



**BUDGET  
WORKSHOP**  
FEBRUARY 7, 2024

# Agenda

- University Operating Trends
- 2023-2024 General Fund Budget
- Budget Timeline



# University Operating Trends



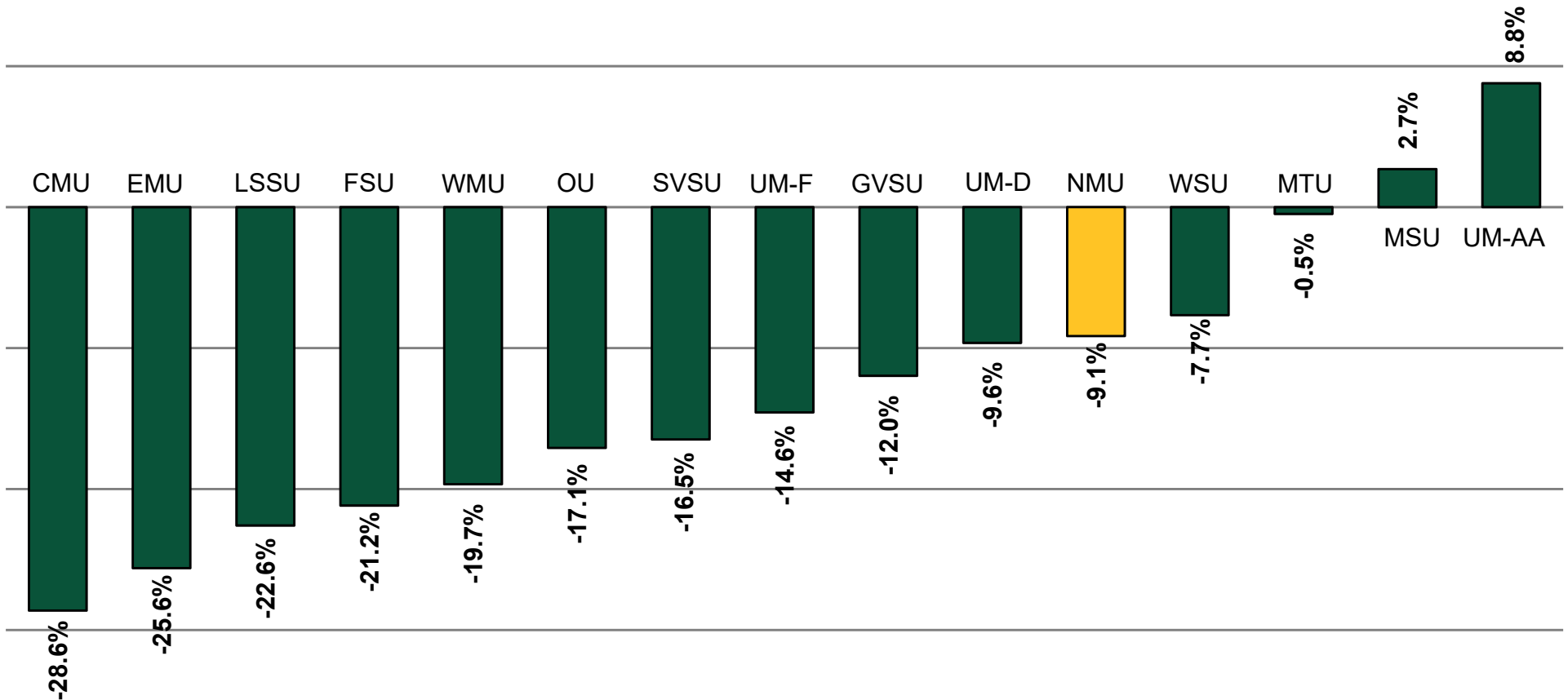
# Primary Factors Impacting General Fund Resources

