



MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
Executive Action Summary

Budget and Finance-Attachment 1

Committee Name: Budget and Finance

Date June 13, 2025

Agenda Item: Fiscal Year 2026 Operating Budget and Tuition & Fee Rates

☐

Information

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Review

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Action

Resolution:

BE IT RESOLVED that the Board of Trustees adopts the attached Michigan State University Fiscal Year 2026 Operating Budget, including tuition and fee rates for the 2025-2026 academic year as presented; and,

BE IT FURTHER RESOLVED that the Administration is directed to implement the Michigan State University Fiscal Year 2026 Operating Budget. If the rates approved herein exceed the legislative cap once established, the Administration is further directed to adjust resident undergraduate tuition rates to comply with the cap.

Recommendation:

The Trustee Committee on Budget and Finance recommends that the Board of Trustees adopt the Michigan State University Fiscal Year 2026 Operating Budget which includes revenue and expenditure totals for the major fund groups and tuition and fee rates as presented. Tuition rates will be reduced to the extent necessary to comply with legislative tuition rate caps once those are established.

Prior Action by BOT:

The Board of Trustees approves the Operating Budget annually at the June meeting. Additionally, the Board of Trustees approves any proposed changes in tuition and fee rates.

Responsible Officers:

Kevin M. Guskiewicz, President

Lisa A. Frace, Senior Vice President, Chief Financial Officer and Treasurer

Summary:

The proposed 2026 budgets for the University General Fund, Designated Fund, Auxiliary Activities, and Expendable Restricted Fund total \$3.69 billion, representing a modest increase from FY 2025.

The administration recommends the following Operating Budget be approved by the Board of Trustees for the fiscal year ending June 30, 2026:

\$ millions

Sources

General Fund	1,738,793
Designated	479,686
Auxiliary	560,549
Expendable Restricted	906,819
TOTAL	3,685,847

Uses


General Fund	1,738,793
Designated Fund	479,686
Auxiliary	560,549
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TOTAL	3,685,847

The budget includes proposed increases in tuition for students, including a \$399 per semester or \$798 per year increase for all full-time students who are charged on a block tuition rate, including undergraduate, MBA, and professional students; part time rates assessed per credit hour will have a commensurate increase. Graduate student rates that are assessed on a per credit hour basis will increase by \$44.25 per credit hour which is equivalent to the increase for students taking a typical full-time load. All other rates will increase as presented.

Background Information:

The Board of Trustees considers the proposed budget developed by the administration along with recommended changes in tuition and fee rates. Approval of these recommendations becomes effective for the July 1, 2025-June 30, 2026 fiscal year. The State of Michigan establishes a cap on tuition and fee rate increases as part of the appropriation process annually; if the approved tuition rates exceed the cap once established, they will be adjusted to ensure compliance.

The following table presents the budget by fund, including sources and uses for each. This budget proposal fully utilizes available resources to enable investments in support of the MSU 2030 Strategic Plan. A summary of the budget, assumptions and investments are attached, including detailed proposed tuition rates.

<div>  <div> MICHIGAN STATE UNIVERSITY </div> </div> <div>SUMMARY OF BUDGETED SOURCES AND USES BY FUND</div>								
FY 2025-26 Budget								
Description	General	Designated	Auxiliary Activities	Expendable Restricted	Total Operating Budget	FY 2025 Budget	\$ Change	% Change
TOTAL SOURCES (\$ thousands):								
Student tuition and fees	1,235,278	17,891	-	3,556	1,256,725	1,214,668	42,057	3.5%
Grants and contracts								
Sponsored grants and contracts	-	-	-	606,805	606,805	661,805	(55,000)	-8.3%
Capital grants	-	-	-	25,000	25,000	25,000	-	0.0%
Pell and other federal programs	-	-	-	60,000	60,000	46,061	13,939	30.3%
State appropriations:								
Operating appropriations	333,766	-	-	75,026	408,792	402,310	6,482	1.6%
One-time/special appropriations	-	-	-	-	-	-	-	NA
Departmental activities	4,000	380,426	-	-	384,426	346,702	37,724	10.9%
Auxiliary activities	-	-	560,549	15,512	576,061	554,472	21,589	3.9%
Endowment and investment income	34,289	74,696	-	110,120	219,105	272,542	(53,437)	-19.6%
Private gifts	-	3,017	-	135,800	138,817	129,696	9,121	7.0%
Facilities and Administration recovery	121,344	3,656	-	-	125,000	140,729	(15,729)	-11.2%
Facilities and Administration allocated	-	-	-	(125,000)	(125,000)	(140,729)	15,729	-11.2%
Planned use of one-time resources	10,116	-	-	-	10,116	-	10,116	NA
TOTAL SOURCES	1,738,793	479,686	560,549	906,819	3,685,847	3,653,256	32,591	0.9%
TOTAL USES (\$ thousands):								
Salaries and wages	895,742	98,166	277,424	319,794	1,591,126	1,539,409	51,717	3.4%
Employee benefits	324,850	21,582	91,550	105,532	543,514	502,155	41,359	8.2%
Student financial aid	270,982	2,970	22,000	115,298	411,250	371,964	39,286	10.6%
Supplies, services, and other	297,302	356,968	169,575	366,195	1,190,040	1,239,728	(49,688)	-4.0%
Fiscal 2025-26 budget cut	(50,083)	-	-	-	(50,083)	-	(50,083)	NA
TOTAL USES	1,738,793	479,686	560,549	906,819	3,685,847	3,653,256	32,591	0.9%
BUDGET SURPLUS (DEFICIT)	-	-	-	-	-	-	-	NA

Source of Funds:

Funds include all planned operating funds of the institution. If actual activity deviates significantly, the administration will continue to ensure a fiscally responsible result.

Resource Impact:

Not applicable.

Fiscal Year 2026 Budget Overview

EXECUTIVE SUMMARY

Michigan State University (the University, or MSU) is the nation's premier land-grant university and one of the world's top research universities. The university's excellence, cultivated over the past 170 years, is rooted in the core values of its land grant heritage, which includes advancing knowledge, conducting research of the highest caliber, and promoting outreach, engagement, and economic development. Our world-class faculty are at the forefront of discovery and developing solutions for some of the world's most challenging questions. MSU is a member of the American Association of Universities, a privilege that MSU embraces as it advances the common good with an uncommon will.

