

CAMPUS FORUM

October 9, 2012

BUDGET

CURRENT FUND FY12

(in Thousands)

	<u>Original Projection</u>	<u>Preliminary Close</u>
Revenue	\$ 250,574	\$ 248,850
Expense	\$(250,531)	\$(252,442)
	<hr/>	<hr/>
Net Income	<u>\$ 43</u>	<u>\$ (3,592)</u>
	<hr/>	<hr/>
Current Fund Balance	<u>\$ 16,123</u>	<u>\$ 12,488</u>

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

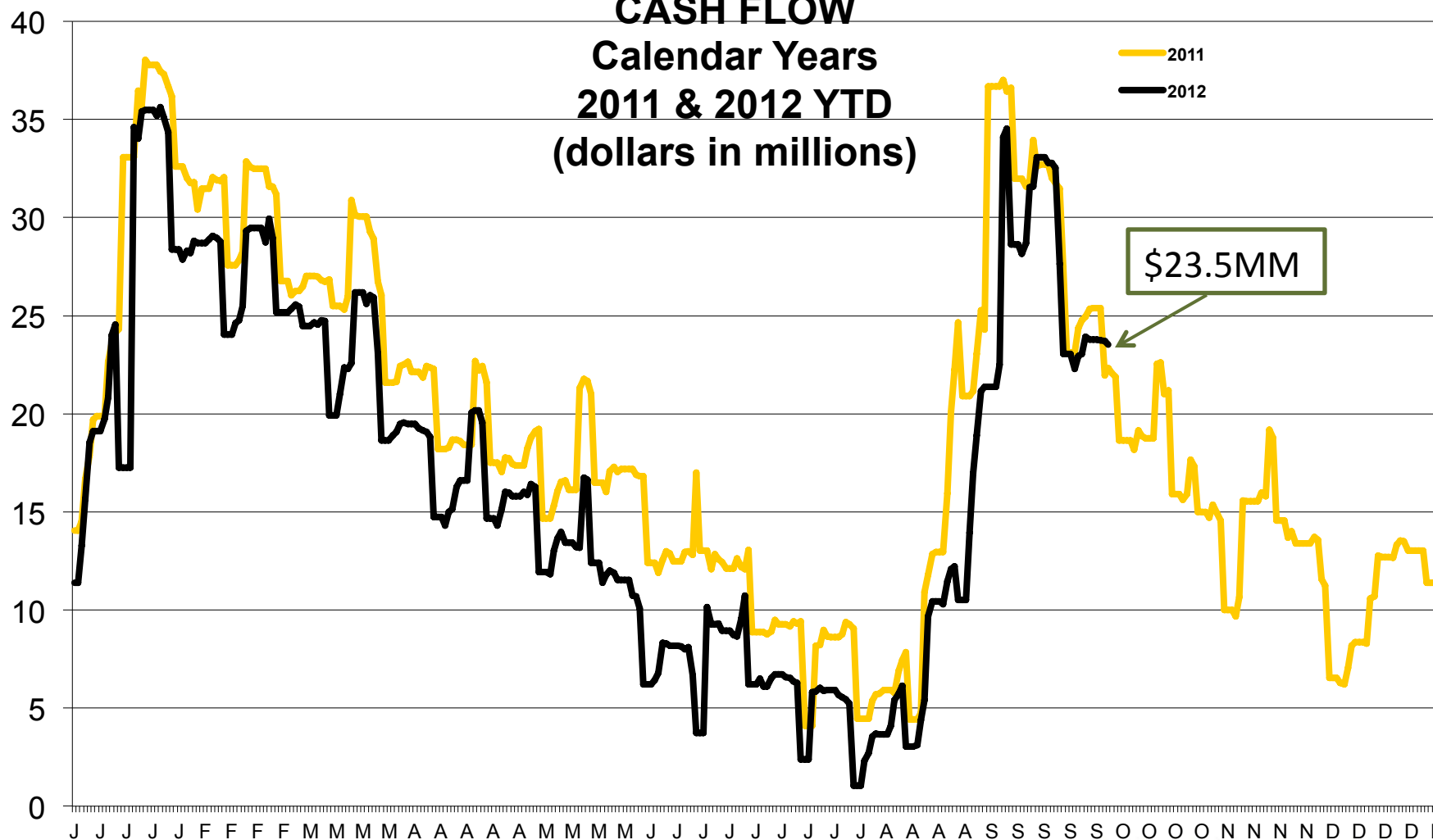
CURRENT FUND FY13

(in thousands)

	<u>Original Projection</u>	<u>1st Qtr Projection</u>
Revenue	\$ 257,840	\$ 254,404
Expense	\$ (257,397)	\$ (255,646)
Net Income	<u>\$ 443</u>	<u>\$ (1,242)</u>
Current Fund Balance	<u>\$ 12,931</u>	<u>\$ 11,246</u>

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

■ 2011
■ 2012



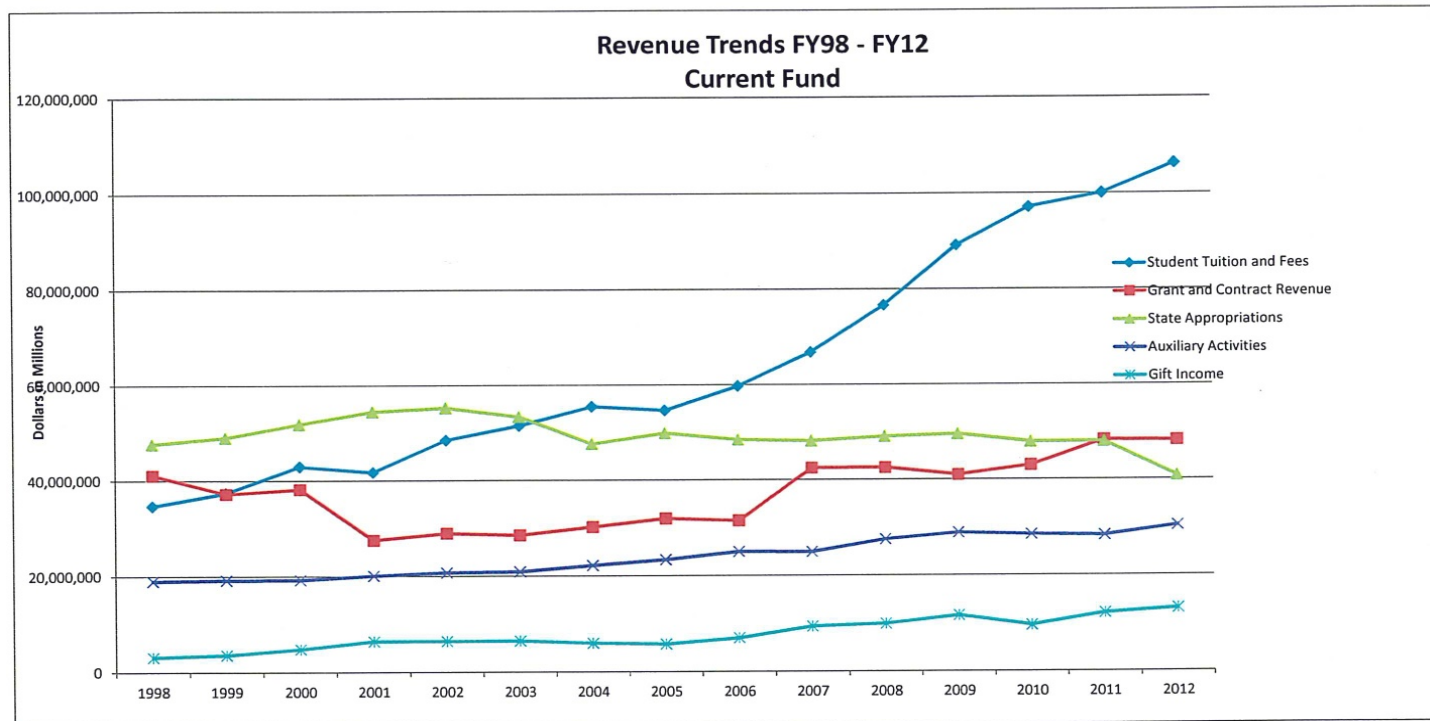
Michigan Tech
Create the Future

Enrollment

	<u>2011</u>	<u>2012</u>
Undergraduate	5728	5623
Graduate	1303	1322
Total	7031	6945

