

# CAMPUS FORUM

February 21, 2011

# ***Dollars and Sense:***

*How State and Local Governments in Michigan Spend Your Money*

---

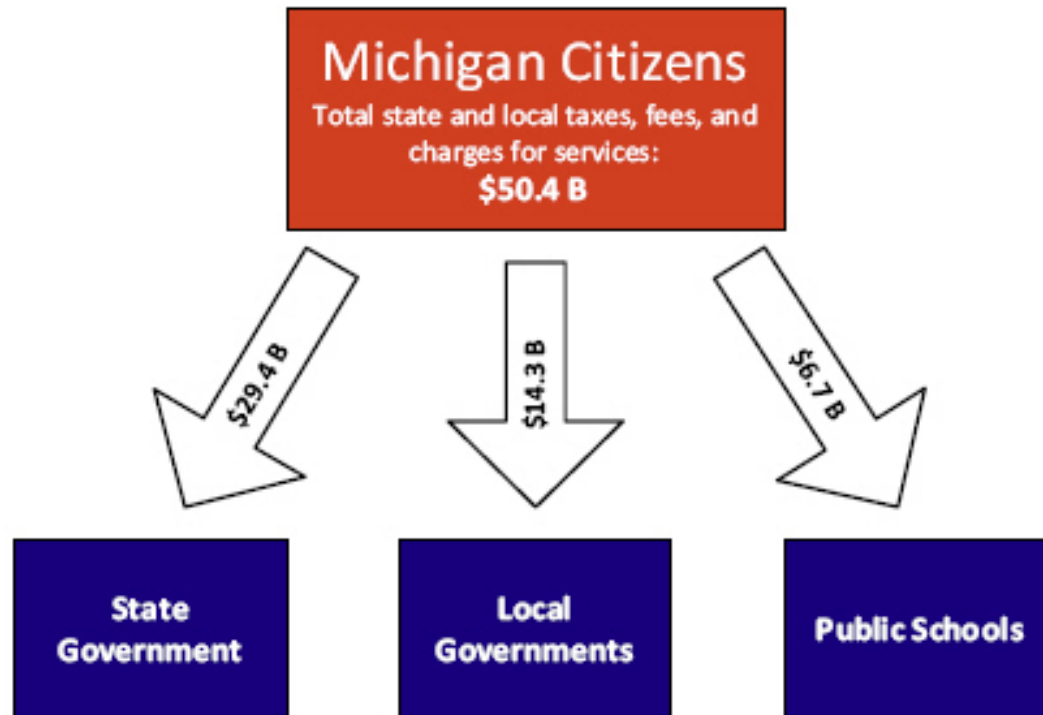
2011 Citizen's Guide to  
Michigan's Financial Health

