

LAKE SUPERIOR
STATE UNIVERSITY



Overview of Operations

March 2016

Office of the President

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www.LSSU.edu



Talent Attraction – Out of State Marketing One Rate at Lake State

LSSU became the first university in the country to completely eliminate out-of-state tuition. Effective in fall 2015, every student in North America will be charged the same tuition rate regardless of where they come from. The “One Rate at Lake State” program has enabled LSSU to now be competitive in out-of-state markets and attract students and talent from neighboring states.

We have backed this decision up with an aggressive marketing campaign throughout southern Michigan and northeast Wisconsin. Tapping in to the marketing of our region through the Pure Michigan campaign, LSSU has built cooperative partnerships with our Convention and Visitors 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) and Bay College of Escanaba that will now accept all UWC and Bay College Associate of Arts and Science 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 as well as 2400 students at Bay College.

Pay in-state tuition at Lake State!

Coming Fall 2015
Resident tuition for all
North American students

WISCONSIN
Distance to LSSU from:
Milwaukee 210 miles
Madison 110 miles
Green Bay 180 miles
Eau Claire 120 miles

MICHIGAN

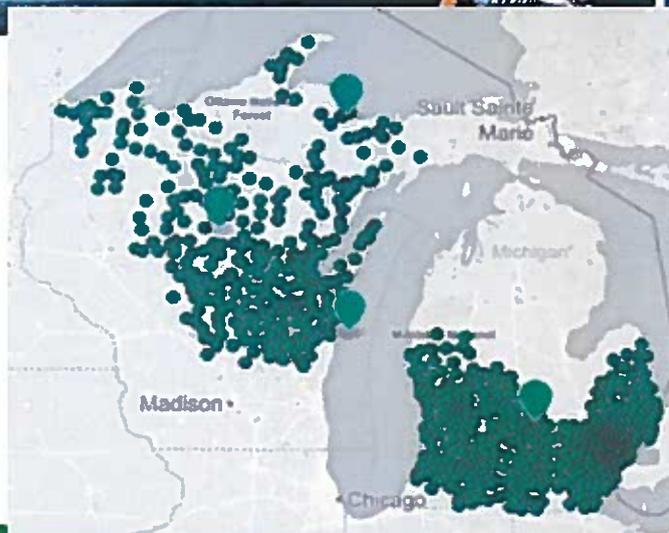
ILLINOIS
Distance to LSSU from:
Chicago 450 miles
Peoria 300 miles
Springfield 600 miles

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

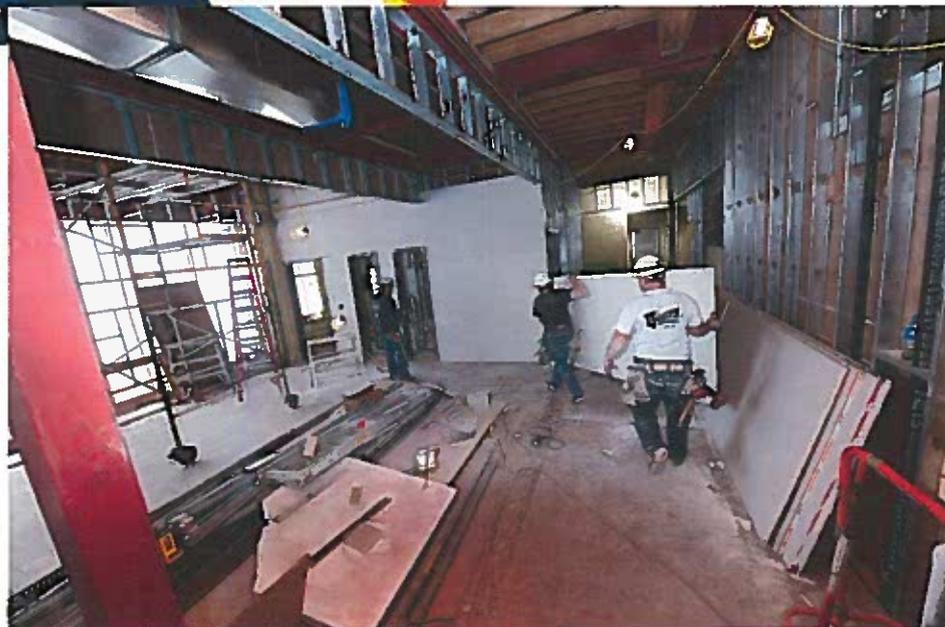


Establishing degree programs to respond to market demand **R.W. Considine Hall – Formerly known as South Hall**



South Hall – constructed more than 100 years ago as an army barracks – is midway through its \$13.5 million transformation to become R.W. Considine Hall. This newly redesigned facility will house LSSU’s Lukenda School of Business, bringing 10 new classrooms to campus this fall. While preparing students for the future, it will preserve the historical feel of a former Fort Brady facility. In addition to new classrooms, Considine Hall will feature three project rooms, a board room, student commons and café, multiple student study spaces, faculty offices, and an investment laboratory.

The new Securities Trading Lab and the Center for Entrepreneurship and Innovation will provide students with unique hands-on experiences. They will also serve as a resource for surrounding businesses and the entrepreneurial community. This structure will also house a new executive MBA program, developed to meet local demand in our U.S. and Canadian markets.





