



LAKE SUPERIOR

STATE UNIVERSITY



March 2017

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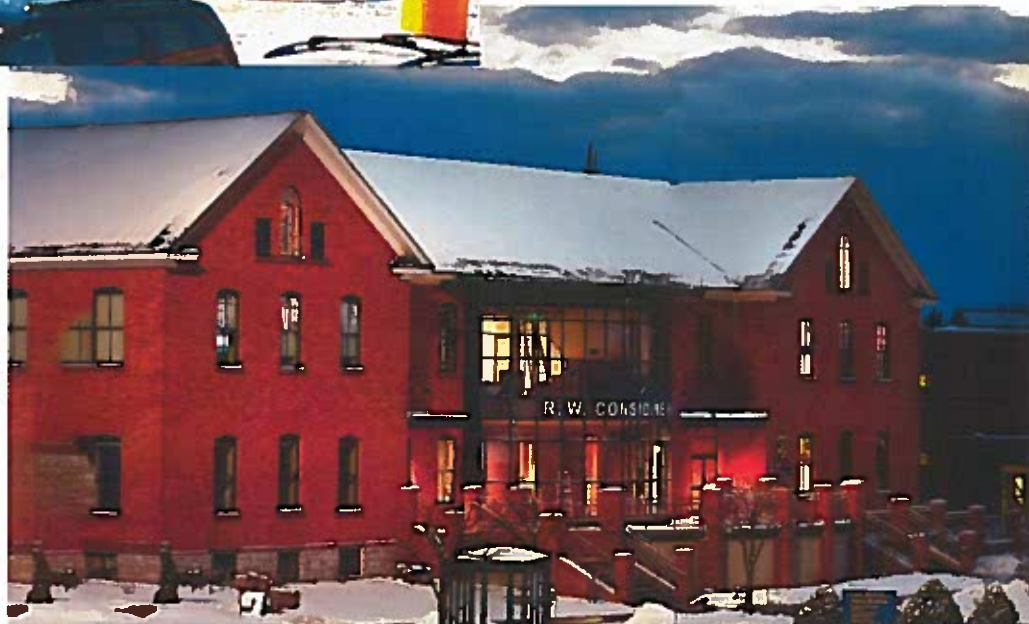


R.W. Considine Hall – Formerly Known as South Hall



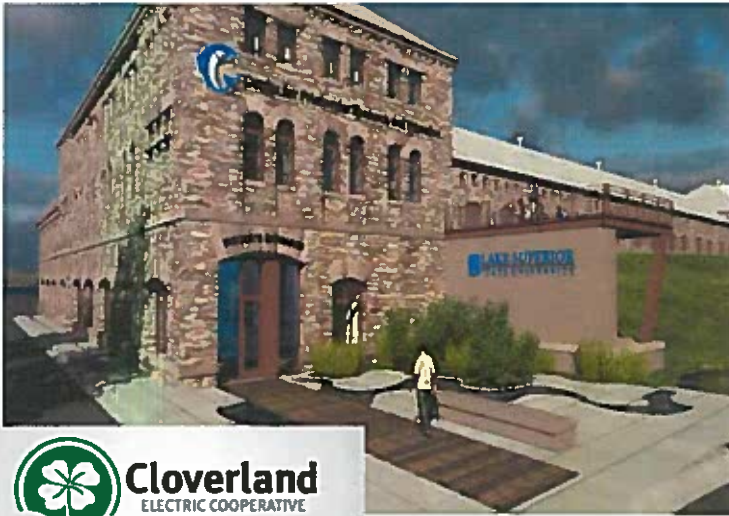
South Hall – constructed more than 100 years ago as an army barracks – has completed its transformation into R.W. Considine Hall, the home of the Lukenda School of Business. This newly redesigned facility brings 10 new classrooms to campus while preserving the historical feel of a building that once served Fort Brady. In addition to these classrooms, Considine Hall features three project rooms, board room, student commons and café, multiple student study spaces, faculty offices, and an investment laboratory.

The facility will also feature a new Securities Trading Laboratory, and the Center for Entrepreneurship and Innovation that will not only give students a unique hands-on experience, but will also serve as a resource for the surrounding business and entrepreneurial community. This new structure will also house future graduate and undergraduate degree programs developed to meet local demand in our U.S. and Canadian markets.