- Enrollment
- State Appropriations
- Tuition & Fee Rates



# FYES 5-Year Changes – MI Publics

## FY2017-2018 to FY2022-2023

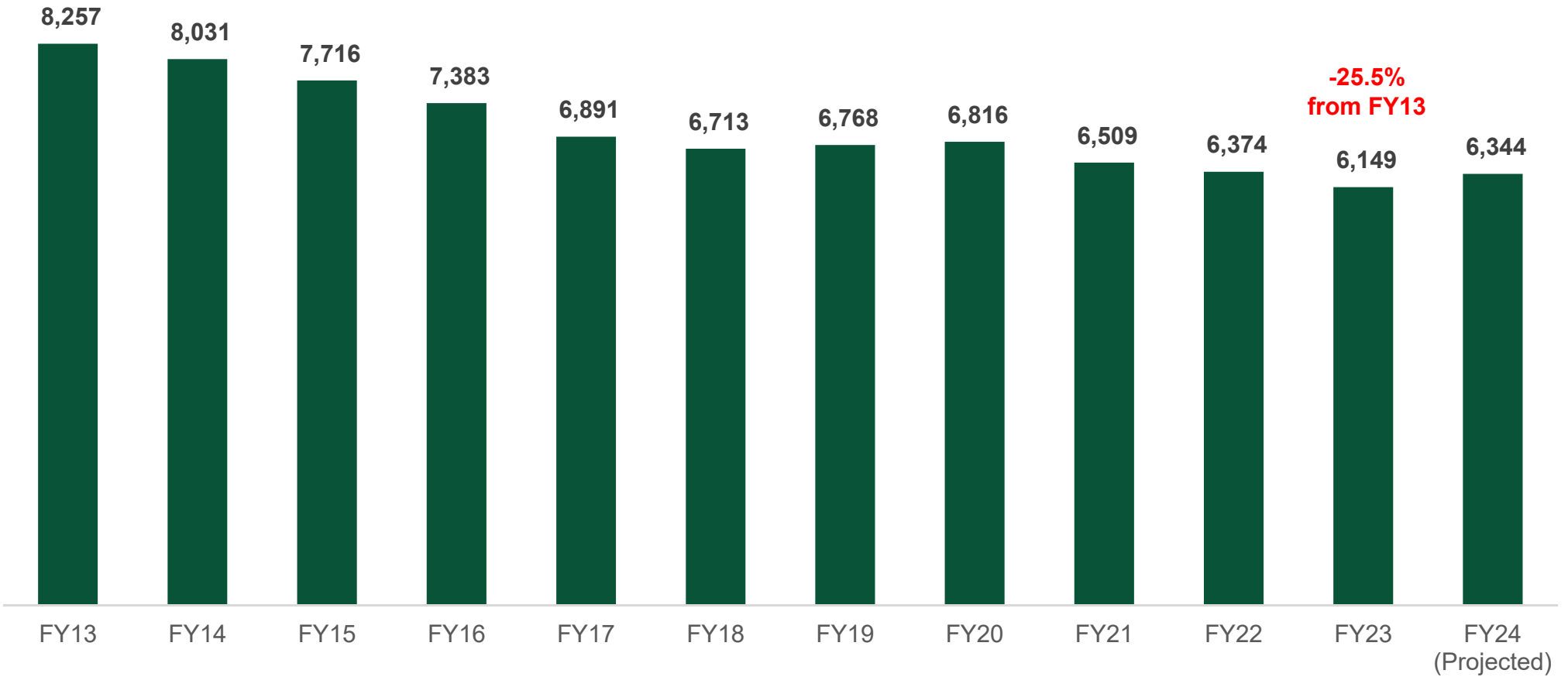


Source: State of Michigan database

# FYES 10-Year Change – NMU

## FY2012-2013 to FY2022-FY2023

(with Projected FY2023-FY2024 Included)