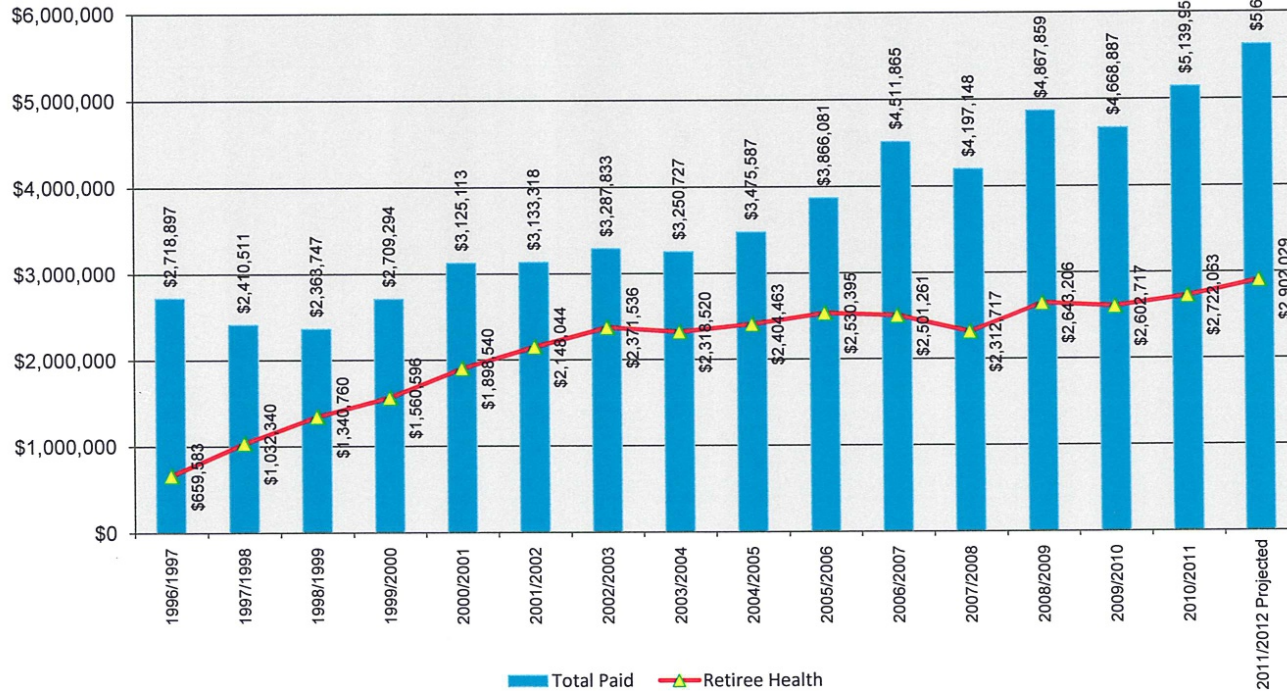
Strategic Plan

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



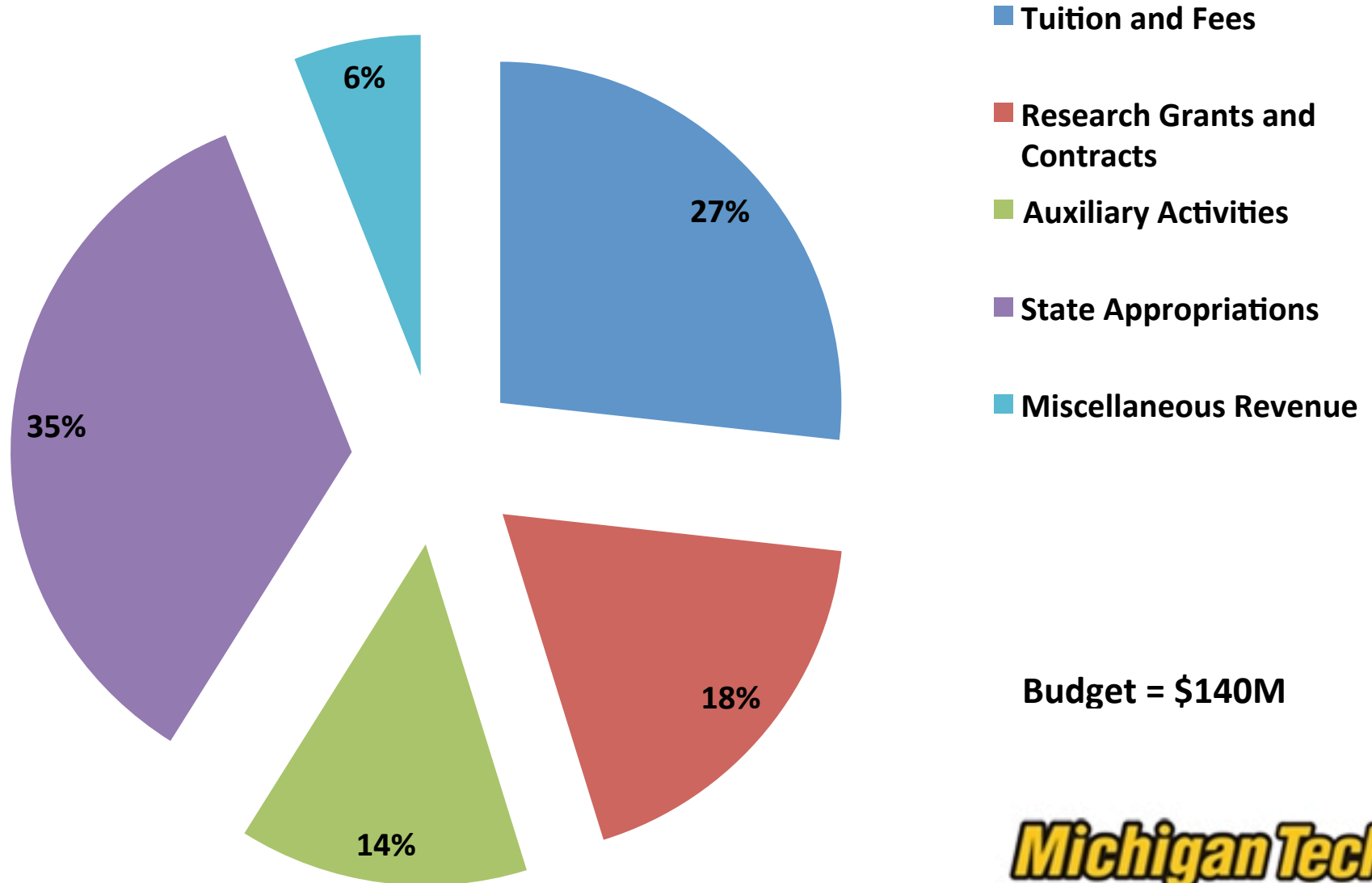
State Appropriation	\$42.6M
Faculty Salaries	<u>- 45.3M</u>
BALANCE	\$ -2.7M

