

FISCAL FOCUS

State Appropriations, Tuition, and Public University Operating Costs

**Prepared by
Kyle I. Jen, Deputy Director**

December 2013



Mary Ann Cleary, Director

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TO: Members of the House of Representatives

Over 250,000 Michigan students attend one of the state's 15 public universities each year. The Michigan Legislature does not directly set the tuition rates those students pay, but the level of funding appropriated to the universities does play a major role in the university tuition setting process.

This report examines the combined effect of state funding reductions and tuition increases on overall university operating resources over the last decade and a half and discusses major factors related to university operating costs. This information is intended to provide context for future legislative decision making regarding state funding levels for universities and associated tuition restraint policy.

Kyle I. Jen, Deputy Director, is the author of this report. Kathryn Bateson, Administrative Assistant, prepared the material for publication.

Please do not hesitate to call if you have questions about the information in this report.

A handwritten signature in black ink that reads "Mary Ann Cleary". The signature is written in a cursive, flowing style.

Mary Ann Cleary, Director

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EXECUTIVE SUMMARY

From FY 2000-01 to FY 2013-14, state appropriations to public universities for operating costs have been reduced by about 30% on a per-student basis, while the average tuition and fee rate charged to an in-state undergraduate student has increased by about 150%. Combining the two revenue sources, total operating resources per student at Michigan public universities have increased by about 57% over the 13-year period. On an annualized basis, this growth has run about a percentage point per year above consumer inflation and about half a percentage point above national higher education cost inflation.

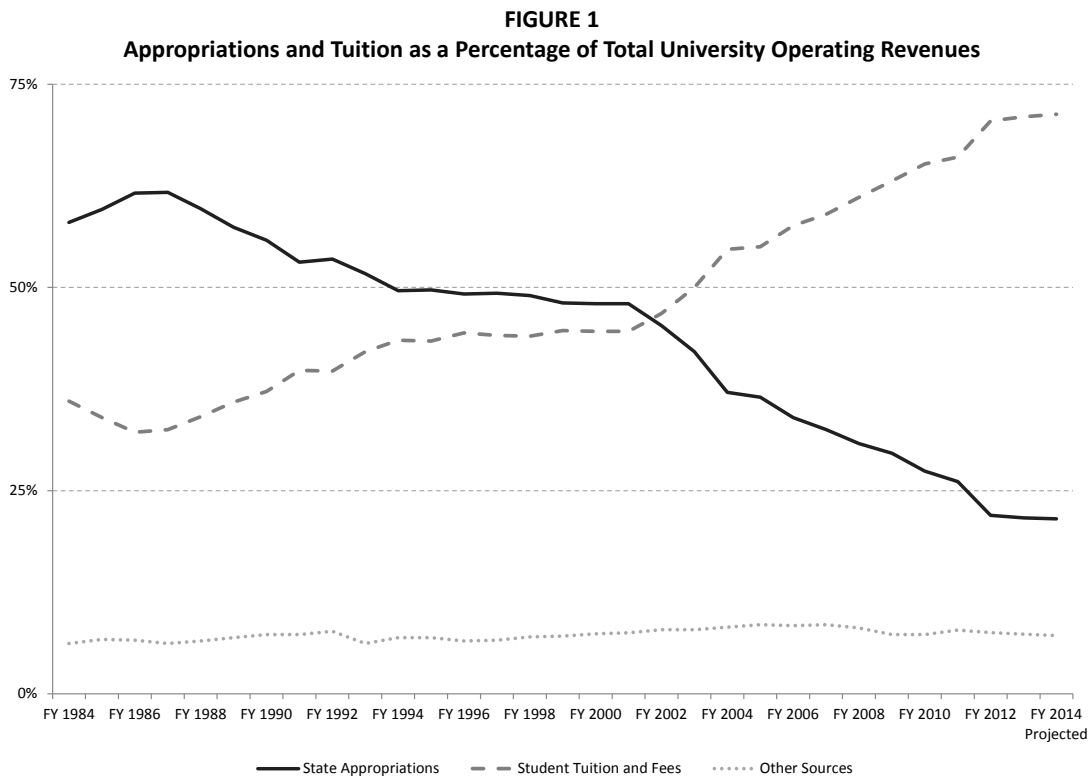
A number of factors contribute to university expenditure growth, including compensation costs, enrollment changes, program offerings, and the distribution of institutional financial aid. Removing increases associated with growth in institutional financial aid, total university per-student operating revenues have grown at roughly the same rate as national higher education cost inflation.

While state budget policies can influence university operational decisions, tuition increases will be a much larger factor for university revenue and expenditure growth in future years than changes in state appropriations will. State appropriations now account for less than a quarter of university general fund revenue. Declining enrollment levels will be a challenge for many universities over the next decade as the number of high school graduates in Michigan has begun to fall.

STATE APPROPRIATIONS AND TUITION RATES

Costs related to student instruction at public universities are funded almost entirely through two revenue sources: appropriations provided by the state and tuition and fees paid by students.¹ While larger universities receive substantial revenue from external sources such as private donations and federal research grants, those sources are generally restricted to specific purposes and, therefore, cannot be used to support general operating costs.

Over the last 10 to 15 years in Michigan, the balance between the two funding sources has shifted dramatically toward student tuition. As shown in Figure 1, state appropriations as a percentage of operating revenue at Michigan's 15 public universities have fallen from 48.0% in FY 2000-01 to a projected 21.5% in FY 2013-14. Student tuition, conversely, have risen from 44.6% of the total to a projected 71.3% over the same time period.²

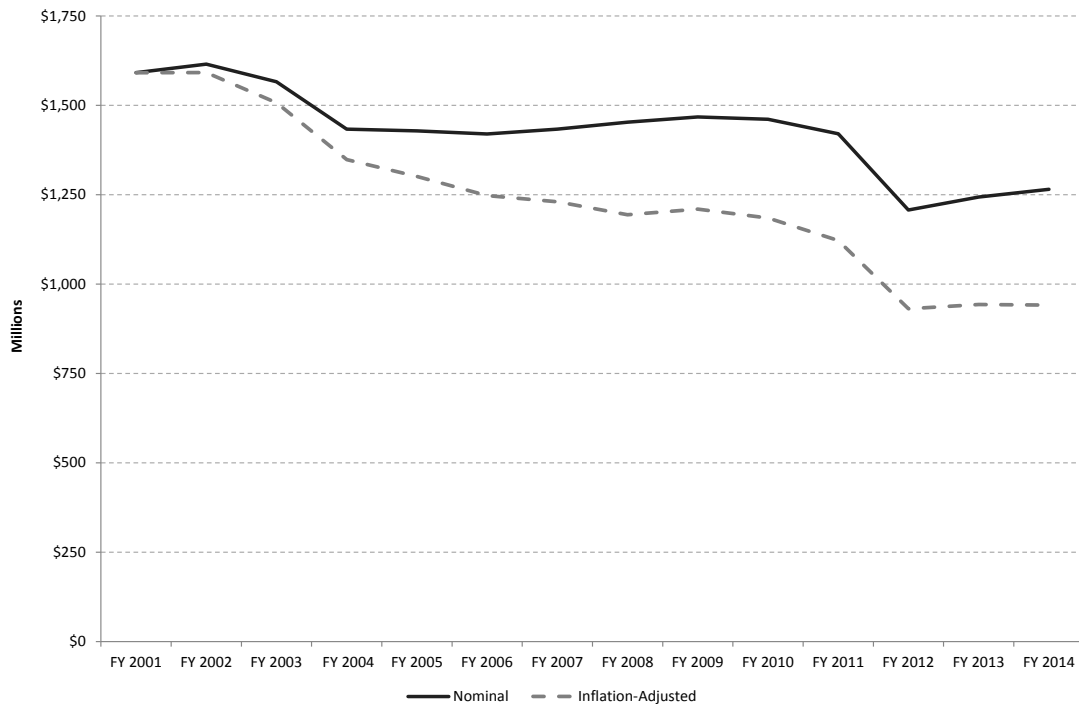


¹ Throughout this report, the term "tuition" also includes mandatory fees.

² In this report, university "operating revenue" is essentially interchangeable with university "general fund revenue." Universities receive a small amount of "other" revenue for operating expenses. The bulk of that revenue, however, constitutes indirect cost recovery—reimbursement to the university general fund for overhead costs associated with externally-funded research. Because that revenue is not clearly related to student instruction, the remainder of this report focuses only on appropriations and tuition.

Figure 2 demonstrates the reduction in state appropriations for university operations over that timeframe. Total appropriations have fallen from \$1.591 billion in FY 2000-01 to \$1.265 billion in FY 2013-14, a decline of 20.5%, in conjunction with ongoing measures to balance the state budget.³ Adjusted for U.S. consumer inflation, that equates to a decline of 40.8%. Meanwhile, total full-time equated (FTE) university enrollment grew by 13.4% from FY 2000-01 to FY 2012-13.

