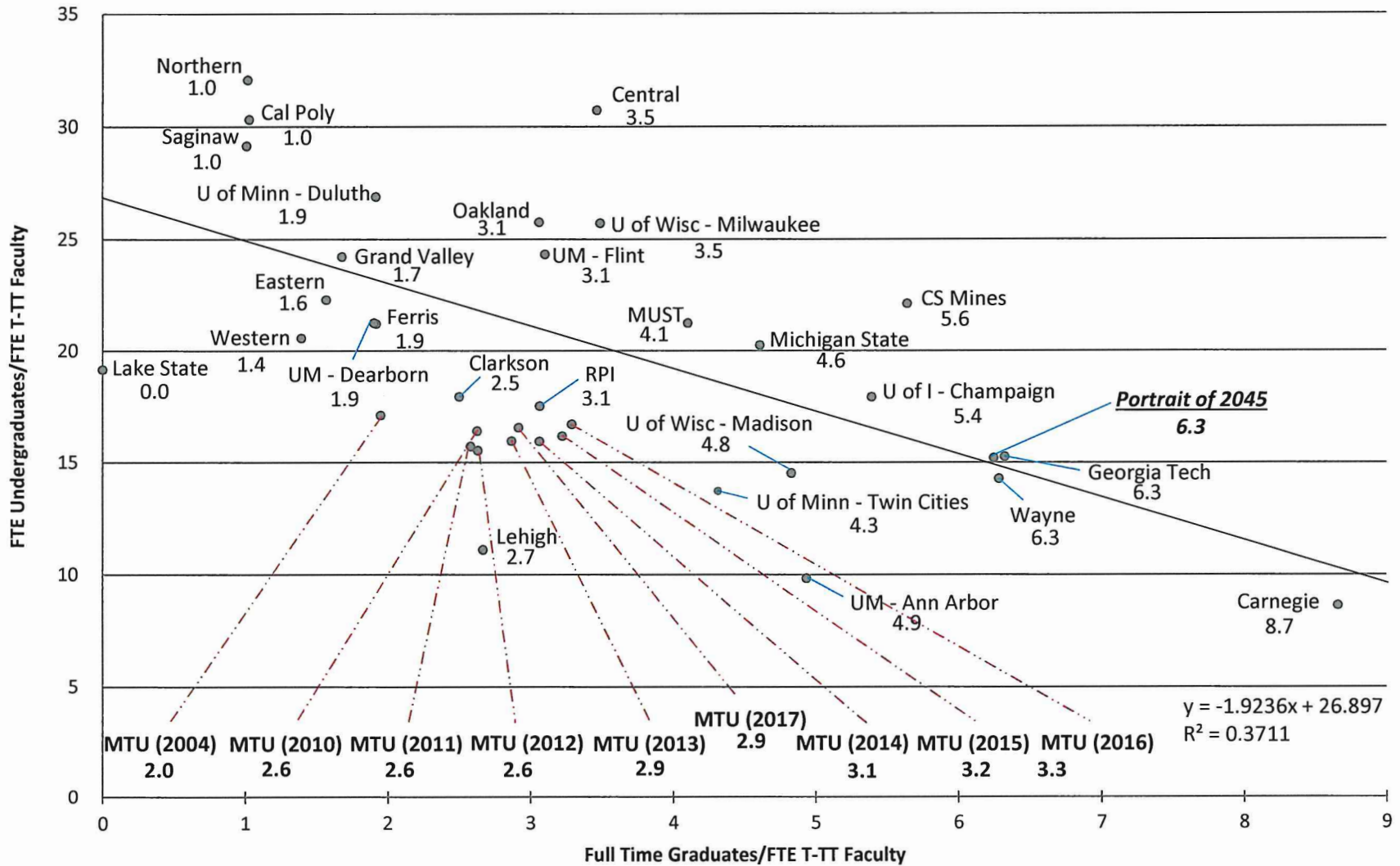


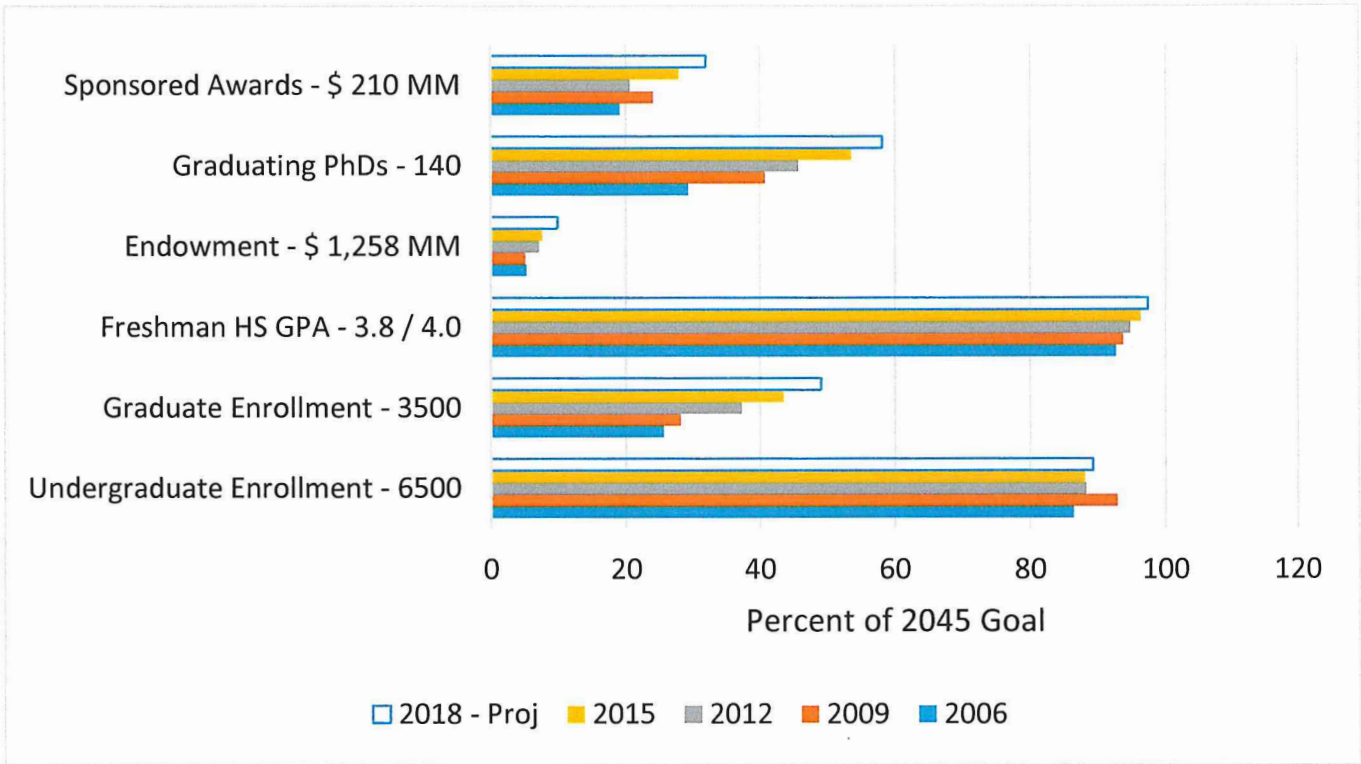
CAMPUS BUDGET FORUM

FEBRUARY 9, 2018

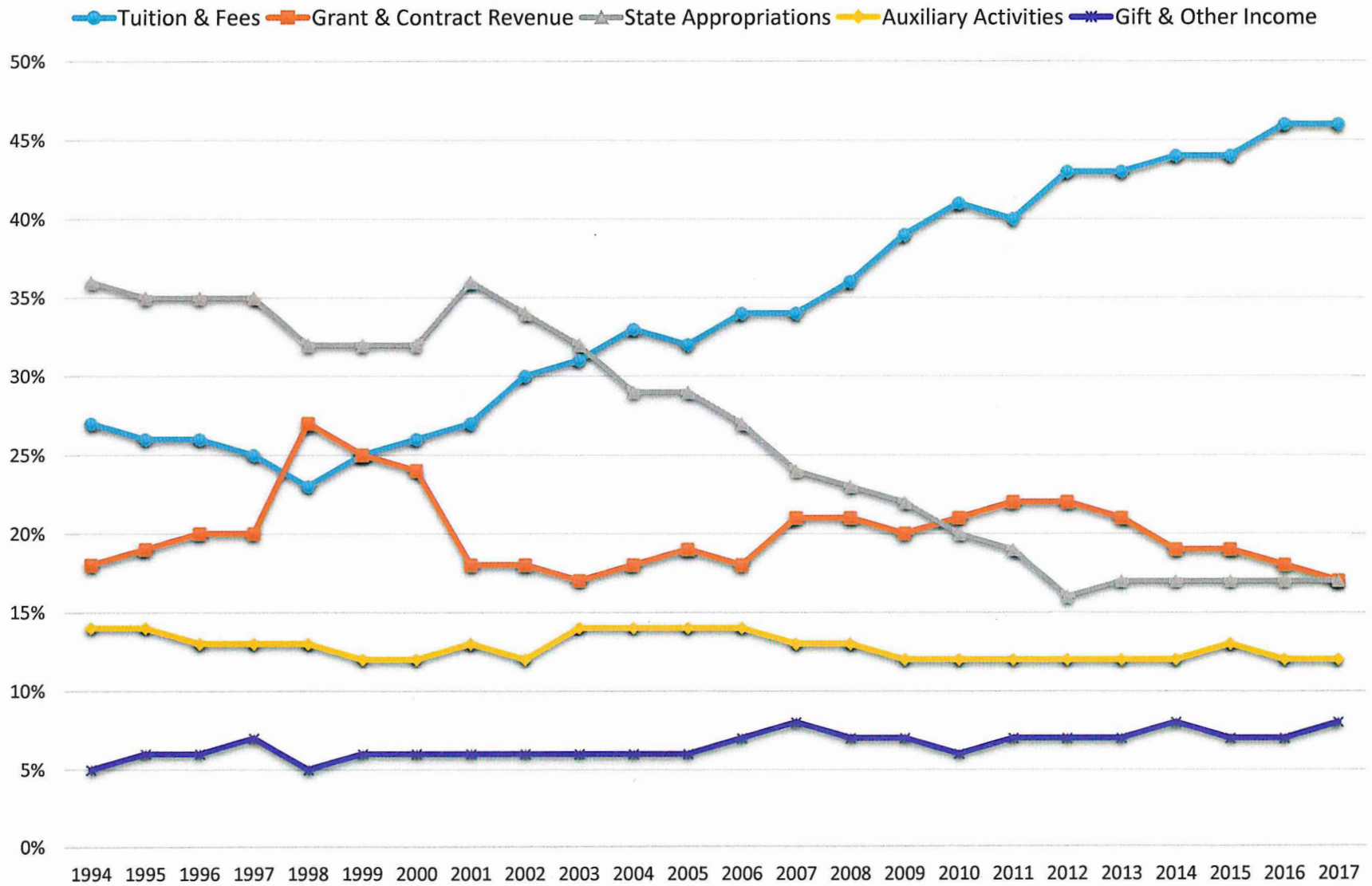
- I. Long-term Trends
 - Strategic Metrics
 - Revenue and Expenditure Trends
 - Enrollment
 - Tuition
 - Faculty Salaries
- II. FY17 Wrap-up
- III. FY18 Status
 - 2nd Quarter Projections
 - GASB 75
- IV. FY19 Planning
 - Budget Timeline
 - Enrollment Projection
 - General Fund Budget Planning Parameters
- V. Anything Else ?
 - Strategic Plan Update

Full Time Graduates Vs. FTE Undergraduates Michigan Public Universities and Michigan Tech Benchmark Universities Fall 2015

