

CAMPUS FORUM

April 30, 2013

Strategic Plan

- Approved by Board of Control on April 27, 2012
 - ✓ Major Goals Remain Same
 - People
 - Distinctive Education
 - Research/Scholarship/Creativity/Entrepreneurship
- <http://www.mtu.edu/stratplan/>

Vision for 2035:

**Premier Technological Research University
of International Status**

FY'13 FINANCES

CURRENT FUND FY13

(in Thousands)

	<u>Original Projection</u>	<u>3rd Qtr. Projection</u>
Revenue	\$ 257,840	\$ 253,047
Expense	\$ (257,397)	\$ (251,945)
	<hr/>	<hr/>
Net Income	<u>\$ 443</u>	<u>\$ 1,102</u>
	<hr/>	<hr/>
Current Fund Balance	<u>\$ 12,931</u>	<u>\$ 13,590</u>

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

CURRENT FUND BALANCES

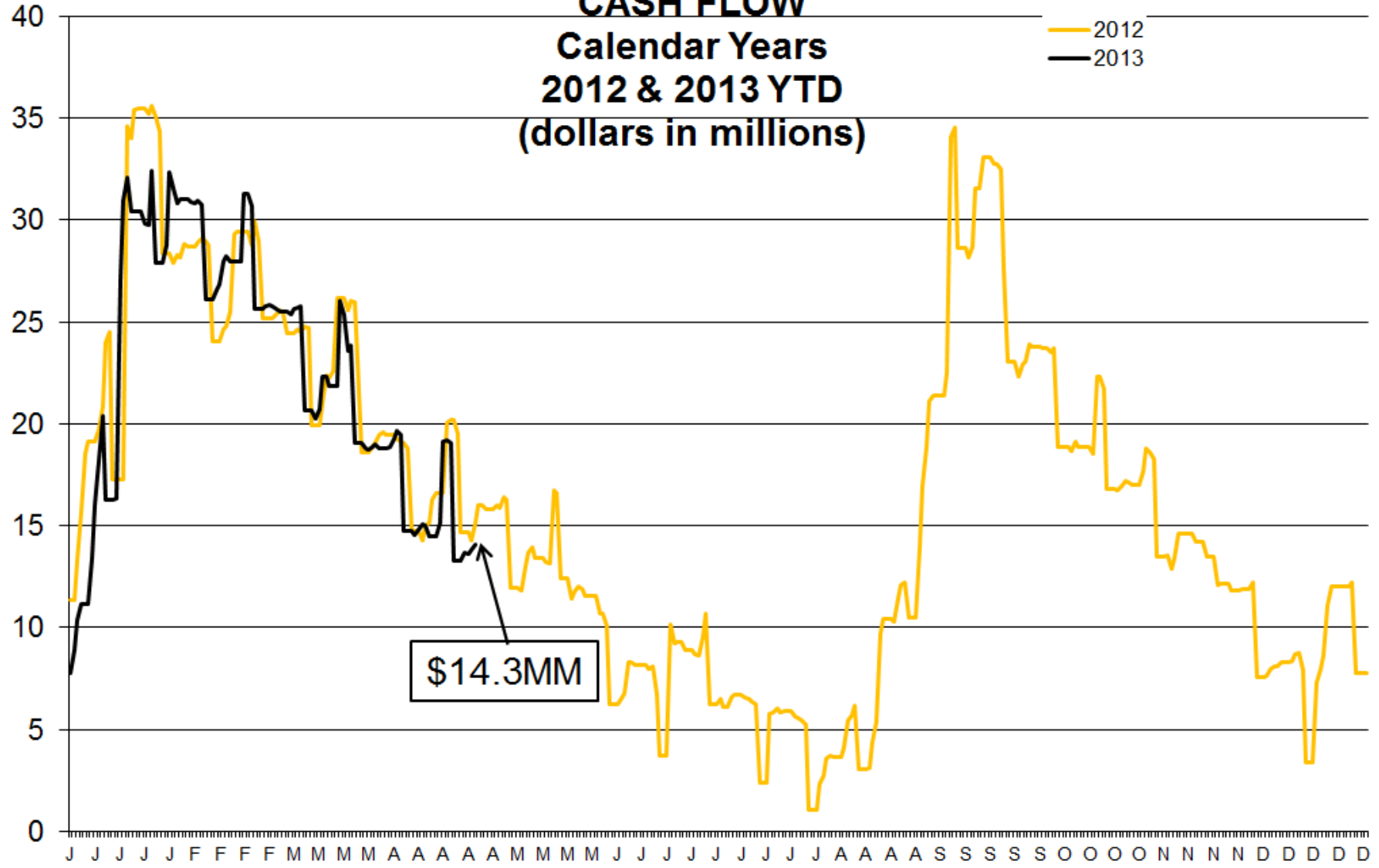
(in Thousands)

	Balance <u>06/30/11</u>	Balance <u>06/30/12</u>	3rd Qtr Projection <u>06/30/13</u>
TOTAL CURRENT FUND BALANCE	\$ 16,080	\$ 12,488	\$ 13,590
LEGALLY RESTRICTED FUNDS	<u>(2,808)</u>	<u>(3,590)</u>	<u>(3,019)</u>
UNRESTRICTED CURRENT FUND BALANCE	<u>\$ 13,271</u>	<u>\$ 8,897</u>	<u>\$ 10,571</u>

