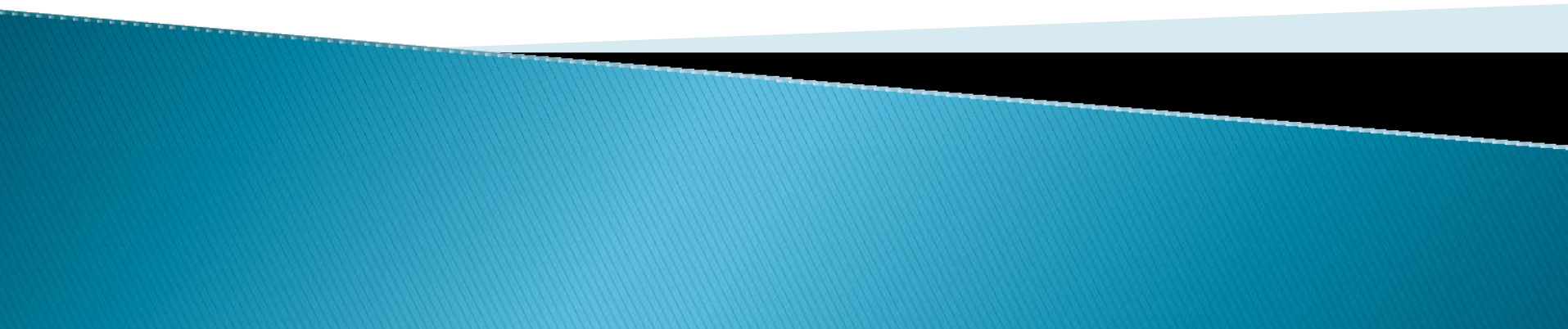


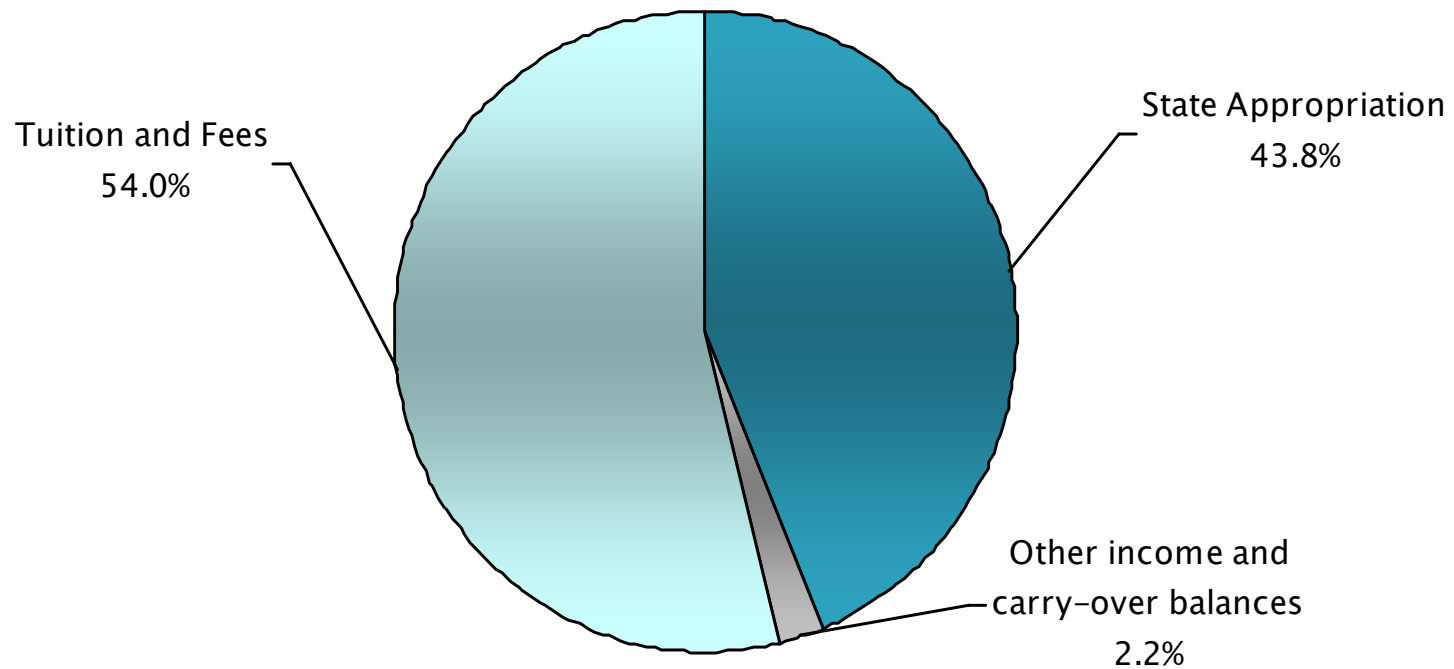
# *Budget Forum*

*July 17, 2007*

# *General Fund Budget*

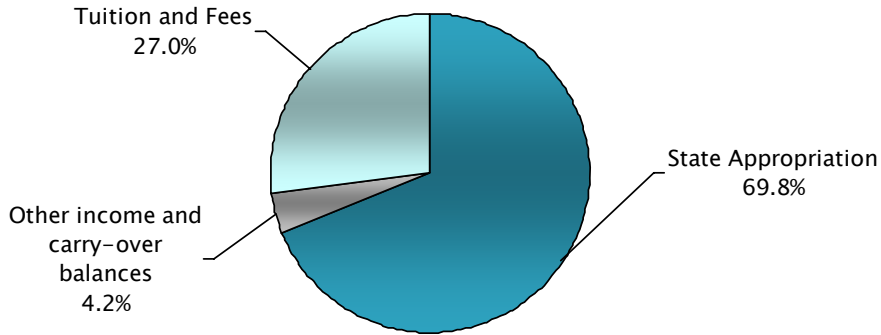


# *Total General Fund Resources Budget*

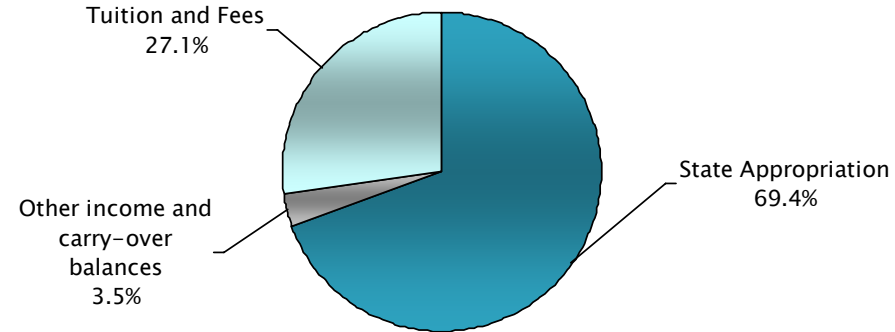


*\*This graph displays total resources without netting scholarships costs against tuition and fees.*