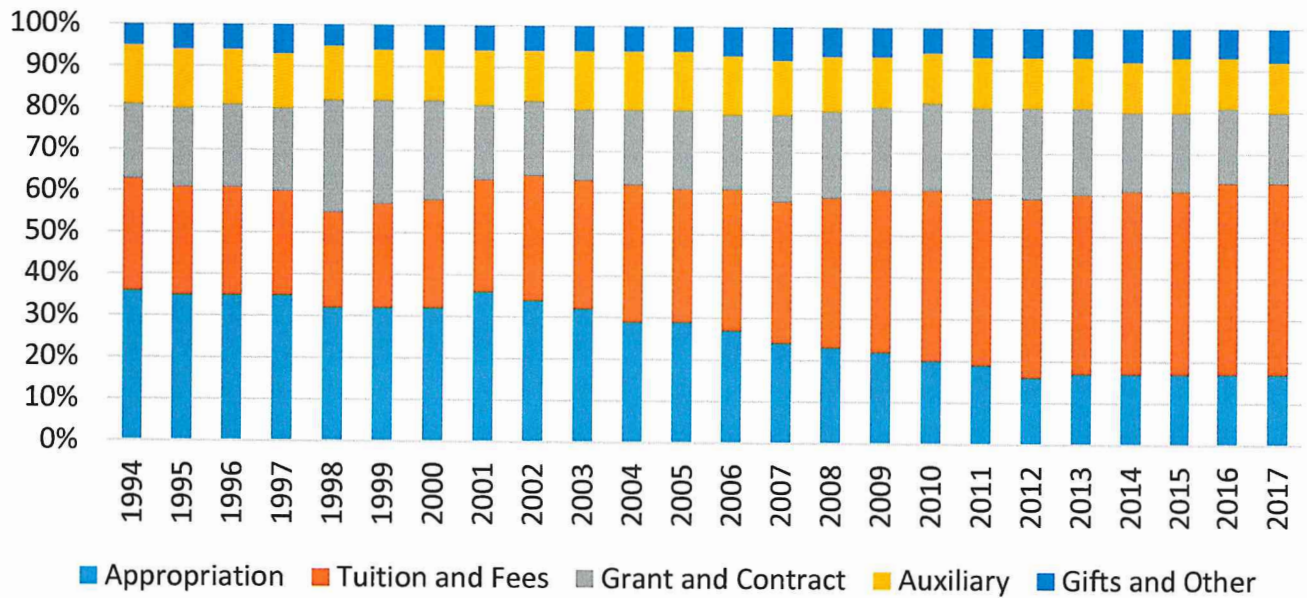




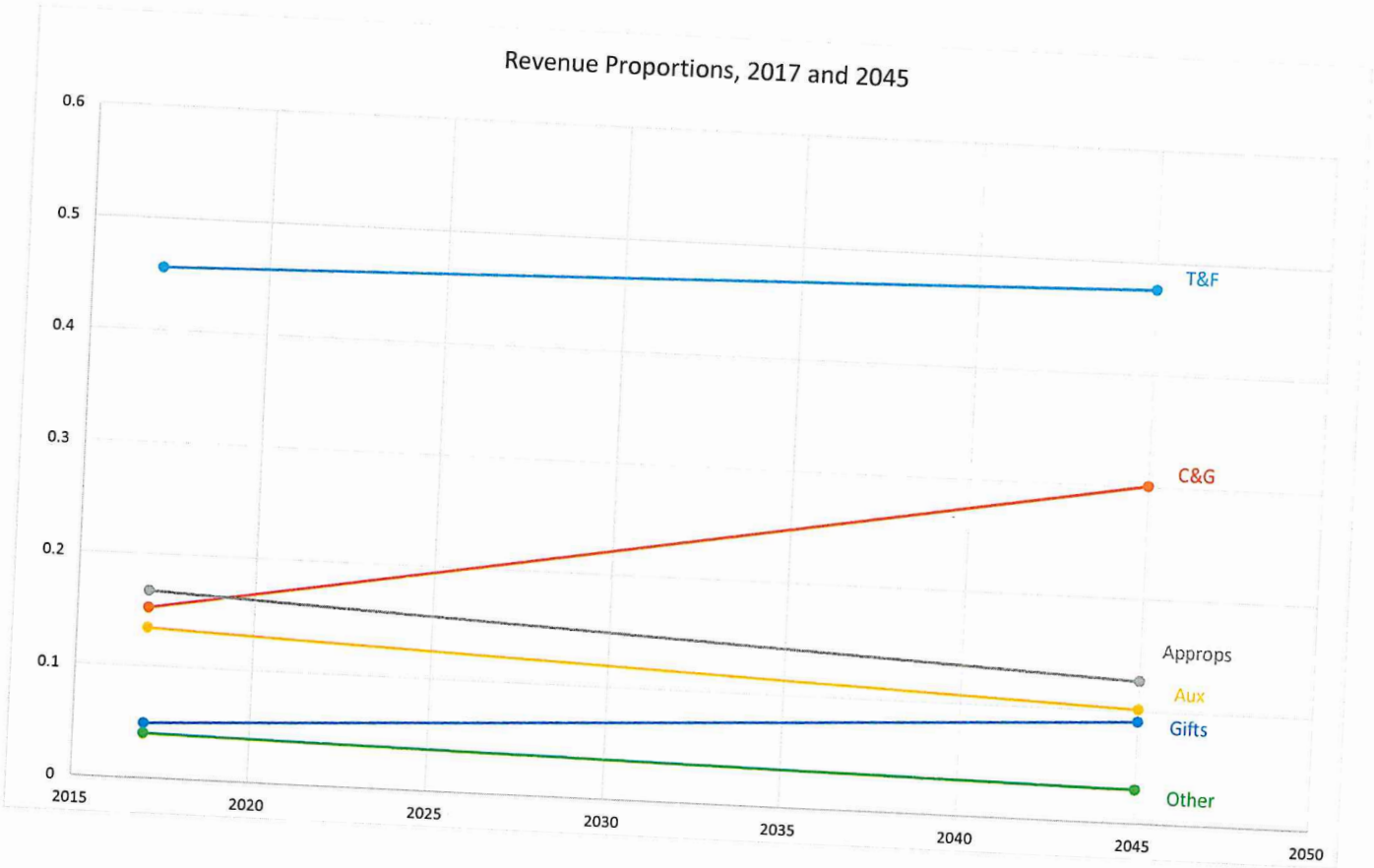
Current Fund Revenue Trends by Fiscal Year