Presented by  
Governor Rick Snyder

**Michigan Tech**

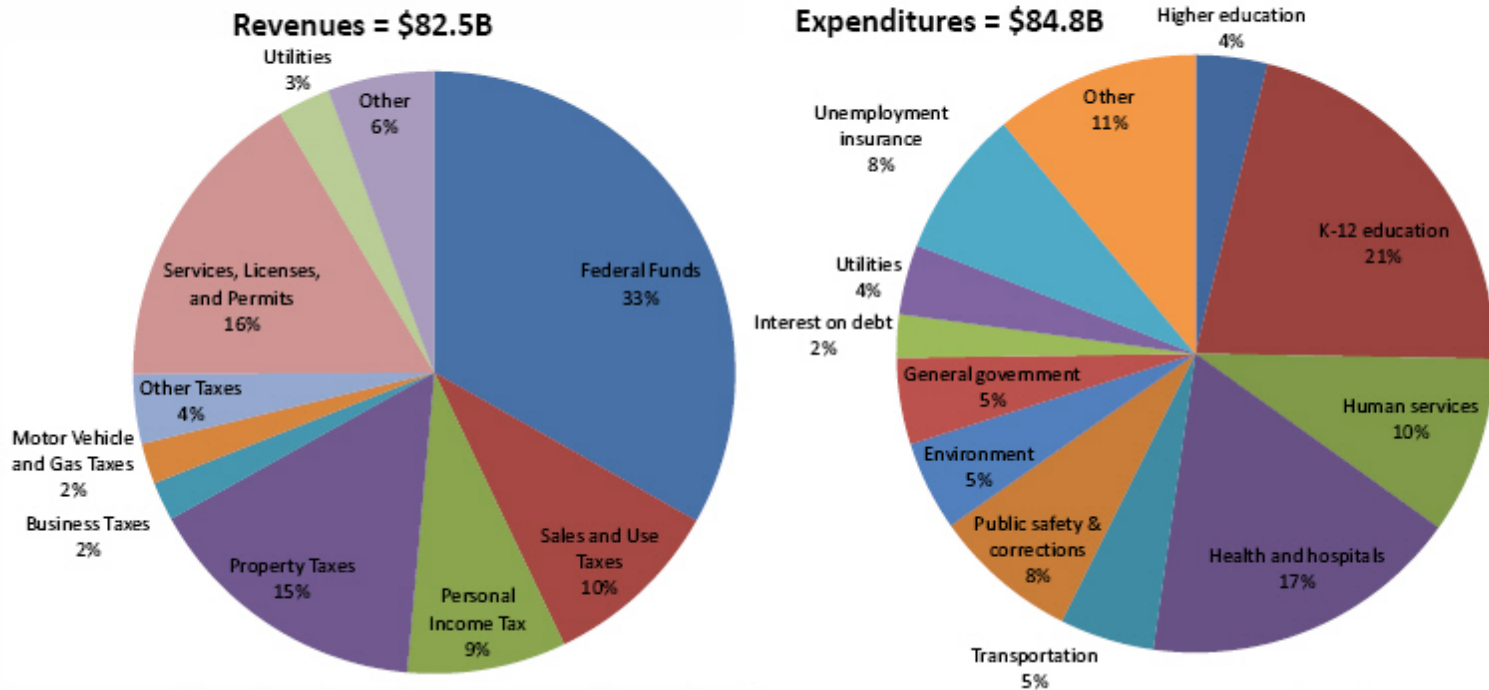
Create the Future

**FIGURE 1. Where Your Money Goes, FY 2010**



*Sources: Data is for FY 2010. State data is from the unaudited FY 2010 CAFR. Local data is from AEG estimates for FY 2010, based on 2008 U.S. Census of Governments State & Local Finances Survey. Analysis: Anderson Economic Group, LLC*

**FIGURE 6. Public Revenues and Expenditures by Category, FY 2010**



Source: State data is from the Michigan CAFR. Local data is from the FY 2008 U.S. Census of Governments State and Local Finance Survey, with AEG Projections for FY 2010  
 Analysis: Anderson Economic Group, LLC

