

December 5, 2003

MEMORANDUM

To: Members of the NMU Board of Trustees

Mr. Alan Ackerman	Mr. Larry Inman
Mr. Sam Benedict	Ms. Mary Lukens
Ms. Mary Campbell	Dr. Doug Roberts
Mr. Scott Holman	Mr. Karl Weber

From: Michael J. Roy, Interim President

Subject: Board Meeting Materials

On Thursday December 11, the afternoon discussion will focus on the University's General Fund fiscal year 2004 budget, the impact of the pending Executive Order on our budget, and a forecast for fiscal year 2005.

In preparation for this discussion I have worked with the President's Council to identify potential budget revenues, reallocations, and reductions that can be considered in our discussion. The target for this list was \$4.7 million dollars which is equal to ten percent of our state appropriation. The total of all budget adjustments is over \$5.6 million. In identifying and reviewing these potential budget adjustments, it became clear to the President's Council members that the budget adjustments had different impacts on the University's ability to fulfill its mission and vision. Therefore, the President's Council prioritized the budget adjustments into two categories: (1) budget adjustments that had a low impact on our ability to fulfill our mission and vision and (2) those adjustments that had a high impact. We used the University's mission, vision, and ASNMU's Budget Litmus Test for FY04 as the basis for classifying the budget adjustments. The attachments include a copy of: the University's mission statement, our vision, ASNMU's Budget Litmus Test for FY04, a list of Low Impact Budget Adjustments, and a list of High Impact Budget Adjustments.

In addition to the budget adjustments, the President's Council reviewed and agreed upon revised projections for the General Fund budgets for fiscal years 2004 and 2005. A copy is attached.

Based on the revised General Fund budget projections, the President's Council developed three possible options for ensuring balanced budgets. All three options use only the Low Impact Budget Adjustments. The members of the President's Council all felt that because of previous budget reductions and our continuing enrollment growth, to go beyond the low impact adjustments would seriously jeopardize the University's ability to accomplish its vision. The three options are attached.

At our focus discussion I will present additional information on productivity and how we compare to other peer universities in Michigan.

This memorandum and the information that I have attached will be shared with the campus community today. Then on December 8, we will present this information and additional background information at a forum at the University Center at 3:00 p.m. and again at a Let's Chat session at 6:00 p.m. I will bring a summary of the comments and recommendations we receive to our focus discussion on December 11.

NORTHERN MICHIGAN UNIVERSITY

Mission Statement

Northern Michigan University, by providing quality academic programs, strong student support, and extensive regional service for its stakeholders in the upper Midwest, challenges its students, faculty, staff, and alumni to strive for excellence, both inside and outside the classroom, and to become outstanding citizens and leaders.

To accomplish this mission, Northern provides a supportive living and learning environment that includes high-caliber undergraduate and graduate programs, personal attention, extensive use of modern technology, and continuous improvement of curriculum and services through systematic assessment. Challenging themselves and their students, Northern faculty and staff are dedicated to effective teaching and intellectual inquiry; to including students as learning partners in their research, scholarship, and other professional activities; and to advancing the University's roles as a service provider and as a cultural and recreational center in the Upper Peninsula. Northern Michigan University students will study ethics, humanitarian values, and cultural awareness in a strong general education program as well as master specific knowledge in a major career field. As graduates who are life-long learners, they will possess the skills and attitudes to succeed in a fast-paced, constantly evolving, multi-cultural world. As alumni, they will be challenged to continue an NMU tradition, that of distinguishing themselves in their careers and communities.

Vision Statement

Northern Michigan University will be the public university of choice in the Midwest for students seeking quality academics and outstanding collegiate experiences with personal attention in a high-tech learning environment.

ASNMU Budget Litmus Test for FY04

- **Number of students benefited**
 - Student Jobs
 - How many students are in/or affected by the program
 - Enrollment
- **Impact on Scholarship/Loans**
- **Impact on the learning environment**
 - Class size
 - Educational programs/departments mergers
 - Educational Quality- real life learning opportunities
- **Impact on the living environment**
 - Student activities
 - community service
 - Social environment
- **Impact on overall cost**
 - Cost/Benefit analysis, how much per student
- **Are there other options or alternatives??? Or redundant**
- **Short term vs. long term effects (One time deal??)**

**PRESIDENT'S COUNCIL
BUDGET REDUCTION TARGETS
Fiscal Year 2003-2004**

Low Impact Budget Adjustments:

