



***B**oard of Trustees Meeting*

Focus Discussion
December 16, 2005



***N* MU Foundation:
Future Plans**

President Les Wong

Ms. Martha Van Der Kamp

Ms. Amy Silk

*Funding the Future of the
NMU Foundation*



Current Financial Picture

- Northern Michigan University's current level of support covers 36% of the NMU Foundation's annual operating costs
- Of the other six peer institutions surveyed for comparison figures, every one received university funding that covers at least 50% of the Foundation's annual operating budgets. Four institutions covered more than 75% of Foundation expenses

***C*urrent Financial Picture** *(continued)*

- For FY 06, the NMU Foundation budgeted \$713,000 in personnel costs and \$252,000 in support costs
- This accounts for 9 full time positions, benefits and 30 call center student employees
- The Foundation portion of current expenses is covered through endowment interest earnings and unrestricted gifts

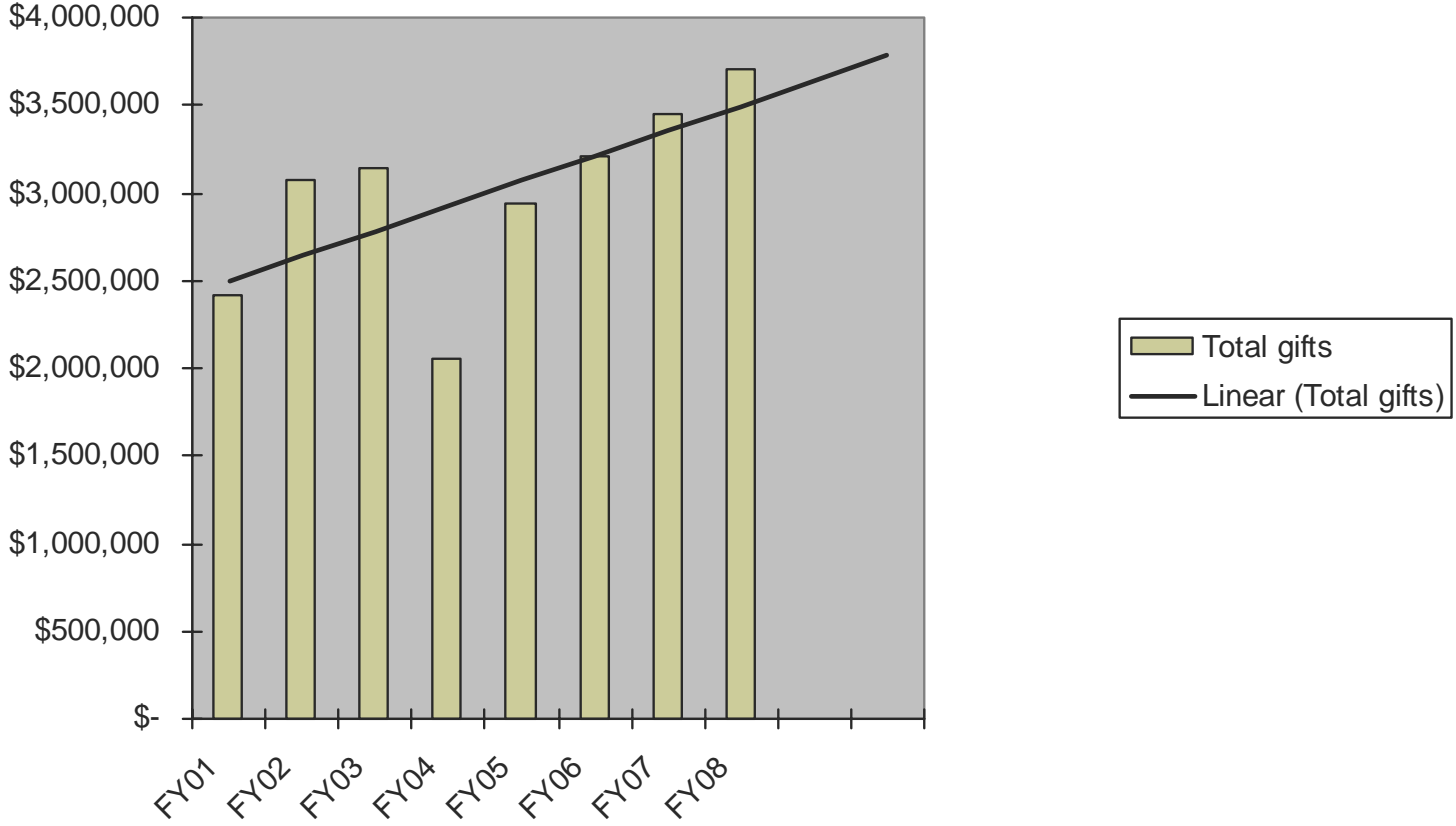
Current Financial Picture

(continued)

- Breakdown of sources of private gifts budgeted for FY 06:
 - \$1,705,000 NMU Foundation (\$120K in unrestricted)
 - \$845,000 WNMU TV/Radio
 - \$308,000 Affinity Clubs and athletics

- Other revenues come from investment income on Foundation's \$18M restricted endowment that is comprised of designated gifts.