Aquatic Research Lab – Center for Freshwater Research and Education (CFRE)



For over 30 years, the LSSU Aquatic Research Lab has been the model for public-private partnership in the upper Great Lakes. Housed in the historic Cloverland Electric Cooperative hydro-electric power plant, LSSU leads in freshwater research, education, and outreach, which provide important economic, educational, and scientific benefits to the region. To ensure continued success and expand our ability to distinguish LSSU, we plan to redesign, relocate, and expand our facilities to become the Center for Freshwater Research and Education (CFRE).



The relocation will offer major improvements from our current facility, will establish a year-round center that would enhance community connections and tourism opportunities, and will improve the quality of life in the region.

Enhancements include:

- Visitor center with interactive displays highlighting regional ecosystems and CFRE activities
- An outdoor educational park to provide hands-on learning opportunities for school groups and the community, while enhancing the aesthetics of the area
- Modern research space to expand and separate specialized laboratory facilities
- Expanded fish disease lab that will be the only testing facility in the UP. This will ensure valuable sport and food fishes are healthy, protecting Michigan's economy
- Classroom space for University courses, summer programs, K-12 school groups, public meetings, and outreach programs
- Office space to attract and house visiting scientists and partnering organizations
- Renovation to meet LEED certification, making CFRE the University's first sustainable building to serve as an example for northern Michigan.





One Rate at Lake State

Citing declining high school graduating classes in our traditional markets, LSSU became the first University in the country to completely eliminate out-of-state tuition. Effective in fall 2015, every student in North America is charged the same tuition rate regardless of their home State. The "One Rate at Lake State" program has enabled LSSU to now be competitive in out-of-state markets and attract students from neighboring countries.

We have backed this decision up with an aggressive marketing campaign throughout southern Michigan and north east Wisconsin. Tapping into regional marketing through the Pure Michigan campaign, LSSU has built cooperative partnerships with our Convention and Visitor's Bureau, regional community colleges, and our local Chamber of Commerce to purchase ads that highlight our academic offerings as well as our regional assets. This has produced a dramatic increase in web traffic from our out of state markets and we anticipate capitalizing on this traffic to strengthen our enrollment for years to come.

Further, we have signed a reciprocity agreement with the University of Wisconsin Colleges (the 13 two-year liberal arts transfer campuses of the UW system) to accept UWC degrees to satisfy our general education requirements. Coupled with our "One Rate Lake State" program, LSSU will now have competitive access to nearly 14,000 Wisconsin students.

Pay in-state tuition at Lake State!

Coming Fall 2015
Resident tuition for all
North American students

WISCONSIN
Chicago to LSSU from
Milwaukee 410 miles
Madison 410 miles
Green Bay 180 miles
Marathon 110 miles

MICHIGAN

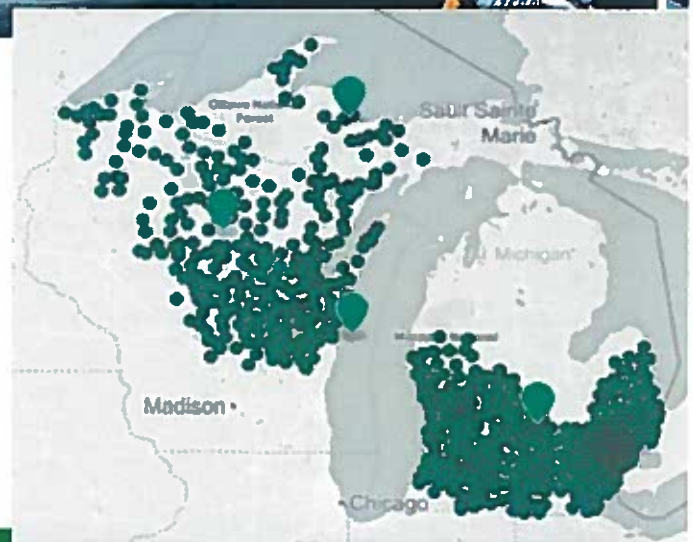
ILLINOIS
Chicago to LSSU from
Chicago 450 miles
Peoria 360 miles
Springfield 640 miles

Redefining
the classroom

Come for a visit. Stay for an education.