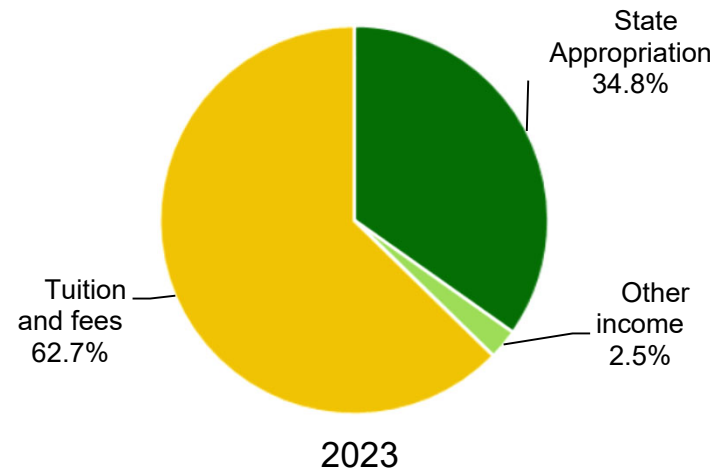
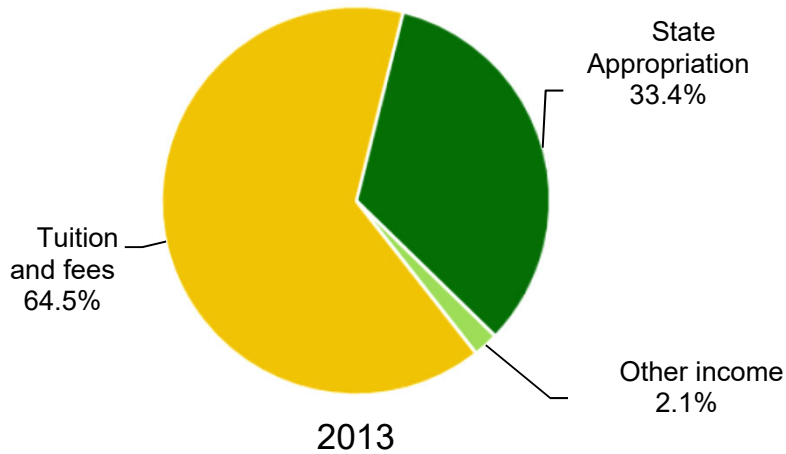
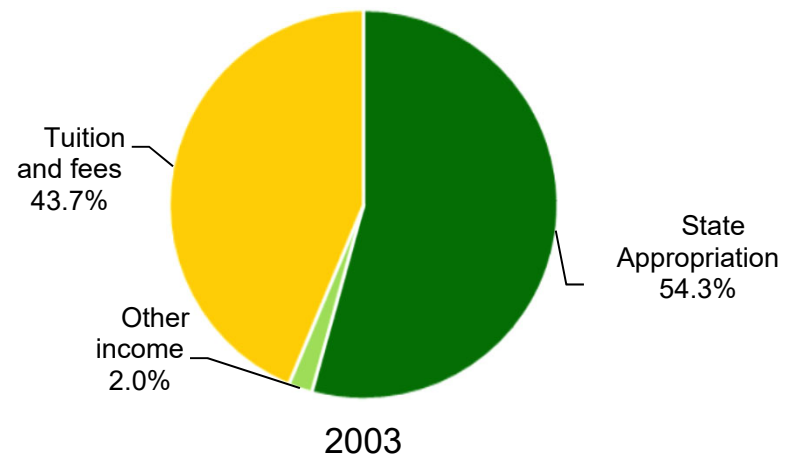
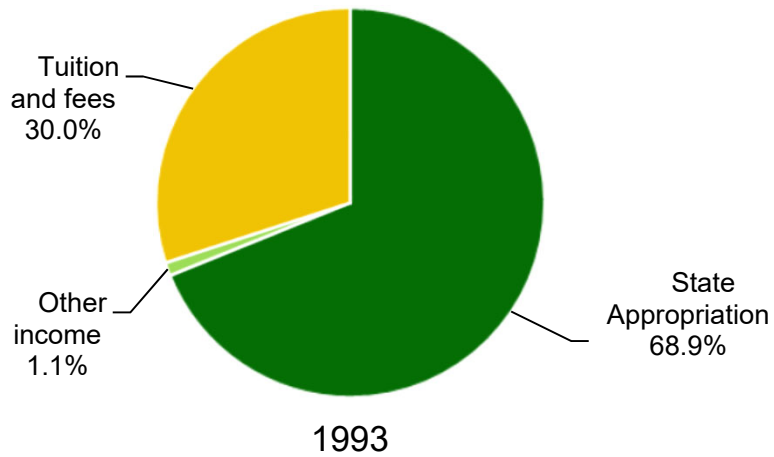
Source: State of Michigan database

