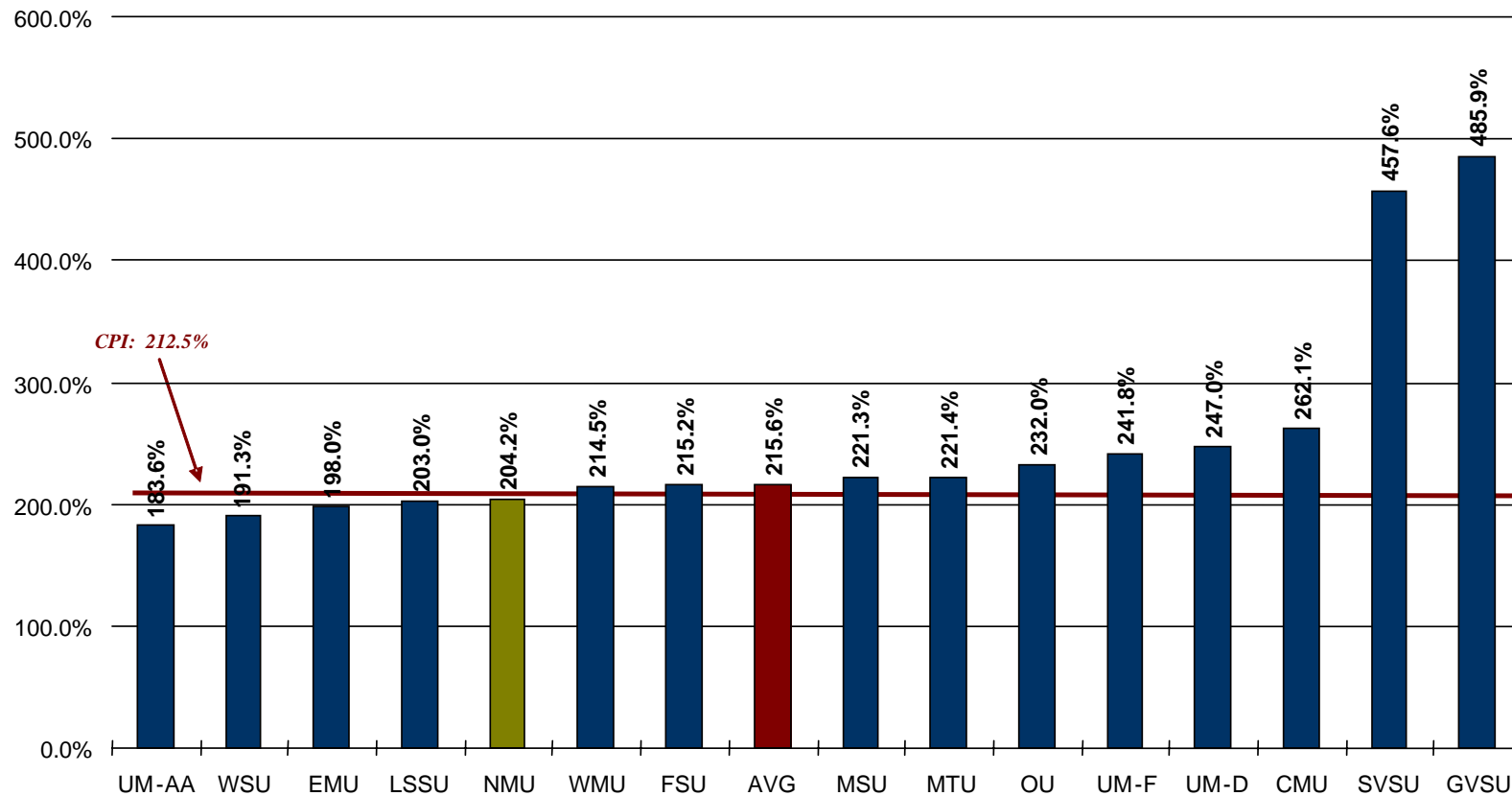




***N**orthern Michigan University*
***B**udget Forum*

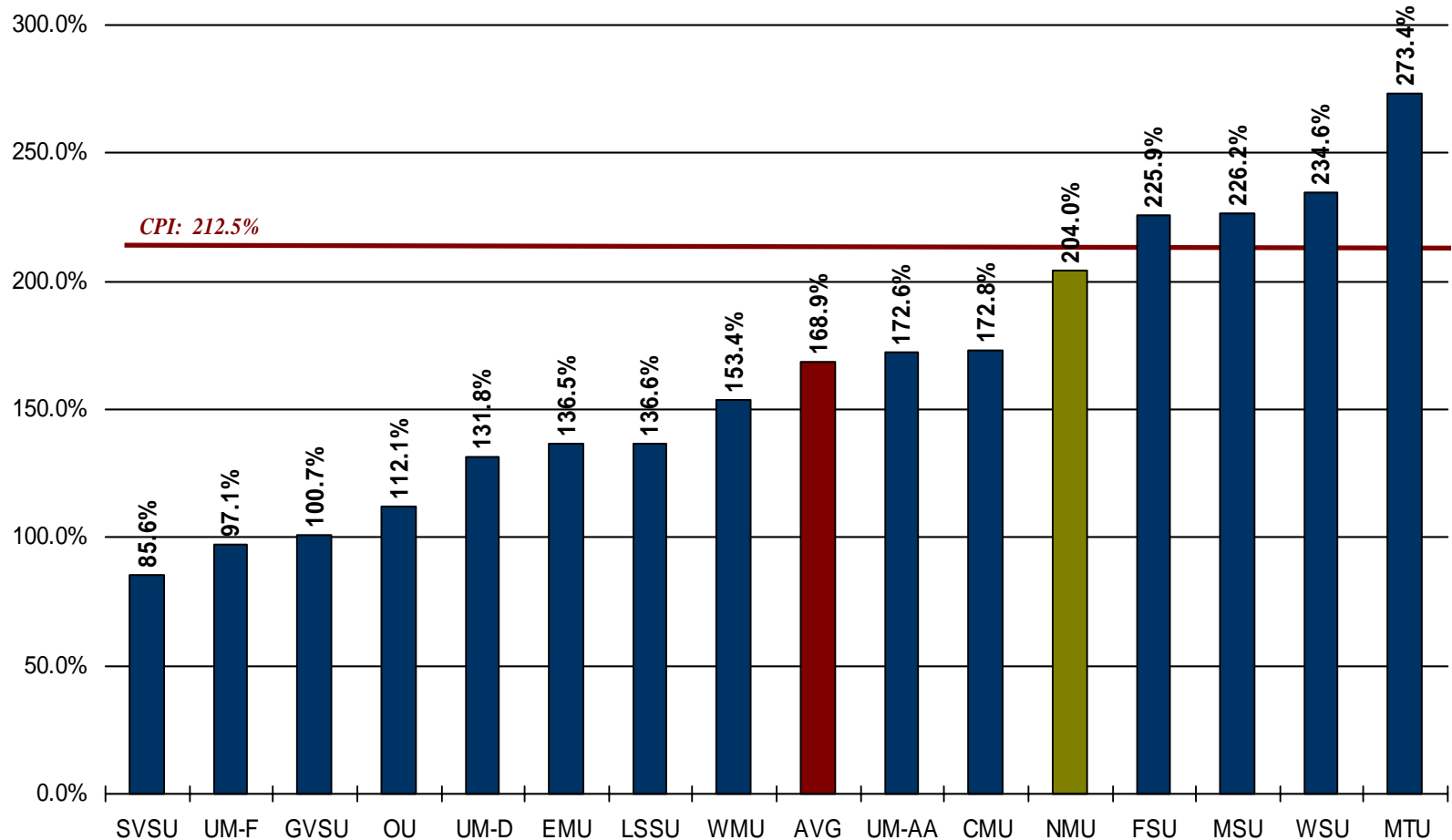
June 13, 2005

Percentage Increase in Total Appropriation Fiscal Years 1977 to 2005 (after Executive Order 2005-7)



Source: State of Michigan, HEIDI Database, and Higher Education Appropriation Acts. FY1977 is the first year for which information is currently available online in the HEIDI Database. MSU's percentage includes the Agriculture Experiment Station and Cooperative Extension Service programs.