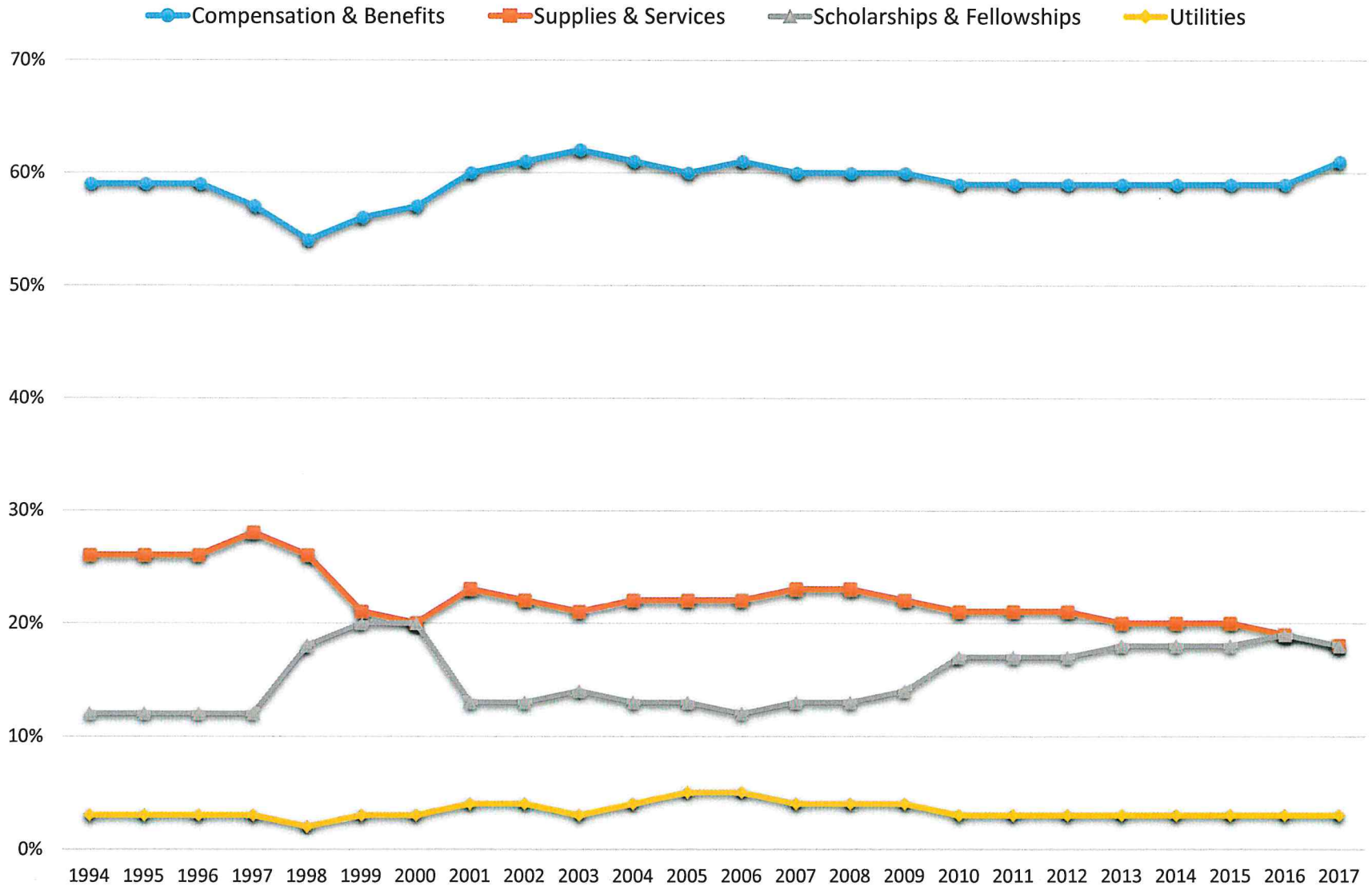
University Revenue Mix, 1994-2017



Revenue Proportions, 2017 and 2045



Current Fund Expense Trends by Fiscal Year



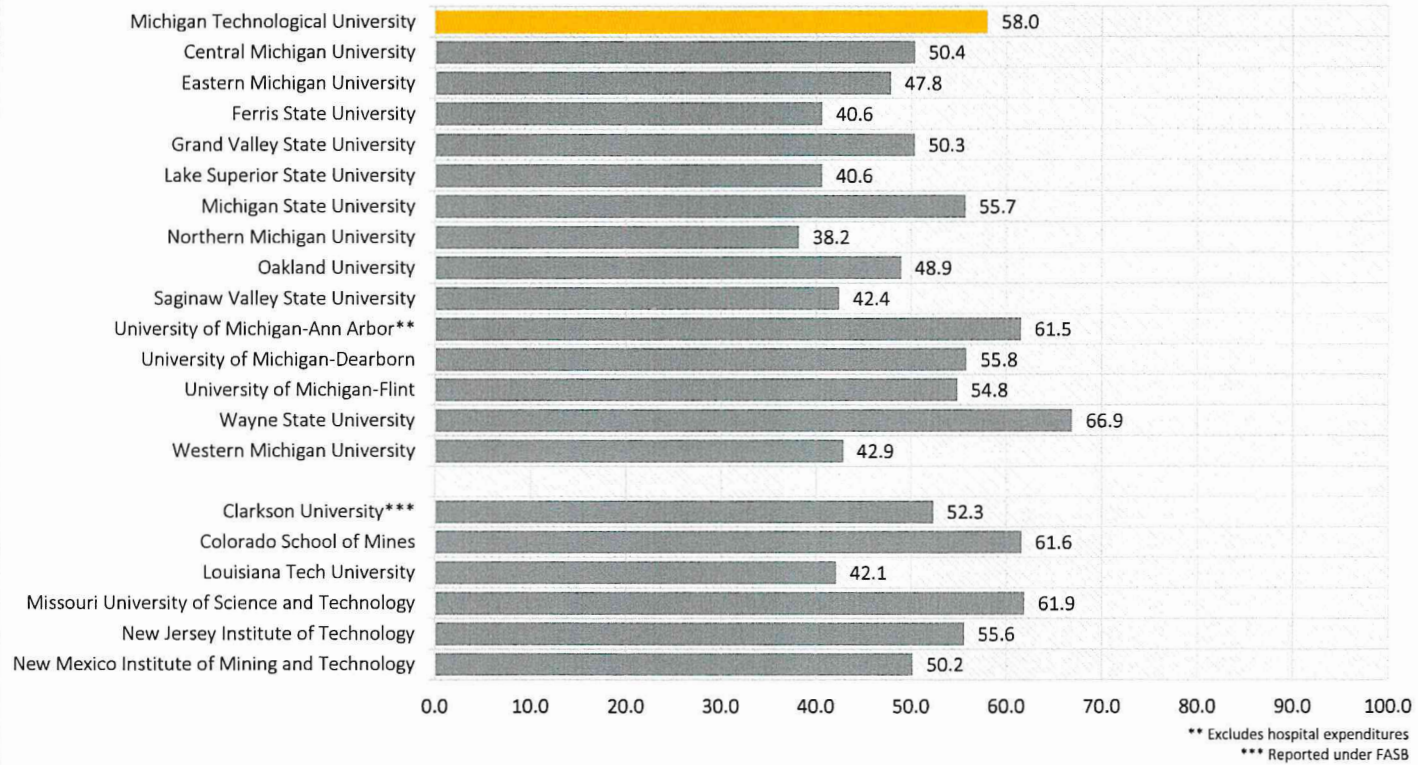
IPEDS Expenditures (Expressed as a Percentage) by Program Category Fiscal Year 2015-16											
Program	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Operation & Maintenance of Plant*	Scholarships & Fellowships Expenses	Auxiliary Enterprises	Independent Operations	Other Expenses & Deductions
Michigan Technological University	29.6	24.4	4.1	9.9	6.0	9.1	0.0	3.1	13.8	0.0	0.1
Central Michigan University	42.5	3.3	4.5	10.9	5.8	7.9	0.0	3.7	22.3	0.0	-0.9
Eastern Michigan University	42.2	1.3	4.3	11.0	5.9	10.3	0.0	9.5	15.5	0.0	0.0
Ferris State University	38.5	0.2	1.9	11.1	7.5	11.2	0.0	6.9	9.8	0.0	12.9
Grand Valley State University	41.4	1.7	7.2	11.7	7.8	9.8	0.0	2.9	9.3	0.0	8.1
Lake Superior State University	34.7	1.8	4.1	8.9	7.0	15.7	0.0	3.8	23.0	0.0	0.9
Michigan State University	30.2	15.0	10.5	5.5	2.3	6.0	0.0	2.8	13.6	0.0	14.1
Northern Michigan University	31.1	0.7	6.5	9.3	11.3	8.4	0.0	3.8	19.9	0.0	9.1
Oakland University	43.2	3.9	1.9	15.0	12.1	8.7	0.0	3.9	11.2	0.0	0.1
Saginaw Valley State University	39.0	0.8	2.7	13.4	10.2	10.5	0.0	5.9	17.6	0.0	0.0
University of Michigan-Ann Arbor**	31.5	24.7	5.2	11.4	3.3	6.2	0.0	3.5	13.5	0.0	0.6
University of Michigan-Dearborn	51.8	3.0	1.1	16.0	8.4	11.8	0.0	3.6	4.4	0.0	0.0
University of Michigan-Flint	50.9	0.7	3.3	10.6	9.2	13.3	0.0	5.1	7.0	0.0	0.0
Wayne State University	37.5	21.5	8.0	10.5	5.2	10.4	0.0	1.4	5.5	0.0	0.0
Western Michigan University	37.4	3.9	1.6	11.4	4.1	8.7	0.0	3.6	13.5	0.0	15.9
Clarkson University***	42.9	8.9	0.5	9.1	12.1	13.7	0.0	0.0	11.6	1.2	0.0
Colorado School of Mines	38.1	23.3	0.2	10.3	3.9	11.1	0.0	0.5	12.6	0.0	0.0
Louisiana Tech University	30.2	11.8	0.1	8.7	4.9	7.4	0.0	6.7	29.9	0.0	0.2
Missouri University of Science and Technology	47.3	12.4	2.1	5.6	10.9	8.3	0.0	3.8	9.5	0.0	0.0
New Jersey Institute of Technology	33.0	21.3	1.3	9.1	8.0	18.5	0.0	2.8	6.0	0.0	0.0
New Mexico Institute of Mining and Technology	12.9	36.8	0.5	1.6	1.6	5.8	0.0	3.0	3.9	3.4	30.5

*IPEDS requires all universities to allocate O&M Expenditures to other programs for reporting purposes