Line	Department	Type of reduction	Impact	IMPACT		Cash flow L
				FTE	Amount	
Total: University				Low Impact Reductions:		\$1,835,072
Target (High and Low Impact):				FTE:	\$3,386,480	
					16.16	
Division: Provost & Vice President for Academic Affairs						
1	Provost & VPAA	Eliminate support funding	<i>Assoc Provost Discretionary; less support for misc. student activities</i>	--	\$4,887	\$2,444
2	Provost & VPAA	Reduce equipment funding	<i>Academic Equipment; some emergency needs will not be met</i>	--	\$10,000	\$5,000
3	Provost & VPAA	Eliminate funding	<i>Furniture and Fixtures; classroom furniture needs will depend on 1-time availability</i>	--	\$15,000	\$7,500
4	Provost & VPAA	Eliminate CT position	<i>Lay off CT; transfer work to other qualified employees or eliminate work</i>	1.00	\$62,632	
5	Provost & VPAA	Reduce Support funding	<i>Reduce travel and other office expenses</i>	--	\$20,000	\$10,000
6	Provost & VPAA	Reduce Contingency funding	<i>Less responsive to emergency needs</i>	--	\$7,000	\$3,500
7	Provost & VPAA	Reduce support funding	<i>Assoc VP – SSE Discretionary; less support for misc. student activities</i>	--	\$2,000	\$1,000
8	Provost & VPAA	Reduce Prof. Dev. Funding	<i>Minimum support for DH professional development</i>	--	\$1,500	\$750
9	Graduate Studies	Eliminate Grad Dean line	<i>Grad Dean eliminated under BAC; remainder of comp in line</i>	1.00	\$93,826	\$46,913
10	Provost & VPAA	Merit savings	<i>Savings from change in Merit fees</i>	--	\$100,000	\$100,000
11	International Affairs	Reduce support budget - Int. Affairs	<i>Reduce travel to IA meetings</i>	--	\$2,000	\$1,000
12	Institutional Research	Reduce support budget - Inst Research	<i>Reduce office expenses and travel</i>	--	\$2,000	\$1,000
13	Continuing Education	Elim. base budget marketing in CE&SP	<i>Transfer marketing expenses to self-funded areas</i>	--	\$5,000	\$2,500
14	Continuing Education	Reduce personnel support	<i>Transfer portion of Director cost to non-GF accounts</i>	--	\$7,698	
15	Dean, Arts & Sciences	Support	<i>Reduces support to department</i>	--	\$28,085	\$14,043
16	Com. Dis.	Reduce dept admin; ga's; and support	<i>Significant porton related to reduction in scholarship money for GA's, remainder is in support and reduction in departmental administration.</i>	0.25	\$39,000	\$0
17	Criminal Justice	Eliminate remain pos budget (Waters)	<i>Some reduction one section in adjunct/overload</i>	0.08	\$9,384	\$9,384
18	Criminal Justice	Reduce CJ Forum budget	<i>Fewer CJ forums will be held</i>	--	\$3,000	\$1,500
19	Dean Budget	Support budget	<i>Reduction of ability to provide equipment and supplies to departments.</i>	--	\$20,000	\$10,000
20	Education	Replace Science Ed position -- savings (Hrecz)	<i>Inability to staff required MSED courses for Education majors</i>	--	\$5,000	\$5,000
21	Sociology/SW	Replacement savings (O'Haren)	<i>Position savings</i>	--	\$5,000	\$0
22	Business	Reduction of Administrative Staff	<i>This will result in less support for students with problems or wanting to discuss different disciplines. It will also substantially reduce the interaction of the college with its external stakeholders at a time when students are increasingly asking about placement quality and opportunities to interact with potential employers before making a decision of where to enroll.</i>	1.00	\$26,000	\$0
23	Dean, Technology & Appl. Sci.	Eliminate Dean's Position	<i>College to school reorganization</i>	1.00	\$136,374	\$0

