation rate up 5% over 5 years
- Exceed U.S. News & World Report predicted graduation rates by 12%, second in the Big Ten



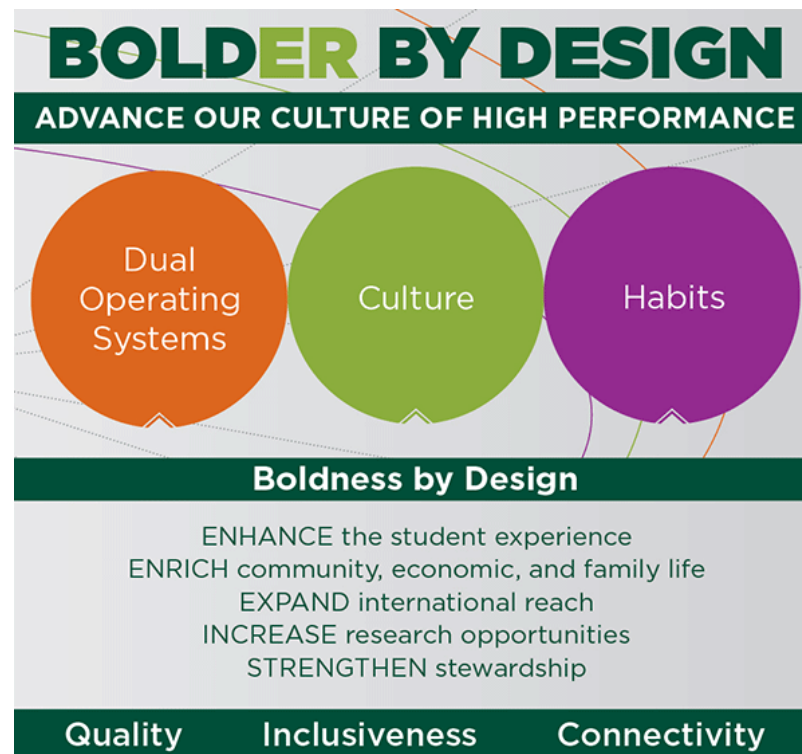
# Team MSU

## *Providing value to students and stakeholders*

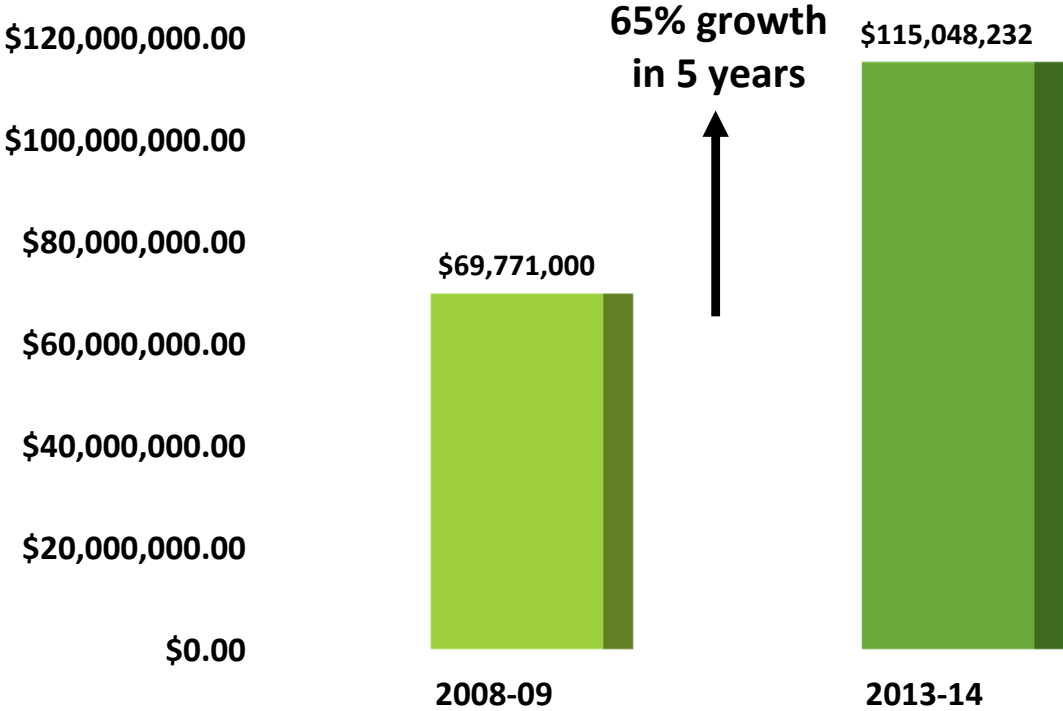
- Approximately \$500M in annual sponsored awards, up approximately 62% in ten years
- 2013 fundraising production of over \$200M, up over 67% in three years
- Less than half (46%) of students leave MSU in debt, 26 percentage points better than the national average (71%)
- MSU average debt load \$24,987 – 17% lower than the national average (\$29,400)
- STEM student credit hours up 28.90% over ten years
- 91% of graduates are employed or continue education after graduation
- 92% rate their education as good or excellent
- Students from all 83 Michigan counties, all 50 states, and more than 130 countries