# State Appropriations for Higher Education

University	FY2001-2002	FY2011-2012	FY2021-2022	FY2023-2024
CMU	\$ 90,003,800	\$ 68,108,900	\$ 90,440,500	\$ 95,413,800
EMU	87,637,200	64,619,100	78,305,900	83,144,700
FSU	55,520,300	41,324,300	56,541,600	59,646,500
GVSU	60,095,400	52,677,400	74,213,800	97,365,000
LSSU	14,268,700	10,789,500	14,366,600	15,190,300
MSU	325,982,300	241,120,800	292,137,800	318,709,200
MTU	55,241,600	40,733,600	51,371,900	54,525,700
NMU	52,012,900	38,367,400	49,338,700	53,320,000
OU	52,384,700	43,145,000	54,012,900	72,288,800
SVSU	27,393,300	23,561,500	31,043,500	33,894,500
UM-AA	363,562,700	268,803,300	326,265,400	356,568,800
UM-D	27,993,300	21,016,300	26,593,700	31,233,500
UM-F	24,068,100	17,762,400	24,197,400	26,404,700
WSU	253,644,700	182,036,900	205,496,400	224,354,500
WMU	125,677,200	93,168,300	113,432,700	119,983,900
<b>Total University Operations</b>	<b>\$ 1,615,486,200</b>	<b>\$ 1,207,234,700</b>	<b>\$ 1,487,758,800</b>	<b>\$ 1,642,043,900</b>

Source: House Fiscal Agency

# General Fund Revenue History



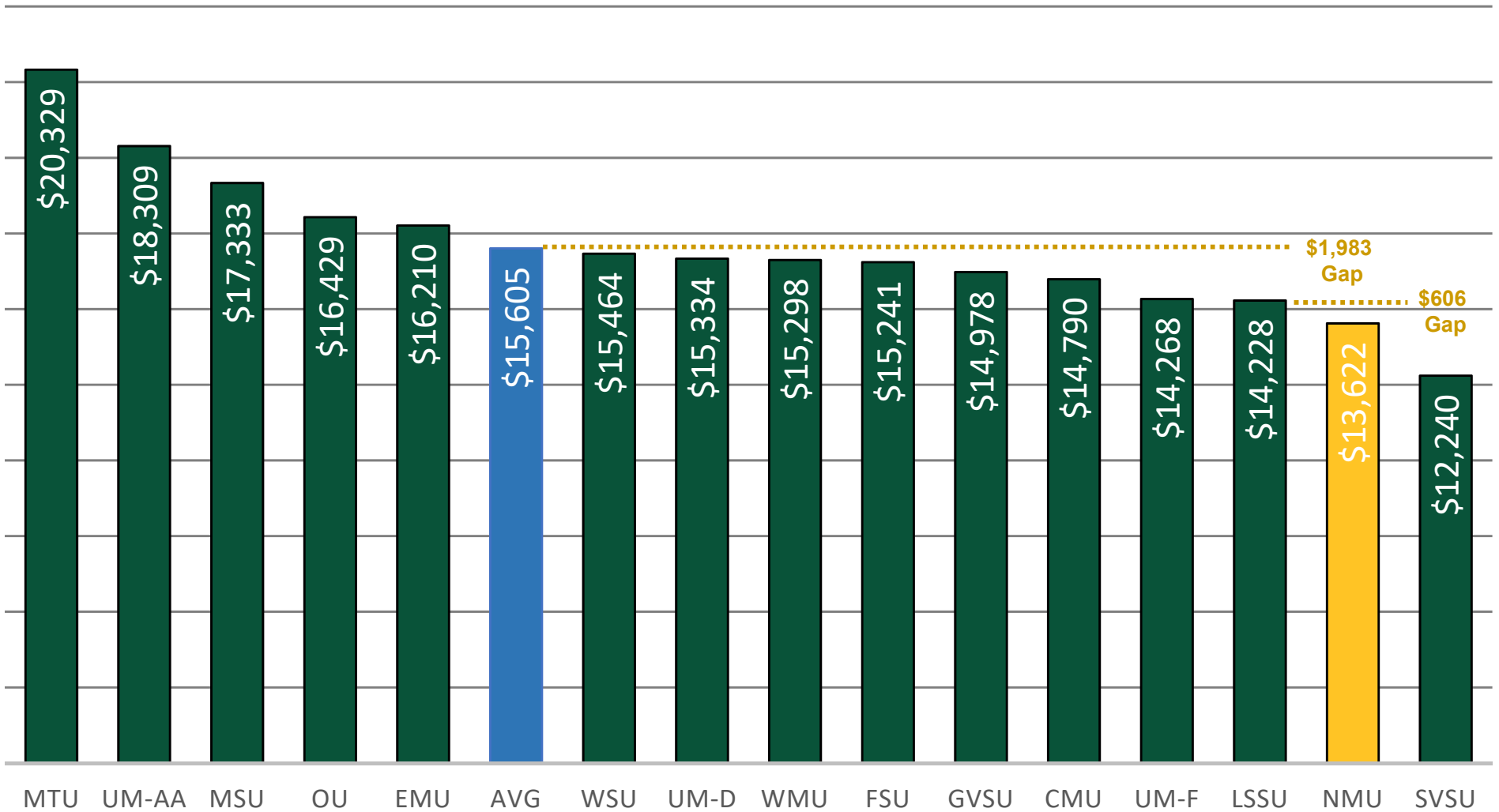
To maintain financial reporting consistency with fiscal years '93, '03, and '13 data, financial aid was not deducted from '23 tuition and fee revenue.

