

CAMPUS BUDGET FORUM

FEBRUARY 26, 2019

- I. Long-term Trends
 - Strategic Metrics
 - Revenue and Expenditure Trends
 - Enrollment
 - Tuition
 - Faculty Salaries

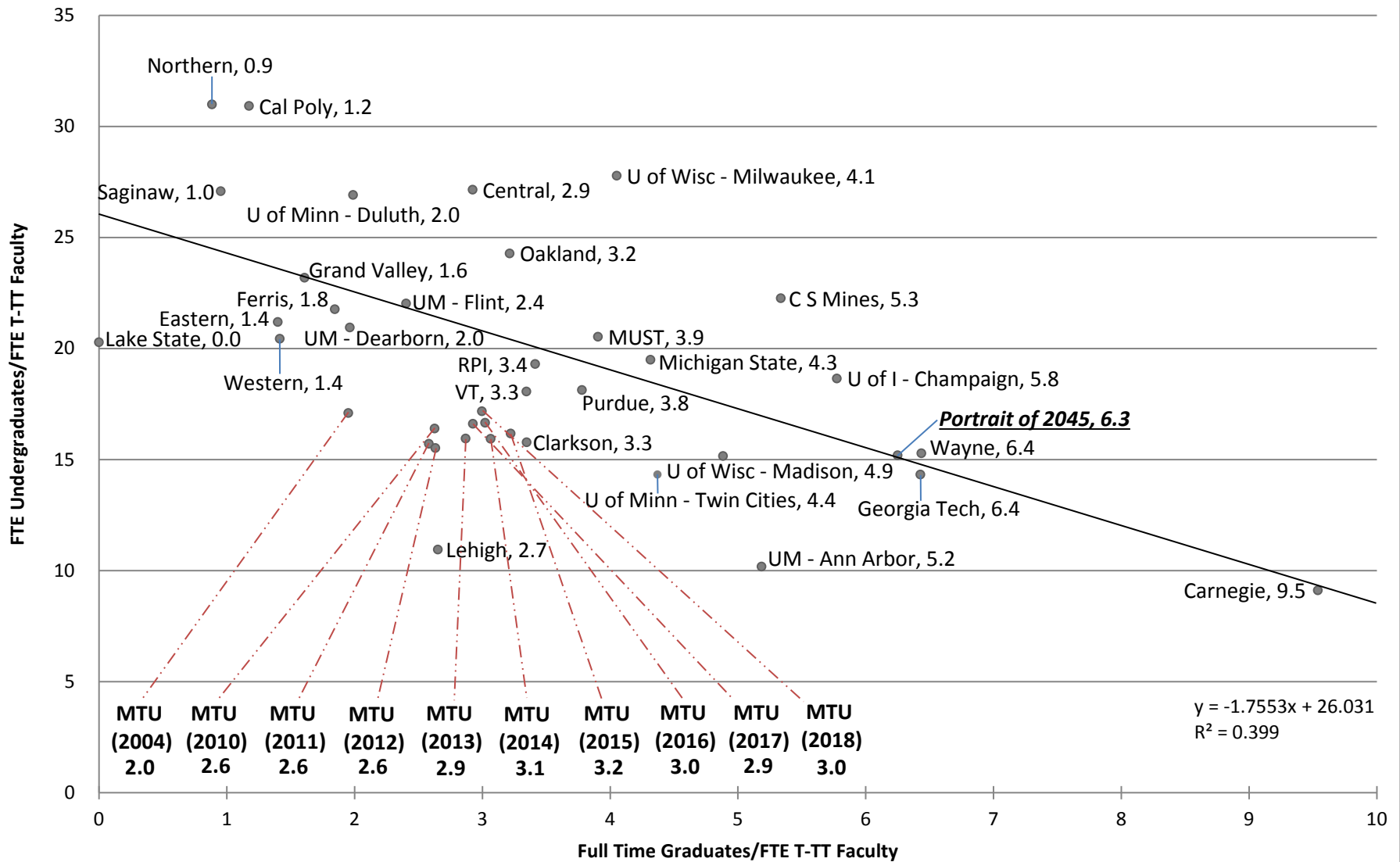
- II. FY18 Wrap-up

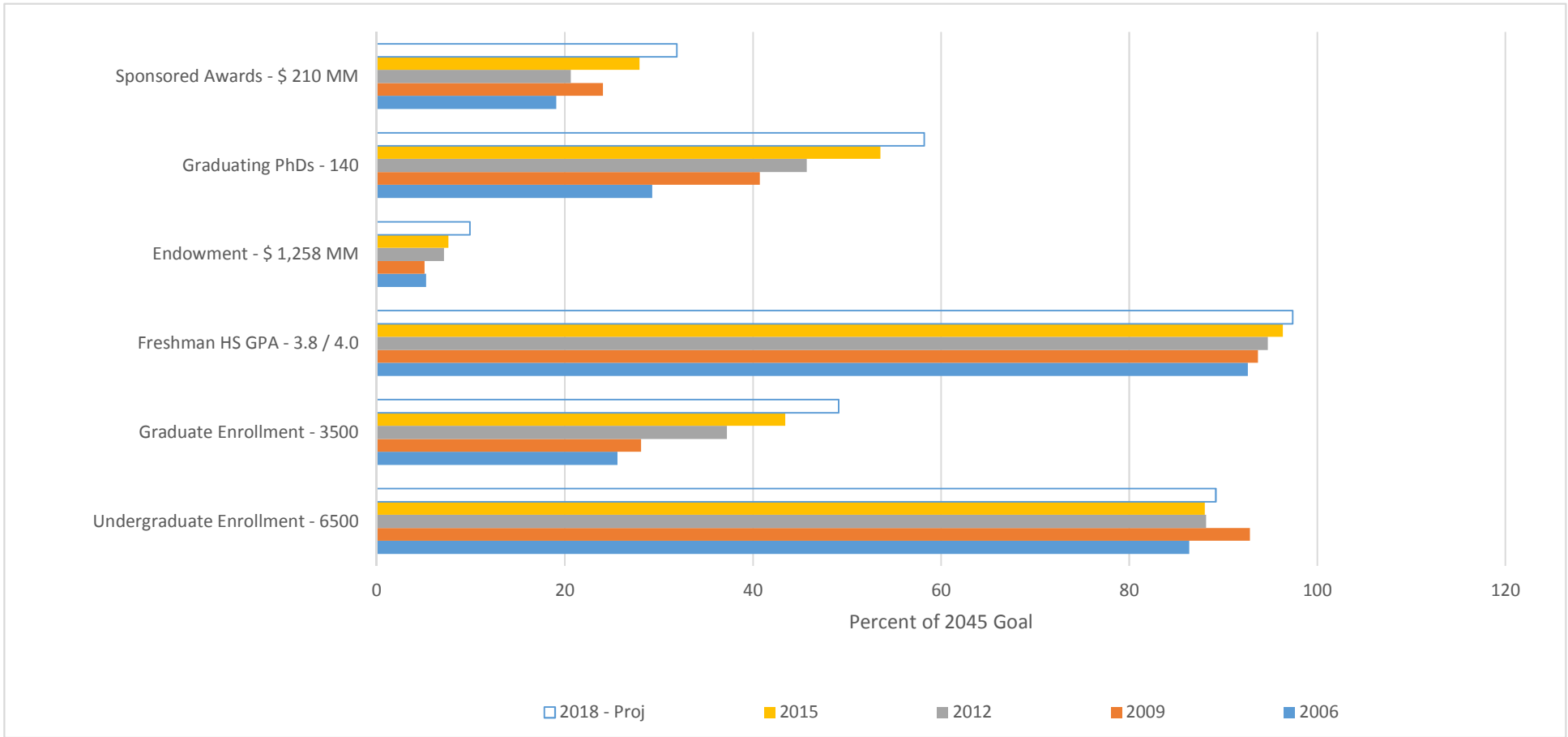
- III. FY19 Status
 - 2nd Quarter Projections

- IV. FY20 Planning
 - Budget Timeline
 - Enrollment Projection
 - General Fund Budget Planning Parameters

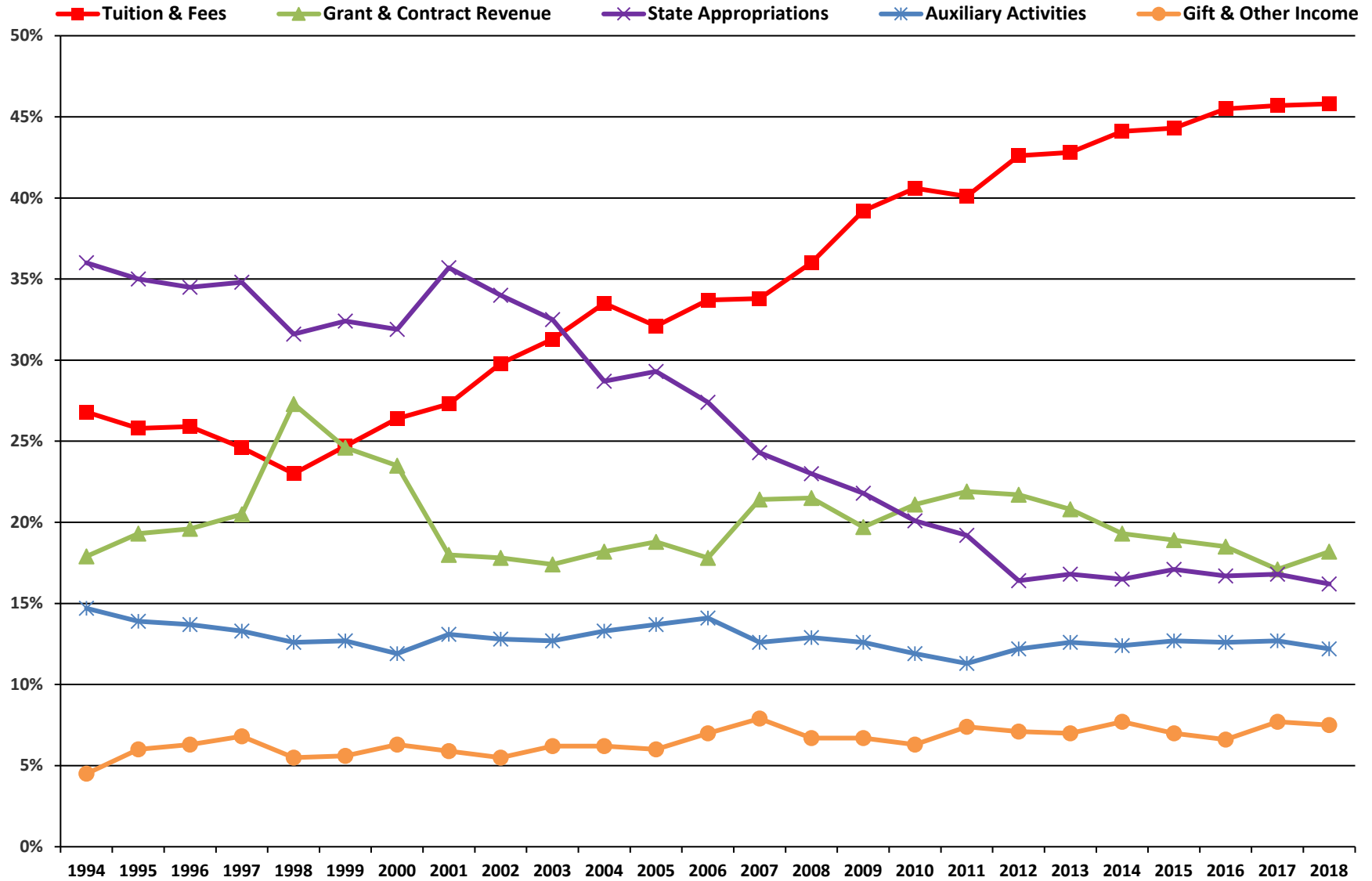
- V. Other
 - Tech Forward Initiatives
 - H-STEM
 - Questions