**MICHIGAN'S STATE SPENDING PRIORITIES**

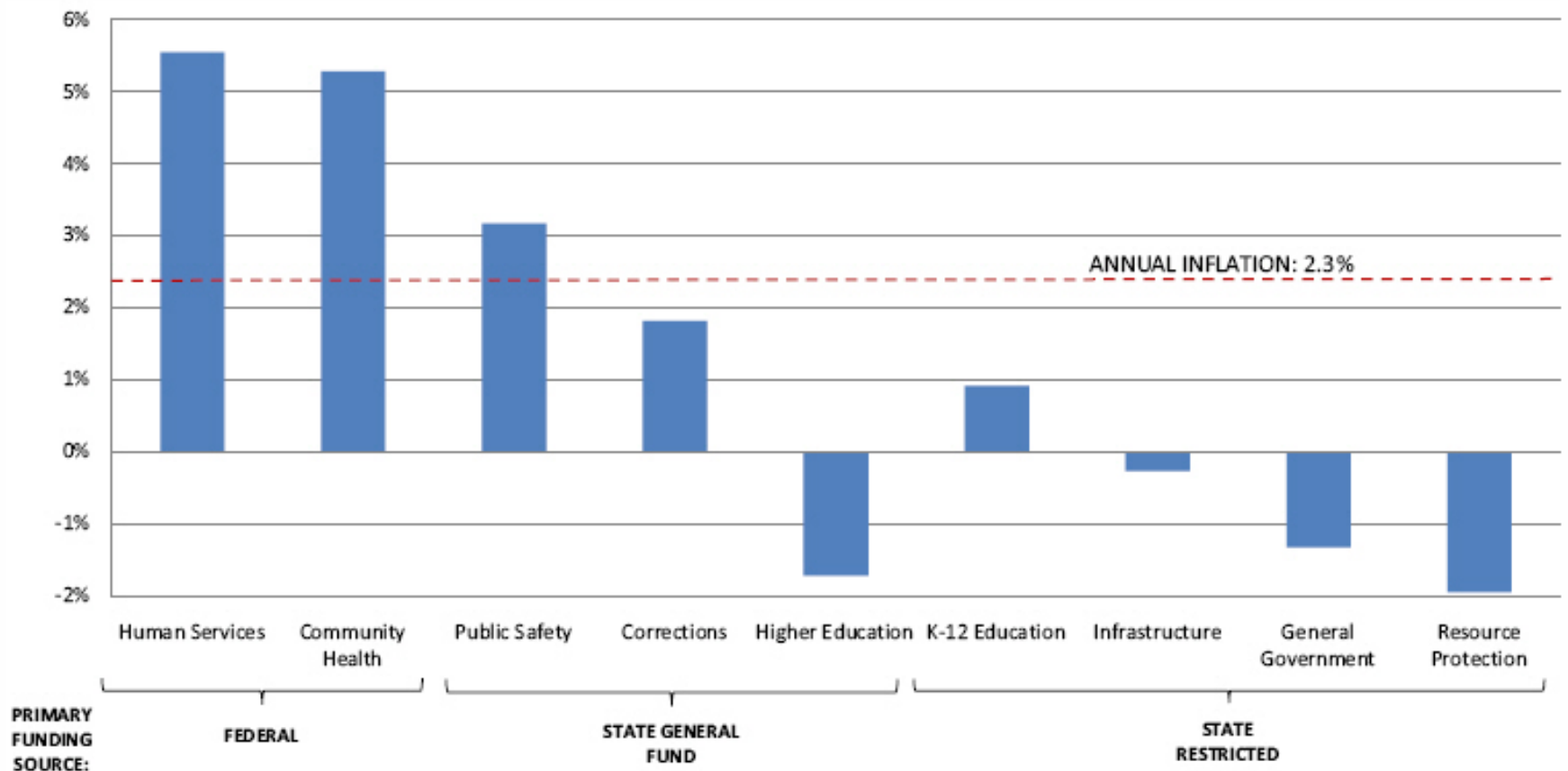
Michigan's state government has not been able to make investments that might spur economic growth, but rather has had to meet heightened demand for community health and human services. The largest expenditure category for the state government alone (the previous section included local government and schools, as well)

# Total State Budget Gap

(per Governor's Budget Recommendation)

- \$1.4B Revenue-Expenses
- \$1.9B Change in Michigan Business Tax
- \$3.3B

**FIGURE 7. Average Annual Change in State Appropriations, FY 2001-2010**



Source: Michigan Senate Fiscal Agency; House Fiscal Agency for FY 2010; U.S. Bureau of Labor Statistics for inflation  
 Analysis: Anderson Economic Group, LLC

# Governor's Proposed 2012 Budget

- 22% Decrease in Higher Education Funding
- Opportunity for Additional Funds Linked to Tuition Restraint