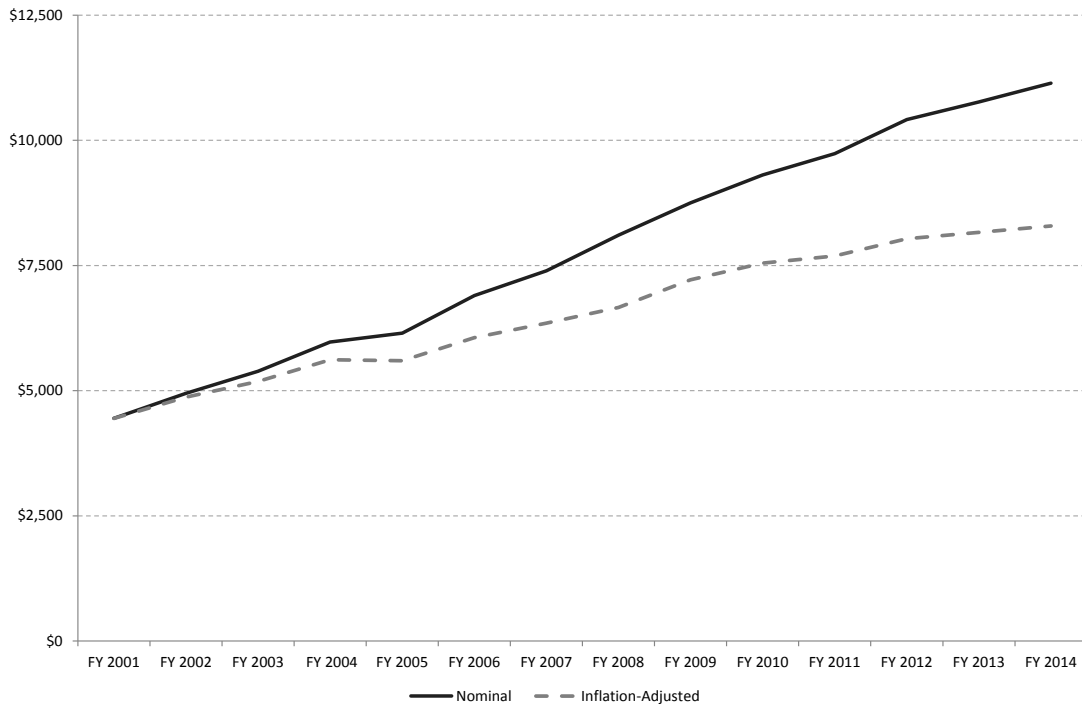
FIGURE 2
Total State Appropriations for University Operations



³ Throughout this report, state appropriation payments to universities that were delayed from one fiscal year to the next are shown in the year in which the funds were originally appropriated, to avoid displaying sharp swings in funding amounts.

At least partially as a result of reductions to state appropriations, universities have increased tuition rates charged to students. Figure 3 shows the average tuition rate charged to full-time in-state undergraduate students. The average rate has increased from \$4,447 in FY 2000-01 to \$11,142 in FY 2013-14, or 150.6% in percentage terms.⁴ Even adjusted for general consumer inflation, this represents an increase of 86.4%. So the effective cost of a university education to students and their families has nearly doubled over a 13-year period.

FIGURE 3
Average Full-Time In-State Undergraduate Tuition and Fee Rate



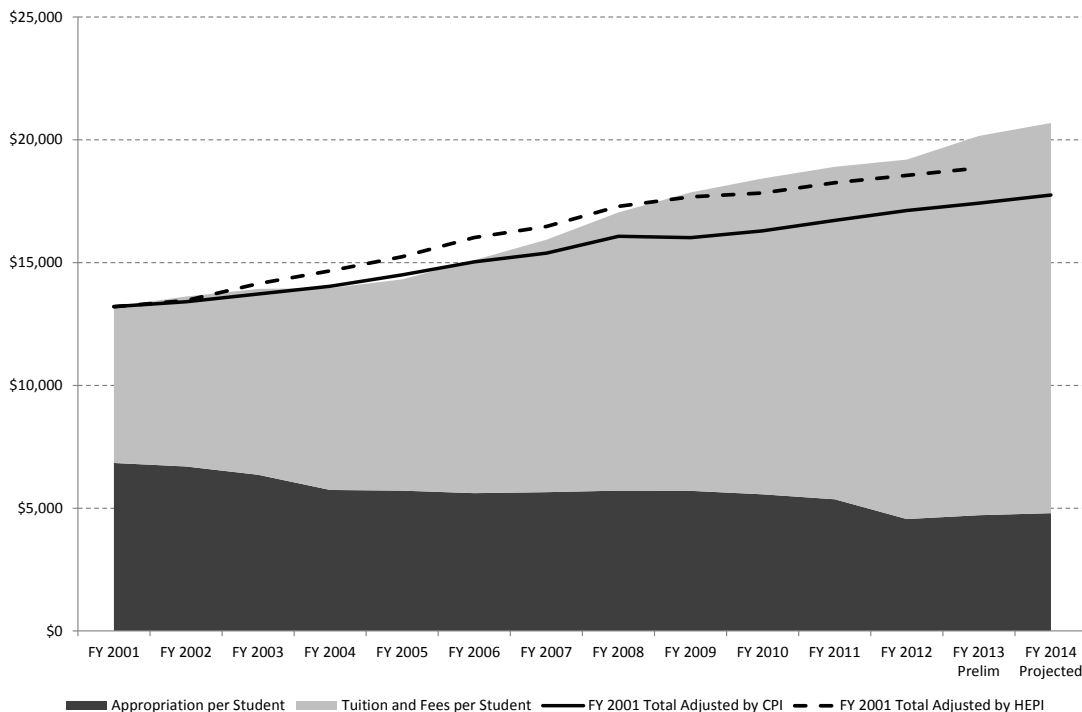
⁴ These averages are not weighted for enrollment differences among the universities.

UNIVERSITY OPERATING COST GROWTH

Changes in university appropriations and tuition rates are often viewed in isolation. In order to evaluate the propriety of tuition increases, however, the two revenue streams can be combined to create a measure of growth in total university operating costs. Over time, changes in combined appropriation and tuition revenue correlate very closely to changes in university operating expenditures.

Figure 4 and Table 1 show total university operating resources per FTE student from FY 2000-01 to FY 2013-14 (amounts are preliminary for FY 2012-13 and projected for FY 2013-14).⁵ The chart displays the net change in resources per student across all 15 universities when accounting for the combination of reductions to state appropriations and increases in tuition charges. The data in the chart reflects all university instructional activity, including both in-state and out-of-state students and both undergraduate and graduate students.⁶ The average tuition revenue per student shown is, therefore, significantly higher than the average posted in-state undergraduate tuition rate.

FIGURE 4
Public University Operating Resources per FTE Student



⁵ Projections are based on appropriations in the enacted state budget, posted tuition and fee rate increases, and an assumption of flat enrollment.

⁶ Restricting the analysis to in-state and/or undergraduate students is problematic since the state budget does not determine or segregate university appropriation amounts based on enrollment categories.

Table 1
Financial Information: Public University Totals

Revenue per FTE Student	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
State Appropriation	\$6,841	\$4,796	(\$2,044)	(29.9%)	(2.7%)
Tuition and Fees	<u>\$6,367</u>	<u>\$15,891</u>	<u>\$9,524</u>	149.6%	7.3%
Total Operating Resources	\$13,207	\$20,687	\$7,480	56.6%	3.5%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	232,648	263,817	31,169	13.4%	1.1%
GF Financial Aid Expenditures per FTE Student	\$919	\$2,471	\$1,552	168.9%	8.6%

Over the time period displayed, state appropriations per student were reduced from \$6,841 to a projected \$4,796, a decline of 29.9%. This equates to an annualized reduction of 2.7% per year.

Meanwhile, tuition per student increased from \$6,367 to a projected \$15,891—an increase of 149.6%, or 7.3% per year.

The combined result of these changes has been an increase in combined operating revenues per student from \$13,207 in FY 2000-01 to a projected \$20,687 in FY 2013-14—an increase of 56.6%, or 3.5% per year.

The appropriate level of increase in university operating resources over time is a subjective judgment, as student financial access is weighed against educational quality and other policy considerations. Two commonly-used yardsticks for evaluating growth in operating resources are as follows:

- Consumer inflation, as measured by the U.S. Consumer Price Index (CPI) produced by the federal Bureau of Labor Statistics. This price index provides a broad measure of cost inflation over time, although it is designed to specifically measure changes in costs for goods and services purchased by individual consumers.
- Higher education price inflation, as measured by the Higher Education Price Index (HEPI) produced by the Commonfund investment firm. This price index is designed to measure changes in costs of goods and services typically purchased by higher education institutions. Generally, these costs have increased more rapidly than consumer costs due to the labor-intensive nature of higher education (and, to a lesser extent, energy costs), although HEPI

increases have been more in line with CPI increases for the last few years due to lower wage growth.⁷

From FY 2000-01 to FY 2013-14, consumer inflation has been approximately 34.4%, or 2.3% per year (utilizing Consensus Revenue Estimating Conference estimates for the most recent two years). Meanwhile, higher education inflation has been approximately 3.0% per year (calculating through FY 2012-13, the most recent year for which HEPI data is available).

In Figure 4, university per-student operating revenue increases can be measured against inflation by comparing the total shaded area of the chart with two charted lines, which show FY 2000-01 total operating resources per student adjusted to account for the two measures of inflation. The lines depict what total operating resources per student would have been each year if they'd simply increased at each of the two rates of inflation since FY 2000-01

From FY 2000-01 to FY 2005-06, per-student operating revenue increases were consistent with CPI increases and lower than HEPI increases. Since FY 2005-06, per-student operating revenue increases have accelerated somewhat, while both measures of inflation (particularly the HEPI) have generally increased at more modest rates.

Over the full time period of FY 2000-01 to FY 2013-14, the change in total operating resources per student at Michigan public universities has run about a percentage point per year above consumer inflation (3.5% vs. 2.3%) and about half a percentage point per year above higher education inflation (3.5% vs. 3.0%).

⁷ More information on HEPI, see this website:

<https://www.commonfund.org/CommonfundInstitute/HEPI/Pages/default.aspx>

UNIVERSITY OPERATING COST FACTORS

A number of factors can influence changes in university operating costs over time. Major factors are described below.

Compensation costs: As with other service-intensive industries, staffing and compensation levels are the largest driver of overall operating costs. In FY 2001-12, faculty and staff compensation made up 63.4% of total university general fund expenditures. From FY 2000-01 to FY 2011-12, total full-time equated faculty positions funded by general fund revenue at the 15 universities increased by 15.6% (from 16,371 to 18,931), while full-time equated non-faculty staff positions increased by 7.4% (from 20,940 to 22,490). This compares to enrollment growth of 13.9% over that period.