Source: Actual General Fund Revenues - State of Michigan Database



# Tuition and Fee Rates

## Fiscal Year 2023-2024

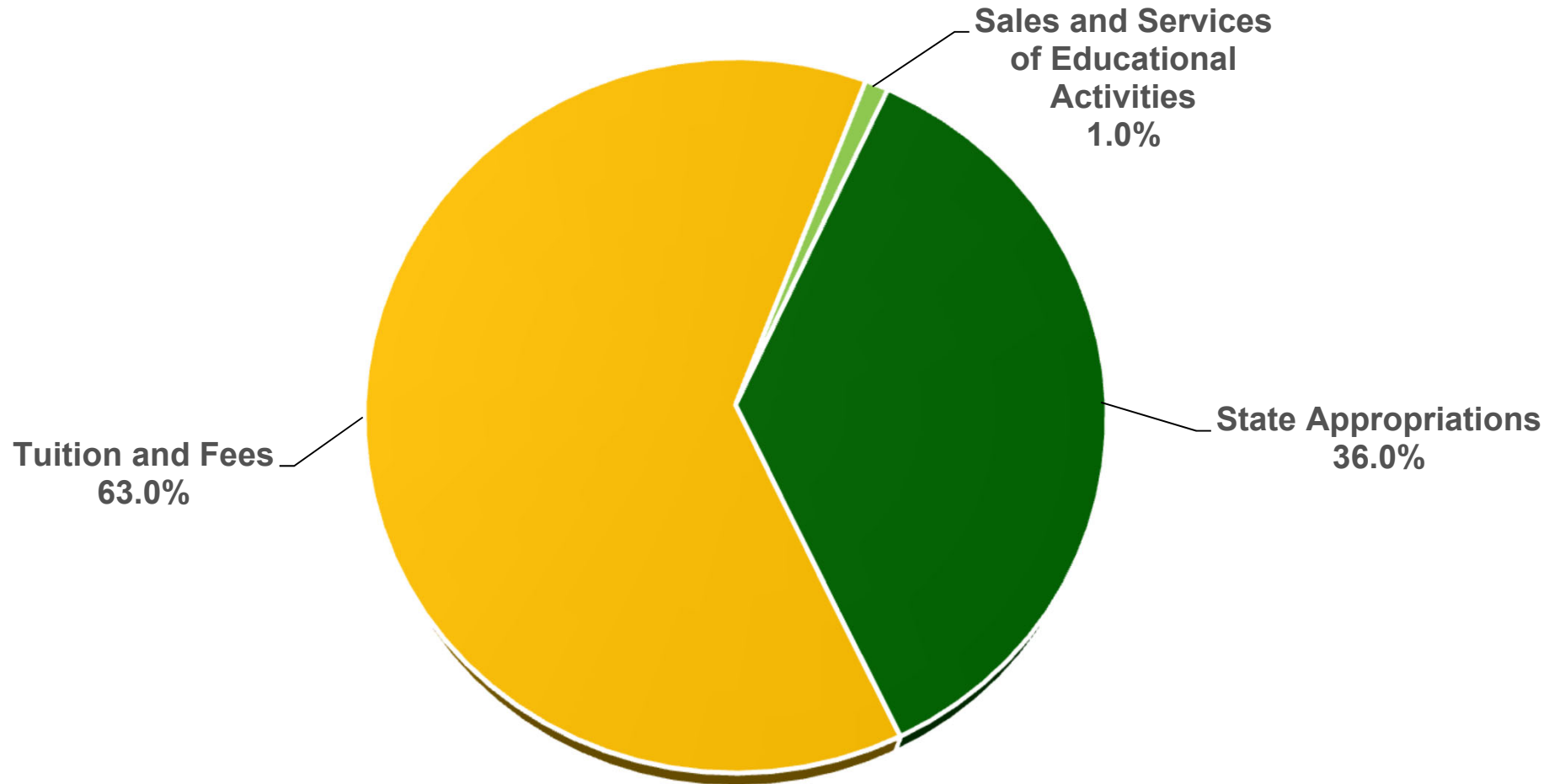


