

FY18 and FY19 Budget Overview

Budget Item	2017-18 Current Proposal	2018-19 Illustrative Pro Forma
State Appropriations	1.9%	2.0%
Tuition and Fees	2.8% Resident Lower Division 3.8% Resident Upper Division 4.0% Non-Resident Undergraduates 2.0% Resident Graduate Professional 0.0% Non-Resident Graduate Professional	Freeze FY19 resident freshmen tuition rate to incentivize Go Green Go 15 credit initiative, within the context of a 3.2% change in tuition & fee revenue
Total Tuition & Fee Revenue	\$976.9	\$1,014.4
Financial Aid	4.5%	4.5%
Graduate Assistants	2.0%	2.0%
Faculty Salaries	2.5%+0.5%*	2.5%+0.5%*
Utilities	-7.0%	0.0%
Health Care	5.0%**	5.0%**
Financial Framework		
Competitiveness	\$2.5	\$2.5
Technology	\$2.8	\$5.0
Performance Efficiency Reallocation	-1.0%	-1.0%
Base Budget Reduction	<u>-1.0%</u>	<u>-0.5%</u>
Total	\$1,362.1	\$1,401.4

Preliminary 2017-18 budget approved by the BOT in June 2016

*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

Budget Development Overview

- Proposed 2017-18 budgets for the University General Fund, MSU AgBioResearch, Michigan State University Extension, and Intercollegiate Athletics total \$1.58 billion
- General Fund Revenues
 - University General Fund 2017-18 budget is established at \$1,362.1 million, an increase of \$45.1 million, inclusive of \$9.0 million for revenue-based initiatives and research facilitation pass-through revenue and expenditures. Components of the increase include a base budget change of 2.4 percent and other budgetary changes of 1.2 percent due to increases for revenue-based and technology initiatives.
 - State appropriations, based on the 2017-18 Higher Education Budget Conference Report, are estimated at \$281.0 million, an increase of \$5.1 million or 1.9 percent.
 - Tuition and fees are estimated at \$976.9 million. Resident undergraduate lower division rates increase by approximately \$198.75 per semester for full-time students. Specific per credit hour rates increase by approximately \$13.25 per credit hour, or 2.8 percent, for resident lower division undergraduates, \$19.75 per credit hour, or 3.8 percent, for resident upper division undergraduates, \$20.25 per credit hour, or 3.8 percent, for resident upper division College of Business and College of Engineering undergraduates, 4.0 percent for non-resident undergraduates, and 4.0 percent for most other students; additionally, the per semester fee charged to international non-resident students remains at \$750 for undergraduates entering in or after Fall 2012, at \$150 for continuing undergraduates first enrolled prior to Fall 2012, and at \$75 for graduate students.
 - Other revenues, which include indirect cost recovery and investment income, total \$95.2 million.
 - Pass-through revenues of \$9.0 million for revenue-based initiatives and research facilitation
- General Fund Expenditures
 - Total General Fund expenditures established at \$1,362.1 million, an increase of \$45.1 million, inclusive of \$9.0 million for revenue-based initiatives and research facilitation pass-through expenditures
 - Financial aid increases of \$6.2 million, or approximately 4.5 percent

- Ongoing utility costs are estimated to decrease by \$4.2 million, or 7.0 percent; new funding of \$0.8 million has been added for utility, facility, and operational costs in newly constructed space.
- Total employee compensation amounts increase approximately \$29.6 million
 - A 2.5 percent general salary increase for faculty and non-unionized staff based on merit, and a 0.5 percent market adjustment administered centrally and targeted to ranked faculty, but open to all faculty and academic staff
 - Other employee increases as determined by collective bargaining agreements
 - Wage increase for student employees at 4.0 percent
 - Includes 5.0 percent increase for health care costs and other benefit cost increases of 3.0 percent, with health care budgets augmented by previously committed support staff salary increases due to claims experience
- Supplies and services budget increase at approximately 2.0 percent
- Other operating funds increase \$2.1 million and include funding debt service, technology, space rental, and other professional services.
- Framework funds increase by \$5.3 million for academic competitiveness efforts and ongoing technology initiatives.
- Revenue-based initiatives and research facilitation pass-through allocations increase by \$9.0 million and include increments necessary for virtual, off-campus, and traditional programs augmentation for enrollment-based financial aid and additional unit pass-through for increased indirect cost recoveries.
- Proceeds from endowment trusts may be used to address just-in-time and/or academic infrastructure requirements.
- A 1.0 percent budget reduction and continuation of the 1.0 percent program efficiency and reinvestment fund