Over the same time period, average compensation per general fund faculty position (including both base salary and fringe benefit costs) increased by 45.1%, from \$67,718 to \$98,275. This equates to growth of 3.4% per year. Average compensation per nonfaculty staff position increased by 37.8%, from \$53,388 to \$73,567. This equates to growth of 3.0% per year. Compensation amounts and growth rates vary by university, and are affected in part by the mix of faculty positions at a university (tenure-track vs. non-tenure-track vs. teaching assistants). Contract negotiations with employee unions also play a major role in determining compensation levels.

Retirement costs: A particular area of compensation-related cost growth has been contributions to the Michigan Public School Employees' Retirement System (MPSERS), a state-administered pension system. Until 1996, state statute required that new employees at seven of the 15 universities become members of the system: Central, Eastern, Ferris, Lake Superior State, Michigan Tech, Northern, and Western. Statute was amended so that, beginning in 1996, new employees at those universities no longer became members of the system and have instead received retirement benefits under individual university retirement systems, which are generally defined contribution, 401k/457b-style, systems.

Unfunded liability costs tied to MPSERS employees' retirement benefits have increased rapidly in recent years, mainly due to investment losses. In FY 2013-14, the seven MPSERS universities will pay a rate of 13.41% across the payroll of all MPSERS employees, as well as the payroll of non-MPSERS support staff and part-time employees, for unfunded pension liability costs. Additionally, those universities pay retiree health benefits for MPSERS employees on a pay-as-

you-go basis. Non-MPSERS employees at those universities and employees at other universities generally do not receive retirement health benefits.⁸

Enrollment changes: Generally, a university with growing enrollment can more easily restrain growth in operating costs on a per-student basis, as fixed overhead costs are spread across a larger base. Conversely, a university with declining enrollment will have more difficulty restraining per-student cost growth, as fixed costs are spread across a smaller base—at least until permanent reductions in overhead costs can be made. (On a related note, a university with growing enrollment naturally sees its state appropriations per student decline and its reliance on student tuition increase. The inverse is true for a university with declining enrollment. Michigan does not have a permanent formula for allocating base state funding to public universities, so appropriations are not automatically tied to enrollment levels.)

While public universities have experienced enrollment growth as a whole over the last 15 to 20 years, that growth has varied across the universities. Several universities have experienced declines in student enrollment in recent years, often due in part to population loss in the surrounding area. Declining enrollment is likely to become a challenge for a larger number of universities over the next decade, given that the number of high school graduates in the state has begun declining due to demographic trends. The U.S. Department of Education has projected the number of public high school graduates in Michigan to decline from a peak of 115,183 in FY 2007-08 to 93,710 in FY 2020-21, a decline of about 19%.⁹

FY 2012-13 was the first year since FY 1994-95 that total FTE enrollment at the 15 public universities declined from the prior year. Total enrollment fell by 0.4%, as enrollment declined at 10 of the 15 universities.¹⁰ While a number of universities have increased out-of-state and international enrollments in recent years to help replace declining in-state enrollment, there is presumably a natural limit on that growth.

The mix of full-time and part-time students at a university can also affect operating costs per FTE student, as some categories of costs (for example, student services) may correspond more closely to individual student headcount than to a full-time equated enrollment measure.

Changes in program offerings: The cost of providing instruction varies widely across academic levels and program areas. A university that increases its graduate-level instruction or program offerings in higher-cost (and generally higher-demand) areas such as engineering or health professions will experience higher cost growth due to higher faculty compensation costs, smaller class sizes, and/or associated supplies and equipment. While the ratio of undergraduate-to-graduate enrollment across all public universities has been fairly steady over the last 10 to 15 years, a number of universities have increased offerings in higher-cost program areas.

⁸ For more information on university participation in MPSERS, see the HFA memorandum "Public Universities in the Michigan Public School Employees Retirement System":

http://www.house.mi.gov/hfa/PDF/HigherEducation/mpsers_university_memo_apr2012.pdf.

⁹ Source - "Projections of Education Statistics to 2021": <http://nces.ed.gov/pubs2013/2013008.pdf>.

¹⁰ The five exceptions were Michigan State, Oakland, and the three University of Michigan campuses.

For example, from FY 2003-04 to FY 2011-12, the number of bachelor's degrees earned in health professions and related fields at the 15 universities doubled—increasing from 2,123 to 4,294—whereas the number of bachelor's degrees earned in education (a lower-cost program area) declined by about a third—from 4,661 to 3,001.

Institutional financial aid: The universities all provide financial aid to students out of their own operating resources, supplementing aid provided by the federal and state governments. While this aid is accounted for as a university general fund expenditure, it effectively represents a discount to the posted tuition rate, rather than a true operating expenditure. From FY 2000-01 to FY 2012-13, general fund expenditures for financial aid per FTE student at the 15 universities more than doubled, increasing from \$919 to \$2,471.

For a number of years (from FY 2005-06 to FY 2008-09, and in FY 2010-11), the annual Higher Education budget act included language specifically stating intent that universities increase general fund financial aid expenditures by at least the same percentage rate as they increased tuition rates.

The degree to which universities target this aid based on financial need versus academic or other merit-based considerations varies considerably. In FY 2011-12, a majority of general fund expenditures for undergraduate financial aid were need-based at Michigan State, the University of Michigan-Ann Arbor, and the University of Michigan-Flint. The majority of such expenditures at the other 12 universities were merit-based.

Growth in institutional financial aid expenditures accounts for roughly 22% of total growth in university operating revenues since FY 2000-01. Excluding the impact of institutional financial aid growth from the data displayed in Figure 4 would leave total growth in university operating revenues per student at roughly the level of HEPI growth (3.1% vs. 3.0% on an annualized basis).

An appendix to this report replicates Figure 4 and the associated table for each individual public university in Michigan. These charts are intended as a starting point for examination of university financial trends, with the cost factors listed above—and other geographic, institutional, and policy considerations—having varying impacts on both the starting level of expenditures per student and cost growth over time for each university.

CONCLUSION

The degree to which reductions in state appropriations have driven public university tuition increases since FY 2000-01 can only be assessed by setting a baseline for the appropriate level of overall university operating cost growth:

- With a baseline of operating cost increases matching consumer inflation, roughly 60% of cumulative tuition increases (after adjusting tuition rates for inflation) would be attributable to appropriation reductions.
- With a baseline of operating cost increases matching the Higher Education Price Index, roughly 80% of the cumulative tuition increases (after adjusting tuition rates for inflation) would be attributable to appropriation reductions.
- If increases in institutional financial aid are subtracted from university operating revenue increases, nearly all of the cumulative tuition increases would be attributable to appropriation reductions with the HEPI baseline.

Looking forward, increases in student tuition will continue to be directly tied to changes in state appropriations and changes in overall university operating costs. Given the high level of operational autonomy granted to Michigan's universities under the state constitution, the Legislature cannot directly dictate shifts in university operating policies and strategies. Instead, changes in operating costs will continue to be affected by broader policies included in the state Higher Education budget. Currently, there are two such major policies in place.

First, the state has utilized a performance funding methodology to allocate appropriation increases to universities in the last two budget cycles (for the FY 2012-13 and FY 2013-14 budgets), with funding allocated based on metric data reported by the universities in prior years.

- Of the five performance funding metrics that have been utilized, one is clearly intended to reduce or restrain university costs: institutional support expenditures (that is, administrative costs) as a percentage of total expenditures.
- Conversely, two of the metrics arguably put upward pressure on university costs: undergraduate degree completions in generally higher-cost "critical skills" areas and research expenditures. (Universities that conduct more externally-funded research generally have higher faculty salaries.)
- The remaining two metrics are six-year graduate rate and total degree completions. Some strategies to improve student retention and degree completion, such as increased counseling services, could involve new expenditures by universities.¹¹

Additionally, the Higher Education budget has included a tuition restraint policy for each of the last three years. (Prior to this, the last firm tuition restraint policy included in the budget was for FY

¹¹ For more information on the performance funding calculations, see the HFA/SFA "Fiscal Year 2013-14 Higher Education Appropriations Report": http://www.house.mi.gov/hfa/PDF/HigherEducation/hiedrept_fy14.pdf.

2004-05.) In each case, varying amounts of state funding have been appropriated to universities contingent on holding tuition and fee increases for in-state undergraduate students below a certain threshold:

- For FY 2011-12, the limit was 7.1%, as university appropriations were reduced by 15.0% across the board.
- For FY 2012-13, the limit was 4.0%, as university appropriations were increased by 3.0%, with varying percentage increases for each university based on performance funding calculations and tuition increase levels.
- For FY 2013-14, the limit was 3.75%, as university appropriations were increased by 1.8%, with varying percentage increases for each university based on performance funding calculations.

With a single exception, all 15 universities have complied with the tuition restraint requirements in all three years.¹²

As compared to the situation 15 years ago, increases in tuition drive overall university operating revenue much more than the changes in state appropriations do. A 5% increase in tuition charges now yields nearly a 4% increase in total operating revenue, whereas a 5% increase in state appropriations would yield not much more than a 1% increase in total operating revenues.

Stated differently, as tuition and fees have become a larger percentage of total operating revenues, the percentage increase in tuition charges needed to generate the same amount of revenue has naturally declined. Conversely, as state appropriations have declined, the percentage increase in those appropriations needed to generate the same amount of revenue has increased.

If the state economy continues to grow steadily and the state provides at least inflationary increases in appropriation levels, that will have some positive effect on restraining tuition increases. To a large degree, however, student tuition levels will be driven mainly by university operating decisions and associated cost increases or savings, with declining enrollment levels putting upward pressure on per-student expenditure growth.

