Budget and Planning Overview
University Revenues

1989-1990 All Funds Revenue - $734M

Proportion of Revenue
- Appropriations – 28%
- Sponsored Programs – 19%
- Tuition – 18%
- Auxiliary – 16%

2012-13 All Funds Revenue - $2.3B

Proportion of Revenue
- Tuition – 31%
- Sponsored Program – 19%
- Appropriations – 11%
- Gifts/Donations – 9%

Departmental, $40, 6%
Other, $14, 2%

Tuition & Fees, $134, 18%
Appropriations, $206, 28%

AgBio Research/MSUE, $38, 5%
Sponsored Programs, $137, 19%

Gifts, $44, 6%

Auxiliary, $121, 16%

Tuition & Fees, $134, 18%
Appropriations, $206, 28%

Departmental, $179, 8%
Other, $158, 7%

Gifts, $215, 9%

Appropriations, $245, 11%
Sponsored Programs, $434, 19%

Tuition & Fees, $697, 31%

Appropriations, $305, 13%

Auxiliary, $305, 13%

AgBio Research/MSUE, $54, 2%
If increased at inflation, MSU appropriations would be $120M more than current levels.

Appropriations down $44M over 10 years.
2012 Federal Budget Sources and Uses

Total Federal Budget Sources: $3.7T

- Income Taxes, $1,196, 32%
- Corporate Taxes, $333, 9%
- Social Insurance and Retirement (Payroll Taxes), $914, 25%
- Other Taxes (excise, gas, estate, etc), $218, 6%
- Borrowing, $1,033, 28%
- Net Interest, $242, 7%
- Defense Discretionary, $647, 17%
- Other Mandatory, $625, 17%
- Medicaid, $269, 7%
- Medicare, $485, 13%
- Nondefense Discretionary, $542, 15%
- [Defense R&D], $83, 2%
- [Nondefense R&D], $69, 2%
- Other Mandatory, $625, 17%
- Other Mandatory, $625, 17%
- Medicaid, $269, 7%
- Medicare, $485, 13%
- Nondefense Discretionary, $542, 15%
- [Defense R&D], $83, 2%
- [Nondefense R&D], $69, 2%

Total Federal Budget Uses: $3.7T

- Social Security, $761, 20%
- Medicare, $485, 13%
- Medicaid, $269, 7%
- Nondefense Discretionary, $542, 15%
- [Defense R&D], $83, 2%
- [Nondefense R&D], $69, 2%
- Corporate Taxes, $333, 9%
- Income Taxes, $1,196, 32%
- Social Insurance and Retirement (Payroll Taxes), $914, 25%
- Other Taxes (excise, gas, estate, etc), $218, 6%
- Borrowing, $1,033, 28%
- Net Interest, $242, 7%
Fall Enrollment

- Formal count taken as of quarter of semester mark
- MSU enrollment of 49,343, approximately 400 students or 0.8 percent above the previous year
Undergraduate Entering Class

- Entering class enrollment of 7,887 reflects a planned decline from the previous year’s total of 8,201
Undergraduate Entering Class Statistics

• High School grades defined by first 25\textsuperscript{th} and 75\textsuperscript{th} percentile range between 3.42 and 3.87 consistent with previous year

• ACT scores defined by the 25\textsuperscript{th} and 75\textsuperscript{th} percentile range between 23 and 28 also consistent with previous year

• Total students of color in the class approximated 19 percent, a four year high
Undergraduate Entering Class Statistics

- Of the Total Entering Class 74 percent are Michigan residents
- For all undergraduates 79 percent are Michigan residents
- Across the Big Ten institutions 65 percent of undergraduates are state residents (IPEDS 2010 Enrollment)

1) Of the 26% nonresidents: 11% are domestic, 15% are international
2) Of the 21% nonresidents: 9% are domestic, 12% are international
## Significant Affordable Care Act Provisions

<table>
<thead>
<tr>
<th>Element</th>
<th>Timing</th>
<th>MSU Implications</th>
<th>MSU Costs</th>
<th>Employee Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost Drivers:</strong> Shared responsibility fees, individual insurance mandate, expanded eligibility for MSU plans</td>
<td>FY15</td>
<td>Increased costs due to wider eligibility</td>
<td>Est. $2.3M-$6.1M 2%-5% annual increase</td>
<td>Mitigate employee cost-sharing</td>
</tr>
<tr>
<td><strong>Transitional Reinsurance Fee</strong> (Temporary levy on employer group health plans)</td>
<td>FY15</td>
<td>Assessed for FY15-FY16</td>
<td>$2.0M -$2.5M 2%-2.5% increase</td>
<td>Mitigate employee cost-sharing</td>
</tr>
<tr>
<td><strong>Excise tax on “Cadillac” plans</strong> 40% tax applied to plans valued above $10,200 (individual) and $27,500 (family)</td>
<td>FY19</td>
<td>MSU exposure a function of cost increases</td>
<td>@6% annual growth, $175K</td>
<td>Mitigate employee cost-sharing</td>
</tr>
</tbody>
</table>

**Other Notes:** Other provisions include W-2 reporting, group health plan fees, preventative care additions, revised flex spending limits, auto enrollment, and employer access to state exchange. In total, anticipated cost increases of $0.3M to $0.4M are anticipated.
2012-13 Big Ten Faculty Salaries

*Median does not include Northwestern
Total Student Assistance

2001-02 Student Assistance - $242M

- Federal, $172,154,612, 71%
- MSU, $34,021,872, 14%
- State, $18,622,567, 8%
- Private, $17,963,520, 7%