Percentage Increase in Appropriations per FYES Fixed Years 1977 to 2005 (after Executive Order 2005-7)



Source: State of Michigan, HEIDI Database and Higher Education Appropriation Acts. FY1977 is the first year for which information is currently available online in the HEIDI Database. MSU's includes the Agriculture Experiment Station and Cooperative Extension Service programs. FYES calculation was changed for undergraduates from a division factor of 31 credit hours to a factor of 30 hours. The change is reflected in the above graph.

FYES Enrollment Changes – Michigan State Universities FY 1977 – FY2004

Enrollment Decline and Shift				
	1977	1986	Change	%
CMU	15,712	15,411	-301	-2%
EMU	15,136	15,418	282	2%
FSU	10,347	10,690	343	3%
GVSU	6,146	5,795	-351	-6%
LSSU	2,116	2,599	483	23%
MSU	41,096	36,455	-4,641	-11%
MTU	6,804	6,428	-376	-6%
NMU	8,055	6,207	-1,848	-23%
OU	8,493	9,513	1,020	12%
SVSU	2,396	3,423	1,027	43%
UM-AA	36,658	33,060	-3,598	-10%
UM-D	4,180	4,616	436	10%
UM-F	2,730	3,844	1,114	41%
WMU	19,635	16,712	-2,923	-15%
WSU	27,780	21,163	-6,617	-24%
Total FYES	207,284	191,334	-15,950	-8%
From FY1977 to FY1986:				
Appropriations Increase				93%
CPI Increase				80%

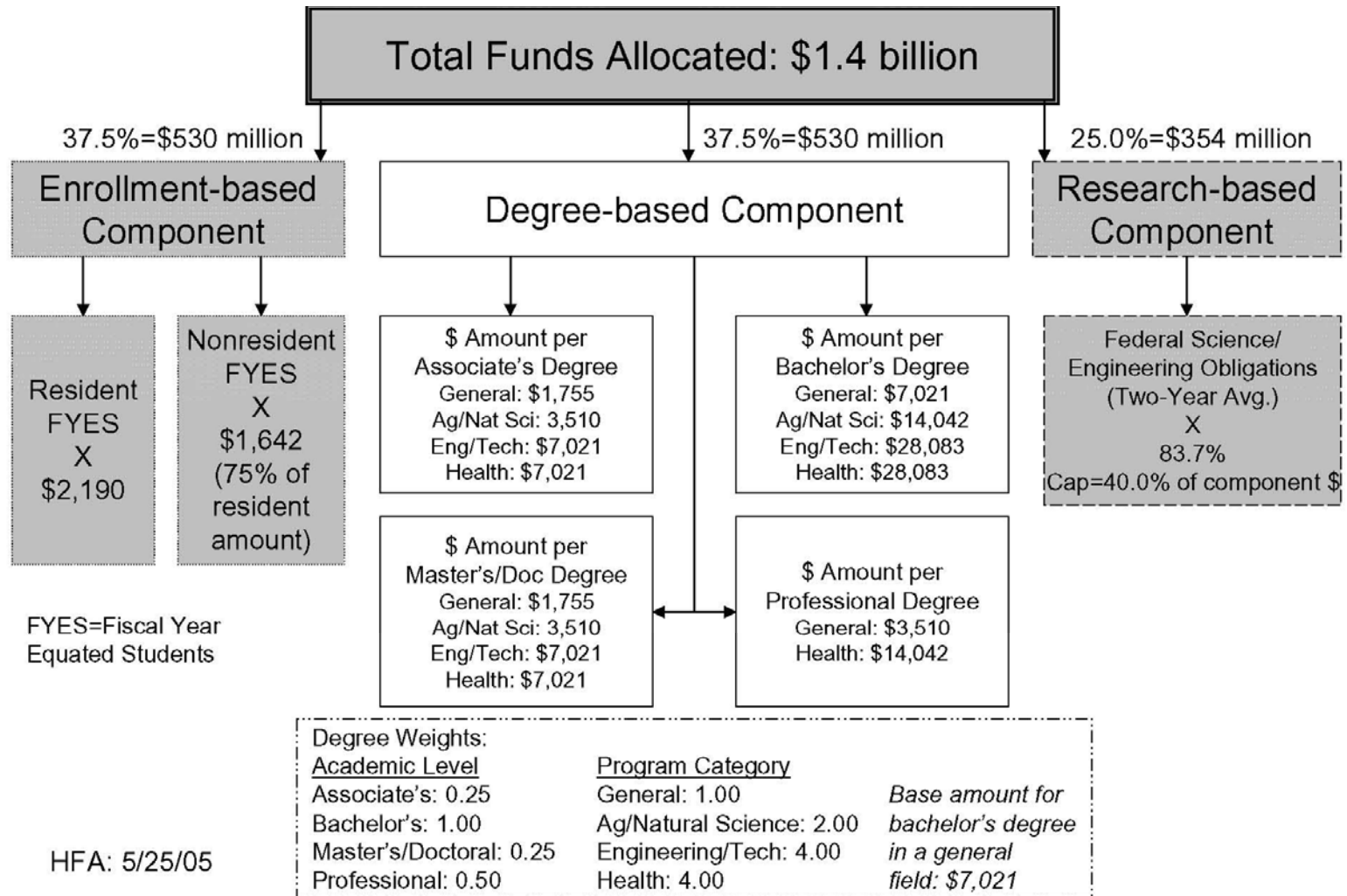
Enrollment Shift				
	1986	1996	Change	%
CMU	15,411	16,704	1,293	8%
EMU	15,418	17,447	2,029	13%
FSU	10,690	8,434	-2,256	-21%
GVSU	5,795	10,801	5,006	86%
LSSU	2,599	2,873	274	11%
MSU	36,455	35,627	-828	-2%
MTU	6,428	6,096	-332	-5%
NMU	6,207	6,243	36	1%
OU	9,513	9,834	321	3%
SVSU	3,423	5,202	1,779	52%
UM-AA	33,060	35,284	2,224	7%
UM-D	4,616	5,364	748	16%
UM-F	3,844	4,579	735	19%
WMU	16,712	20,393	3,681	22%
WSU	21,163	22,823	1,660	8%
Total FYES	191,334	207,704	16,370	8%
Change since 1977				
			420	0%
From FY1986 to FY1996:				
Appropriations Increase				46%
CPI Increase				43%