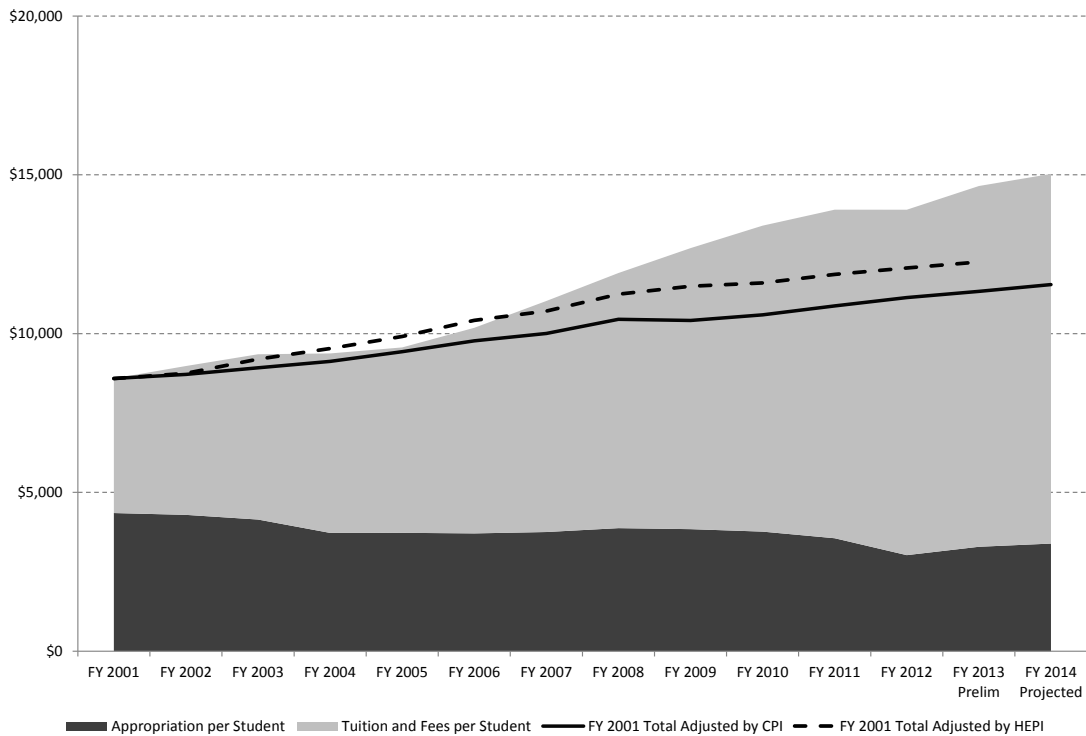
¹² The single exception was Wayne State for FY 2013-14. For more information on the FY 2013-14 tuition restraint policy, see the HFA memorandum on "FY 2013-14 University Tuition Restraint Compliance": http://www.house.mi.gov/hfa/PDF/HigherEducation/TuitionRestraintMemo_%20fy14.pdf.

APPENDIX: UNIVERSITY-SPECIFIC CHARTS

Notes:

- (1) Data reflects appropriation and tuition revenue per FTE student accounting for all university students, including both in-state and out-of-state students and both undergraduate and graduate students. Average tuition revenue per student for each university is, therefore, higher than the posted in-state undergraduate tuition rate.
- (2) Numbers in report tables may not add due to rounding.

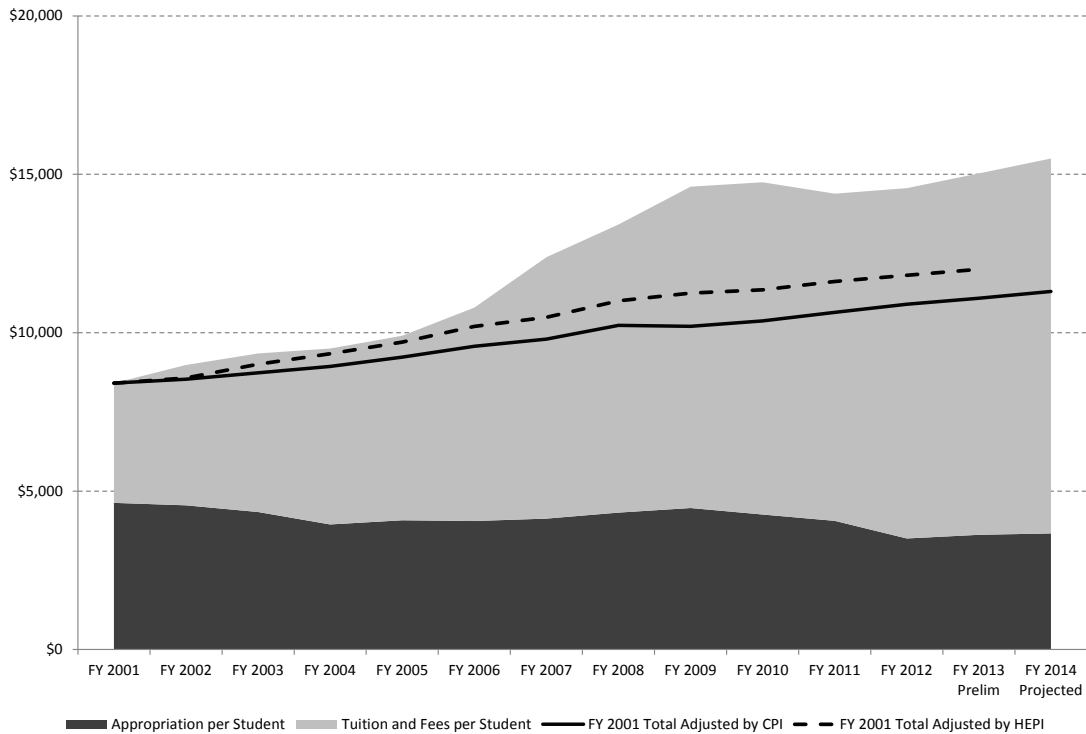
Central Michigan University: Operating Resources per FTE Student



Financial Information: Central Michigan University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$4,351	\$3,390	(\$961)	(22.1%)	(1.9%)
Tuition and Fees	<u>\$4,237</u>	<u>\$11,639</u>	<u>\$7,402</u>	174.7%	8.1%
Total Operating Resources	\$8,588	\$15,029	\$6,440	75.0%	4.4%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	20,349	21,694	1,345	6.6%	0.5%
GF Financial Aid Expenditures per FTE Student	\$401	\$1,206	\$805	200.7%	9.6%

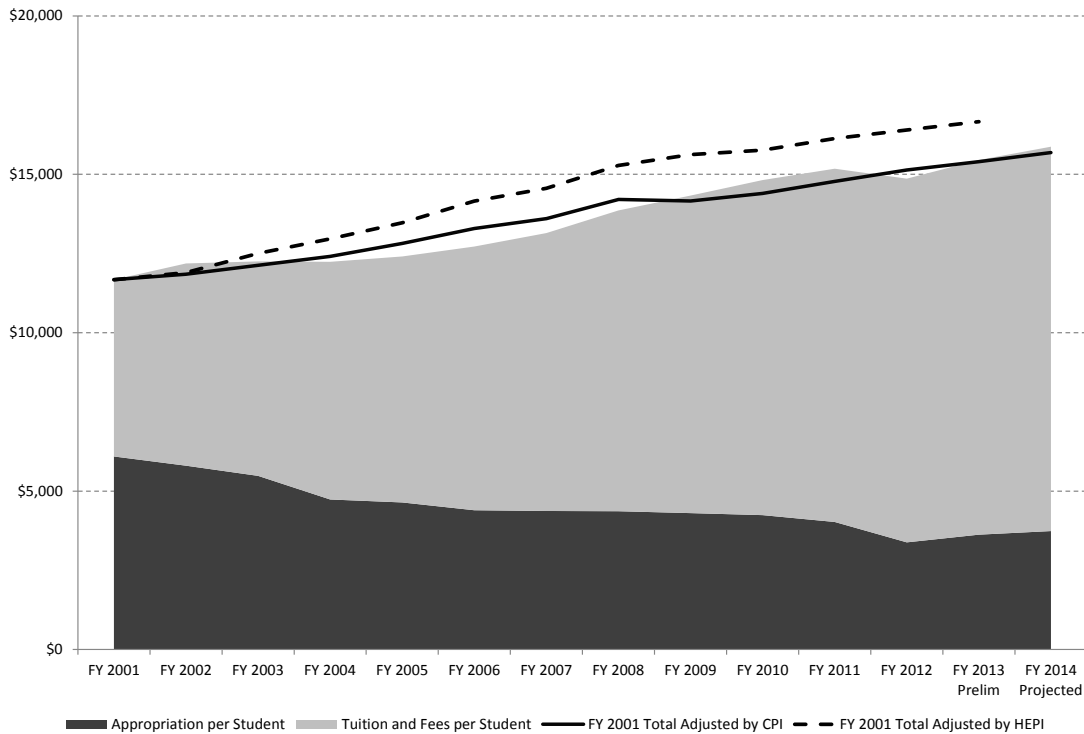
Eastern Michigan University: Operating Resources per FTE Student



Financial Information: Eastern Michigan University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$4,629	\$3,665	(\$965)	(20.8%)	(1.8%)
Tuition and Fees	<u>\$3,779</u>	<u>\$11,834</u>	<u>\$8,055</u>	213.1%	9.2%
Total Operating Resources	\$8,408	\$15,499	\$7,090	84.3%	4.8%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	18,657	18,358	(299)	(1.6%)	(0.1%)
GF Financial Aid Expenditures per FTE Student	\$537	\$2,048	\$1,511	281.6%	11.8%