- MSU AgBioResearch (MABR) and Michigan State University Extension (MSUE)
 - MABR 2017-18 budget established at \$46.3 million, an increase of \$0.5 million or 1.1 percent
 - Based on the 2017-18 Higher Education Budget Conference Report, recurring State appropriation support is estimated at \$34.1 million, an increase of \$0.9 million.
 - MSUE 2017-18 budget established at \$48.7 million, an increase of \$1.0 million or 2.1 percent
 - Based on the 2017-18 Higher Education Budget Conference Report, recurring State appropriation support is estimated at \$29.4 million, an increase of \$0.7 million.
- Intercollegiate Athletics
 - Intercollegiate Athletics 2017-18 budget established at \$127.7 million, an increase of \$8.1 million, or approximately 6.7 percent

2018-19 Preliminary General Fund Budget Guidelines Summary

General Fund Revenues

- Revenues of \$1,401.4 million
- Appropriations estimated to increase by 2.0 percent from the 2017-18 year at \$286.7 million
- Effective Fall 2018, the existing tuition and fee rate structure will be further differentiated by student class (e.g., freshman, sophomore).
- Consistent with the Go Green Go 15 initiative, resident freshman tuition and fees will not increase; increases of \$19.25 per credit for resident “core” unit sophomores, \$21.75 per credit for resident “core” unit juniors and seniors, \$36.25 for resident “professional and other” unit and College of Business and College of Engineering sophomores; and approximately 4.0 percent for most other students, resulting in total illustrative tuition revenues of \$1,014.4 million.
- All other revenues total \$100.2 million

General Fund Expenditures

- Expenditures of \$1,401.4 million
- Financial aid budget increase of 4.5 percent, or approximately \$6.5 million
- Funding of \$7.5 million for Financial Framework programs to support academic competitiveness and information technology initiatives
- Based upon 2016-17 experience, additional amounts necessary for revenue-based initiatives and research facilitation
- A -0.5 percent base budget reduction is planned to reduce expenditures in addition to the ongoing annual 1 percent reallocation. Other expenditure adjustments, including salaries and health care, will be accommodated within the above expenditure total based upon circumstances during Spring, 2018.

General

- The Preliminary Guidelines have been based upon best available information. They will help inform students of projected changes in tuition and will assist the University community to plan and prepare over a period of years.
- Other University budgets, including those for MSU AgBioResearch, Michigan State University Extension, and the Department of Intercollegiate Athletics, will be developed within available resources and in accordance with detailed University-wide guidelines for compensation adjustments developed early in 2018.

**MICHIGAN STATE UNIVERSITY
2017-18 2018-19 BUDGETS
Overview**

ESTIMATED REVENUES	State Appropriation	Federal Funds	Tuition & Fee Funds*	Other	Restricted	2017-18 Total	2018-19 Total
University General Fund	\$280,970,300		\$982,929,700	\$98,200,000		\$1,362,100,000	\$1,401,400,000
MSU AgBioResearch	34,074,178	6,871,434			5,397,665	\$46,343,277	
MSU Extension	29,389,415	11,173,114		6,400,000	1,710,009	\$48,672,538	
Intercollegiate Athletics				127,680,449		\$127,680,449	
Total Estimated Revenues	\$344,433,893	\$18,044,548	\$982,929,700	\$134,080,449	\$7,107,674	\$1,584,796,264	