LAKE SUPERIOR STATE UNIVERSITY
www.lssu.edu

Sault Ste Marie
PURE MICHIGAN



*Start at Bay
Continue at LSSU
Benefits for Life*

BAY COLLEGE

LAKE SUPERIOR STATE UNIVERSITY



LSSU Inks Tenth Reverse Transfer Agreement

In November of this year, Delta College became the tenth institution to sign a reverse articulation agreement with Lake Superior State University. Others include Alpena Community College, Bay College (Escanaba), Bay Mills Community College (Brimley), Gogebic Community College (Ironwood), Kalamazoo Valley Community College (Kalamazoo), Kirtland Community College (Roscommon), North Central Michigan College (Petoskey), Northwestern Michigan College (Traverse City), and West Shore Community College (Scottville).

With these agreements, LSSU has worked to proactively contact eligible community college transfer students for permission to audit their transcripts to determine eligibility for an associate's degree. If the additional credits they have earned at LSSU are enough to meet a community college's degree criteria, the student's "home" community college is informed and the process of awarding a degree is initiated.



LSSU Provost Dr. David Finley signing the reverse transfer agreement with Delta College President Jean Goodnow

Tuition Incentive Program (TIP)

Given our mission as an access institution, LSSU serves a great many first generation college students from working class families. The Michigan Tuition Incentive Program (TIP), which provides additional financial aid resources for students pursuing an associate degree, is critical to helping provide access to our institution. Along with this, LSSU has been making great strides to develop programs that will create the opportunity for students to obtain an associate degree on their way to earning a bachelor's degree. We remain strongly supportive of this program, and will advocate for its future continuation.



Overview of enrollment and tuition

LSSU currently has an enrollment of 1976 Full Year Equated Students for the 2016-2017 academic year. This accounts for approximately \$22 million in tuition revenue for FY16-17 which makes up approximately 60% of LSSU's total general fund budget. State appropriations for FY16-17 are projected to total \$13,400,000 which accounts for 37% of LSSU's total budget. An additional \$1.2 million in department activity and other miscellaneous revenue account for the remaining 3%.

FY 16-17 Revenue Projections	
Fall	\$ 11,225,000
Spring	\$ 9,800,000
Summer	\$ 940,000
State	\$ 13,400,000
Other	\$ 1,235,000
Total	\$ 36,600,000

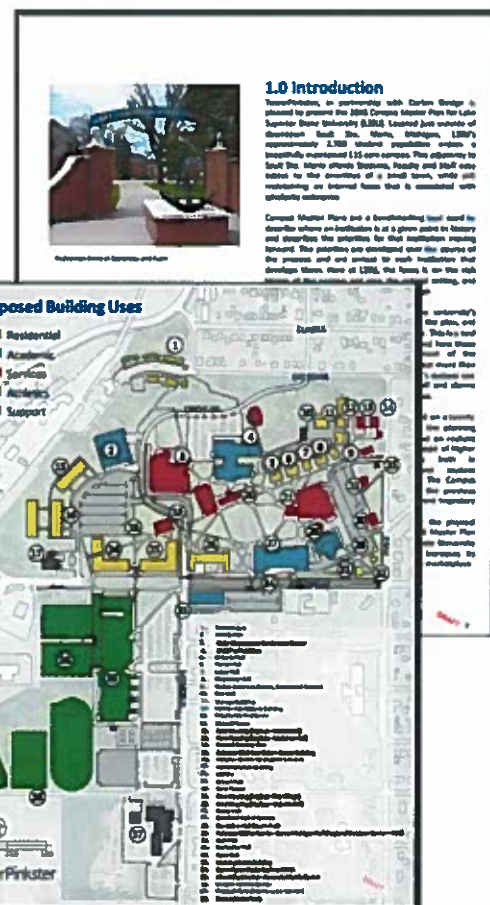
(* estimated)

Academic Reorganization

The academic re-organization at LSSU continues. A new, comprehensive College of Arts and Sciences was developed in 2016. This college combines two former colleges in an effort to bolster synergy and interdepartmental initiatives within the college. Constituting fully one-half of the University, it also provides greater efficiency of operation. LSSU's professional programs (engineering, nursing, business, teacher education, etc.) will be evaluated next to determine an optimal structure to compliment the institution's liberal arts core.