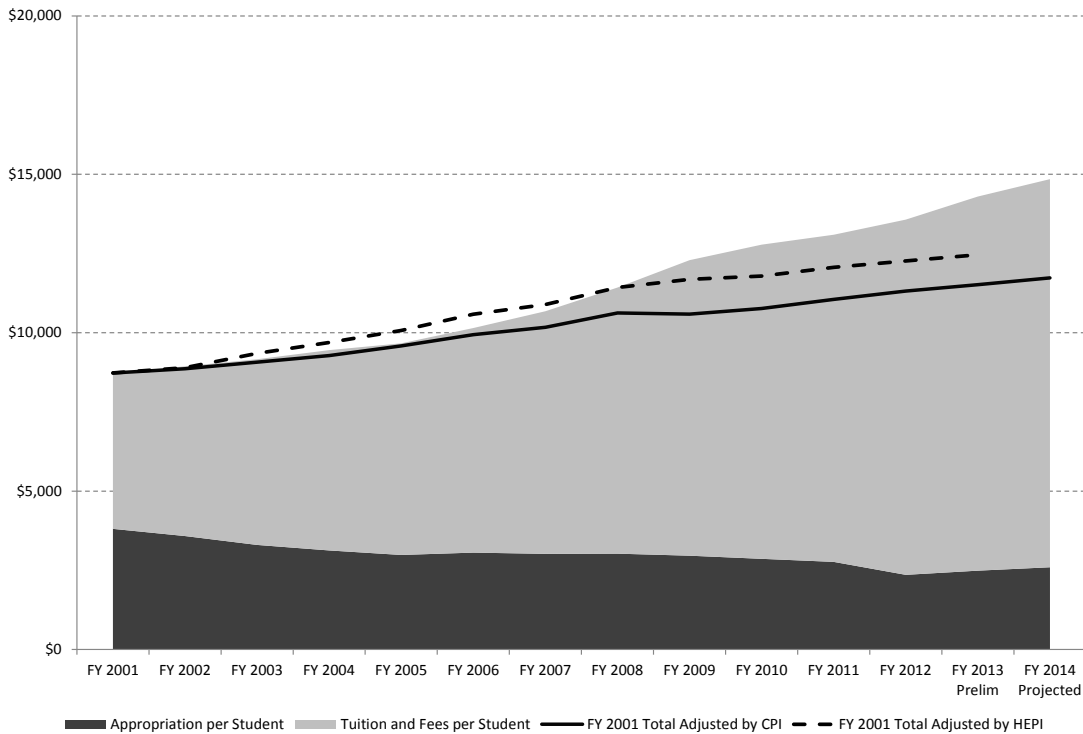
Ferris State University: Operating Resources per FTE Student



Financial Information: Ferris State University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$6,094	\$3,739	(\$2,355)	(38.6%)	(3.7%)
Tuition and Fees	<u>\$5,580</u>	<u>\$12,133</u>	<u>\$6,553</u>	117.4%	6.2%
Total Operating Resources	\$11,673	\$15,872	\$4,198	36.0%	2.4%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	8,979	12,206	3,227	35.9%	2.6%
GF Financial Aid Expenditures per FTE Student	\$504	\$1,512	\$1,008	199.9%	9.6%

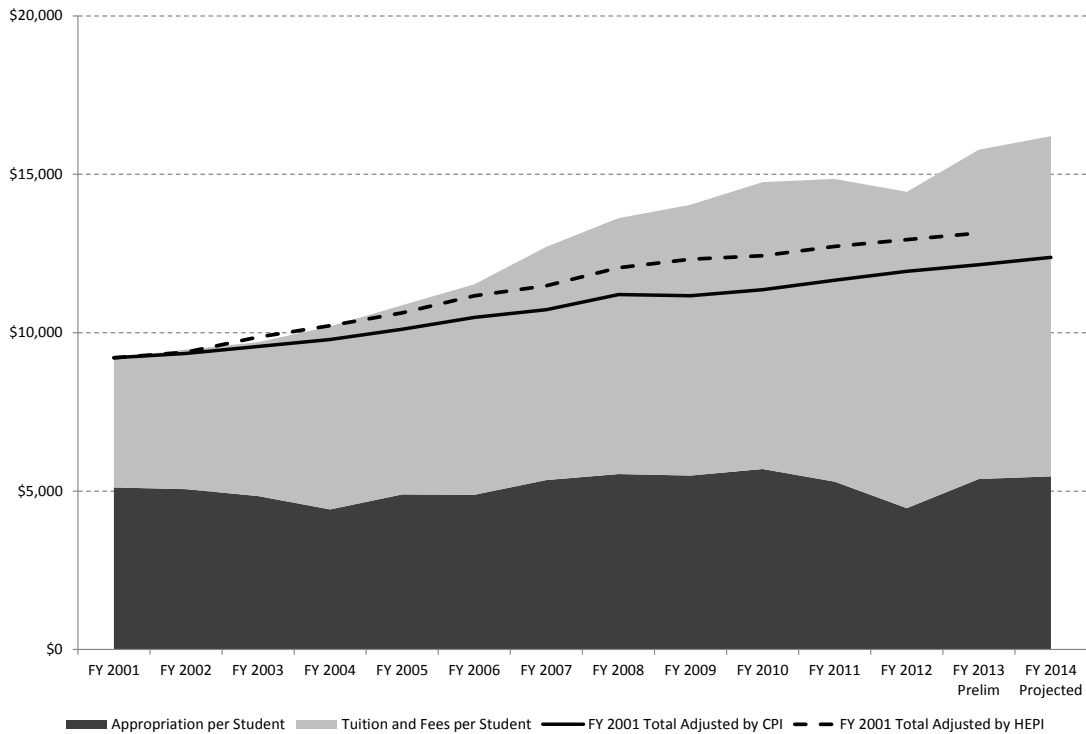
Grand Valley State University: Operating Resources per FTE Student



Financial Information: Grand Valley State University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$3,808	\$2,596	(\$1,212)	(31.8%)	(2.9%)
Tuition and Fees	<u>\$4,921</u>	<u>\$12,251</u>	<u>\$7,331</u>	149.0%	7.3%
Total Operating Resources	\$8,729	\$14,847	\$6,118	70.1%	4.2%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	15,512	22,271	6,759	43.6%	3.1%
GF Financial Aid Expenditures per FTE Student	\$376	\$1,610	\$1,234	328.1%	12.9%

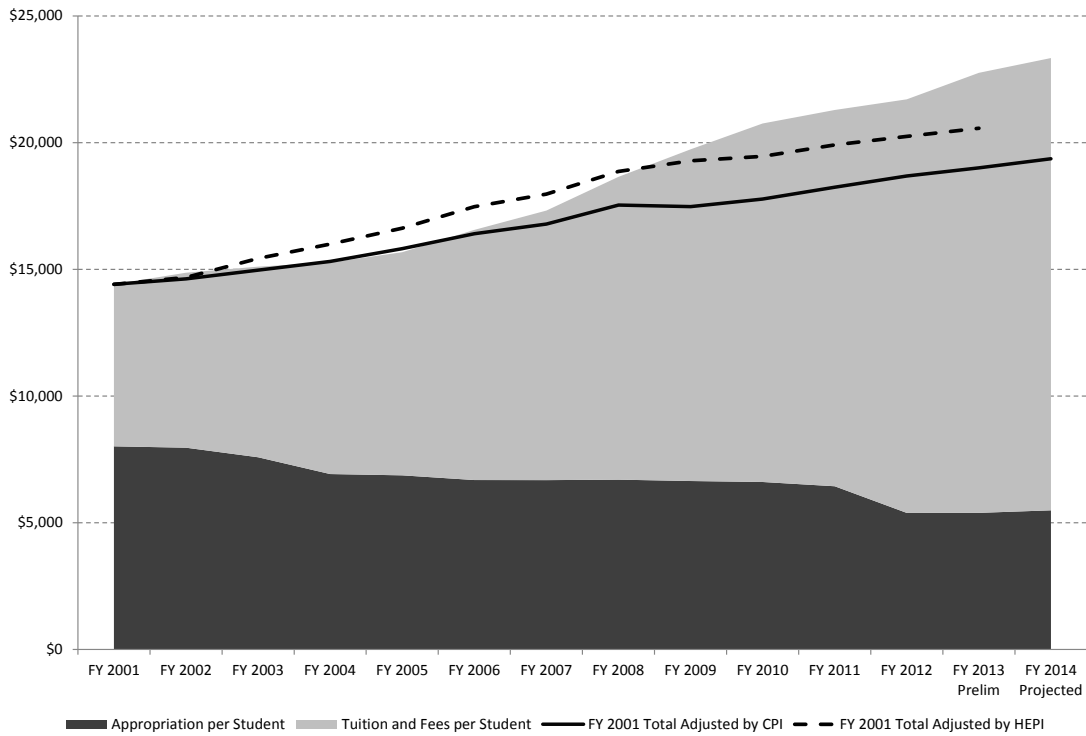
Lake Superior State University: Operating Resources per FTE Student



Financial Information: Lake Superior State University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$5,115	\$5,465	\$350	6.8%	0.5%
Tuition and Fees	<u>\$4,093</u>	<u>\$10,739</u>	<u>\$6,646</u>	162.4%	7.7%
Total Operating Resources	\$9,208	\$16,205	\$6,996	76.0%	4.4%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	2,749	2,238	(511)	(18.6)	(1.7%)
GF Financial Aid Expenditures per FTE Student	\$703	\$2,071	\$1,368	194.9%	9.4%

