



2013-14 Budget Overview

Friday, June 21, 2013

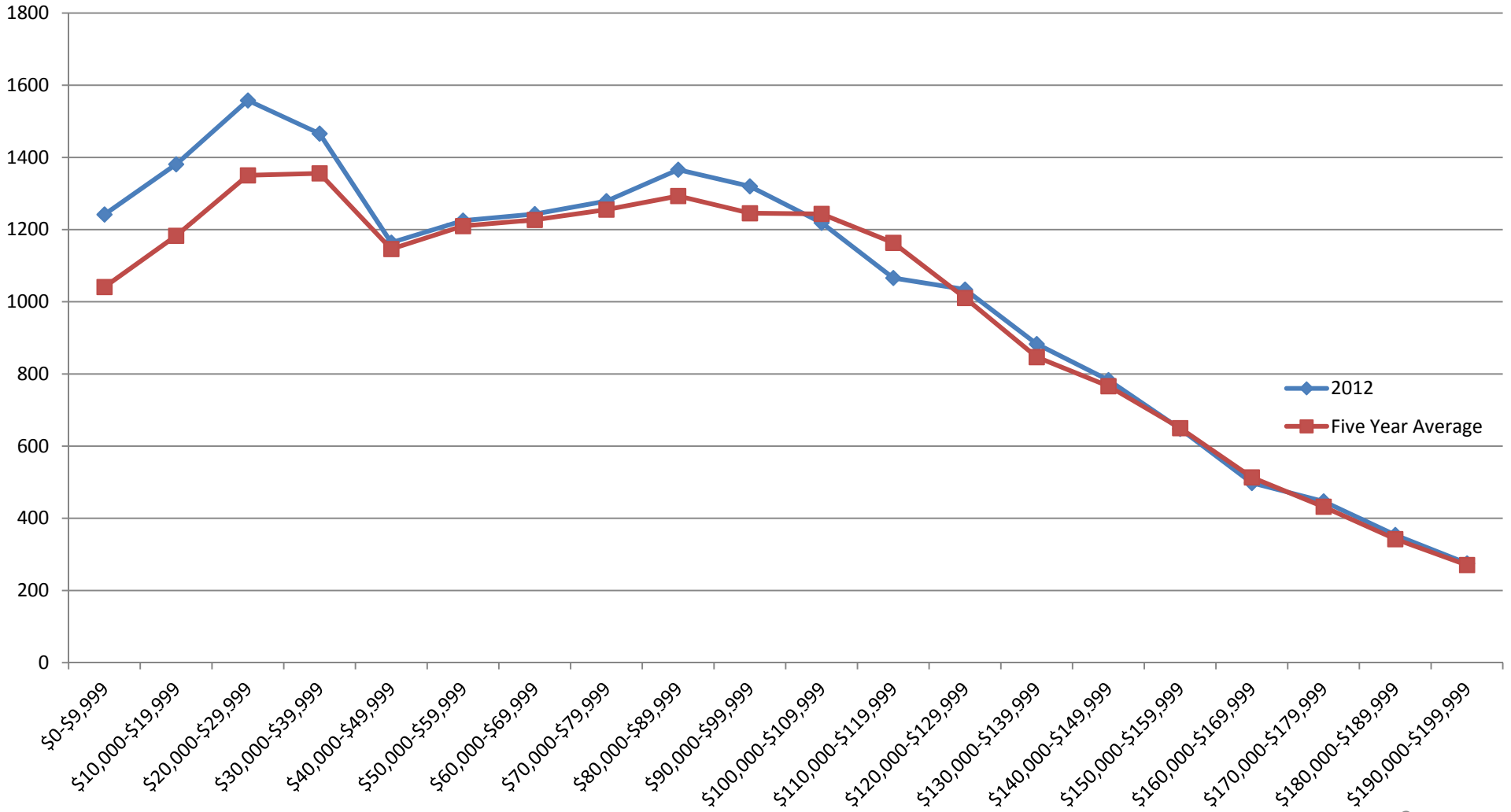


Budget Process

- Multi-year transparent process that involves numerous institutional stake holders
- Ongoing consultations include:
 - Board of Trustees
 - Academic Governance
 - Deans
 - University Committee on Faculty Affairs
 - Council of Graduate Students
 - Associated Students of MSU
 - Labor coalitions
 - Union of Non-Tenure Track Faculty
 - Postdoctoral Fellows
 - Residence Halls Association