Master Plan

This past year LSSU went through its first comprehensive master planning process. The plan outlines a road map for facility upgrades and improvements for the next twenty years. Using this document, LSSU will be able to approach the City of Sault Ste Marie, public and private donors, and private developers to help implement well measured growth in 4 distinct phases. This process was done in collaboration with the City of Sault Ste Marie's scheduled update of their master plan.





Infrastructure – Asset Preservation.

Like each of the other 14 public Universities, and many municipalities in our State, LSSU is working to address a number of asset preservation projects that accumulated over the past 20 years, due in a large part to a decline of State support. The State of Michigan has not provided for infrastructure, technology, equipment, and maintenance grants since the year 2000 which has resulted in a number of routine maintenance issues being deferred. Through the master planning process, and our Six Year Capital Improvement Plan, LSSU has identified a number of critical infrastructure projects totaling \$2.5 million over the course of six years.

The most acute and critical of those problems, is a full replacement and upgrade of our campus electrical grid. As a result of deferred maintenance the grid which powers our campus is quickly approaching the end of its useful life. This became clear when our system experienced a temporary partial failure in early fall, and a temporary full failure this winter. The combined outages resulted in approximately \$200,000 worth of damage, a loss of 3 academic days, and an estimated \$120,000 in lost revenue for the University. A full replacement is being planned for early summer and is estimated to total approximately \$300,000.