CASH FLOW

Calendar Years 2012 & 2013 YTD

(dollars in millions)



Balance Sheet
Condensed Statement of Net Assets
as of March 31, 2013
(unaudited - in thousands)

	<u>University</u>	<u>Tech Fund</u>	<u>Total</u>
TOTAL ASSETS	\$ 315,082	\$ 120,823	\$ 435,905
TOTAL LIABILITIES	\$ 105,552	\$ 4,638	\$ 110,190
TOTAL NET ASSETS	\$ 209,530	\$ 116,185	\$ 325,715
TOTAL LIABILITIES AND NET ASSETS	\$ 315,082	120,823	435,905

BOND RATING HISTORY

FY2000 – FY2010

A1-Stable

FY2010 – FY2012

Aa3-Negative

FY2013 (January)

Moody's downgraded
all Higher Education
to negative

FY2013 (April)

A1-Stable

Moody's		S&P		Fitch		
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		
Aa3		AA-		AA-		
A1	P-2	A+	A-1	A+	F1	Upper medium grade
A2		A		A		
A3		A-		A-		
Baa1	P-3	BBB+	A-2	BBB+	F2	Lower medium grade
Baa2		BBB		BBB		
Baa3		BBB-		BBB-		
Ba1	Not prime	BB+	B	BB+	B	Non-investment grade speculative
Ba2		BB		BB		
Ba3		BB-		BB-		
B1		B+		B+		Highly speculative
B2		B		B		
B3		B-		B-		
Caa1	Not prime	CCC+	C	CCC	C	Substantial risks
Caa2		CCC				Extremely speculative
Caa3		CCC-				Default imminent with little prospect for recovery
Ca		CC				
C		C				
/	D	/	DDD	/	In default	
/			DD			
/				D		

The credit rating is a financial indicator to potential investors of [debt securities](#) such as [bonds](#). These are assigned by [credit rating](#) agencies such as [Moody's](#), [Standard & Poor's](#), and [Fitch Ratings](#) to have letter designations (such as AAA, B, CC) which represent the quality of a bond. Bond ratings below BBB-/Baa are considered to be not investment grade and are colloquially called [junk bonds](#).

FY'14 BUDGET

FY'14 APPROPRIATIONS

PROPOSED STATE APPROPRIATIONS FOR MICHIGAN TECH

	Governor	House	Senate
Percent Increase	2.8%	2.1%	2.8%
Tuition Incentive Limit	4.0%	3.0%	4.0%
Dollar Increase	\$1.2M	\$875K	\$1.2M