# Governor's Proposed 2012 Budget

## Michigan Tech:

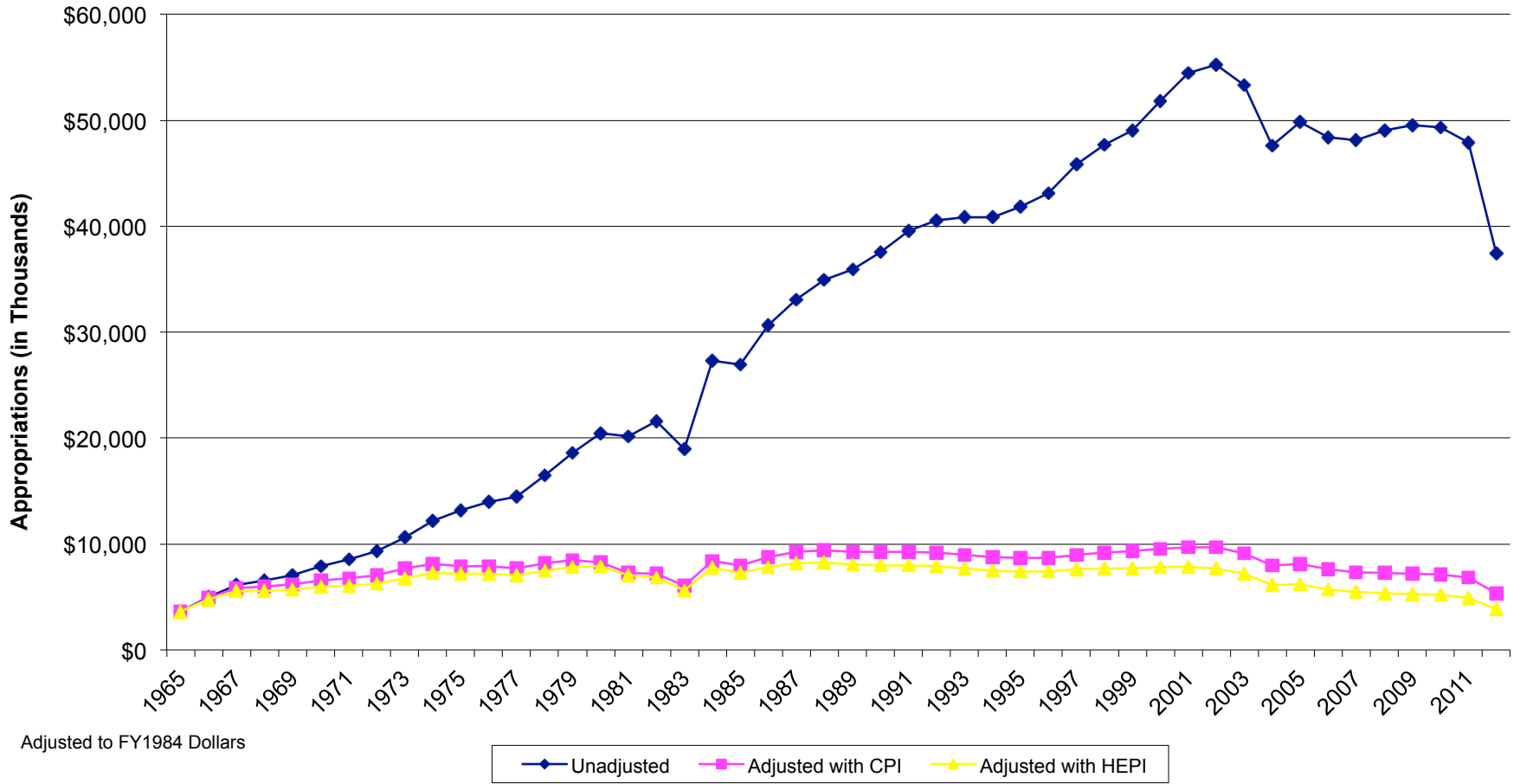
-\$10.5M (out of \$47.9M)

+\$3.3M if Tuition Increase  $\leq 7\%$

\$7.2M Net Reduction



### State Operation Appropriations to Michigan Technological University FY1965 through FY2012



# Formula Funding (Proposed for FY2013)

“The formula will encourage universities to graduate a highly educated workforce in a timely manner and conduct research that contributes to the overall economic strategy for Michigan.”

# Potential Performance Measures

- Number of degrees awarded
- Second year retention rate
- Graduation rate (6 year)

# Michigan Tech 5-Year Budget Development 2012-2017

- Support the Core Mission:

“instill the knowledge and confidence that graduates need to be top ranked in the degrees we offer”

# Budget Development Guiding Principles

- Balanced Budget
- Tuition Restraint
- Strategic Hiring
- Strategic Realignment/Investment
- Timing

# Specifically ....

- No Furloughs
- No University-Wide Salary Reduction
- No University-Wide Hiring Freeze
- Tuition Increase  $\leq 7\%$
- Strategic Budget Reductions in Low Single Digits, not across-the-board
- Strategic Consolidation of Positions and Realignment of Responsibilities through Attrition

- Financial Data Group (3D's) has met with Deans and Most Directors
- Review with Board of Control
- Review with Senate Leadership
- Carry Forward/Contingency Policy in Place
- Increase Philanthropic Support
- Restructure Billing of Mandatory Fees?
- Examine Credit Card Policy?
- Ideas?