MPERS PAYMENTS 1997 through 2012



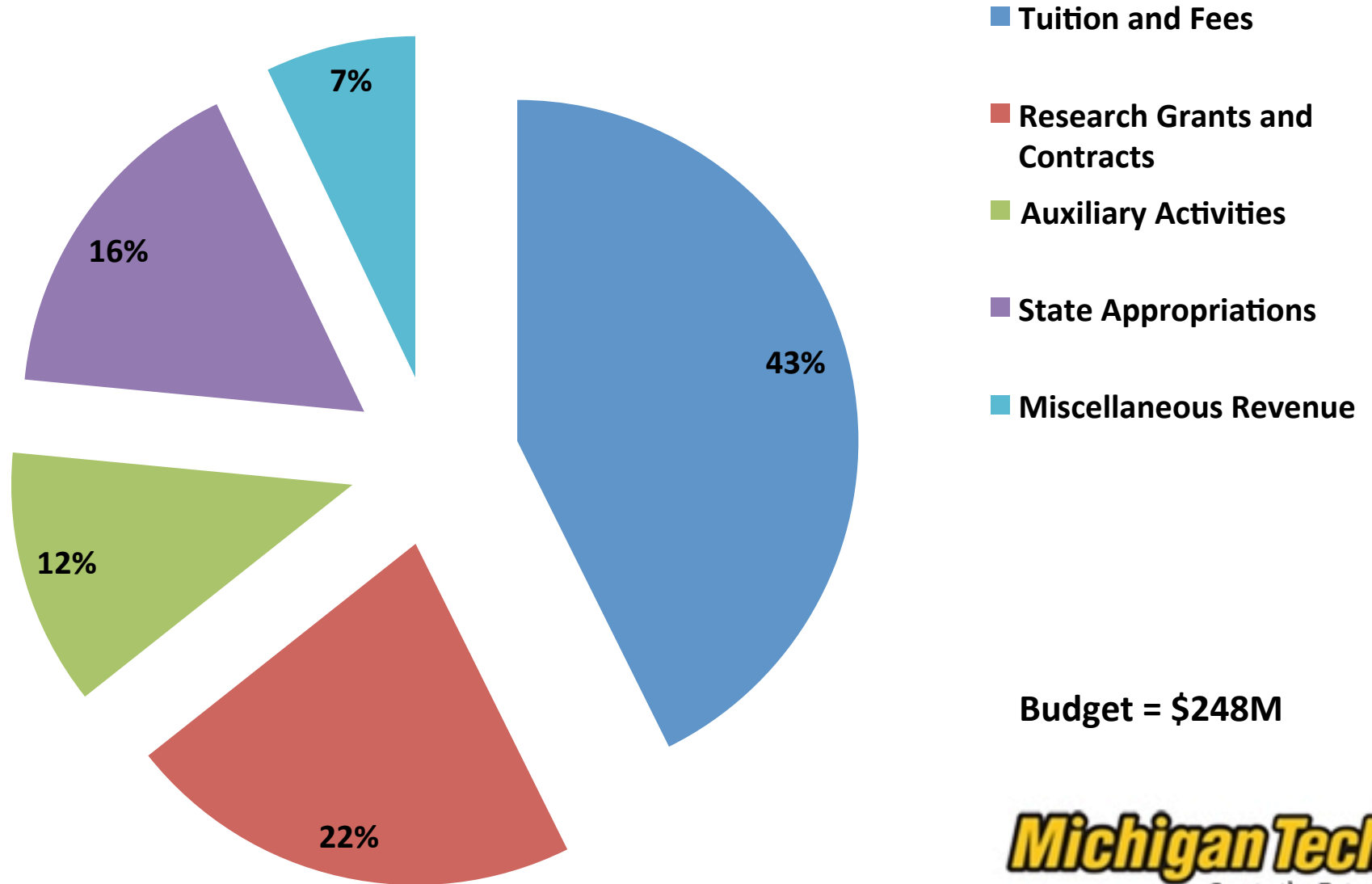
State Appropriation	\$42.6M
One-Time Formula \$\$	- 1.7M
One-Time Tuition Restraint	- 0.169M
MPSERS	- 5.8M
Faculty Salaries	<u>- 45.3M</u>
BALANCE	\$-10.3M