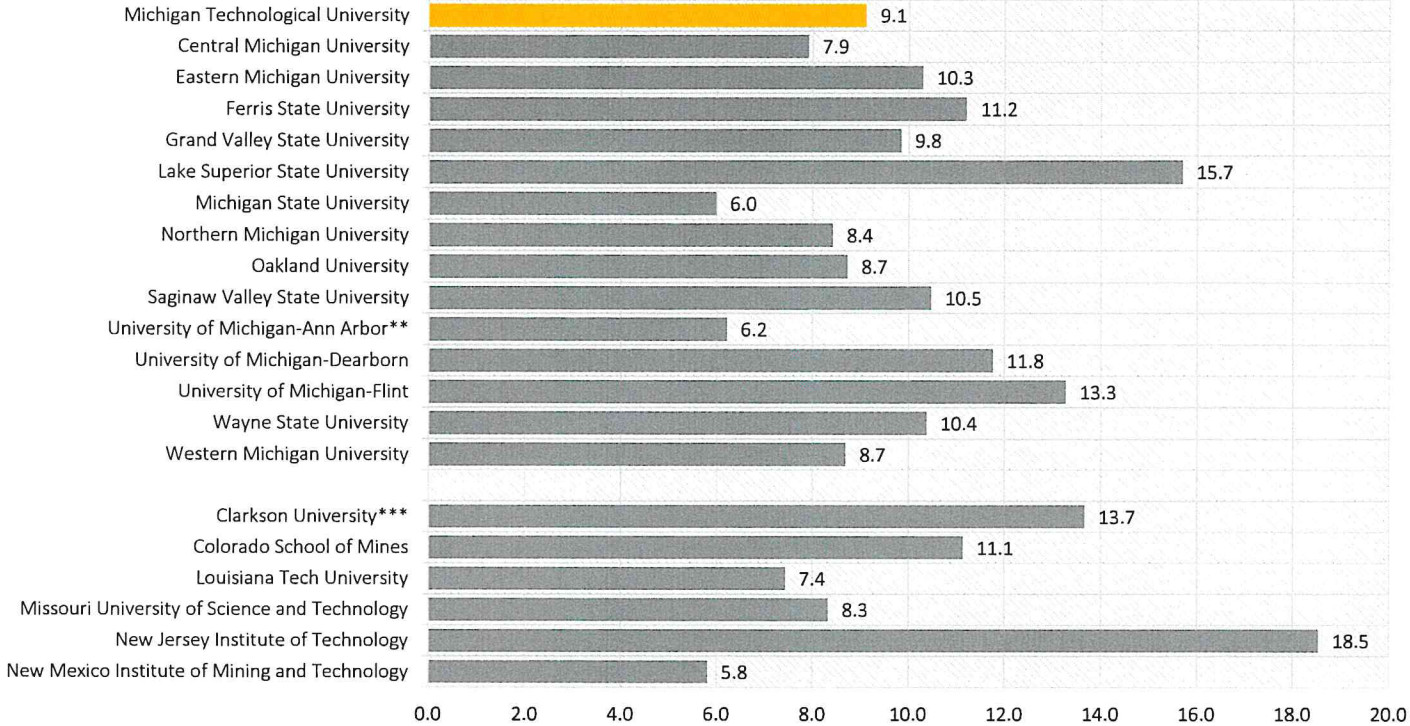
** Excludes hospital expenditures

*** Reported under FASB

Instruction, Research, Public Service as a Percent of Total Expenditures

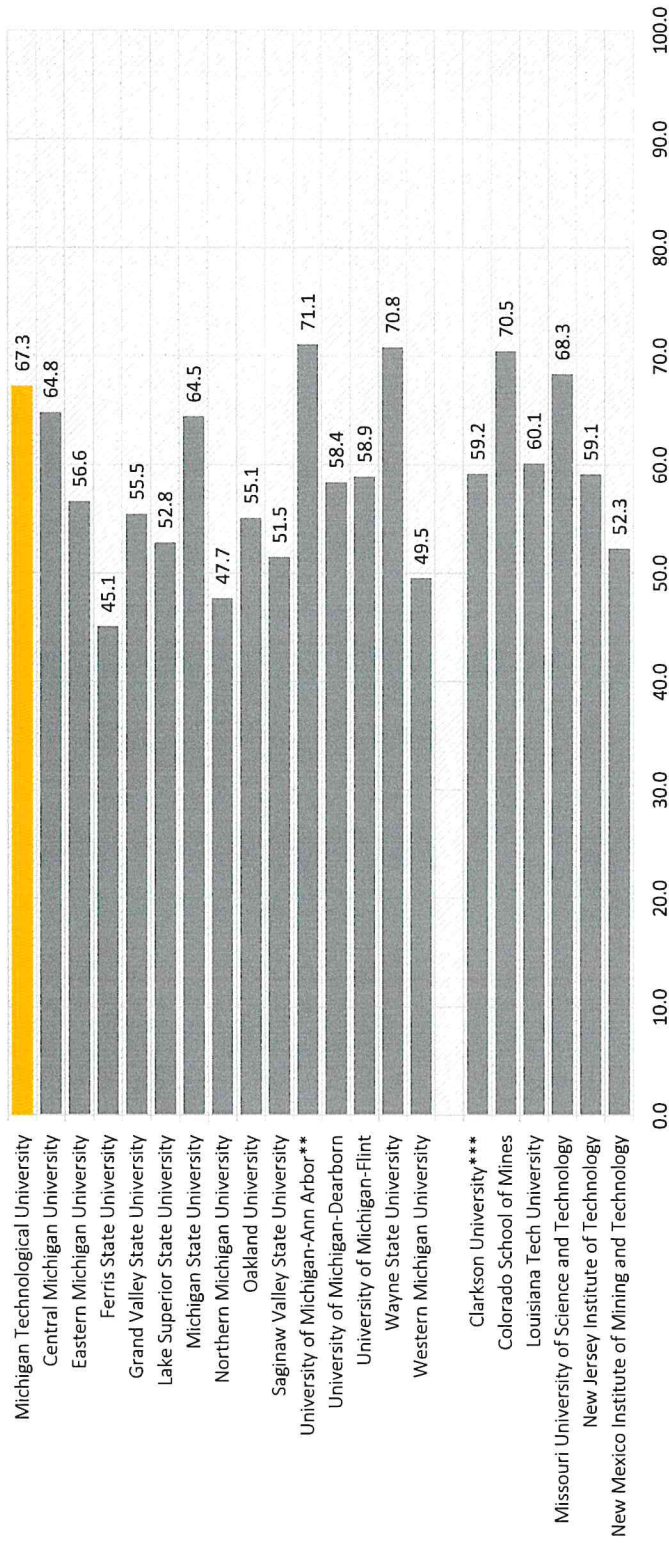


Institutional Support as a Percent of Total Expenditures



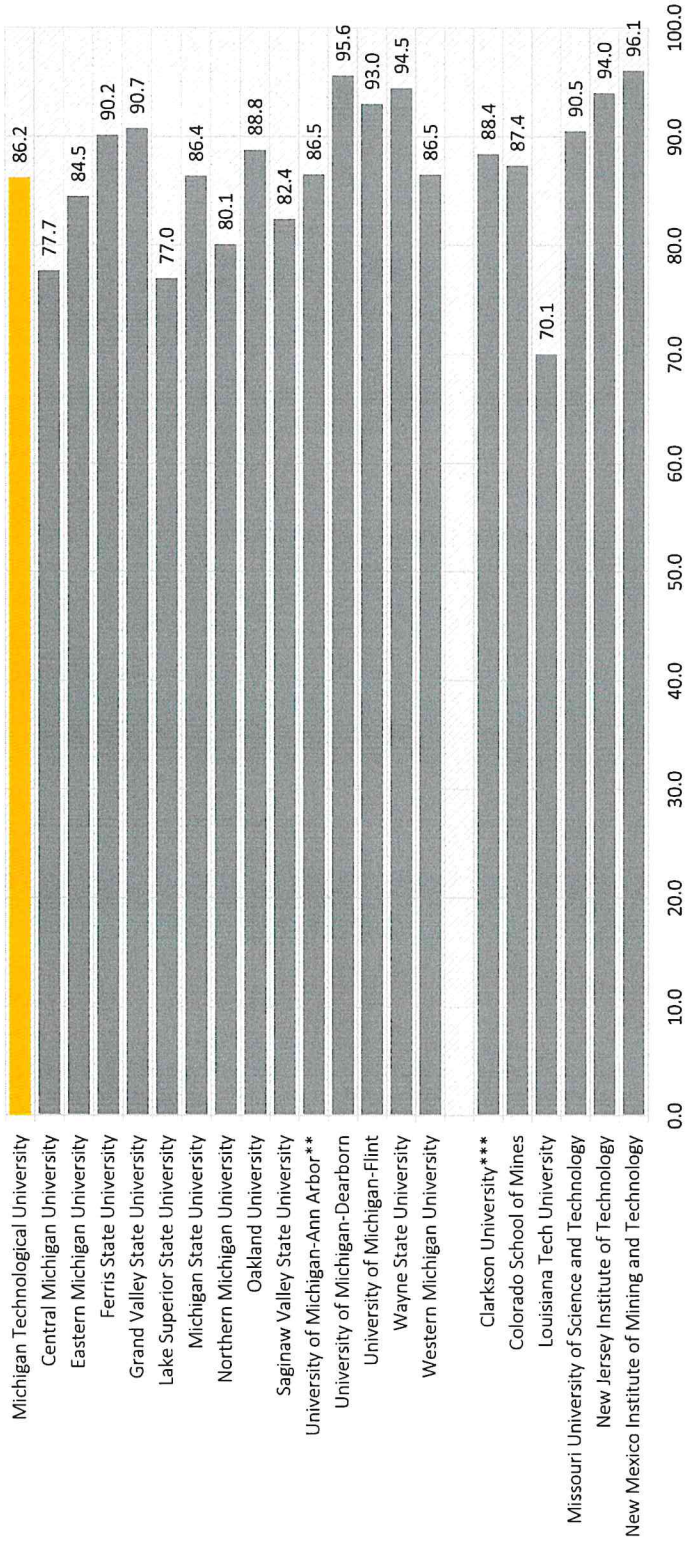
** Excludes hospital expenditures
*** Reported under FASB

Instruction, Research, Public Service as a Percent of Core* Expenditures



* Core is defined as Total Expenditures minus Auxiliary
 ** Excludes hospital expenditures
 *** Reported under FASB

Core* Expenditures as a Percent of Total



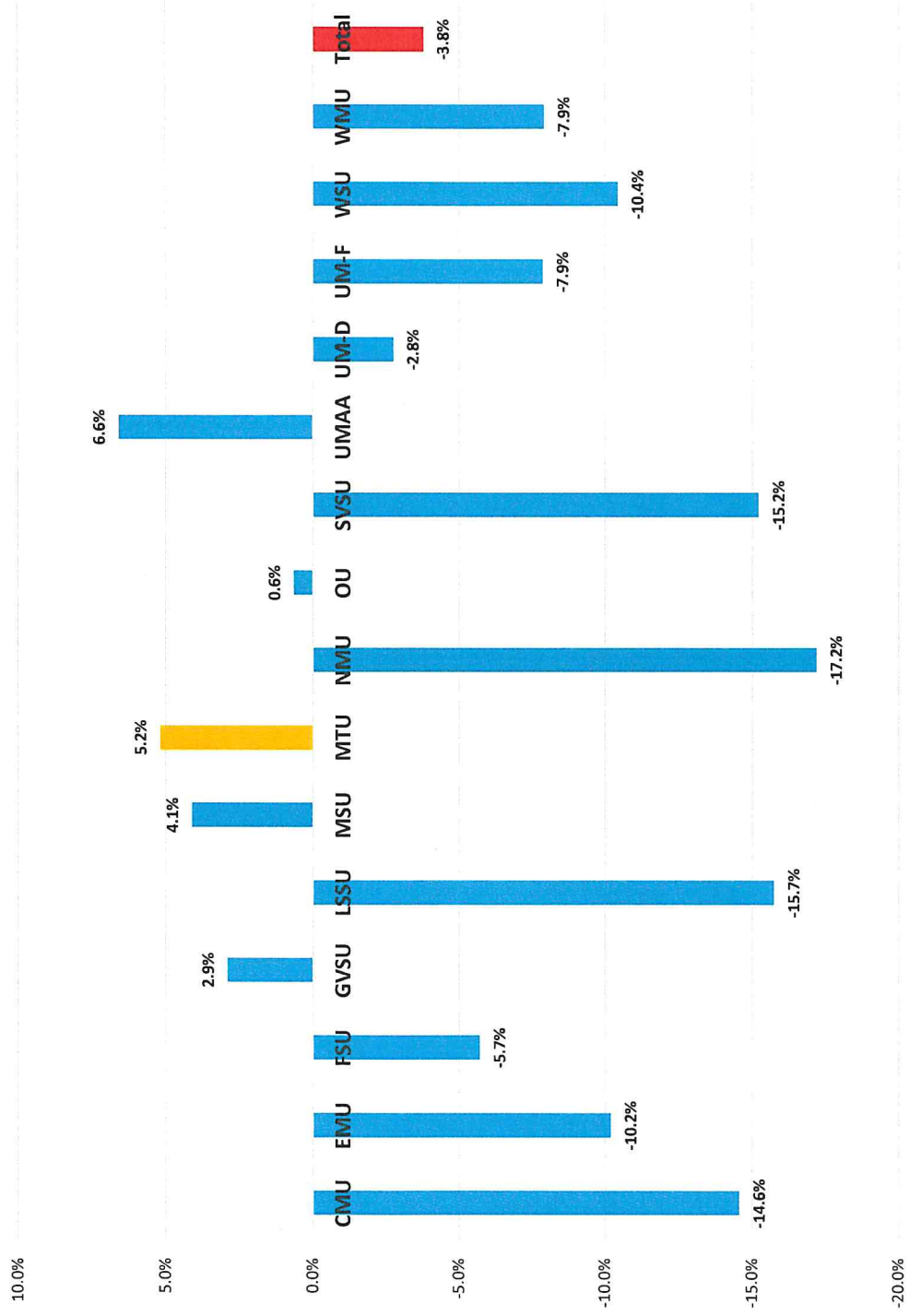
* Core is defined as Total Expenditures minus Auxiliary
 ** Excludes hospital expenditures
 *** Reported under FASB

Enrollment: Increase graduate student enrollment to a level of 6 FYES and undergraduates at 15 FYES per tenured/tenure-track faculty FTE.

Strategies:

1. Increase faculty capacity to advise graduate students through appropriate hiring and retention.
2. Increase faculty numbers through strategic faculty hiring.
3. Improve housing options for students.
4. Ensure the minimum graduate stipend is at competitive levels with peer institutions.

2012-2017 Total UG Enrollment Change



Tuition and Fees: Set tuition to support our standing as a national technological university

Strategies:

1. Undergraduate resident engineering tuition, non-resident tuition, and graduate tuition should be comparable to those of our major competitors among national technological universities.
2. Tuition and fee increases minus any state appropriation increase minus any financial aid increase should not exceed the Higher Education Price Index.
3. Increase financial aid supported through endowed scholarships.
4. Utilize financial aid to address access and affordability for students, and the achievement of institutional enrollment goals.

Academic Year 17-18 Tuition Charges
Michigan Tech and Competitors Engineering Rates

Undergraduate Semester Charges (15 Credits)

Graduate Semester (9 Credits)

**

Michigan Technological University
University of Michigan Ann Arbor
Michigan State University
Kettering University
Purdue University
University of Minnesota Twin Cities
University of Wisconsin-Madison
Western Michigan University
Grand Valley State University

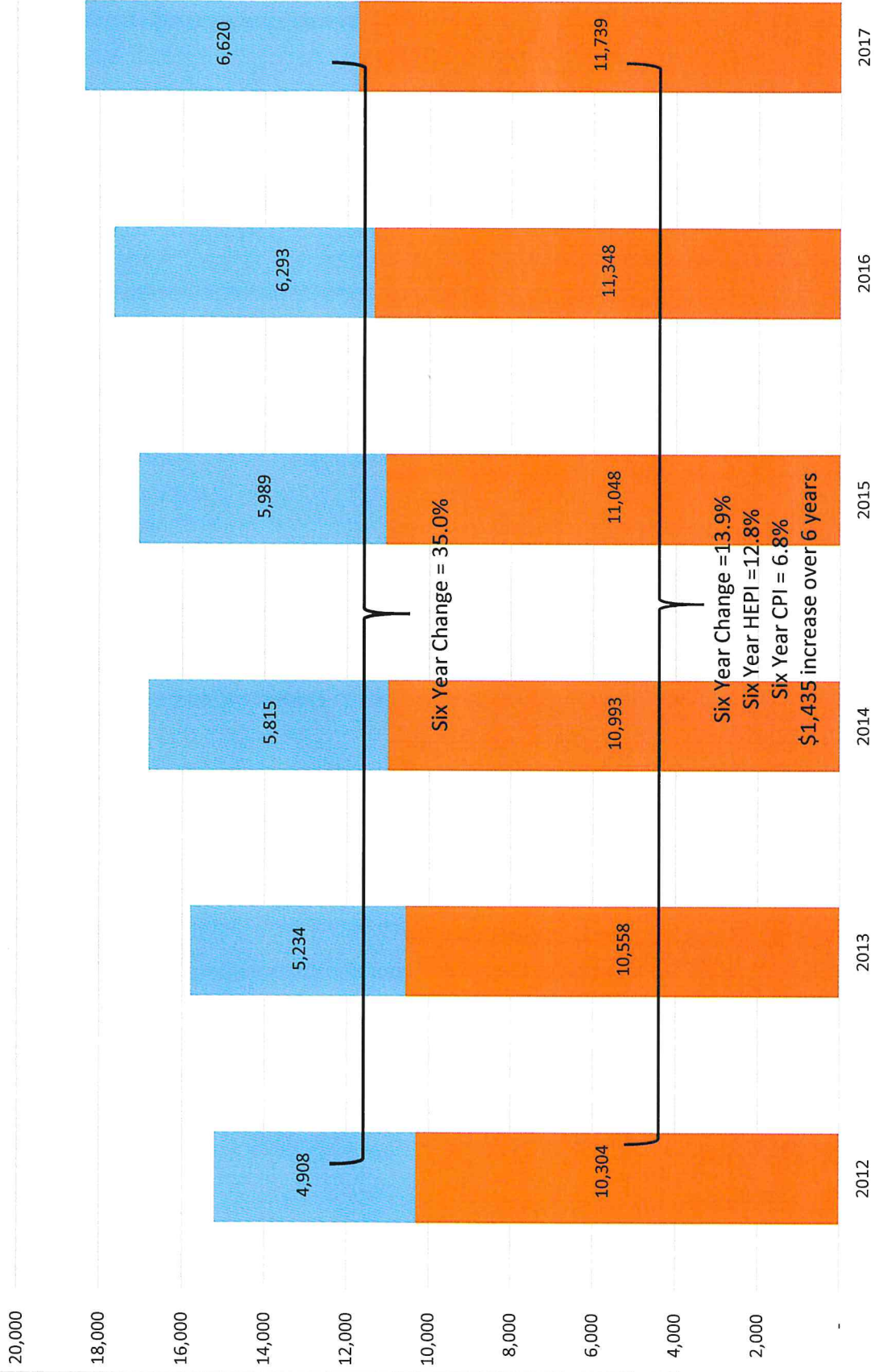
	<u>Resident</u>		<u>Non-Resident</u>	
	<i>Lower Division</i>	<i>Upper Division</i>	<i>Lower Division</i>	<i>Upper Division</i>
Michigan Technological University	7,387	8,974	16,009	18,172
University of Michigan Ann Arbor	7,764	10,059	23,713	26,630
Michigan State University	7,230	8,995	19,703	21,186
Kettering University	21,245	21,245	21,245	21,245
Purdue University	7,046	7,046	16,447	16,447
University of Minnesota Twin Cities	6,400	6,400	12,943	12,943
University of Wisconsin-Madison	5,967	5,967	18,092	18,092
Western Michigan University	6,162	6,739	7,540	8,260
Grand Valley State University	5,997	6,309	8,532	8,844