# In Other Words ....

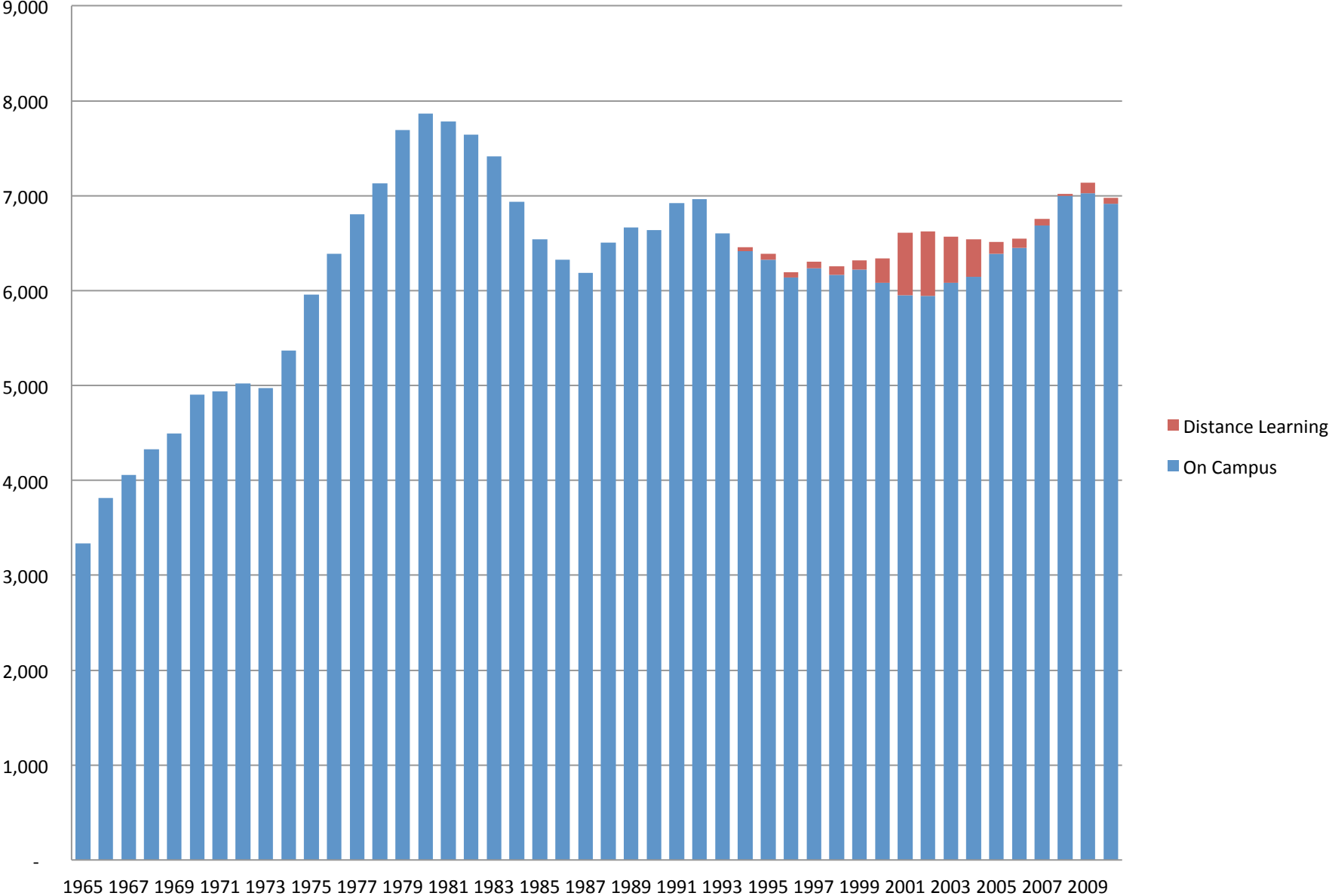
- No Knee Jerk Reactions
- Follow Our Strategic Plan