Preserving Access Across Income Levels





State of Michigan Appropriation

<u>All Funds</u>	<u>2003</u>	<u>2013</u>	<u>Gross % Change</u>	<u>Avg Annual</u>
State of Michigan	\$40,053,187,307	\$49,172,685,900	22.8%	2.1%
Higher Education	\$1,844,901,735	\$1,399,220,400	-24.2%*	-2.7%
Corrections	\$1,685,406,831	\$2,018,515,900	19.8%	1.8%
Michigan State University				
Operating	\$315,469,556	\$245,037,000	-22.3%	-2.5%
MSU AgBio/MSUE	\$66,229,205	\$54,204,600	-18.2%	-2.0%
Total University	\$381,698,761	\$299,241,600	-21.6%	-2.4%

*From 2003-2012, Michigan ranked last in the nation for change in higher education appropriations, national average increased by over 15 percent



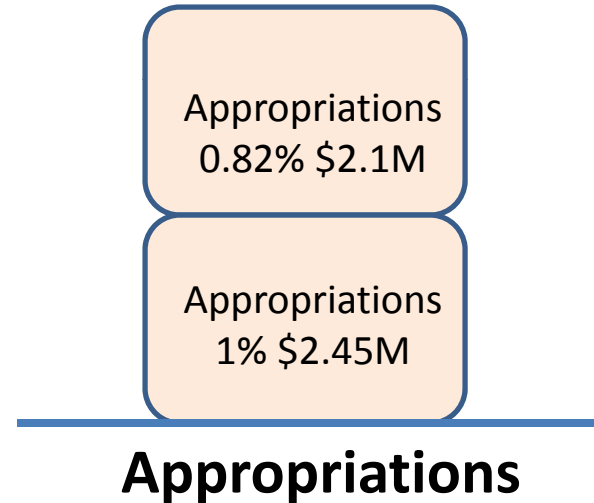
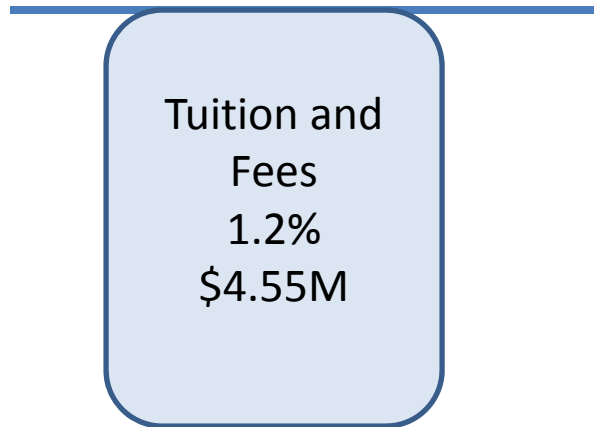
If.....

If.....	Total Financial Impact	Tuition Reduction %	Resident Lower Division Reduction
Residency mix of Big Ten/U of M	~\$66-\$100M	8.5%-13%	\$1,020-\$1,560
Appropriations increased at inflation for 10 years	~\$166M	21.5%	\$2,580
Appropriations increased at average annual change of overall state budget	~\$143M	18.5%	\$2,220
Appropriations per student at U of M/Wayne State average	~\$70M	9%	\$1,080



2013-14 Revenue Change

Resident Undergraduate Tuition



Original budget pro forma established tuition and fee rates at 4%, reduced by 1.2% for resident undergraduates to 2.8% (equates to a 1.9% increase for resident lower division students and 3.6% for resident upper division students)



Board of Trustees June Update

Budget Item	2013-14 BOT Appd	2013-14 House-Base	2013-14 Senate	2013-14 Proposed	2014-15 Preliminary
State Appropriations	0%	2.0%	1.3%	1.82%	2%
Tuition & Fees	4.0%	2.9%	3.9%	1.9% Lower Div	3.0% Lower Div
				3.6% Upper Div	3.0% Upper Div
Financial Aid	4.5%	4.5%	4.5%	4.5%	4.0%
Graduate Assistants	2.0%	2.0%	2.0%	2.0%	2.0%
Faculty Salaries	2.0%*	2.0%*	2.0%*	2.25%**	2.0%*
Utilities	4.0%	4.0%	4.0%	4.0%	4.0%***
Health Care	5.0%	5.0% 2.0% Prelim	5.0% 2.0% Prelim	1.5%	5.0%
Framework-Academic Competitiveness				\$2.0	\$2.0
Balance	\$0	\$0.8	\$2.5	\$0	\$0

Preliminary 2013-14 budget approved by the BOT in June 2012

*Includes 1.5% general merit, 0.5% college market, and 0.5% provost market pool

** Includes 1.5% general merit, 0.75% college market, and 0.5% provost market pool

***Infrastructure financing