



# ***FINANCE COMMITTEE BOARD OF TRUSTEES***

***RECOMMENDED FISCAL YEAR 2022-2023 TUITION AND FEES***

***June 30, 2022***

# *Tuition and Fee Rates – Fiscal Year 2022-2023*

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June 30, 2022

Mr. Gavin Leach  
Vice President  
Finance and Administration Division  
[gleach@nmu.edu](mailto:gleach@nmu.edu)

## **Executive Summary**

The goal of today's discussion is to present recommended fiscal year 2022-2023 tuition and fee rates.

- State Budget Factors
- NMU affordability
- University investments and cost increases for FY2022-2023
- Recommendation on FY2022-2023 tuition and fee rates

# State Budget Factors

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## State Appropriation (2022-2023)

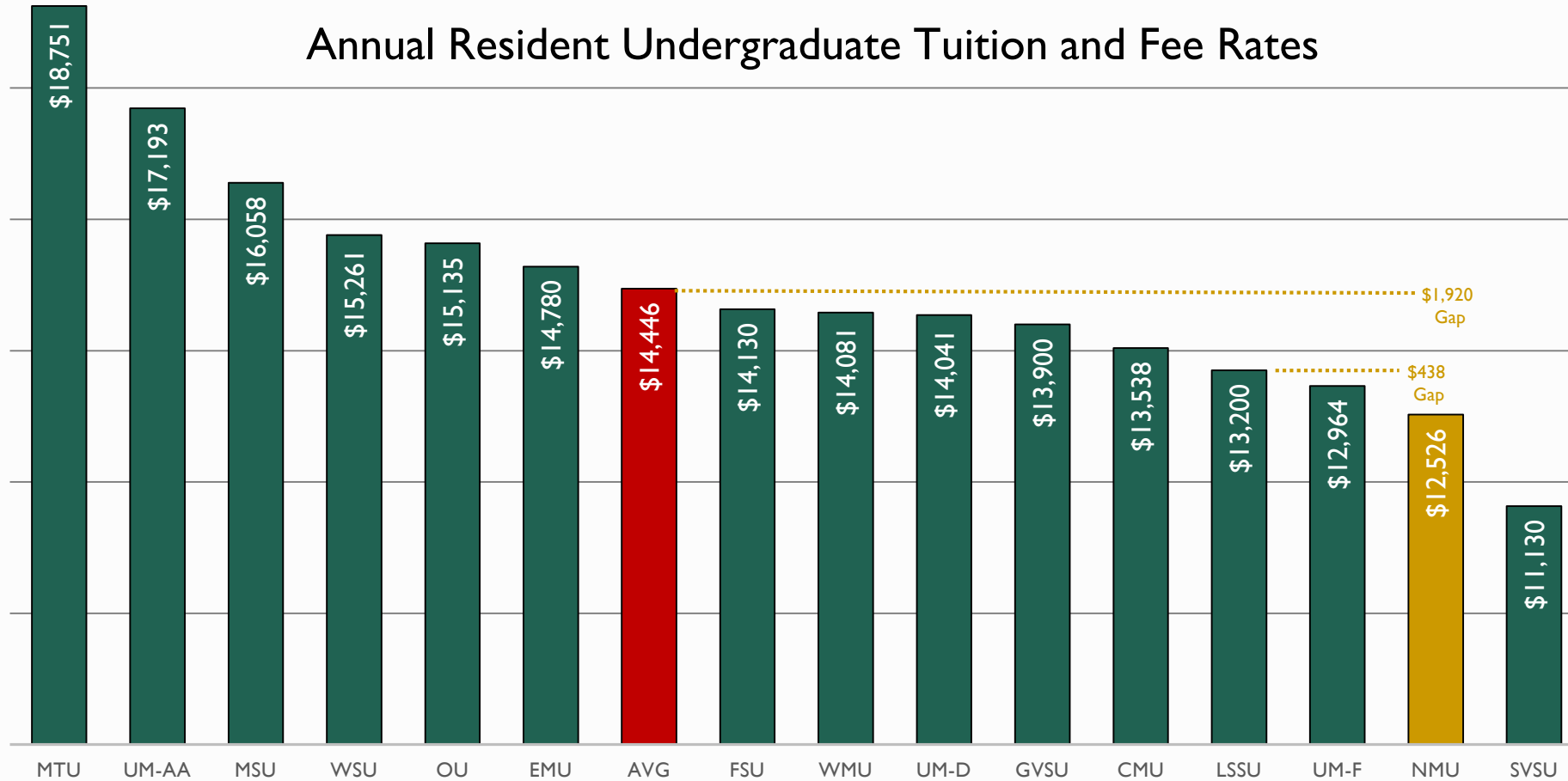
- **Executive:** \$2.5M (5.0%) increase in base operations appropriations and \$2.4M in one-time payments
- **Senate:** \$2.2M (4.4%) increase in base operations appropriations and \$2.0M in one-time payments
  - Includes funding for MPSERS liability payoff
- **House:** No increase in base operations appropriations
  - Includes funding for MPSERS liability payoff
- **Conference:** unknown