The last five years of gifts creates a trend line which can be projected forward



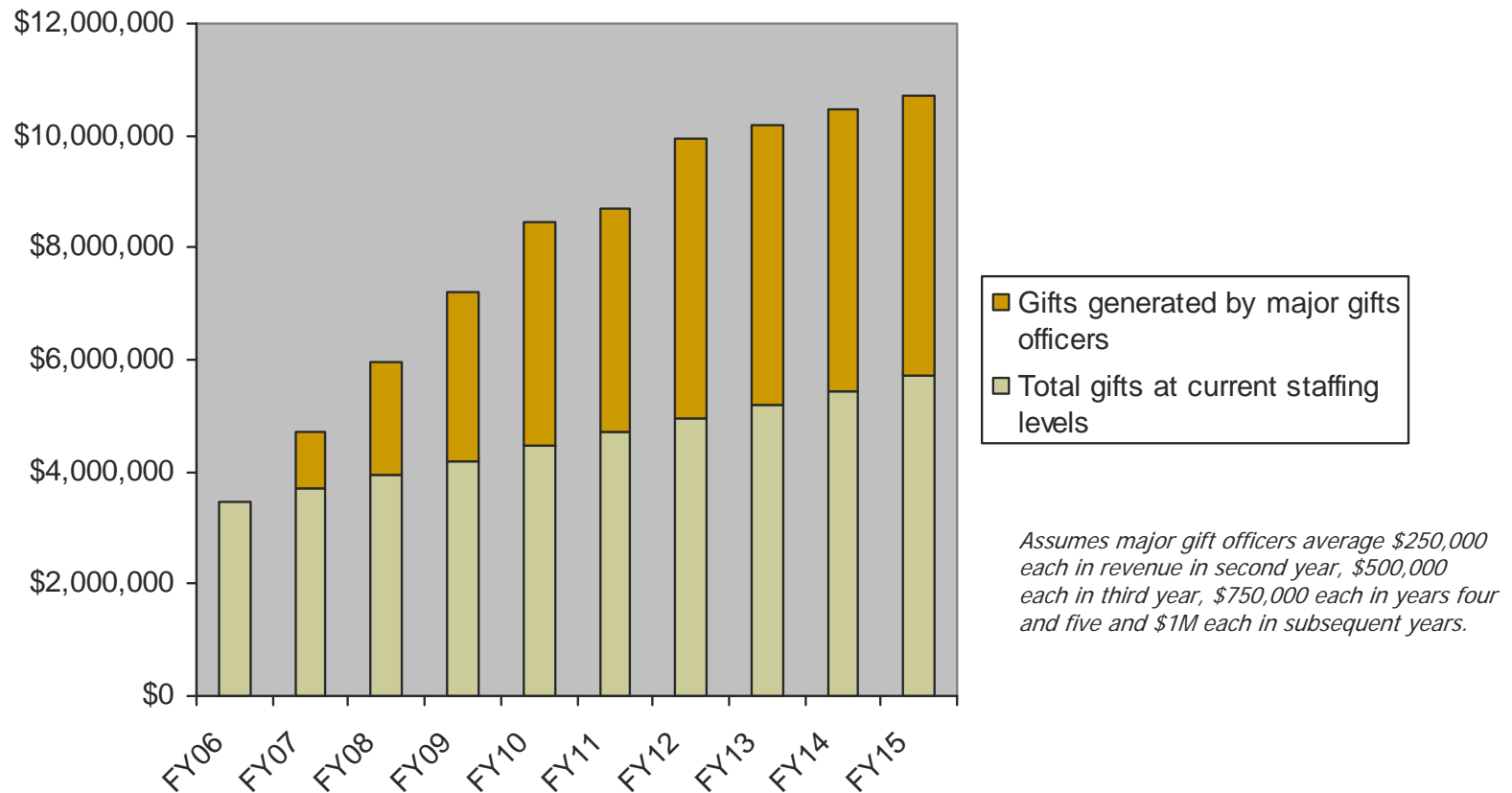
Cost per dollar raised

- Currently, it costs the NMU Foundation 25 cents for every dollar raised
- During the last campaign, the cost per dollar raised, excluding WNMU TV/FM fund raising costs, was 27 cents
- Including WNMU TV/FM monies raised, the cost to raise a dollar dropped to 23 cents.
- Industry range is 15 cents to 30 cents. Cost drops as programs are more effective and mature

Estimate on new position and operations costs

- Three additional gift officers, donor relations/stewardship coordinator, database administrator, call center manager (6 new positions)
- Total salaries: \$292,000
- Total benefits: \$168,000
- Additional staff costs: \$140,000
- TOTAL: \$600,000 annually

Extending the trend line ten years and the projected impact of adding major gifts officers.



Campaign Projection

- Assuming the next capital campaign would begin in 2008 with a \$50M campaign goal, based on industry targets for fund raising, the following would apply:
 - With the additional gift officers, the campaign goal would be reached in FY13.
 - Without additional gift officers, goal would be reached in FY17 – or take nearly twice as long.

Proposed Funding Plan

- The NMU Foundation currently has unrestricted investments of \$1.6 million
- Earnings from these investments provide funding for special projects such as SLFP, the Washington Center Interns and other university priorities

Proposed Funding Plan

(continued)

- Borrow against the principle in the Foundation's unrestricted investments to cover 2/3 of the cost of the staffing—approximately \$400,000 annually
- 1/3 of the cost of the new positions, or \$200,000 annually would be allocated from university one-time monies for two consecutive years

Proposed Funding Plan

(continued)

- Colleges and units will be billed annually a percentage of all new designated gift dollars raised by the NMU Foundation on their behalf (Based on current cost/dollar raised)
- This would be pro-rated as more private gifts are generated
 - \$0-\$500,000 25%
 - \$500,000-\$1M 20%
 - Over \$1M 15%

Rationale

- NMU Foundation assumes the majority of the risk on the initial staffing investment
- NMU Foundation takes financial responsibility for new staff performance and their ability to solicit gifts
- Colleges/units will play a more active role in helping generate the funds raised for their benefit
- Colleges/units will assess value and priority of the projects they wish to fund through private gifts

Rationale (continued)

- Colleges/units do not have to cover expenses related to gift officers assigned to their area until new dollars are raised. No impact on base budget
- Provides a source of revenue to the NMU Foundation to maintain an adequate level of staffing other than depending upon unrestricted gifts, which are minimal

Rationale (continued)

- As giving increases, percentages charged back allow the NMU Foundation to recover initial staffing costs, repay the unrestricted investment fund, and cover additional costs in support of fundraising such as prospect research, database management, gift processing, stewardship, investment management, and account maintenance

Guarantee

- If additional dollars raised through this effort do not ultimately offset current base budget costs, the NMU Foundation will negotiate a payback schedule to the university for the one-time funds provided to the NMU Foundation
- If the NMU Foundation is successful, discuss a plan to increase university support to level consistent with peers at 50%

