

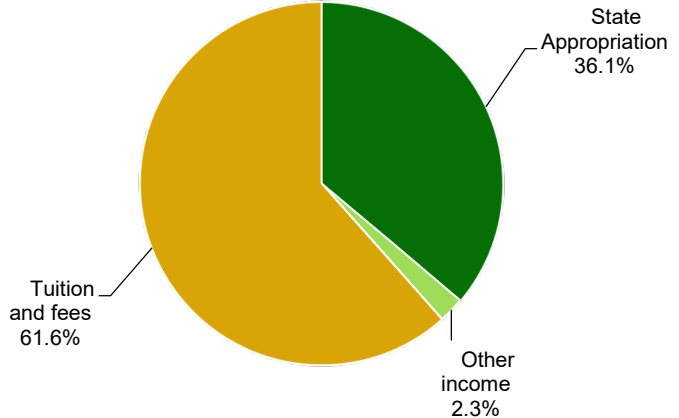
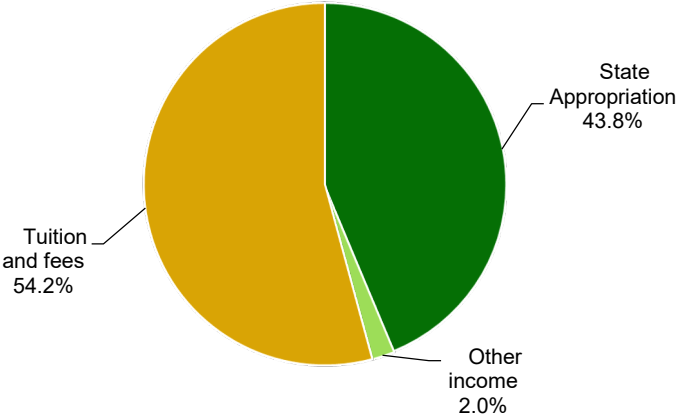
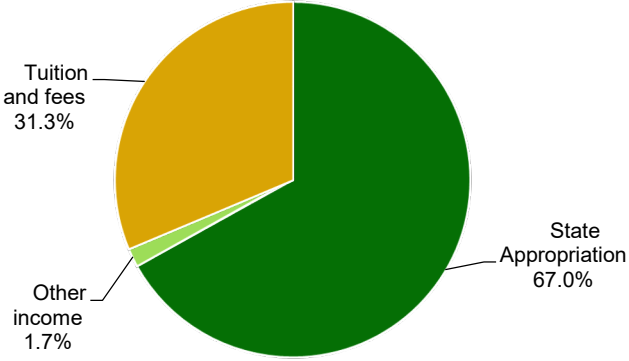
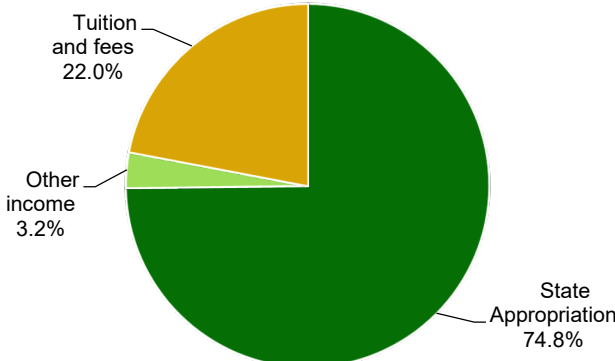
*Northern Michigan University  
Legislative Landscape  
2019*