2012-13 Student Assistance - $625.3M

- Federal, $421,619,726, 67%
- MSU, $146,185,777, 23%
- Private, $54,221,752, 9%
- State, $3,314,970, 1%
## Debt Outstanding and Capacity (12/31/12)

<table>
<thead>
<tr>
<th>Long Term Bonds</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund</strong></td>
<td><strong>$338</strong></td>
</tr>
<tr>
<td><strong>Revenue Based</strong></td>
<td></td>
</tr>
<tr>
<td>Residential and Hospitality Services</td>
<td><strong>$169</strong></td>
</tr>
<tr>
<td>Intercollegiate Athletics</td>
<td><strong>$57</strong></td>
</tr>
<tr>
<td><strong>Projects</strong></td>
<td></td>
</tr>
<tr>
<td>Parking Operations</td>
<td><strong>$47</strong></td>
</tr>
<tr>
<td>Facility for Rare Isotope Beams</td>
<td><strong>$17</strong></td>
</tr>
<tr>
<td>MSU College of Law</td>
<td><strong>$18</strong></td>
</tr>
<tr>
<td>Recycling</td>
<td><strong>$12</strong></td>
</tr>
<tr>
<td>Vet Oncology</td>
<td><strong>$5</strong></td>
</tr>
<tr>
<td>National Superconducting Cyclotron Laboratory</td>
<td><strong>$5</strong></td>
</tr>
<tr>
<td>Executive Development Center</td>
<td></td>
</tr>
<tr>
<td>Anaerobic Digestion Research and Ed. Center</td>
<td></td>
</tr>
<tr>
<td><strong>Donor Supported Projects</strong></td>
<td></td>
</tr>
<tr>
<td>Secchia Center-CHM West MI</td>
<td><strong>$16</strong></td>
</tr>
<tr>
<td>Wharton Center</td>
<td><strong>$13</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$697</strong></td>
</tr>
</tbody>
</table>

*In addition to the above, MSU also has $81M in short-term commercial paper to be converted to long-term debt, and $143M in short-term commercial paper to be repaid by internal units.

## Budget Planning – Pro forma

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>0%</td>
<td>1.82%</td>
<td>2%</td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>4.0%</td>
<td>1.9% Lower Div</td>
<td>3.0% Lower Div</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.6% Upper Div</td>
<td>3.0% Upper Div</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Graduate Assistants</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Faculty Salaries</td>
<td>2.0%*</td>
<td>2.25%**</td>
<td>2.0%*</td>
</tr>
<tr>
<td>Utilities</td>
<td>4.0%</td>
<td>4.0%</td>
<td>4.0%***</td>
</tr>
<tr>
<td>Health Care</td>
<td>5.0%</td>
<td>1.5%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Academic Competitiveness</td>
<td></td>
<td>$2.0</td>
<td>$2.0</td>
</tr>
<tr>
<td>Balance</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

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
# Budget Rates of Change

<table>
<thead>
<tr>
<th></th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>5 Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>1.72%</td>
<td>1.10%</td>
<td>0.03%</td>
<td>2.97%</td>
<td>2.63%</td>
<td>1.69%</td>
</tr>
<tr>
<td>Financial aid</td>
<td>1.37%</td>
<td>1.10%</td>
<td>0.98%</td>
<td>0.64%</td>
<td>0.45%</td>
<td>0.91%</td>
</tr>
<tr>
<td>Enrollment Growth</td>
<td>0.16%</td>
<td>0.00%</td>
<td>0.18%</td>
<td>0.14%</td>
<td>0.14%</td>
<td>0.12%</td>
</tr>
<tr>
<td>Indirect Cost Pass-Through</td>
<td>0.02%</td>
<td>0.10%</td>
<td>0.27%</td>
<td>0.23%</td>
<td>0.00%</td>
<td>0.13%</td>
</tr>
<tr>
<td>Revenue Based Initiative</td>
<td>1.17%</td>
<td>1.43%</td>
<td>1.67%</td>
<td>1.35%</td>
<td>0.76%</td>
<td>1.28%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4.45%</strong></td>
<td><strong>3.73%</strong></td>
<td><strong>3.13%</strong></td>
<td><strong>5.33%</strong></td>
<td><strong>3.98%</strong></td>
<td><strong>4.12%</strong></td>
</tr>
</tbody>
</table>

Higher education Price index average approximates 2.44% for most recent five year period (through 2012)
MSU Long-Term Planning

BOLDER BY DESIGN
ADVANCE OUR CULTURE OF HIGH PERFORMANCE

Dual Operating Systems  Culture  Habits

Boldness by Design
ENHANCE the student experience
ENRICH community, economic, and family life
EXPAND international reach
INCREASE research opportunities
STRENGTHEN stewardship

Quality  Inclusiveness  Connectivity
MSU Strategic Planning

**Planning Letter**
- Sent by Provost, EVPAS, Pres
- Focus on Bolder by Design, 2-3 Plans
- Oct-Nov

**Planning Profiles**
- Responses compiled by OPB
- Nov-Dec

**Planning Meetings**
- Identify interests & connections
- Dec-Jan

**Planning Report**
- Summary by Units
- Bolder Analysis
- Jan-Feb

**Budget Report**
- Allocation Letters
- Bolder Analysis
- June-Sept

**Budget Meetings**
- Identify metrics
- Identify connections
- April-June

**Budget Profiles**
- Responses compiled by OPB
- Mar-April

**Budget Letter**
- Sent by Provost, EVPAS, Pres (TBD)
- Feb-Mar

Specific dates reflect planning in administrative units