*Includes new revenue-based initiatives increment of \$6.0 million

ESTIMATED EXPENDITURES	State Appropriation	Federal Funds	University Funds	Other	Restricted	2017-18 Total	2018-19 Total
University General Fund						\$1,362,100,000	\$1,401,400,000
Michigan Agricultural Experiment Station						\$46,343,277	
MSU Extension						\$48,672,538	
Intercollegiate Athletics						\$127,680,449	
Total Estimated Expenditures						\$1,584,796,264	

MICHIGAN STATE UNIVERSITY

June 21, 2017

MEMORANDUM

To: Trustee Finance Committee

From: June P. Youatt
Satish Udpa

Subject: 2017-18 Budget Development Guidelines and
2018-19 Preliminary General Fund Budget Guidelines

RECOMMENDATION:

The Trustee Finance Committee recommends that Board of Trustees adopt the 2017-18 Budget Development Guidelines and 2018-19 Preliminary General Fund Budget Guidelines, which include revenue and expenditure totals and tuition and fee rates for 2017-18 and 2018-19.



OFFICE OF THE
PROVOST

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

RESOLUTION:

BE IT RESOLVED, that the Board of Trustees adopts the attached 2017-18 Budget Development Guidelines (Budget Guidelines) and 2018-19 Preliminary Budget Guidelines (Preliminary Guidelines); and

BE IT FURTHER RESOLVED, that the Administration is directed to develop and implement the 2017-18 General Fund, MSU AgBioResearch, Michigan State University Extension, and Intercollegiate Athletics budgets in accordance with the Budget Guidelines and to develop the 2018-19 Budget Development Guidelines in accordance with the Preliminary Guidelines.

BACKGROUND:

Attachment A summarizes revenues and expenditures for the 2017-18 and 2018-19 budgets. Attachment B1 provides student tuition and fee information for 2017-18. Attachment B2 provides student tuition and fee information for 2018-19. Attachment C provides detailed general fund revenue and expenditure changes for the proposed 2017-18 budget.

These budgets are designed to enable implementation of the Bolder by Design planning imperatives, building on MSU's strength and stature as one of the top 100 research universities in the world. Michigan State University continues to

support the State and its people, enhancing economic competitiveness and quality of life. MSU's reach crosses international boundaries to share the best of Michigan with the world and brings the best of the world to Michigan.

As the global economy becomes increasingly competitive, MSU's accomplishments in building student success, fostering critical research, and assuring rapid dissemination of cutting-edge knowledge become even more vital to Michigan's success. In order to protect MSU's value to the State, a reasonable level of financial stability is required. The major sources of revenue to the University each fiscal year are the base main campus operating appropriation from the State and tuition and fees paid by students.

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 Budget Guidelines, paragraph 10 of the Preliminary 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 2017-18 or in 2018-19, 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 these Budget Guidelines, the proposed 2017-18 budgets for the General Fund, MSU AgBioResearch, MSU Extension, and Intercollegiate Athletics will be developed and implemented.

The primary purpose of the Preliminary Guidelines is to provide students and families an extended opportunity to plan. The Preliminary Guidelines establish 2018-19 tuition and fee rates, revenue totals, and expenditure totals. The Preliminary Guidelines also establish the financial aid budget and the estimated State appropriation for 2018-19. Detailed revenue and expenditure variables for 2018-19 based on then-current information will be presented to the Board of Trustees for review during early 2018. Detailed 2018-19 Budget Development Guidelines, based on the Preliminary Guidelines and the updated information, will be presented to the Board of Trustees for action by July, 2018.