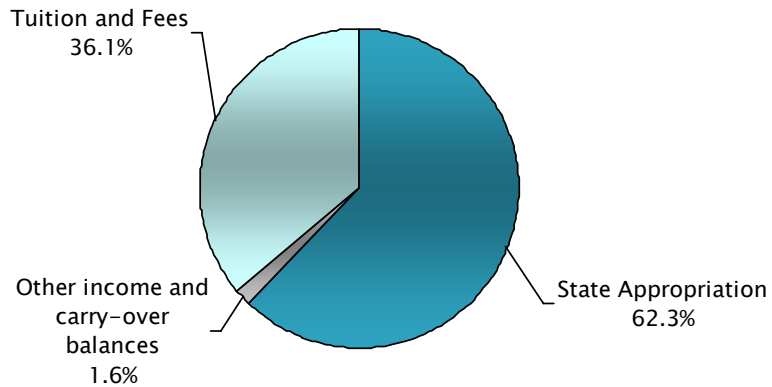
# Total General Fund Resources



**1981**

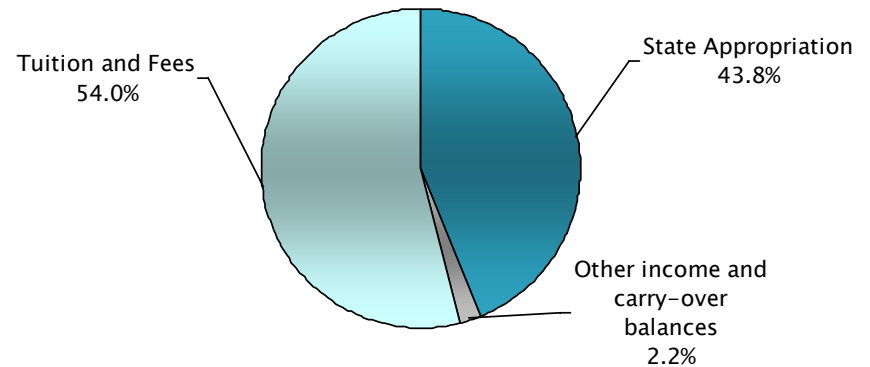


**1991**



**2001**

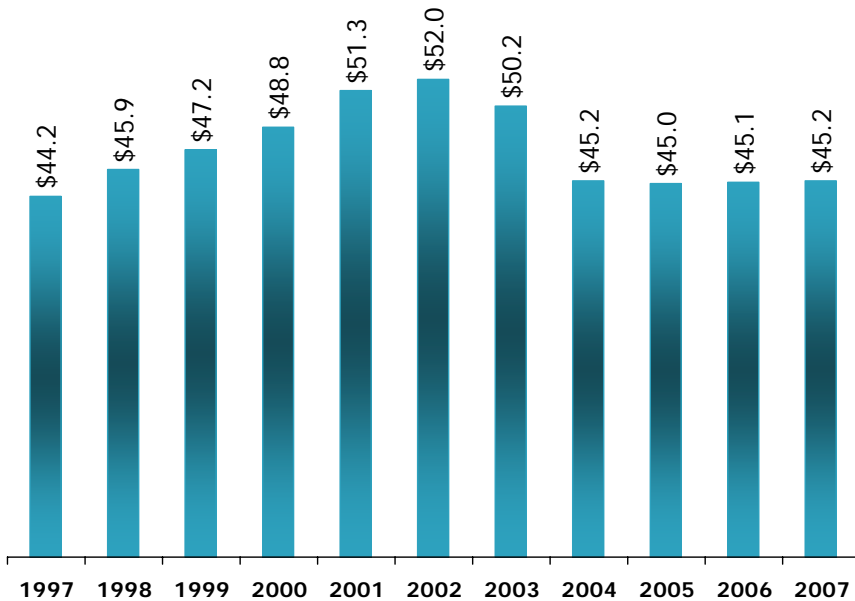
*To maintain financial reporting consistency with fiscal years '81, '91, and '01 data, financial aid was not deducted from '06 tuition and fee revenue.*