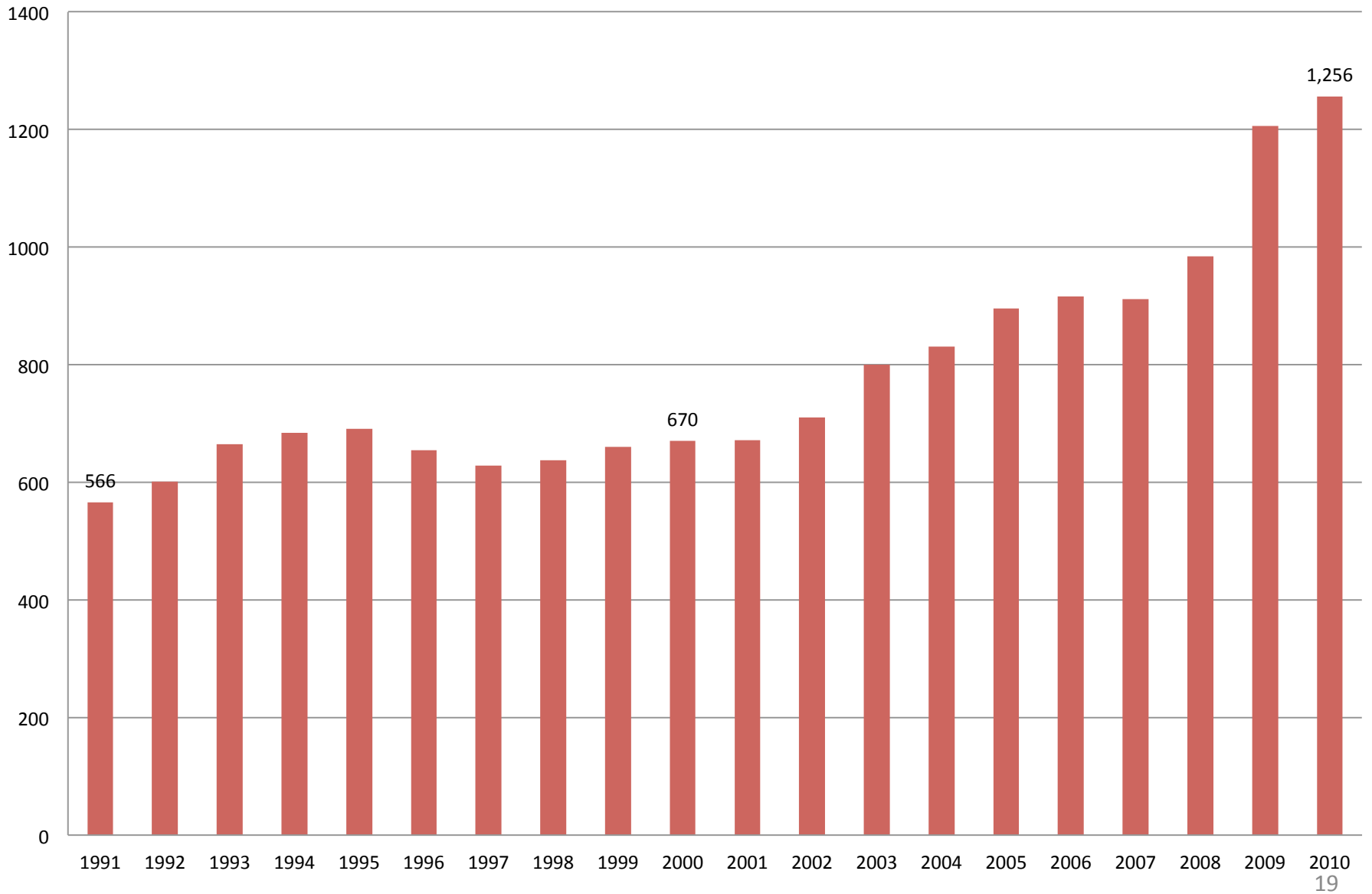
# Strategic Plan

- Approved by Board of Control on July 16, 2009
  - ✓ Major Goals Remain Same
    - People
    - Distinctive Education
    - Research/Scholarship/Creativity
- <http://www.mtu.edu/stratplan/>