	<u>Graduate</u>	
	<i>Resident</i>	<i>Non Resident</i>
Michigan Technological University	9,700	9,700
University of Michigan Ann Arbor	13,087	24,343
Michigan State University	7,286	13,655
Kettering University	8,010	8,010
Purdue University	10,248	11,322
University of Minnesota Twin Cities	8,364	12,942
University of Wisconsin-Madison	5,993	12,657
Western Michigan University	5,366	10,838
Grand Valley State University	6,174	6,174

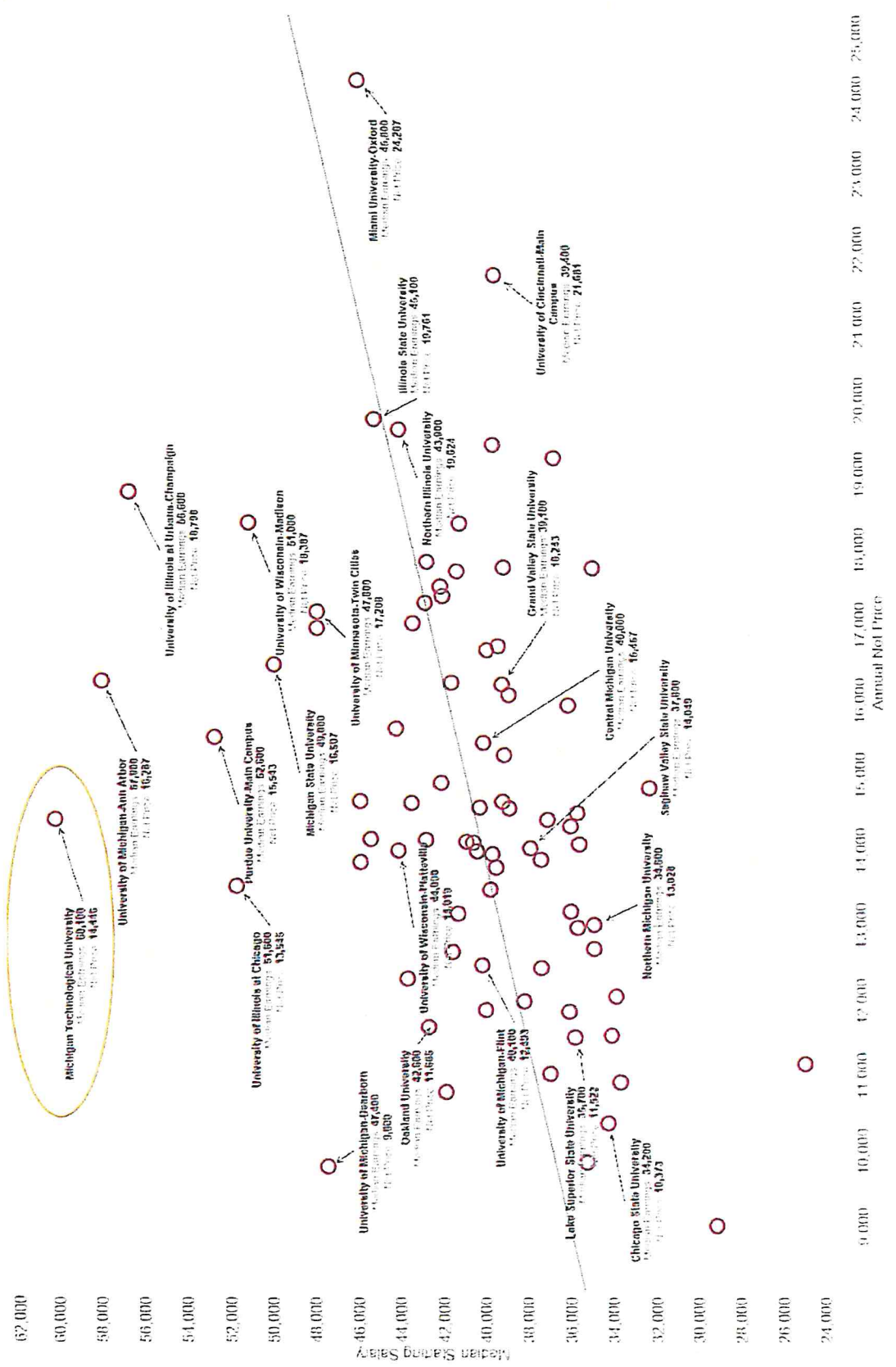
**All include Fees and LD/UD Rates

Per student undergraduate student tuition revenue and financial aid averages

Based on Fall and Spring Semesters Tuition Revenue and Average Fall/Spring Enrollment



■ Tuition Revenue Less Financial Aid ■ Institutionally Funded Financial Aid



White House Scorecard Data

Median Starting Salary vs. Annual Net Price

Public Institutions in IL, IN, MI, MN, OH, WI

Annual Net Price

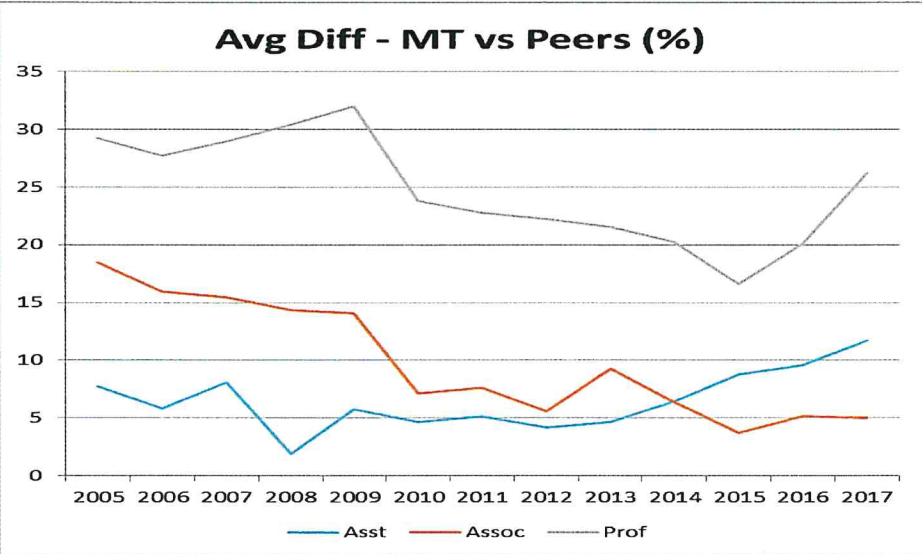
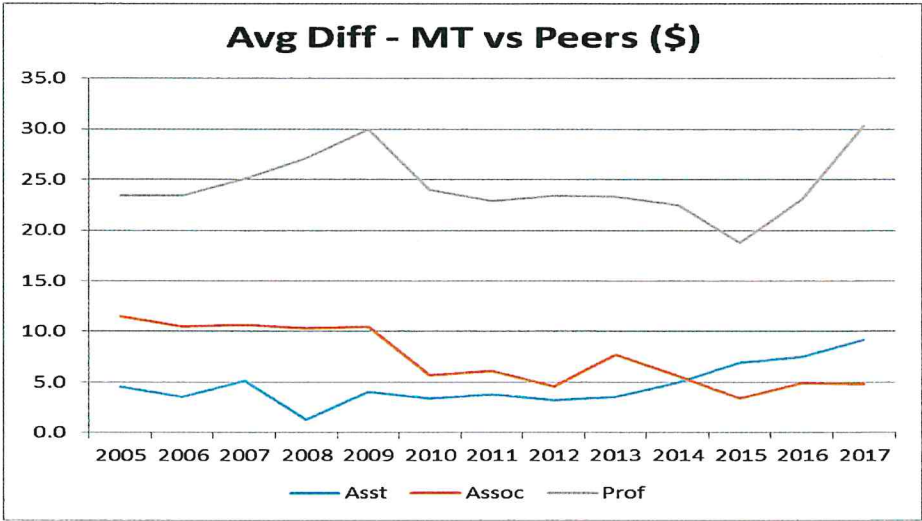
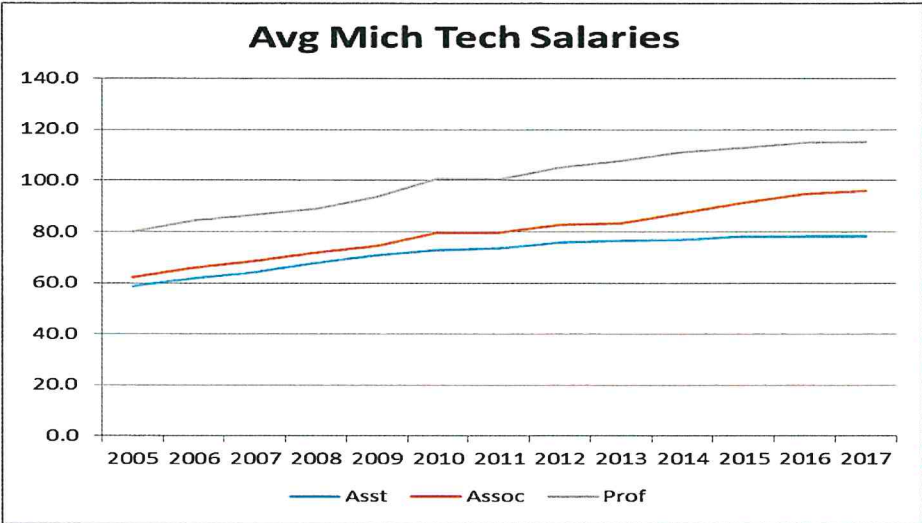
Compensation: Increase average faculty salaries for each rank to the median value of a select group of competitors

	Assistant	Associate	
Professor	Professor	Professor	
Median Average Salary ¹	\$ 87.5	\$100.8	\$ 145.5
Michigan Tech Average Salary	\$ 78.3	\$ 96.0	\$ 115.2
Difference	\$ 9.2	\$ 4.8	\$ 30.3

Strategies:

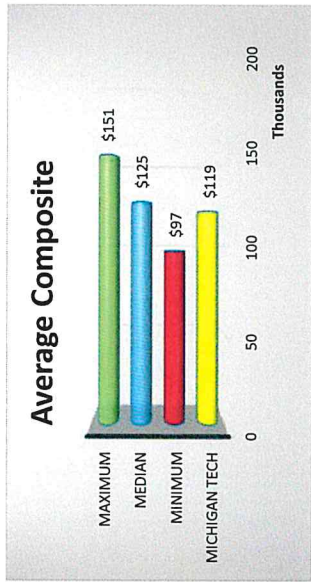
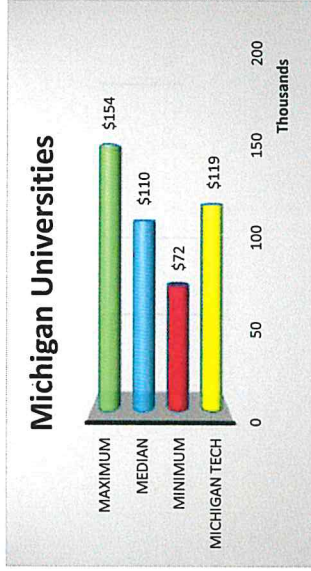
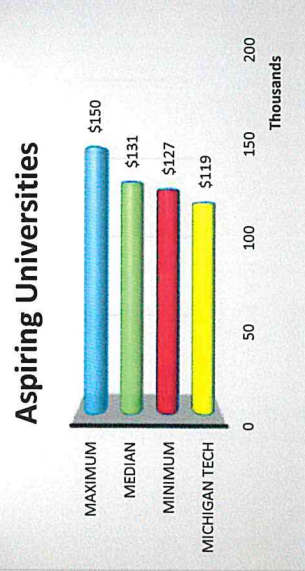
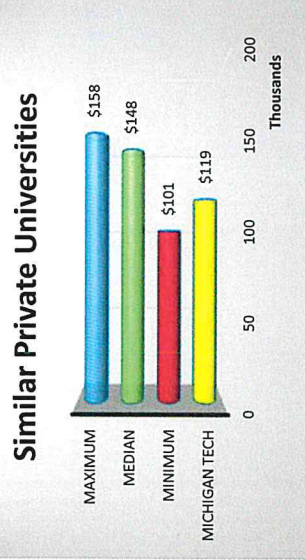
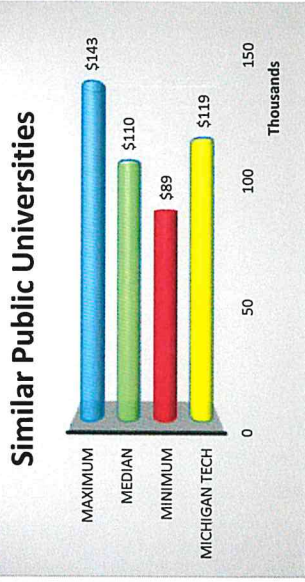
1. Base salary increases on merit, marketplace, and equity, with the marketplace and equity pools to be used to address inequities by both discipline and rank for faculty.
2. Maintain faculty promotional increments at approximately 10% of the average salary of the initial rank.
3. Maintain salaries and wages at about 75% of total compensation.
4. Within budget constraints, until the above goal is met, set a target for the compensation adjustment amount at one percent or more in excess of core CPI.

¹ Median average salary is the median of the average salaries taken from Academe, Bulletin of the AAUP, Annual Report on the Economic Status of the Profession, 2015-2016. Universities included: Carnegie-Mellon, Colorado School of Mines, Georgia Tech, Purdue, Rensselaer Polytechnic Institute, Michigan State University, Missouri University of Science and Technology, University of Illinois – Urbana-Champaign, University of Minnesota-Twin Cities, University of Wisconsin-Madison, Virginia Tech.



Market Findings for Base Salary Comparisons (Professor) using 2016 Survey Data with 2016 Salary*

Michigan Tech Position	Michigan Tech Salary	CUPA Benchmark	Comparator Group	Base Salary			Michigan Tech +/-		
				Minimum	Median	Maximum	Minimum	Median	Maximum
Professor	\$ 119,402	Professor	Similar Public Universities	\$ 88,794	\$ 109,719	\$ 143,255	34.5%	8.8%	-16.7%
Professor	\$ 119,402	Professor	Similar Private Universities	\$ 100,923	\$ 148,125	\$ 157,550	18.3%	-19.4%	-24.2%
Professor	\$ 119,402	Professor	Aspiring Universities	\$ 126,948	\$ 130,898	\$ 150,493	-5.9%	-8.8%	-20.7%
Professor	\$ 119,402	Professor	Michigan Universities	\$ 72,288	\$ 109,916	\$ 153,515	65.2%	8.6%	-22.2%
Professor	\$ 119,402	Professor	Average Composite	\$ 97,238	\$ 124,665	\$ 151,203	22.8%	-4.2%	-21.0%



* Salary data used for CUPA surveys is dated 12-1-2016

MICHIGAN TECHNOLOGICAL UNIVERSITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUND BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2017



	General	Designated	Auxiliary Activities	Retirement & Insurance	Expendable Resurfaced	Total Current Funds	Student Loan	Plant	Michigan Tech Fund	Eliminations	2017	2016
Revenues												
Operating revenues												
Student tuition and fees, net	\$ 131,248,698	\$ -	\$ 1,181,474	\$ -	\$ -	\$ 132,430,172	\$ -	\$ -	\$ -	\$ (36,560,188)	\$ 95,869,984	\$ 91,129,651
Federal grants and contracts	138,452	-	-	-	24,621,821	24,760,273	(854,088)	-	-	-	23,906,185	25,523,178
State and local grants and contracts	-	5,332	-	-	3,680,683	3,686,015	-	-	-	-	3,686,015	3,912,193
Nongovernmental grants and contracts	-	-	-	-	15,802,264	15,802,264	-	-	-	-	15,802,264	15,980,712
Indirect cost recoveries	12,383,610	-	-	-	(12,383,610)	-	-	-	-	-	-	-
Educational activities	303,123	3,594,161	909,782	7,312	156,629	4,971,007	-	6,099	-	-	4,977,106	5,603,375
Departmental activities	9,878	145,925	9,717,523	(3,032)	1,552	9,871,846	-	50,901	-	-	9,922,747	9,645,896
Student residence fees, net	-	-	26,819,437	-	-	26,819,437	-	99,280	-	(7,387,628)	19,531,089	18,530,757
Total operating revenues	144,083,761	3,745,418	38,428,216	4,280	31,879,339	218,341,014	(854,088)	156,280	-	(43,947,816)	173,695,390	170,325,762
Expenses												
Operating expenses												
Salaries and wages	88,447,918	6,281,992	10,616,503	2,452,290	18,722,685	126,521,388	-	-	-	-	126,521,388	121,856,124
Fringe benefits	30,911,131	1,425,916	2,922,311	7,139,323	4,266,909	46,665,590	-	-	-	-	46,665,590	38,829,327
Supplies and services	17,555,934	9,303,774	13,888,813	939,440	10,409,294	52,097,255	81,493	16,193,267	13,072,482	(29,697,719)	51,746,778	50,826,898
Student financial support	41,183,411	885,058	449,744	-	10,244,338	52,762,551	-	2,151,490	-	(46,099,306)	8,814,735	6,438,047
Utilities	4,697,552	195,619	3,176,675	-	18,412	8,088,258	-	-	-	-	8,088,258	6,821,070
Depreciation	-	-	-	-	-	-	-	14,185,789	-	-	14,185,789	14,273,858
Total operating expenses	182,795,946	18,092,359	31,054,046	10,531,053	43,661,638	286,135,042	81,493	30,379,056	15,223,972	(75,797,025)	256,022,538	239,045,324
Operating (loss) income	(38,712,185)	(14,346,941)	7,574,170	(10,526,773)	(11,782,299)	(67,794,028)	(935,581)	(30,222,776)	(15,223,972)	31,849,209	(82,327,148)	(68,719,562)
Net transfers (out) in												
Nonoperating revenues (expenses)												
Federal Pell grants	-	-	-	-	5,408,211	5,408,211	-	-	-	-	5,408,211	5,701,124
Federal grants, other	-	-	-	-	-	-	-	501,082	-	-	501,082	508,799
State appropriations	48,586,922	-	-	-	48,586,922	48,586,922	-	-	-	-	48,586,922	46,912,320
Gifts	4,504,569	4,035,556	457,485	-	5,297,296	14,294,906	-	-	8,917,825	(12,993,106)	10,219,625	13,848,536
Investment return	598,382	-	-	2,536,919	34	3,135,335	285,822	76,812	11,723,788	-	15,221,757	(149,603)
Interest on capital asset-related debt	-	-	(555)	-	-	(555)	-	(4,429,401)	-	-	(4,429,956)	(4,262,895)
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	(99,107)	(99,107)	(252,201)
Net nonoperating revenues (expenses)	53,689,873	4,035,556	456,930	2,536,919	10,705,541	71,424,819	285,822	(3,851,507)	20,641,613	(13,092,213)	75,408,534	62,306,080
Income (loss) before other revenues	2,784,991	773,467	(922,826)	(9,795,327)	1,044,580	(5,915,115)	(649,759)	(24,528,377)	5,417,641	18,756,996	(6,918,614)	(6,413,482)
Other revenues												
Capital grants and gifts	-	-	-	-	-	-	-	2,150,894	215,403	(1,232,913)	1,133,384	1,080,090
Gifts for permanent endowment purposes	-	-	-	-	-	-	-	-	3,783,846	-	3,783,846	6,390,599
Other nonoperating revenues	-	-	-	-	-	-	-	-	111,371	-	111,371	293,699
Fund additions	-	-	-	-	-	-	-	17,524,083	-	(17,524,083)	-	-
Total other revenues	-	-	-	-	-	-	-	19,674,977	4,110,620	(16,756,996)	5,028,601	7,764,388
Net increase (decrease) in net position	2,984,991	773,467	(922,826)	(9,795,327)	1,044,580	(5,915,115)	(649,759)	(4,853,400)	9,528,261	-	(1,890,013)	1,350,906
Net position, beginning of year, as restated	(2,172,787)	18,412,487	7,722,213	(44,586,834)	3,236,474	(17,386,447)	14,584,412	170,115,321	127,621,157	-	294,934,443	293,583,537
Net position, end of year	\$ 812,204	\$ 19,185,954	\$ 6,799,387	\$ (54,382,161)	\$ 4,283,054	\$ (23,301,562)	\$ 13,934,653	\$ 165,261,921	\$ 137,149,418	\$ -	\$ 273,044,430	\$ 294,934,443

Postemployment Benefits Other than Pensions GASB75 Effective FY2018

Improved reporting for Other Postemployment Benefits (OPEB).

Enhanced accountability & transparency through revised note disclosures and required supplemental information.

The University participates in the Michigan Public School Employees Retirement Systems (MPSERS).

Recognition in the financial statements of its proportionate share of the net OPEB liability related to the MPSERS postretirement health insurance obligation.

Impact of this financial standard is a non-cash increase the noncurrent liabilities similar to the pension liability in 2015 (GASB68).

Awaiting communication from the State on the University's proportionate share of the net OPEB liability and OPEB expense related to GASB75.