Source: MASU – Avg. Upper/Lower Tuition

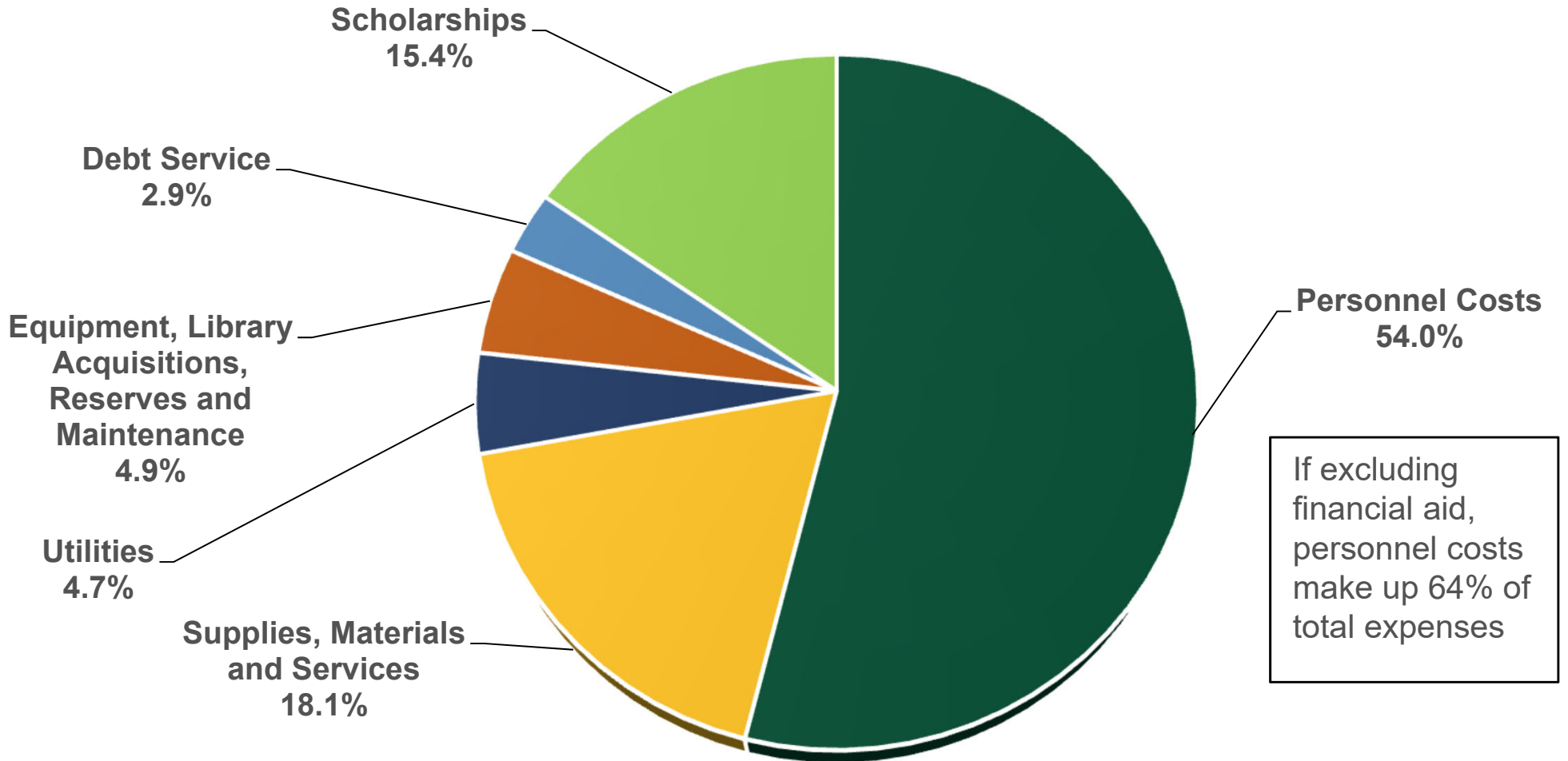
# 2023-2024 General Fund Budget



