

## Budget Update

*February 15, 2012*

Colleagues,

Governor Rick Snyder unveiled his fiscal year 2013 budget recommendations last week in Lansing. The news for Michigan's 15 public universities is much more positive this year than last, when institutions of higher education sustained an across-the-board, 15-percent reduction in state appropriations.

The governor's budget calls for a one-time increase for higher education of \$36.2 million, which equates to 3 percent. To receive the increase, universities must hold tuition increases to 4 percent or less and meet certain performance criteria. Those criteria are geared mostly toward degree completion and the number of degrees awarded in certain areas of study:

- The state will pay \$17,192 for each degree completed, using the average yearly change in number of degrees over the last three years.
- The state will pay \$685 per degree completed in science, technology, engineering, math and health fields over the three-year average.
- The state will pay \$155 for each low-income student attending the university, based on a three-year average.

It's important to remember the governor's budget proposal still has to go through the legislative process. Although the current fiscal year is an exception, typically what the governor has proposed and what actually emerged as the final state budget have been quite different.

In the meantime, we are in the midst of our budget development process. We are looking closely at how well we will do under the governor's outcome-based criteria for state funding, and we will bring our budget recommendations to the board sometime this spring.

We are encouraged by what is truly an acknowledgement of the critical role the 15 public universities will play in Michigan's economic recovery and revitalization. The confidence the governor and, hopefully, the state Legislature have placed in higher education is crucial to the future of our great state.

Sincerely,  
Gary