Full Time Graduates Vs. FTE Undergraduates Michigan Public Universities and Michigan Tech Benchmark Universities Fall 2017

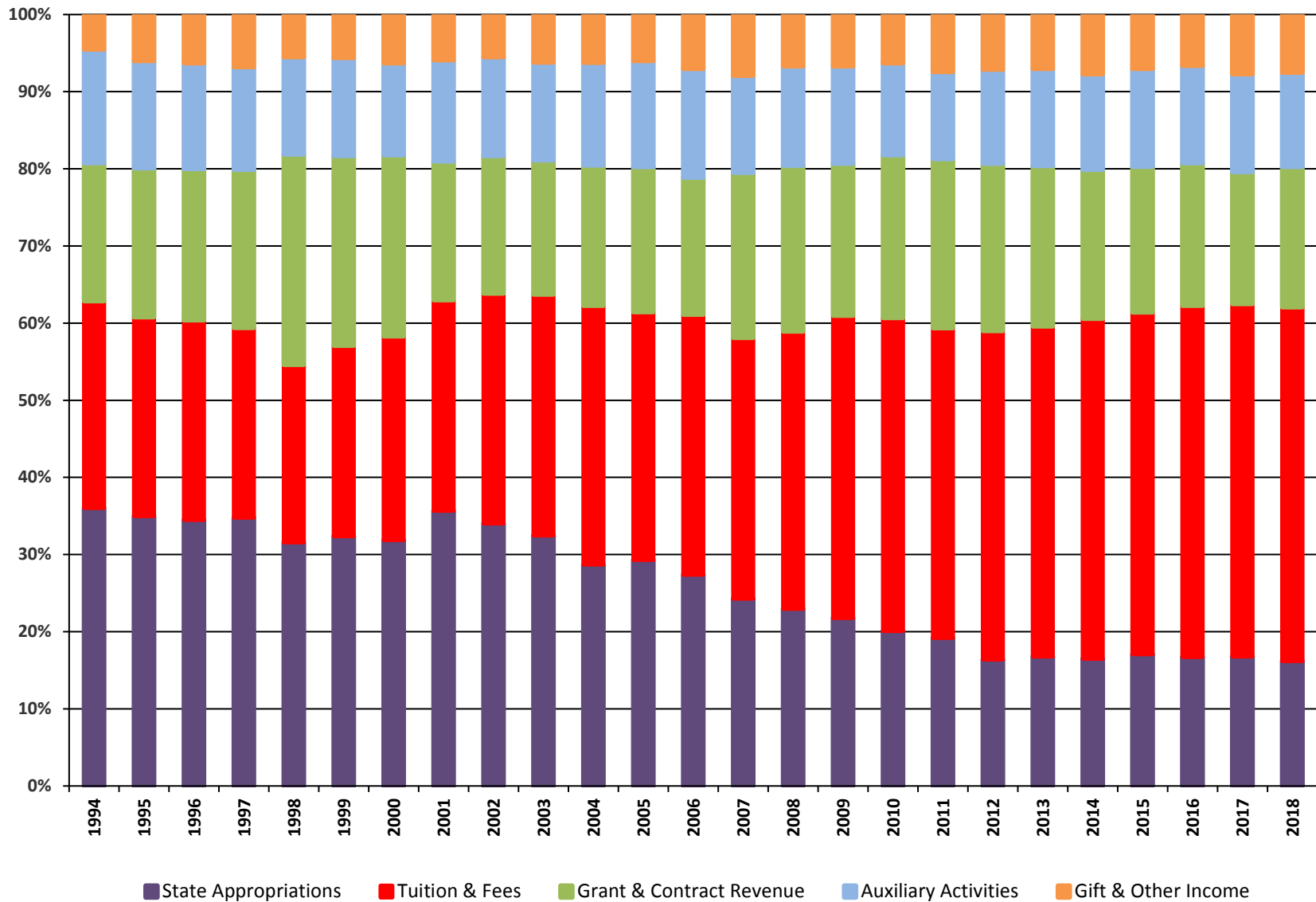




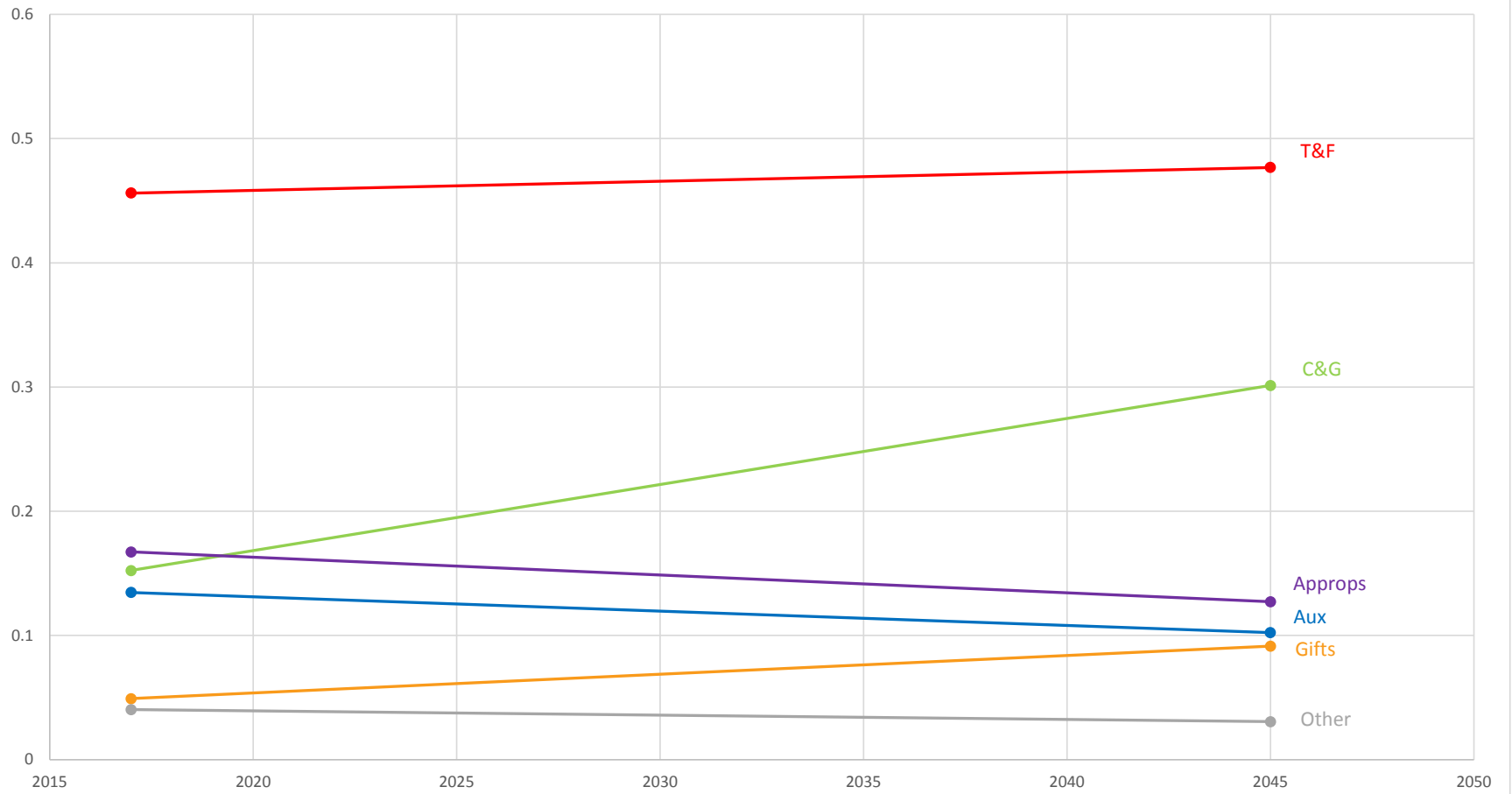
Current Fund Revenue Trends by Fiscal Year