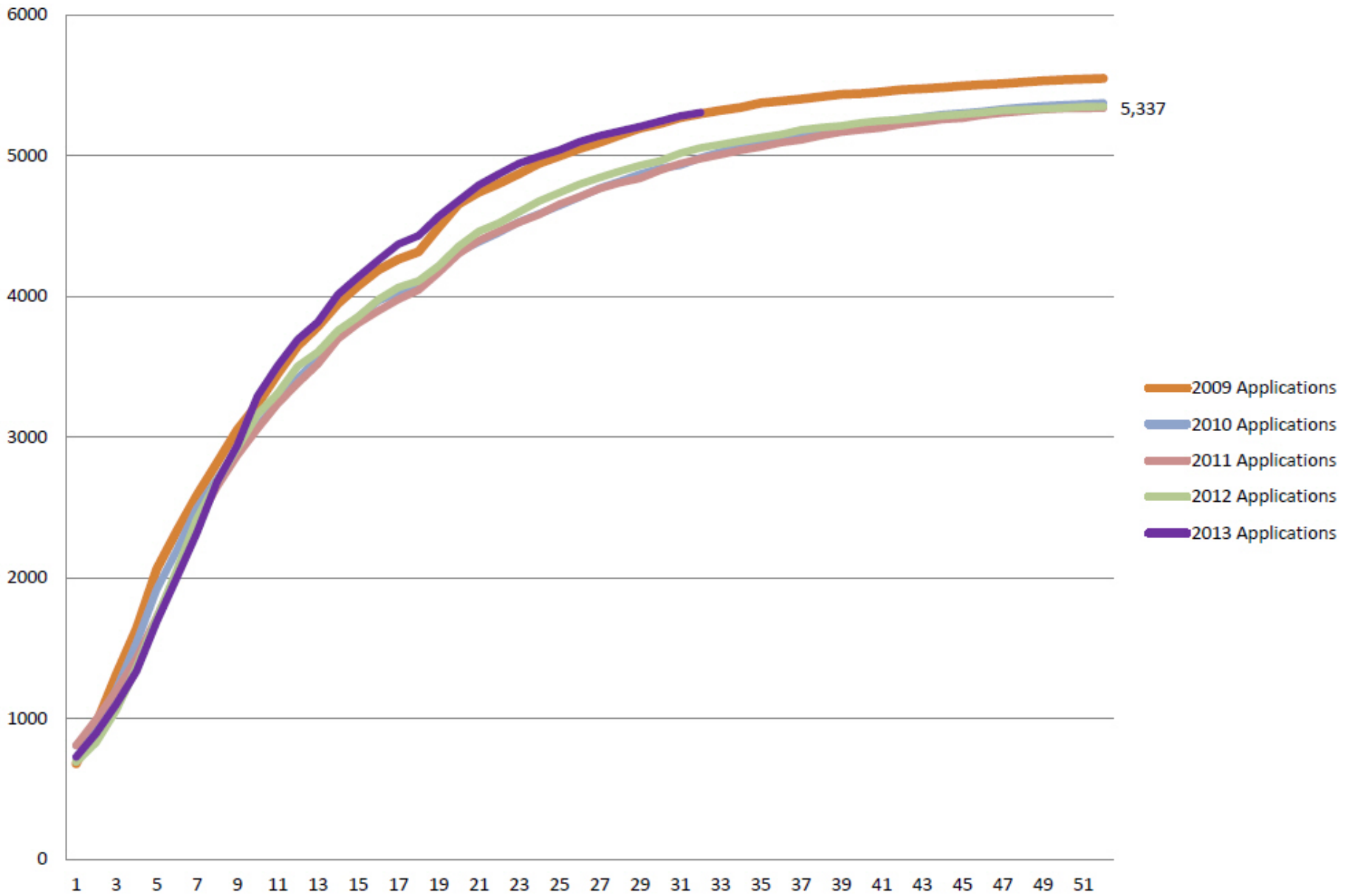
OTHER PROPOSED STATE HIGHER EDUCATION APPROPRIATIONS*

	Governor	House	Senate
MPSERS	\$446K		\$2.0M
Indian Tuition Waiver			\$2.0M
Tuition Incentive	\$6.0M		

