

Attracting, Fostering, and Inspiring Talent

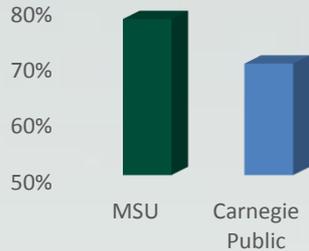
Michigan State University has successfully navigated some of the most challenging times higher education has faced. Despite these challenges, **MSU has augmented its position among the top 100 universities in the world**, serving Michigan first.

PURSUIT OF EXCELLENCE AND VALUE

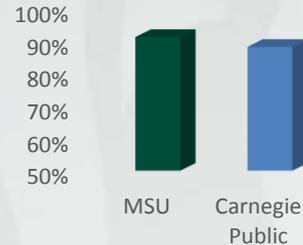
The 2014 **graduation rate of 78%** outperforms the U.S. News and World Report (USNWR) predicted rate by 8%; **second** in the Big Ten. The 2015 USNWR ranks MSU **35th** for undergraduate education amongst public institutions

MSU retains **91%** of first-year students, **exceeding** the Carnegie public university peer average of **88%**

Graduation Rate



Persistence Rate



MSU has **25 undergraduate and graduate** programs in the **top 20 nationwide**. **More than 90%** of all 2013 graduates surveyed were employed or continuing their education

STEM (including health disciplines) credit hours up **34%** over 10 years, increasing instructional costs by over **\$20M** annually

MSU **sustaining strengths** and **investing in the future** of its **academic programs** - Highlights include: Neighborhoods, Plant Sciences, Engineering expansion, Computational Sciences, Food Production & Security, Population and Community Health, Environment-food, water, and energy

MSU's resident population (77%) **exceeds the Big Ten average** (65%) by 12%, representing approximately **\$90M** in lost resources

LEARNING BEYOND THE CLASSROOM



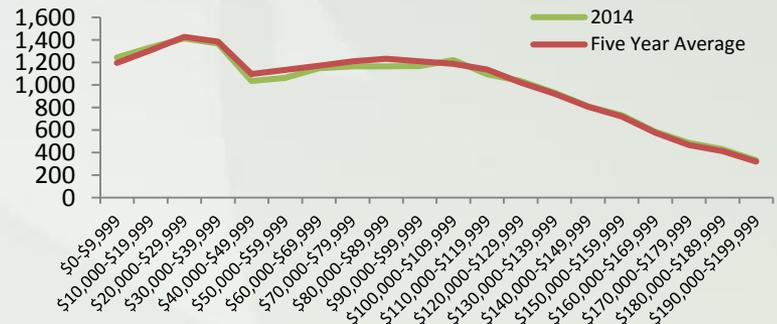
Just over **2,500 study abroad** participants each year. Approximately **1 in 4 undergraduate students** participate in **research experiences** annually. More than **20,000 service learning** experiences.

FINANCIAL AID

Over **\$640M** in financial aid administered annually. Recommended FY16 4.5% increase suggests 10 year **growth** in financial aid of approximately **300%**

MSU had **8,916 Pell Grant** recipients in 2012-13. The **Carnegie Peers** (public & private) average is **5,016**

MSU has maintained income distribution of financial aid filers over five years



The average debt of **MSU students** is **\$25,821**, lower than the **state average** of **\$29,583**. The **national average** is **\$28,400**

Fewer MSU students take out student loans (46%) than State (63%) and National (69%) peers

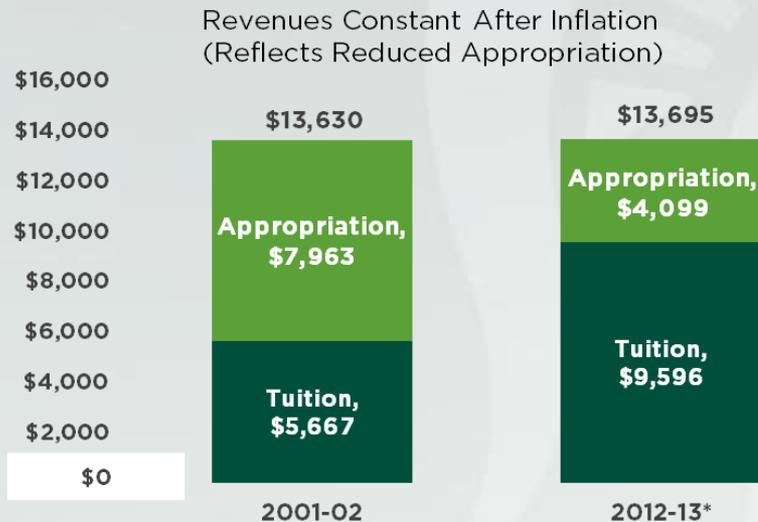
Building Prosperity for Michigan

STATE SUPPORT

For FY16, **appropriations increase lags** current Higher Education Price Index (HEPI) by over 1%, representing a loss of approximately \$3M in resources