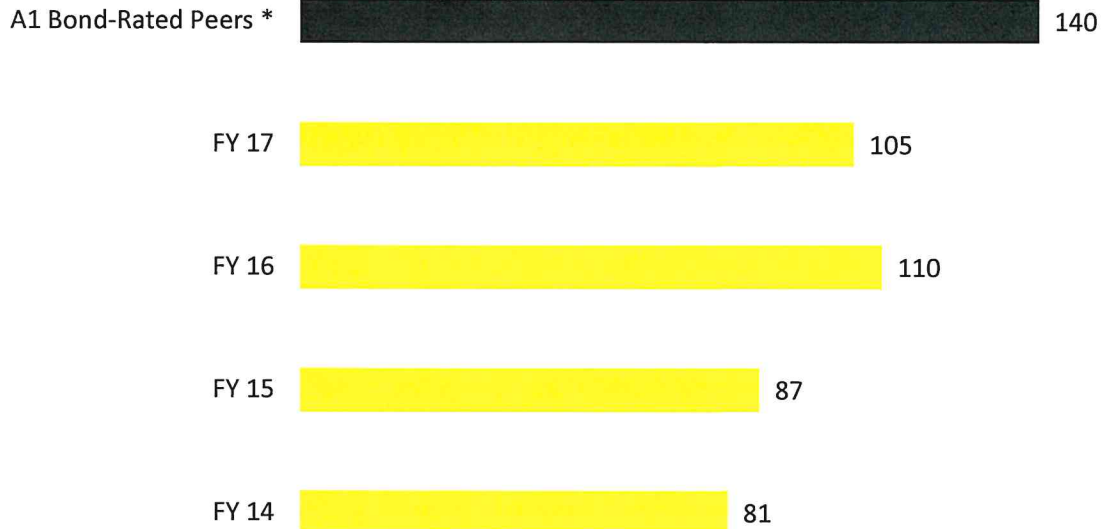
MICHIGAN TECHNOLOGICAL UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Year Ended June 30	
	2017	2016
Revenues		
Operating revenues		
Student tuition and fees (net of scholarship allowances of \$36,560,188 and \$36,498,154 in 2017 and 2016, respectively)	\$ 95,869,984	\$ 91,129,651
Federal grants and contracts	23,906,185	25,523,178
State and local grants and contracts	3,686,015	3,912,193
Nongovernmental grants and contracts	15,802,264	15,980,712
Educational activities	4,977,106	5,603,375
Departmental activities	9,922,747	9,645,896
Student residence fees (net of scholarship allowances of \$7,387,628 and \$7,312,176 in 2017 and 2016, respectively)	19,531,089	18,530,757
Total operating revenues	173,695,390	170,325,762
Expenses		
Operating expenses		
Compensation and benefits	173,186,978	160,685,451
Supplies and services	51,746,778	50,826,898
Student financial support	8,814,735	6,438,047
Utilities	8,088,258	6,821,070
Depreciation	14,185,789	14,273,858
Total operating expenses	256,022,538	239,045,324
Operating loss	(82,327,148)	(68,719,562)
Nonoperating revenues (expenses)		
Federal Pell grants	5,408,211	5,701,124
Federal grants, other	501,082	508,799
State appropriations	48,586,922	46,912,320
Gifts	10,219,625	13,848,536
Investment return	15,221,757	(149,603)
Interest on capital asset-related debt	(4,429,956)	(4,262,895)
Loss on disposal of capital assets	(99,107)	(252,201)
Net nonoperating revenues	75,408,534	62,306,080
Loss before other revenues	(6,918,614)	(6,413,482)
Other revenues		
Capital grants and gifts	1,133,384	1,080,090
Gifts for permanent endowment purposes	3,783,846	6,390,599
Other nonoperating revenues	111,371	293,699
Total other revenues	5,028,601	7,764,388
Change in net position	(1,890,013)	1,350,906
Net position		
Beginning of year, as restated	294,934,443	293,583,537
End of year	\$ 293,044,430	\$ 294,934,443

The accompanying notes are an integral part of these financial statements.

LIQUIDITY METRICS

Days Cash on Hand



* FY 2014 Data

Fiscal Year-End Monthly Liquidity (in millions)

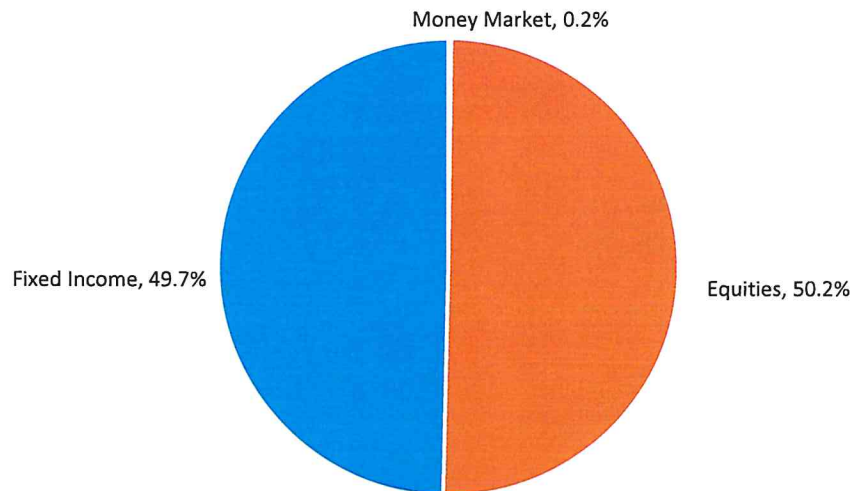


Monthly liquidity is defined as unrestricted cash plus unrestricted investments convertible to cash within 30 days. Additionally, Michigan Tech has access to a \$20 million line of credit.

**MICHIGAN TECH UNIVERSITY
INVESTMENT PORTFOLIO
JUNE 30, 2016 THROUGH JUNE 30, 2017**

	Market Value 6/30/2016	Market Value 6/30/2017	Change	Fiscal-Year Investment Return
Money Market Fund	\$ 234,115	\$ 54,298	\$ (179,817)	-0.02%
Equity Funds:				
Columbia Seligman Com CL A	\$ -	244,442	\$ 244,442	-2.22%
Delaware Value Fund	1,480,858	2,299,754	818,896	5.70%
Fidelity Advisor Biotechnology CL A	-	242,283	242,283	-3.09%
Fidelity Advisor Health Care CL A	-	247,914	247,914	-0.83%
First Eagle Global Class A	-	249,613	249,613	-0.15%
Vanguard Extended Market Index Fund	2,278,142	2,730,112	451,970	21.50%
Vanguard 500 Index Fund	8,575,705	9,908,159	1,332,454	17.72%
Total Equity Funds	12,334,705	15,922,277	3,587,572	
Fixed Income Funds:				
Lord Abbett Bond Debenture Fund	7,527,635	8,265,627	737,992	10.54%
Lord Abbett Short Duration Income Fund	7,523,781	7,502,812	(20,969)	2.41%
Total Fixed Income Funds	15,051,416	15,768,439	717,023	
Total	\$ 27,620,236	\$ 31,745,014	\$ 4,124,778	10.92%

Current Asset Allocation



MICHIGAN TECH UNIVERSITY
OUTSTANDING BALANCES ON BOND ISSUANCES
JUNE 30, 2017

Bonds Outstanding	Long-Term Outstanding Amount	Current Outstanding Amount	Total Outstanding	Original Issue Amount
Series 2008 Bond Issue (maturity 2038)				
Purchase of UPPCO Building				
Partial Funding of KRC Building				
MUB Ballroom Renovation				
Total Series 2008 Bond Issue	\$ 5,090,000	\$ -	\$ 5,090,000	\$ 15,880,000
Series 2009A Bond Issue (maturity 2039)				
New Student Apartment Building				
Partial Funding of KRC Building				
Total Series 2009 Bond Issue	15,180,000	420,000	\$ 15,600,000	18,235,000
Series 2010A Bond Issue (maturity 2040)				
Great Lakes Research Center				
A.E. Seaman Mineral Museum				
KRC Building Purchase (Blizzard Building)				
Life Safety Improvements on Campus				
Total Series 2010 Bond Issue	8,120,000	220,000	\$ 8,340,000	10,975,000
Series 2012A Bond Issue (maturity 2034)				
Refunding of 2003 & 2004 Fixed Rate Bond Issues				
SDC Ice Plant and Partial Roof of SDC				
Total Series 2012 Bond Issue	27,660,000	1,255,000	\$ 28,915,000	33,070,000
Series 2013A Bond Issue (maturity 2036)				
Refunding 2006 Bond Issue				
Refunding partial 2008 Bond Issue				
Total Series 2013 Bond Issue	12,025,000	765,000	\$ 12,790,000	14,265,000
Series 2015A Bond Issue (maturity 2046)				
Daniell Heights Renovation				
Campus Dining Renovation				
Fuel Storage Tank Facility				
Chemical Storage Facility				
Chemistry Labs Renovation				
IT and Safety Systems Upgrades				
McNair Hall Bathrooms Renovation				
Total Series 2015 Bond Issue	23,435,000	435,000	\$ 23,870,000	24,295,000
Total - All Bond Issues	\$ 91,510,000	\$ 3,095,000	\$ 94,605,000	\$ 116,720,000

Michigan Technological University
 FY18 General Fund and Current Fund Income Statements
 December 31, 2017

2nd Qtr Projection vs Budget	Adjusted Budget		2nd Quarter Projection		Variance		Original Projection		2nd Quarter Projection		Variance		Historic Precision
	General Fund		General Fund		General Fund	%	Total Current Fund		Total Current Fund		Total Current Fund	%	
OPERATING REVENUES													
Student Tuition and Fees	138,701,063		137,208,989		(1,492,074)	-1.1%	139,881,556		138,374,562		(1,506,994)	-1.1%	1.7%
Federal Grants and Contracts	150,000		138,451		(11,549)	-7.7%	25,738,074		25,864,130		126,056	0.5%	5.0%
State/Local Grants and Contracts	-		-		-	-	3,759,024		3,539,968		(219,056)	-5.8%	5.5%
Nongovernmental Grants and Contracts	-		-		-	-	15,922,621		17,234,575		1,311,954	8.2%	4.3%
Indirect Cost Recoveries	12,426,000		12,870,393		444,393	3.6%	-		-		-	-	10.0%
Educational Activities	113,352		421,768		308,416	272.1%	5,068,025		5,105,008		36,983	0.7%	1.2%
Student Resident Fees	-		-		-	-	27,541,127		27,574,815		33,688	0.1%	1.2%
Sales and Services of Dept Activities	-		34,911		34,911	-	9,836,616		9,961,045		124,429	1.3%	1.3%
	151,390,415		150,674,512		(715,903)	-0.5%	227,747,043		227,654,103		(92,940)	0.0%	
OPERATING EXPENSES													
CarryForward	(3,070,887)		-		3,070,887	-100.0%	-		-		-	-	1.2%
Salaries & Wages - Faculty & Staff	(85,204,728)		(83,951,009)		1,253,719	-1.5%	(114,806,533)		(113,346,281)		1,460,252	-1.3%	1.7%
Salaries & Wages - Graduate Students	(4,616,093)		(4,236,629)		379,464	-8.2%	(10,930,224)		(11,009,017)		(78,793)	0.7%	1.3%
Salaries & Wages - Undergrad Students	(2,014,586)		(2,160,125)		(145,539)	7.2%	(4,448,016)		(5,098,197)		(650,181)	14.6%	2.5%
Fringe Benefits	(34,113,225)		(32,860,464)		1,252,761	-3.7%	(40,341,164)		(40,524,079)		(182,915)	-0.5%	2.4%
Supplies and Services	(16,798,279)		(16,653,490)		144,789	-0.9%	(54,814,341)		(53,505,221)		1,309,120	-2.4%	1.1%
Scholarships and Fellowships	(42,578,595)		(44,325,744)		(1,747,149)	4.1%	(54,094,382)		(56,913,991)		(2,819,609)	5.2%	2.1%
Utilities	(4,595,584)		(4,417,864)		177,720	-	(7,493,220)		(7,257,638)		235,582	-3.1%	
	(192,991,977)		(188,605,325)		4,386,652	-2.3%	(286,927,880)		(287,654,424)		(726,544)	0.3%	
TRANSFERS													
	(12,383,297)		(13,994,777)		(1,611,480)	13.0%	(9,746,829)		(9,099,517)		647,312	-6.6%	19.6%
NONOPERATING REVENUES (EXPENSES)													
State appropriations, Operating	49,095,114		49,052,200		(42,914)	-0.1%	49,095,114		49,052,200		(42,914)	-0.1%	N/A
Gift Income	4,529,745		4,572,650		42,905	0.9%	14,261,148		13,860,627		(400,521)	-2.8%	
Investment Income (loss)	-		690,614		330,614	91.8%	978,101		1,377,535		399,434	40.8%	
<i>Investment Fees</i>	-		-		-	-	-		-		-	-	
<i>Realized Gains on Investments</i>	-		-		-	-	-		-		-	-	
<i>Unrealized Gains on Investments</i>	-		40,756		40,756	-	5,620,368		1,523,353		1,523,353	7.4%	11.7%
Federal Grants	-		-		-	-	-		6,034,585		414,217		
Interest Expense	-		-		-	-	-		-		-		
	53,984,859		54,356,220		371,361	0.7%	69,954,731		71,848,300		1,893,569	2.7%	
Net increase (decrease) in Net Assets	-		2,430,630		2,430,630		1,027,065		2,748,462		1,721,397		167.6%