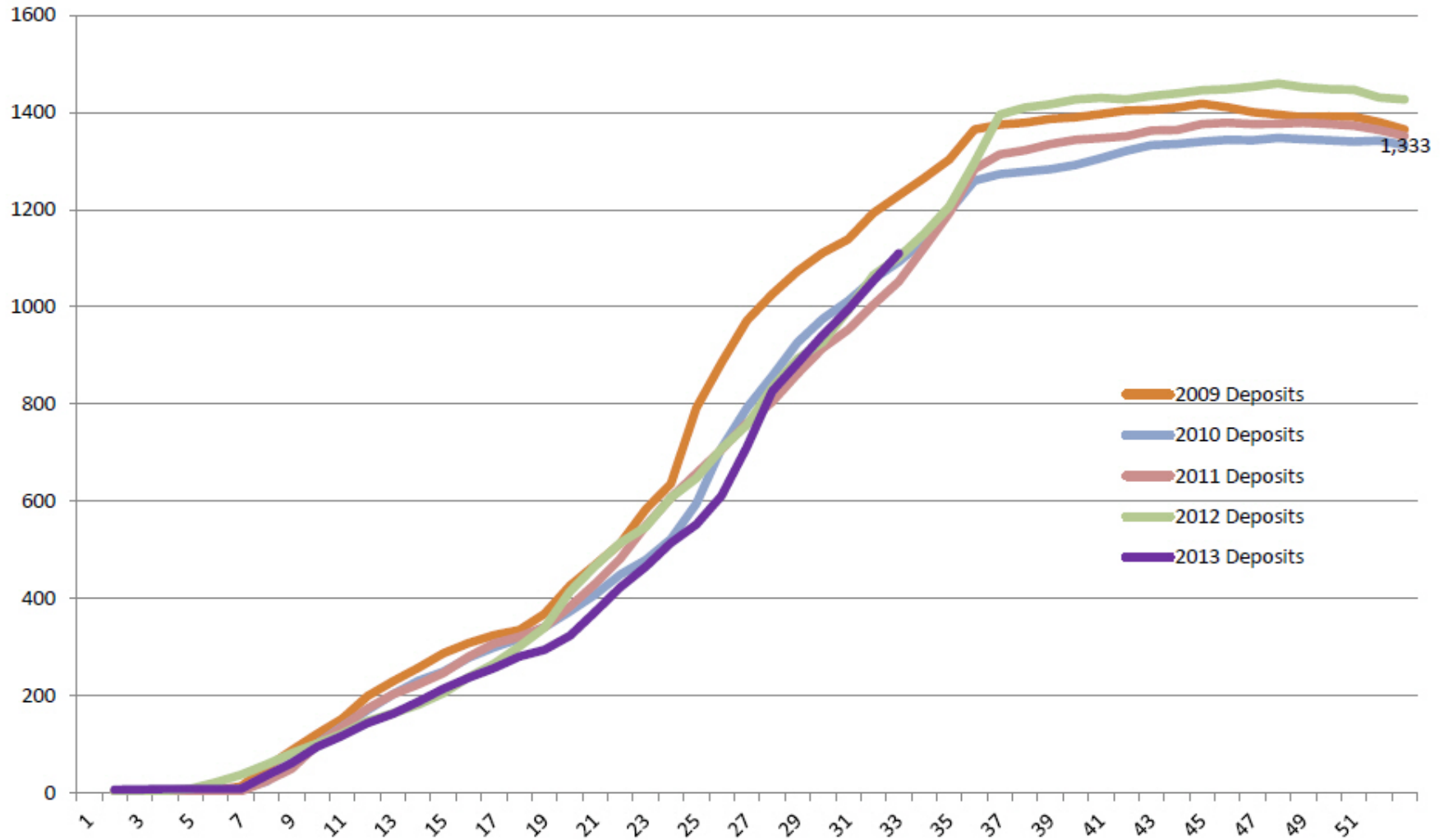
*All eligible universities

ENROLLMENT

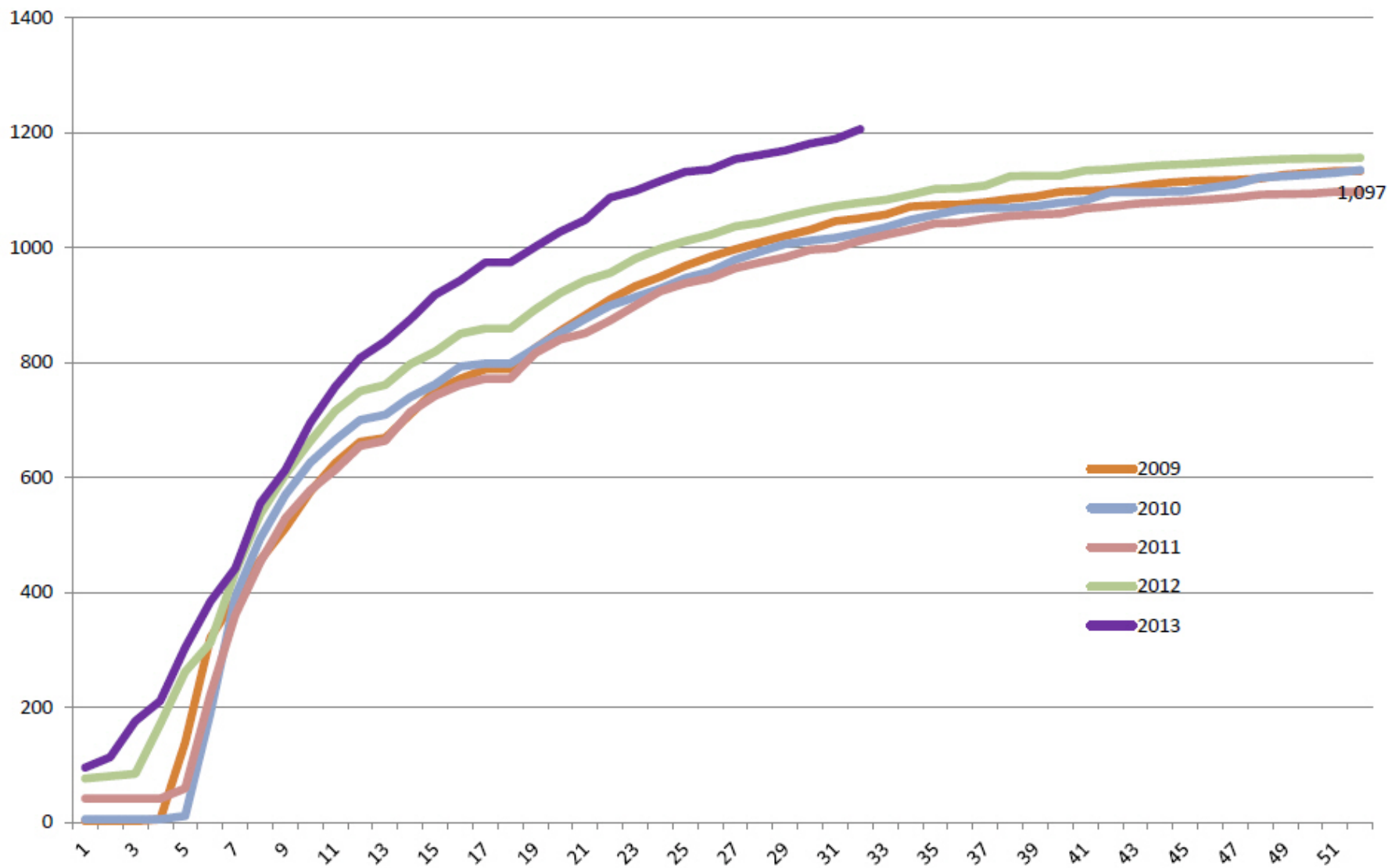
Total Applications



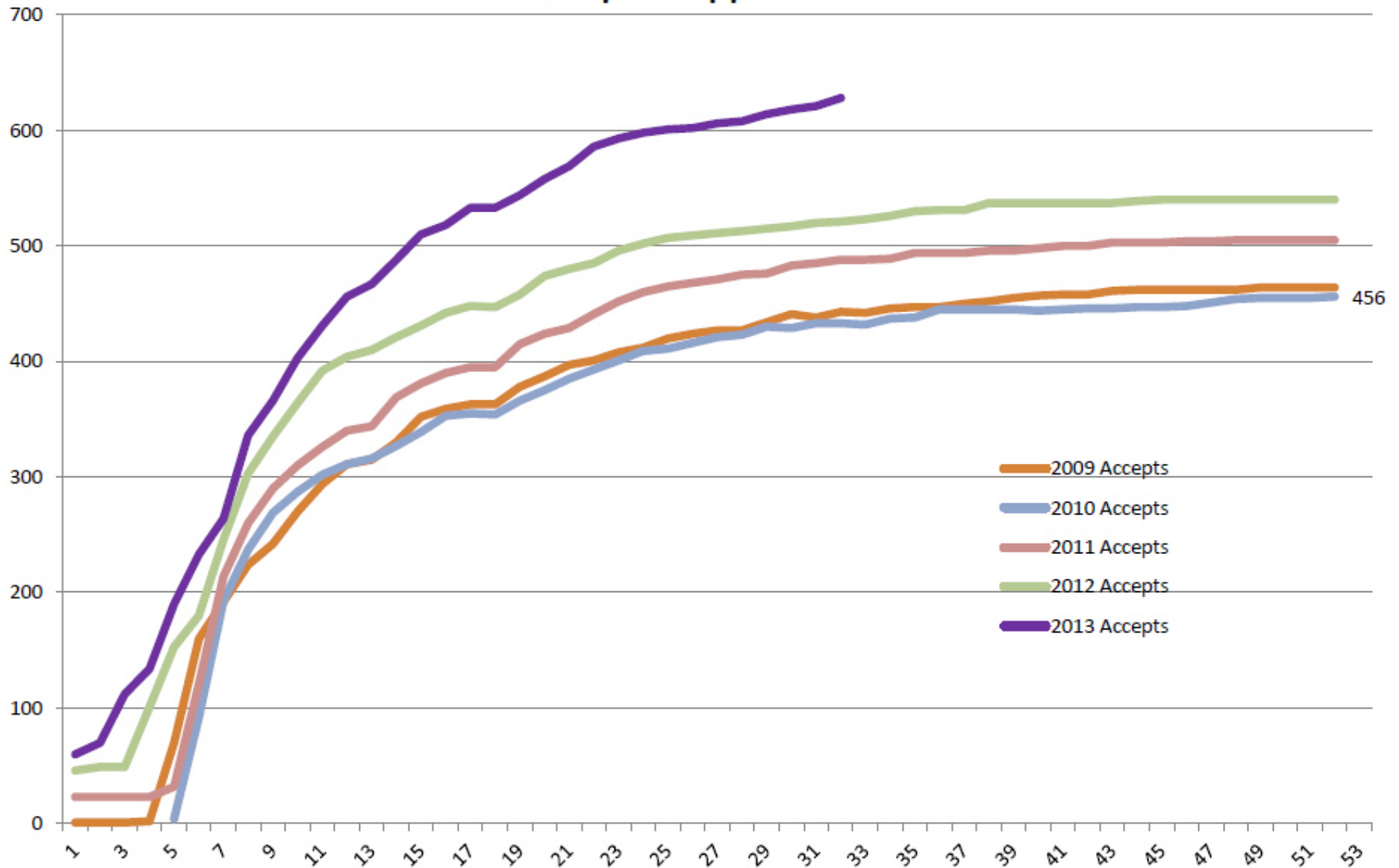