The year ahead holds uncertainty for Michigan State University. Federal actions taken by the new administration may have substantial impacts on MSU, even as we continue to advance the value that MSU brings to its students, the state, and the nation. President Guskiewicz and members of the university community are actively engaged with our congressional delegation, and several higher education associations continue to advocate on our behalf and that of all higher education. Internally, we continue to actively monitor and evaluate actions and their potential fiscal impacts.

As we enter the FY 2026 fiscal year, MSU is taking steps to rebalance its general fund accounts, a move needed as healthcare and other cost pressures require additional funding. In May, the University announced a 9% budget reduction to be achieved over the next two years on all unit general operating funds. All reduction proposals will be measured against the 2030 Strategic Plan to ensure that we are focused on our core goals and values. The detailed reductions have not yet been determined, as they are best determined by specific actions within units. However, the value of the reductions is reflected in the budget as a single line item. Additionally, one-time resources will be required from accumulated reserves in FY 2026. We have established the program to achieve equilibrium by FY 2027, barring additional external pressures. We will continue to adapt to ensure the fiscal health of the institution.

Given the unprecedented slowdown in the issuance of new grants by most federal agencies, combined with the cancellation of several grants, we estimate that FY 2026 grant activity will approximate that of FY 2024. We are therefore estimating a \$55 million reduction in budgeted grant funding for FY 2026 versus the FY 2025 budget, which includes \$15.7 million less in indirect cost recovery. All the reduction for indirect cost recovery is budgeted in designated funds and therefore is not a driver for the current budget actions.

In March 2025, MSU publicly launched its capital campaign, "Uncommon Will, Far Better World". Over 120,000 generous Spartans and friends contributed more than \$1 billion to the campaign's \$4 billion goal during the planning phase, most of which will be realized over a multi-year period. The campaign kicked off in 2022, propelling student achievement, cross-disciplinary research and discoveries, and supporting the future of MSU. The campaign is expected to conclude

in 2032. This campaign is expected to provide new resources to support the mission of the institution, now and into the future.


The operating budget must support the 2030 Strategic Plan, evidenced by the focus on academic and research excellence, faculty and staff success, student success, and investments in physical and financial sustainability. Despite the need to rebalance, there is also a need to continue to invest modestly in strategic initiatives. Accordingly, this budget prioritizes the investments necessary to support MSU's mission and strategic priorities within the anticipated available resources and directed reduction. It includes sources and uses for the four major operating fund groups: General Funds, Designated Funds, Auxiliary Funds, and Expendable Restricted Funds. Total revenues are planned at \$3.686 billion, with nearly half allocated to the General Fund Budget.

MICHIGAN STATE UNIVERSITY ALL FUNDS BUDGET SUMMARY

The goal of an all-funds budget is to provide a comprehensive understanding of the institution's financial performance, recognizing that revenues are realized for a specific purpose and that expenditures must align with those intended purposes. The format employs a sources-and-uses approach, including funding for items not typically included in an audited operating statement, such as debt service principal, internal charges between operating units, and capital investment costs. This budget builds on the all-funds budget processes developed over the last several years, supplemented by the launch of a new comprehensive budgeting and analysis system to support unit-level, detailed budgeting and forecasting across the institution. The redesign of both the budget process and budget model is a crucial element in supporting the ongoing modernization and transformation of financial management.

For the upcoming fiscal year, the all-funds budget includes anticipated sources and expenditures of \$3.686 billion.

Figure 1: Michigan State University's All Fund Budget

 MICHIGAN STATE UNIVERSITY SUMMARY OF BUDGETED SOURCES AND USES BY FUND								
FY 2025-26 Budget								
Description	General	Designated	Auxiliary Activities	Expendable Restricted	Total Operating Budget	FY 2025 Budget	\$ Change	% Change
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TOTAL SOURCES	1,738,793	479,686	560,549	906,819	3,685,847	3,653,256	32,591	0.9%
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TOTAL USES	1,738,793	479,686	560,549	906,819	3,685,847	3,653,256	32,591	0.9%
BUDGET SURPLUS (DEFICIT)	-	-	-	-	-	-	-	NA

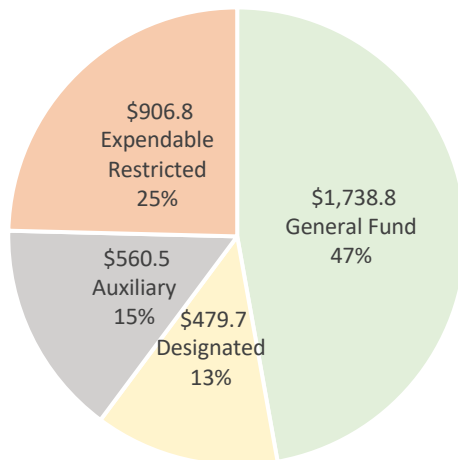
The budget is balanced in each fund, including the budget reductions in progress and the use of one-time funds to bridge gaps resulting from the timing of the implementation of the reductions.

Endowment and investment income is not based on market variation, but instead on the amounts that are anticipated to be available through either the endowment payout, which increases to 4.8% in FY 2026, or through the maturation of quarterly investment vehicles, which commonly have a five-year duration. During the early months of the pandemic, the university chose to retain funds for liquidity rather than invest, and therefore, the normal cycle of distribution will not occur for half of the fiscal year. The university has been planning, such that this short-term change will not cause a disruption in funding from that source.