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24	Student Activities & Leadership	Eliminate Leadership Banquet	<i>There will not be a leadership banquet. This has been a popular event in the past. The concern is that this will resurface in the spring and that there will be an expectation that the banquet be held.</i>	--	\$6,000	\$0
25	Dean of Students	Reduce Welcome Weekend	<i>Welcome Weekend activities will be curtailed. It is anticipated that funds from the SFC could be used to help support this event.</i>	--	\$14,000	\$0
26	Dean of Students	Reduce gen. fund support for Assoc. Dean by 55% - supplement it with previously budgeted auxiliary funds		--	\$37,788	\$0
27	Dean of Students	Dean of Students – Reduce Honors Program	<i>Some activities will be eliminated from the program and support dollars reduced.</i>	--	\$3,000	\$0
28	Disability Student Services	Reduce AP pos. from 12 to 10 month	<i>This will be a reduction in services. It will mean that others in the Dean of Students Office will be required to provide the service in the AP's absence.</i>	0.17	\$9,388	\$0
29	JOBSearch	Eliminate CT position	<i>The functions performed by the CT position have changed over the years to the point where this position can be considered for elimination. The functions have become automated to the point where the scheduling of appointments, movement of money across budget lines, etc. will not be impacted to any great degree.</i>	1.00	\$57,693	\$57,693
30	JOBSearch	Reduce AP from 11 to 10 month	<i>The AP position has a workload that warrants consideration of a reduction during the summer months.</i>	0.08	\$4,600	\$0
31	JOBSearch	Reduce Director by 25% and cover difference with grant money		0.25	\$15,000	\$0
32	JOBSearch	Reduce support		--	\$1,380	\$690
33	Counseling & Consult Services	Reduce CT from 10 month F/T to 10 month 90% time	<i>It will result in the reduction of CT support for the department to a very minimal level.</i>	0.75	\$6,679	\$0
34	Counseling & Consult Services	Reduce Director from 12 to 11 month	<i>The department will not be open during periods of the summer months.</i>	0.08	\$4,063	\$0
35	AIS: Dean	Contingency funds:	<i>Reduction from Dean's office and AIS contingency; used to support unit shortfalls, projects, equipment, staff travel, etc.</i>	--	\$12,167	\$6,084
36	AIS: All Depts	Travel:	<i>Reductions from across units for staff professional development</i>	--	\$6,000	\$3,000
37	AIS: Library & IMS	Reduce equipment: Library and IMS	<i>Reduce equipment</i>	--	\$2,000	\$1,000
38	AIS: All Depts	Reduce support budgets	<i>Reduction of operating support budgets across all units</i>	--	\$27,855	\$13,928
39	Director	Reduce travel to state level meetings	<i>Reduce travel to state level meetings</i>	--	\$1,817	\$909

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40	Engineering	Reduce parts purchase; less timely repair of various equipment	<i>Reduce parts purchase; less timely repair of various equipment</i>	--	\$3,000	\$1,500
41	Dean, College of Business	Reduction of Overhead costs/Adjunct Budget	<i>Eliminate some travel for faculty and students. Reduction in adj/OL funds result in fewer and increase in the average class size in the. Reducing offerings to only once a year may cause students to look to other options to complete their degrees</i>	1.00	\$10,300	\$0
42	AIS: Library & Academic Computing	Eliminate Academic Computing position	<i>Impacts server and network support, software testing, computer image development, ACS web development/maintenance, lab and 2nd line HelpDesk support</i>	1.00	\$68,232	\$34,116
TOTAL -- Academic Affairs				8.66	\$896,348	\$340,452
Division: Finance and Administration						
43	Fin & Plan/Controller's Office	Eliminate accountant	<i>Combine Finance and Planning and Controller's Offices and reassign duties</i>	1.00	\$52,000	\$26,000
44	Fin & Plan/Controller's Office	Support budget	<i>Finance and Planning and Controller's support and professional services</i>	--	\$21,000	\$10,500
45	Fin & Plan/Controller's Office	Printing	<i>Move to ACH for all employee reimbursements</i>	--	\$5,000	\$0
46	Fin & Plan/Controller's Office	TLC	<i>Savings from lease charges</i>	--	\$500,000	\$250,000
47	Human Resources	Reduce clerical position	<i>Eliminate clerical position: supports payroll and human resource functions</i>	0.25	\$8,328	\$0
48	Human Resources	Reduce training budget	<i>Reduce staff development and training budget</i>	--	\$5,000	\$2,500
49	Human Resources	Reduce printing and administrative costs		--	\$1,972	\$986
50	AdIT	Eliminate operator (C/T)	<i>Eliminate third shift operator</i>	1.00	\$36,831	\$0
51	AdIT	Reduce hardware maintenance	<i>AdIT routers and catalysts</i>	--	\$12,267	\$0
52	AdIT	Reduce software maintenance	<i>Mainframe maintenance</i>	--	\$9,097	\$0
53	AdIT	Eliminate student long distance service	<i>Students would use third party pre-paid calling cards purchased on their own (e.g., Sam's Club, NMU Bookstore). NMU may offer NMU calling card.</i>	1.00	\$73,611	\$0
54	Recreational Services	Reduce support -- Quad II & rec promotions	<i>Do not implement Quad II operations; reduce recreational promotions</i>	--	\$65,000	\$0
55	Recreational Services	Reduce sports club operations	<i>Move to volunteer basis for administering program</i>	--	\$6,000	\$0
56	Recreational Services	Reduce motor pool charges	<i>Use of personal vehicles to conduct department and university business</i>	--	\$3,500	\$1,750
57	Recreational Services	Reduce programming costs for rec svcs (approx. 26 groups impacted)	<i>Elim budgeted no cost programming for groups whose members are recreation members; affects residence life groups (approx. 26 groups); reduces the value of student rec pass & will result in loss of membership sales</i>	--	\$5,000	\$2,500
58	Recreational Services	Reduce drop-in climbing schedule	<i>Reduces rec opportunities; devalues membership benefits; loss of student employee jobs; reduces ability to generate revenue</i>	--	\$2,500	\$1,250