Enrollment Deposits



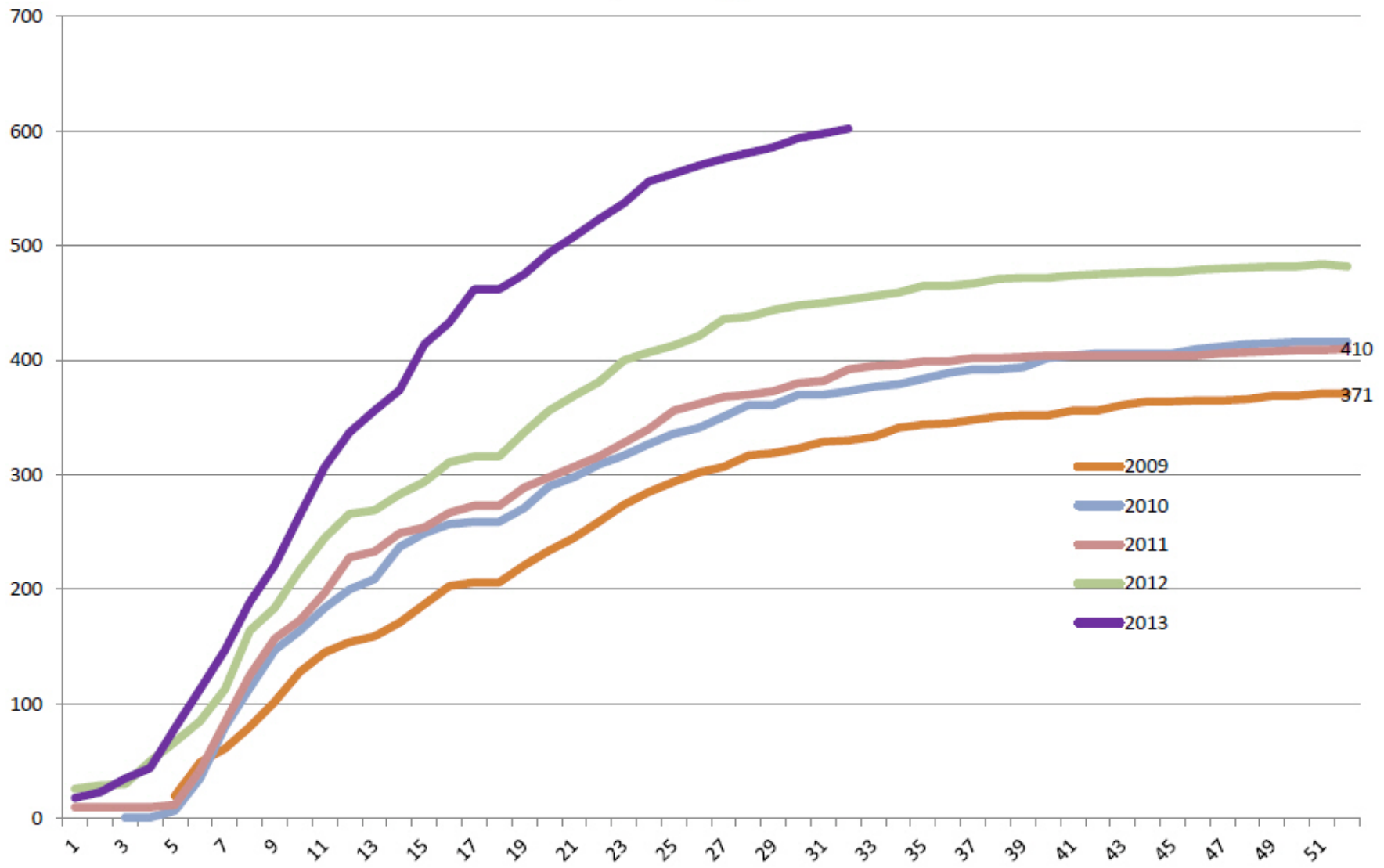
Female Accepted Applications



COE Female Accepted Applications



Domestic Minority Accepted Applications