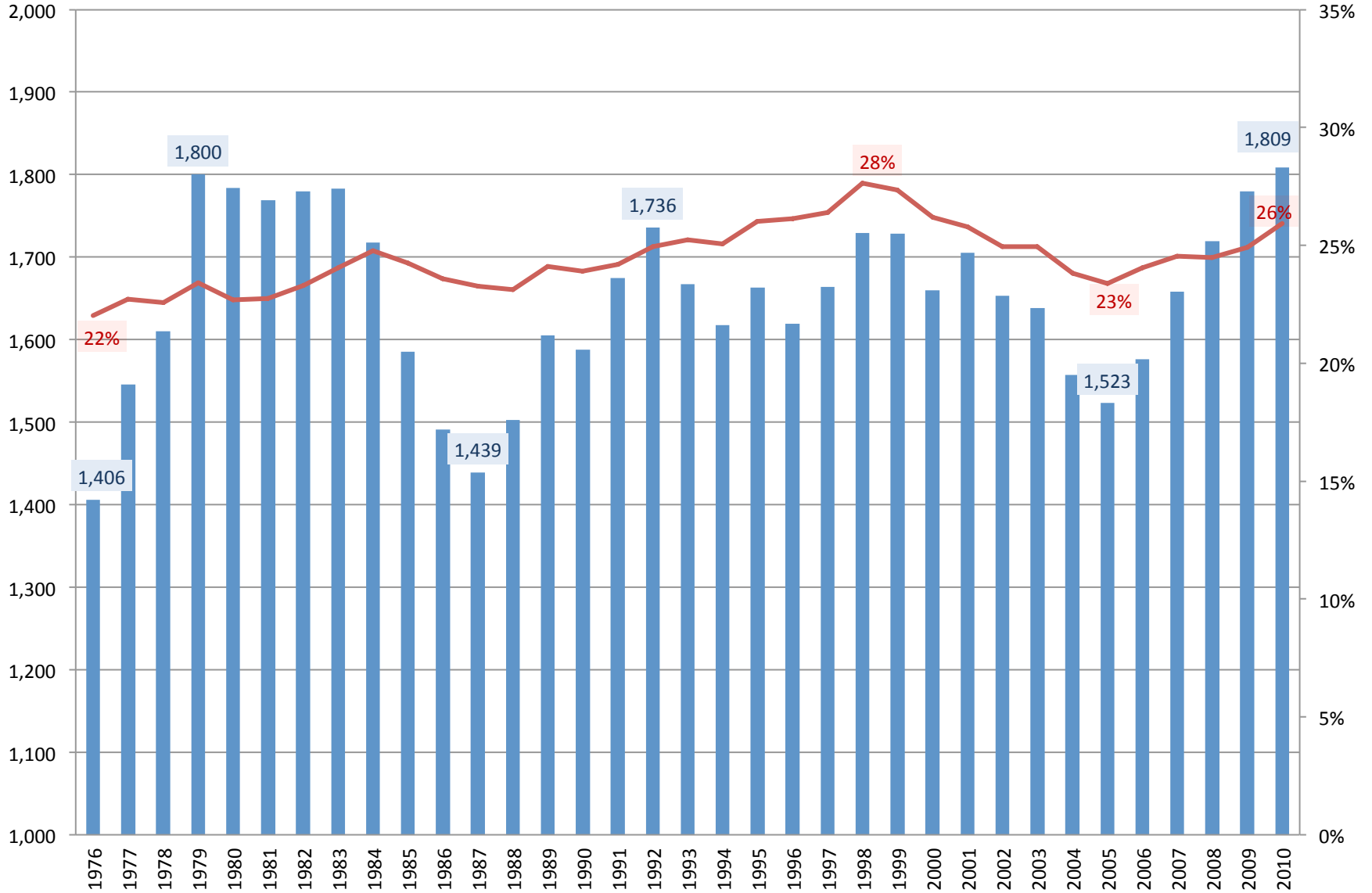
# Fall Enrollment 1965-2010



# Graduate Enrollment 1991-2010



# Female Enrollment 1976-2010

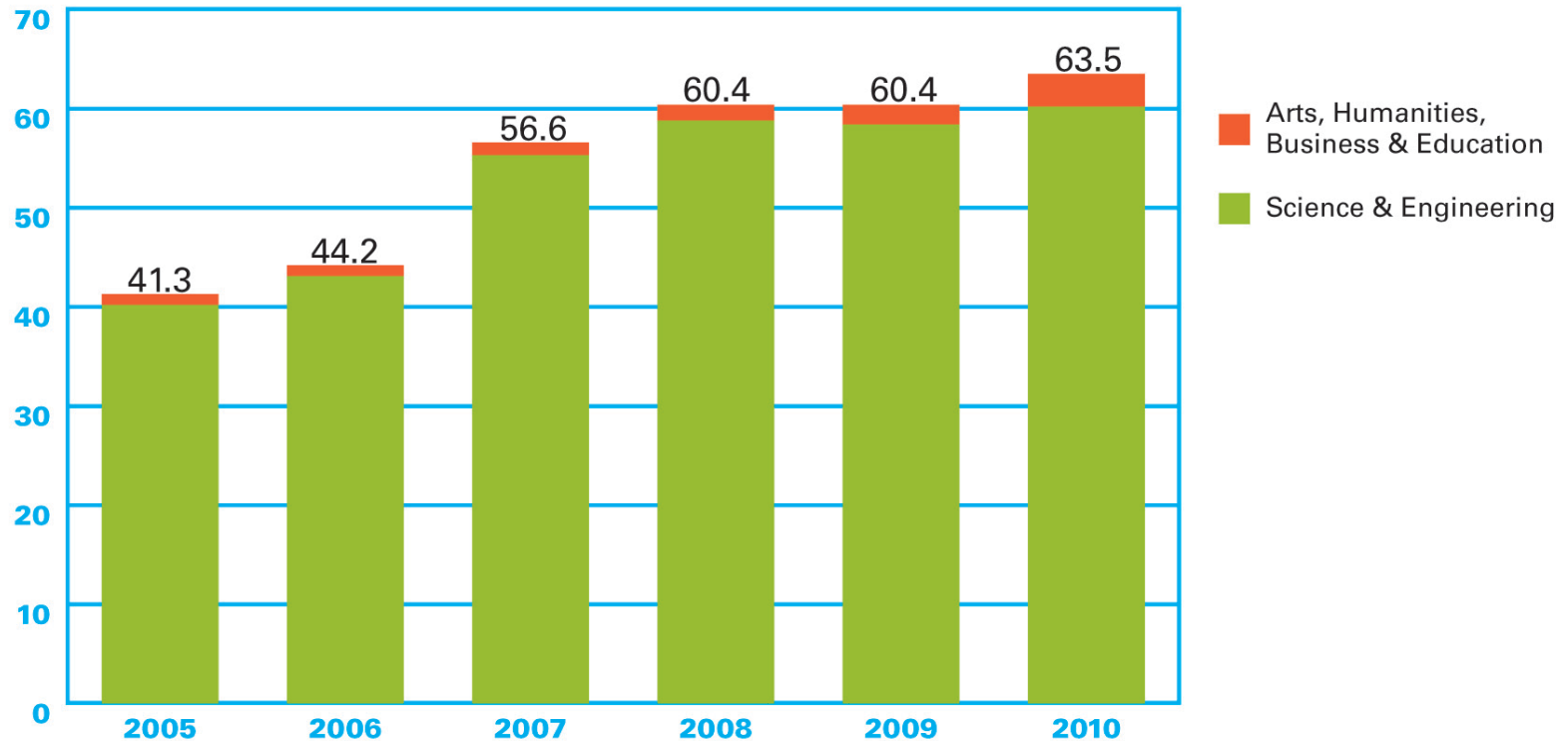


**Michigan Technological University**  
**Tenured/Tenure Track Faculty by Gender**  
**2006-07 through 2010-11**

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
Male	235	239	241	244	253
Female	65	71	71	85	89
Total	300	310	312	329	342
Percent Female	21.7	22.9	22.8	25.8	26.0

Note: Figures include all tenured and tenure track instructional and research faculty. Also includes those faculty on sabbatical or on unpaid leave of absence. Deans, associate deans, department chairs, executives and professional staff with tenure are excluded.

# Research Expenditures (in millions)



# Current Fund FY11

(in thousands)

	<u>Original Projection</u>	<u>2nd Qtr Projection</u>
Revenue	245,429	245,444
Expense	(245,218)	(246,115)
	<hr/>	<hr/>
Net Income	<u>211</u>	<u>(671)</u>
Current Fund Balance	<u>15,524</u>	<u>14,642</u>

Note: Current Fund includes General Fund, Designated Fund, Auxiliaries, Retirement and Insurance, and the Expendable Restricted Funds.

MICHIGAN TECHNOLOGICAL UNIVERSITY  
Generations of Discovery  
Campaign Progress Summary  
as of January 31, 2011

Alumni & Friends	\$ 95,167,255
Corporations	37,504,073
Private Foundations	2,349,198
Gifts-in-Kind	<u>5,012,559</u>
<b>Grand Total</b>	<b><u><u>\$140,033,086</u></u></b>



# Impact of Gifts

- \$8M in Scholarships/Fellowships
- Increase from 3 to 16 Named Professorships and Chairs
- Gifts Used to:
  - Remodel Physics Labs
  - Remodel 5<sup>th</sup> Floor of EERC
  - Seaman Museum
  - Career Center Remodel in Administration Building
  - Graduate School Conference Room
  - Equip New KRC Building
  - Many Student Enterprise & Senior Design Projects

# Questions