Attachments

CC: Board of Trustees Policy Committee
Lou Anna Simon, President
William Beekman, Vice President and Secretary of the Board of Trustees
Robert A. Noto, Vice President for Legal Affairs and General Counsel
David Byelich, Assistant Vice President and Director of Planning and Budgets

2017-18 BUDGET DEVELOPMENT GUIDELINES AND 2018-19 PRELIMINARY GENERAL FUND BUDGET GUIDELINES

2017-18 Budget Development Guidelines

Proposed 2017-18 budgets for the University General Fund, MSU AgBioResearch, Michigan State University Extension, and Intercollegiate Athletics total \$1.58 billion.

Board action authorizes the administration to develop and implement 2017-18 budgets in accordance with the following 2017-18 Budget Development Guidelines (Budget Guidelines):

Revenues

1. State appropriations are estimated at \$281.0 million, an increase of \$5.1 million or 1.9 percent. The estimate is predicated on the 2017-18 Higher Education Budget Conference Report. 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 2017-18 resident undergraduate tuition/fee rate increase to not more than 3.8 percent.
2. The general fund operating budget for 2017-18 has been developed based on revenue estimates of \$1,362.1 million. The major revenue items in the budget are: \$281.0 million in appropriations; \$976.9 million in tuition and fees; and \$95.2 million in other revenues, which are composed primarily of investment income and indirect cost recovery. Additionally, the budget includes pass-through allocations of \$9.0 million in new revenue-based initiative and research facilitation proceeds.
3. Tuition rates will increase \$13.25 per credit, or 2.8 percent, for resident lower division undergraduates; \$19.75 per credit, or 3.8 percent, for resident upper division undergraduates; \$20.25, or 3.8 percent, for resident upper division College of Engineering and College of Business undergraduates; 4.0 percent for non-resident undergraduates; and 4.0 percent for most other students. In addition, the per semester fee charged to international non-resident students remains at \$750 for undergraduates entering Fall 2012 or after, at \$150 for continuing undergraduates first enrolled prior to Fall 2012, and at \$75 for graduate students. 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 manage medical student debt levels.
4. The tuition and fees rate structure effective 2017-18 will continue to differentiate among “core” units, “professional and other” units, and the Colleges of Engineering and Business. (See Attachment B1.)

Expenditures

5. Major expenditure items will provide increased 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 \$6.2 million, or approximately 4.5 percent
- b. Continuing utility costs will be reduced by approximately \$4.2 million, or 7 percent; \$0.8 million in new funding has been added for utility, facility, and operational costs for newly constructed space.
- c. Employee compensation adjustments of approximately \$29.6 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 2016-17 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 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, College-level, and centrally administered market raises will be effective October 1, 2017.
 - 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 with an allowance to address the increase in the State minimum wage.
 - 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 \$2.3 million, approximately 2.0 percent. Unit allocations can be differential, based upon identified programmatic need.
 - e. An increment for other budgetary adjustments of \$2.1 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 16 years, internal reallocations totaling approximately \$76 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.
6. Expenditures for incremental revenue-based initiatives and research facilitation of approximately \$9.0 million include the following:
- a. Virtual, off-campus, and other programs totaling \$5.3 million; and
 - b. Enrollment-based financial aid enhancements of \$0.7 million; and
 - c. Indirect cost recovery pass-through to units of \$3.0 million.
7. Funding of \$5.3 million for University initiatives focused on academic competitiveness and on information technology stabilization, student success analytics, research computing, campus Wi-Fi improvements, and other technology-based projects.
8. General Fund expenditures for 2017-18 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 2017-18 financial statements.
9. The 2.0 percent tax on auxiliary income continues in 2017-18. The tax is levied on auxiliary income derived from external sources, not on internal budget transfers.
10. Proceeds from the shift to a sustained entering class size of over 7,500 with revenues characteristic of the budgeted mix of resident and non-resident undergraduates 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 2017-18 Preliminary General Fund Budget Guidelines passed by the Board of Trustees in June, 2016 established a budget level of \$1,363.4 million prior to inclusion of revenue-based initiatives, research facilitation, and other revenue changes. As noted elsewhere in the Guidelines, such changes add \$9.0 million to the above total, which would establish the total 2017-18 General Fund Budget based on the June 2016 Board action at \$1,372.4 million.