TUITION CHANGE

Plateau Tuition

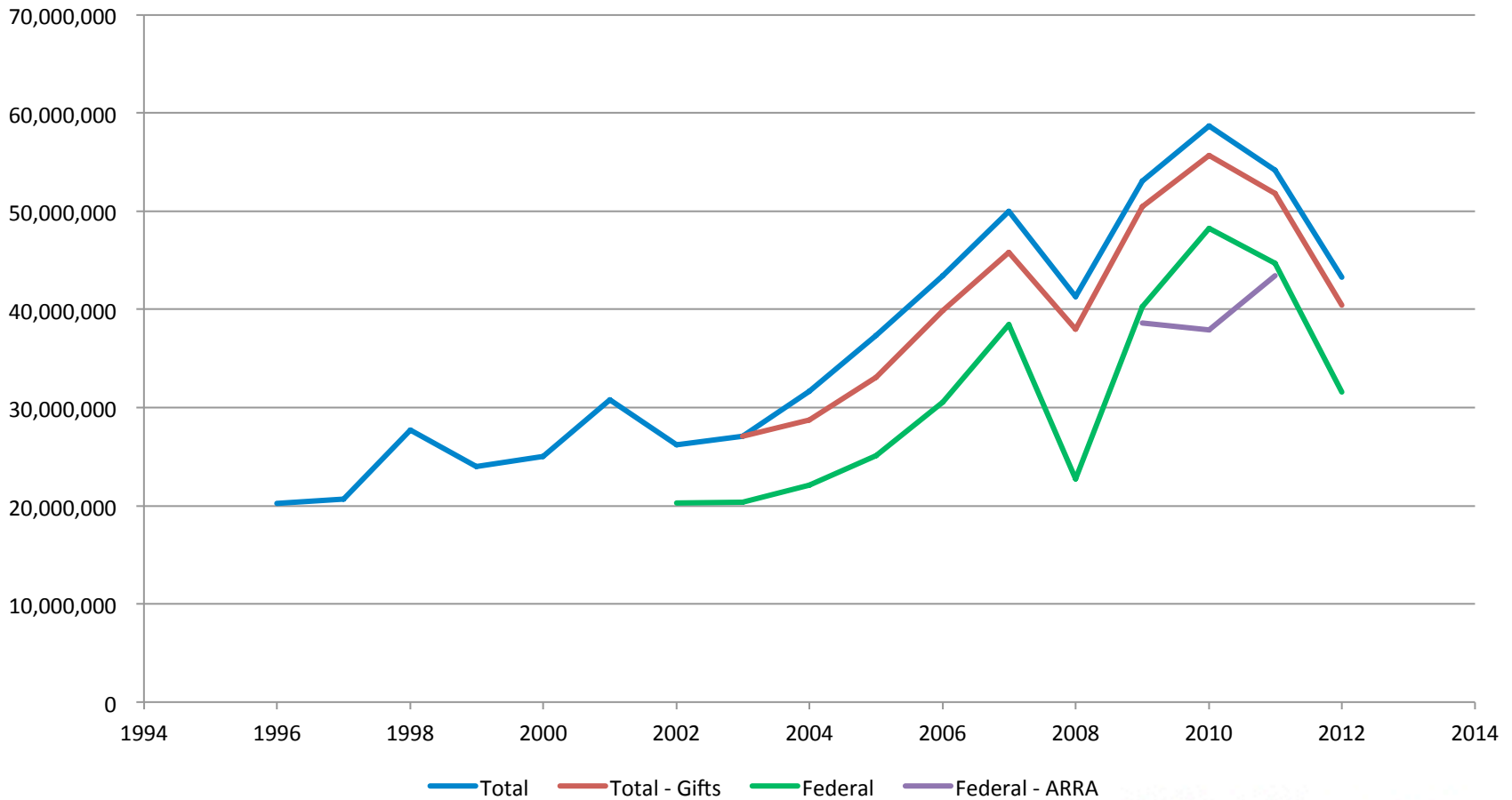
- Full-Time Credit Rate set on 12 to 18 credit hours
- Financial Aid packaged at 15 credits
- Will assist students