Timeline

- Get approval from NMU Board of Trustees for adoption of funding plan by December 16
- Get similar approval from NMU Foundation Board of Trustees by January 27
- Write position descriptions and begin search process by February 15
- Hire all new staff by July 1



***P*ublic Television:**
Annual Report and Digitalization Update

Dr. Fred Joyal
Mr. Eric Smith


NMU Public Broadcasting

Digital Conversion Expense/Revenue Summary

Digital TV transmitter migration to full power	1,250,231
Digital master control automation	1,000,000
Digital FM transmitter replacement	<u>395,000</u>
Total	\$2,645,231

Funding Sources

Public Broadcasting Federal Grants	1,322,615
Unused reduction in force funds	567,714
Automation labor savings (5 years, 1 position)	209,266
Private Gifts	<u>545,636</u>
Total	\$2,645,231



NCAA Update

President Les Wong
Mr. Kenneth Godfrey



***N**MU Funding
Comparative Revenue and Costs*

Mr. Gavin Leach

October 2005

- State appropriation
 - WIN formula
 - Formula issues
- Macro budget model
 - Appropriation
 - Tuition and fees
 - Enrollment
 - Costs

December 2005

- Comparative Revenue and Costs
- Academic Costs
 - Instruction
 - *Faculty mix*
 - *Compensation*
 - Other cost drivers
- Role of Financial Aid
 - *Recruitment*
 - *Need-based*

February 2006

- Based on previous two meeting discussion have a discussion about the role tuition, financial aid, appropriations., and costs/budget reductions play in NMU continuing to move ahead with our vision.

Michigan 10 Universities

HEIDI Revenue and Expenditure Comparison

Fiscal Year 2003-04

	<u>Fiscal Year 2004</u>			
	<u>Rank</u>	<u>NMU</u>	<u>Average Michigan 10 (excl NMU)</u>	<u>Difference</u>
REVENUES				
State Approp for State FY	1	\$5,354.7	\$3,660.3	\$1,694.4
Tuition and Fees	8	5,621.1	6,124.5	-503.4
<i>Financial aid/scholarships</i>	1	-1,005.0	-603.0	-402.0
Indirect Cost Recovery	6	39.5	47.9	-8.4
Investment Income	2	75.2	42.7	32.5
Federal Funds	4	0.0	2.3	-2.3
Other revenues	8	112.4	264.2	-151.8
Total Revenues	4	\$10,197.9	\$9,538.8	\$659.0
EXPENDITURES				
Instruction	9	\$3,993.1	\$4,501.4	-\$508.3
Research	3	99.6	54.5	45.1
Academic support	2	1,703.2	1,217.1	486.1
Public service	2	303.9	147.3	156.6
Student services	3	757.8	638.3	119.5
Institutional support	9	1,087.9	1,260.1	-172.2
Plant operations	3	1,275.8	975.6	300.2
Transfers	7	558.5	593.5	-35.0
Auxiliary activities	3	227.8	155.2	72.6
Total Expenditures	4	\$10,007.6	\$9,543.0	\$464.6

Source: State of Michigan HEIDI database.

Michigan 10: CMU, EMU, FSU, GVSU, LSSU, NMU, OU, SVSU, UM-D, UM-F

Michigan 10 Universities

HEIDI Revenue and Expenditures Comparison

Fiscal Year 2004-05

	Rank	NMU *	FY2005 Average Michigan 10 (excl. NMU)	Difference
REVENUES				
State Approp for State FY	1	\$5,474.3	\$3,843.5	\$1,630.8
Tuition and Fees	7	5,895.2	6,375.5	-480.3
Financial aid/scholarships	2	-1,016.1	-624.2	-391.9
Indirect Cost Recovery	5	49.0	48.7	0.3
Investment Income	3	77.4	57.3	20.1
Federal Funds	5	0.0	3.0	-3.0
Other revenues	8	124.6	275.0	-150.4
Total Revenues	4	\$10,604.4	\$9,978.8	\$625.6
EXPENDITURES				
Instruction	9	\$3,969.2	\$4,712.8	-\$743.6
Research	4	75.4	62.4	13.0
Academic support	2	1,771.4	1,274.9	496.5
Public service	5	57.4	131.4	-74.0
Student services	3	723.0	637.9	85.1
Institutional support	8	1,118.0	1,236.2	-118.2
Plant operations	4	1,335.2	968.1	367.1
Transfers	3	1,021.5	688.1	333.4
Auxiliary activities	3	238.1	160.5	77.6
Total Expenditures	4	\$10,309.2	\$9,872.3	\$436.9

Source: State of Michigan HEIDI database.

Michigan 10: CMU, EMU, FSU, GVSU, LSSU, NMU, OU, SVSU, UM-D, UM-F

* Change in accounting: excludes equipment reserve transfers to designated fund at end of fiscal year.

Michigan 10 Universities

HEIDI Revenue and Expenditures Comparison

Fiscal Year 1987-88

<i>Fiscal Year 1988 (in 2005 dollars)</i>				
	<u>Rank</u>	<u>NMU</u>	<u>Average Michigan 10 (excl NMU)</u>	<u>Difference</u>
REVENUES				
State Approp for State FY	1	\$8,516.3	\$5,284.9	\$3,231.4
Tuition and Fees	10	2,512.0	3,033.2	-521.2
Financial aid/scholarships	1	-502.1	-270.6	-231.5
Indirect Cost Recovery	8	35.8	42.8	-7.0
Investment Income	1	134.2	78.9	55.3
Federal Funds	2	8.1	3.3	4.7
Other revenues	4	184.4	222.8	-38.3
Total Revenues	1	\$10,888.7	\$8,395.3	\$2,493.4
EXPENDITURES				
Instruction	1	\$4,995.8	\$4,072.5	\$923.3
Research	10	8.1	120.0	-111.9
Academic support	2	1,135.8	927.0	208.9
Public service	1	373.7	138.8	234.9
Student services	1	876.9	600.4	276.5
Institutional support	1	1,686.1	1,173.8	512.3
Plant operations	1	1,778.7	1,042.5	736.2
Transfers	10	1.0	128.6	-127.6
Auxiliary activities	4	235.0	214.8	20.2
Total Expenditures	1	\$11,091.1	\$8,418.3	\$2,672.8

Source: State of Michigan HEIDI database.