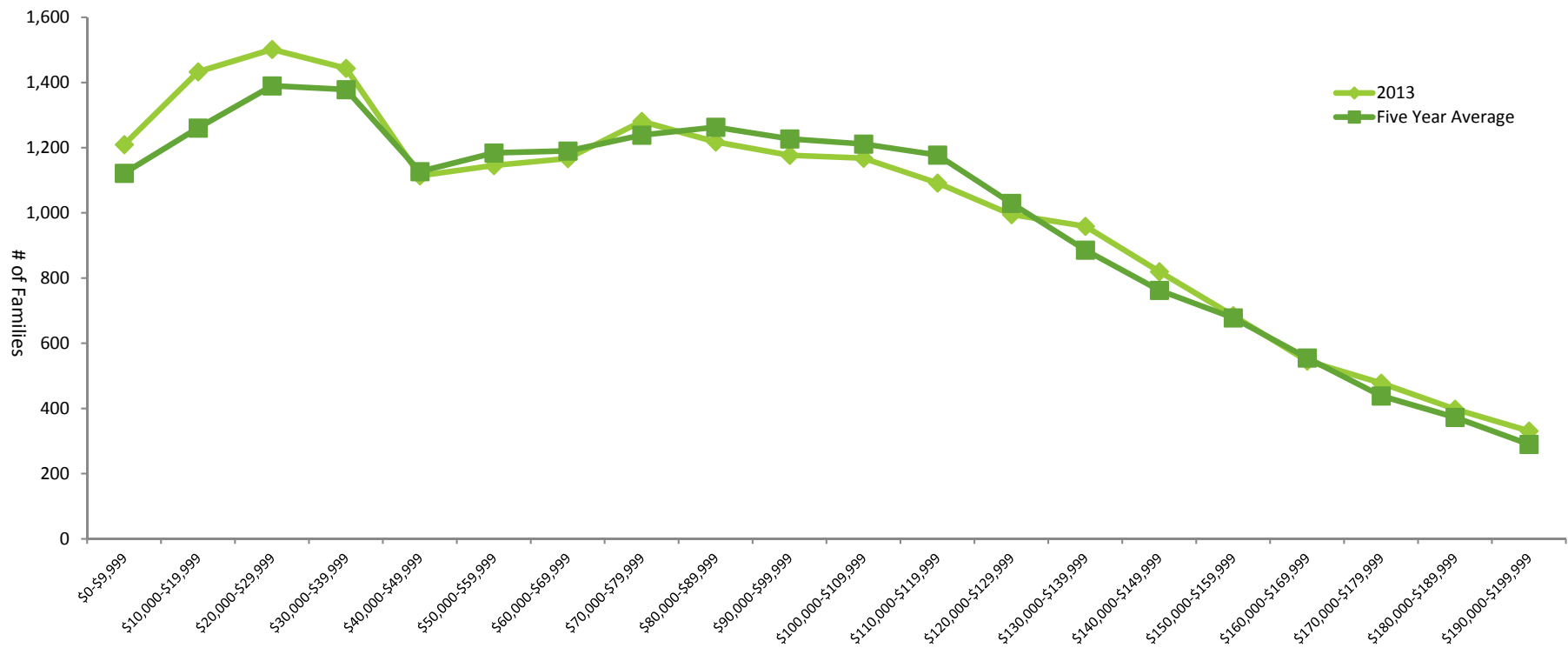
# Bolder by Design provides future direction...