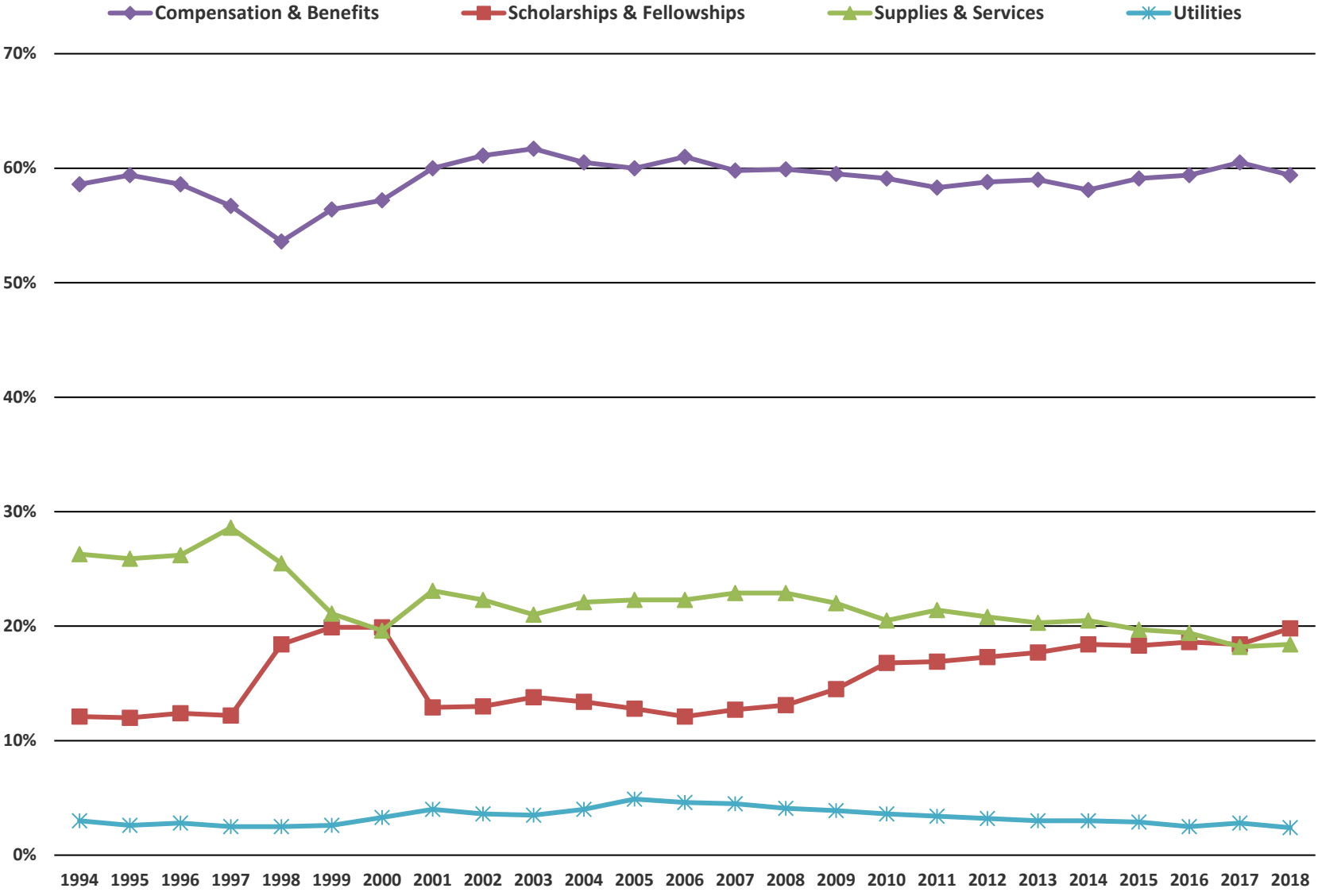
University Revenue Mix, 1994-2018



Revenue Proportions, 2017 and 2045

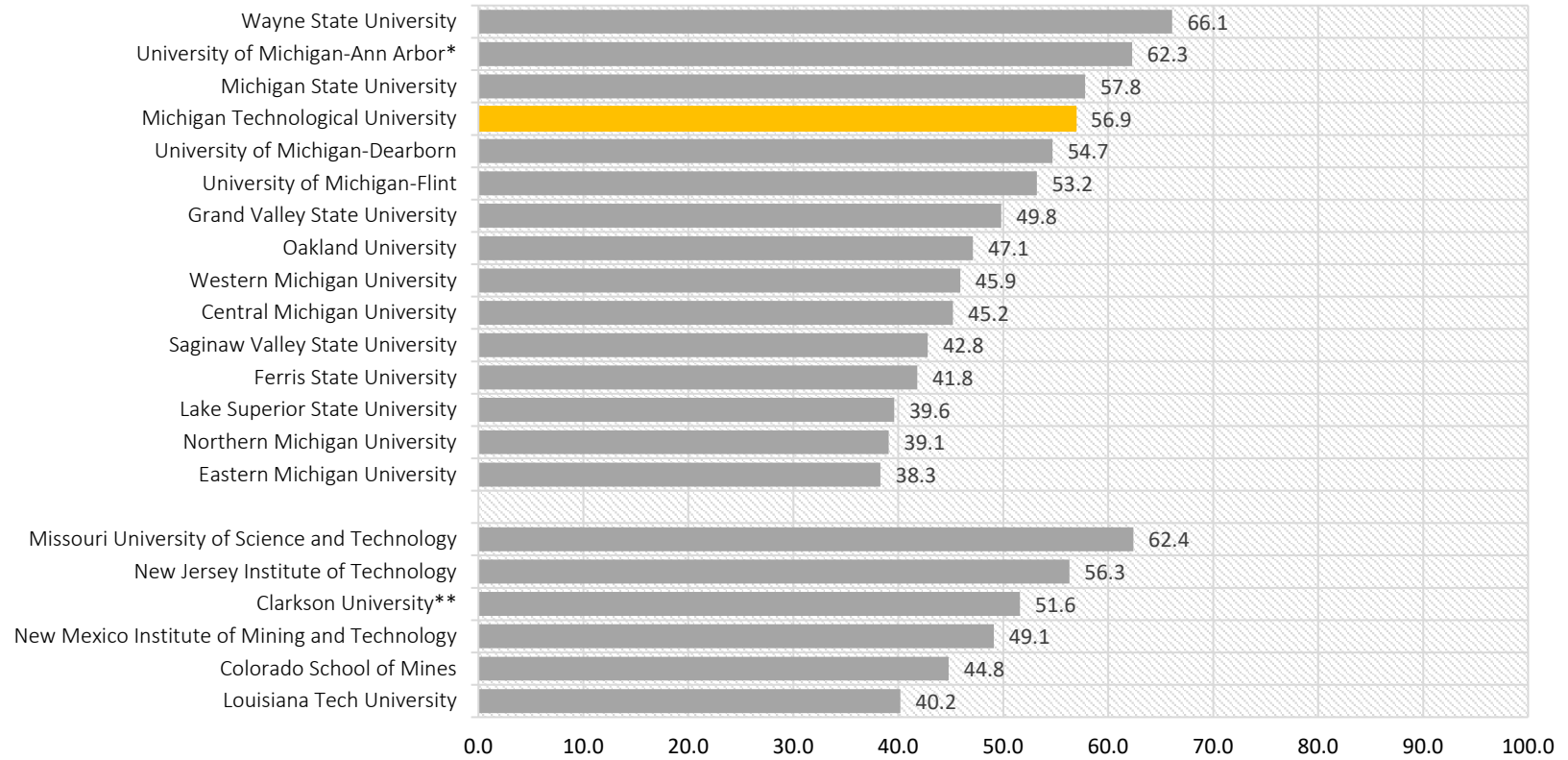


Current Fund Expense Trends by Fiscal Year



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

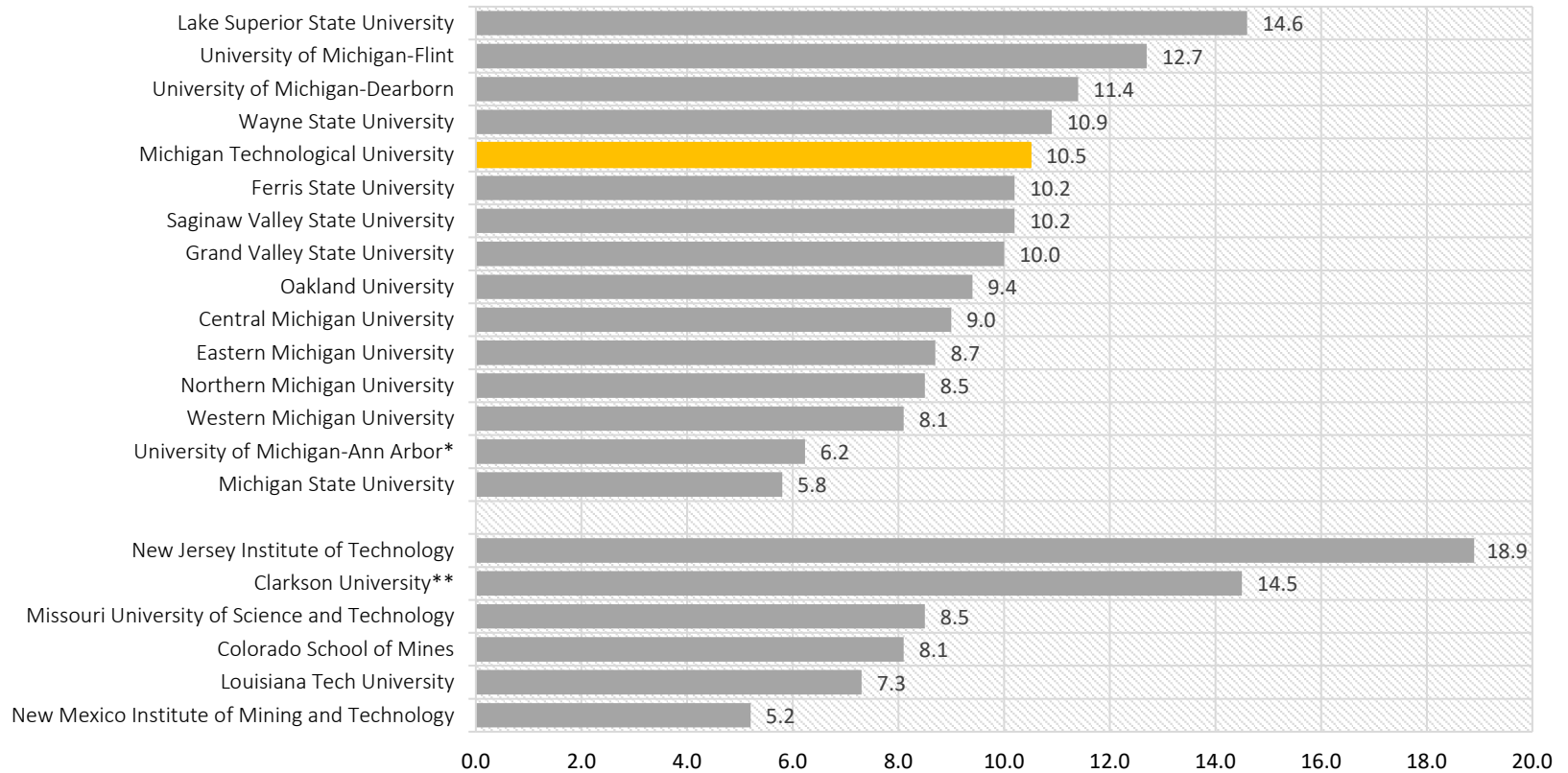
2016-17



* Excludes hospital expenditures

** Reported under FASB

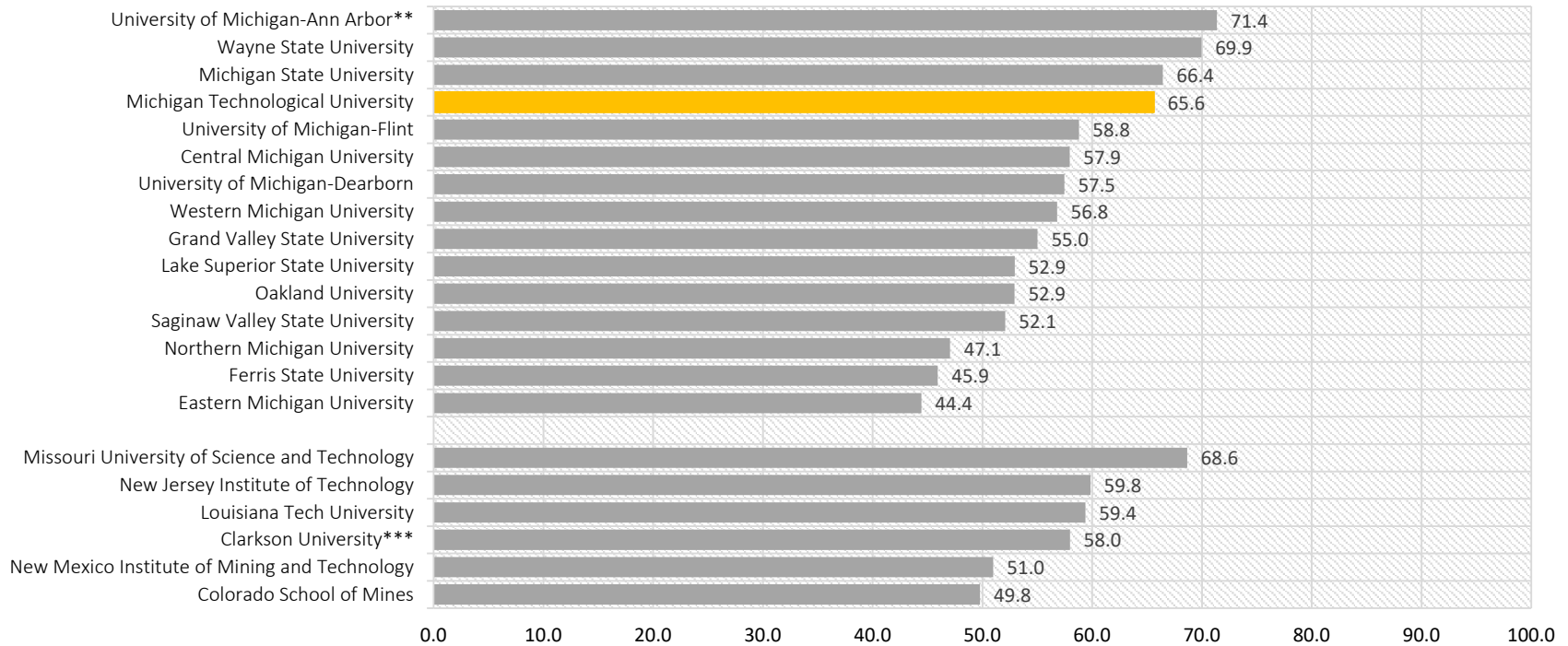
Institutional Support as a Percent of Total Expenditures 2016-17