Michigan 10: CMU, EMU, FSU, GVSU, LSSU, NMU, OU, SVSU, UM-D, UM-F

Michigan 10 Universities

HEIDI Revenue and Expenditures Comparison

Fiscal Year 1987-88 vs. 2004-05

	1988			2005			FY88 to FY2005	
	Rank	(in 2005 \$)	% of total	Rank	2005	% of total	Change	% Change
FYES		6,464			8,424			
REVENUES								
State Approp for State FY	1	\$8,516.3	74.8%	1	\$5,474.3	47.1%	-\$3,042.0	-35.7%
Tuition and Fees	10	2,512.0	22.1%	7	5,895.2	50.7%	3,383.2	134.7%
Indirect Cost Recovery	8	35.8	0.3%	5	49.0	0.4%	13.2	37.0%
Investment Income	1	134.2	1.2%	3	77.4	0.7%	-56.8	-42.3%
Federal Funds	2	8.1	0.1%	5	0.0	0.0%	-8.1	-100.0%
Other revenues	4	184.4	1.6%	8	124.6	1.1%	-59.8	-32.4%
Subtotal Revenues	1	\$11,390.8	100.0%	4	\$11,620.5	100.0%	\$229.7	2.0%
Financial aid/scholarships	1	-502.1		2	-1,016.1		-514.0	102.4%
Net Revenues		10,888.7			10,604.4		-\$284.3	-2.6%
EXPENDITURES								
Instruction	1	\$4,995.8	45.0%	9	\$3,969.2	38.5%	-\$1,026.6	-20.6%
Research	10	8.1	0.1%	4	75.4	0.7%	67.3	833.6%
Academic support	2	1,135.8	10.2%	2	1,771.4	17.2%	635.6	56.0%
Public service	1	373.7	3.4%	5	57.4	0.6%	-316.3	-84.6%
Student services	1	876.9	7.9%	3	723.0	7.0%	-153.9	-17.6%
Institutional support	1	1,686.1	15.2%	8	1,118.0	10.8%	-568.1	-33.7%
Plant operations	1	1,778.7	16.0%	4	1,335.2	13.0%	-443.5	-24.9%
Transfers	10	1.0	0.0%	3	1,021.5	9.9%	1,020.5	103187.9%
Auxiliary activities	4	235.0	2.1%	3	238.1	2.3%	3.1	1.3%
Total Expenditures	1	\$11,091.1	100.0%	4	\$10,309.2	100.0%	-\$781.9	-7.0%


Source: State of Michigan HEIDI database.

Michigan 10: CMU, EMU, FSU, GVSU, LSSU, NMU, OU, SVSU, UM-D, UM-F



***A**cademic Costs*

Dr. Terry Seethoff

- 
- Compensation
 - Productivity
 - Unit Cost of Instruction
 - Faculty Mix
 - Demographics

2004-05 Average Compensation

	Professor	Associate	Assistant	Instructor
CMU	\$107.0	\$84.7	\$69.7	\$49.1
EMU	\$104.0	\$83.7	\$72.8	\$68.8
FSU	\$92.2	\$79.1	\$62.8	\$68.6
GVSU	\$103.2	\$82.9	\$65.6	\$53.9
LSSU	\$92.4	\$77.3	\$69.7	\$42.8
NMU	\$99.0	\$79.0	\$66.6	\$57.8
OU	\$110.6	\$89.3	\$89.5	\$61.9
SVSU	\$95.4	\$78.1	\$69.2	\$55.6
UMD	\$104.8	\$83.7	\$79.5	
UMF	\$92.5	\$77.8	\$68.6	
<i>Average</i>	<i>\$100.2</i>	<i>\$81.8</i>	<i>\$71.9</i>	<i>\$57.2</i>
MSU	\$132.6	\$100.5	\$84.0	\$53.0
MTU	\$109.9	\$85.9	\$81.5	
UMAA	\$145.6	\$102.2	\$85.3	\$71.5
WMU	\$120.0	\$90.9	\$71.3	\$52.7
WSU	\$122.3	\$93.5	\$75.2	\$67.4

Rank Order

	Professor	Associate	Assistant	Instructor
CMU	2	2	4	7
EMU	4	3	3	1
FSU	10	6	10	2
GVSU	5	5	9	6
LSSU	9	10	5	8
NMU	6	7	8	4
OU	1	1	1	3
SVSU	7	8	6	5
UMD	3	4	2	
UMF	8	9	7	

Average excludes NMU

Source: Academe

Faculty Productivity

- How could we measure faculty effort?
 - Research
 - Service
 - Teaching
 - Partnerships
 - Entrepreneurship
- All are important, but we will focus on teaching.
- How many students do faculty, on the average, teach?

Productivity

Fiscal Year Equated Students per Full-Time Equated Faculty

	2000-01	2001-02	2002-03	2003-04	2004-05
CMU	18.6	18.6	18.3	18.8	18.5
EMU	19	19.6	19.7	19.3	18.5
FSU	15.6	15.4	15.1	15.4	15.2
GVSU	18	18.6	20.3	19.6	19.5
LSSU	16.3	15.7	15.9	15.9	14.3
NMU	20.9	21.2	22.3	22.9	22.7
OU	19.6	20	19.9	20.8	21.4
SVSU	19.3	21.2	20.1	20.4	20.4
UM-D	16.3	16.2	16.9	15.7	15.4
UM-F	16.7	17.7	16.7	17.3	16.3
<i>Average</i>	<i>18.0</i>	<i>18.4</i>	<i>18.5</i>	<i>18.6</i>	<i>18.2</i>
MSU	12	12.3	12.8	13.1	13.4
MTU	12.4	13	12.6	12.8	12.8
UM-AA	11.4	10.6	11.3	11.3	11.8
WMU	15	15.1	14.6	14.5	13.6
WSU	11	11.5	9.5	8.6	N/E

Average excludes NMU

A teaching assignment of 24 course credits equals 1.0 Full-time Equated Teaching Faculty (FTETF) at NMU. Included are graduate assistants, faculty overloads, adjuncts as well as full-time faculty.