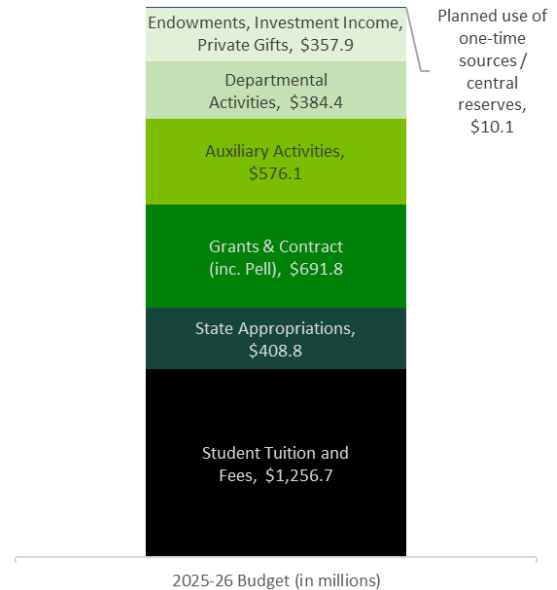
Aligned with the energy that a new capital campaign brings, the estimate for expendable gifts is projected to increase by 7% in this budget.

Figure 2: Sources of Funds, \$3,686 Million

FY2026 Sources by Fund Group
(millions of dollars)
Total \$3,686M



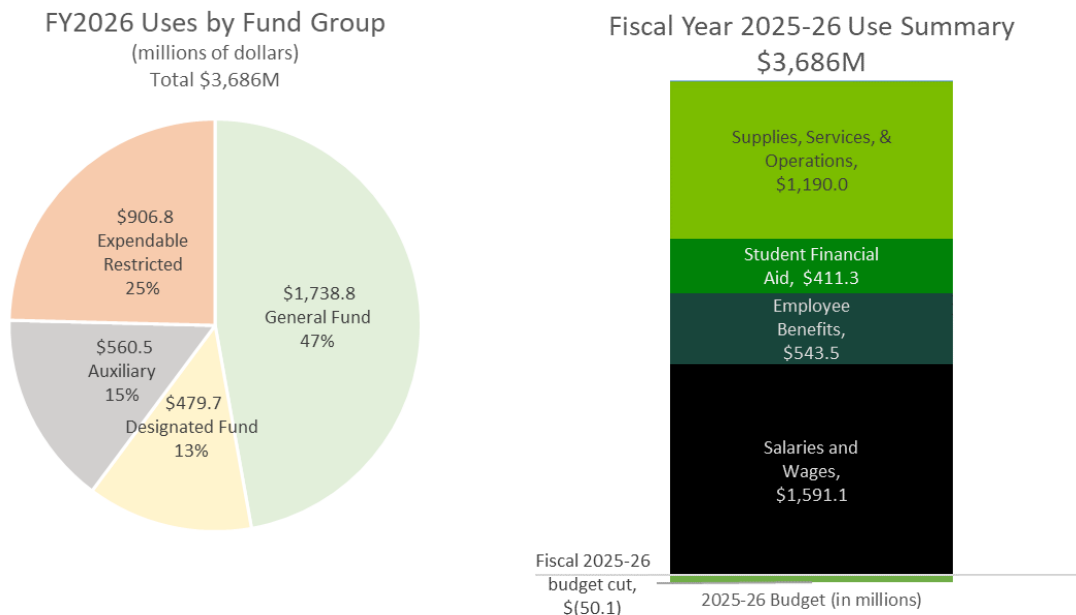
Fiscal Year 2025-26 Source Summary
\$3,686M



Both sources and uses of funds can be viewed through two different lenses: the fund generating the revenue, or the type of activity that produced the revenue. Certain types of activities may occur across multiple fund sources; the assignment of revenue to a fund relates to the original purpose of the revenue. For definitions of the types of sources and uses for each fund group, see Figure 7 at the end of this document.

Nearly half of the revenue to support the institution's operations comes from student tuition, fees, and state appropriations. Most of those revenues are included in the general fund and provide funding to support the institution's core mission. Appropriations for AgBioResearch and Extension activities are included in the restricted fund group, as these appropriations are directed solely to those uses.

Figure 3: Uses of Funds, \$3,686 Million



Similarly, the expenditures of MSU can be viewed through those same structures. Nearly sixty percent of all-funds expenditures support salaries, wages, and benefits for faculty and staff.

Cost Pressures

MSU is experiencing an increase in medical and pharmacy benefit costs. This is not unique to MSU, but is a national trend that companies, not-for-profit organizations, and other higher education institutions are experiencing. These costs began to significantly accelerate in late fall 2024. Updates from our actuaries and benefits advisor, provided at the end of calendar year 2024, estimated an average increase of 10% or more per year for the next several years. This anticipated cost is a driving factor in the need for the budget rebalancing currently underway.

KEY BUDGET DEVELOPMENT ASSUMPTIONS

Enrollment and Tuition & Fees

Interest in an MSU degree remains high, which is a testament to the value of an MSU degree. Applications continue to increase annually, and enrollment is strong. A healthy and growing student population allows MSU to allocate resources toward enhancing academic programs, expanding campus facilities, and investing in student support services. Like most institutions,

MSU has recently experienced a decline in international student enrollment, which has impacted its revenue and campus cultural diversity. Nonetheless, MSU has maintained ongoing growth in its net tuition revenue.

Last fall, MSU welcomed 10,978 new undergraduate students (including entering class and transfer students). Total enrollment includes international students from 139 countries, domestic students from all 50 states, and Michigan students from all 83 counties. For this budget, the enrollment forecast is 11,000 new undergraduates (both first time in any college and transfers from other institutions) and 2,544 new graduate students for a total population of 52,400 students. Persistence among continuing students contributes to increased enrollment and serves as a solid indicator of improvement in retention and graduation rates.

Tuition rates will increase by \$798 per academic year for all full-time undergraduate students. Graduate students will see a similar increase based on a per-credit-hour rate for a typical full-time course load. The rates for professional school tuition will also increase by \$798. Part-time and non-degree students will see a proportional increase in the per-credit-hour rate.

State Appropriation and Tuition and Fees

As a public institution, MSU relies on funding from the state of Michigan to support its operations and initiatives. State appropriations are an important component of the university's revenue, helping to cover essential expenses such as salaries, academic programs, and facility maintenance. The funding is recognized as a significant investment from the people of Michigan, allowing us to continue serving our land-grant mission – a mission that is integral to the ethos of the Michigan State University community.