Subsequently, projected 2017-18 revenues were constrained by \$10.3 million based upon adjustment of State appropriations to recommended levels, reduction of undergraduate lower division tuition increases to 2.8 percent, recognition of reduced non-resident undergraduate enrollment, and other minor adjustments to tuition and fee revenues. The 2017-18 General Fund Budget as presently proposed is, therefore, \$1,362.1 million, \$1.3 million less than the adjusted June 2016 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 endowment trusts may be used to fund just-in-time and/or academic infrastructure requirements. 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 7.0 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 2017-18 is less than the budgeted amount, \$281.0 million. If appropriations exceed \$281.0 million for 2017-18, 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 these Budget Guidelines.

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

2018-19 Preliminary General Fund Budget Guidelines

Board action adopts these 2018-19 Preliminary General Fund Budget Guidelines (Preliminary Guidelines) for the 2018-19 period. Board action on the Preliminary Guidelines sets the 2018-19 financial aid budget increase and tuition and fee rates. Detailed expenditure and revenue variables will be presented to the Board of Trustees during early 2018 for review in light of then-current circumstances. Finally, for rate structure purposes, lower and upper division tuition and fees may be redefined based on curricula and student class level within units in the detailed Budget Development Guidelines presented to the Board. Further College differentiation may also be proposed in future planning.

General Fund Revenues

1. Revenues of \$1,401.4 million
2. State appropriations estimated to increase by 2.0 percent from the 2017-18 year to \$286.7 million
3. Effective Fall 2018, the existing tuition and fee rate structure will be further differentiated by student class (e.g., freshman, sophomore).
4. Consistent with the Go Green Go 15 initiative, resident freshman undergraduate tuition will not increase. For “core” unit resident sophomores, tuition increases set at \$19.25 per credit, for “core” unit resident juniors and seniors, tuition increases of \$21.75 per credit; for resident “professional and other” unit and College of Engineering and College of Business sophomores, tuition increases of \$36.25 per credit; for resident “professional and other” unit juniors and seniors, tuition increases of \$21.75; and for resident College of Engineering and College of Business juniors and seniors, tuition increases of \$22.25 per credit.

For most other students, tuition increases indicated at 4.0 percent, with the exception of non-resident “professional and other” unit and College of Business and College of Engineering sophomores, tuition increases of 7.25 percent per credit. The above adjustments result in total illustrative tuition revenues of \$1,014.4 million.

5. All other revenues total \$100.2 million.

General Fund Expenditures

6. Expenditures of \$1,401.4 million
7. Financial aid budgets will increase by 4.5 percent, or approximately \$6.5 million.

8. Additional expenditures include revenue-based initiatives, research facilitation, and Financial Framework requirements. Revenue-based initiatives and research facilitation are adjusted annually based on projected and actual proceeds designated to support these activities. The Financial Framework items are \$7.5 million for academic competitiveness and information technology.
9. A -0.5 percent base budget reduction is planned to reduce expenditures. Other expenditure adjustments, including salaries and health care, will be accommodated within the appropriate expenditure total based upon circumstances during Spring, 2018.

General

10. 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 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, \$286.7 million. If appropriations exceed \$286.7 million, 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; 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 these Preliminary Guidelines.

11. These Preliminary Guidelines are formulated on the assumption that there will be no significant reductions in State support through the 2018-19 fiscal year. They will help inform students of projected changes intuition and will assist the University community to plan and prepare over a period of years.
12. Other University budgets, including those for MSU AgBioResearch, the Michigan State University Extension Service, and the Department of Intercollegiate Athletics, will be developed within available resources and in accordance with detailed University-wide guidelines for compensation adjustments developed early in 2018.