Course enrollments of 30 undergraduate credits equals 1.0 Fiscal Year Equated Student (FYES)

Course enrollments of 24 graduate credits equals 1.0 FYES

Cost of Instruction

- How does *HEIDI* measure the cost of instruction?
 - Compensation paid to those who teach
 - Compensation paid to immediate academic support staff
 - Cost of immediate instructional equipment

- How would *consumers* of Higher Education measure the cost of instruction?
 - Compensation paid to those who teach
 - Staff costs
 - Buildings
 - Equipment (laboratories, computers, networks)
 - Libraries
 - Research support
 - Student Support

- We will focus on the total compensation of those who teach.


Unit Cost of Instruction

	2000-01	2001-02	2002-03	2003-04	2004-05
CMU	\$55,341	\$54,824	\$58,659	\$64,762	\$66,061
EMU	\$61,000	\$63,730	\$69,157	\$70,177	\$71,470
FSU	\$70,221	\$71,406	\$73,136	\$71,177	\$73,285
GVSU	\$57,766	\$59,632	\$68,491	\$69,244	\$70,562
LSSU	\$55,163	\$53,600	\$58,230	\$60,460	\$55,832
NMU	\$75,857	\$68,532	\$71,907	\$76,056	\$74,115
OU	\$65,738	\$67,110	\$69,561	\$70,228	\$74,462
SVSU	\$55,659	\$61,486	\$61,782	\$63,855	\$66,718
UM-D	\$59,651	\$65,884	\$70,106	\$66,578	\$72,901
UM-F	\$58,917	\$61,060	\$64,387	\$65,028	\$64,669
Average	\$59,939	\$62,081	\$65,946	\$66,834	\$68,440
MSU	\$70,146	\$76,317	\$80,162	\$84,104	\$85,212
MTU	\$73,427	\$75,649	\$73,863	\$72,015	\$76,462
UM-AA	\$81,929	\$94,622	\$108,373	\$109,313	\$115,538
WMU	\$55,543	\$56,959	\$58,990	\$60,470	\$59,183
WSU	\$67,480	\$70,976	\$53,372	\$49,899	N/E

Average excludes NMU

The **unit cost of instruction** is defined to be the total expenditures paid to teaching faculty (salary and fringe benefits) divided by the number of fulltime equated teaching faculty.

2004-05	
Expenditures for Instruction	\$27,533,692
Fulltime Equated Teaching Faculty	371.5
Unit Cost of Instruction	\$74,115

- 
- A large black left bracket and a large gold right bracket are positioned at the top of the slide. A horizontal gold line spans the width of the slide, starting from the left bracket and ending at the right bracket.
- How do we reconcile these facts?
 - Near Average Faculty Compensation
 - *High* Productivity
 - *High* Unit Costs

 - How are we different from other universities?

 - Do we employ the same kinds of teaching faculty?

Percent of Instruction Taught by Tenured/Tenure-Earning Faculty 2004-05

	T/TEF	NTF
CMU	54%	46%
EMU	55%	45%
FSU	69%	31%
GVSU	59%	41%
LSSU	77%	23%
NMU	74%	26%
OU	53%	47%
SVSU	60%	40%
UMD	55%	45%
UMF	46%	54%
<i>Average</i>	58%	42%
MSU	51%	49%
MTU	62%	38%
UMAA	43%	57%
WMU	55%	45%
WSU	N/E	N/E

Weighted Average excludes NMU

Unit Cost and Faculty Mix

An Illustration

Type	Average Comp	FTETF	Cost	Percent
Tenured/Tenure-Earning	\$85,000	30	\$2,550,000	30%
Non-tenured	\$40,000	70	\$2,800,000	70%
	Total	100	\$5,350,000	100%
		Unit Cost	\$53,500	

Faculty Mix

- To illustrate the quantitative effect of faculty mix on costs, consider three universities with exactly 100 fulltime equated faculty.
- Suppose further that at each of the universities the average compensation paid to tenured/tenure-earning faculty is \$85,000 while the average compensation paid for the remaining instruction is \$40,000.
- The distinguishing feature of the universities will be the mix of teaching faculty employed.
 - University A: 70% Tenured/Tenure-Earning and 30% Non-Tenured
 - University B: 50% Tenured/Tenure-Earning and 50% Non-Tenured
 - University C: 30% Tenured/Tenure-Earning and 70% Non-Tenured

70-30		Average			
	Type	Comp	FTETF	Cost	Percent
	Tenured/Tenure-Earning	\$85,000	70	\$5,950,000	70%
	Non-tenured	\$40,000	30	\$1,200,000	30%
		Total	100	\$7,150,000	100%
		Unit Cost	\$71,500		
50-50		Average			
	Type	Comp	FTETF	Cost	Percent
	Tenured/Tenure-Earning	\$85,000	50	\$4,250,000	50%
	Non-tenured	\$40,000	50	\$2,000,000	50%
		Total	100	\$6,250,000	100%
		Unit Cost	\$62,500		
30-70		Average			
	Type	Comp	FTETF	Cost	Percent
	Tenured/Tenure-Earning	\$85,000	30	\$2,550,000	30%
	Non-tenured	\$40,000	70	\$2,800,000	70%
		Total	100	\$5,350,000	100%
		Unit Cost	\$53,500		

Mix and Productivity

Current Instructional Cost: \$7,150,000 at 70-30 Mix

- Could we hold instructional costs constant and increase the number of FTETF? Say, by 10% ?

Type	Average Comp	FTETF	Cost	Percent
Tenured/Tenure-Earning	\$85,000	61	\$5,194,444	56%
Non-tenured	\$40,000	49	\$1,955,556	44%
	Total	110	\$7,150,000	100%
		Unit Cost	\$65,000	

Mix and Compensation

- Could we hold instructional costs constant and increase compensation? Say, by \$2,500?