1999 Revenue Sources

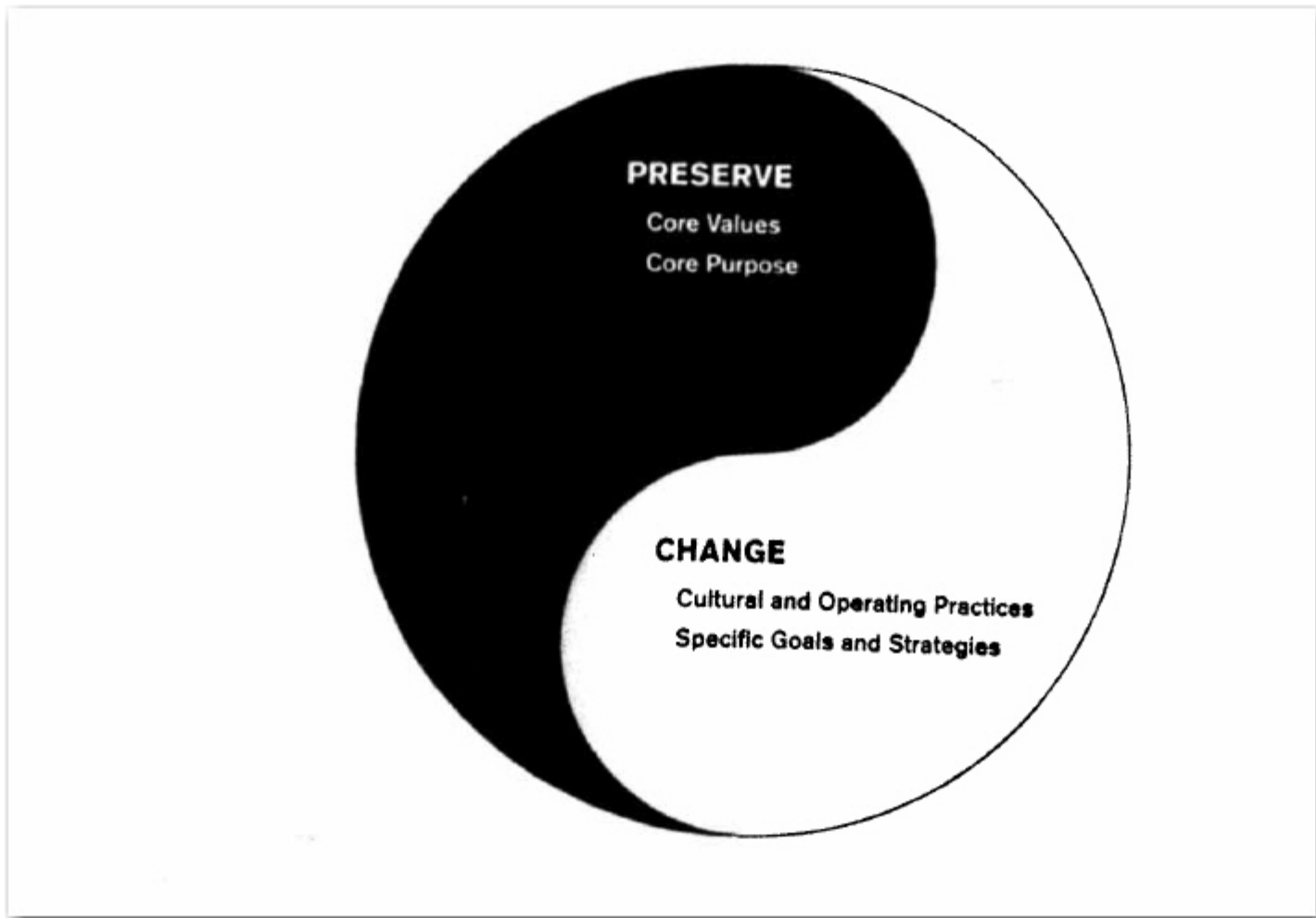


Budget = \$140M

2012 Revenue Sources



Budget = \$248M

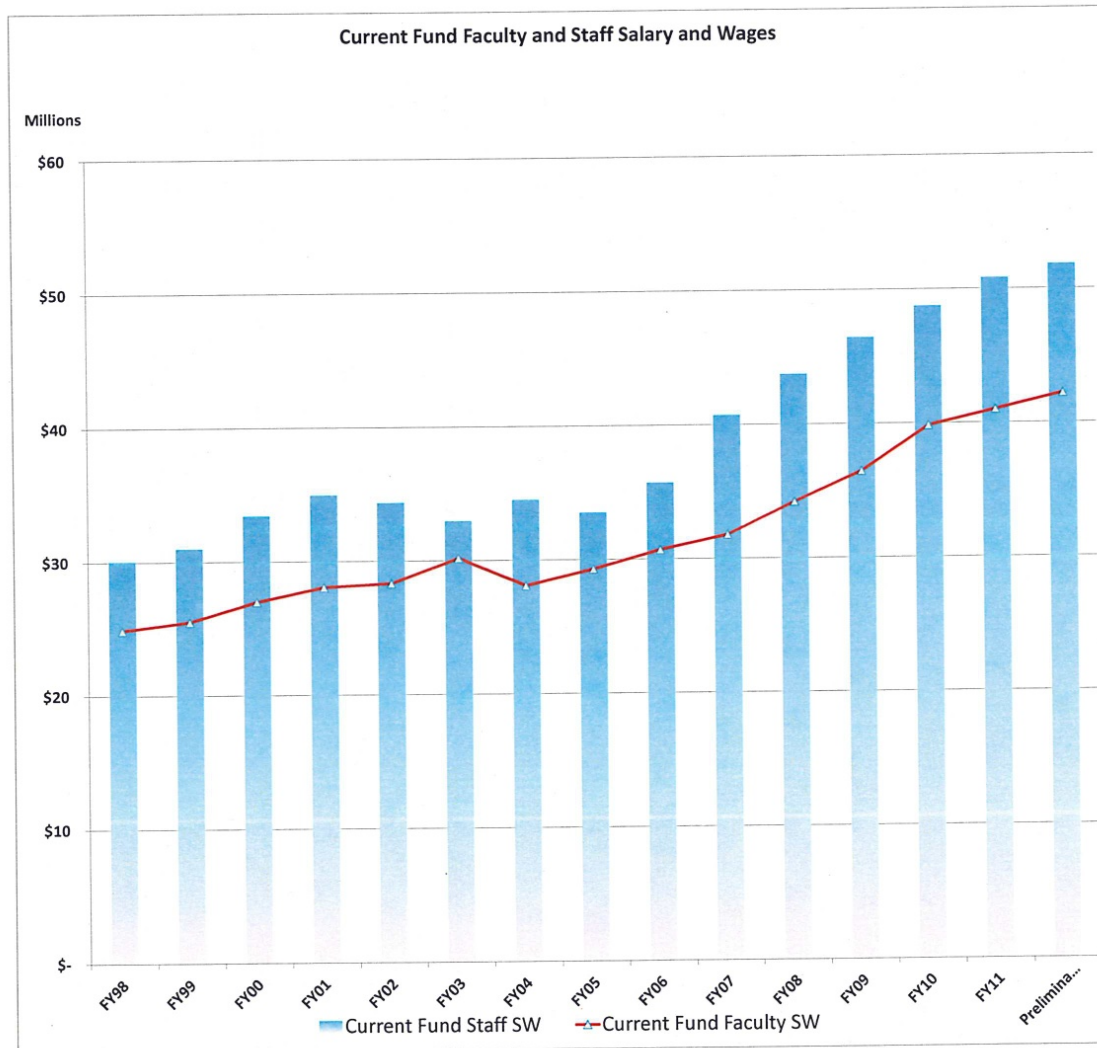


Jim Collins, 2001

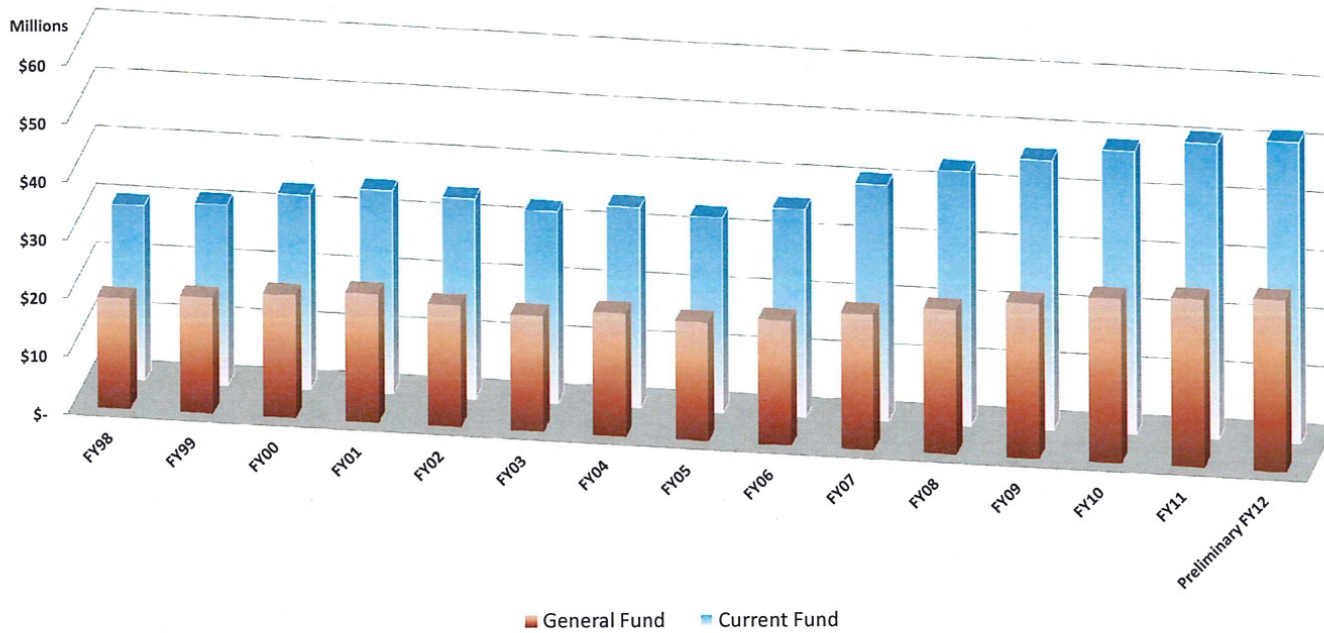
Michigan Technological University
Tenured/Tenure Track Faculty by Gender
2006-07 through 2011-12