Fostering collaboration to strengthen regional assets

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 undergraduate 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 as a premier university for freshwater research, we have made plans 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, would establish a year-round center that would enhance University and State agency collaborations, community connections and tourism opportunities, and would 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 that will 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 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
- House Michigan State University Extension Sea Grant Education

Overview of enrollment and tuition

LSSU currently has an enrollment of 2142 FYES for the 2015-2016 academic year. This accounts for approximately \$22 million in tuition revenue for FY15-16 which makes up approximately 60% of LSSU's total **general fund budget**. State appropriations for FY15-16 are projected to total \$13,023,600, which accounts for 35% of LSSU's total budget. An additional \$1.3 million in department activity and other miscellaneous revenue account for the remaining 5%.

Overview of LSSU Revenue			
	Revenue FY 15/16	Revenue FV14/15	% Change
Tuition Summer	\$1,300,000.00*	\$1,359,444.70	-4%
Tuition Fall	\$10,833,623.10	\$11,506,210.50	-6%
Tuition Spring	\$9,860,651.00	\$10,656,072.90	-7%
State Appropriation	\$13,023,600.00	12,747,917.00	2%
Misc	\$1,250,000.00*	\$1,327,742.26	-6%
Total University Budget	\$38,560,338.00	\$38,333,345.00	

(* estimated)

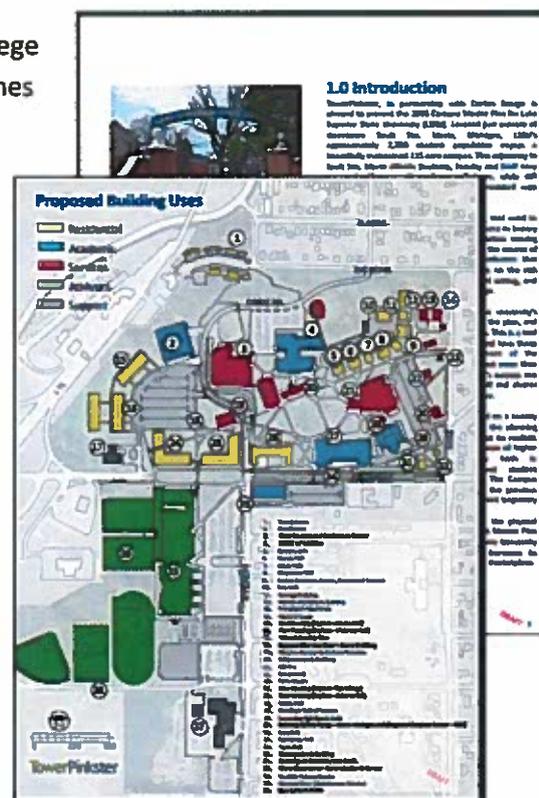
Academic Reorganization

Academic re-organization at LSSU continues: A comprehensive College of Arts and Sciences is planned for Fall 2016. This new 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 will also provide 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 year LSSU completed its first comprehensive master planning process. The plan is set to be done this spring and will give our campus 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, the State of Michigan, as well as developers to help implement improvements in four distinct phases. This process was done in

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collaboration with the City of Sault Ste Marie's scheduled update of their master plan.

MPSERS

With the recommended cap of 25.73%, LSSU is projected to save 2.52% of our estimated combined covered payroll for FY16 (\$5.4 million). This translates into a savings of approximately \$135,000 for the first year. We are happy to see this legislation, as it will keep our MPSERS liability under control. This will certainly help in budgeting, and it will guarantee our responsibility to MPSERS will end by 2036.

Michigan Indian Tuition Waiver

Lake Superior State University has a higher per capita enrollment of Native American students than any other Michigan university. All Native American students receive 100% of their tuition paid by LSSU, which creates a substantial financial burden for not only the institution, but for the students who must make up the difference with increased tuition. Below is an overview of the impact the MITW has had on our budget over the past 4 years:

	2012	2013	2014	2015
Total State Appropriations	\$10,789,500.00	\$12,046,100.00	\$12,231,000.00	\$12,847,917.00
MITW Granted	\$705,156.00	\$754,767.00	\$741,235.00	\$969,123.00
State Appropriations for MITW (rolled in to base funding)	\$457,646.00	\$457,646.00	\$457,646.00	\$457,646.00
LSSU Funded Difference	\$247,510.00	\$297,121.00	\$283,589.00	\$511,477.00
Unfunded Liability as a percentage of total appropriation	2.29%	2.47%	2.32%	3.98%

Further, LSSU experiences a much greater impact compared to other state universities. As shown in the following table, the budget shortfall per full year equated student in 2012 was 118%, a drastically higher percentage than at Northern Michigan University which was the closest at 46%, and the state average, which is 18%. This equates to a real dollar cost of \$121 that was borne by each student who does not receive the MITW.

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.	Shortfall per FYES (rounded)	2014-15 Distribution	Allocated Percent of shortfall
Central	22,510	68,108,900	1,074,198	250,122	824,076	1.21%	\$ 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	1.19%	\$ 40.00	51,500	10.44%
Gran 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	389,631	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	182,036,900	458,854	225,304	233,550	0.13%	\$ 10.00	24,400	10.45%
Western	21,608	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.