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					16.16	
59	Recreational Services	Reduce Outdoor Rec & Challenge program	<i>Will effect equipment maintenance and repairs; loss of student summer job opportunities; reduction in rental revenues</i>	--	\$3,000	\$1,500
60	Intercollegiate Athletics	Eliminate full-time diving coach (net savings)	<i>Replace current full-time diving coach with part-time coach; could impact Title IX; reduces quality of swim program</i>	0.67	\$22,000	\$0
61	Intercollegiate Athletics	Reduce coaches travel	<i>Coaches will not be able to attend national conventions or coaching seminars</i>	--	\$8,400	\$4,200
62	Intercollegiate Athletics	Reduce recruiting budgets by 15%	<i>Will impact recruiting of student athletes; could become less competitive with other schools</i>	--	\$12,000	\$0
63	Intercollegiate Athletics	Reduce athletic administration budget	<i>Reduces funds for unexpected costs</i>	--	\$2,500	\$1,250
64	Intercollegiate Athletics	Reduce all promotions & advertng	<i>Eliminate all promotions & advertng other than trade advertisements</i>	--	\$5,000	\$0
65	Intercollegiate Athletics	Revenue enhance: incr ticket price \$1.00	<i>Could impact attendance</i>	--	\$50,000	\$0
66	Intercollegiate Athletics	Eliminate pass for other sports	<i>Criticism by public; could reduce number of season ticket holders</i>	--	\$5,000	\$0
67	Intercollegiate Athletics	Increase Wildcat Club contributions	<i>Increase fund raising</i>	--	\$15,000	\$0
68	Intercollegiate Athletics	Increase Blue Line Club contributions	<i>Increase fund raising</i>	--	\$5,000	\$0
69	Facilities	Rental income from antenna space		--	\$7,200	\$7,200
70	Plant Operations	Eliminate one (1) Plant Operations position	<i>Delays in meeting work order requests</i>	1.00	\$56,945	\$0
71	Central Receiving	Eliminate budget for Warehouse position	<i>Currently vacant</i>	1.00	\$44,000	\$44,000
72	Plant Operations	Close Carey Hall & Lee Hall	<i>Operational savings: Utilities (electrical & water) building supplies, other</i>	--	\$32,300	\$0
73	Engineering & Planning/Facilities	Reduce support & equipment	<i>Reduced allocation for supplies</i>	--	\$25,129	\$12,565
74	Plant Operations	Equipment and facilities supplies	<i>Unable to replace equipment on a scheduled basis or as needed</i>	--	\$159,700	\$0
75	VP Finance & Administration	Reduce VPFA contingency/support	<i>Reduces flexibility in meeting unforeseen problems</i>	--	\$19,085	\$9,543
TOTAL -- Finance and Administration				5.92	\$1,279,364	\$375,743
Division: President						
76	Alumni Relations	Move general expenditures to assoc. dues	<i>Designating portion of endowment investment revenue to operational costs</i>	--	\$14,300	\$7,150
77	Development Fund	Move development expenditures to dev fund	<i>Designating portion of endowment investment revenue to operational costs</i>	--	\$27,689	\$13,845
78	News Bureau	Student labor and admin expense	<i>Reduce student labor support in processing mass mailings</i>	--	\$4,540	\$2,270
79	Communications	Remaining balance from clerical position	<i>Open position</i>	0.75	\$25,850	\$12,925
80	Marketing	Reduce administartive & marketing support	<i>Limited impact on operations</i>	--	\$6,301	\$3,151
81	President's Office	Reduce travel costs	<i>Reduces dollars available for travel</i>	--	\$5,300	\$2,650
82	President's Office	Reduce support cost (prog adj account)	<i>No impact on operations -- reduces contingency</i>	--	\$3,676	\$1,838

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Total: University				Low Impact Reductions:		\$1,835,072
Target (High and Low Impact):				FTE:	\$3,386,480	
					16.16	
83	President's Office	Reduce operating reserves	<i>Reduces reserves available for special maintenance and other problems</i>	--	\$180,000	\$180,000
84	Board of Trustees	Reduce meeting costs (travel, supplies, etc)	<i>Reduce meeting costs (travel, supplies, etc)</i>	--	\$5,000	\$5,000
85	Public Safety & Police Services	Elimination of one (1) 10 mo police officer	<i>Shift investigator from day shift to a swing shift (3PM to 11PM) Sunday -- Thursday; Sr Adm staff will pick up other duties</i>	0.83	\$48,062	\$0
TOTAL -- President				1.58	\$320,718	\$228,828
Division: General University						
86	General University	Enrollment in excess of budget		--	\$515,050	\$515,050
87	General University	Savings from debt service	<i>Not move forward with Quad II project</i>	--	\$75,000	\$75,000
88	General University	Severance Incentive Program savings	<i>Base funding for SIP completed through fiscal year 2003</i>	--	\$300,000	\$300,000
TOTAL -- General University				0.00	\$890,050	\$890,050
TOTAL -- University				16.16	\$3,386,480	\$1,835,072