* Excludes hospital expenditures

** Reported under FASB

Instruction, Research, Public Service as a Percent of Core* Expenditures 2016-17

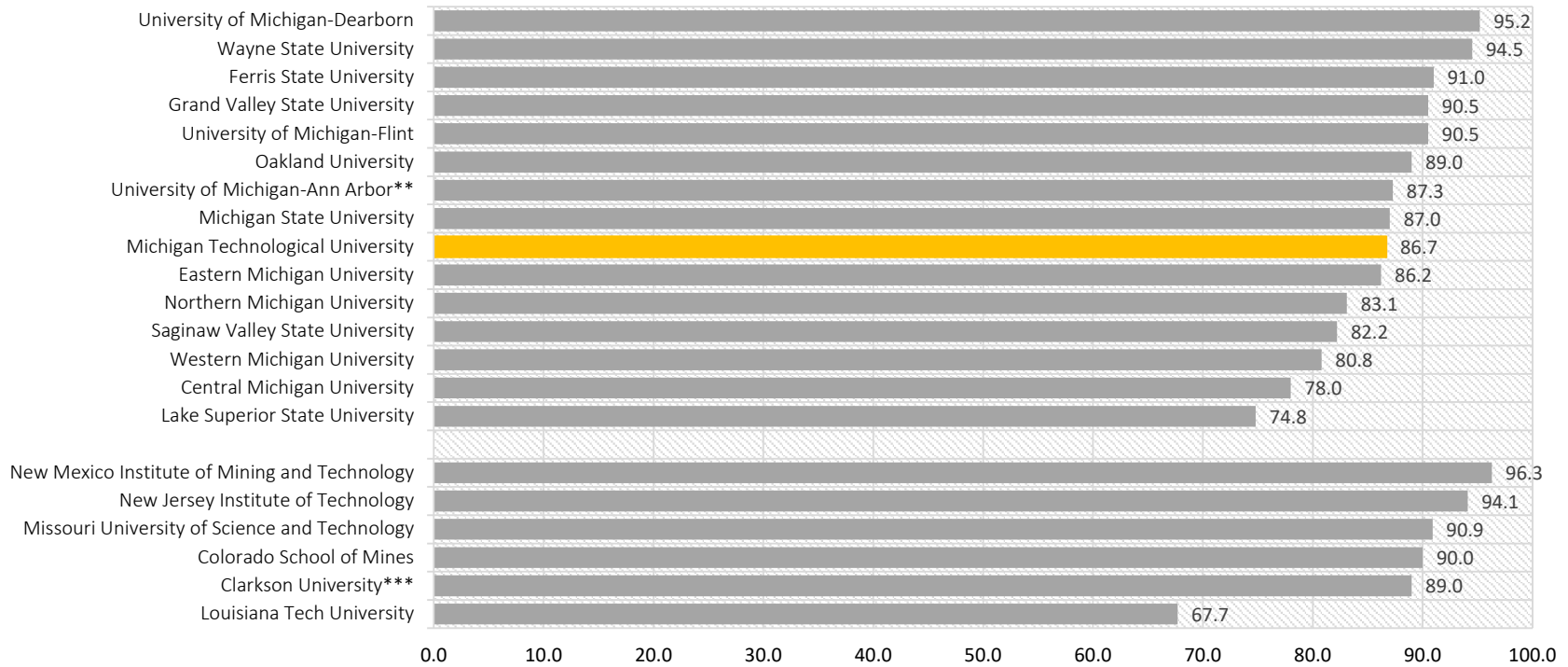


* Core is defined as Total Expenditures minus Auxiliary

** Excludes hospital expenditures

*** Reported under FASB

Core* Expenditures as a Percent of Total 2016-17



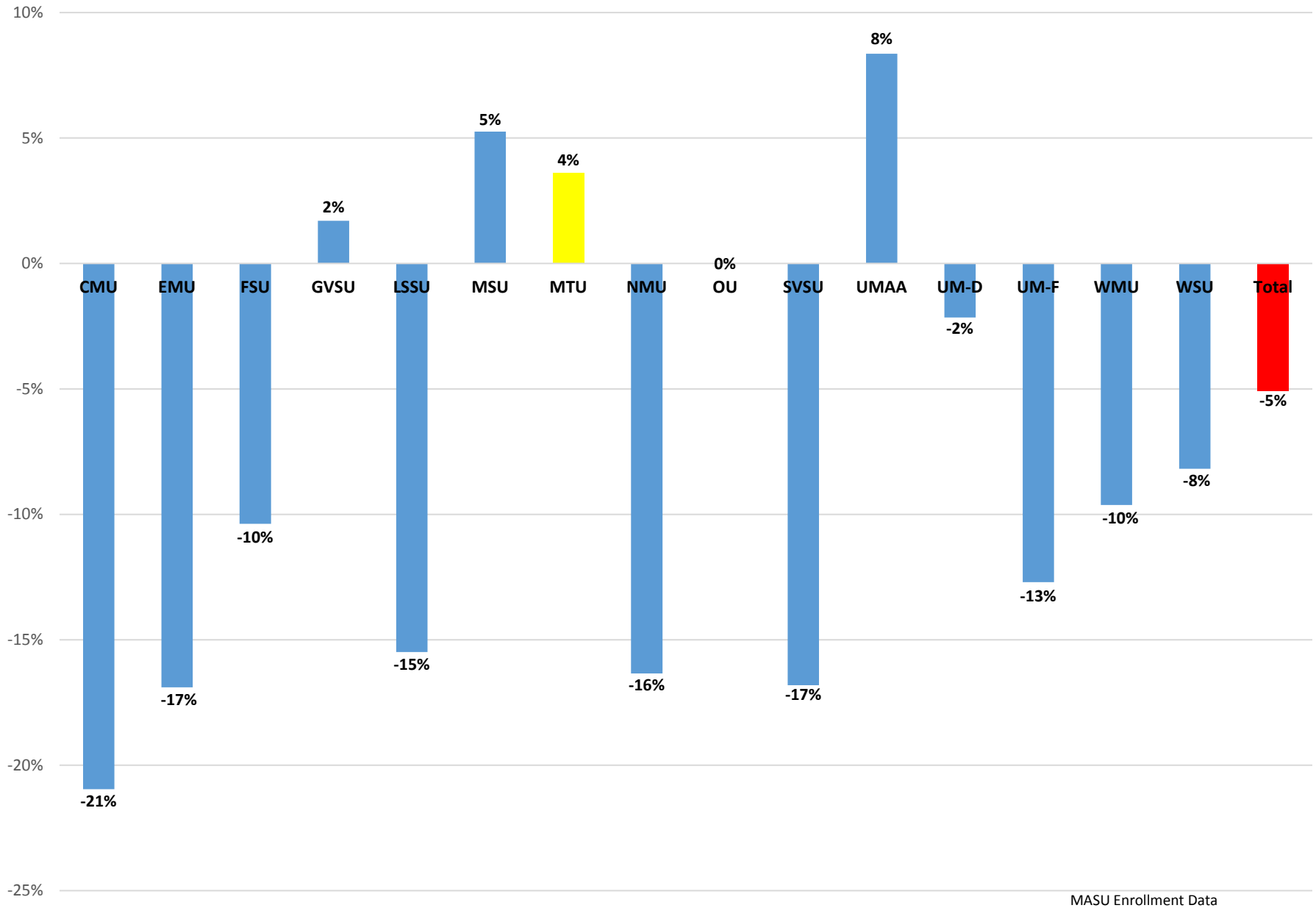
* Core is defined as Total Expenditures minus Auxiliary
 ** Excludes hospital expenditures
 *** Reported under FASB

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.

2012-2018 Percent Change in UG Enrollment



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 18-19 Tuition/Eng Fees Charges
Michigan Tech and Competitors Engineering Rates

Undergraduate Semester Charges (15 Credits)

Graduate Semester (9 Credits)

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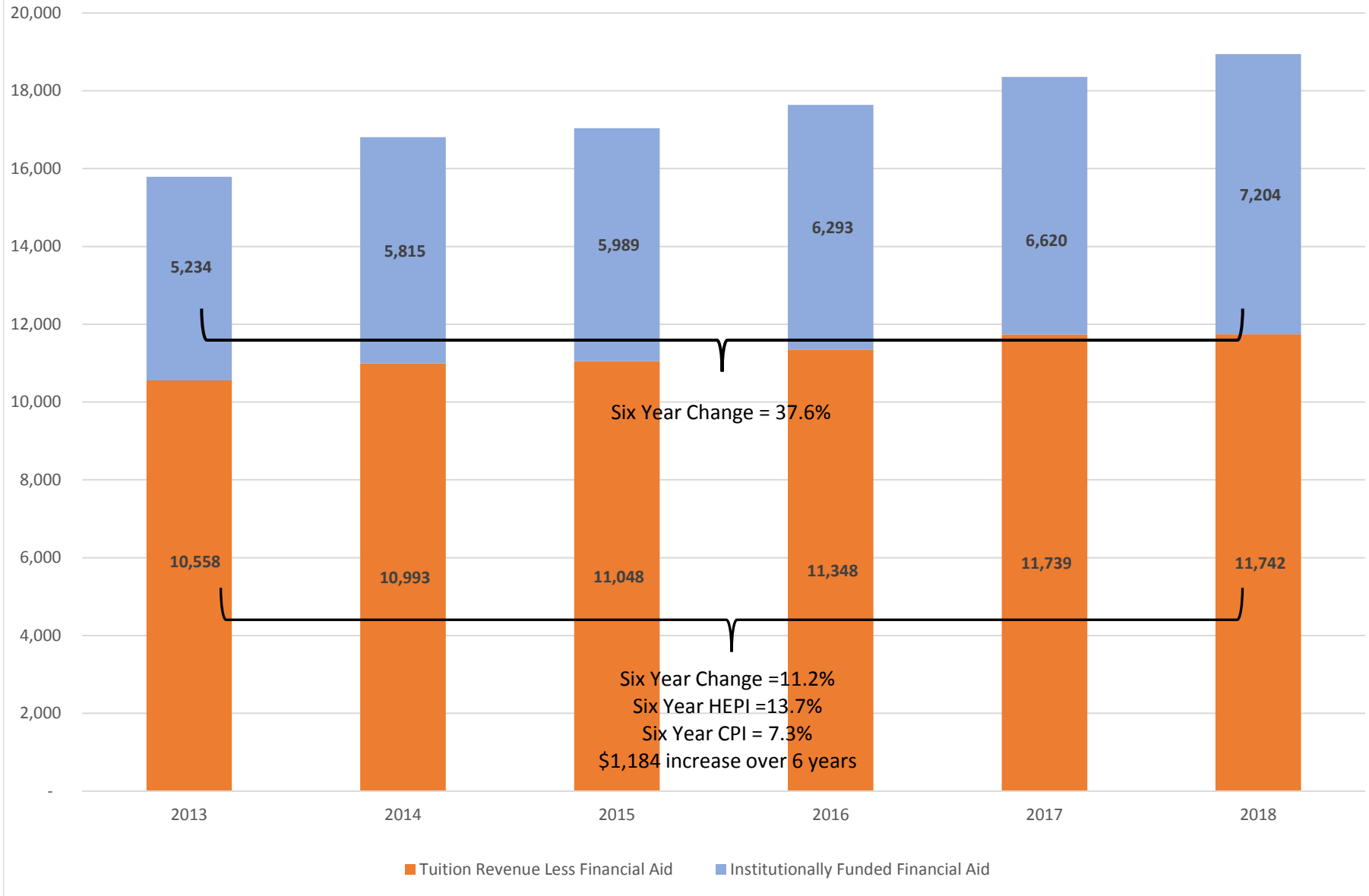
Michigan Technological University
University of Michigan Ann Arbor
Michigan State University
Kettering University
Purdue University
University of Minnesota Twin Cities
University of Wisconsin-Madison
Western Michigan University
Grand Valley State University