**2006**

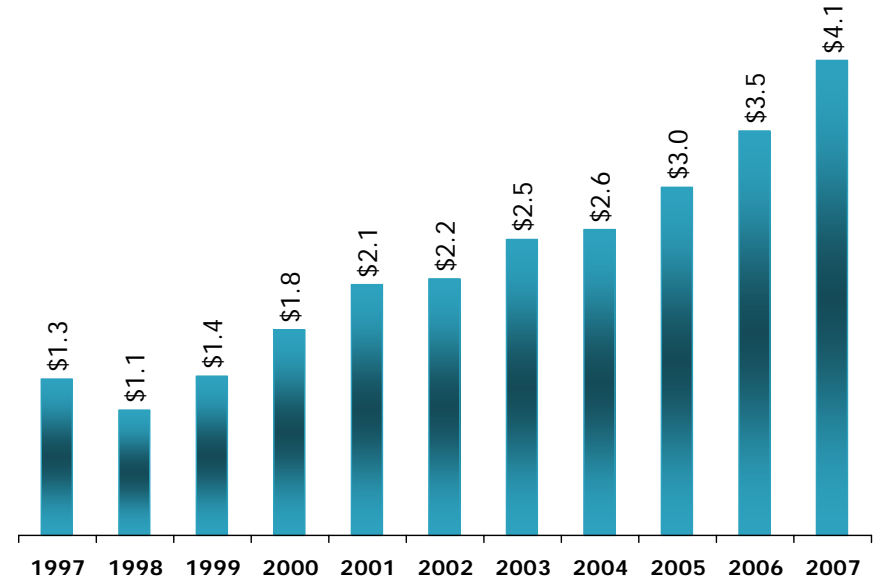
# Appropriation

## Appropriation History (shown in 000,000's)



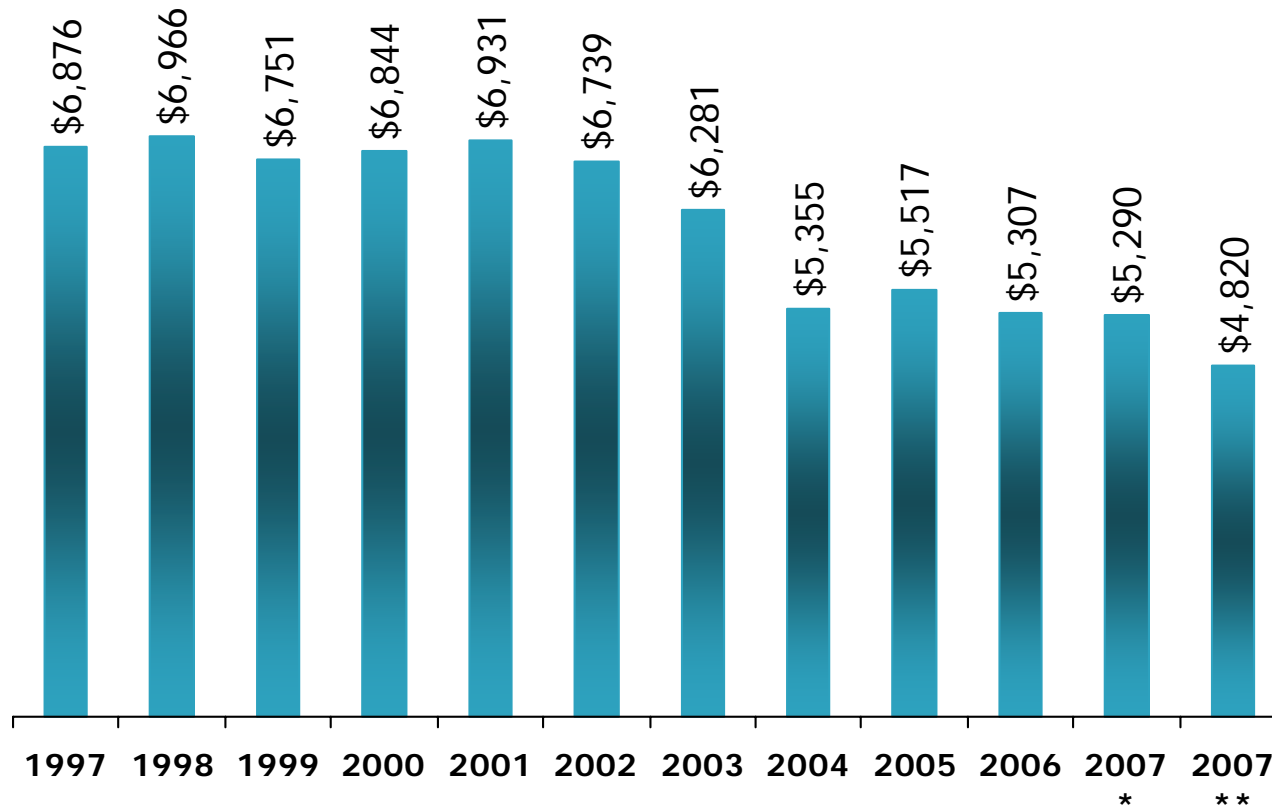
\* FY2003 appropriation after both Executive Orders and the State Supplemental

## State Mandates \* (shown in 000,000's)



\* State mandates include Michigan Public School Employee Retirement System (MPSERS), Indian tuition waiver, minimum wage, and MI-OSHA requirements.

# Appropriation per FYES



\* Appropriation per FYES if NMU receives \$4.2 million delayed appropriation.

\*\* Appropriation per FYES if NMU does not receive delayed appropriation.