Type	Average Comp	FTETF	Cost	Percent
Tenured/Tenure-Earning	\$85,000 \$87,500	66	\$5,802,632	66%
Non-tenured	\$40,000	34	\$1,347,368	34%
	Total	100	\$7,150,000	100%
		Unit Cost	\$73,450	

Compensation, Productivity and Faculty Mix are Intertwined

An Example Based on NMU Data

Currently

Faculty Compensation	\$27,533,692
Average Compensation	
Tenure/Tenure-Track	\$85,437
Non-TT Faculty	\$41,564
Mix	
Tenure/Tenure-Track	74%
Non-TT Faculty	26%
Unit Cost of Instruction	\$74,113
FTETF	372
FYES	8,424
Faculty Productivity	22.7

Hypothetical Goals

- Increase the compensation of Tenure/Tenure-Track faculty by 3%
- Increase the compensation of Non-Tenured faculty by 2%.
- Increase FYES by 4%
- Reduce productivity from 22.7 to 21.0
- Consider: 74-26 mix and 60-40 mix

Cost Comparisons as a Function of the Faculty Mix

Tenure/Tenure-Track Comp up 3%
 Rest up by 2%
 Enrollment increase of 4%
 Reduce productivity from 22.7 to 21.0

	Currently	Goal 74-26	Goal 60-40
Faculty Compensation	\$27,533,692	\$31,802,708	\$29,102,315
Average Compensation			
Tenure/Tenure-Track	\$85,437	\$88,000	\$88,000
Non-TT Faculty	\$41,564	\$42,395	\$42,395
Mix			
Tenure/Tenure-Track	74%	74%	60%
Non-TT Faculty	26%	26%	40%
Unit Cost of Instruction	\$74,113	\$76,230	\$69,758
FTETF	372	417	417
FYES	8,424	8,761	8,761
Faculty Productivity	22.7	21.0	21.0

Additional Faculty Compensation	\$4,268,386 15.5%	\$1,568,623 5.7%
FTETF	45 12% increase	45 12% increase
Productivity	7.5% decrease	7.5% decrease

What if the increase for T/TEF was varied from 0% to 10%?

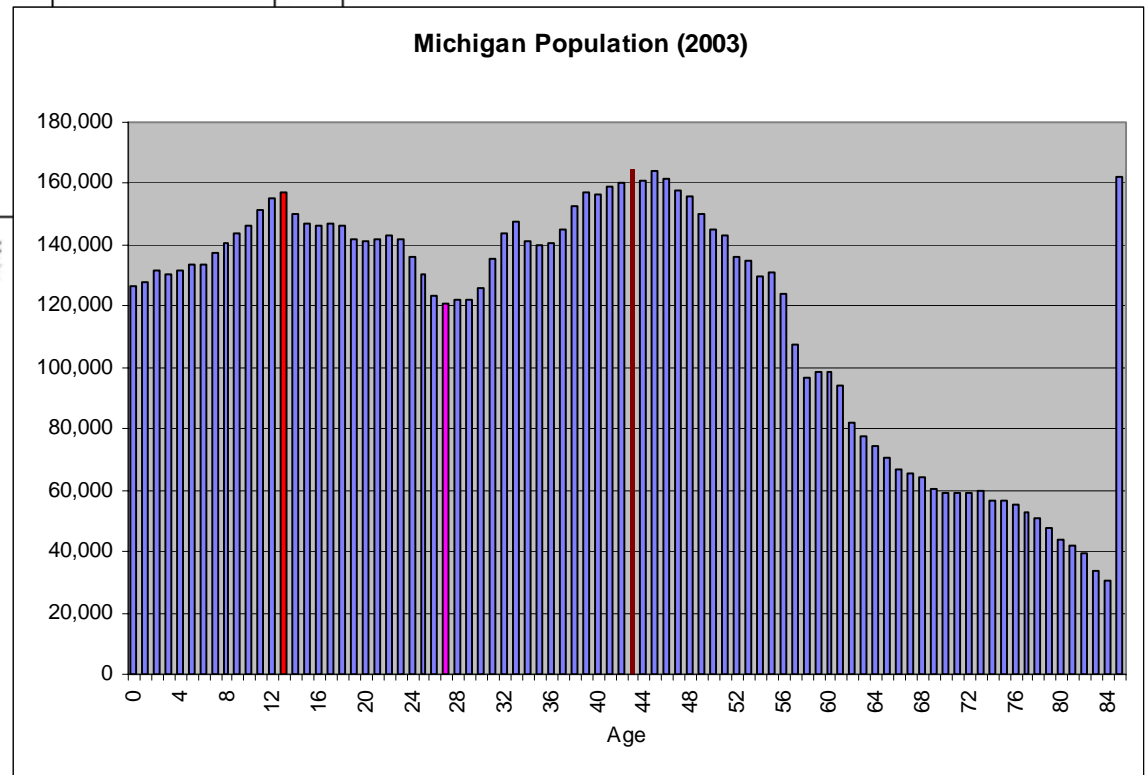
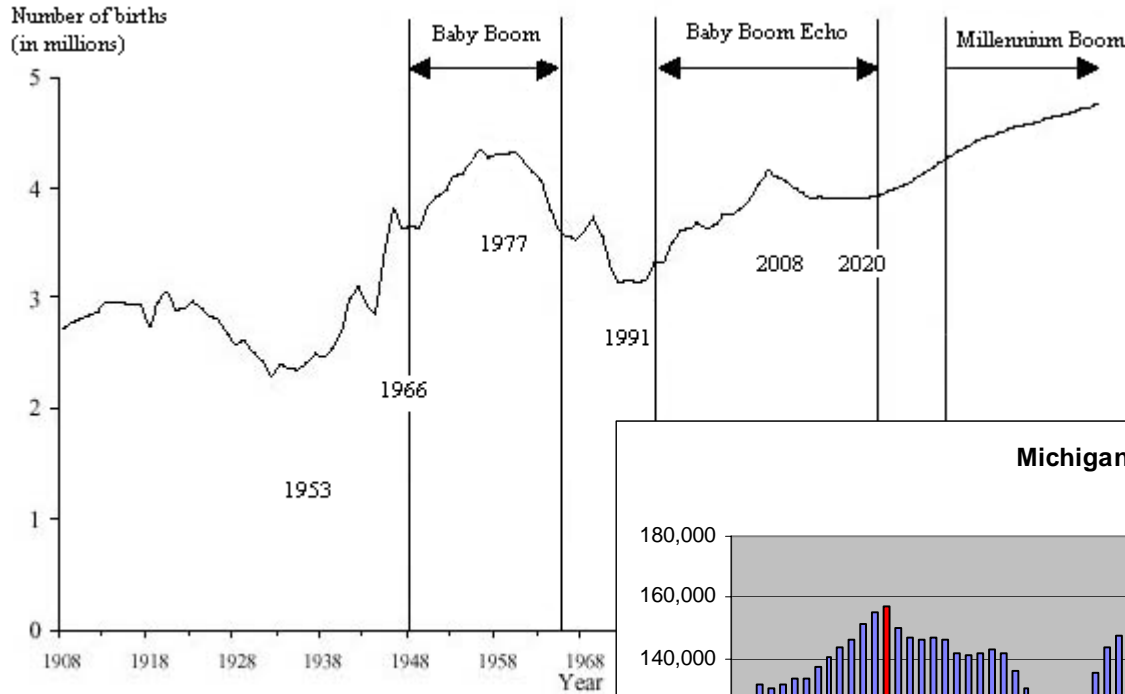
Rest up by 2%