<u>Resident</u>		<u>Non-Resident</u>	
<i>Lower Division</i>	<i>Upper Division</i>	<i>Lower Division</i>	<i>Upper Division</i>
7,673	9,320	16,713	18,972
7,997	10,360	24,656	27,688
7,230	9,265	19,883	21,456
21,745	21,745	21,745	21,745
6,021	6,021	15,422	15,422
6,529	6,529	13,182	13,182
5,978	5,978	19,103	19,103
6,460	7,061	7,905	8,656
6,242	6,554	8,881	9,187

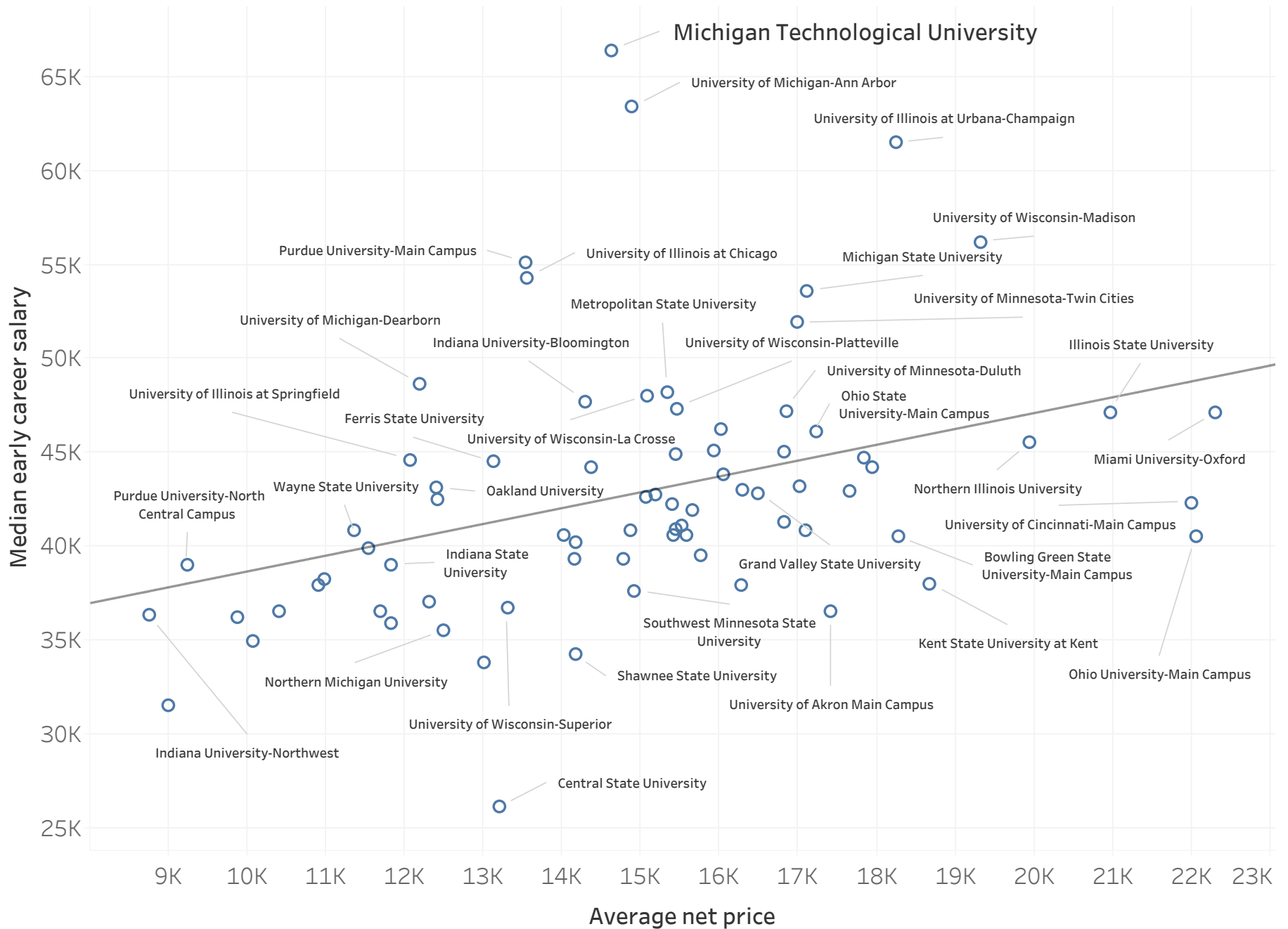
<u>Graduate</u>	
<i>Resident</i>	<i>Non Resident</i>
10,287	10,287
13,530	25,163
7,578	14,202
8,208	8,208
5,558	14,959
8,532	13,206
7,165	14,662
5,864	11,088
6,408	6,408

**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



Average Net Price & Median Early Career Salary



Source: 2018 College Scorecard - all 4 year Public Institutions in the Midwest

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

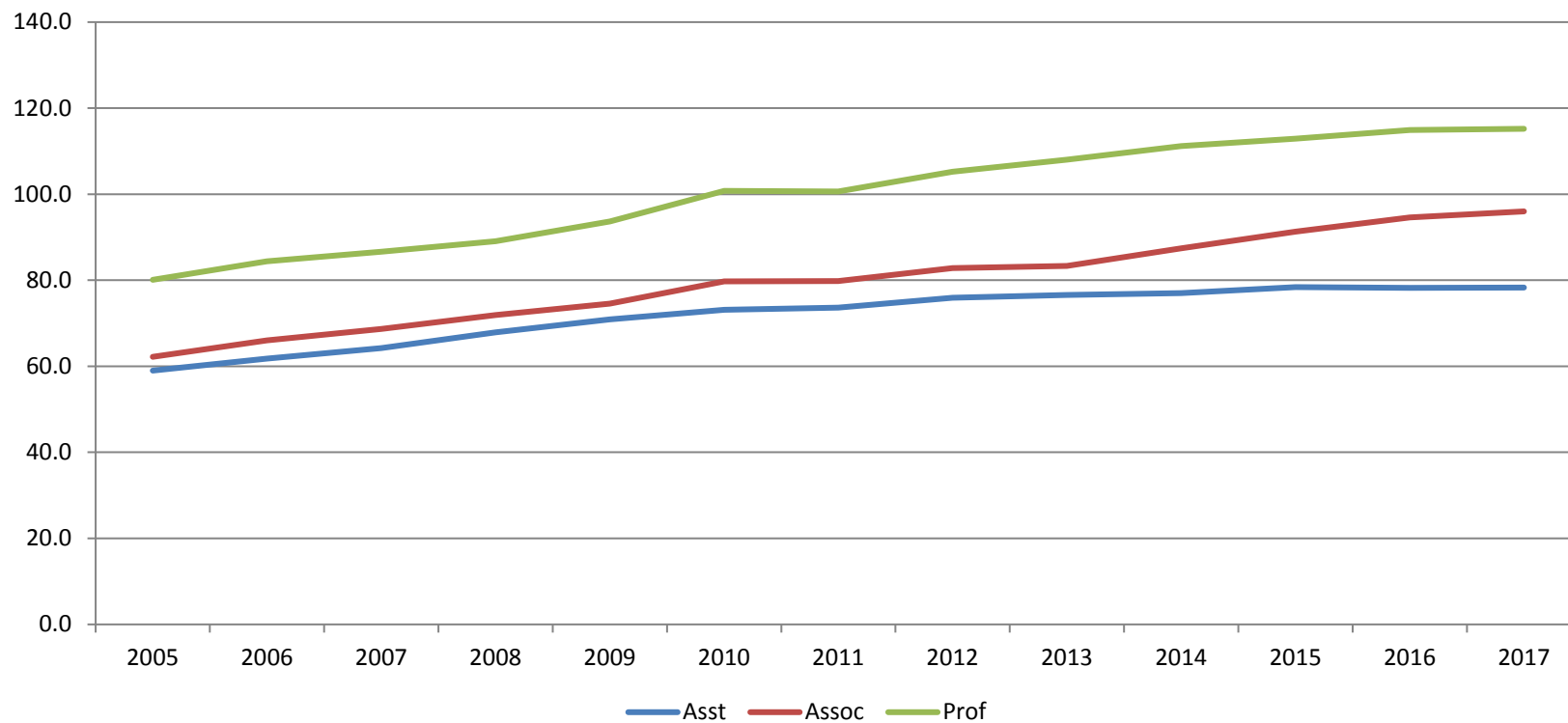
	Assistant Professor	Associate Professor	Professor
Median Average Salary ¹	\$ 87.5	\$100.8	\$ 145.5
Michigan Tech Average Salary	\$ 78.3	\$ 96.0	\$ 115.2
Difference	\$ 9.2	\$ 4.8	\$ 30.3

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.