FY'14 BUDGET PLANNING PARAMETERS FROM FY'13

Undergraduates	+70
Graduates	Same
Plateau Tuition	+2.9%
Graduate Tuition	+6.0%
State Appropriations	+2.8%
Faculty & Staff Merit Pool	+3.0%
Grad. Student Minimum Stipends	+3.0%
Fringe Rate	+1.0%
IRAD Return	+600k

RESEARCH

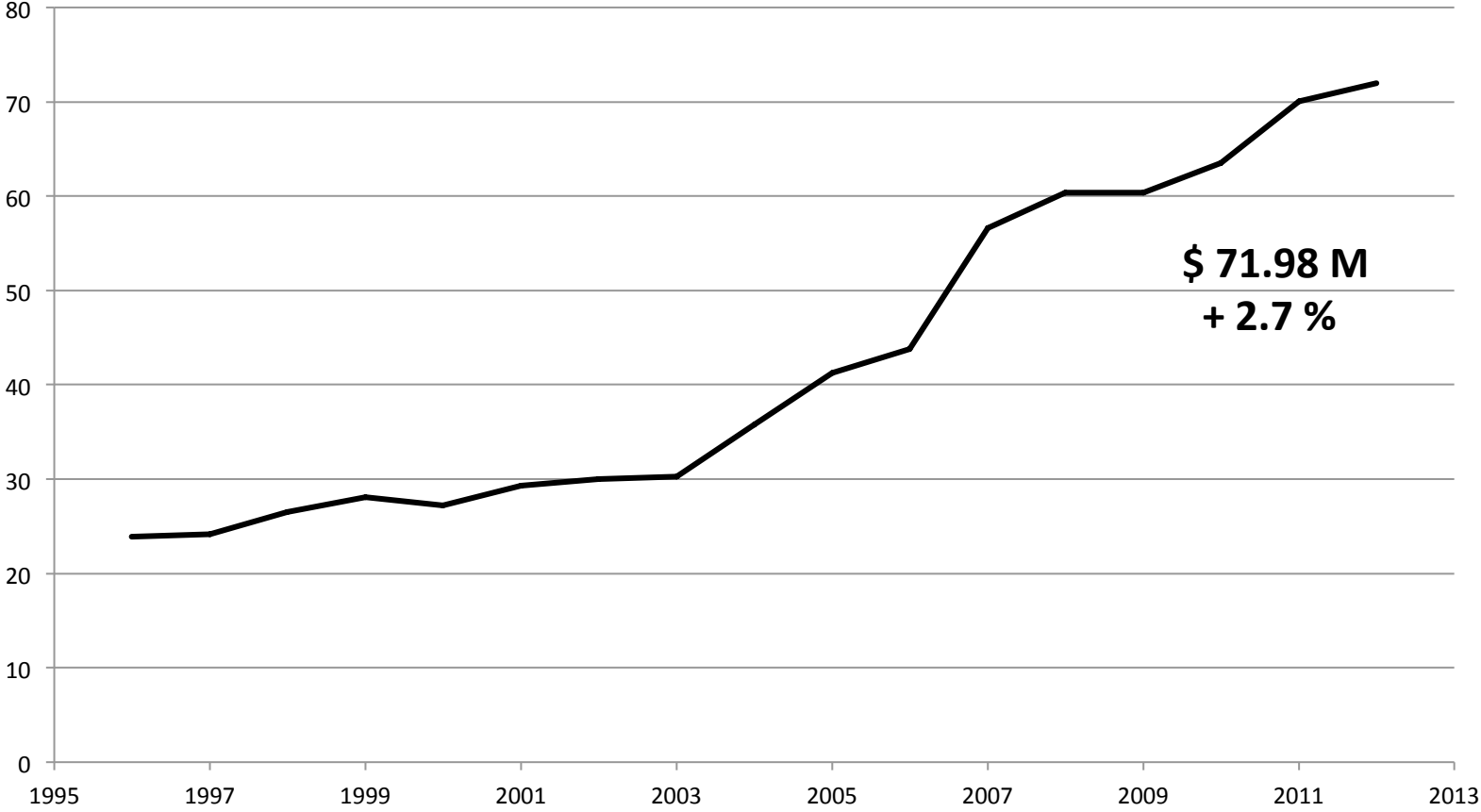
FY12 Sponsored Program Awards



Sponsored Awards, 3rd Qtr. FY13

Sponsor Category	3 rd Qtr. FY13	3 rd Qtr. FY12	% +/-
Federal	\$ 25,645,487	\$ 21,022,276	+ 22.0 %
Other Sponsored	\$ 6,159,005	\$ 7,147,560	- 13.8 %
Gifts	\$ 3,596,264	\$ 2,515,288	+ 43.0 %
TOTAL	\$ 35,400,756	\$ 30,685,124	+ 15.4 %