Enrollment increase of 4%

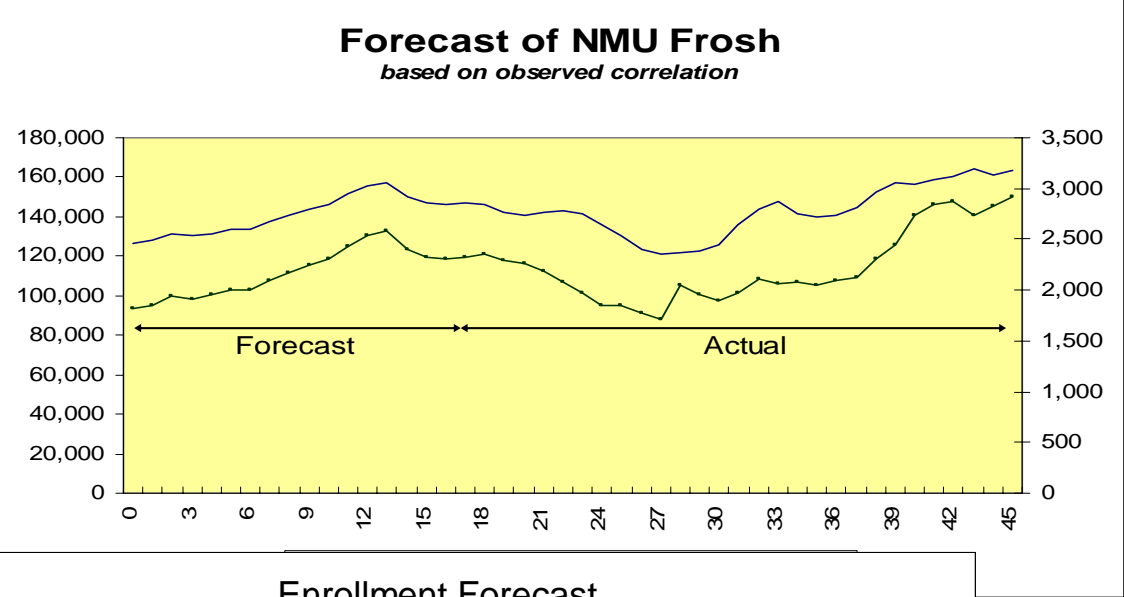
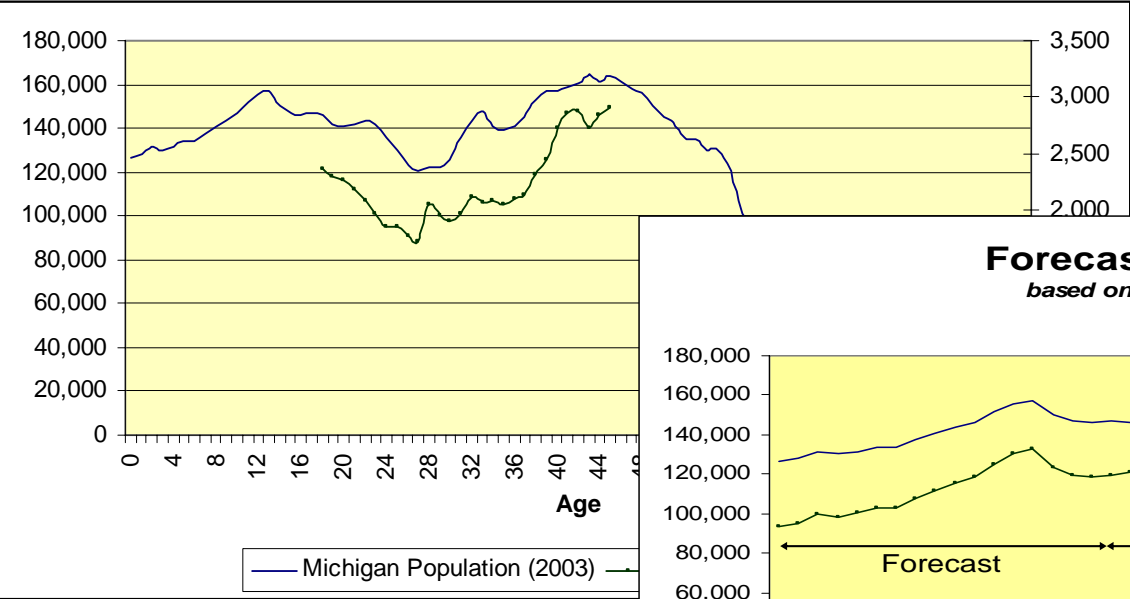
Reduce productivity from 22.7 to 21.0