Avg Mich Tech Salaries



MTU Median Salary vs. Benchmark Median Salary
By College/School, Department and Rank
2017-18

College/School	Department	Rank	MTU^{1,4}	R2 Higher Research^{2,3,5}	MTU %
College of Engineering	Biomedical Engineering	Professor	\$118,399	\$132,480	89.4%
		Associate	\$104,192	\$98,156	106.1%
		Assistant	\$89,224	\$85,729	104.1%
	Chemical Engineering	Professor	\$134,005	\$136,706	98.0%
		Associate	\$104,597	\$101,749	102.8%
		Assistant	\$83,500	\$88,964	93.9%
	Civil & Environmental Engineering	Professor	\$118,655	\$124,392	95.4%
		Associate	\$99,332	\$97,321	102.1%
		Assistant	\$86,680	\$85,217	101.7%
	Electrical and Computer Engineering	Professor	\$130,184	\$134,562	96.7%
		Associate	\$105,332	\$102,357	102.9%
		Assistant	\$97,250	\$90,000	108.1%
	Geological & Mining Eng & Sciences	Professor	\$127,633	\$107,453	118.8%
		Associate	\$112,740	\$83,250	135.4%
		Assistant	\$87,350		
	Materials Science and Engineering	Professor	\$124,370	\$147,875	84.1%
		Associate	\$107,958	\$107,315	100.6%
		Assistant	\$98,700	\$92,929	106.2%
	Mechanical Engrg-Engrg Mechanics	Professor	\$129,285	\$135,196	95.6%
		Associate	\$109,820	\$101,576	108.1%
		Assistant	\$91,800	\$87,471	104.9%

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MICHIGAN TECHNOLOGICAL UNIVERSITY
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUND BY OBJECT
 FOR THE YEAR ENDED JUNE 30, 2018

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	General	Designated	Auxiliary Activities	Retirement & Insurance	Expendable Restricted	Total Current Funds	Student Loan	Plant	Michigan Tech Fund	Eliminations	2018	2017
Revenues												
Operating revenues												
Student tuition and fees, net	\$ 137,273,058	\$ 1,290	\$ 1,164,459	\$ -	\$ 18,513	\$ 138,457,320	\$ -	\$ -	\$ -	\$ (40,007,759)	\$ 98,449,561	\$ 95,869,984
Federal grants and contracts	122,824	-	-	-	27,520,723	27,643,547	(812,832)	-	-	-	26,830,715	23,906,185
State and local grants and contracts	11,600	-	-	-	4,023,315	4,034,915	-	-	-	-	4,034,915	3,686,015
Nongovernmental grants and contracts	-	-	-	-	17,156,165	17,156,165	-	-	-	-	17,156,165	15,802,264
Indirect cost recoveries	13,215,566	-	-	-	(13,215,566)	-	-	-	-	-	-	-
Educational activities	410,989	3,568,362	958,415	11,305	495,946	5,445,017	-	-	-	-	5,445,017	4,977,106
Departmental activities	39,146	91,473	9,879,013	-	1,771	10,011,403	148	50,901	-	-	10,062,452	9,922,747
Student residence fees, net	-	-	26,962,754	-	-	26,962,754	-	121,097	-	(7,842,688)	19,241,163	19,531,089
Total operating revenues	151,073,183	3,661,125	38,964,641	11,305	36,000,867	229,711,121	(812,684)	171,998	-	(47,850,447)	181,219,988	173,695,390
Expenses												
Operating expenses												
Salaries and wages	91,636,832	6,555,275	10,383,698	2,448,854	19,621,983	130,646,642	-	-	-	-	130,646,642	126,521,388
Fringe benefits	32,913,999	1,612,902	2,965,094	748,882	4,639,393	42,880,270	-	-	-	-	42,880,270	46,665,590
Supplies and services	15,669,596	10,761,965	13,070,210	1,265,442	12,835,196	53,602,409	274,849	17,227,519	12,942,297	(32,026,077)	52,020,997	51,746,778
Student financial support	44,408,748	1,230,776	-	-	12,152,707	57,792,231	-	-	2,542,572	(50,393,019)	9,941,784	8,814,735
Utilities	4,057,013	214,990	2,607,388	-	23,582	6,902,973	-	-	-	-	6,902,973	8,088,258
Depreciation	-	-	-	-	-	-	-	14,591,447	-	-	14,591,447	14,185,789
Total operating expenses	188,686,188	20,375,908	29,026,390	4,463,178	49,272,861	291,824,525	274,849	31,818,966	15,484,869	(82,419,096)	256,984,113	256,022,538
Operating (loss) income	(37,613,005)	(16,714,783)	9,938,251	(4,451,873)	(13,271,994)	(62,113,404)	(1,087,533)	(31,646,968)	(15,484,869)	34,568,649	(75,764,125)	(82,327,148)
Net transfers (out) in	(15,694,502)	11,594,953	(9,662,493)	783,821	1,968,783	(11,009,438)	(153,517)	11,162,955	-	-	-	-
Nonoperating revenues (expenses)												
Federal Pell grants	-	-	-	-	6,128,727	6,128,727	-	-	-	-	6,128,727	5,408,211
Federal grants, other	-	-	-	-	-	-	-	492,469	-	-	492,469	501,082
State appropriations	49,081,629	-	-	-	-	49,081,629	-	-	-	-	49,081,629	48,586,922
Gifts	5,119,337	3,541,651	308,625	-	5,487,136	14,456,749	-	-	9,978,633	(13,276,931)	11,158,451	10,219,625
Investment return	505,338	-	-	2,220,592	316	2,726,246	399,623	103,005	9,803,765	-	13,032,639	15,221,757
Interest on capital asset-related debt	-	-	-	-	-	-	-	(4,357,001)	-	-	(4,357,001)	(4,429,956)
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	(106,695)	(106,695)	(99,107)
Net nonoperating revenues (expenses)	54,706,304	3,541,651	308,625	2,220,592	11,616,179	72,393,351	399,623	(3,761,527)	19,782,398	(13,383,626)	75,430,219	75,408,534
Income (loss) before other revenues	1,398,797	(1,578,179)	584,383	(1,447,460)	312,968	(729,491)	(841,427)	(24,245,540)	4,297,529	21,185,023	(333,906)	(6,918,614)
Other revenues												
Capital grants and gifts	-	-	-	-	-	-	-	2,107,059	499,713	(1,638,919)	967,853	1,133,384
Gifts for permanent endowment purposes	-	-	-	-	-	-	-	-	5,626,316	-	5,626,316	3,783,846
Other nonoperating revenues	-	-	-	-	-	-	-	-	100,285	-	100,285	111,371
Fund additions	-	-	-	-	-	-	-	19,546,104	-	(19,546,104)	-	-
Total other revenues	-	-	-	-	-	-	-	21,653,163	6,226,314	(21,185,023)	6,694,454	5,028,601
Net increase (decrease) in net position	1,398,797	(1,578,179)	584,383	(1,447,460)	312,968	(729,491)	(841,427)	(2,592,377)	10,523,843	-	6,360,548	(1,890,013)
Net position, beginning of year, as adjusted	812,204	19,185,954	6,799,387	(74,856,675)	4,283,054	(43,776,076)	13,934,654	165,261,921	137,149,418	-	272,569,917	294,934,443
Net position, end of year	\$ 2,211,001	\$ 17,607,775	\$ 7,383,770	\$ (76,304,135)	\$ 4,596,022	\$ (44,505,567)	\$ 13,093,227	\$ 162,669,544	\$ 147,673,261	\$ -	\$ 278,930,465	\$ 293,044,430

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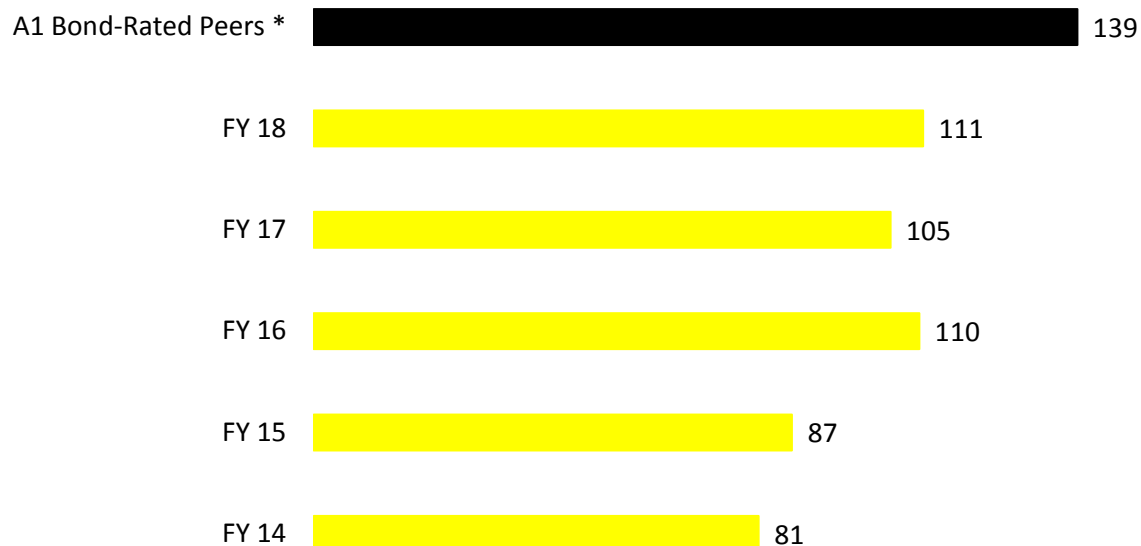
MICHIGAN TECHNOLOGICAL UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Year Ended June 30	
	2018	2017
Revenues		
Operating revenues		
Student tuition and fees (net of scholarship allowances of \$40,007,759 and \$36,560,188 in 2018 and 2017, respectively)	\$ 98,449,561	\$ 95,869,984
Federal grants and contracts	26,830,715	23,906,185
State and local grants and contracts	4,034,915	3,686,015
Nongovernmental grants and contracts	17,156,165	15,802,264
Educational activities	5,445,165	4,977,106
Departmental activities	10,062,304	9,922,747
Student residence fees (net of scholarship allowances of \$7,842,688 and \$7,387,628 in 2018 and 2017, respectively)	19,241,163	19,531,089
Total operating revenues	181,219,988	173,695,390
Expenses		
Operating expenses		
Compensation and benefits	173,526,912	173,186,978
Supplies and services	52,020,997	51,746,778
Student financial support	9,941,784	8,814,735
Utilities	6,902,973	8,088,258
Depreciation	14,591,447	14,185,789
Total operating expenses	256,984,113	256,022,538
Operating loss	(75,764,125)	(82,327,148)
Nonoperating revenues (expenses)		
Federal Pell grants	6,128,727	5,408,211
Federal grants, other	492,469	501,082
State appropriations	49,081,629	48,586,922
Gifts	11,158,451	10,219,625
Investment return	13,032,639	15,221,757
Interest on capital asset-related debt	(4,357,001)	(4,429,956)
Loss on disposal of capital assets	(106,695)	(99,107)
Net nonoperating revenues	75,430,219	75,408,534
Loss before other revenues	(333,906)	(6,918,614)
Other revenues		
Capital grants and gifts	967,853	1,133,384
Gifts for permanent endowment purposes	5,626,316	3,783,846
Other nonoperating revenues	100,285	111,371
Total other revenues	6,694,454	5,028,601
Change in net position	6,360,548	(1,890,013)
Net position		
Beginning of year	293,044,430	294,934,443
Implementation of GASB 75	(20,474,513)	-
Beginning of year, adjusted	272,569,917	294,934,443
End of year	\$ 278,930,465	\$ 293,044,430