# *Budget Reduction History*

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- ▶ General Fund budget cuts/reallocations of \$13.8 million since 2003
  - FY2003–04: \$6.5 million
  - FY2004–05: \$2.8 million
  - FY2005–06: \$1.5 million
  - FY2006–07: \$3.0 million
- ▶ Organizational efficiency -- consolidation of organization structure and increased productivity = lower cost
  - 5 vice presidents to 2
  - 5 academic colleges to 3
- ▶ NMU faculty and staff are the most productive among the 15 public universities (student-to-staff ratio)

# *General Fund Budget Assumptions*

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- ▶ FY2006–07 One-time funds
  - Reduced payment of FY2006–07 appropriation (\$807,000 or 1.7%)
  - Delayed August 2007 payment of \$4.2 million
- ▶ FY2007–08 base budget
  - Base appropriation reduction from FY2006–07 (1.7%)
  - No further reduction in appropriation
  - Return of \$4.2 million delayed FY2006–07 appropriation payment in October 2007
    - \$2.9 million is the equivalent of 50 positions or an additional 6.3% in tuition and fees

# ***FY2006-07 General Fund One-time Needs***

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<i><b>ONE-TIME BUDGET NEEDS-- FY2007</b></i>	<i><b>FY07 reduction: -1.7%</b></i>
	<i><b>Delayed payment: \$4.2M</b></i>
<hr/>	
FY07 CASH FLOW -- APPROPRIATION REDUCTION	<i><b>-\$5,027,000</b></i>
SOURCES:	
Revenues in excess of budget	<i><b>\$506,000</b></i>
Delayed academic equipment upgrades, replacement of obsolete equipment, staff hirings, and building maintenance and improvements	<i><b>\$4,521,000</b></i>
<i><b>Total</b></i>	<i><b>\$5,027,000</b></i>

# *General Fund Budget*

*Fiscal Year 2007-2008*



# *Projected Cost Adjustments* (Fiscal Year 2007-08)

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## *Inflationary cost increases:*

Compensation	\$2,750,000
USOEC (additional net tuition revenues)	\$96,000
Software maintenance/license fees (i.e., Oracle, SCT)	\$77,000
Athletic transportation/team travel costs	\$75,000
Cr./Dr. card fees	\$68,000
Printing/postage	\$33,000
Faculty and staff recognition awards	\$25,000
Hazardous waste disposal	\$10,000
<b>Total Inflationary</b>	<b>\$3,134,000</b>
<b>% change in total university budget</b>	<b>3.3%</b>

# *State Mandate Increases* (Fiscal Year 2007-08)

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## *State mandates:*

Michigan Public School Employee Retirement System - (MPSERS) (FY07: \$3,334,000)	\$250,000
Minimum wage (FY07: \$464,000)	\$75,000
Indian tuition waiver (FY07: \$388,000)	\$55,000
MIOSHA compliance (eye wash annual testing)	\$16,000
<b><i>Total Mandates</i></b>	<b><i>\$396,000</i></b>
<b><i>% change in total university budget</i></b>	<b><i>0.4%</i></b>

# *Initiatives* (Fiscal Year 2007-08)

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## *Initiatives:*

Instructional staffing and support:	\$940,000
Faculty staffing (enrollment) adjust -- FY08 (\$840,000)	
Graduate stipends (\$100,000)	
Facility maintenance and equipment (Deferred maint. \$87.3M)	\$657,000
Long-term bldg maint (\$507,000)	
Capital eq. replace (\$150,000)	
Administrative staffing and support:	\$206,000
Grant development (\$160,000)	
Internationalization (\$40,000)	
Extended library hours for students (\$6,000)	
<b>Total Initiatives</b>	<b>\$1,803,000</b>
<b>% change in budget</b>	<b>1.9%</b>

# ***Base Revenue Adjustments for FY2006-07***

*(adjusted for FY2007-08)*

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## ***BASE REVENUE ADJUSTMENTS FROM 2007:***

Tuition and fees	\$217,000
Scholarships/financial aid	-\$95,000
Investment income	\$350,000
Rental income	\$34,000
<b><i>Total Base Revenue Adjustments from 2007</i></b>	<b><i>\$506,000</i></b>
<b><i>% change in budget</i></b>	<b><i>0.5%</i></b>

# ***Budget Reductions/Reallocations***

*(Fiscal Year 2007-08)*

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*Budget reduction/reallocations:*