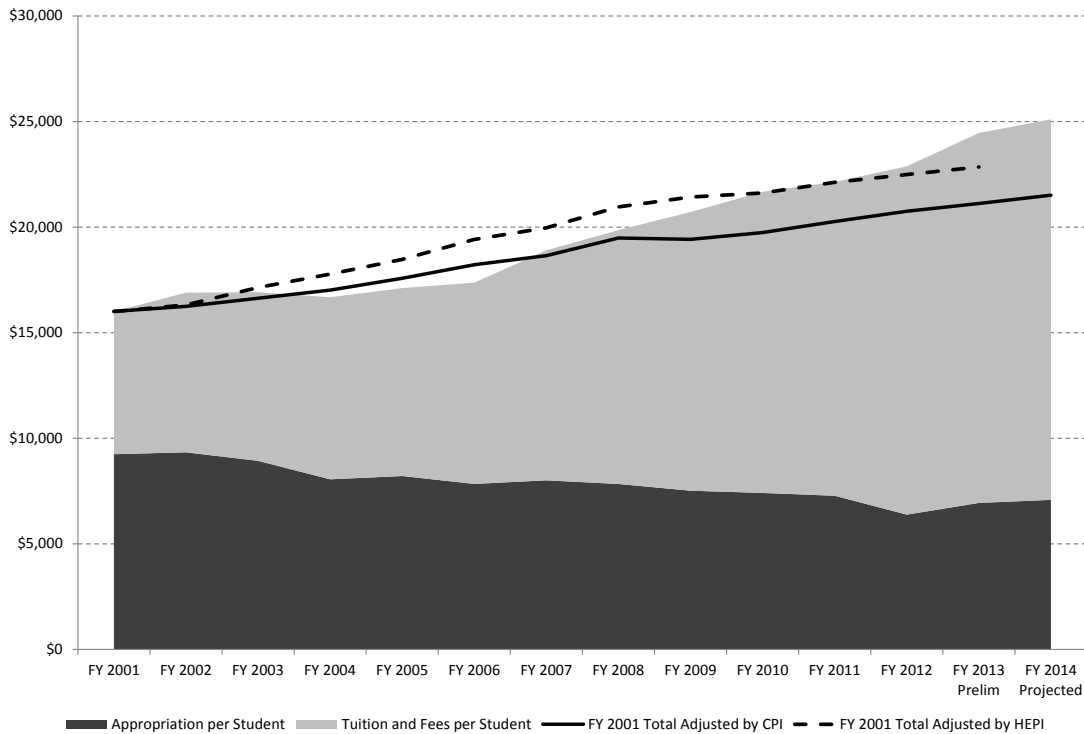
Michigan State University: Operating Resources per FTE Student



Financial Information: Michigan State University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$8,017	\$5,492	(\$2,525)	(31.5%)	(2.9%)
Tuition and Fees	<u>\$6,392</u>	<u>\$17,846</u>	<u>\$11,453</u>	179.2%	8.2%
Total Operating Resources	\$14,409	\$23,338	\$8,929	62.0%	3.8%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	40,060	45,446	5,386	13.4%	1.1%
GF Financial Aid Expenditures per FTE Student	\$734	\$2,374	\$1,640	223.4%	10.3%

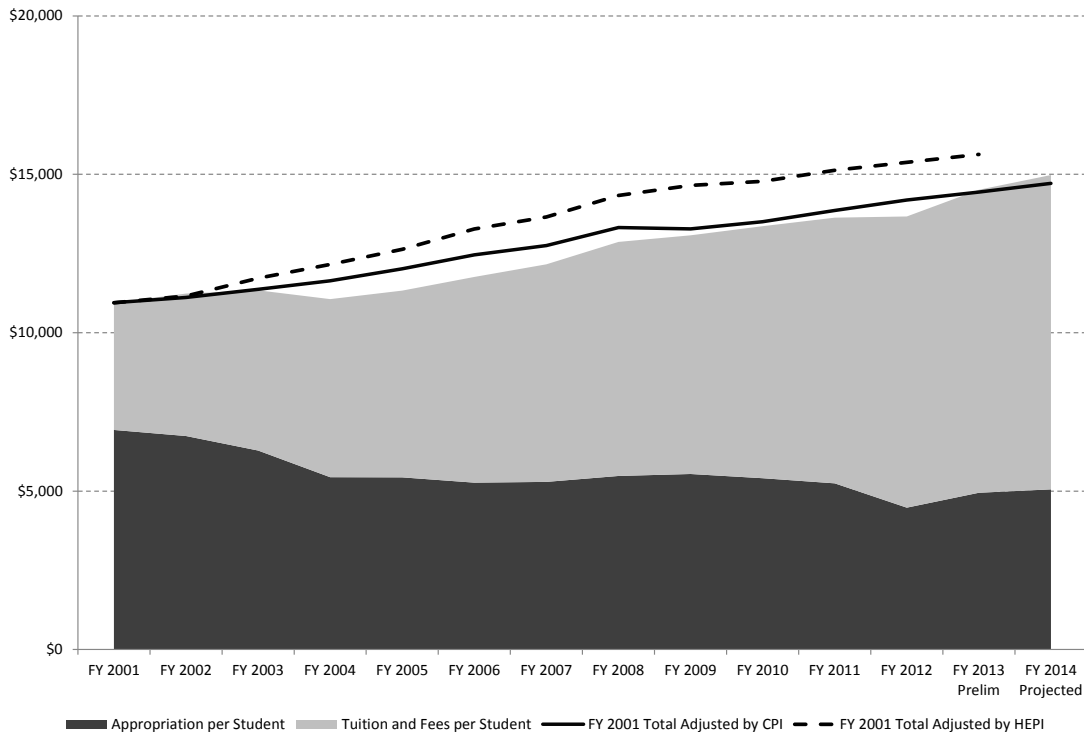
Michigan Tech University: Operating Resources per FTE Student



Financial Information: Michigan Tech University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$9,248	\$7,086	(\$2,162)	(23.4%)	(2.0%)
Tuition and Fees	<u>\$6,760</u>	<u>\$18,017</u>	<u>\$11,257</u>	166.5%	7.8%
Total Operating Resources	\$16,008	\$25,103	\$9,095	56.8%	3.5%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	5,887	6,135	248	4.2%	0.3%
GF Financial Aid Expenditures per FTE Student	\$1,801	\$4,596	\$2,795	155.2%	8.1%

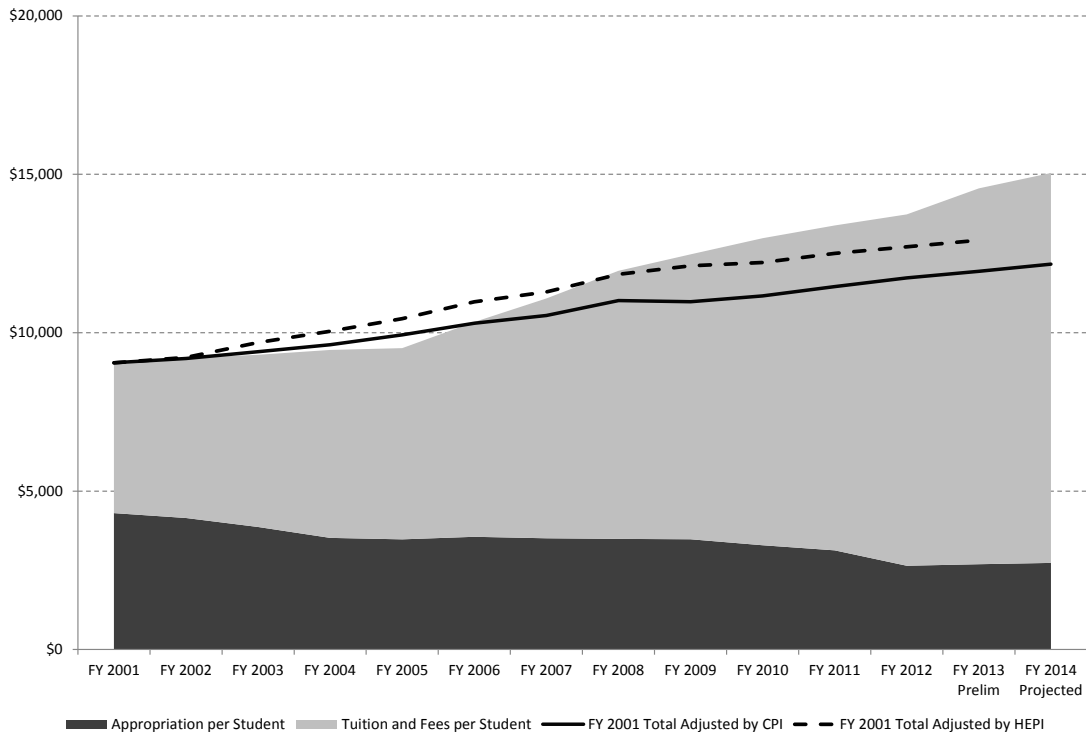
Northern Michigan University: Operating Resources per FTE Student



Financial Information: Northern Michigan University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$6,931	\$5,055	(\$1,875)	(27.1%)	(2.4%)
Tuition and Fees	<u>\$4,016</u>	<u>\$9,922</u>	<u>\$5,906</u>	147.0%	7.2%
Total Operating Resources	\$10,947	\$14,977	\$4,030	36.8%	2.4%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	7,396	8,257	861	11.6%	0.9%
GF Financial Aid Expenditures per FTE Student	\$747	\$1,911	\$1,165	155.9%	8.1%