MICHIGAN STATE UNIVERSITY
2017-18 TUITION & FEES RATE STRUCTURE

PER CREDIT RATES	RESIDENT	NONRESIDENT
Undergraduates - Core ⁽¹⁾		
Lower Division	\$482.00	\$1,313.50
Upper Division	\$543.00	\$1,354.75
Undergraduates - Professional and Other ⁽²⁾		
Lower Division	\$482.00	\$1,313.50
Upper Division	\$543.00	\$1,354.75
Undergraduates - Eli Broad College of Business		
Lower Division	\$482.00	\$1,313.50
Upper Division	\$555.00	\$1,367.75
Undergraduates - College of Engineering		
Lower Division	\$482.00	\$1,313.50
Upper Division	\$555.00	\$1,367.75
Masters - Core ⁽¹⁾	\$726.50	\$1,427.50
Masters - Professional and Other ⁽²⁾	\$726.50	\$1,427.50
Masters - College of Engineering	\$809.50	\$1,517.25
Doctoral - Core ⁽¹⁾	\$726.50	\$1,427.50
Doctoral - Professional and Other ⁽²⁾	\$726.50	\$1,427.50
Doctoral - College of Engineering	\$809.50	\$1,517.25
Lifelong Education	\$726.50	\$931.00

PER SEMESTER BLOCK RATES	RESIDENT	NONRESIDENT
Broad MBA	\$15,300	\$24,250
Human and Osteopathic Medicine		
Extended Medical Curriculum	\$15,048	\$29,033
Medical Scientist Training Program	\$10,037	\$19,365
Medical Scientist Training Program	\$10,326	\$19,989
College of Veterinary Medicine (CVM-8)		
CVM Clinical Year - Fall & Spring	\$15,200	\$28,235
CVM Clinical Year - Summer	\$13,441	\$25,138
Medical Scientist Training Program	\$9,523	\$16,773
Medical Scientist Training Program	\$9,727	\$18,243

Footnotes:

- 1 Core units: Arts and Letters, Natural Science, Social Science, University Undergraduate Division, Lyman Briggs, James Madison, Residential College in Arts & Humanities, and Communication Arts & Sciences.
- 2 Professional and Other units: 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 international undergraduate students entering Fall 2012, or thereafter, will be assessed a registration fee of \$750 per semester (\$375 part-time) and continuing undergraduate international students enrolled prior to Fall 2012 will be assessed a registration fee of \$150 (\$75 part-time) per semester.
- 6 All international graduate 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 \$7,617 for resident students and \$16,695 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
2018-19 TUITION & FEES RATE STRUCTURE

PER CREDIT RATES	RESIDENT	NONRESIDENT
Undergraduates - Core ⁽¹⁾		
Freshman	\$482.00	\$1,366.00
Sophomore	\$501.25	\$1,366.00
Junior	\$564.75	\$1,409.00
Senior	\$564.75	\$1,409.00
Undergraduates - Professional and Other ⁽²⁾		
Freshman	\$482.00	\$1,366.00
Sophomore	\$518.25	\$1,409.00
Junior	\$564.75	\$1,409.00
Senior	\$564.75	\$1,409.00
Undergraduates - Eli Broad College of Business		
Sophomore	\$518.25	\$1,409.00
Junior	\$577.25	\$1,422.50
Senior	\$577.25	\$1,422.50
Undergraduates - College of Engineering		
Sophomore	\$518.25	\$1,409.00
Junior	\$577.25	\$1,422.50
Senior	\$577.25	\$1,422.50
Masters - Core ⁽¹⁾	\$755.50	\$1,484.50
Masters - Professional and Other ⁽²⁾	\$755.50	\$1,484.50
Masters - College of Engineering	\$842.00	\$1,578.00
Doctoral - Core ⁽¹⁾	\$755.50	\$1,484.50
Doctoral - Professional and Other ⁽²⁾	\$755.50	\$1,484.50
Doctoral - College of Engineering	\$842.00	\$1,578.00
Lifelong Education	\$755.50	\$968.25
PER SEMESTER BLOCK RATES	RESIDENT	NONRESIDENT
Broad MBA	\$15,900	\$25,200
Human and Osteopathic Medicine	\$15,349	\$29,033
Extended Medical Curriculum	\$10,238	\$19,365
Medical Scientist Training Program	\$10,570	\$20,135
College of Veterinary Medicine (CVM-8)	\$15,504	\$28,235
CVM Clinical Year - Fall & Spring	\$13,710	\$25,138
CVM Clinical Year - Summer	\$9,713	\$16,773
Medical Scientist Training Program	\$9,959	\$18,389