Departmental personnel and support costs	- \$870,000
Operation and maintenance (heating plant)	- \$300,000
Debt service/loan retirement	- \$122,000
<b><i>Subtotal-Budget Reductions/Reallocations</i></b>	<b><i>-\$1,292,000</i></b>
<b><i>% change in total university budget</i></b>	<b><i>-1.3%</i></b>

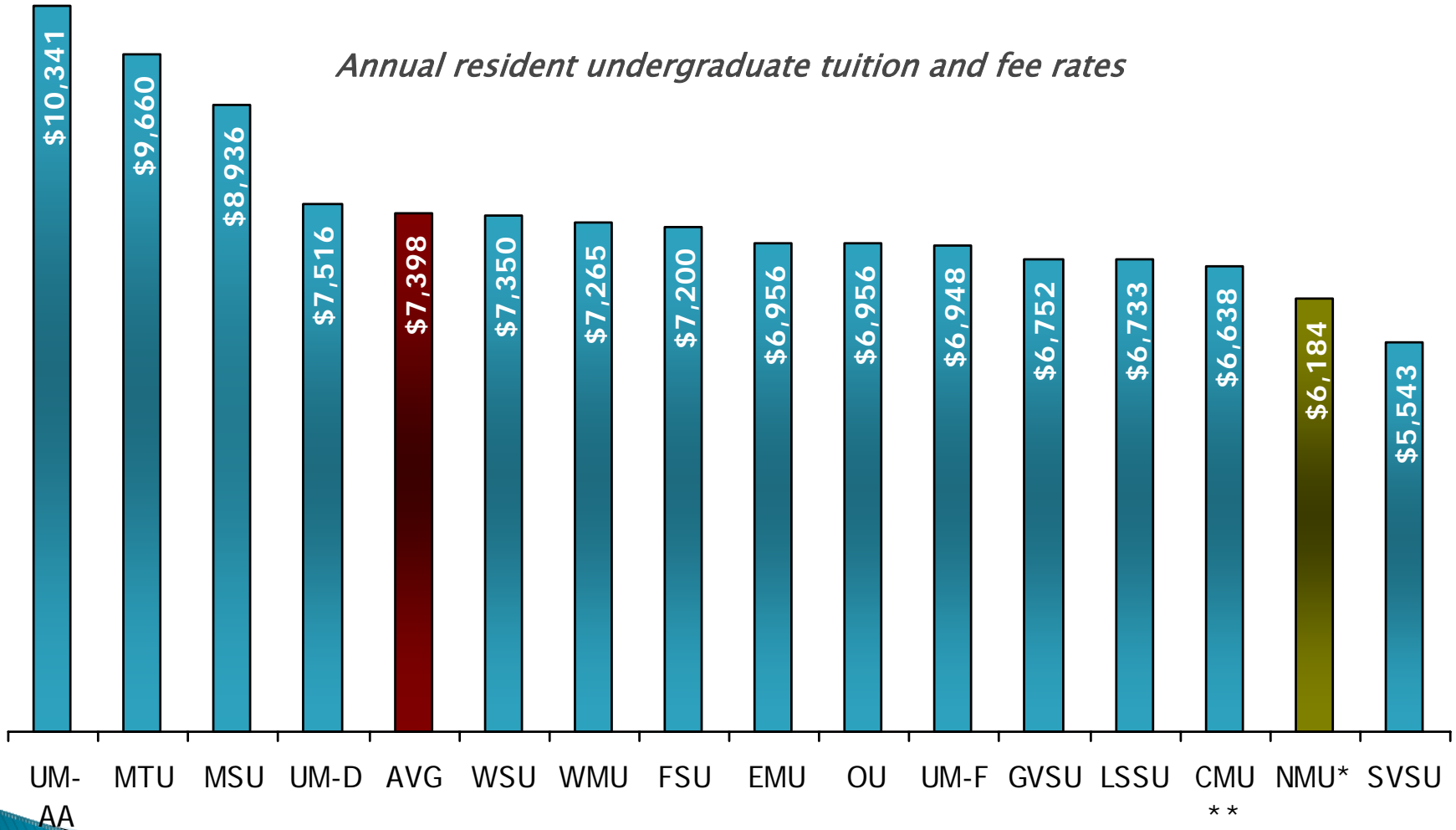
# *Tuition and Fees*

*Fiscal Year 2007–2008*



# Tuition and Fee Rates

Fiscal Year 2006-2007

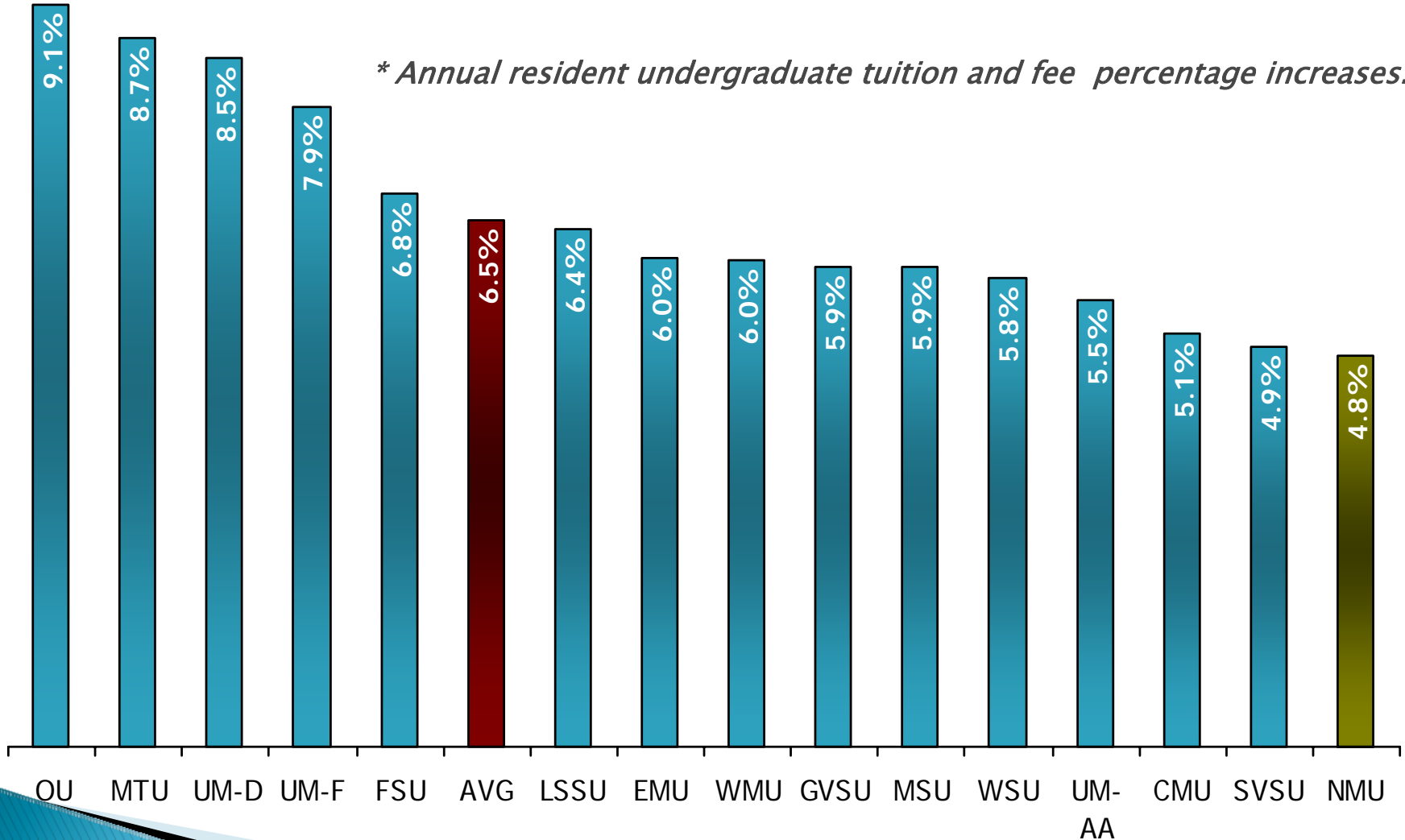


\* NMU includes portion of Freshmen Student Athletic Fee