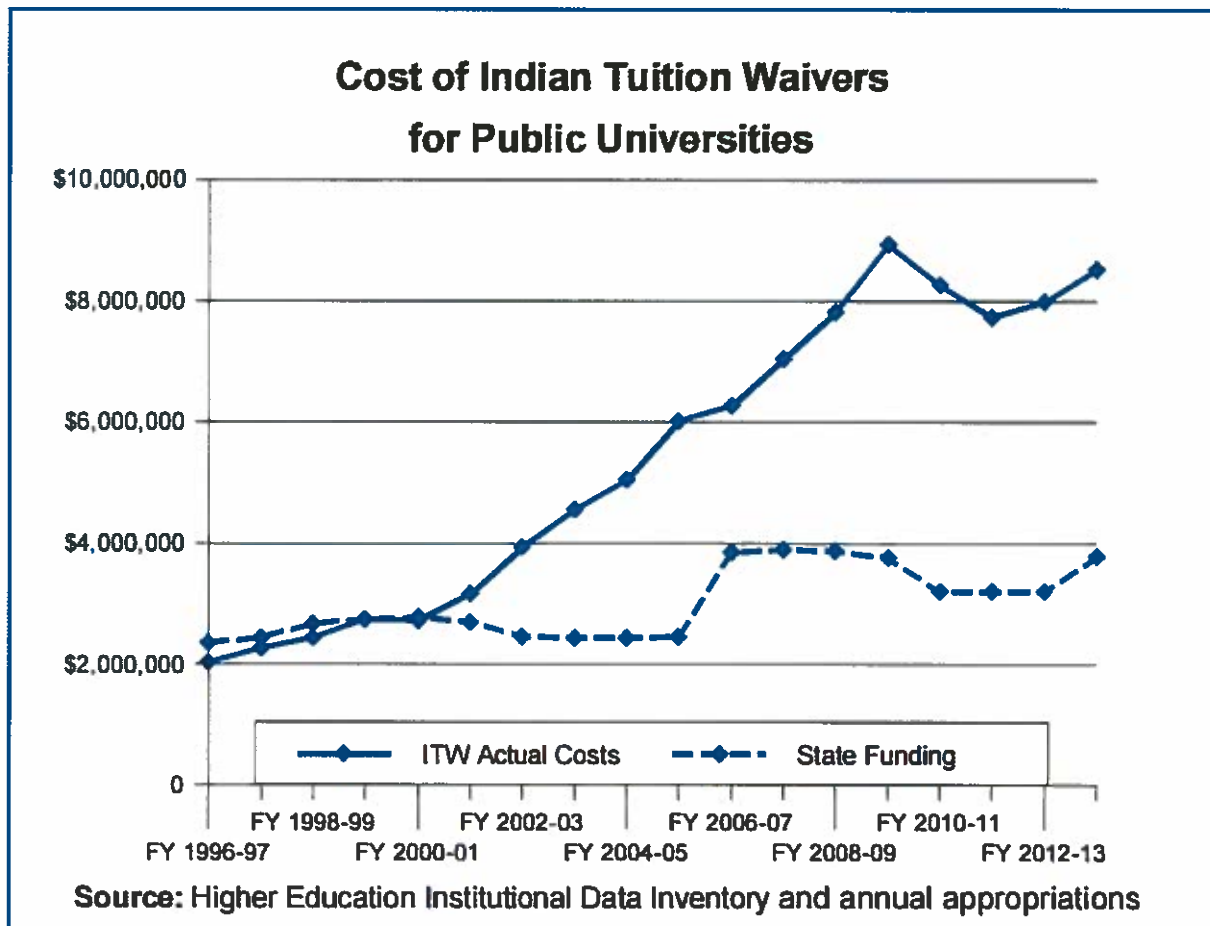


It is our belief that from a statewide and institutional planning perspective, the State capital outlay process should be conducted annually, be predictable and consistent, and should include significant public investment in campus facilities on a regular basis, so as to preserve Michigan's public University facility assets.