Research Expenditures, FY12



\$ 71.98 M
+ 2.7 %

Intellectual Property, 3rd Qtr. FY13

	3 rd Qtr. FY13	3 rd Qtr. FY12	% +/-
Disclosures	35	39	- 10.3 %
NDA's	83	70	+ 18.6 %
Patents Issued/Filed	23	16	+ 43.8 %
License Agreements	18	11	+ 63.6 %
Royalty/Option	\$ 168,458	\$ 197,337	- 14.6 %

START-UP COMPANIES

- ❖ Three Companies since January 2013
- ❖ Five Companies started in 2012

Superior Ideas Update

- By April 8, we had raised a total of \$ 51,366 from 142 donors
- We have been discussing posting projects with several different institutions
- We have applied for Crowdfunding Accreditation for Platform Standards [CAPS] from Crowdsourcing.org
- UMC implemented v2.0 in March

Superior Ideas Update

- By April 8, 2013:
 - \$ 51,366 in total donations
 - 44,311 page views
 - 6,345 unique visitors
 - 4:07 minutes average visit duration
 - 128 Facebook likes
 - 118 Twitter followers

ACADEMICS

Blended Learning – Center for Teaching & Learning

- Large Lecture Initiative –
 - Pilot and Choose a Rich Classroom Response System
- Move End of Term Evaluations to Flexible On-Line Format
- Target Strategic Online Course Development
- Expand lecture capture capabilities
- Online Orientation Elements
- Expand Center's Role in Program Assessment

NEW DEGREE PROGRAMS

- Certificate in Chinese Language and Area Study
- Certificate in Business Analytics
- BS in Management with a Concentration in **Supply Chain and Operations Management**
- BS in Management with a Concentration in **Entrepreneurship**
- BS in Mathematical Sciences with a Concentration in **Business Analytics**
- Professional Master of **Geographic Information Science**
- Minor in **Aerospace Engineering**

Accelerated MS Programs – Active

- Biomedical Engineering
- Chemical Engineering
- Chemistry
- Computer Science
- Engineering Mechanics
- Materials Science & Engineering
- Mechanical Engineering

Accelerated MS Programs – Proposals in Process

- Computer Engineering
- Electrical Engineering
- Integrated Geospatial Technology
- SFRES – Master of Forestry

DUAL CAREER PROGRAM

33 clients (since June 2012)

18 successful outcomes

(Tech, Portage Health, CC Mental Health, and SmartZone)

SFHI UPDATE

Finishing up the 2-year process for the Strategic Hiring Initiatives

- 36 new SFHI faculty by Fall 2013
- 6 new hires in *Water Systems*
- 4 new hires in *Future Transportation Systems*

SFHI UPDATE

	<u>2007-08</u>	<u>2011-12</u>	<u>2012-13</u>
FACULTY HEADCOUNT	310	354	348
Net increase	38 (12%)		
Total new faculty	156 (45% hired last 6 years)		
SFHI faculty (Fall 2012)	32 (36 by fall 2013)		

SFHI UPDATE

	<u>2007-08</u>	<u>2011-12</u>	<u>2012-13</u>	
GRADUATE STUDENTS				
Masters	448	691	698	56%
PhD	422	529	554	31%
Total (incl. non-degree)	912	1,303	1,322	
				45%

INSTITUTIONAL RISK MANAGEMENT

Sample Risk Registers*

Public Research University

- 1) Economic conditions and base funding
- 2) Enrollment growth
- 3) Human resources process and leadership
- 4) IT infrastructure
- 5) Physical infrastructure
- 6) Progressive employee renewal
- 7) Relationships with key supporters
- 8) Reputation
- 9) Research growth, complexity
- 10) Safety and security

Key Steps in Enterprise Risk Management (ERM)*

1

Risk Identification
<ul style="list-style-type: none">• Senior Risk Committee (Administration)
<ul style="list-style-type: none">• Risk Registers

2

Risk Assessment
<ul style="list-style-type: none">• Risk Score=Impact x Likelihood
<ul style="list-style-type: none">• Immediacy of Risk

3

Risk Mitigation Plan
<ul style="list-style-type: none">• Assign Owner
<ul style="list-style-type: none">• Consult Risk Subject Matter Expert
<ul style="list-style-type: none">• Reduce Risk Score

4

Report To Board
<ul style="list-style-type: none">• Committee<ul style="list-style-type: none">- Specific, Standing- Audit- Executive
<ul style="list-style-type: none">• Full Board



Commencement Speaker

David Barnes

Program Director

Emerging Internet Technologies

IBM Strategy

GRADUATION STATISTICS*

	<u>Fall</u>	<u>Spring</u>	<u>Total</u>
➤ Undergraduate	346	739	1085
➤ Graduate	132	229	361
	23-PhD	55-PhD	78-PhD
	109-MS	174-MS	283-MS

*unaudited

Campaign

- ❖ End Date – June 30, 2013
- ❖ Goal - \$200M

RECOGNITION

Second Century Society

- ❖ David Hand

Founders Society

- ❖ Dave and Beth Reed

Presidents Society

- ❖ Karla and Jim Aho
- ❖ Brad and Victoria Baltensperger
- ❖ Les and Stefany Cook
- ❖ Paula and Robert Nutini
- ❖ Ron Strickland and Beatrice Smith

Thanks For All You Do!

QUESTIONS