While both the Governor and the State Senate have proposed increases in funding for universities, as of the writing of this document, the State House of Representatives has put forward a proposal that significantly alters the operations funding for public institutions and reduces state appropriations. That proposal has only been considered in subcommittee and has not yet voted on in the full House. It is possible that the state budget may not be known until closer to the state's September 30 fiscal year-end. The outcome of federal budget bills may also have a direct impact on the state budget. The budget for state appropriations included in MSU's budget mirrors the Senate proposal. The budget includes a 3% base increase, but since 1% of the FY 2025 budget increase was one-time, this budget also assumes that it does not recur.

Over the past decade, the state budget has made receipt by universities of incremental state appropriations conditional upon keeping average resident undergraduate tuition and fee increases below a cap defined annually in statute. During FY 2025, that cap was 4.5%, which is the proposal from both the Governor and State Senate for the coming fiscal year. The \$798 academic year increase for resident undergraduate tuition represents an average of 4.5%. Over the past several years, MSU tuition increases have been among the most modest in the state. The rate is subject to adjustment to comply with the final legislated cap, to the extent a modification is required.

NEW INVESTMENTS IN SUPPORT OF OUR STRATEGIC PLAN

MSU's 2030 strategic plan prioritizes the long-term sustainability of the institution. It articulates a vision that remains true to MSU's land-grant mission, enabling Spartans to advance the common good with an uncommon will and preserve the academic opportunities our land-grant heritage has afforded not only to the MSU community but also to the state of Michigan and the world. Aligning resources with strategic outcomes remains a key pillar articulated within MSU's 2030 strategic plan. Although the University is undergoing a budget reduction exercise, investments are still required, and in many cases, these investments are contractual.

Staff and Faculty Success

For the past three budget cycles, most incremental resources have been directed toward compensation, recognizing the exceptionally talented faculty and staff who are the core of the Spartan community. Two-thirds of the University's operating budget goes to salaries, wages, contract labor, and employee benefits each year.

The highest priority for funding in this budget remains compensation, with more than half of the incremental revenues allocated to salaries, wages, and benefits. These funds encompass both the amounts already specified in collective bargaining agreements and additional funds to support increases for faculty and academic staff. A significant portion of the investment, beyond the incremental compensation program, is the funding for benefit costs required to address the increases experienced over the past year, which are projected to continue at an accelerated rate.

Additionally, two small but significant employee benefits were approved this year. The first removes the waiting period for certain groups of employees before they or their dependents can take advantage of our Course Fee Waiver program. This program offers a partial course fee waiver to first-time bachelor's degree students, providing a strong competitive advantage for new employees. The second provides summer retirement contributions to faculty on academic year contracts who take on an additional summer assignment. Previously, these employees only received retirement contributions on their academic year salaries. Summer salaries for research or teaching were not included. This change provides an additional retirement contribution, making MSU a more attractive institution for recruiting purposes.

Student Success

The principal investments in this area for FY 2026 come in the form of new executive leadership and funding for their supporting structures. Dr. Laura Lee McIntyre was named as MSU's next Provost on May 21, 2025, subject to Board approval at its June meeting. She will formally join MSU in August. Recruitment for a Vice President for Student Affairs is currently underway. Funding has been included to provide support for the new Provost as well as the new Student Affairs position.

Ongoing Financial Aid Initiatives

At the core of MSU's land grant principles is a commitment to remain at the best possible intersection of value. MSU intends to ensure that students receive the best educational value for their tuition dollars. In the 2023-2024 fiscal year, MSU invested approximately \$255 million of general funds in student financial aid — an increase of over \$11 million over the previous year. These additional grants underscore MSU's commitment to investing in student success and delivering a world-class, accessible education. In fact, investments in financial aid have increased at an average annual growth rate of 8%, outpacing the increases in tuition costs over the same period. MSU continues to focus on providing Michiganders with high-quality, world-class education.

This fall, MSU has budgeted an additional \$9M in general fund financial aid to cover the anticipated awards for this year's enrollment. The Spartan Tuition Advantage aid program has been a great success for the university thus far, with a significant increase in the number of students it supports and an increase in the number of students who chose to enroll based on receipt of this aid package. This was facilitated by the continued state funding of the Michigan Achievement Scholarship and changes to the federal aid calculations, which enabled more students to become eligible for Pell grants and increased some grant amounts for those already eligible over previous years. In total, nearly 1,500 of our students with the greatest need enrolled, with their tuition and fees covered by this program — a substantial accomplishment. As students enrolled in the prior program graduate, we hope to further expand access to this aid package. Additionally, the acceptance of total awards exceeded the budget. This budget includes the permanent funding required to sustain the commitments already made.

Other Investments

Funds included in other investments primarily cover general operating costs necessary to manage the institution, including recent and significant increases in the price of commercial insurance, utility expenses, legal fees, and similar expenses.

Finally, there is an increase in general fund debt service to support the construction of the Plant and Environmental Sciences building, which is underway and replaces a facility that no longer meets the needs of that community.

A summary of the incremental sources and uses of centrally allocated general fund resources is as follows:

Figure 4: General Fund Incremental Sources and Uses:

SOURCES		USES	
FY 2025 General Fund Gross Tuition and Fee Revenue Budget		Investments in Faculty and Staff	
FY 2025 forecast higher/(lower) than budget	\$ 1,193.5	Investment in Faculty and Staff Compensation	\$ 19.6
Incremental revenue from proposed undergraduate rates	2.6	Investment in Benefit Costs, including prior year unbudgeted costs	39.8
Incremental revenue from proposed graduate rates	33.7	Investment for Course Fee Waiver, Summer Retirement Benefits Eligibility	2.4
Incremental revenue from enrollment growth/change in mix	8.2	Subtotal Investments in Faculty and Staff	\$ 61.8
Incremental revenue from enrollment growth/change in mix	(2.8)		
FY 2026 Incremental Gross Base General Fund Tuition	\$ 41.7	Investments in Student Success	
% increase in General Fund Tuition and Fees	3.5%	Provost, VP Student Affairs, and related support	\$ 5.0
		Incremental General Fund Financial Aid	9.0
FY 2026 General Fund Gross Tuition and Fee Budget	\$ 1,235.3	Prior Year Unbudgeted Financial Aid	12.5
% increase due to rates	3.5%	Subtotal Investments in Student Success	\$ 26.5
% increase due to enrollment growth	0.0%		
<i>Note: Incremental Tuition Revenue Reserved for Financial Aid</i>	21.6%	Operating Cost Increases	
		FY 26 Mandatory Operating Cost Increases (Commercial insurance, contractual increases)	\$ 4.0
FY 2026 Net Incremental State Appropriations (estimated)	\$ 5.4	Prior Year Unbudgeted General University Mandatory Cost Increases	10.6
<i>Includes 3% base increase, 1% one-time prior year appropriation elimination, and true up for difference between FY 25 budgeted and actual appropriation</i>		Debt Service	4.4
		Subtotal Operating Cost Increases	\$ 19.0
Use of One-Time Sources	\$ 10.1	Budget reductions	\$ (50.1)
Total New Sources Available for FY 2026 Strategic Investments	\$ 57.2	Strategic Investment Uses	\$ 57.2

SUMMARY


MSU has maintained a strong financial foundation supporting our long-term financial health and sustainability. Our institution's priorities center around the people who contribute to its success - the students, faculty, and staff. MSU is committed to delivering high-quality education, conducting impactful research, and engaging in community outreach efforts. By continuously striving to improve and leave a positive legacy, MSU ensures that Michigan's State University grows stronger each day. Despite the current financial pressures, we recognize that we are stewards of the resources entrusted to us and must continually make course corrections when economic conditions necessitate such action.

The narratives throughout this financial plan utilize an enterprise-focused framework. MSU notes that the budget process for an institution as complex as MSU requires considerable effort at every level of the university, working together as one team.

Other Key Budget Information

Figure 5 includes schedules for the AgBioResearch and Extension budgets. Figure 6 contains budgets for Intercollegiate Athletics and Residential and Hospitality Services auxiliary budgets. Appendix A contains the proposed tuition and fee structures for FY 2025.

Figure 5: Detailed Budgets for Michigan State University State Restricted Appropriations

 MICHIGAN STATE UNIVERSITY 2025-26 MSU AgBioResearch Budget Summary							
ESTIMATED REVENUES/SOURCES				ESTIMATED EXPENSES/USES			
Description	FY 2026	FY 2025	\$ Change		FY 2026	FY 2025	\$ Change
FEDERAL FUNDS							
Hatch	\$ 5,520,174	\$ 5,555,132	\$ (34,958)	Salaries and wages	\$ 33,827,014	\$ 29,536,902	\$ 4,290,112
Hatch Multistate Research	1,344,681	1,331,296	13,385	Employee benefits	11,733,657	9,768,396	1,965,261
Animal Health & Disease	68,024	70,834	(2,810)	Project expenses	14,195,835	23,195,284	(8,999,449)
McIntire-Stennis	363,360	347,825	15,535				
TOTAL ESTIMATED FEDERAL FUNDS	7,296,239	7,305,087	(8,848)	TOTAL EXPENSES/USES	59,756,506	62,500,582	(2,744,076)
ESTIMATED STATE FUNDS	40,280,600	39,481,360	799,240				
TOTAL ESTIMATED APPROPRIATIONS	47,576,839	46,786,447	790,392				
RESTRICTED FUNDS	12,179,667	15,714,135	(3,534,468)				
TOTAL REVENUES/SOURCES	\$ 59,756,506	\$ 62,500,582	\$ (2,744,076)	BUDGET SURPLUS (DEFICIT)	\$ -	\$ -	\$ -



 MICHIGAN STATE UNIVERSITY 2025-26 MSU Extension Budget Summary							
ESTIMATED REVENUES/SOURCES				ESTIMATED EXPENSES/USES			
Description	FY 2026	FY 2025	\$ Change		FY 2026	FY 2025	\$ Change
FEDERAL FUNDS							
Smith-Lever	\$ 9,929,949	\$ 9,949,962	\$ (20,013)	Salaries and wages	\$ 40,771,032	\$ 37,455,786	\$ 3,315,246
Expanded Nutrition	1,912,811	1,912,811	-	Employee benefits	17,516,168	15,331,977	2,184,191
Renewable Resources	76,464	79,763	(3,299)	Project expenses	20,679,323	22,484,126	(1,804,803)
TOTAL ESTIMATED FEDERAL FUNDS	11,919,224	11,942,536	(23,312)	TOTAL EXPENSES/USES	78,966,523	75,271,889	3,694,634
ESTIMATED STATE FUNDS	34,745,100	34,055,625	689,475				
ESTIMATED COUNTY FUNDS	9,700,000	9,500,000	200,000				
TOTAL ESTIMATED APPROPRIATIONS	56,364,324	55,498,161	866,163				
RESTRICTED FUNDS	22,602,199	19,773,728	2,828,471				
TOTAL REVENUES/SOURCES	\$ 78,966,523	\$ 75,271,889	\$ 3,694,634	BUDGET SURPLUS (DEFICIT)	\$ -	\$ -	\$ -

Figure 6: Detailed Budgets for Michigan State University Intercollegiate Athletics Residential and Hospitality Services Auxiliary Activities




MICHIGAN STATE

UNIVERSITY

2025-26 Residential and Hospitality Services Budget Summary

ESTIMATED AUXILIARY REVENUES/SOURCES				ESTIMATED AUXILIARY EXPENSES/USES			
Description	FY 2026	FY 2025	\$ Change		FY 2026	FY 2025	\$ Change
Residence hall rooms	\$ 86,289,288	\$ 82,396,910	\$ 3,892,378	Salaries and wages	\$ 85,368,710	\$ 77,353,624	\$ 8,015,086
Residence hall dining	115,060,286	109,608,108	5,452,178	Employee benefits	31,590,909	28,277,243	3,313,666
Apartment/leased space	11,225,750	11,621,089	(395,339)	Financial aid	-	-	-
Cash/counter sales	7,628,616	7,401,470	227,146	Supplies, services, and other	197,945,268	193,744,385	4,200,883
Academic space rental	3,188,632	2,908,832	279,800	Facility/furniture reserve	1,358,040	5,068,780	(3,710,740)
Events and conferences	9,570,285	9,431,973	138,312	TOTAL EXPENSES/USES	316,262,927	304,444,032	11,818,895
Kellogg Center hotel and catering	15,976,678	14,392,138	1,584,540				
Other income	67,323,392	66,683,512	639,880				
TOTAL REVENUES/SOURCES	\$ 316,262,927	\$ 304,444,032	\$ 11,818,895	BUDGET SURPLUS (DEFICIT)	\$ -	\$ -	\$ -