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BUDGET REDUCTION TARGETS
Fiscal Year 2003-2004**

High Impact Budget Adjustments:

				IMPACT	
				High ("H")	
Line	Department	Type of reduction	Impact	FTE	Amount
Total: University			Target (High and Low Impact):	High Impact Reductions:	\$2,267,218
				FTE:	38.66
Division: Provost & Vice President for Academic Affairs					
1	Art & Design	Do not fill Graphic Communications Position.	<i>Loss of 13 class sections will force the department to limit enrollment in studio courses to majors and minors, only.</i>	1.00	\$58,056
2	Art & Design	Reduce sections covered by adjuncts	<i>Reducing adjuncts will increase class size limit the ability to offer courses</i>	1.00	\$24,000
3	Biology	Do not fill Microbiology Position.	<i>Loss of the position jeopardizes all of Health Sciences. Department will have to cover six sections.</i>	1.00	\$58,177
4	CAPS	Do not fill Speech Position	<i>Loss of the position limits opportunity to develop a new Entertainment and Sports Promotion program – potential new enrollment of 100.</i>	1.00	\$60,572
5	CAPS	Do not fill Theatre Position	<i>Reduce by half the number of theatre productions. Limit options for Theatre majors.</i>	1.00	\$60,888
6	CAPS	Reduce sections covered by overloads	<i>Reducing adjuncts will increase class size limit the ability to offer courses</i>	0.28	\$6,720
7	Economics	Do not fill Economics Position	<i>Fewer (and larger) sections of EC 101, longer rotation of upper-level course offerings.</i>	1.00	\$32,039
8	English	Do not fill Composition Position	<i>Loss of 13 class sections will require larger classes.</i>	1.00	\$87,010
9	English	Reduce sections covered by overloads	<i>Loss of Composition position will put Writing Center in jeopardy.</i>	1.17	\$28,080
10	Geography	Do not fill position	<i>The loss of this position will curtail summer study abroad opportunities for students throughout campus.</i>	1.00	\$49,993
11	History	Do not fill position	<i>The loss of 10 sections of History classes will force much larger class sizes, and limit the frequency of course offerings</i>	1.00	\$60,888
12	History	Do not fill portion of position from Limited Appointment	<i>Loss of full-time faculty and adjuncts will eliminate 16 sections. The shortfall will result in much larger classes and inevitable delays in meeting requirements of the History major(s) and overall graduation requirements.</i>	0.50	\$39,928
13	History	Reduce sections covered by adjuncts	<i>Loss of full-time faculty and adjuncts will eliminate 16 sections. The shortfall will result in much larger classes and inevitable delays in meeting requirements of the History major(s) and overall graduation requirements.</i>	0.21	\$5,040
14	Math & Computer Science	Reduce sections covered by adjuncts	<i>Fewer and larger sections of beginning mathematics courses</i>	0.42	\$10,080
15	Languages	Do not fill portion of position arising from Limited Appointment	<i>Jeopardizes the major in Spanish Education</i>	0.67	\$41,290

