



# FY 2016 BUDGET OUTLOOK

March 2015

# Budget Review & Outlook

- WSU funding situation:
  - Fixed cost structure (High percentage of costs are fixed)
  - Low tuition rates (tuition rates are lower than regional Michigan universities)
  - State support has decreased (FY 2002 \$240 M; FY 2015 \$191 M)
    - In FY 2012, WSU was cut by \$32 M. To date, only \$10 M this cut has been restored
- WSU relied on enrollment growth to balance the budget from FY 2001 to FY 2010
  - FY 2001 to FY 2010: fall credit hours increased by 52,138 over this time or 1.8% per year on average
- Recently enrollment has declined from FY 2011 to FY 2015
  - FY 2011 to FY 2015: fall credit hours decreased by 26,605 over this time or -2.4% per year on average.
- Governors' FY 2106 Higher Education proposed budget for WSU includes:
  - State Appropriation increase of \$1.1 M, which is a 0.6% increase
  - Tuition restraint of 2.8% for undergraduate resident students

# FY 2016 State Higher Education Budget

- Total MPU increase of 2.0% or \$26.8 M
- FY 2016 WSU Allocation is \$1.1 M (0.6%) for Performance Metrics
  - Undergrad Critical Skills Awarded
  - Research Expenditures
  - Six Year Graduation Rate
  - Total Degree Completion
  - Inst. Support as % of Core Expenditures
  - % Student Receiving a Pell Grant
- Need to examine metrics to ensure that they are evaluating performance and mission and not just characteristics
- Impact on Total General Fund Budget
  - Total General Fund Budget = \$583M
  - State allocation of \$1.1 M equates to 0.18% increase on total budget
- Tuition Restraint: 2.8%
- **Both** appropriation increase and tuition restraint *lower* than FY 2015

MPU Percent Increase

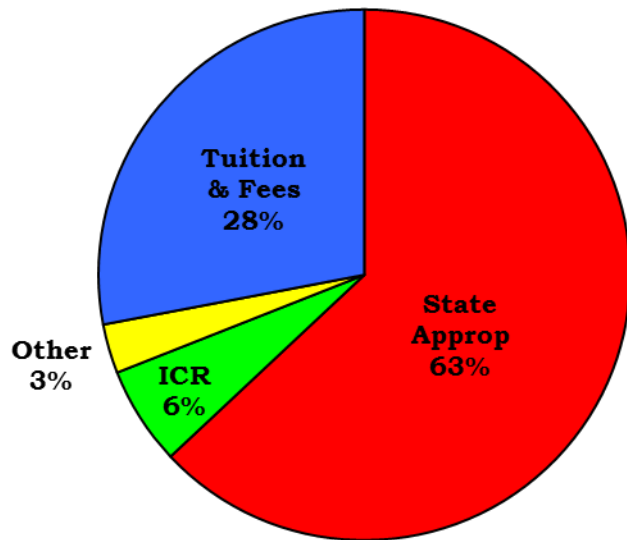
| Institution | FY 2014     | FY 2015     | FY 2016     | 3 Year Avg  |
|-------------|-------------|-------------|-------------|-------------|
| GVSU        | 4.2%        | 9.5%        | 4.0%        | 5.9%        |
| OU          | 1.5%        | 6.1%        | 3.4%        | 3.7%        |
| FSU         | 3.1%        | 7.8%        | 3.0%        | 4.6%        |
| CMU         | 3.0%        | 7.8%        | 3.0%        | 4.6%        |
| UM-F        | 2.1%        | 7.2%        | 2.5%        | 3.9%        |
| NMU         | 2.1%        | 6.3%        | 2.1%        | 3.5%        |
| MTU         | 2.1%        | 5.8%        | 2.1%        | 3.3%        |
| EMU         | 1.2%        | 6.9%        | 2.0%        | 3.4%        |
| LSSU        | 1.5%        | 4.6%        | 2.0%        | 2.7%        |
| MSU         | 1.8%        | 6.1%        | 1.9%        | 3.3%        |
| UM-AA       | 1.8%        | 5.9%        | 1.9%        | 3.2%        |
| SVSU        | 1.3%        | 6.4%        | 1.8%        | 3.2%        |
| WMU         | 1.8%        | 5.8%        | 1.8%        | 3.1%        |
| UM-D        | 1.2%        | 5.4%        | 1.7%        | 2.8%        |
| <b>WSU</b>  | <b>0.3%</b> | <b>4.0%</b> | <b>0.6%</b> | <b>1.6%</b> |

