FY 2009 Budget Update

Board of Governors
October 29, 2008
Fall 2008 Enrollment—Credit Hours (by level)

Prof: 40,735 (2007) vs. 41,487 (2008)

Undergrad Credit Hour down 3.3% Over Fall 2007
Grad Credit Hour down 5.1% Over Fall 2007

Total Undergrad & Grad Credit Hour Down 3.7%
Credit Hours: Budget vs. Census / Estimates

<table>
<thead>
<tr>
<th></th>
<th>Fall Credit Hours</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Fall Census</td>
<td>Variance</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>226,146</td>
<td>217,748</td>
<td>(8,398)</td>
</tr>
<tr>
<td>Graduate</td>
<td>57,608</td>
<td>56,068</td>
<td>(1,540)</td>
</tr>
<tr>
<td>Law, MD, PharmD</td>
<td>42,333</td>
<td>41,487</td>
<td>(846)</td>
</tr>
<tr>
<td>Total</td>
<td>326,087</td>
<td>315,303</td>
<td>(10,784)</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>Winter Estimates (Fall to Winter ratios: Under 89% &amp; Grad 93%)</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td>Winter Estimate</td>
<td></td>
</tr>
<tr>
<td>Undergraduate</td>
<td>200,936</td>
<td>193,796</td>
<td>(7,140)</td>
</tr>
<tr>
<td>Graduate</td>
<td>53,575</td>
<td>52,143</td>
<td>(1,432)</td>
</tr>
<tr>
<td>Law, MD, PharmD</td>
<td>40,640</td>
<td>39,828</td>
<td>(812)</td>
</tr>
<tr>
<td>Total</td>
<td>295,151</td>
<td>285,766</td>
<td>(9,385)</td>
</tr>
</tbody>
</table>

Change in Credit Hours could result in $7 M to $9 M revenue shortfall based on what happens with winter and summer enrollments
Economic Impacts to Enrollment

• Unemployment Rates

• Income Changes

• Market Share
% Change in Fall WSU UG HC Enrollment
UG Enrollment Changes by Percentage Compared to Unemployment Rate

Michigan Unemployment Rate

Eastern Michigan

Wayne State

Michigan State - 5.0%

Univ. of Michigan-AA - 5.0%

Wayne State - 7
GR Enrollment Changes by Percentage Compared to Unemployment Rate

Michigan Unemployment Rate

Wayne State

Univ of Mich. -AA

Michigan State

15.0%
10.0%
5.0%
0.0%
-5.0%

Impacts of Income on Enrollment:
Median Income vs. Undergrad Enrollment

Michigan Median Income (inflation adjusted)

Undergrad Enrollment

[Graph showing trends in Michigan Median Income and Undergrad Enrollment from 1984 to 2008]
Resident Undergraduate Market Share of Selected MPU’s

- MSU
- UM
- WSU
- CMU
- GVSU
- OU

October 7, 2008
Economic Impact to Enrollment: Southeastern Michigan Counties (Fall 1998 – Fall 2007)

- Census population grew 0.8% between 2000 – 2006
- Enrollment in MPUs grew 10% (or 11,762) from fall 1998 – 2007
  - OU & GVSU accounted for 52% or 6,113 of the growth
- Enrollment in community colleges increased 16.7% between 1998 - 2007
Economic Impact to Enrollment: WSU % Change in Total Enrollment Market Share by County - Fall 1998 to Fall 2007

<table>
<thead>
<tr>
<th>County</th>
<th>Undergraduate</th>
<th>Graduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livingston</td>
<td>0.0%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Macomb</td>
<td>-2.0%</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Monroe</td>
<td>0.0%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Oakland</td>
<td>1.0%</td>
<td>-4.7%</td>
</tr>
<tr>
<td>St. Clair</td>
<td>0.1%</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Washtenaw</td>
<td>0.5%</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Wayne</td>
<td>-1.0%</td>
<td>-1.8%</td>
</tr>
</tbody>
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<tr>
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<th>Washtenaw</th>
<th>Wayne</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 Census</td>
<td>185,000</td>
<td>830,000</td>
<td>155,000</td>
<td>1,215,000</td>
<td>172,000</td>
<td>345,000</td>
<td>1,850,000</td>
</tr>
<tr>
<td>WSU Enroll</td>
<td>158</td>
<td>5,001</td>
<td>140</td>
<td>7,051</td>
<td>318</td>
<td>566</td>
<td>14,565</td>
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October 7, 2008

Office of Budget, Planning and Analysis
Next Steps

• Watch State Revenues
  • Preliminary reports are that State revenues (sales & income tax) are down considerably as a result of current economic conditions
  • Earlier State Revenue Conference is possibility
• Enrollment Management Group is meeting regularly to develop enrollment strategies for winter 2009 and fall 2009
  • Group will be reporting updates to senior administration
• Developing strategies to deal with the impact of small FTIAC group and the graduation of large class
• Consultation with Deans, Faculty and Senior administration in the development of FY 2009 budget strategy
• Budget Topics for December 3rd Board Meeting
  • Discussion of FY 2010 Budget Calendar
  • Presentation of Multi-year budget strategy