State appropriations rank **48th** for rate of change over 10 years ('05-'15) and **43rd** for rate of change over 5 years ('10-'15) when removing Federal stimulus funds

Since **2001-02**, when adjusting for inflation, **resources per student** (tuition and appropriations) have only increased by **\$65**

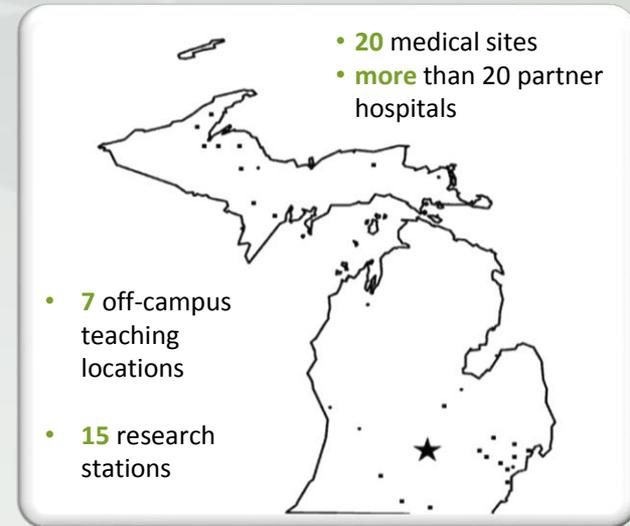


*Expressed in 2001-02 dollars

MSU's combination of appropriations and tuition per student **trails Big Ten peers** by **\$2,800 per student**, representing over \$120M in foregone resources

HELPING MOVE MICHIGAN'S ECONOMY FORWARD

MSU's **total economic impact** on the state is in excess of **\$5B**.
Of 2013 graduates with employment, **62%** are **employed in Michigan** and **77%** found employment in the **Midwest**



MSU Innovation Center bringing cutting-edge ideas to the marketplace. During FY14, MSU Innovation Center achieved:

- 133 new invention disclosures
- 620 contracts, grants, and gifts totaling **\$33M**
- 330 active commercial agreements

Since 2005, the **MSU Product Center** has:

- Assisted in launching **455** new or expanded businesses
- Increased annual sales over **\$328.2M**
- Helped **create 1,273 jobs, 676 retentions**

Research, Education, and Deepening the Talent Base

RESEARCH PORTFOLIO

For the period 2010-2013, **MSU is 3rd in the Big Ten for rate of change** for National Science Foundation Higher Education Research & Development (HERD) report R&D expenditures.

FRIB is a \$730M facility, with Congress approving \$90M for the current fiscal year. Sponsored awards now stand at **\$528M**, This is **up more than 50%** over the last ten years.

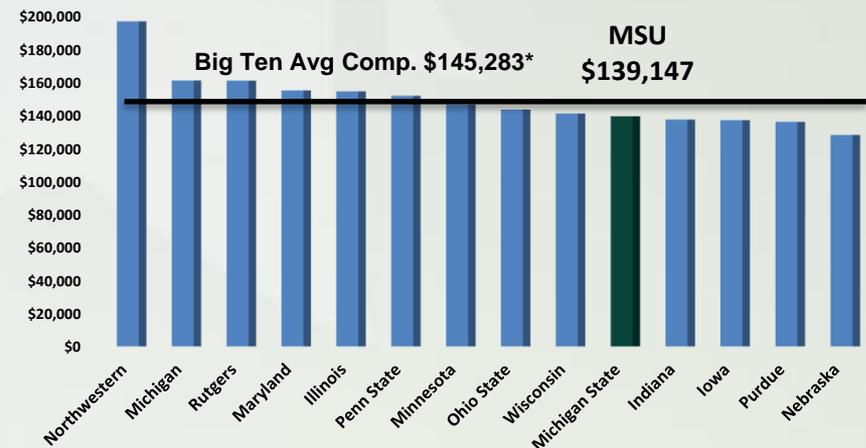
MSU Extension leverages over \$75M in various Federal and State support, including over \$24.5M in grants to focus effort on:

- Assisting the **agricultural sector** with production issues, risk management, and reducing environmental risk
- **Preparing Michigan youth** for their future as leaders and citizens
- Providing programs on **obesity training, food safety,** and chronic disease management
- Helping develop a robust **community food system** across Michigan
- Assisting **Michigan Citizen's** with foreclosure prevention and financial education
- Helping to ensure the appropriate use of Michigan's natural resources

Faculty Compensation

MSU currently ranks **10th** in the Big Ten for total faculty compensation and **13th** for faculty salaries only

- Competitive compensation position anticipated to diminish as post-retirement health care benefits amounts exit peer comparison calculations



*Does not include Northwestern



MSU **research highlights** include:

- Bio/computational Evolution in Action Consortium (BEACON)
- Great Lakes Bioenergy Research Center
- Center for Advancing Microbial Risk Assessment
- Institute for Cyber-Enabled Research
- Center for Research on Ingredient Safety
- Center for Systems Integration and Sustainability
- Grand Rapids Medical Campuses
- MSU Bioeconomy Institute

MSU AgBioResearch focusing on developing research in:

- Food and health
- Environmental stewardship
- Secure food and fiber systems
- **Total grants** in excess of **\$60.2M**
- Enhancing profitability
- Families and community vitality

Building a Better Future

Financial Framework

The MSU Financial Framework represents a group of **8 critical areas of necessary investment** over the coming ten years to assure that MSU **maintains its position amongst the top-100 global universities**. Each critical area is under ongoing assessment to determine appropriate levels of investment over the long-term. Areas include: Academic Competitiveness, Research, Critical Space, Computing, Financial Aid, Utilities, Health Care, Just-in-Time facilities renewal

Academic Competitiveness: Continue curricular and neighborhood improvements to graduate more students, sooner, and narrow achievement gaps

Research: Advance planned initiatives in Cancer Genomics and Computational Science. Continue ongoing initiatives across the university including plant science, food, nuclear science, biomedical engineering, water and environment, among others.

Critical Space: Replace and expand research capacity in Grand Rapids, on campus multi-disciplinary facility, capital campaign top-ups

Computing: High-speed scientific computing, augment current ICER capabilities, replace student information system, assess technological infrastructure and networking needs

Budget Rates of Change

MSU **base budget** change at or **below HEPI 4** of the last 5 years. Overall budget growth includes base change and additional increments for financial aid, enrollment growth, and other strategic and revenue-based activities

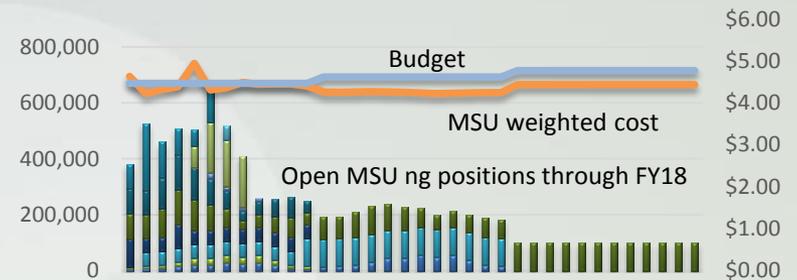
			Actual			Proposed
	FY11	FY12	FY13	FY14	FY15	FY16
Base*	1.1%	0.0%	3.0%	2.5%	2.7%	2.7%
Financial aid	1.1%	1.0%	0.6%	0.4%	0.4%	0.4%
Enrollment Growth	0.0%	0.2%	0.1%	0.1%	0.1%	0.1%
Indirect Cost Pass-Through	0.1%	0.3%	0.2%	0.0%	0.0%	0.0%
Sub-Total	2.3%	1.5%	4.0%	3.0%	3.2%	3.3%
Revenue Based Initiative	1.4%	1.7%	1.4%	0.8%	0.7%	0.7%
Sub-Total	3.7%	3.1%	5.3%	3.8%	4.0%	4.0%
Academic Competitiveness	0.0%	0.0%	0.0%	0.2%	1.0%	0.6%
Total	3.7%	3.1%	5.3%	4.0%	5.0%	4.7%

Utilities & Operations

Since 2009-10, MSU has **reduced** green house gas **emissions by 18%**

During the current year, MSU announced a plan to **stop burning coal** by the end of **2016**, with the majority of coal purchasing and burning ending later this year

MSU energy strategies led to **\$1M in annual savings** while simultaneously diminishing projected long-term energy costs and risk exposure



Grounds maintenance and custodial service **most efficient** in the Big Ten, providing annual savings

MSU **healthcare** cost increases **below** national indexes each of the last 5 years by 1-2%

Eliminated **\$1M in planned increases** for central university operating items

Budget Planning

Budget Item	2015-16 Current Proposal	2016-17 Current Update
State Appropriations	1.5%	4.0%
Tuition & Fees	2.7% Lower Div 2.7% Upper Div 5.0% Engineering 5.0% Business	4.0%
Financial Aid	4.5%	4.5%
Graduate Assistants	2.0%	1.5%
Faculty Salaries	2.0%+0.5%+0.5%*	2.0% + 0.5%***
Utilities	2.2%**	4.0%**
Health Care	5.0%	5.0%
<u>Academic Competitiveness</u>		
College – Salary	\$1.5	\$0.0
Central	\$6.3	\$6.1
Computing Issues	<u>\$0.0</u>	<u>TBD</u>
Total	\$1,263.8	\$1,307.6

Preliminary 2015-16 budget approved by the BOT in June 2014

*Includes 2.0% general merit, 0.5% college market, plus 0.5% provost market pool

*** Includes 2.0% general merit plus 0.5% provost market pool

**Includes Infrastructure financing