Enrollment Growth				
	1996	2004	Change	%
CMU	16,704	21,447	4,743	28%
EMU	17,447	19,579	2,132	12%
FSU	8,434	10,340	1,906	23%
GVSU	10,801	18,515	7,714	71%
LSSU	2,873	2,803	(71)	-2%
MSU	35,627	41,528	5,901	17%
MTU	6,096	6,046	(50)	-1%
NMU	6,243	8,305	2,062	33%
OU	9,834	13,652	3,818	39%
SVSU	5,202	7,407	2,205	42%
UM-AA	35,284	38,873	3,589	10%
UM-D	5,364	6,462	1,098	20%
UM-F	4,579	4,892	313	7%
WMU	20,393	25,039	4,646	23%
WSU	22,823	24,729	1,906	8%
Total FYES	207,704	249,616	41,912	20%
Change since 1977				
			42,332	20%
From FY1996 to FY2004:				
Appropriations Increase				11%
CPI Increase				21%

Drop in enrollment
Double digit increase

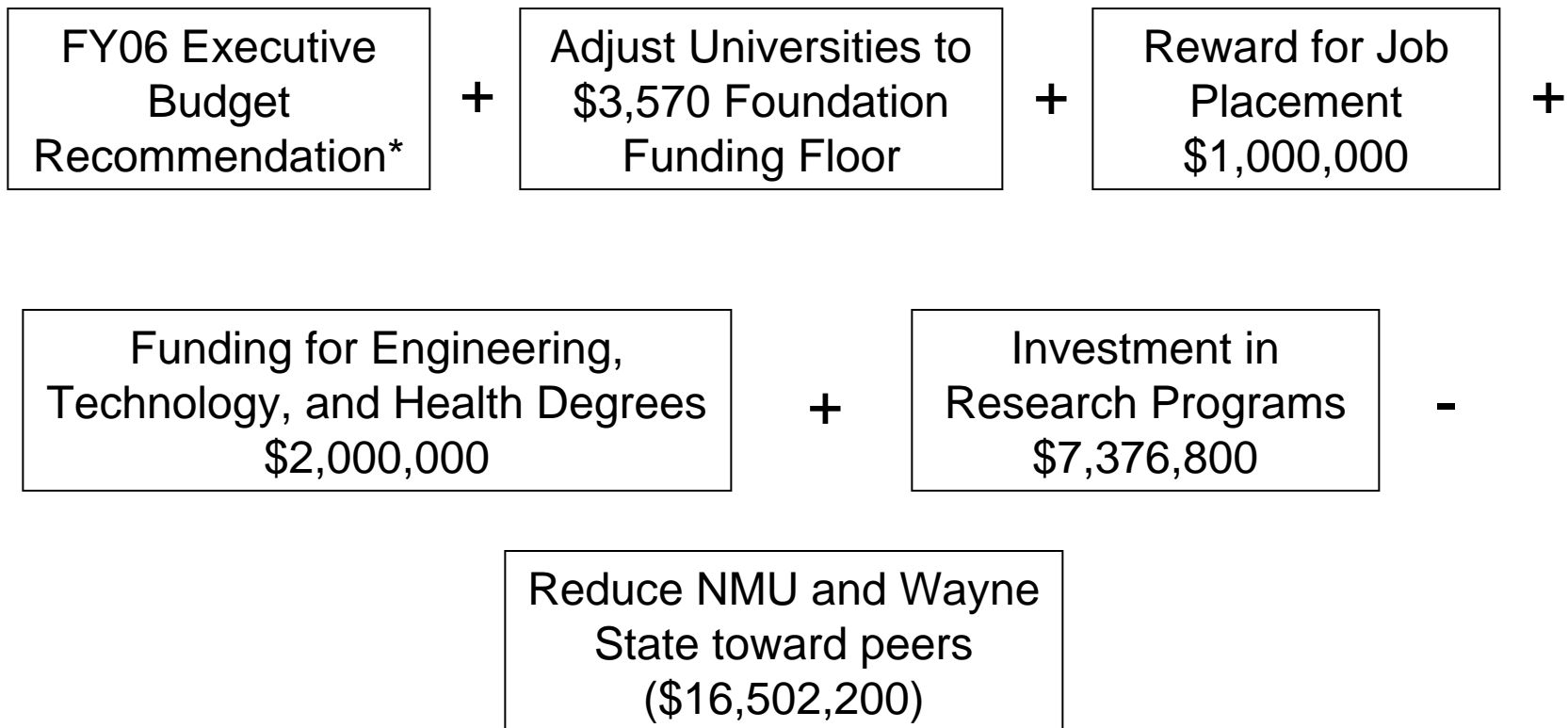
House Formula

State University Funding Model



Senate Formula

State University Funding Model



**Includes across-the-board state appropriation funding reduction of 1.9% for all universities.*

Impact on NMU

	<i>Executive Budget</i>	<i>House</i>	<i>Senate</i>
<i>How much could be cut under budget bill?</i>	-\$0.9 million -1.9%	-\$14.9 million -32.6%	-\$5.3 million -11.6%