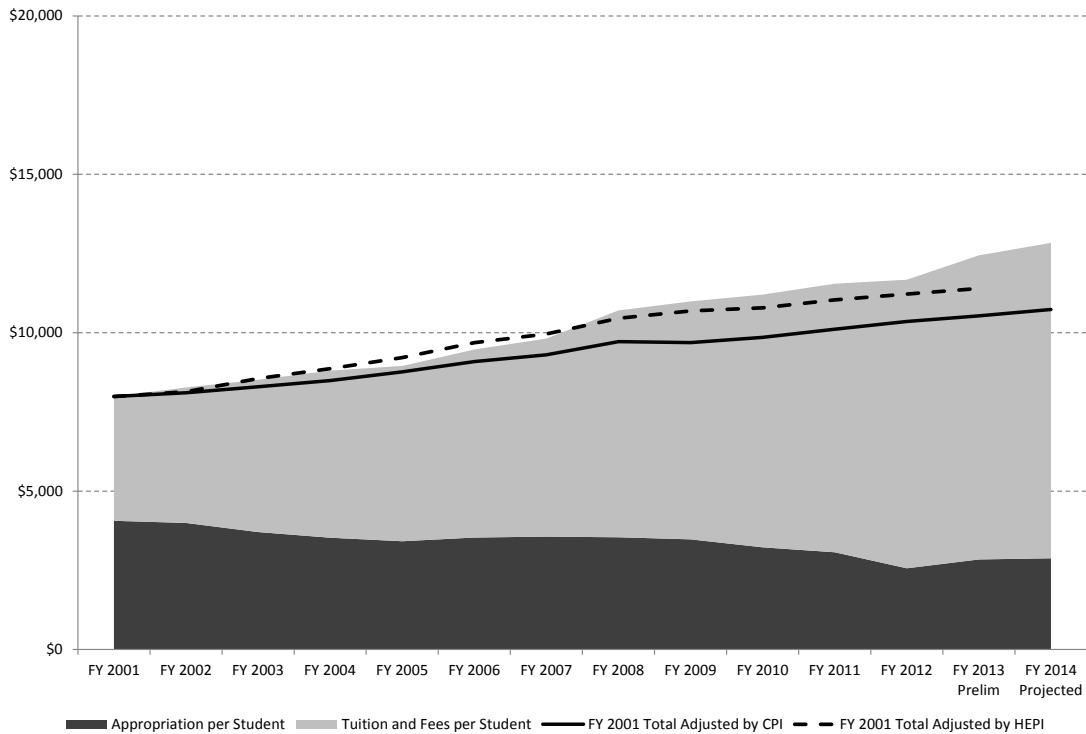
Oakland University: Operating Resources per FTE Student



Financial Information: Oakland University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$4,305	\$2,734	(\$1,571)	(36.5%)	(3.4%)
Tuition and Fees	<u>\$4,744</u>	<u>\$12,309</u>	<u>\$7,565</u>	159.5%	7.6%
Total Operating Resources	\$9,049	\$15,043	\$5,993	66.2%	4.0%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	11,970	16,699	4,729	39.5%	2.8%
GF Financial Aid Expenditures per FTE Student	\$457	\$1,803	\$1,346	294.6%	12.1%

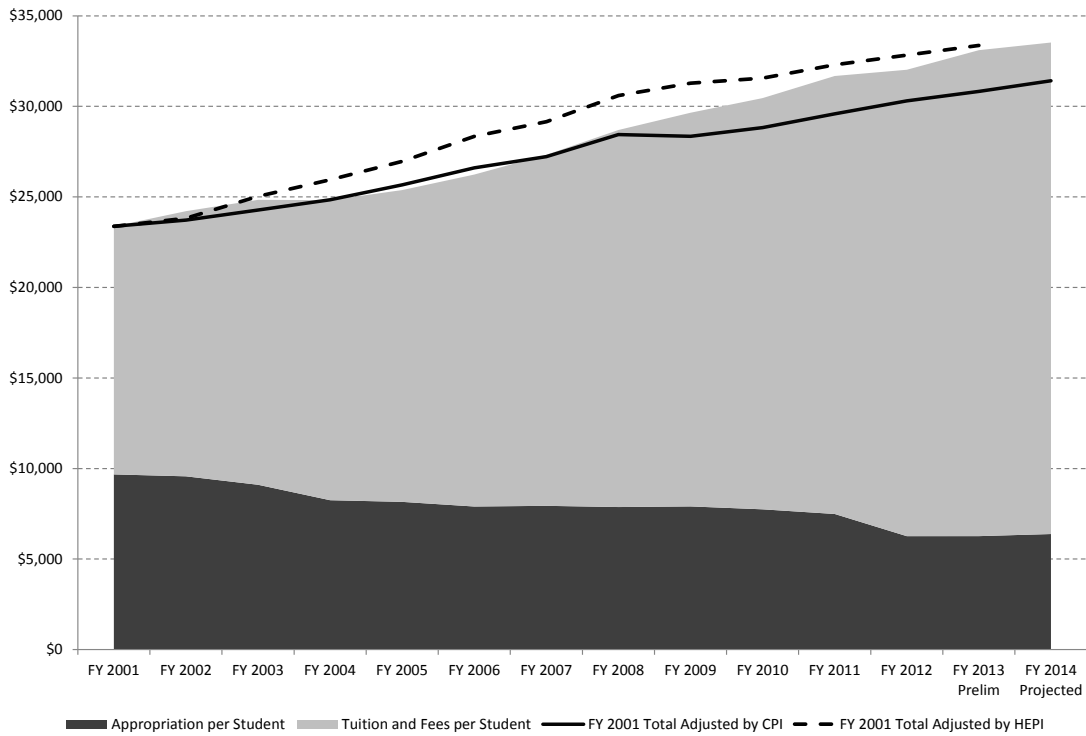
Saginaw Valley State University: Operating Resources per FTE Student



Financial Information: Saginaw Valley State University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$4,063	\$2,880	(\$1,183)	(29.1%)	(2.6%)
Tuition and Fees	<u>\$3,923</u>	<u>\$9,956</u>	<u>\$6,033</u>	153.8%	7.4%
Total Operating Resources	\$7,986	\$12,836	\$4,850	60.7%	3.7%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	6,632	9,025	2,393	36.1%	2.6%
GF Financial Aid Expenditures per FTE Student	\$460	\$1,318	\$858	186.3%	9.2%

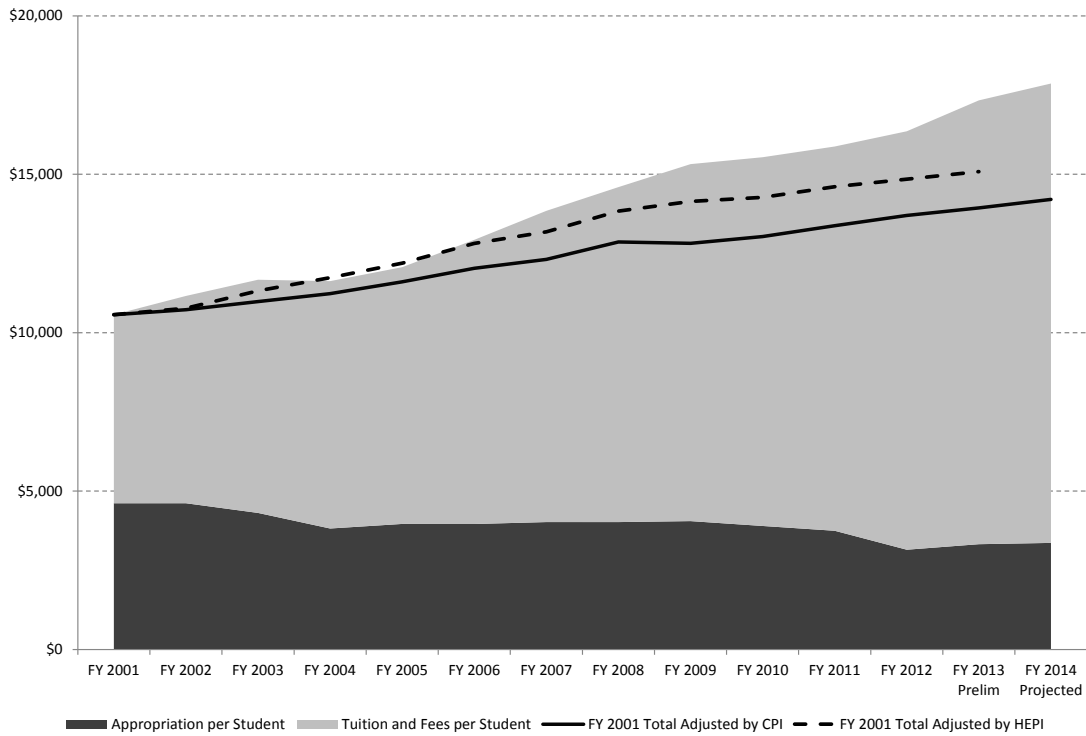
University of Michigan-Ann Arbor: Operating Resources per FTE Student



Financial Information: University of Michigan-Ann Arbor

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$9,674	\$6,381	(\$3,294)	(34.0%)	(3.2%)
Tuition and Fees	<u>\$13,699</u>	<u>\$27,147</u>	<u>\$13,448</u>	98.2%	5.4%
Total Operating Resources	\$23,373	\$33,527	\$10,155	43.4%	2.8%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	37,026	43,762	6,736	18.2%	1.4%
GF Financial Aid Expenditures per FTE Student	\$2,480	\$4,701	\$2,221	89.5%	5.5%