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Target (High and Low Impact):				FTE:	38.66
16	Languages	Reduce sections covered by adjuncts	<i>Reducing adjuncts will increase class size limit the ability to offer courses</i>	0.17	\$4,080
17	Music	Reduce sections covered by adjuncts	<i>Larger class size in service courses</i>	0.12	\$2,880
18	Physics	Reduce sections covered by adjuncts	<i>Larger class size/ longer rotation between class offerings</i>	0.25	\$6,000
19	Political Science	Reduce sections covered by adjuncts	<i>Larger class size in introductory Political Science classes</i>	0.19	\$4,560
20	Psychology	Reduce sections covered by adjuncts	<i>Reducing adjuncts will increase class size limit the ability to offer courses</i>	0.22	\$5,280
21	Philosophy	Do not fill portion of position arising from Limited Appointment	<i>Will force larger class sizes.</i>	0.50	\$41,430
22	Native American Studies	Do not fill position	<i>Teaching Ojibwa language will be curtailed</i>	1.00	\$48,059
23	Native American Studies	Reduce sections covered by adjuncts	<i>Reduce number of sections of Native American Experience</i>	0.22	\$5,280
24	Dean, Arts & Sciences	Student Labor	<i>Reduces support to department faculty and clerical staff</i>	--	\$9,752
25	Dean, Arts & Sciences	Reduce GA's	<i>Reducing grad assistants will increase class size limit the ability to offer courses</i>	--	\$58,923
26	Dean, Arts & Sciences	Administration	<i>Reduce department head stipends by \$32,360 and increase teaching by 14 sections</i>	1.83	\$101,000
27	Dean, Arts & Sciences	Limited Appointments	<i>Will force larger class sizes.</i>	2.00	\$65,392
28	Dean, Arts & Sciences	Adjunct Overloads	<i>Yet to be allocated to departments</i>	1.17	\$28,000
29	Dean, Arts & Sciences	Other		--	(\$1,744)
30	CLS/ST	Increase in lab sizes	<i>Increase in lab sizes</i>	0.13	\$4,500
31	Criminal Justice	Reduce adjunct overload	<i>Reduction of eight (8) section and significant increase in class size especially in introductory</i>	0.50	\$30,610
32	Dean Budget	Reduction adjunct overload	<i>Reduction of approximately .75 of the of the position for adjunct/overload within the College</i>	0.75	\$20,000
33	Education	Replace Science Ed position with adj/ovl	<i>Inability to staff required MSED courses for Education majors</i>	1.00	\$31,388
34	Education	Replace Educ position with adj/ovl (Hanlon)	<i>Inability to offer required courses for Education majors</i>	1.00	\$35,643
35	Education	Replace Educ position with adj/ovl (Kaurala)	<i>Inability to offer undergraduate and graduate level courses for Education majors</i>	1.00	\$56,193
36	Education	Replacement savings use for adj/ovl (O'Neill)	<i>Reduction in adjunct/overload classes</i>	0.20	\$6,861
37	HPER	Charge secretary to summer/decr adj/ovl	<i>Reduction in dollars available for adj/ovl during academic year</i>	0.75	\$22,000
38	HPER	Reduce adjunct overload	<i>Reduction of quantity and variety of courses offered</i>	0.20	\$6,000
39	HPER	Reduce support for activity classes	<i>Reduce quality of course offering</i>	0.50	\$12,000
40	Nursing/LPN	Backfill for the Hill line item	<i>Limit the course offerings and lead to reduction in students being able to participate in the pro</i>	1.00	\$96,167
41	Nursing/LPN	Savings non-replace of faculty position/adj ovl	<i>Limits the ability to offer courses and consequently the number of students admitted to the pro</i>	--	\$11,086
42	Sociology/SW	Not replace Monette position	<i>Inability to offer six (6) sections of liberal studies and major coursework per year</i>	1.00	\$93,800

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Total: University		Target (High and Low Impact):		High Impact Reductions: \$2,267,218	
				FTE:	38.66
43	Sociology/SW	Reduced appointment savings/not use adj/ovl	<i>Reduces ability to offer class sections</i>	0.33	\$25,000
44	Business	Retirement of two faculty without replacement	<i>Two faculty are considering retirement. Expand the minimum number of students in a class from 10-15+; fewer sections. Elective offerings reduced. Average class size in the COB to increase above its current 30. COB may have to terminate some programs and may be unable to start new ones or sustain recently implemented programs.</i>	2.00	\$162,500
45	Dean, College of Business	Reduction of Overhead costs/Adjunct Budget	<i>Eliminate some travel for faculty and students. Reduction in adj/OL funds result in fewer and increase in the average class size in the. Reducing offerings to only once a year may cause students to look to other options to complete their degrees</i>	1.00	\$30,000
46	Aviation	Phase out Position # 000900, Aviation Maintenance (continuing NMUFA position).	<i>This position is part of a three faculty team that delivers and FAA approved A&P Mechanic program at the certificate and associate degree levels. Industry-wide bad news has hurt program enrollment and this position routinely generates just over 100 SCH's each semester. It takes 3 faculty to deliver this 1900 contact hour program in its present form. If this position were discontinued, the program delivery schedule would need to be lengthened to 5 or 6 semesters. The net loss of students to NMU will likely range from 1-5 students. Note: AMR Ramsey (100+ jobs at Sawyer) has told us that this program is one of the main reasons they remain in this location.</i>	1.00	\$64,897
47	Financial Aid	Eliminate CT position	<i>This reduction, along with the current workload created with Banner implementation, will result in slower response times to financial aid applications. NASFAA data will show that institutions of similar size and financial aid volume will have a staff average of 16; this will reduce the Financial Aid department to a staffing level of 10.</i>	1.00	\$56,054
48	Admissions	Reduce 5 regional counselors from 12 to 11 month	<i>The reduction of five regional counselors could result in the employees pursuing other employment opportunities, thus leaving a void in our recruitment activities/scheduling and affecting relationships already developed in each region.</i>	0.08	\$21,616

**PRESIDENT'S COUNCIL
BUDGET REDUCTION TARGETS
Fiscal Year 2003-2004**

High Impact Budget Adjustments:

					IMPACT	
					High ("H")	
Line	Department	Type of reduction	Impact	FTE	Amount	
Total: University				Target (High and Low Impact):		High Impact Reductions:
						\$2,267,218
						FTE: 38.66
49	Admissions	Eliminate HPO and transfer those auxiliary funds to support the costs of two Admissions Counselors	<i>The budget reductions targeted have forced us to consider, in addition to the reduction of the previously mentioned regional counselors, the elimination of two admissions counselors. It was the consensus of SS&E administrators that the impact of this decision would be negative to the overall mission of the university. It is recommended that the Health Promotions Office be eliminated and those funds previously allocated from auxiliary dollars be reallocated to cover the costs of two admissions counselors. The overall impact would be the elimination of the HPO. It is believed that the resources would be better allocated to support the recruitment of new out of state and lower Michigan students who will reside in residence halls</i>	1.00	\$87,780	
50	Student Activities & Leadership	Reduce support budget	<i>If the HPO is eliminated, the support dollars for the program could also be eliminated.</i>	--	\$15,933	
51	Voc. Student Services	Change classification of CT from A to B	<i>Reclassification more accurately reflects duties performed by the position.</i>	--	\$5,766	
52	Disability Student Services	Reduce support	<i>This will be a reduction primarily in student labor.</i>	--	\$5,000	
53	AIS: TLC	TLC support	<i>Impacts hardware and software to manage TLC administration; temporary and student labor for unique projects associated with TLC: examples billing, asset management, parts inventory, client surveys/data collection</i>	--	\$40,000	
54	AIS: All Depts	Student Labor	<i>Student Labor: reduction total across all units; approx. 0.8 FTE</i>	0.80	\$10,200	
55	AIS: Library	Reduce library acquisitions	<i>Reduce library acquisitions: book/serial/electronic resource purchases</i>	--	\$28,000	
56	AIS: Library	Eliminate faculty position	<i>Reassignment of duties impacts reference, instruction, research support; Government documents depository status (Congressional designation) enables acquisition of federal and state publications without direct cost</i>	1.00	\$75,297	
57	AV, Prod/Ops, FM, TV	Reduce budgeted student labor; use development, CPB pools as appropriate	<i>Reduce budgeted student labor; use development, CPB pools as appropriate</i>	--	\$30,000	
TOTAL -- Academic Affairs				36.16	\$2,085,944	
Division: Finance and Administration						
58	AdIT	Eliminate AdIT student technician support	<i>Reduce 4 student technicians in telephone/networking operations</i>	--	\$26,448	

**PRESIDENT'S COUNCIL
BUDGET REDUCTION TARGETS
Fiscal Year 2003-2004**

High Impact Budget Adjustments:

				IMPACT	
				High ("H")	
Line	Department	Type of reduction	Impact	FTE	Amount
Total: University				High Impact Reductions: \$2,267,218	
Target (High and Low Impact):				FTE: 38.66	
59	AdIT	Eliminate Document Imaging Coordinator (AP)	<i>Reduces support for electronic imaging function, duties will have to be reallocated among remaining staff</i>	1.00	\$63,365
60	Recreational Services	Reduce student labor	<i>Full-time staff schedules will change to cover building operations and student labor will decrease</i>	--	\$7,000
61	Recreational Services	Reduce PEIF equipment expenditures	<i>Will delay needed repairs & upgrades to fitness center & operational equipment; down time for equipment will increase; customer dissatisfaction could lead to decrease in member sales</i>	--	\$10,500
62	Plant Operations	Eliminate one (1) Plant Operations position	<i>Delays in meeting work order requests</i>	1.00	\$56,945
TOTAL -- Finance and Administration				2.00	\$164,258
Division: President					
63	Marketing account	Graduate assistant	<i>Eliminate graduate assistant support for Marketing and web site services</i>	0.50	\$10,608
64	Marketing account	Graduate assistant scholarship	<i>Eliminate departmental scholarship for graduate assistant</i>	--	\$6,408
TOTAL -- President				0.50	\$17,016
Division: General University					
65	General University	<i>No high impact recommendations</i>		--	\$0
TOTAL -- General University				0.00	\$0
TOTAL -- University				38.66	\$2,267,218

REVISED BUDGET PROJECTION FOR THE GENERAL FUND
Fiscal Years 2004 and 2005

Description	FY04	FY05
	Exec Order	Revised
Assumptions:		
Appropriation Reduction	-6.0%	-5.0%
Fiscal Year Equated Student (FYES) increase	n/a	+3.0%

BASE BUDGET:

FY04 and FY05 State Appropriations and Enrollment:

<i>State appropriation:</i>		
Executive order (FY2004)	(\$2,808,690)	--
Projected appropriation adjustment (FY2005)	--	(\$2,200,000)
Enrollment revenues	--	\$1,170,000
Less: Scholarships (\$748 per student avg.-- FY05 revised)	--	(\$181,000)
TLC allocation (\$667 per student average -- FY05 revised)	--	(\$162,000)
Faculty staffing (adjust based on increase/22.3 -- 22.3:1 ratio)	--	10.8
Faculty staffing adjustments	--	(\$651,000)
Subtotal	(\$2,808,690)	(\$2,024,000)