*February 6, 2019*



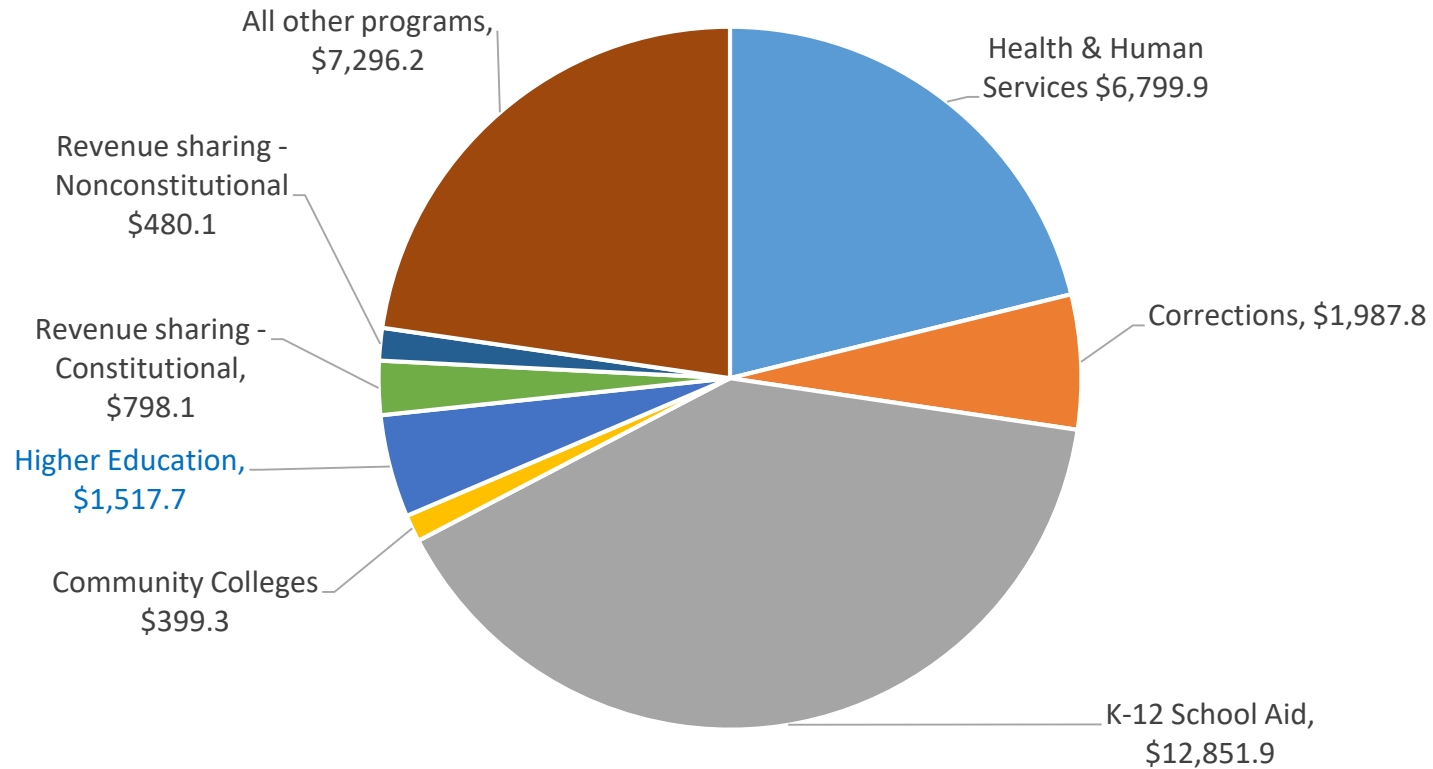
NORTHERN MICHIGAN UNIVERSITY

# Total General Fund Revenue History



*To maintain financial reporting consistency with fiscal years '88, '98, and '08 data, financial aid was not deducted from '18 tuition and fee revenue.*

# Total State Funding



# Factors Impacting Higher Education

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- New Administration
- Division of Power
  - Senate 22-16
  - House 58-52
- Relatively new legislature
  - 2/3 of House freshman never held elected office; youngest House
  - 7 of 38 Senate members never held office
  - Varied backgrounds: Small business, teachers, military background, lawyers
  - Subcommittee Structure
    - Combined with Community Colleges
    - New Chair in House, Senator LaSata



# Factors Impacting Higher Education

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Why do those things matter?

Formula Funding

Tuition Restraint Language

School Aid Fund (SAF)

Awareness of articulation agreements/collaboration efforts

NMU's role in the state



# Formula Funding

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## **FY2019 State formula factors for appropriation increase**

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- One-half increase ATB based on 2010-11 appropriation level (50%)
- One-half based on Performance funding factors (50%):
  - Number of critical skills degrees (22.2%)
  - Research and Development expenditures (11.2%)
  - Metrics based on **Carnegie Peers** (national metrics) (66.6%)

## **Carnegie Peer Factors increase**

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- 6-year graduation rate
- Total degree completions
- Institutional support as percentage of core expenditures
- Percentage of students receiving Pell grants



# Formula Funding

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## Current formula

- Combination of formula and ATB to determine increase in appropriation
  - $\frac{1}{2}$  increase is ATB % on base appropriation
  - $\frac{1}{2}$  increase based on performance metrics

## Past formula proposals and models

- Funding floors
- Funding tiers
- Flat dollar appropriation per student
- Include vs. exclude graduate students in counts
- In-state only allocation per FTE
- Formula for increase vs total formula base appropriation



# Tuition Restraint

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## Tuition Restraint Language FY2019

- Tuition restraint: 3.8% or (\$490)
- State instituted a hard dollar cap in 2019 to address funding issue for universities with lower tuition rates
- Maintained penalties:
  - Lose appropriation increase
  - Not eligible for capital outlay for 2 years
  - Can be penalized or have university appropriations adjusted at any time