<i>Over what period of time?</i>	-1.9% One year	-5% per year over 6 years	-11.6% One year
<i>FY2006 Budget Impact</i>	-\$0.9 million -1.9%	-\$3.1 million -6.8%	-\$5.3 million -11.5%

General Fund Budget Projections Fiscal Year 2006

Planning Assumptions

Description	FY2006 (#1)	FY2006 (#2)	FY2006 (#3)
Assumptions:			
Tuition and fees:			
Current annual tuition and fees	\$5,334	\$5,334	\$5,334
Percentage rate increase	+5.75%	+7.00%	+9.00%
Rate increase	\$307	\$373	\$480
Current annual tuition and fees	\$5,641	\$5,707	\$5,814
Projected tuition and fee revenue increase	\$2,550,000	\$3,110,000	\$4,000,000
Appropriation:			
Current state appropriation (prior to EO 2005-7)	\$45,775,200	\$45,775,200	\$45,775,200
Appropriation Adjustment	-1.87%	-3.00%	-5.00%
Appropriation Reduction	(\$856,000)	(\$1,374,000)	(\$2,289,000)
Appropriation per FYES	\$5,341	\$5,280	\$5,171
Fiscal Year Equated Student (FYES):			
Projected current year FYES	8,410	8,410	8,410
FYES percentage increase	+0.0%	+0.0%	+0.0%
FYES increase	0	0	0
Projected FYES	8,410	8,410	8,410