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

LIQUIDITY METRICS

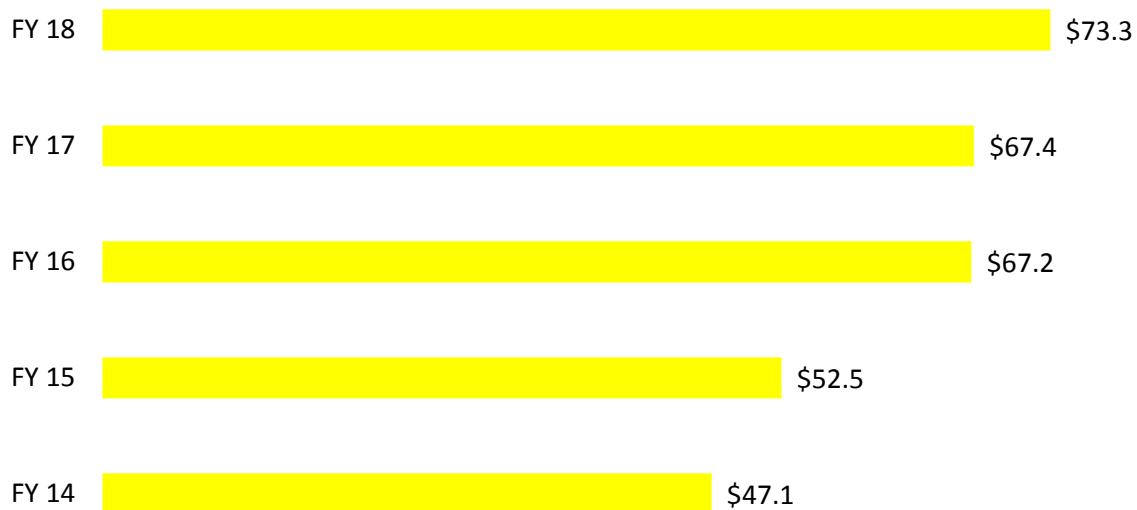
Days Cash on Hand



* FY 2017 Data

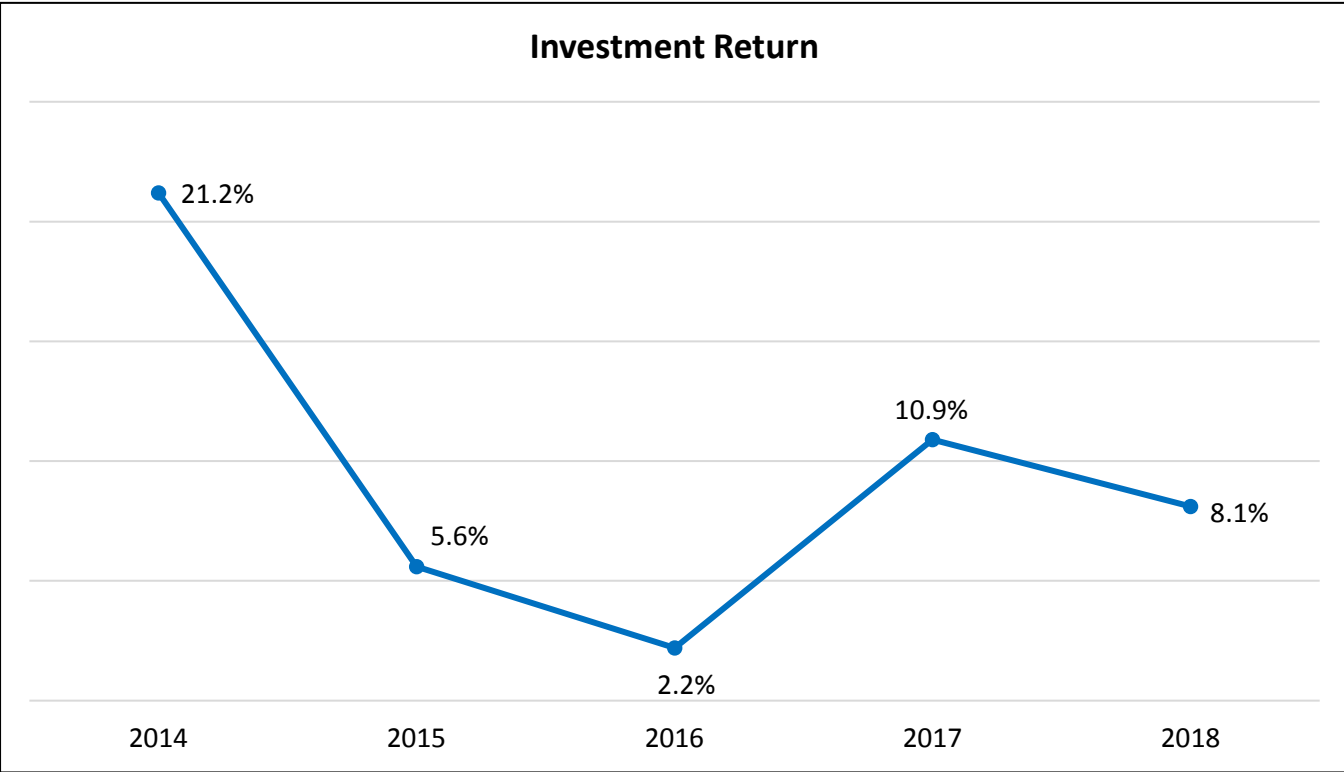
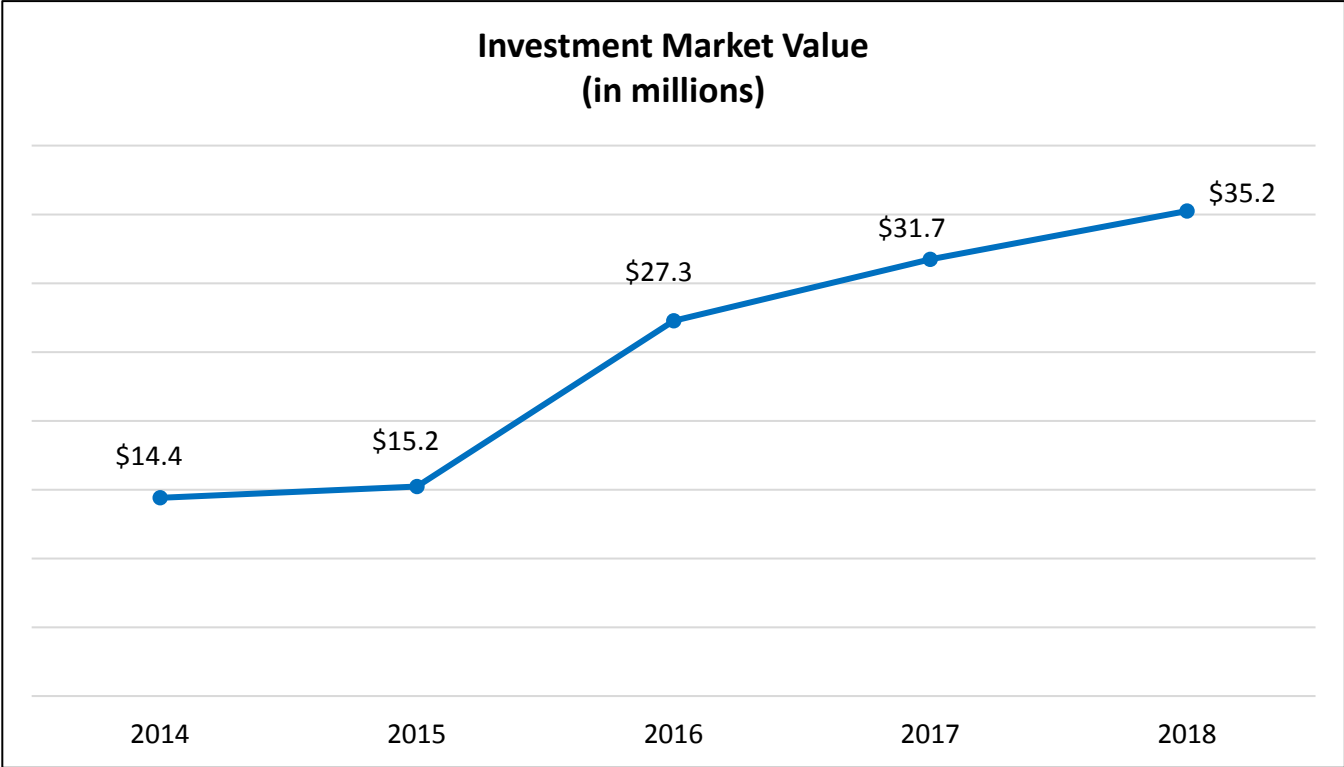
Days cash on hand measures the number of days that the University could continue to pay for its operations, based on its monthly liquidity.

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.

INVESTMENT MARKET VALUE AND RETURN BY FISCAL YEAR



MICHIGAN TECH UNIVERSITY
OUTSTANDING BALANCES ON BOND ISSUANCES
JUNE 30, 2018

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	14,750,000	430,000	\$ 15,180,000	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	7,890,000	230,000	\$ 8,120,000	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	26,350,000	1,310,000	\$ 27,660,000	33,070,000
Series 2013A Bond Issue (maturity 2036) Refunding 2006 Bond Issue Refunding partial 2008 Bond Issue				
Total Series 2013 Bond Issue	11,235,000	790,000	\$ 12,025,000	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	22,990,000	445,000	\$ 23,435,000	24,295,000
Total - All Bond Issues	\$ 88,305,000	\$ 3,205,000	\$ 91,510,000	\$ 116,720,000

Michigan Technological University
FY19 General Fund and Current Fund Income Statements
December 31, 2018

2nd Qtr Projection vs Budget	Adjusted 2nd Quarter				Original 2nd Quarter				Historic Precision
	Budget	Projection	Variance		Projection	Projection	Variance		
	General Fund	General Fund	General Fund	%	Total Current Fund	Total Current Fund	Total Current Fund	%	
OPERATING REVENUES									
Student Tuition and Fees	143,621,534	140,921,999	(2,699,535)	-1.9%	144,767,458	142,117,273	(2,650,185)	-1.8%	1.6%
Federal Grants and Contracts	150,000	174,070	24,070	16.0%	28,695,016	30,405,226	1,710,210	6.0%	6.4%
State/Local Grants and Contracts	-	-	-	-	3,947,406	5,025,966	1,078,560	27.3%	6.5%
Nongovernmental Grants and Contracts	-	-	-	-	17,904,612	17,565,503	(339,109)	-1.9%	3.8%
Indirect Cost Recoveries	13,226,000	13,752,318	526,318	4.0%	-	-	-	-	-
Educational Activities	343,450	588,067	244,617	71.2%	5,075,850	5,940,491	864,641	17.0%	7.6%
Student Resident Fees	-	-	-	-	27,844,430	26,392,028	(1,452,402)	-5.2%	1.5%
Sales and Services of Dept Activities	-	82,583	82,583	-	9,971,473	9,648,289	(323,184)	-3.2%	1.3%
	157,340,984	155,519,037	(1,821,947)	-1.2%	238,206,245	237,094,776	(1,111,469)	-0.5%	
OPERATING EXPENSES									
CarryForward	(3,322,622)	-	3,322,622	-100.0%	(4,800,000)	-	4,800,000		
Salaries & Wages - Faculty & Staff	(88,021,305)	(87,012,335)	1,008,970	-1.1%	(117,030,604)	(117,619,408)	(588,804)	0.5%	0.8%
Salaries & Wages - Graduate Students	(4,957,709)	(5,143,891)	(186,182)	3.8%	(11,664,592)	(11,619,322)	45,270	-0.4%	1.3%
Salaries & Wages - Undergrad Students	(2,144,947)	(2,275,767)	(130,820)	6.1%	(4,716,430)	(5,256,497)	(540,067)	11.5%	2.2%
Fringe Benefits	(33,419,112)	(32,548,960)	870,152	-2.6%	(41,467,740)	(40,952,378)	515,362	-1.2%	2.3%
Supplies and Services	(17,473,148)	(16,738,653)	734,495	-4.2%	(52,936,636)	(56,690,077)	(3,753,441)	7.1%	3.1%
Scholarships and Fellowships	(46,135,000)	(47,372,553)	(1,237,553)	2.7%	(59,318,222)	(60,596,307)	(1,278,085)	2.2%	1.0%
Utilities	(4,164,493)	(4,270,227)	(105,734)	-	(6,391,866)	(6,688,457)	(296,591)	4.6%	3.0%
	(199,638,336)	(195,362,386)	4,275,950	-2.1%	(298,326,090)	(299,422,446)	(1,096,356)	0.4%	
TRANSFERS									
TOTAL TRANSFERS	(13,020,962)	(13,421,259)	(400,297)	3.1%	(9,893,708)	(9,747,940)	145,768	-1.5%	9.5%
NONOPERATING REVENUES (EXPENSES)									
State appropriations, Operating	49,990,814	49,949,600	(41,214)	-0.1%	49,990,814	49,949,600	(41,214)	-0.1%	N/A
Gift Income	4,527,500	4,407,993	(119,507)	-2.6%	13,781,147	12,982,108	(799,039)	-5.8%	
Investment Income (loss)	-	-	-	-	-	-	-	-	
Investment Income	800,000	667,053	(132,947)	-16.6%	1,406,049	1,142,049	(264,000)	-18.8%	
Investment Fees	-	-	-	-	-	-	-	-	10.2%
Realized Gains on Investments	-	-	-	-	-	-	-	-	
Unrealized Gains on Investments	-	33,194	33,194	-	-	326,245	326,245		
Federal Grants	-	-	-	-	6,297,422	5,881,107	(416,315)	-6.6%	
Interest Expense	-	-	-	-	-	-	-	-	
	55,318,314	55,057,840	(260,474)	-0.5%	71,475,432	70,281,109	(1,194,323)	-1.7%	
Net increase (decrease) in Net Assets	-	1,793,232	1,793,232		1,461,879	(1,794,501)	(3,256,380)	-222.8%	