	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Male	235	239	241	244	253	261
Female	65	71	71	85	89	93
Total	300	310	312	329	342	354
Percent Female	21.7	22.9	22.8	25.8	26.0	26.3

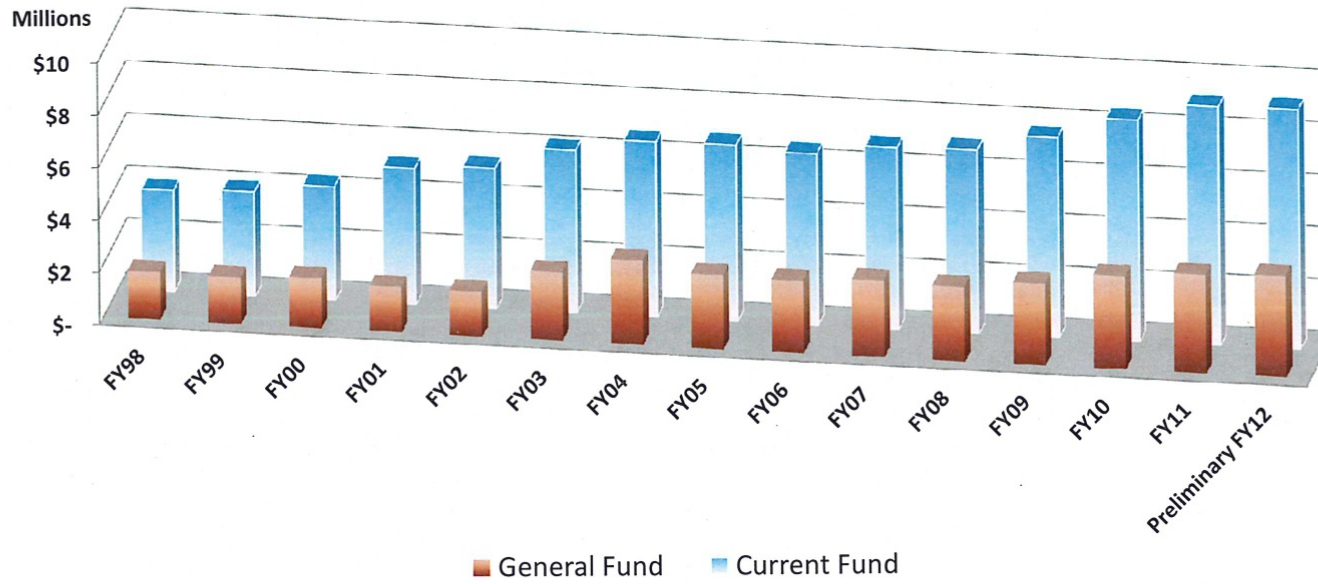
Note: Figures include all tenured and tenure track instructional and research faculty. Also includes those faculty on sabbatical or on unpaid leave of absence. Deans, associate deans, department chairs, executives and professional staff with tenure are excluded.



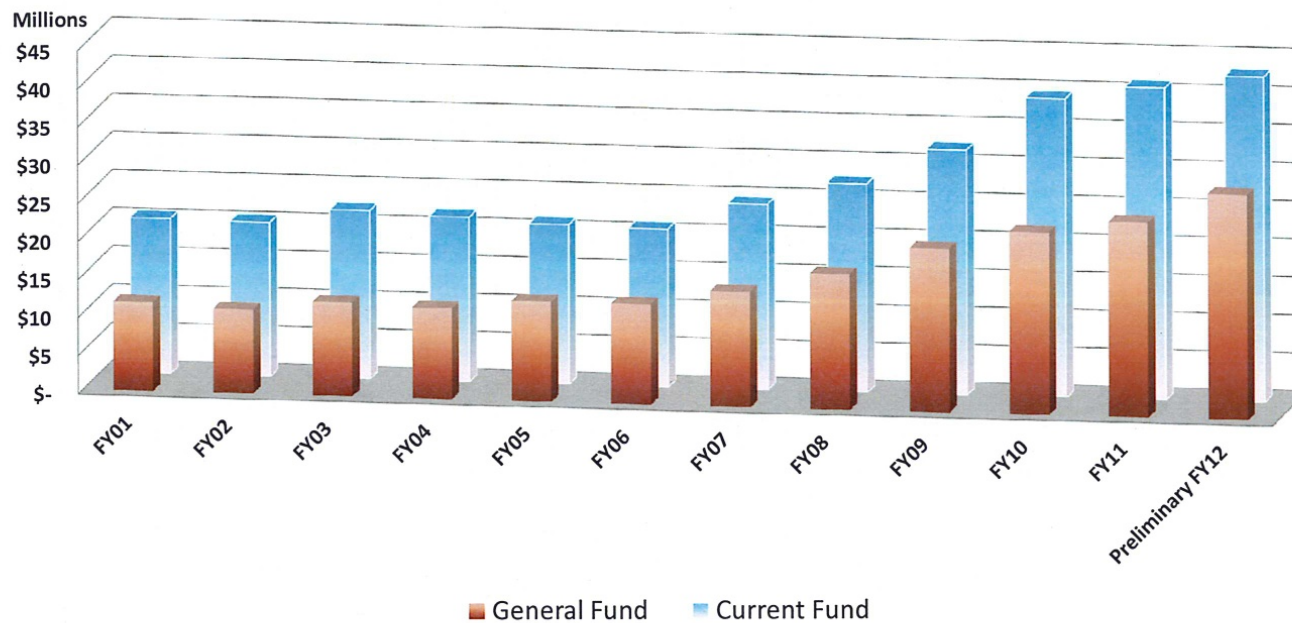
Staff Salary and Wages
FY98 through FY12