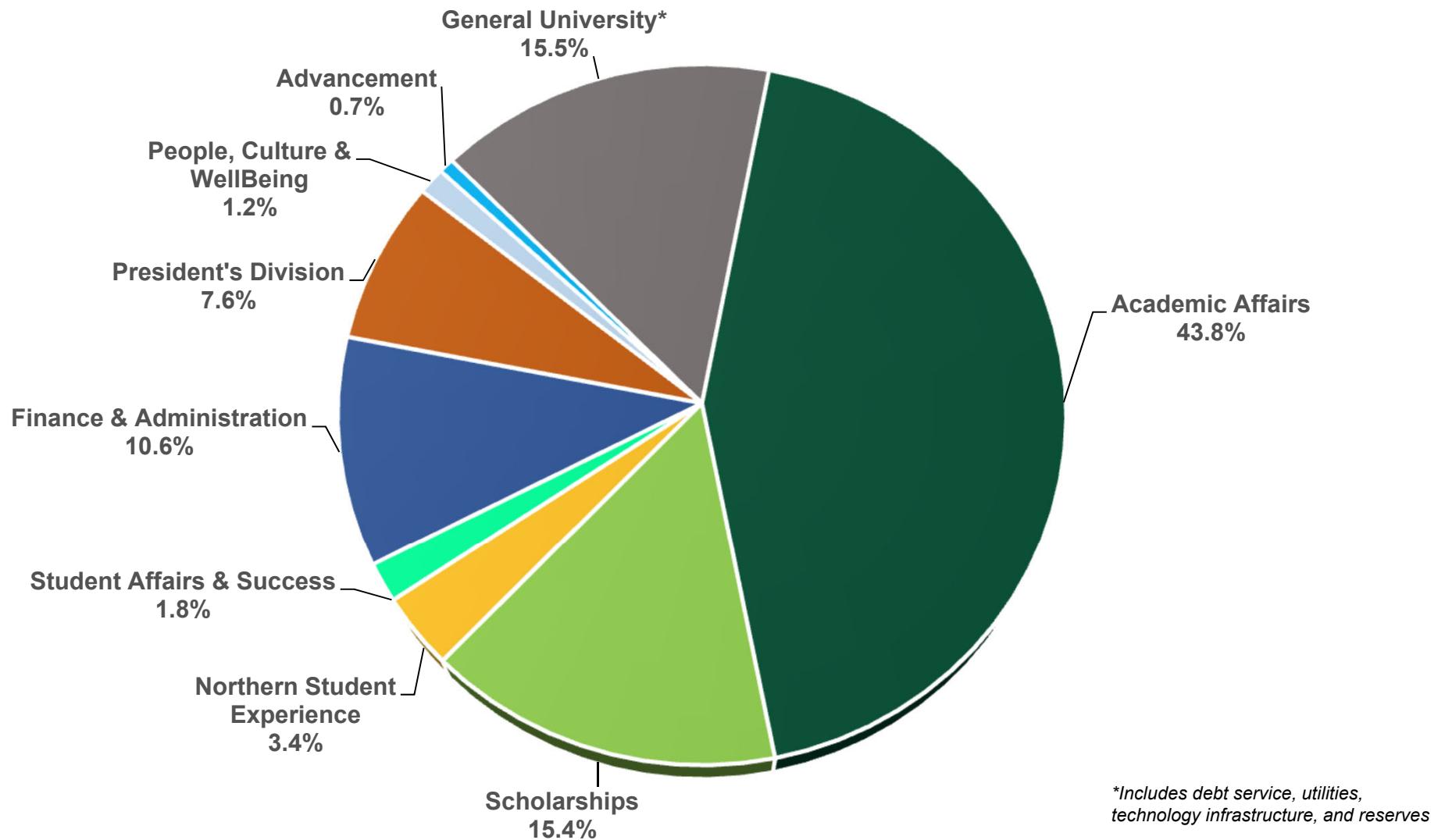
# General Fund Resources Budget FY2023-2024 (\$148 Million) (Excludes Financial Aid Expense Offset)