# Financial Aid ... up 65% over five years



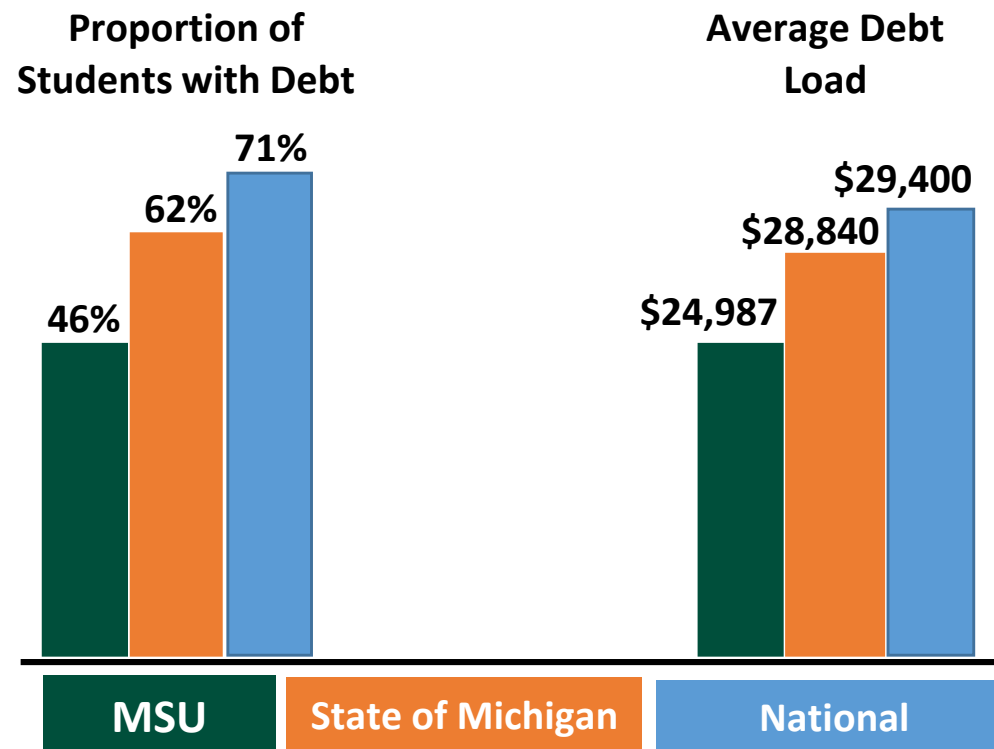
# Preserving family income distribution



Adjusted to 2013 dollars

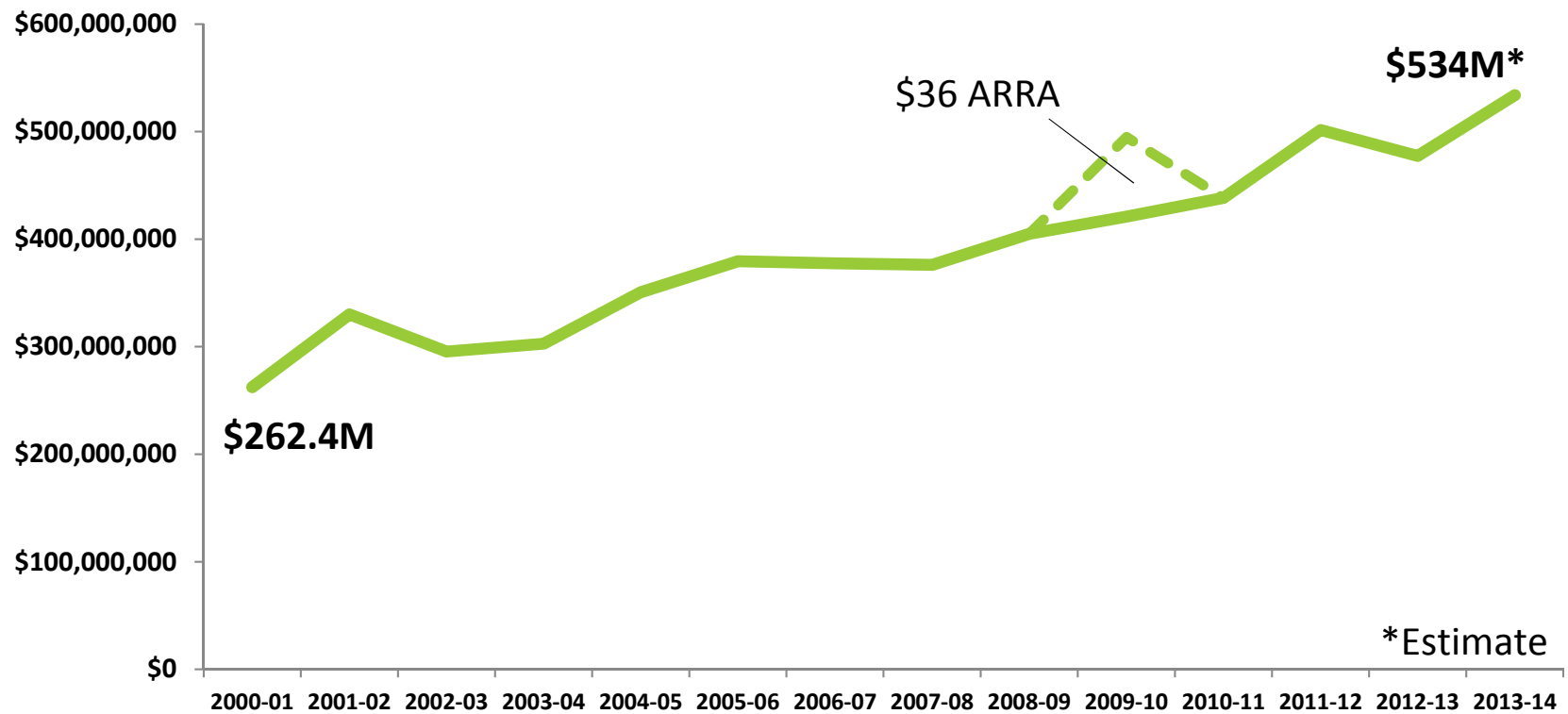


# Limiting student debt



Adjusted to 2013 dollars

# Increased research output



# Long-term Financial Framework

Building the value of MSU programs to students and stakeholders

Academic  
Competiveness



Critical Space

Research



Health Care

Computing



Financial Aid

Power

JIT

Over ten years, anticipates \$31.5M - \$53M in recurring needs and \$570M - \$1,100M in non-recurring needs

# Examples of Academic Competitiveness

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- Undergraduate education
- Sustaining plant science successes
- Expansion of engineering disciplines including biomedical engineering
- Computational sciences emphasizing existing strengths in biology
- Food production and security
- Population and community health
- Environment
  - Food
  - Water
  - Energy
- Molecular and genetic techniques across plants, animals and people
- Facilities, infrastructure, and technology

# Academic Competitiveness ... Talent

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- Capacity to recruit and retain talented faculty ... critical key to competitiveness
- MSU compensation levels will fall from mid-point of Big Ten as new faculty are hired

Funded post-retirement health care discontinued for dependents of new hires after 2005; for new faculty themselves for those hired after 2010

- University level academic competitiveness resources allocated where units are documented

## ... Bolder by Design informs budget priorities

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- Accelerate reinvestment to enhance value for our students and stakeholders -- and status among top 100 Universities in the world
- Address key Long-term Financial Framework components that position MSU for tomorrow