MICHIGAN STATE UNIVERSITY

2025-26 Intercollegiate Athletics Budget Summary

ESTIMATED AUXILIARY REVENUES/SOURCES				ESTIMATED AUXILIARY EXPENSES/USES			
Description	FY 2026	FY 2025	\$ Change		FY 2026	FY 2025	\$ Change
Broadcasting	\$ 69,493,000	\$ 63,085,000	6,408,000	Salaries and wages	\$ 58,396,243	\$ 53,487,417	\$ 4,908,826
Ticket sales	30,840,000	29,256,000	1,584,000	Employee benefits	11,400,943	11,956,386	(555,443)
Game Guarantees/Settlements	600,000	505,000	95,000	Financial aid	16,883,842	17,991,170	(1,107,328)
Post season income	12,476,113	9,136,000	3,340,113	Student-Athlete Revenue Share	20,000,000	-	20,000,000
Sponsorships/Multi-media rights	10,237,556	9,823,333	414,223	Supplies, services, and other	85,524,925	83,110,344	2,414,581
Event and Miscellaneous income	3,753,000	2,932,900	820,100				
Sports camps	1,855,000	1,520,000	335,000				
Parking	1,400,000	1,300,000	100,000				
Investment income	-	-	-				
Licensing and royalties	3,300,000	3,000,000	300,000				
Ancillary programs	3,699,876	3,650,920	48,956				
Spartan Fund and other fundraising [1]	37,430,000	39,180,083	(1,750,083)				
Endowment income [1]	5,057,486	4,179,344	878,142				
Internal Loan [2]	12,063,922	-	12,063,922				


[1] - Revenues generated in expendable restricted funds; transferred to support Athletics activities as per the gift agreements

[2] - The initial year following the approval of the *House* settlement results in a deficit until new media rights and sponsorship revenues increase in FY27. The deficit will be covered with an internal loan to be repaid by Athletics.

Figure 7: MSU Operating Fund Structure Overview

<p>All organizations in the US are expected to use commonly held accounting tenets in preparing financial statements, known as generally accepted accounting principles. Public institutions (including MSU) most commonly use Governmental Accounting Standards Board (GASB) rules.</p> <p>In addition, higher education is required to use fund accounting to track revenue and expenditures. This allows institutions to ensure that revenues and related expenditures are in alignment with the intent of the funding</p>			
General Fund	Auxiliary Funds	Designated Funds	Expendable Restricted Funds
Funds generated and used to support the general academic mission of the institution, including instruction, academic and student support, departmental research, public service, maintenance and operation of facilities, debt service, and administrative costs	Funds generated and used for activities that are ancillary to the core mission of the institution, such as Housing, Dining, and Athletics. Auxiliary operations are expected to be self-supporting (revenues cover expenses as well as facility costs and debt service)	Funds generated by departmental activities. These include instructional activities that do not generate student credit hours. Designated activities are expected to be self-supporting	Revenues provided to MSU for a specific legal or philanthropic purpose, with expenditures required to carry-out those stated purposes
Sources of Funds			
<ul style="list-style-type: none"> + Tuition and fees + State appropriations + Investment income + Administrative overhead recovery from federal grants (F&A) (shared with the Designated Fund) + Administrative overhead recovery - cost allocation charged to certain Auxiliary and Designated Funds 	<ul style="list-style-type: none"> + Room and board fees + Food and beverage sales + Trademark licensing revenue + Ticket sales (including theater and athletics) + Media rights revenue + Parking fees + Veterinary and human medical clinical revenue 	<ul style="list-style-type: none"> + Non-credit certificate programs + Symposia and conferences + Investment income + Administrative overhead recovery from Federal Grants (F&A) (shared with the General Fund) + Health and wellness fee charged to students 	<ul style="list-style-type: none"> + Research grants (federal, state and foundations) + AgBioResearch and Extension state appropriations + Pell grants + Expendable (non-endowed) gifts + Student-voted mandatory fees (student "taxes" for government groups) + Endowment payout + Unrealized gain/(loss) on investments
Uses of Funds			
Expenditures for activities supporting the academic and public service mission of the institution (instruction, academic support, etc), including:	Expenditures required to deliver the services paid for through revenues, including:	Expenditures required to deliver services paid for from revenue, including:	Expenditures required to deliver services paid for from revenue, including:
<ul style="list-style-type: none"> – Faculty and academic staff salaries and benefits – Support staff salaries and benefits – Institutional financial aid – Utilities – Materials for facility repair and maintenance – Supplies and other expenses – Debt service – Capital expenditures 	<ul style="list-style-type: none"> – Salaries and benefits – Food and beverage costs – Athletics team operational costs – Facility costs, including set aside for future capital needs (furniture replacement, facility upgrades, etc) – Performing arts performance contracts – Clinical medical services, including vet hospital, operating costs – Utilities – Administrative overhead charges – Debt Service 	<ul style="list-style-type: none"> – Salaries and benefits – Materials to support delivery of programs – Debt service, including survivor-settlement debt – Faculty research start-up funds (F&A) – Capital expenditures 	<ul style="list-style-type: none"> – Federal research expenditures, including salaries and benefits – AgBioResearch and Extension expenditures, including salaries and benefits – Expenditures aligned with intended purpose of gifts and payout from endowments – Pell grant awards to eligible recipients – Student government group expenses from "taxes"