# School Aid Fund

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## School Aid Fund (SAF)

Established in 1955 (K-12)

1994 Proposal A Sales Tax Increase, 4% to 6% K-12

2009 Gov. Granholm “borrowed”

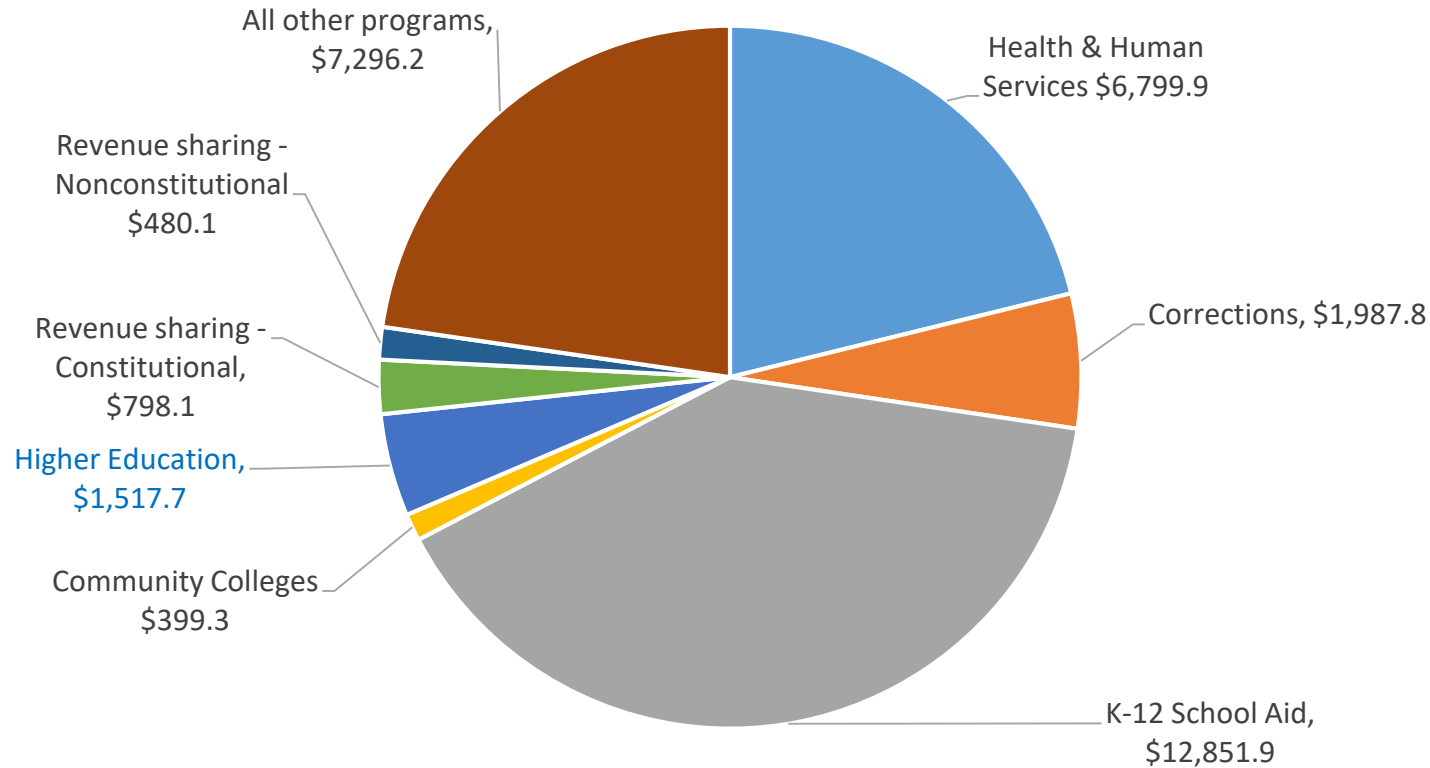
Since 2011, increase in amount used for higher education, cc’s

## In 2019

- Higher Education      \$ 500 million
- Community Colleges    \$ 408 million
- \$ 908 million**



# Total State Funding



# State Budget Factors

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## Budget stressors

“Fix the Damn Roads”

Clean water

Affordable healthcare

Opioid crisis

MI Opportunity Scholarship



# State Budget Factors

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## MI Opportunity Scholarship

Two-year, debt free post-secondary education  
Skilled training programs  
Community Colleges  
Four year Universities

Estimated cost = \$100 million



# State Budget Factors

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Looking ahead to 2020 and beyond

House Testimony Feb. 21

Continue to educate new legislators on NMU's mission

Determine ways to partner with the Admin on state goals



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