General Fund Budget Projections

Fiscal Year 2006

Projected Revenue Adjustments based on Planning Assumptions

Description	FY2006 (#1)	FY2006 (#2)	FY2006 (#3)
Revenues:			
<i>State appropriation:</i>			
Appropriation Change	(\$856,000)	(\$1,374,000)	(\$2,289,000)
<i>Tuition and fees:</i>			
Enrollment revenues	\$0	\$0	\$0
Rate increase	2,550,000	3,110,000	4,000,000
Bad debt allowance	(\$33,000)	(\$41,000)	(\$52,000)
Subtotal	\$2,517,000	\$3,069,000	\$3,948,000
<i>Scholarships:</i>			
Base GF scholarships (Inflationary/Need-based)	(115,000)	(140,000)	(180,000)
Scholarships (Athletics and Graduate Assistants)	(103,500)	(126,000)	(162,000)
NAA scholarships (4 yr phase-in (Y3: \$90,000 avg.))	(90,000)	(90,000)	(90,000)
Subtotal	(308,500)	(356,000)	(432,000)
TOTAL REVENUE INCREASE	\$1,352,500	\$1,339,000	\$1,227,000

General Fund Budget Projections

Fiscal Year 2006

Projected Expenditure Adjustments based on Planning Assumptions

Description	FY2006 (#1)	FY2006 (#2)	FY2006 (#3)
Revenues:			
<i>Projected Revenue Increase</i>	<u>\$1,352,500</u>	<u>\$1,339,000</u>	<u>\$1,227,000</u>
Expenditures:			
<i>Compensation:</i>			
<i>Contractually committed increases</i>	\$1,800,000	\$1,800,000	\$1,800,000
<i>Not committed increases</i>	850,000	850,000	850,000
<i>MPSERS</i>	550,000	550,000	550,000
Subtotal -- Compensation	3,200,000	3,200,000	3,200,000
<i>Support cost increases:</i>			
<i>Utilities</i>	400,000	400,000	400,000
<i>Support and services</i>	150,000	150,000	150,000
<i>TLC allocation (allocated based on increased enrollment)</i>	0	0	0
Subtotal -- Support cost increases	550,000	550,000	550,000
TOTAL -- Expenditure adjustments	\$3,750,000	\$3,750,000	\$3,750,000
BUDGET SHORTFALL			
<i>(before initiatives and budget reductions)</i>	-\$2,397,500	-\$2,411,000	-\$2,523,000

General Fund Budget Projections Fiscal Year 2006

Initiatives and Projected Budget Shortfall based on Planning Assumptions

Description	FY2006 (#1)	FY2006 (#2)	FY2006 (#3)
Budget Shortfall (before initiatives and budget reductions):			
TOTAL	(\$2,397,500)	(\$2,411,000)	(\$2,523,000)
Initiatives (examples, not complete):			
Internationalization program	200,000	200,000	200,000
Faculty staffing FTE (adjust to maintain curr. faculty/student ratio)	0.0	0.0	0.0
Faculty staffing adjustments	0	0	0
Admissions staffing and support	75,000	75,000	75,000
Student labor	50,000	50,000	50,000
Student leader program	20,000	20,000	20,000
Washington interns	20,000	20,000	20,000
Call Center (student services)	10,000	10,000	10,000
Subtotal -- Initiatives	375,000	375,000	375,000
Scheduled budget cuts:			
FY2006 reductions (beginning review process)	0	0	0
Subtotal -- Scheduled budget reductions	0	0	0
TOTAL BUDGET SHORTFALL	-2,772,500	-2,786,000	-2,898,000
Equivalent tuition and fee percentage increase	6.23%	6.26%	6.51%



Next Steps

- ✓ What the NMU team is doing!
- ✓ What you can do!



Questions ?????