FY05 State Budget Request:

Compensation, staffing, and support		(\$2,022,000)
MPERS		(\$300,000)
Health Insurance		(\$600,000)
Utilities		(\$350,000)
Debt Service		\$0
Subtotal		(\$3,272,000)

Other Adjustments:

Reduction to designated appropriations	\$100,954	
Faculty and department head compensation adjustments	(\$104,816)	(\$104,816)
Subtotal	(\$3,862)	(\$104,816)

Net surplus (shortfall) before adjustments	(\$2,812,552)	(\$5,400,816)
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BUDGET OPTIONS
Fiscal Years 2004 and 2005

Description	FY04	FY05
	Executive Order	Revised Estimate
Assumptions:		
Appropriation	-6.0%	-5.0%
Enrollment	n/a	+3.0%

Option #1:

Projected Shortfall

After appropriation reductions and projected cost increases (\$2,812,552) (\$5,400,816)

Budget adjustments

Presidents Council base adjustments (\$3,386,480 over two years) \$1,835,072 \$1,551,407
 BAC 2005 adjustments \$1,834,548
 FY2005 other adjustments (\$7,659)
Subtotal -- Budget Reductions \$1,835,072 \$3,378,296

Tuition increase

FY04 percentage increase 5.2%
 FY04 cost to student (mid-year is \$134; full year would be \$268) \$134.00
 Tuition revenue generated \$977,480 \$1,058,520
 FY05 percentage increase 2.4%
 FY05 cost to student \$120.00
 Tuition revenue generated \$964,000
Subtotal -- Tuition and fee revenue \$977,480 \$2,022,520

TOTAL -- Base Budget Adjustments \$2,812,552 \$5,400,816

BALANCE -- Base Budget \$0 \$0

BUDGET OPTIONS
Fiscal Years 2004 and 2005

Description	FY04	FY05
	Executive Order	Revised Estimate
Assumptions:		
Appropriation	-6.0%	-5.0%
Enrollment	n/a	+3.0%

Option #2:

Projected Shortfall

After appropriation reductions and projected cost increases	(\$2,812,552)	(\$5,400,816)
Carryover deficit from prior year		(\$415,480)
Subtotal -- Projected Shortfall	(\$2,812,552)	(\$5,816,296)

Budget adjustments

Presidents Council base adjustments (\$3,386,480 over two years)	\$1,835,072	\$1,551,407
BAC 2005 adjustments		\$1,834,548
FY2005 other adjustments		(\$25,659)
Subtotal -- Budget Reductions	\$1,835,072	\$3,360,296

Tuition increase

FY04 percentage increase	3.0%	
FY04 cost to student (mid-year is \$77; full year would be \$154)	\$77.00	
Tuition revenue generated	\$562,000	\$608,000
FY05 percentage increase		4.6%
FY05 cost to student		\$235.00
Tuition revenue generated		\$1,848,000
Subtotal -- Tuition and fee revenue	\$562,000	\$2,456,000

TOTAL -- Base Budget Adjustments \$2,397,072 \$5,816,296

BALANCE -- Base Budget (\$415,480) * \$0

* University would need to identify one-time dollars in FY04 budget to balance on a one-time (cash flow) basis

BUDGET OPTIONS
Fiscal Years 2004 and 2005

Description	FY04	FY05
	Executive Order	Revised Estimate
Assumptions:		
Appropriation	-6.0%	-5.0%
Enrollment	n/a	+3.0%

Option #3:

Projected Shortfall

After appropriation reductions and projected cost increases	(\$2,812,552)	(\$5,400,816)
Carryover deficit from prior year		(\$977,480)
Subtotal -- Projected Shortfall	(\$2,812,552)	(\$6,378,296)

Budget adjustments

Presidents Council base adjustments (\$3,386,480 over two years)	\$1,835,072	\$1,551,407
BAC 2005 adjustments		\$1,834,548
FY2005 other adjustments		(\$10,659)
Subtotal -- Budget Reductions	\$1,835,072	\$3,375,296

Tuition increase

FY04 percentage increase	0.0%	
FY04 cost to student	\$0.00	
Tuition revenue generated	\$0	\$0
FY05 percentage increase		7.7%
FY05 cost to student		\$393.00
Tuition revenue generated		\$3,003,000
Subtotal -- Tuition and fee revenue	\$0	\$3,003,000

TOTAL -- Base Budget Adjustments \$1,835,072 \$6,378,296

BALANCE -- Base Budget (\$977,480) * \$0

* University would need to identify one-time dollars in FY04 budget to balance on a one-time (cash flow) basis