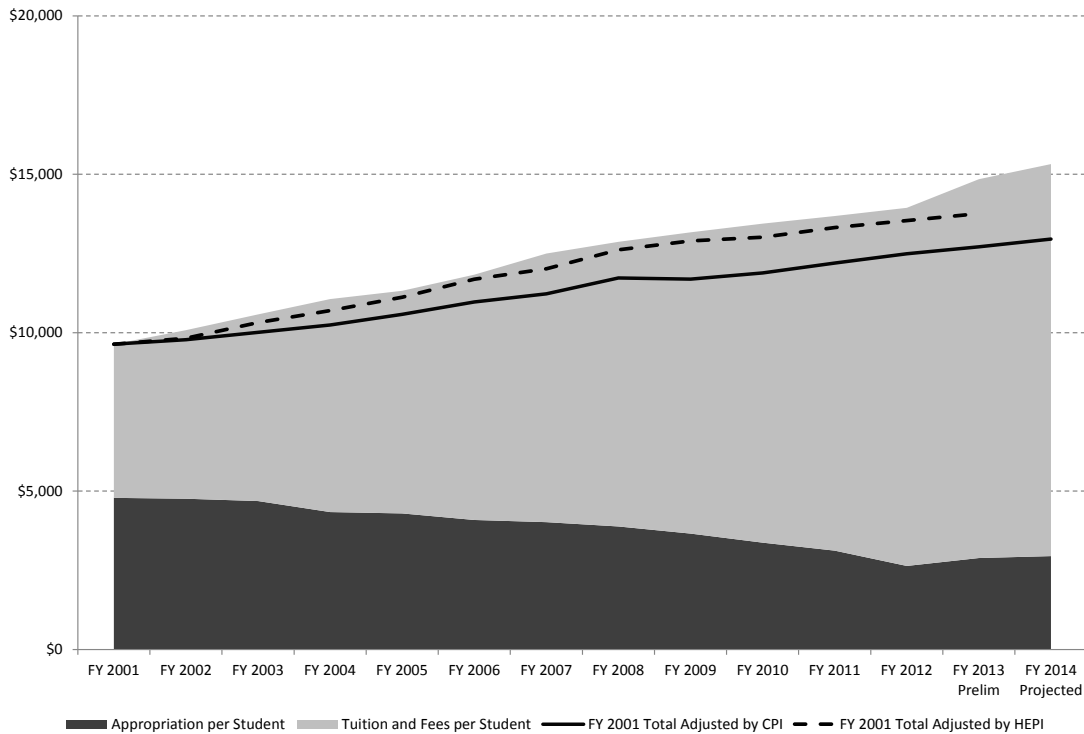
University of Michigan-Dearborn: Operating Resources per FTE Student



Financial Information: University of Michigan-Dearborn

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$4,617	\$3,366	(\$1,251)	(27.1%)	(2.4%)
Tuition and Fees	<u>\$5,952</u>	<u>\$14,498</u>	<u>\$8,546</u>	143.6%	7.1%
Total Operating Resources	\$10,569	\$17,865	\$7,295	69.0%	4.1%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	5,973	6,687	714	12.0%	0.9%
GF Financial Aid Expenditures per FTE Student	\$372	\$1,729	\$1,356	364.2%	13.6%

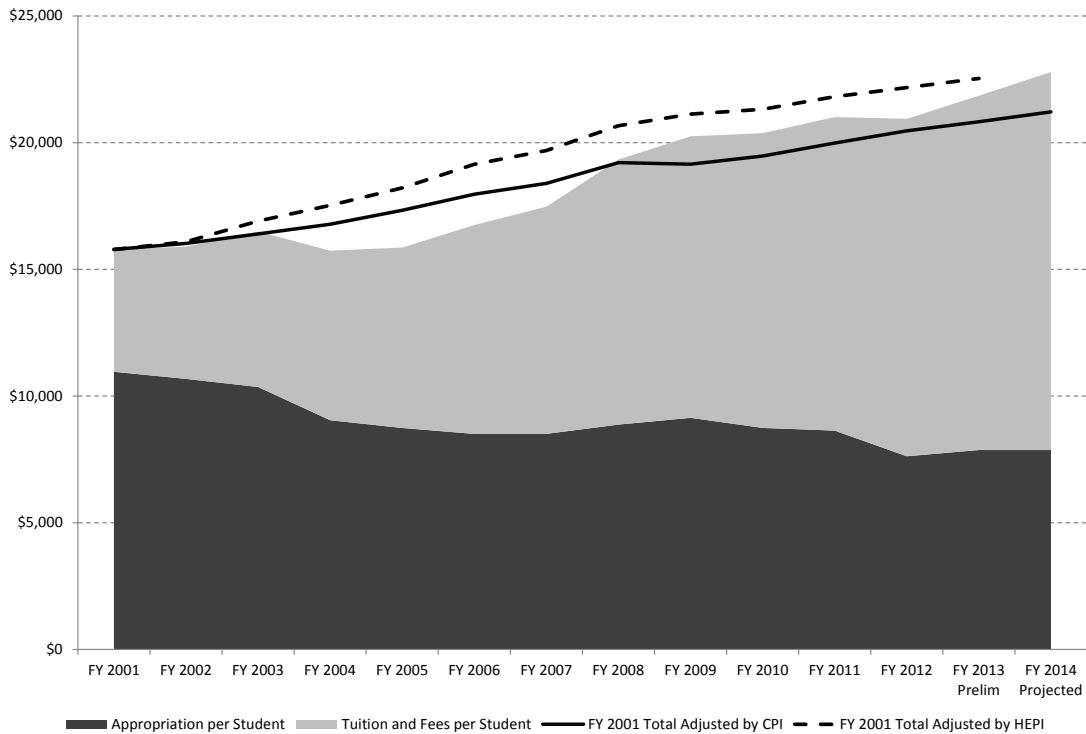
University of Michigan-Flint: Operating Resources per FTE Student



Financial Information: University of Michigan-Flint

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$4,788	\$2,949	(\$1,838)	(38.4%)	(3.7%)
Tuition and Fees	\$4,849	\$12,372	\$7,523	155.1%	7.5%
Total Operating Resources	\$9,637	\$15,322	\$5,684	59.0%	3.6%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	4,954	6,760	1,806	36.5%	2.6%
GF Financial Aid Expenditures per FTE Student	\$454	\$934	\$479	105.4%	6.2%

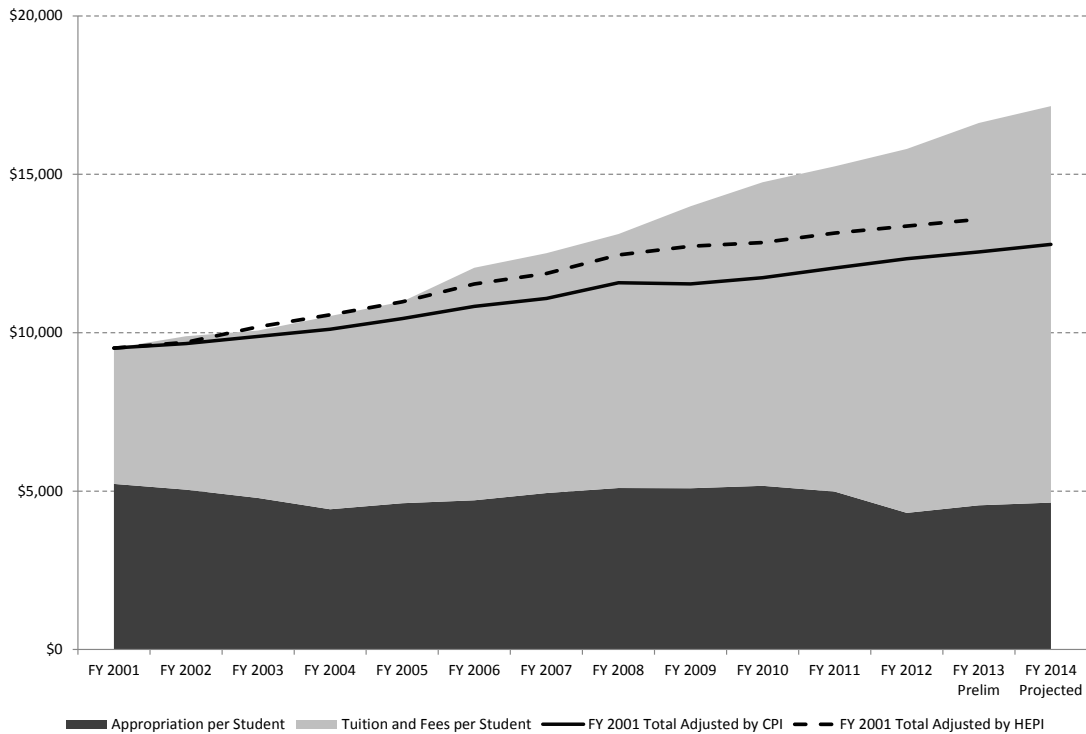
Wayne State University: Operating Resources per FTE Student



Financial Information: Wayne State University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$10,958	\$7,871	(\$3,087)	(28.2%)	(2.5%)
Tuition and Fees	\$4,827	\$14,914	\$10,088	209.0%	9.1%
Total Operating Resources	\$15,785	\$22,785	\$7,000	44.3%	2.9%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	22,811	23,301	490	2.1%	0.2%
GF Financial Aid Expenditures per FTE Student	\$678	\$2,638	\$1,960	289.1%	12.0%

Western Michigan University: Operating Resources per FTE Student



Financial Information: Western Michigan University

	FY 2000-01 Actual	FY 2013-14 Projected	\$ Change	Cumulative % Change	Annualized % Change
Revenue per FTE Student					
State Appropriation	\$5,228	\$4,637	(\$590)	(11.3%)	(0.9%)
Tuition and Fees	<u>\$4,287</u>	<u>\$12,516</u>	<u>\$8,229</u>	192.0%	8.6%
Total Operating Resources	\$9,514	\$17,153	\$7,639	80.3%	4.6%
Inflation Benchmarks					
US CPI	--	--	--	34.4%	2.3%
HEPI (through FY 2012-13)	--	--	--	42.7%	3.0%
Supplementary Information					
	FY 2000-01 Actual	FY 2012-13 Preliminary	Amount/ \$ Change	Cumulative % Change	Annualized % Change
Total FTE Students	23,693	20,978	(2,715)	(11.5%)	(1.0%)
GF Financial Aid Expenditures per FTE Student	\$740	\$2,397	\$1,657	224.0%	10.3%



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Environmental Quality	Viola Bay Wild
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Attorney General/Civil Rights/State/ Technology, Management, and Budget	Marilyn Peterson
Executive Office/Legislature/Legislative Auditor General/ Lottery/Michigan Strategic Fund/Treasury	Benjamin Gielczyk
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