

MICHIGAN STATE UNIVERSITY

February 6, 2017

MEMORANDUM

To: Executive Officers,
Administrative and Operational Services

From: Satish Udpa
Executive Vice President for Administrative Services

Re: FY18 Budget Materials

Budget Context

While we are appreciative of the modest increases in State funding for higher education over the last few years, we now anticipate tepid support for higher education for this year, and in the near future. As previewed in the fall, we anticipate units facing at least an additional 1% budget reduction for the 2017-18 fiscal year, above and beyond the typical 1% PERF efficiency factor. Given these challenges, MSU continues to operate in an environment of limited new funds for strategic re-investment. There are always more good ideas proposed than what is available to support. Funds available to the Provost and EVPAS to distribute during the budget request process constitute less than 0.5% of the entire university budget. Centrally allocated resources should be utilized to catalyze new initiatives and are not expected to fully fund entire new projects. Units are encouraged to develop multiple funding plans for implementing strategic priorities, including: internal reallocations, internal funds matching central support, and partnering with other units on campus. Funding requests aligned with unit strategic priorities and the university's Bolder by Design framework will be best positioned to receive funding. Additionally, we encourage units to put forth requests that will help streamline processes to improve operational efficiency, reduce transaction costs, and deliver excellent customer service.



OFFICE OF THE
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Budget Instructions

To aid in completing your spring materials, a letter template and budget workbook are attached. Please utilize these materials and the instructions embedded in each to provide strategic updates and budget requests.

All materials should be submitted electronically by **Monday, March 20, 2017** to Mike Zeig (zeigmich@msu.edu), with copies to Margie Aimery (aimery@msu.edu) and the EVPAS Office (adminsv@msu.edu). Address questions/concerns to Mike by email or phone (353-1746).

cc: Dave Byelich, Mike Zeig, Christine Carter