Michigan Technological University
FY19 Current Funds Income Statement Projection

	General Fund	Designated Fund	Auxiliary Fund	R&I Fund	Total Current Unrestricted	Total Expendable Restricted	Total Current Fund
Operating Revenues							
Student Tuition and Fees	\$ 140,921,999	\$ -	\$ 1,175,616	\$ -	\$ 142,097,615	\$ 19,658	\$ 142,117,273
Federal Grants and Contracts	\$ 174,070	\$ -	\$ -	\$ -	\$ 174,070	\$ 30,231,156	\$ 30,405,226
State/Local Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,025,966	\$ 5,025,966
Nongovernmental Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,565,503	\$ 17,565,503
Indirect Cost Recoveries	\$ 13,752,318	\$ -	\$ -	\$ -	\$ 13,752,318	\$ (13,752,318)	\$ -
Educational Activities	\$ 588,067	\$ 3,755,091	\$ 852,475	\$ -	\$ 5,195,632	\$ 744,859	\$ 5,940,491
Student Resident Fees	\$ -	\$ -	\$ 26,392,028	\$ -	\$ 26,392,028	\$ -	\$ 26,392,028
Sales and Services of Dept Activities	\$ 82,583	\$ 98,961	\$ 9,466,424	\$ -	\$ 9,647,968	\$ 321	\$ 9,648,289
	\$ 155,519,037	\$ 3,854,051	\$ 37,886,543	\$ -	\$ 197,259,631	\$ 39,835,146	\$ 237,094,776
Operating Expenses							
Salaries & Wages - Non-Faculty	\$ (41,997,583)	\$ (4,399,202)	\$ (8,269,271)	\$ (2,556,026)	\$ (57,222,082)	\$ (10,112,306)	\$ (67,334,388)
Salaries & Wages - Faculty	\$ (45,014,752)	\$ (927,602)	\$ (29,743)	\$ (172,224)	\$ (46,144,321)	\$ (4,140,699)	\$ (50,285,020)
Salaries & Wages - Graduate Students	\$ (5,143,891)	\$ (847,814)	\$ (964,496)	\$ -	\$ (6,956,201)	\$ (4,663,121)	\$ (11,619,322)
Salaries & Wages - Undergrad Students	\$ (2,275,767)	\$ (767,856)	\$ (976,219)	\$ -	\$ (4,019,842)	\$ (1,236,656)	\$ (5,256,497)
Fringe Benefits	\$ (32,548,960)	\$ (1,743,445)	\$ (2,829,861)	\$ 976,247	\$ (36,146,019)	\$ (4,806,359)	\$ (40,952,378)
Supplies and Services	\$ (16,738,653)	\$ (9,609,661)	\$ (14,026,945)	\$ (1,125,929)	\$ (41,501,188)	\$ (15,188,889)	\$ (56,690,077)
Scholarships and Fellowships	\$ (47,372,553)	\$ (634,564)	\$ -	\$ -	\$ (48,007,117)	\$ (12,589,190)	\$ (60,596,307)
Utilities	\$ (4,270,227)	\$ (212,967)	\$ (2,189,303)	\$ -	\$ (6,672,497)	\$ (15,960)	\$ (6,688,457)
	\$ (195,362,385)	\$ (19,143,112)	\$ (29,285,836)	\$ (2,877,932)	\$ (246,669,266)	\$ (52,753,181)	\$ (299,422,447)
Transfers							
	\$ (13,421,259)	\$ 11,320,834	\$ (11,067,022)	\$ 783,821	\$ (12,383,626)	\$ 2,635,686	\$ (9,747,940)
Nonoperating Revenues (Expenses)							
State appropriations, Operating	\$ 49,949,600	\$ -	\$ -	\$ -	\$ 49,949,600	\$ -	\$ 49,949,600
Gift Income	\$ 4,407,993	\$ 3,027,127	\$ 308,625	\$ -	\$ 7,743,745	\$ 5,238,362	\$ 12,982,108
Investment Income (loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Investment Income</i>	\$ 667,053	\$ -	\$ -	\$ 474,996	\$ 1,142,049	\$ -	\$ 1,142,049
<i>Investment Fees</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Realized Gains on Investments</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Unrealized Gains on Investments</i>	\$ 33,194	\$ -	\$ -	\$ 293,051	\$ 326,245	\$ -	\$ 326,245
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,881,107	\$ 5,881,107
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 55,057,840	\$ 3,027,127	\$ 308,625	\$ 768,047	\$ 59,161,640	\$ 11,119,470	\$ 70,281,109
Net increase (decrease) in fund balance	\$ 1,793,233	\$ (941,100)	\$ (2,157,691)	\$ (1,326,064)	\$ (2,631,621)	\$ 837,121	\$ (1,794,501)
Net Assets (Deficit), Beg. Of Year	2,211,001	17,607,775	7,383,770	(76,304,135)	(49,101,589)	4,596,022	(44,505,567)
Net Assets (Deficit), End of Period	4,004,234	16,666,675	5,226,079	(77,630,199)	(51,733,210)	5,433,143	(46,300,068)

NOTES: Projections Exclude Projection GASB 68/75 Liability

Michigan Tech Board of Trustees

Audit and Finance Committee Calendar, FY19

September/October

- Audited Financial Statements for FY18
- Independent Auditor's Report
- Approval of State Capital Outlay Request
- Original Projection vs Actual for FY18
- History of Fund Balances
- Preliminary General Fund Budget Planning Parameters for FY20
- Continuous Improvement Using Lean Principles Annual Report

December

- Initial Enrollment Projections for FY20
- 1st Quarter Financial Results & Projections
- Approval of Room and Board Rates for FY20
- General Fund Budget Planning Parameters for FY20
- Debt Ratios

February/March

- 2nd Quarter Financial Results & Projections
- General Fund Preliminary Budget for FY20
- Annual Informational Items
- Investment Guidelines Review

April/May

- 3rd Quarter Financial Results & Projections
- Approval of FY20 General Fund Operating Budget [Contingent on State Action]
- Approval of External Auditor
- Audit & Finance Committee Draft Calendar for upcoming Fiscal Year
- External Auditor Update
- Proposed Internal Audits and Projects for FY20
- Current Fund Projections for FY20

Michigan Technological University
Admissions & Enrollment Information Model

	Actual	Actual	Actual	Actual	Actual	Actual	Projection	Projected
Head count for summer/fall of:	2013	2014	2015	2016	2017	2018	2019	Change
	Prior Year 5	Prior Year 4	Prior Year 3	Prior Year 2	Prior Year 1	Base Year	Budget Year	2018-2019
							1	
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	

Total New Undergrads

Applied	5,493	5,709	5,928	6,168	6,061	6,434	5,928	-506
Accepted	4,106	4,184	4,364	4,610	4,377	4,611	4,364	-247
Enrolled	1,448	1,406	1,461	1,580	1,512	1,401	1,461	60

Total New Grads

Applied	3,624	5,338	5,159	5,213	5,097	4,252	4,252	0
Accepted	1,398	1,525	1,509	1,238	1,538	1,469	1,469	0
Enrolled	410	398	466	383	428	400	400	0

Total New & Returning Students

Undergraduate Students

	5,621	5,662	5,721	5,829	5,917	5,828	5,788	-40
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Graduate Students

	1,358	1,442	1,521	1,441	1,402	1,375	1,355	-20
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Total Enrollment

	6,979	7,104	7,242	7,270	7,319	7,203	7,143	-60
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General Fund
FY20 Budget Planning Parameters
December

REVENUES		<u>Incremental Dollar Change</u>
Enrollments -	Total Enrollment	
	Undergraduate Students - Increase 60 Incoming/Decrease 100 Returning	\$ (600,000)
	Graduate Students - Flat Incoming/Decrease 20 Returning	(360,000)
	FY18 Estimated Tuition Shortfall	(2,400,000)
Tuition & Mandatory Fee Increases -	Resident Undergraduate Tuition - Average Increase 0%	
	- 0% Lower Division/0% 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 6%	1,086,000
Gift Income -	Unrestricted Michigan Tech Fund Gifts (Fee Income) Reduce from 3.50% to 3.25%	(276,000)
Administrative Fee Income	Fee Income on Designated Fund and CarryForward (Reduce from 3.50% to 3.25%)	(47,000)
Indirect Cost Recovery -	Flat FY19 Level	
State Appropriations -	1.8% Increase	899,000
 EXPENDITURES		
Faculty & Staff Salaries -	Salary and Wage Budget Adjustment 3% Annually	(2,270,000)
	(1% Remaining FY19 + 1.5% FY20)	
	Faculty Promotional Increases	(250,000)
Graduate Student Salaries -	Stipend - Increase 3%	(141,000)
Supplies & Services -	Maintenance Budget Increase	(500,000)
Fringe Benefits -	Fringe Costs Associated Salary Changes FY20 (Assumes 39% Rate)	(982,800)
Strategic Investment -	Academic/Administrative Strategic Initiatives	(3,100,000)
Scholarships -	Undergraduate Financial Aid - Decrease Based on Enrollment Decrease	1,000,000
	Supported Graduate Student Tuition - Increase 6%	(360,000)
Contingency/Carryforward Reserve -	Increase to \$5M	(200,000)
 TRANSFERS		
Student Residence Fee Scholarship Allowance -	Increase to FY18 Calculated Value \$7.8M	455,000
Auxiliary Support to General Fund		500,000
	Total	<u>\$ (5,830,800)</u>

NOTE: Exclude GASB 68 and GASB 75

H-STEM Building Timeline

Planning Authorization December 21, 2018

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