# Higher Ed Changes

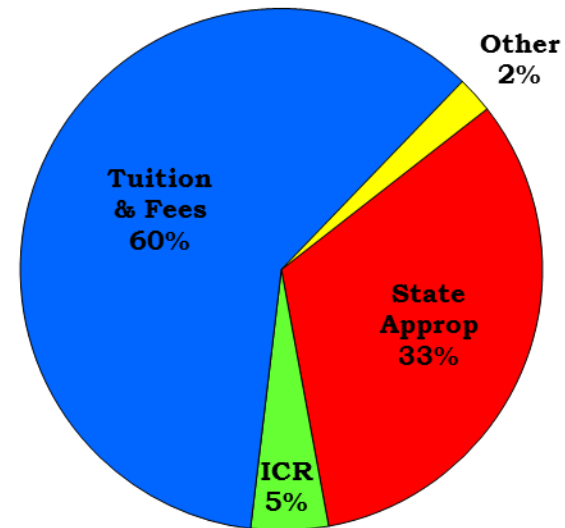
|                             |               | [15% Cut]     |            |            |            |             |               |                |                |
|-----------------------------|---------------|---------------|------------|------------|------------|-------------|---------------|----------------|----------------|
|                             | FY 2011       | FY 2012       | FY 2013    | FY 2014    | FY 2015    | FY 2016 P   | FY 2016 P     | \$ Change      | % Change       |
|                             | State Appr.   | Change        | Change     | Change     | Change     | Change      | State Appr.   | FY11 to FY16 P | FY11 to FY16 P |
| Central Michigan            | \$80,132.0    | (\$12,023.1)  | \$3,243.4  | \$2,187.8  | \$5,574.9  | \$2,338.1   | \$81,453.1    | \$1,321.1      | 1.6%           |
| Eastern Michigan            | \$76,026.2    | (\$11,407.1)  | \$1,847.6  | \$808.7    | \$4,495.7  | \$1,414.2   | \$73,185.3    | (\$2,840.9)    | -3.7%          |
| Ferris State                | \$48,619.2    | (\$7,294.9)   | \$2,926.4  | \$1,385.8  | \$3,450.5  | \$1,487.6   | \$50,574.6    | \$1,955.4      | 4.0%           |
| Grand Valley State          | \$61,976.4    | (\$9,299.0)   | \$2,758.6  | \$2,387.5  | \$5,312.5  | \$2,523.7   | \$65,659.7    | \$3,683.3      | 5.9%           |
| Lake Superior State         | \$12,694.2    | (\$1,904.7)   | \$1,256.6  | \$184.9    | \$551.5    | \$249.8     | \$13,032.3    | \$338.1        | 2.7%           |
| Michigan State              | \$283,685.2   | (\$42,564.4)  | \$3,916.2  | \$4,560.8  | \$14,831.3 | \$5,152.6   | \$269,581.7   | (\$14,103.5)   | -5.0%          |
| Michigan Tech               | \$47,924.2    | (\$7,190.6)   | \$1,845.5  | \$894.7    | \$2,449.3  | \$970.0     | \$46,893.1    | (\$1,031.1)    | -2.2%          |
| Northern Michigan           | \$45,140.3    | (\$6,772.9)   | \$2,489.2  | \$884.8    | \$2,535.8  | \$916.1     | \$45,193.3    | \$53.0         | 0.1%           |
| Oakland                     | \$50,761.3    | (\$7,616.3)   | \$1,819.1  | \$687.5    | \$2,712.5  | \$1,649.1   | \$50,013.2    | (\$748.1)      | -1.5%          |
| Saginaw Valley              | \$27,720.7    | (\$4,159.2)   | \$2,095.2  | \$334.3    | \$1,619.2  | \$498.8     | \$28,109.0    | \$388.3        | 1.4%           |
| Univ. of Mich. - Ann Arbor  | \$316,254.5   | (\$47,451.2)  | \$5,353.4  | \$5,076.0  | \$15,941.4 | \$5,696.4   | \$300,870.5   | (\$15,384.0)   | -4.9%          |
| Univ. of Mich. - Dearborn   | \$24,726.2    | (\$3,709.9)   | \$1,221.0  | \$273.1    | \$1,178.9  | \$394.7     | \$24,084.0    | (\$642.2)      | -2.6%          |
| Univ. of Mich. - Flint      | \$20,898.0    | (\$3,135.6)   | \$1,764.2  | \$411.6    | \$1,399.5  | \$542.1     | \$21,879.8    | \$981.8        | 4.7%           |
| Wayne State                 | \$214,171.4   | (\$32,134.5)  | \$1,361.4  | \$0.0      | \$7,121.5  | \$1,093.3   | \$191,613.1   | (\$22,558.3)   | -10.5%         |
| Western Michigan            | \$109,615.1   | (\$16,446.8)  | \$2,319.2  | \$1,791.5  | \$5,463.0  | \$1,872.6   | \$104,614.6   | (\$5,000.5)    | -4.6%          |
| Other University Operations | \$64,807.2    | (\$9,289.9)   | \$2,025.0  | \$6,084.1  | \$7,417.5  | (\$3,268.4) | \$68,967.7    | \$4,160.5      | 6.4%           |
| Total University Operations | \$1,485,152.1 | (\$222,400.1) | \$38,242.0 | \$27,953.1 | \$82,055.0 | \$23,530.7  | \$1,435,725.0 | (\$49,427.1)   | -3.3%          |