# General Fund Expense Budget FY2023-2024 (\$148 Million) (Includes Financial Aid Expense)



# General Fund Expense Budget by Division / Pillar FY2023-2024 (\$148 Million) (Includes Financial Aid Expense)



# Budget Timeline



# Budget Timeline – State of Michigan

- **September 2023 – November 2023**

- Capital outlay request
  - Does not happen every year
  - Proposals typically for projects difficult to fund internally
  - Alignment between university priorities and legislative funding opportunities

- **October 2023 – November 2023**

- Annual budget request
  - State requests information from universities related to challenges and opportunities for upcoming year
  - Information provided is used as the governor prepares the Executive Budget

- **February 2024**

- Governor releases the Executive Budget for the upcoming year

- **February 2024 – June 2024**

- House and Senate each release their proposed budget for the upcoming year
- Conference meetings take place
  - The three budget proposals are reviewed and discussed

- **June 2024 – September 2024**

- Final State of Michigan budget completed and approved for the upcoming fiscal year

# Budget Timeline - NMU

- **September 2023 – June 2024**
  - Department heads and directors provide division leaders with proposed budget changes
  - Division leaders prioritize requests received
- **September 2023 – February 2024**
  - New initiatives or investments are proposed through divisions
- **February 2024**
  - After release of the state's Executive Budget, finance and planning begins working on the budget
    - Includes preliminary projections for state funding, enrollment, contractual compensation increases, proposed investments, and proposed reductions (if necessary)
- **February 2024 – September 2024**
  - State House and Senate release proposed budgets
  - Legislative and executive leaders meet to finalize the state budget
    - Normally occurs between June and September
  - Additional work is performed on the budget during this time as information from the state is made available
- **May 2024 – June 2024**
  - Tuition and fees are set for fiscal year 2024-2025
    - Rate is determined based on projected enrollment, state funding, and expenditure projections
    - Complies with state's tuition restraint
    - Discussed with Executive Council, then submitted to the Finance Committee and Board of Trustees for approval



# Budget Timeline - NMU

- **June 2024 – September 2024**

- Budget planning continues to account for changes in appropriation, enrollment and expenditure projections
- Executive Council reviews proposals for additional investments or reductions (if necessary)

- **September 2024/October 2024**

- Budgets are presented to the Finance Committee for approval
- Once approved, budgets are forwarded to the Board of Trustees for formal approval
- Budgets include General Fund, Designated Fund, Auxiliary Fund, and Housing/Residence Life

- **September 2024 – June 2025**

- Divisions and departments can reallocate funds within their respective budgets in order to best meet the needs of their respective areas while remaining aligned with university goals



# NMU Budget – Key Points

- **Decentralized Budget Process**

- Pillars/divisions and departments are authorized to reallocate funds within their respective budgets in order to suit the needs of their areas while remaining aligned with university goals
- Reallocations – base or temporary – can occur at any time during the fiscal year

- **Incremental Budgets**

- Unless reductions are necessary, departmental budgets will start each fiscal year at the same level as the prior year
- Continuation budgets are approved in June for the following fiscal year until final budgets are approved in the fall
  - Adjustments are made for contractual increases while continuation budgets are in effect
- Any investments or inflationary increases are applied to departmental budgets after approval in the fall