



Office of Government Relations

Michigan Budget Update

October 2021

State Budget Overview

- Many in the majority wanted to CUT higher education over ideological differences
- Thankfully, through negotiations, we secured at least one-time funding
- Paying down pension liabilities is on the table
- Michigan can do better. We rank nearly dead last in state support for public universities
- WMU state funding history tells us to remain cautious about relying on future state funding

State Budget Overview

- Lansing stakeholders are increasingly hostile towards public universities
- WMU will receive **1% one-time** funding in FY 2022
- **Additional 3.9%** in FY 2021 supplemental
- Mixed news: one-time funding helps plug budget holes, but base funding helps us invest in the future
- WMU's base funding will begin next year's negotiations the same as FY 2018-19
- No increases to base funding during times of funding surpluses....and first on the chopping block during the next economic downturn?

MPSERS Liability Relief

- Roughly \$85 million allocated to pay for annual pension obligations for seven universities in the old state pension system (MPSERS)
- WMU will be awarded funds and then required to pay the same amount back to the State
- Unclear if this is a pay down of our liability or temporary relief. Is this the equivalent of skipping a mortgage payment or is it reducing the actual mortgage?
- The entire liability for MPSERS universities remains over \$600 million
- Strong advocacy for State to use surplus FY 2022 funds to pay down unfunded mandate on WMU

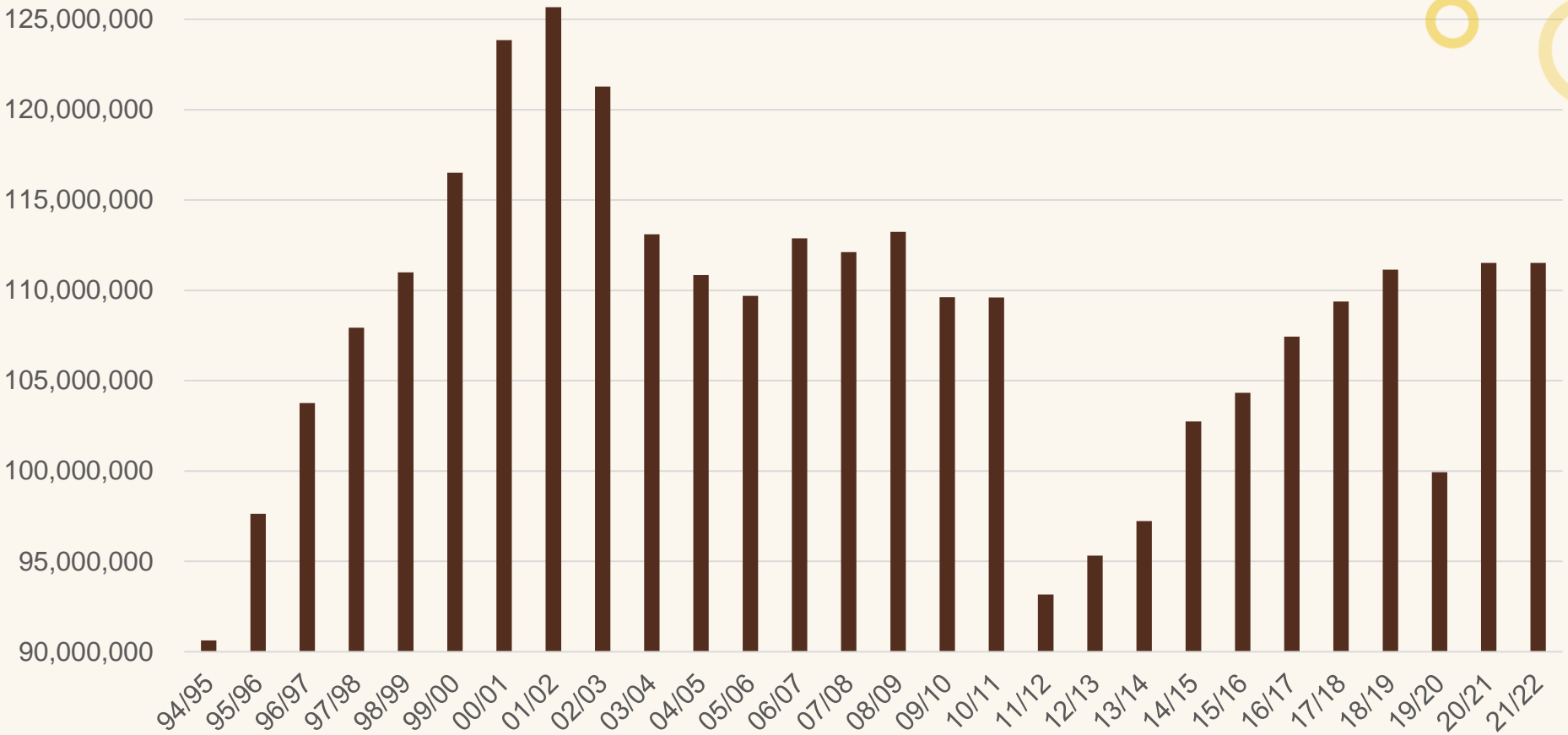
Michigan Can Do Better

- Michigan today ranks 44th nationally in per resident support for higher education, at \$195.52, compared to a national average of \$280.60
- Financial Aid –Michigan ranks 35th in state financial aid per student
- If Michigan appropriated support for higher education at the national average, we would invest about \$850 million more in our state's public universities
- Only 67% of the national average in per-capita support State appropriations since 2011: \$193.5 million *reduction* (inflation-adjusted)



WMU State Appropriations History

Base Funding



Summary

- WMU will receive 1% one-time funding in FY 2022
- Additional 3.9% in FY 2021 supplemental
- \$795,300 in Indian Tuition Waiver payments
- Partial MPSERS Liability Relief
- \$750,000 for the Resiliency Center for Families and Children
- Next year's budget base will remain \$111,522,2000 – essentially unchanged in five years
- Almost exact same support WMU received from the state in **1998-99** (about the same time our current seniors were born)