

Long-Term Budget Development Principles

- Preserve and build upon MSU's status as a great value for Michigan
- Top 100 universities in the world
- Accessible across socio-economic backgrounds to qualified Michigan students
- Engaged in building the Michigan economy and ensuring American competitiveness for the 21st century

Long-Term Budget Development Principles

- Budget should result in a financial plan with revenues and expenditures balanced on an annual basis
- Budget should include funding for critical components of the long-term financial framework
- Budget should build internationally acclaimed, high quality academic programs for Michigan first

Revenue

- Appropriation should be budgeted based upon best available information
- Investment income and indirect cost recovery income based upon projections
- Tuition and fee rates consistent with university's land-grant mission; considered in context of total cost; and linked to financial aid increments to assure access and an inclusive student body

Revenue- Cont'd

- Special fees considered in context of programmatic needs and application at peer institutions
- Encourage initiatives that generate revenue which can assist in supporting on-going operations

Expenditures

Financial Aid

- Adjusted to ensure access and an inclusive student body
- Increase in undergraduate tuition rates accompanied by an equal or greater rate increase in financial aid
- Financial aid also evaluated annually in recognition of support offered by other universities

Expenditures – Cont'd

Compensation

- Faculty and academic staff salaries – compensation should target the middle of the Big Ten
- Faculty salaries in selected areas affected by market pressures should be addressed by market-related funding
- Graduate assistant stipend and benefits adjustments recognize collective bargaining for teaching assistants; others should be competitive with peers

Expenditures – Cont'd

Compensation

- Support staff salary and benefit adjustments recognize collective bargaining agreements and are guided by the local-regional market
- Continue efforts to maintain health care quality while constraining costs

Expenditures – Cont'd

Operating Support

- Adjust budgets including supplies & services and equipment components to maintain purchasing power in face of inflation and to reflect contractual obligations

Reallocations

- Continue to reduce base budgets by one percent annual to provide a funding pool which may be reallocated differentially to address highest priority needs