	General Fund	Designated Fund	Auxiliary Fund	R&I Fund	Total Unrestricted	Total Expendable Restricted	Total Current Fund
Operating Revenues							
Student Tuition and Fees	\$ 137,208,989	\$ -	\$ 1,165,573	\$ -	\$ 138,374,562	\$ -	\$ 138,374,562
Federal Grants and Contracts	\$ 138,451	\$ -	\$ -	\$ -	\$ 138,451	\$ 25,725,679	\$ 25,864,130
State/Local Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,539,968	\$ 3,539,968
Nongovernmental Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,234,575	\$ 17,234,575
Indirect Cost Recoveries	\$ 12,870,393	\$ -	\$ -	\$ -	\$ 12,870,393	\$ (12,870,393)	\$ -
Educational Activities	\$ 421,768	\$ 3,594,948	\$ 991,595	\$ 11,305	\$ 5,019,616	\$ 85,392	\$ 5,105,008
Student Resident Fees	\$ -	\$ -	\$ 27,574,815	\$ -	\$ 27,574,815	\$ -	\$ 27,574,815
Sales and Services of Dept Activities	\$ 34,911	\$ 93,720	\$ 9,829,613	\$ -	\$ 9,958,244	\$ 2,801	\$ 9,961,045
	\$ 150,674,512	\$ 3,688,668	\$ 39,561,596	\$ 11,305	\$ 193,936,081	\$ 33,718,022	\$ 227,654,103
Operating Expenses							
Salaries & Wages - Non-Faculty	\$ (39,433,286)	\$ (4,080,577)	\$ (8,378,021)	\$ (2,190,802)	\$ (54,082,686)	\$ (9,543,732)	\$ (63,626,418)
Salaries & Wages - Faculty	\$ (44,517,723)	\$ (832,489)	\$ (60,975)	\$ (180,842)	\$ (45,592,029)	\$ (4,127,834)	\$ (49,719,863)
Salaries & Wages - Graduate Students	\$ (4,236,629)	\$ (1,168,700)	\$ (993,661)	\$ -	\$ (6,398,990)	\$ (4,610,027)	\$ (11,009,017)
Salaries & Wages - Undergrad Students	\$ (2,160,125)	\$ (711,078)	\$ (1,161,497)	\$ -	\$ (4,032,700)	\$ (1,065,497)	\$ (5,098,197)
Fringe Benefits	\$ (32,860,464)	\$ (1,551,032)	\$ (2,976,586)	\$ 1,444,580	\$ (35,943,502)	\$ (4,580,577)	\$ (40,524,079)
Supplies and Services	\$ (16,653,490)	\$ (10,590,920)	\$ (13,125,499)	\$ (1,021,487)	\$ (41,391,396)	\$ (12,113,825)	\$ (53,505,221)
Scholarships and Fellowships	\$ (44,325,744)	\$ (1,275,920)	\$ -	\$ -	\$ (45,601,664)	\$ (11,312,327)	\$ (56,913,991)
Utilities	\$ (4,417,864)	\$ (193,620)	\$ (2,636,655)	\$ -	\$ (7,248,139)	\$ (9,499)	\$ (7,257,638)
	\$ (188,605,325)	\$ (20,404,336)	\$ (29,332,894)	\$ (1,948,551)	\$ (240,291,106)	\$ (47,363,318)	\$ (287,654,424)
Transfers							
	\$ (13,994,777)	\$ 10,757,422	\$ (9,339,976)	\$ 717,071	\$ (11,860,260)	\$ 2,760,743	\$ (9,099,517)
Nonoperating Revenues (Expenses)							
State appropriations, Operating	\$ 49,052,200	\$ -	\$ -	\$ -	\$ 49,052,200	\$ -	\$ 49,052,200
Gift Income	\$ 4,572,650	\$ 3,806,064	\$ 457,485	\$ -	\$ 8,836,199	\$ 5,024,428	\$ 13,860,627
Investment Income (loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	\$ 690,614	\$ -	\$ -	\$ 686,921	\$ 1,377,535	\$ -	\$ 1,377,535
Investment Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Realized Gains on Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrealized Gains on Investments	\$ 40,756	\$ -	\$ -	\$ 1,482,597	\$ 1,523,353	\$ -	\$ 1,523,353
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,034,585	\$ 6,034,585
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 54,356,220	\$ 3,806,064	\$ 457,485	\$ 2,169,518	\$ 60,789,287	\$ 11,059,013	\$ 71,848,300
Net increase (decrease) in fund balance	\$ 2,430,630	\$ (2,152,182)	\$ 1,346,211	\$ 949,343	\$ 2,574,002	\$ 174,460	\$ 2,748,462
Net Assets (Deficit), Beg. Of Year	812,204	19,185,954	6,799,387	(54,463,362)	(27,665,817)	4,283,054	(23,382,763)
Net Assets (Deficit), End of Period	3,242,834	17,033,772	8,145,598	(53,514,019)	(25,091,815)	4,457,514	(20,634,301)

NOTES: Projections Exclude Projection GASB 68/75 Liability

Michigan Tech Board of Trustees

Audit and Finance Committee Calendar, FY18

October

- Audited Financial Statements for FY17
- Independent Auditor's Report
- Approval of State Capital Outlay Request
- Original Projection vs Actual for FY17
- History of Fund Balances
- Preliminary General Fund Budget Planning Parameters for FY19
- Continuous Improvement Using Lean Principles Annual Report
- Potential Real Property Disposal

December

- Initial Enrollment Projections for FY19
- 1st Quarter Financial Results & Projections
- Approval of Room and Board Rates for FY19
- General Fund Budget Planning Parameters for FY19
- Debt Ratios

February

- 2nd Quarter Financial Results & Projections
- General Fund Preliminary Budget for FY19
- Annual Informational Items

April/May

- 3rd Quarter Financial Results & Projections
- Approval of FY19 General Fund Operating Budget [Contingent on State Action]
- Approval of External Auditor
- Audit & Finance Committee Calendar for next Fiscal Year - Draft
- External Auditor Update
- Proposed Internal Audits and Projects for FY19
- Current Fund Projections for FY19

Michigan Technological University
Admissions & Enrollment Information Model

Head count for summer/fall of:

Actual	2012	Actual	2013	Actual	2014	Actual	2015	Actual	2016	Actual	2017	Actual	2018	Actual	2019	Projected
	Prior Year 5		Prior Year 4		Prior Year 3		Prior Year 2		Prior Year 1		Base Year		Budget Year			Change

	FY13	FY14	FY15	FY16	FY17	FY18	FY19
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Total New Undergrads

Applied	5,163	5,493	5,709	5,928	6,168	6,061	6,486	425
Accepted	3,814	4,106	4,184	4,364	4,610	4,377	4,722	345
Enrolled	1,410	1,448	1,406	1,461	1,580	1,512	1,538	26

Total New Grads

Applied	3,106	3,624	5,338	5,159	5,213	5,101	5,174	73
Accepted	1,156	1,398	1,525	1,509	1,238	1,538	1,549	11
Enrolled	355	410	398	466	383	428	428	0

Total New & Returning Students

Undergraduate Students

	5,625	5,621	5,662	5,721	5,829	5,917	5,987	70
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Graduate Students

	1,322	1,358	1,442	1,521	1,441	1,402	1,432	30
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Total Enrollment

	6,947	6,979	7,104	7,242	7,270	7,319	7,419	100
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General Fund
FY19 Budget Planning Parameters - December

REVENUES		Incremental <u>Dollar Change</u>
Enrollments -	Total Enrollment	
	Undergraduate Students - Increase 70	\$ 1,050,000
	Graduate Students - Increase 30	510,000
Tuition & Mandatory Fee Increases -	Resident Undergraduate Tuition - Average Increase 3.8%	2,660,000
	- 3.8% Lower Division/3.8% Upper Division	
	Non-Resident Undergraduate Tuition - Average Increase 4.4%	1,716,000
	- 4.4% Lower Division/4.4% Upper Division	
	Graduate Student Tuition - Increase 5%	905,000
Gift Income -	Unrestricted Michigan Tech Fund Gifts (Fee Income) Reduce from 3.75% to 3%	(780,000)
Administrative Fee Income -	Fee Income on Designated Fund and CarryForward (Reduce from 3.75% to 3%)	(141,000)
Indirect Cost Recovery -	Flat FY18 Level	
State Appropriations -	1.9% Increase	931,000
 EXPENDITURES		
Faculty & Staff Salaries -	Salary and Wage Budget Adjustment	(2,628,000)
	(1.5% Remaining FY18 + 1.5% FY19)	
	Faculty Promotional Increases	(250,000)
Graduate Student Salaries -	Stipend - Increase 3%	(120,000)
Supplies & Services -	Maintenance Budget Increase	(500,000)
	Space Review	(100,000)
Fringe Benefits -	Fringe Costs Associated Salary Changes FY19	(1,122,420)
Strategic Investment -	Academic/Administrative Strategic Initiatives	0
	Presidential Search/Transition	(673,200)
Scholarships -	Undergraduate Financial Aid - Increase 3%	(1,125,000)
	Undergraduate Financial Aid - FY18 Shortfall	(2,000,000)
	Supported Graduate Student Tuition - Increase 5%	(285,000)
Contingency/Carryforward Reserve -	Increase to \$5M	(200,000)
 TRANSFERS		
		Total <u>\$ (2,152,620)</u>

NOTE: Exclude Investment Income Changes, and GASB 68 and GASB 75



Budgeting for Transportation Services

- As an auxiliary unit Transportation Services is charged with managing campus parking and related transportation by implementing an equitable distribution of scarce resources, while planning for long-term parking solutions.
- They do this using the revenue generated through permits, meters, visitor lots, and citations.
- Transportation Services currently receives no General Fund allocation.
- Transportation Services is also responsible for building reserves to replace and enhance parking infrastructure.
- A long-term plan has been developed to achieve self-liquidating status through cost-savings and increased revenues.

Strategic Plan Review Timeline, 2018

Preliminary

- Executive Team Retreat – January 19, 2017
- Dean’s Council – January 25, 2017
- Budget Forum – January 26, 2017
- ExecTeam/Directors – February 27, 2017
- Board of Trustees – March 2, 2017
- 2015 Timeline sent to Senate, Staff Council, USG, GSG – March 22, 2017
- President’s Campus Forum – April 20, 2017

Review

- Board of Trustees Academic Affairs Committee – August 2, 2017
- Board of Trustees information Caucus – August 2, 2017
- Campus Comment Period – August 14 – September 22, 2017
- GSG Discussion – September 11, 2017
- USG Discussion – September 13, 2017
- VPAdmin/SVPAdmin Directors – September 27, 2017
- Financial Data Group – September 27, 2017
- Deans Retreat to Review/Revise – October 4, 2017
- President’s Forum – October 10, 2017
- Exec Team Retreat to Review/Revise Dean’s Revision – October 16, 2017
- Initial Meeting with Chairs and Directors to Review Deans/ET Draft – October 17, 2017
- Exec Team/Deans/Chairs/Directors Revision – November 3, 2017
- VPAdmin Directors – December 12, 2017
- Informal Review with BOC – December 14, 2017
- Campus Comment Period – December 19, 2017 – January 31, 2018
- Review of Comments and Revision by Exec Team – February 6, 2018
- Review of Comments and Revision by Deans – February 14, 2018
- -----
- Presentation to University Senate – January 21, 2015
- BOC Review – February 19, 2015
- Distribution of DRAFT Revised Plan to Campus Community – February 20, 2015
- BOC Approval – May, 2015