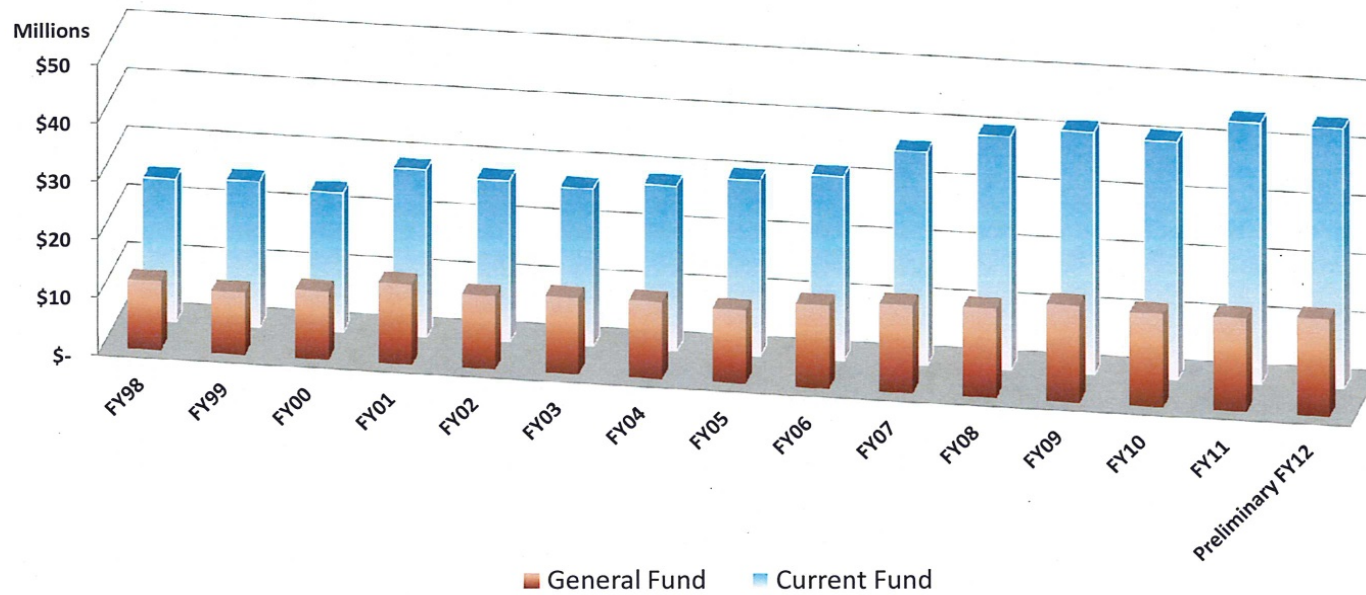
Graduate Student Salary and Wages FY98 through FY12



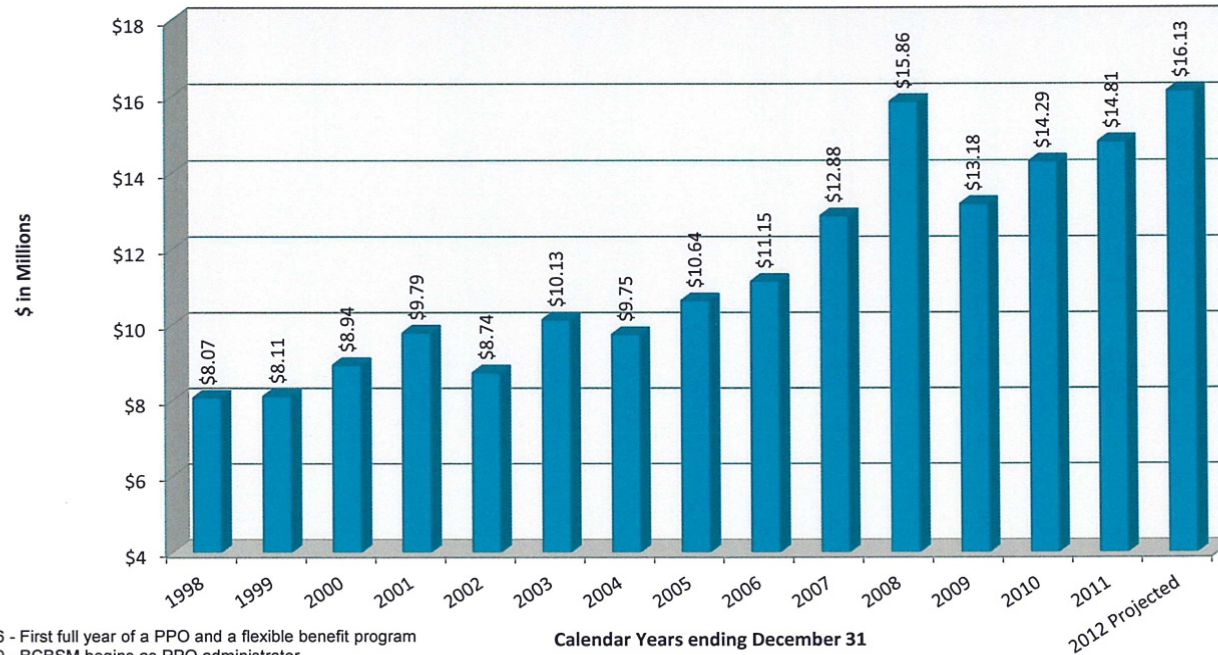
Scholarship/Fellowship Expenditures FY01 through FY12



Supplies, Services, and Equipment Expenditures
FY98 through FY12



Net Aggregate Health Care Expense History Calendar Year Presentation



1996 - First full year of a PPO and a flexible benefit program
 1999 - BCBSM begins as PPO administrator
 2000 - Introduced percentage copays
 2001 - Introduced specific stop loss coverage
 2002 - A Premium plan introduced plus percentage copays for all services
 2004 - Major plan changes
 2009 - Major plan changes (BCBS to Aetna)
 2012 - Ongoing Actual Projection

Health Care Considerations

BLG, President, VPR and VPA reviewed and considered the following over 5 meetings in 2012:

- Projected 2012 Healthcare Costs \$1.5 million higher than originally anticipated
- Projected 2013 Healthcare Costs to increase an additional \$1.4 million if no changes
- Developed a 3 year strategy to provide a 3 year Health and Wellness Roadmap