# Changes in General Fund Revenue Budget

**FY 2001 - \$381M**

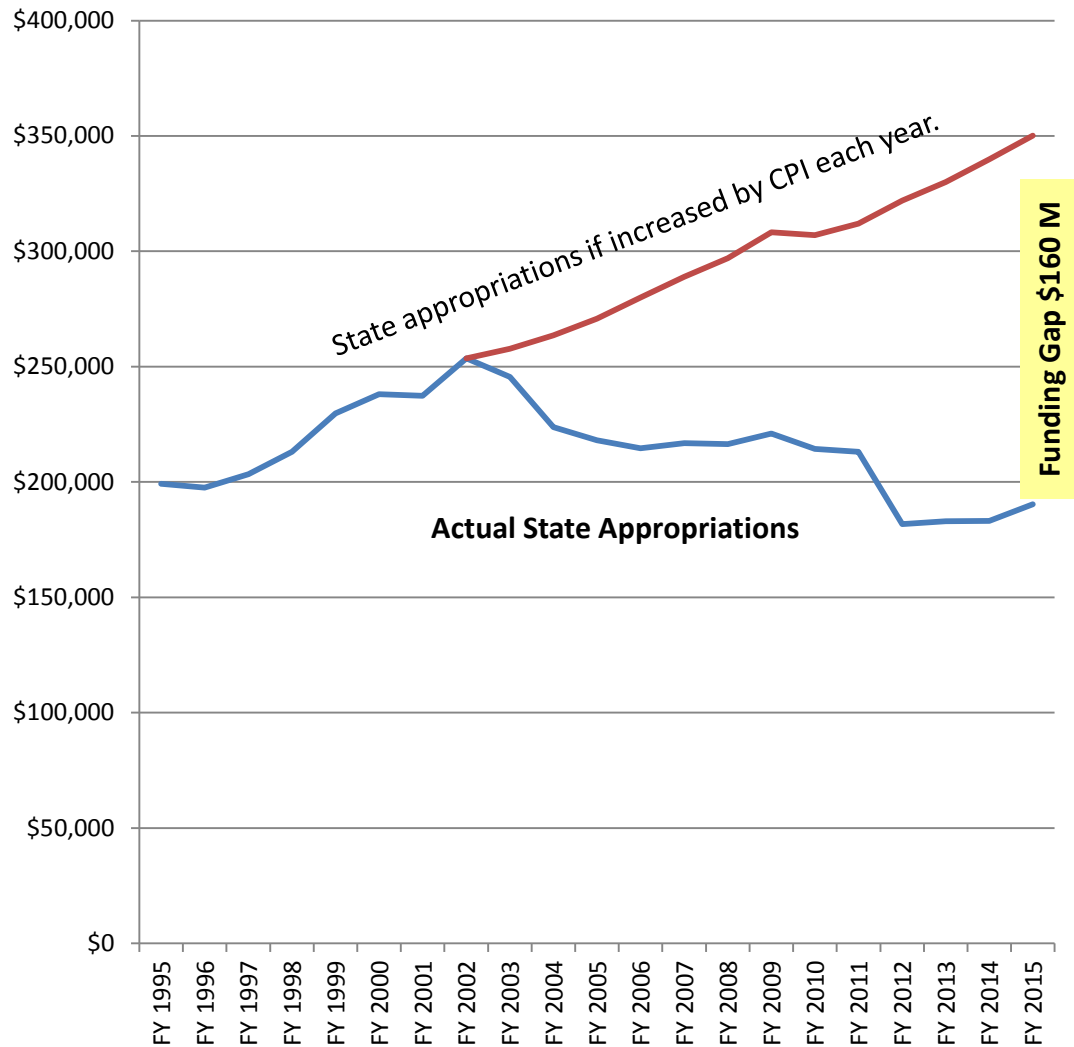


**FY 2015 - \$583 M**



In FY 2001, the State of Michigan covered 63 percent of the cost of a student's education. In FY 2015, the State of Michigan covers 33 percent of the cost of the education.

# WSU--State Appropriations and Tuition Rates



| 24 Credit Hours |                        |                           |
|-----------------|------------------------|---------------------------|
| Institution     | FY 2015 Tuition & Fees | FY 2015 Variance from WSU |
| MTU             | \$14,003               | \$4,754                   |
| UM-AA           | \$13,484               | \$4,235                   |
| GVSU            | \$10,788               | \$1,540                   |
| WMU             | \$10,686               | \$1,438                   |
| MSU             | \$10,611               | \$1,362                   |
| UM-D            | \$10,427               | \$1,179                   |
| LSSU            | \$10,249               | \$1,000                   |
| UM -F           | \$9,626                | \$378                     |
| NMU             | \$9,326                | \$77                      |
| CMU             | \$9,263                | \$14                      |
| <b>WSU</b>      | <b>\$9,249</b>         | <b>\$0</b>                |
| FSU             | \$9,040                | (\$208)                   |
| OU              | \$8,762                | (\$487)                   |
| EMU             | \$7,751                | (\$1,497)                 |
| SVSU            | \$6,954                | (\$2,295)                 |
| <i>Average</i>  | <i>\$10,015</i>        |                           |

- For a student taking 24 credit hours:
- UM-AA tuition is 46% higher
  - MSU tuition is 15% higher

## FY 2016 Budget Calendar

- **April**
  - Budget hearings with Deans and Vice Presidents
  
- **May**
  - May 1<sup>st</sup> BOG Meeting
    - Presentation and Approval of School of Medicine Tuition rates
  
- **June**
  - June 26<sup>th</sup> BOG Meeting
    - Presentation of FY 2016 General Fund Budget
    - Presentation of FY 2016 Auxiliary Fund Budget
    - Presentation of FY 2016 Tuition & Fee Rates



Questions?