MICHIGAN STATE UNIVERSITY
2018-19 TUITION & FEES RATE STRUCTURE

Footnotes:

- 1 Core units: Arts and Letters, Natural Science, Social Science, University Undergraduate Division, Lyman Briggs, James Madison, Residential College in Arts & Humanities, and Communication Arts & Sciences.
- 2 Professional and Other units: 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 \$696 for full-time status (\$418 part-time, except \$0 for summer) and applies to upper division (admitted major) level Engineering students.
- 5 All undergraduate international students entering Fall 2012, or thereafter, will be assessed a registration fee of \$750 per semester (\$375 part-time) and continuing undergraduate international students enrolled prior to Fall 2012 will be assessed a registration fee of \$150 (\$75 part-time) per semester.
- 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 \$7,923 for resident students and \$17,361 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
2017-18 Budget Guidelines**

Revenues	2016-17	Proposed 2017-18 <u>Budget</u>
Beginning Base		\$1,317.0
State Appropriations		5.0
Student Tuition and Fees		29.1
Other Revenues		2.0
Research Facilitation Passthrough		3.0
Revenue-Based Initiatives		6.0
Total Estimated Revenues	\$1,317.0	<u><u>\$1,362.1</u></u>
Expenditures		
Beginning Base		\$1,317.0
Financial Aid		6.2
Salaries & Benefits		29.5
Utilities & New Space		(3.4)
Supplies and Services		2.3
Other Operating		2.1
Framework		5.3
Research Facilitation Support		3.0
Revenue-Based Initiatives		6.0
Base Budget Reduction		(6.0)
Total Estimated Expenditures	\$1,317.0	<u><u>\$1,362.1</u></u>

CONTINGENT BUDGET PRESERVATION AUTHORITY 2017-19
Attachment D

I.

(a) The authority provided to the President under the 2017-18 Budget Development Guidelines (Budget Guidelines) and under the 2018-19 Preliminary General Fund Budget Guidelines (Preliminary 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 Budget Guidelines and the Preliminary 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 Budget Guidelines and the Preliminary Guidelines.) The potential for cuts in expected State support integral to the Budget Guidelines and the Preliminary 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 Budget Guidelines and the Preliminary 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 Budget Guidelines and the Preliminary 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 2017-18 fiscal year and the difficulty of predicting whether such appropriations, if they were to occur, would be recurring or nonrecurring.

(b) In adopting the Budget Guidelines and the Preliminary Guidelines, it is the expectation of the Board that MSU's 2017-18 base main campus operating appropriations from the State will be \$281.0 million, that its 2018-19 base main campus operating appropriations from the State will be \$286.7 million, and that the State will not defer, delay, or withhold any payments due to the University as part of its 2017-18 or 2018-19 base main campus operating appropriations from the State. The tuition and fee rates in the Budget Guidelines and Preliminary 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 2017-18 or 2018-19 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 2017-18 base main campus appropriation from the State is more than \$281.0 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 2018-19 base main campus appropriation from the State is more than \$286.7 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 2017-18 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 2017-18 or 2018-19 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 2017-18 or 2018-19 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.