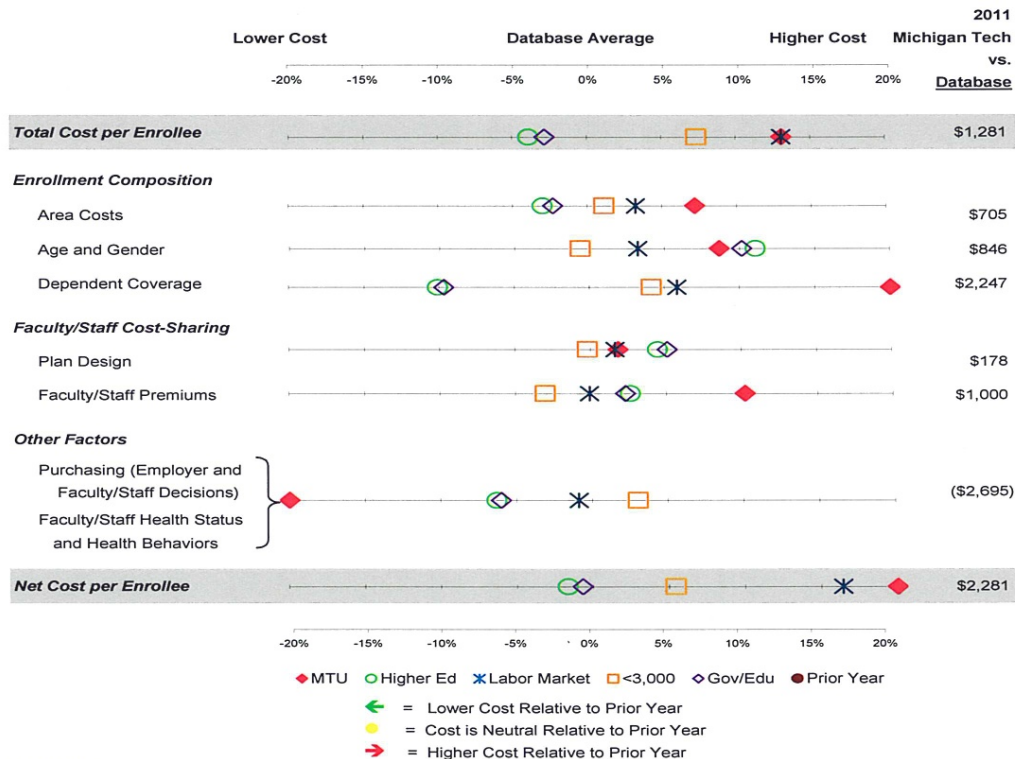
Legislation Changes

Must be considered when making any changes

- Health Insurance Claims Assessment Act –1% tax by State of Michigan Certain Healthcare Claims.
- State Legislature - Publicly Funded Health Insurance Contribution Act – Employer Restricted to 80% of the Total Annual Costs
- National Healthcare Reform – 2012 Tax Year Will Require Michigan Tech's Value of Your Healthcare to be Reported on your W-2
- National Healthcare Reform – Effective in 2013, employees can contribute a maximum of \$2,500 into a healthcare flexible spending account (currently at \$5,000)

2011 Recap—Cost Drivers

Key Cost Drivers—Overall



Source: 2011 HHV™

Consulting | U.S. Health & Benefits
Proprietary & Confidential

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AON Hewitt

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Cost Drivers Affecting Michigan Tech

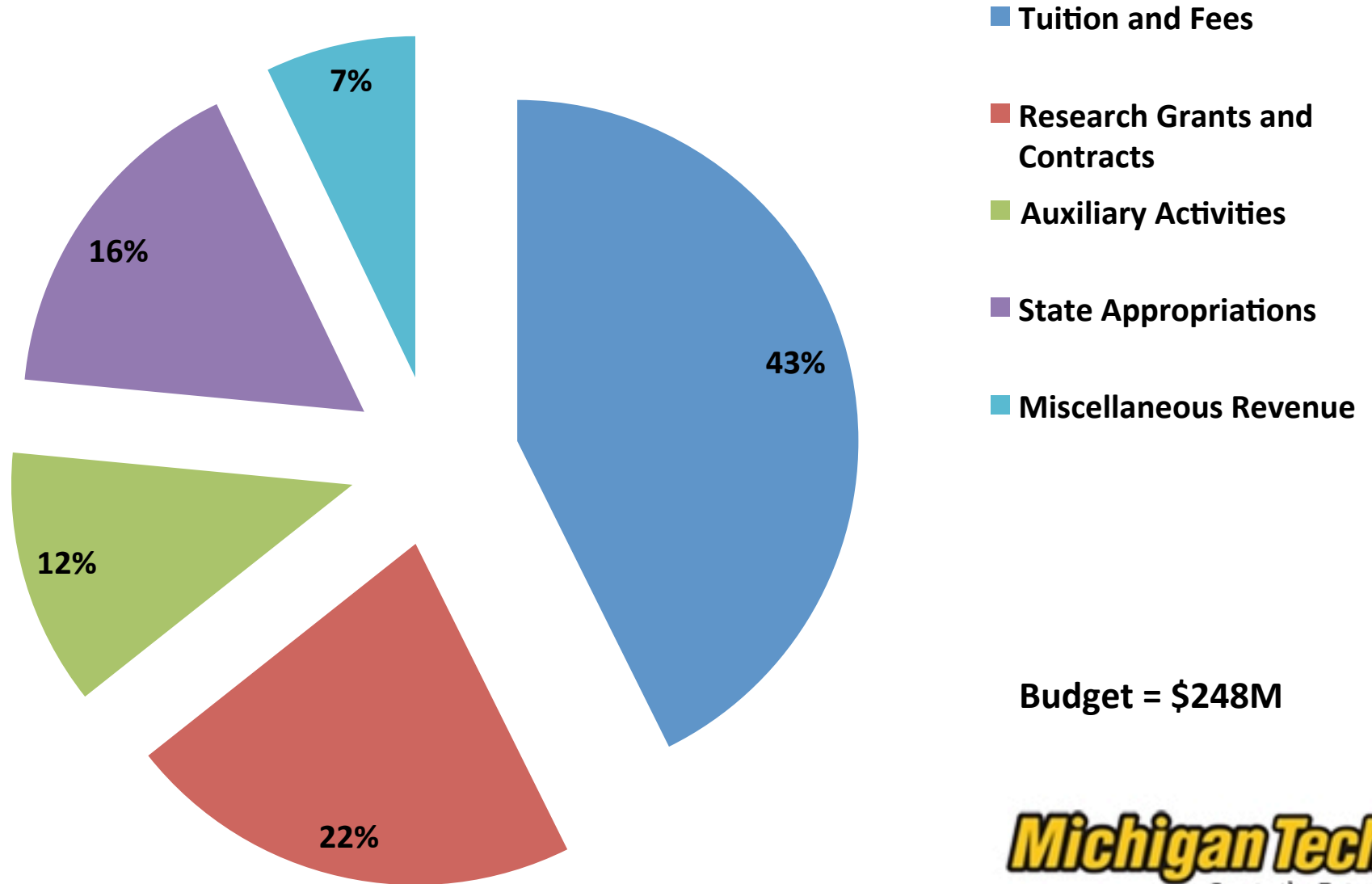
Following items were found to contribute (on average) to Michigan Tech's higher healthcare costs compared to the national average in CY2011:

- Higher number of dependents covered on our plans
- Remote location/geographic reality
- Lower employee contributions

Michigan Technological University
2013-2015 Health and Wellness Roadmap

Current State	Effective January 2013	Effective January 2014	Effective January 2015
Medical			
	Benchmark costs and plan design annually to understand competitive position		
	Monitor utilization and trends annually to assess programs to help manage costs		
	Adapt strategy to account for Health Care Reform (as warranted)		
PPO Deductible \$1000/\$2000 Premium Adult \$91/mth, child \$45.50/mth Lab/radiology coinsurance 10% (all other services 35%, except ER \$75)	Increase PPO deductible to \$2000/\$4000 Eliminate adult/child premium distinction (i.e. same per member premium for adults and children) Coinsurance increase to 35% for	Eliminate PPO plan Continue with HDHP Review and adjust plan design annually, adjust premiums as needed	Review and adjust plan design annually, adjust premiums as needed
HSA Funding \$400/\$800 No premiums	No HSA plan design changes Eliminate HSA funding Implement dependent premium (employee and dual spouse/benefit eligible premium \$0)	Consider incentive-based HSA funding based on group/individual performance in prior year	Consider incentive-based HSA funding based on group/individual performance in prior year
Submit Request For Proposal to various insurance vendors			
Preventive Care			
Annual physical covered at 100%	Annual physical covered at 100%		
Prescription Drugs			
PPO 10% Generic/25% Brand HSA 10% after deductible	Implement step therapy program No PPO or HSA design changes	Evaluate utilization and compliance annually Revise design/interventions as needed	
Legislative (immediate changes)			
W-2 Health Care Reporting (distributed in 2013 for CY2012) Health FSA limit \$5,000 1% tax paid on claims (State of Michigan)	Health FSA limit \$2,500	No changes to employer	No changes to employer
Pricing/Cost Sharing			
	University Budget Target: \$14,500,000	University Budget Target: To Be Determined	University Budget Target: To Be Determined
	Review pricing/cost sharing in light of budget constraints		
Wellness			
TechFit SWEAT (physical improvement) program	Implement Personal Health Record Quarterly Newsletter/How To Handout	Measure program effectiveness annually Evaluate incentive strategy annually	
Health Risk Assessment/Annual Physical Incentive Cooking classes HuskyPAW incentive program Healthy Lifestyle Coaching	Monthly wellness topics	Continue ongoing communication	
Other			
Dental Vision	Vendor/design/pricing evaluations in progress	Monitor enrollment, utilization and trends annually to assess programs and manage costs	
Other insurance alternatives to consider			
BCBSM - Young Adult Blue	http://www.bcbsm.com/myblue/light-plan/light-blue-max-product-pa.shtml		
BCBSM - all alternatives	http://www.bcbsm.com/myblue/		
Aetna - all alternatives	http://healthinsurance.aetna.com/state/michigan/individual-health-insurance/health-plans		