APPENDIX A: 2025-2026 Tuition and Fees

 MICHIGAN STATE UNIVERSITY 2025-26 TUITION & FEES RATE STRUCTURE			
Resident Undergraduate	Per Credit	Per Semester	
	(1-11 SCH)	Flat Rate (12-18 SCH)	Flat Rate+ (≥19 SCH)
Undergraduates - Core Professional			
Freshman	\$563.75	\$8,458.00	Flat Rate + per credit
Sophomore	\$576.75	\$8,653.00	Flat Rate + per credit
Junior	\$642.75	\$9,642.00	Flat Rate + per credit
Senior	\$642.75	\$9,642.00	Flat Rate + per credit
Undergraduates - Eli Broad College of Business			
Freshman	\$563.75	\$8,458.00	Flat Rate + per credit
Sophomore	\$576.75	\$8,653.00	Flat Rate + per credit
Junior	\$662.25	\$9,935.00	Flat Rate + per credit
Senior	\$662.25	\$9,935.00	Flat Rate + per credit
Undergraduates - College of Engineering			
Freshman	\$563.75	\$8,458.00	Flat Rate + per credit
Sophomore	\$576.75	\$8,653.00	Flat Rate + per credit
Junior	\$662.25	\$9,935.00	Flat Rate + per credit
Senior	\$662.25	\$9,935.00	Flat Rate + per credit
Fees			
1) Special programmatic fees will be assessed to undergraduates as follows:			
	Per Semester		Student Level
	Full-Time	Part-Time*	
Recreational and Wellness Center Fee**	\$170	\$85	All Students
College of Engineering Fee***	\$775	\$465	All Students Admitted to Major
Eli Broad College of Business	\$452	\$226	All Students Admitted to Broad/Business
College of Music Fee	\$300	\$150	All Students
Science and Technology majors	\$100	\$50	Junior/Senior
Health Sciences Majors	\$100	\$50	Junior/Senior
Student Voted Fees			
Student Government (ASMSU)	\$21	\$21	All Undergraduates
State News ****	\$7.50	n.a.	All Students
FM Radio (Impact 88.9)	\$5	\$5	All Students
James Madison College Student Senate	\$3	\$3	All JMC students
<p>*Part-time students for fee assessment are defined as those enrolling for four credits or less per semester.</p> <p>**No fee assessment for Recreational and Wellness Center Fee during the Summer semester.</p> <p>***No fee assessment for part-time Engineering during the Summer semester.</p> <p>****Assessed on students taking six or more credits.</p>			
2) Other Notes			
Block fee for Teacher Certification Internship year is \$9,480 for resident students.			
Tuition and fees for special programs and courses will be determined administratively, based on programmatic considerations; this includes BISK online programs and graduate certificate programs.			

MICHIGAN STATE UNIVERSITY 2025-26 TUITION & FEES RATE STRUCTURE			
Non-Resident & International Undergraduate	Per Credit (1-11 SCH)	Per Semester	
		Flat Rate (12-18 SCH)	Flat Rate/Credit (≥19 SCH)
Undergraduates - Core Professional			
Freshman	\$1,476.50	\$22,150.00	Flat Rate + per credit
Sophomore	\$1,476.50	\$22,150.00	Flat Rate + per credit
Junior	\$1,521.00	\$22,818.00	Flat Rate + per credit
Senior	\$1,521.00	\$22,818.00	Flat Rate + per credit
Undergraduates - Eli Broad College of Business			
Freshman	\$1,476.50	\$22,150.00	Flat Rate + per credit
Sophomore	\$1,476.50	\$22,150.00	Flat Rate + per credit
Junior	\$1,542.00	\$23,127.00	Flat Rate + per credit
Senior	\$1,542.00	\$23,127.00	Flat Rate + per credit
Undergraduates - College of Engineering			
Freshman	\$1,476.50	\$22,150.00	Flat Rate + per credit
Sophomore	\$1,476.50	\$22,150.00	Flat Rate + per credit
Junior	\$1,542.00	\$23,127.00	Flat Rate + per credit
Senior	\$1,542.00	\$23,127.00	Flat Rate + per credit
Footnotes			
1 Core/Professional units: Arts and Letters, Natural Science, Social Science, University Undergraduate Division, Lyman Briggs, James Madison, Residential College in Arts & Humanities, Communication Arts & Sciences, Nursing, Education, Veterinary Medicine, Agriculture & Natural Resources, Music, Osteopathic Medicine, and Human Medicine.			
Fees			
1) Special programmatic fees will be assessed to undergraduates as follows:			
	Per Semester		Student Level
	Full-Time	Part-Time*	
International Student Fee	\$750	\$375	All international UG
Recreational and Wellness Center Fee**	\$170	\$85	All Students
College of Engineering Fee***	\$775	\$465	All Students Admitted to Major
Eli Broad College of Business	\$452	\$226	All Students Admitted to Broad/Business
College of Music Fee	\$300	\$150	All Students
Science and Technology majors	\$100	\$50	Junior/Senior
Health Sciences Majors	\$100	\$50	Junior/Senior
Student Voted Fees			
Student Government (ASMSU)	\$21	\$21	All Undergraduates
State News ****	\$7.50	n.a.	All Students
FM Radio (Impact 88.9)	\$5	\$5	All Students
James Madison College Student Senate	\$3	\$3	All JMC students
*Part-time students for fee assessment are defined as those enrolling for four credits or less per semester.			
**No fee assessment for Recreational and Wellness Center Fee during the Summer semester.			
***No fee assessment for part-time Engineering during the Summer semester			
****Assessed on students taking six or more credits.			
2) Other Notes			
Block fee for Teacher Certification Internship year is \$19,770 for nonresident students.			
Tuition and fees for special programs and courses will be determined administratively, based on programmatic considerations; this includes BISK online programs and graduate certificate programs.			