- Funded through:
  - Internal savings derived from high performance culture
  - Partnerships with Donors, State, and Federal Research Granting Agencies
  - Adjustment of enrollment parameters

## ... including continuing objectives

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- Accommodate external constraints and issues
- Initiate modern tuition structure
- Continue GF support of Financial Aid while emphasizing need for donor support
- Building MSU research portfolio
- Internal financial stability validated by rankings
- Replaced highest risk, outdated infrastructure
- Augmented positions in key areas

# Appropriations update

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- 5.9% general operating appropriation increase
- 5.9% MSU AgBio Res. and MSU Extension

## Other Increases

- Indian Tuition Waiver support - \$0.5M – MSU anticipates \$0.2M
- Ag Strategic Initiative – Dept. of Ag. & Natural Resources Funding continues at \$2.0M – MSU largest beneficiary
- Autism Research - \$1.0M NR
- National Mortgage Foreclosure Settlement – MSU receives \$5.0M over several years



# General fund budget planning – summary

Budget Item	2014-15 Adjusted	2015-16 Planning Update
State Appropriations	5.90%	4.00%
Tuition & Fees	2.6% Lower Div 2.9% Upper Div	4.0% Lower Div 4.0% Upper Div
Financial Aid	4.00%	4.50%
Graduate Assistants	1.50%	1.50%
Faculty Salaries*	2.0% + 0.5% + 0.5%	2.0% + 0.5% + 0.5%
Utilities	4.00%	4.00%
Health Care	<u>3.00%</u>	<u>5.00%</u>
<b>Subtotal</b>	<b>\$1,195.70</b>	<b>\$1,249.00</b>
<b><u>Academic Competitiveness</u></b>		
College	\$3.00	\$1.50
Central	<u>\$8.70</u>	<u>\$6.30</u>
<b>Total Budget</b>	<b>\$1,207.40</b>	<b>\$1,256.80</b>

Preliminary 2014-15 budget approved by the BOT in June 2013.

Dollars in millions

\*Includes 2.0% general merit, 0.5% college market, and 0.5% Provost market pool for October 1 implementation