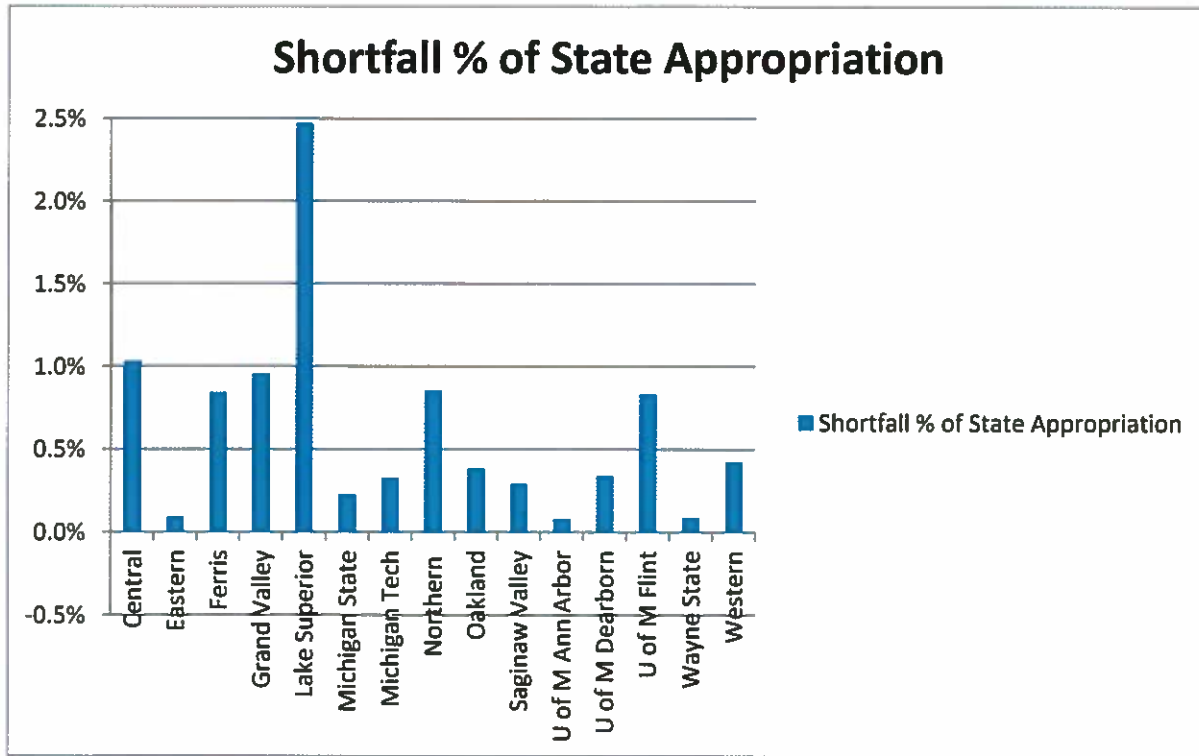


Michigan Indian Tuition Waiver

Public Act 174 of 1976 provides for free tuition for North American Indians who are residents of Michigan and attend Michigan public community colleges, public universities, and certain Federal tribally controlled community colleges. In the fiscal year (FY) 2014-15 higher education budget, an additional \$500,000 was appropriated to partially offset the difference between State appropriations and actual costs of the tuition waiver. This was the first appropriation of additional funds for the tuition waiver since FY 2007-08. As the chart below illustrates, State funding for the program has not kept pace with the costs incurred by each University.



Lake Superior State University has a higher per capita enrollment of Native American students than any other Michigan University. The shortfall in funding equates to approximately 2.5% of our total State appropriation, which in turn creates a shortfall of 118% per Full Year Equated Student. This creates a substantial financial burden for not only the institution, but for the students who must make up the difference with increased tuition.



It is our belief that a metric should be put into place to reimburse universities for MITW costs as a percentage of total University budget rather than a flat level for each institution. By doing so the State will be providing true equity to its universities for administering the promises made to Native American Tribes.



C. Impact of Michigan Tuition Waiver to Lake Superior State University

Lake Superior State University Impact of MITW Analysis

	FY 2011-12 FYES	FY 2011-12 Appropriation	FY 2012-13 Actual Cost	State MITW Funding Base	FY 2011-12 Shortfall	Percentage of Approps. of Approps.	Shortfall per FYES (rounded)	2014-15 Distribution	Allocated Percent of shortfall
Central	22,510	68,108,900	1,074,198	250,122	824,076	1.23%	37.00	86,200	10.46%
Eastern	18,434	64,619,100	270,064	141,754	128,310	0.20%	7.00	13,400	10.44%
Ferris State	12,217	41,324,300	666,908	173,697	493,211	1.15%	40.00	51,500	10.44%
Grand Valley	22,347	52,677,400	922,249	239,314	682,935	1.30%	31.00	71,300	10.44%
Lake Superior	2,418	10,789,500	674,201	389,621	284,570	2.64%	118.00	29,700	10.44%
Michigan State	44,738	241,120,800	979,750	431,727	548,023	0.23%	12.00	57,300	10.46%
Michigan Tech	6,378	40,733,600	271,276	92,816	178,460	0.44%	28.00	18,600	10.42%
Northern	8,568	38,367,400	730,616	336,867	393,749	1.03%	46.00	41,100	10.44%
Oakland	16,319	43,145,000	209,926	85,569	124,357	0.29%	8.00	13,000	10.45%
Saginaw Valley	9,190	23,561,500	113,278	55,994	57,284	0.24%	6.00	6,000	10.47%
UM - Ann Arbor	42,918	268,803,300	746,449	489,969	256,480	0.10%	6.00	26,800	10.45%
UM - Dearborn	6,669	21,016,300	151,802	68,738	83,064	0.40%	12.00	8,700	10.47%
UM - Flint	6,733	17,762,400	224,012	64,688	159,324	0.90%	24.00	16,600	10.42%
Wayne State	23,873	182,086,900	458,854	225,304	233,550	0.13%	10.00	24,400	10.45%
Western	21,603	93,168,300	484,231	145,669	338,562	0.36%	16.00	35,400	10.46%
	264,915	1,207,234,700	7,977,814	3,191,859	4,785,955		401.00	500,000	156.71%

LSSU is impacted to a much greater extent than other State universities:

The FY12 shortfall was 2.64% of our FY12 State appropriations - more than twice the impact of any other university.

The FY12 shortfall divided by the FY12 FYES was about \$118.

- adjusted for the 106 MITW eligible students, some of which were part-time, for an estimated 73 FYES from the total FYES, this calculates to \$121.00 that is born by non-MITW eligible students either in the form of increased tuition or reduced services.

The LSSU Michigan American Tuition Waiver cost is expected to exceed \$1 million in FY15 - resulting in over \$500,000 shortfall.

The FY15 estimated shortfall is more than the State funded for all universities in FY15, of which LSSU received \$29,700.