MICHIGAN STATE UNIVERSITY 2025-26 TUITION & FEES RATE STRUCTURE				
Resident Graduate		Per Credit		
Masters - Core/Professional ⁽¹⁾		\$937.25		
Masters - College of Engineering		\$1,036.50		
Doctoral - Core/Professional ⁽¹⁾		\$937.25		
Doctoral - College of Engineering		\$1,036.50		
Lifelong Education		\$937.25		
Resident Graduate Professional		Block Rates		
Broad MBA		\$18,297.00		
Human Medicine		\$16,681.00		
Extended Medical Curriculum		\$11,126.25		
Medical Scientist Training Program		\$11,784.75		
Osteopathic Medicine (entering 2020)		\$16,681.00		
Osteopathic Medicine (existing cohort)		\$16,681.00		
Extended Medical Curriculum		\$11,126.25		
Medical Scientist Training Program		\$11,784.75		
College of Veterinary Medicine (CVM-8, entering 2020)		\$16,846.00		
College of Veterinary Medicine (CVM-8, existing cohort)		\$16,846.00		
CVM Clinical Year - Fall & Spring		\$14,896.75		
CVM Clinical Year - Summer		\$10,554.00		
Medical Scientist Training Program		\$11,118.75		
College of Law (Juris Doctorate) ⁽²⁾		\$21,740.00		
Footnotes				
¹ Core/Professional units: Arts and Letters, Natural Science, Social Science, University Undergraduate Division, Lyman Briggs, James Madison, Residential College in Arts & Humanities, Communication Arts & Sciences, Nursing, Education, Veterinary Medicine, Agriculture & Natural Resources, Music, Osteopathic Medicine, and Human Medicine.				
² College of Law (Juris Doctorate) per semester block rate for students attempting 10-17 student credit hours; \$1,400 per credit for those attempting 9 or less student credit hours; block rate plus the necessary per credit assessment for students attempting 18 or more credits; other College of Law program rates as published.				
Fees				
1) Special programmatic fees will be assessed to graduate students as follows:				
		Per Semester		
		Full-Time	Part-Time*	
	Recreational and Wellness Center Fee**	\$170	\$85	Student Level
	College of Music Fee	\$300	\$150	All Students
	Student Voted Fees			
	Student Government (COGS)***	\$11	\$11	All graduate students
	Student Government (COMS)	\$1.50	\$1.50	All graduate professional medical
	State News****	\$7.50	n.a.	All Students
	FM Radio (Impact 88.9) ✓	\$5	\$5	All Students
*Part-time students for fee assessment are defined as those enrolling for four credits or less per semester.				
**No fee assessment for Recreational and Wellness Center Fee during the Summer semester.				
***The COGS rate is \$5.00 during the Summer semester.				
****Assessed on students taking six or more credits.				
2) Other Notes				
College of Education MA, EdS, and PhD students will be assessed a special fee of \$33 per credit hour in addition to general tuition and fees applicable to all graduate students.				
Tuition and fees for special programs and courses will be determined administratively, based on programmatic considerations; this includes BISK online programs and graduate certificate programs.				

MICHIGAN STATE UNIVERSITY 2025-26 TUITION & FEES RATE STRUCTURE			
Non-Resident & International Graduate		Per Credit	
Masters - Core/Professional ⁽¹⁾		\$1,773.75	
Masters - College of Engineering		\$1,881.00	
Doctoral - Core/Professional ⁽¹⁾		\$1,773.75	
Doctoral - College of Engineering		\$1,881.00	
Lifelong Education		\$1,181.25	
Non-Resident & International Graduate		Block Rates	
Broad MBA		\$28,768.00	
Human Medicine		\$30,593.00	
Extended Medical Curriculum		\$20,405.50	
Medical Scientist Training Program		\$21,753.75	
Osteopathic Medicine (entering 2020 or later)		\$23,045.00	
Osteopathic Medicine (entering prior to 2020)		\$30,593.00	
Extended Medical Curriculum		\$15,371.00	
Medical Scientist Training Program		\$17,508.00	
College of Veterinary Medicine (CVM-8, entering 2020 or later)		\$25,066.00	
CVM Clinical Year - Fall & Spring		\$22,316.25	
CVM Clinical Year - Summer		\$14,891.00	
Medical Scientist Training Program		\$17,493.25	
College of Veterinary Medicine (CVM-8, entering prior to 2020)		\$29,763.00	
CVM Clinical Year - Fall & Spring		\$26,499.25	
CVM Clinical Year - Summer		\$17,681.00	
Medical Scientist Training Program		\$17,493.25	
College of Law (Juris Doctorate) ⁽²⁾		\$24,111.00	
Footnotes			
¹ Core/Professional units: Arts and Letters, Natural Science, Social Science, University Undergraduate Division, Lyman Briggs, James Madison, Residential College in Arts & Humanities, Communication Arts & Sciences, Nursing, Education, Veterinary Medicine, Agriculture & Natural Resources, Music, Osteopathic Medicine, and Human Medicine.			
² College of Law (Juris Doctorate) per semester block rate for students attempting 10-17 student credit hours; \$1,555 per credit for those attempting 9 or less student credit hours; block rate plus the necessary per credit assessment for students attempting 18 or more credits; other College of Law program rates as published			
Fees			
1) Special programmatic fees will be assessed to graduate students as follows:			
		Per Semester	
		Full-Time	Part-Time*
	International Student Fee**	\$75	\$37.50
	Recreational and Wellness Center Fee***	\$170	\$85
	College of Music Fee	\$300	\$150
	Student Level		
	All international Grad		
	All Students		
	All Students		
Student Voted Fees			
	Student Government (COGS)****	\$11	\$11
	Student Government (COMS)	\$1.50	\$1.50
	State News*****	\$7.50	n.a.
	FM Radio (Impact 88.9) ✓	\$5	\$5
	Student Level		
	All graduate students		
	All graduate professional medical		
	All Students		
	All Students		
*Part-time students for fee assessment are defined as those enrolling for four credits or less per semester.			
**Does not include Graduate Studies in Education Overseas.			
***No fee assessment for Recreational and Wellness Center Fee during the Summer semester.			
****The COGS rate is \$5.00 during the Summer semester.			
*****Assessed on students taking six or more credits.			
2) Other Notes			
College of Education MA, EdS, and PhD students will be assessed a special fee of \$33 per credit hour in addition to general tuition and fees applicable to all graduate students.			
Tuition and fees for special programs and courses will be determined administratively, based on programmatic considerations; this includes BISK online programs and graduate certificate programs.			