<u>T/TEF Increase</u>	<u>Goal 74-26%</u>	<u>Goal 60-40%</u>	<u>Difference</u>
0.0%	\$30,974,646	\$28,460,735	\$2,513,912
1.0%	\$31,238,407	\$28,674,595	\$2,563,813
2.0%	\$31,502,168	\$28,888,455	\$2,613,713
3.0%	\$31,765,929	\$29,102,315	\$2,663,614
4.0%	\$32,029,689	\$29,316,175	\$2,713,515
5.0%	\$32,293,450	\$29,530,035	\$2,763,415
6.0%	\$32,557,211	\$29,743,895	\$2,813,316
7.0%	\$32,820,971	\$29,957,755	\$2,863,217
8.0%	\$33,084,732	\$30,171,615	\$2,913,117
9.0%	\$33,348,493	\$30,385,475	\$2,963,018
10.0%	\$33,612,254	\$30,599,335	\$3,012,919

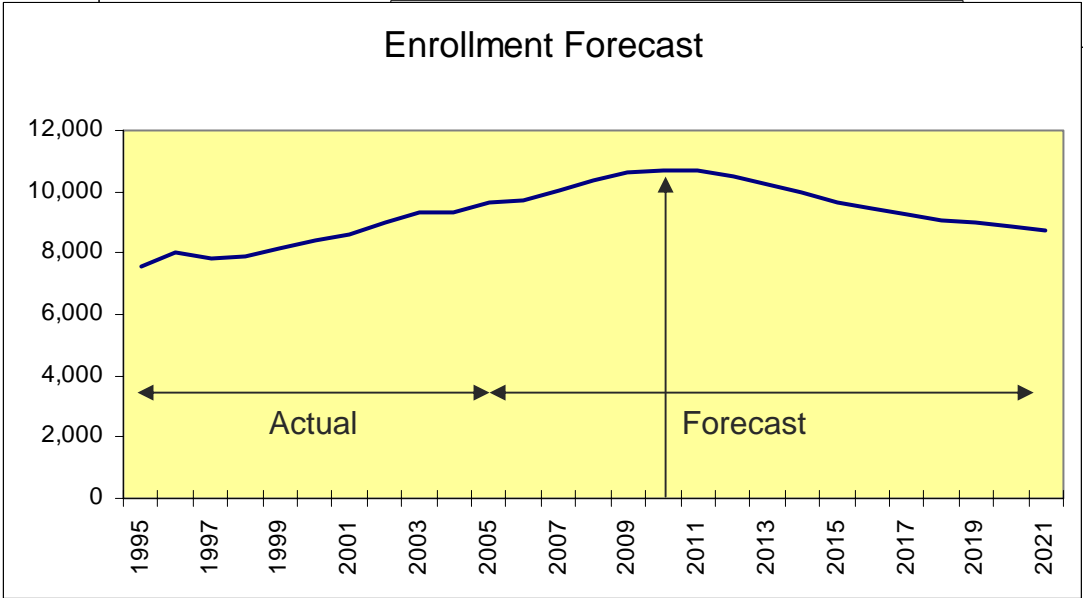
How does the Baby Boom Era Affect Faculty Mix?



Demographics and Freshmen FYES



NMU has a potential enrollment peak in 2010



Issues for the campus

- Should we make staffing decisions that move our faculty mix toward the average?
 - Arguments in favor
 - Flexibility to reduce class size
 - Flexibility to address compensation issues
 - Arguments opposed
 - “High Touch” may be jeopardized
 - Concerns about “contingent faculty”
- How might we change the mix?
 - Grow our graduate programs – teaching assistants
 - Post Docs
 - Term Faculty
 - “Teaching Faculty”
 - Adjuncts
- How do we cope with the potential for a demographic “wave” that may presage enrollment declines?



***R**ole of Financial Aid*

Dr. Michael J. Roy

Mr. Gavin Leach

N *MU Financial Aid/Scholarship Awards*

(Institutional Financial Aid/Scholarships)
Fiscal year 2005

Scholarship award categories	Count	FY2005 Expenditures	Pct
<i>Merit awards</i>	1,542	\$1,961,210	22.9%
<i>Need-based awards</i>	2,568	1,868,105	21.8%
<i>Nonresident awards</i>	610	1,576,263	18.4%
<i>Athletic & band scholarships</i>	220	1,478,751	17.3%
<i>Indian tuition waivers</i>	139	512,244	6.0%
<i>Academic & specialty programs</i>	716	412,828	4.8%
<i>Graduate students</i>	89	357,363	4.2%
<i>Senior Citizen scholarship</i>	527	276,857	3.2%
<i>National Guard program</i>	80	116,268	1.4%
Total	6,491	\$8,559,888	100.0%

(Unduplicated count of those receiving awards = 5,382)

National Academic Award (NAA)

By Expected Family Contribution (EFC)

First-Time, Full-Time Freshmen

<i>EFC Category</i>	<i>FY 2003 NAA Recipients</i>	<i>FY 2004 NAA Recipients</i>	<i>FY 2005 NAA Recipients</i>	<i>FY 2006 NAA Recipients</i>
EFC 0	1	1	7	2
EFC 1-500	3	3	6	8
EFC 501-1000	2	0	11	3
EFC 1001-1500	4	0	11	3
EFC 1501-2500	4	3	13	8
EFC 2501-4500	10	5	33	17
NAA Total with Need	24	12	81	41
NAA with No EFC Need	126	176	162	160
NAA Total	150	188	243	201
\$ Need Aid Awarded	\$43,061	\$23,500	\$207,500	\$135,300
Average NAA Award	\$2,000	\$2,000	\$3,000	\$3,330
Total \$ NAA Grant Awarded	\$300,000	\$376,000	\$729,000	\$663,300
\$ NAA & Need Aid Awarded	\$343,061	\$399,500	\$936,500	\$798,600
Average Aid	\$2,287	\$2,125	\$3,854	\$3,973
Tuition and Fees	\$7,732	\$8,278	\$8,598	\$9,602
Net Difference	\$5,445	\$6,153	\$4,744	\$5,629