## Tuition Restraint (2022-2023)

- **Executive:** 5.0% (\$626) or \$722/year (5.76%)
- **Senate:** 5.0% (\$626) or \$722/year (5.76%)
- **House:** 4.4% (\$551) or \$636/year (5.10%)
- **Conference:** unknown

# Tuition and Fee Rates

Fiscal Year 2021-2022



# *Strategic Budget Goals*

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## **Strategic Budget Goals**

- Maintain affordable tuition and fees (currently 2<sup>nd</sup> lowest in the state)
- Enhance strong investments in financial aid for students
- Increase investment in faculty and staff
- Increase investment and support of laboratories and existing and new academic programs
- Make strategic investments in mental health services, diversity, student support and recruitment, and compliance
- Address significant inflationary cost increase in supplies, materials, equipment, and utilities
- Maintain financial sustainability and strength of the university

# *University Investments and Cost Increases for FY2022-2023*

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- **Investments in faculty and staff (contractual labor increases): \$2.5M**
- **Investments in financial aid: \$0.9M**
- **Investments in academic departments: \$0.3M**
  - Increase in lab supplies and library acquisitions
  - Increase funding for Capital Equipment Replacement
- **Strategic investments in new academic programs, student support, and compliance: \$1.6M**
  - Speech-Language Pathology
  - Mental health services
  - Diversity, Equity, Inclusion and Belonging
  - Retention
  - Admissions / Student Recruitment
  - Title IX
- **Address inflationary cost increases: \$0.8M**
  - Supplies, materials, and equipment
  - Utility rate increases
- **Total projected investments and cost increases: \$6.1M**

# ***FY2022-2023 Projected Net Budget Impact***

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## **Projected Net Budget Impact of Recommendations**

**(Based on appropriation increase of 3.0%; tuition rate increase of 3.9%; and potential demographic enrollment decline of 2.8%)**

- Projected appropriation increase: \$1.5M
- Tuition and fees – enrollment and rate impact: \$1.5M
- Increase in financial aid: -\$0.9M
- Projected investments and cost increases: -\$5.2M
- **Net decrease (funded from operating reserves): -\$3.1M**

## **Considerations and Challenges**

- State budget not finalized – significant differences in the three state budget models
  - Both House and Senate Budget Bills includes MPSERS funding; Executive Budget did not include MPSERS funding
- Fall 2022 enrollment remains unclear
- Potential utility rate and inflationary increases may be larger than currently projected
- Potential use of reserves to balance budget in FY2022-2023
- Potential need for future budget reallocations and reductions based on final outcome of state appropriation, enrollment, and other unforeseen inflationary cost increases

# ***FY2022-2023 Details of Tuition and Fee Rate Recommendations***

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## **Summary of Tuition and Fee Recommendations**

- **Annual undergraduate rate increase of 3.9%**
  - Resident and nonresident lower division rate increases by \$238 per semester
  - Resident and nonresident upper division rate increases by \$250 per semester
- **Other recommendations include:**
  - Extension/online undergraduate tuition increases are the same as on-campus
  - Graduate tuition increases by \$24/credit (3.9%)
  - Clinical lab sciences, nursing, natural sciences and TOS differential tuition increase by \$1/credit

*(Note: Recommendation is subject to change based on final state appropriation and tuition restraint language)*



# ***FY2022-2023 Impact of Tuition and Fee Rate Recommendations***

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## **Summary of Impact for Projected Investments and Cost Increases**

- Proposed rate increases align with strategic budget goals:
  - Maintaining affordable tuition and fees – adjustment of 3.9% will keep NMU 2<sup>nd</sup> lowest tuition in the State
  - Enhances investments in financial aid for students with a \$900,000 increase
  - Increases investments in high-quality faculty and staff
  - Increases investments and support of laboratories and existing and new academic programs
  - Makes strategic investments in mental health services, diversity, student support, admissions/recruitment, and compliance
  - Addresses inflationary cost increase in supplies, materials, equipment, and utilities due to current economic conditions
  - Maintains financial sustainability of the university



# *QUESTIONS*