\*\* CMU Freshmen rate is \$7,530

# Tuition and Fee Percentage Increases

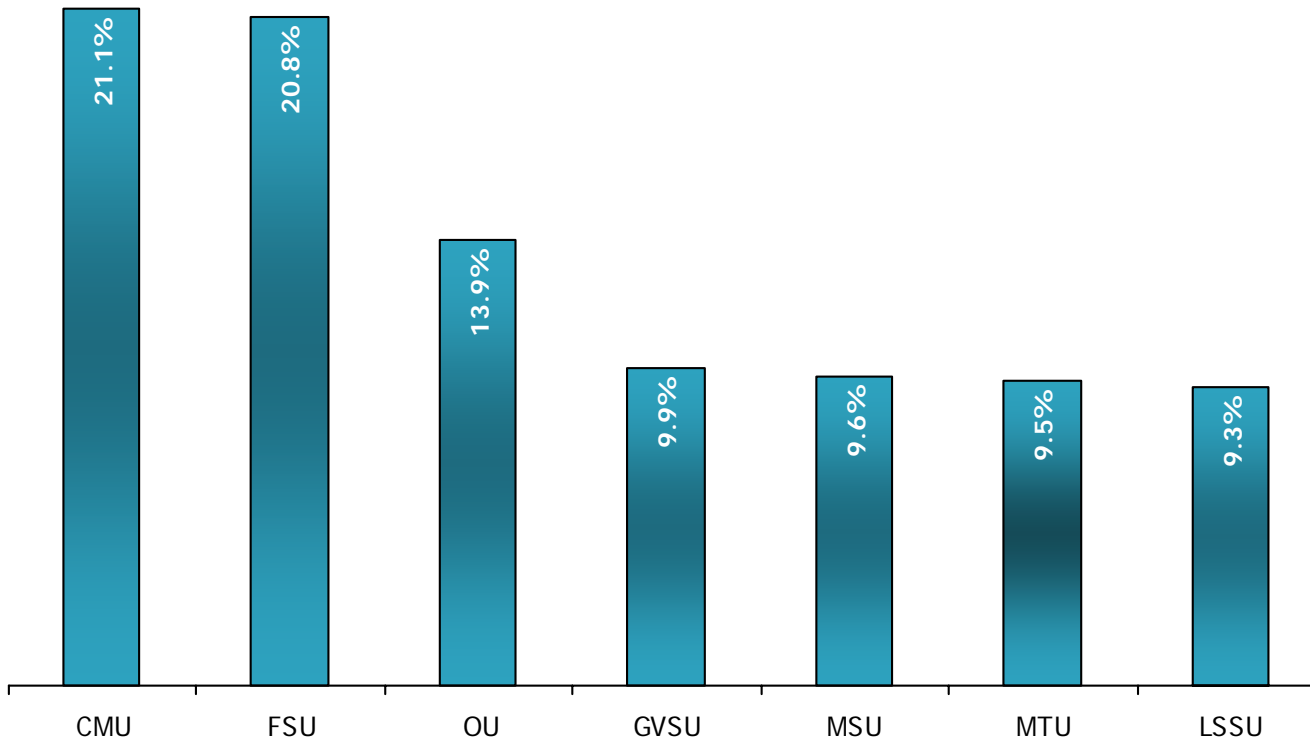
Fiscal Year 2006-2007



# *Tuition and Fee Percentage Increases*

## *Fiscal Year 2007-2008*

*Annual resident undergraduate tuition and fee percentage increases  
(based on media reports)*



***Tuition and fee rates  
to be announced:***

- NMU: July 19
- SVSU: July 27
- UM: July 19
- WMU: TBA
- WSU: July 25

# *Tuition Guidelines* (Fiscal Year 2007-08)

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Recover approp. reduction (1.7% tuition = 1.7% approp.)	1.7%
Recover expected approp. incr. (3.2% CPI + 1% growth/initiatives)	4.2%
Tuition and fee inflation (3.2% CPI + 1% growth/initiatives)	4.2%
<b><i>Tuition Percentage Increase</i></b>	<b>10.1%</b>

*\* The 10.1% assumes NMU receives the \$4.2 million delayed appropriation.*

# *Tuition and Fees*

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- ▶ Competitive with our peers
- ▶ Maintain quality, access and affordability
- ▶ Move forward with strategic initiatives