

MICHIGAN STATE **UNIVERSITY**

June 21, 2019

MEMORANDUM

To: Committee on Budget and Finance

From: Satish Udpa,
Executive Vice President for Administration and Interim President

June Pierce Youatt,
Executive Vice President for Academic Affairs and Provost

Subject: 2019-20 Budgets for MSU AgBioResearch, MSU Extension, and Intercollegiate Athletics

RECOMMENDATION:

The Trustee Committee on Budget and Finance recommends that the Board of Trustees approve 2019-20 budget totals for MSU AgBioResearch, Michigan State University Extension, and Intercollegiate Athletics.

RESOLUTION:

BE IT RESOLVED, that the Administration is directed to implement the 2019-20 MSU AgBioResearch, Michigan State University Extension, and Intercollegiate Athletics budgets in accordance with the totals established in Attachment A and the overall 2019-20 Budget Development Guidelines approved by the Board of Trustees in June 2018.

BACKGROUND:

Attachment A summarizes 2019-20 revenues and expenditures budgets. University budgets will be monitored over the course of the year with notable changes reported quarterly to the Board of Trustees. Completed fiscal year figures will be included in the year-end financial statements. Attachment B reflects an initial view of FY20 general fund budget monitoring noting current issues relative to approved budget parameters.

FY20 operating budgets provide the ongoing resources necessary to sustain critical university operations for AgBioResearch, MSU Extension, and MSU Athletics.



OFFICE OF THE
EXECUTIVE
VICE PRESIDENT FOR
ACADEMIC AFFAIRS
AND PROVOST

OFFICE OF THE
EXECUTIVE
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MSU AgBioResearch and MSU Extension are committed to working with Michigan residents to meet the needs of agriculture and natural resources stakeholders through a variety of means, including a programmatic presence in communities across the state. MSU AgBioResearch and MSU Extension contribute to Michigan's economy with significant research, educational programs and outreach aimed to boost economic development, community vitality, entrepreneurship, and career preparation.

The MSU Department of Athletics supports approximately eight hundred student-athletes across twenty-five sports. Student athletes make a significant contribution to the campus community through their athletic participation and with a ninety-one percent Graduation Success Rate.

The 2019-20 budgets for MSU AgBioResearch, MSU Extension, and Intercollegiate Athletics will be developed and implemented, in accordance with the FY20 Budget Guidelines.

Attachments

cc: Board of Trustees, N. Barr, M. Zeig, K. Wilbur, B. Quinn, M. Haas,
D. Byelich, B. Johnston

**MICHIGAN STATE UNIVERSITY
2019-20 BUDGETS
Overview**

Attachment A

ESTIMATED REVENUES	State Appropriation	Federal Funds	Tuition & Fee Funds*	Other	Restricted	2019-20 Total
MSU AgBioResearch	35,283,189	6,906,564			2,961,571	\$45,151,324
MSU Extension	30,434,405	11,190,427		8,700,000	2,999,934	\$53,324,766
Intercollegiate Athletics				139,780,662		\$139,780,662
Total Estimated Revenues	\$65,717,594	\$18,096,991	\$0	\$148,480,662	\$5,961,505	\$238,256,752

*Includes new revenue-based initiatives increment of \$1.1 million

ESTIMATED EXPENDITURES	State Appropriation	Federal Funds	University Funds	Other	Restricted	2019-20 Total
Michigan Agricultural Experiment Station						\$45,151,324
MSU Extension						\$53,324,766
Intercollegiate Athletics						\$139,780,662
Total Estimated Expenditures						\$238,256,752

FY19 budget totals: MSU AgBioResearch - \$46,239,945, MSU Extension - \$52,909,776, and Intercollegiate Athletics - \$133,062,770

FY20 General Fund Budget Overview

Budget Item	2019-20 BOT APPROVED	NOTES AND UPDATE
State Appropriations	2.0%	2% Monitoring – range 0.7%-3%
Tuition and Fees	No tuition rate increase for all undergraduate students A new undergraduate rate structure that includes per- credit rates for students taking 11 credits or less, block rates for students taking 12-18 credits, and a hybrid block/per-credit structure for students taking 19+ credits 4.0% for most graduate students 2.0% for resident medical students, 0.0% for non-resident medical students	No Change
Total Tuition & Fee Revenue	\$1,051.5	No Change
Total Revenue Budget	\$1,449.2	No Change
Financial Aid	7.1%	No Change
Graduate Assistants	2.0%	No Change
Faculty Salaries	2.5%+0.5%*	No Change
Utilities	0.0%	No Change
Health Care	5.0%**	No Change
Financial Framework		
Competitiveness (course demand)	\$3.2	No Change
Technology	\$6.5	No Change
Performance Efficiency Reallocation	-1.0%	No Change
Base Budget Reduction	<u>0.0%</u>	No Change
Total Expenditure Budget	\$1,449.2	No Change

2019-20 budget approved by the BOT in June 2018

*For 2019-20, includes 2.50% general merit, 0.5% provost market pool

**Health care budget augmented by amounts previously committed to collective bargaining groups due to claims experience

University risk and insurance estimates exceed budgeted values by approximately \$1.5M

FY20 budget total of \$1,449.2M represents a 4.1% rate of change over FY19