2012 Revenue Sources



Campaign

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

Michigan Technological University

Generations of Discovery

Campaign Breakdown

As of September 30, 2012

• Facilities	\$ 7.2M
• Scholarships/Fellowships	30.0M
• Chairs & Professorships	38.2M
• Depts. Program Support/Ops.	56.8M
• Unrestricted or undesignated	4.3M
• Private Research	<u>48.9M</u>
TOTAL	\$185.4M

Endowed and Demand Chairs and Professorships

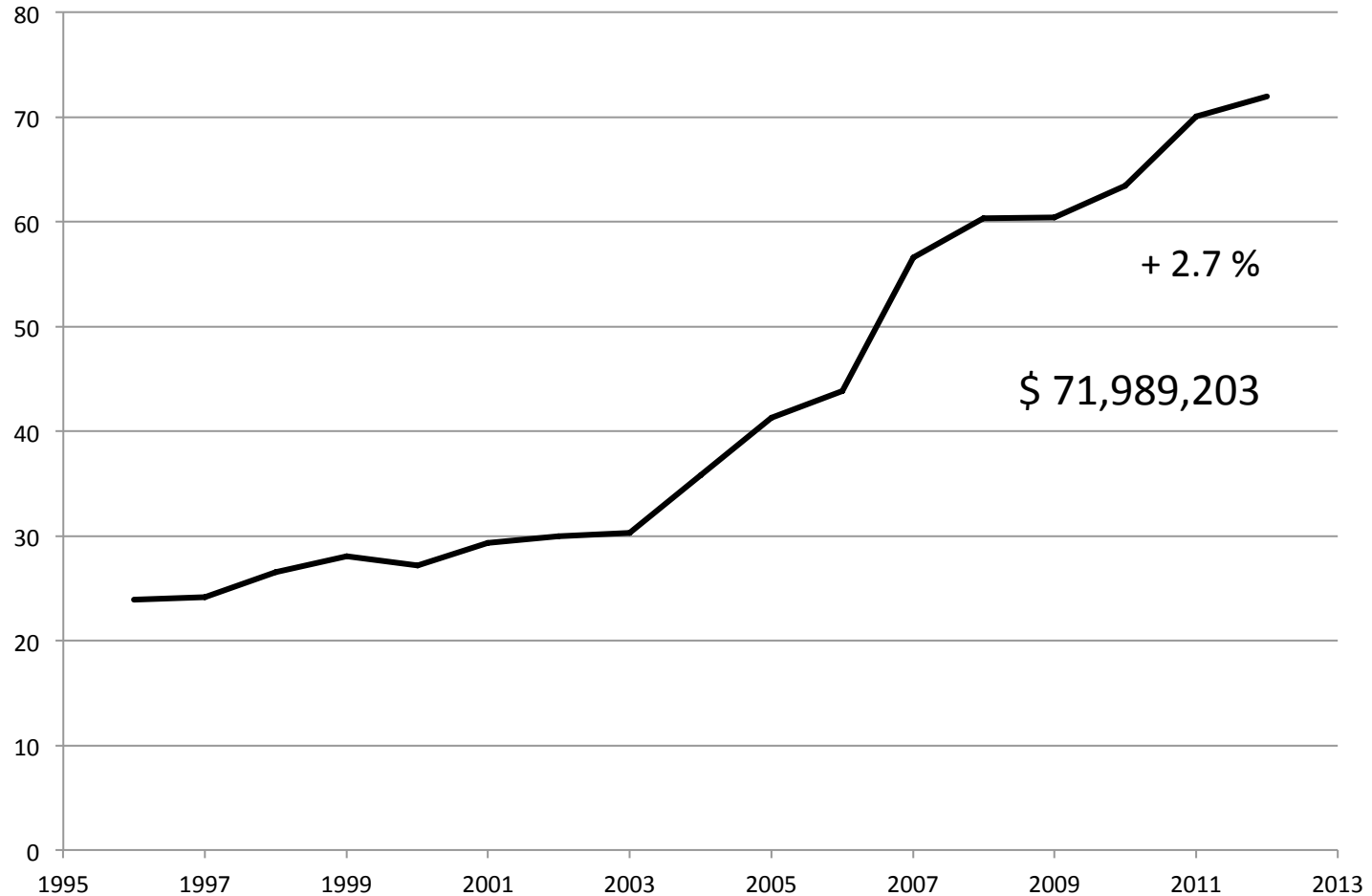
2004

7 positions

2012

24 positions

FY12 Research Expenditures



FY12 Sponsored Program Awards



Continuous Improvement – Lean

Fiscal Year 2012 Highlights

- 28 Kaizen Events
- \$138,500 estimated annual cost savings/containment
- 393 Total Employees Involved
- FY12 Report available on the Web
 - <http://www.mtu.edu/improvement>

Continuous Improvement – Lean

Fiscal Year 2012 Highlights

- New Departments held Kaizen Events:
 - Geological & Mining Engineering & Sciences
 - Public Safety & Police Services
 - Financial Aid
 - J. Robert Van Pelt Library
 - Information Technology
 - Administrative Information Services
 - Forest Resources & Environmental Science

Marketing – Web Site Launches

Affirmative Programs: <http://www.mtu.edu/affirmative-programs>

AFROTC: <http://www.mtu.edu/afrotc>

AROTC: <http://www.mtu.edu/arotc>

College of Science and Arts: <http://www.mtu.edu/sciences-arts>

Biological Sciences: <http://www.mtu.edu/biological>

Chemistry: <http://www.mtu.edu/chemistry/>

Kinesiology and Integrative Physiology: <http://www.mtu.edu/kip>

Physics: <http://www.mtu.edu/physics>

U.S. News Best Colleges Ranking

(Undergraduate)

- Ranked 120th among 199 national universities
- Ranked 58th among public national universities
- Engineering ranked 64th in the nation; moving up from 74th
- Listed as an “A-plus School for B Students”

Princeton Review

(Undergraduate)

- Ranked “Best in the Midwest” section of its “2013 Best Colleges: Region by Region”
- Also included in “Best 377 Colleges” publication, which spotlights top 15 percent of America’s 2,500 four-year colleges and three colleges outside the United States

Washington Monthly

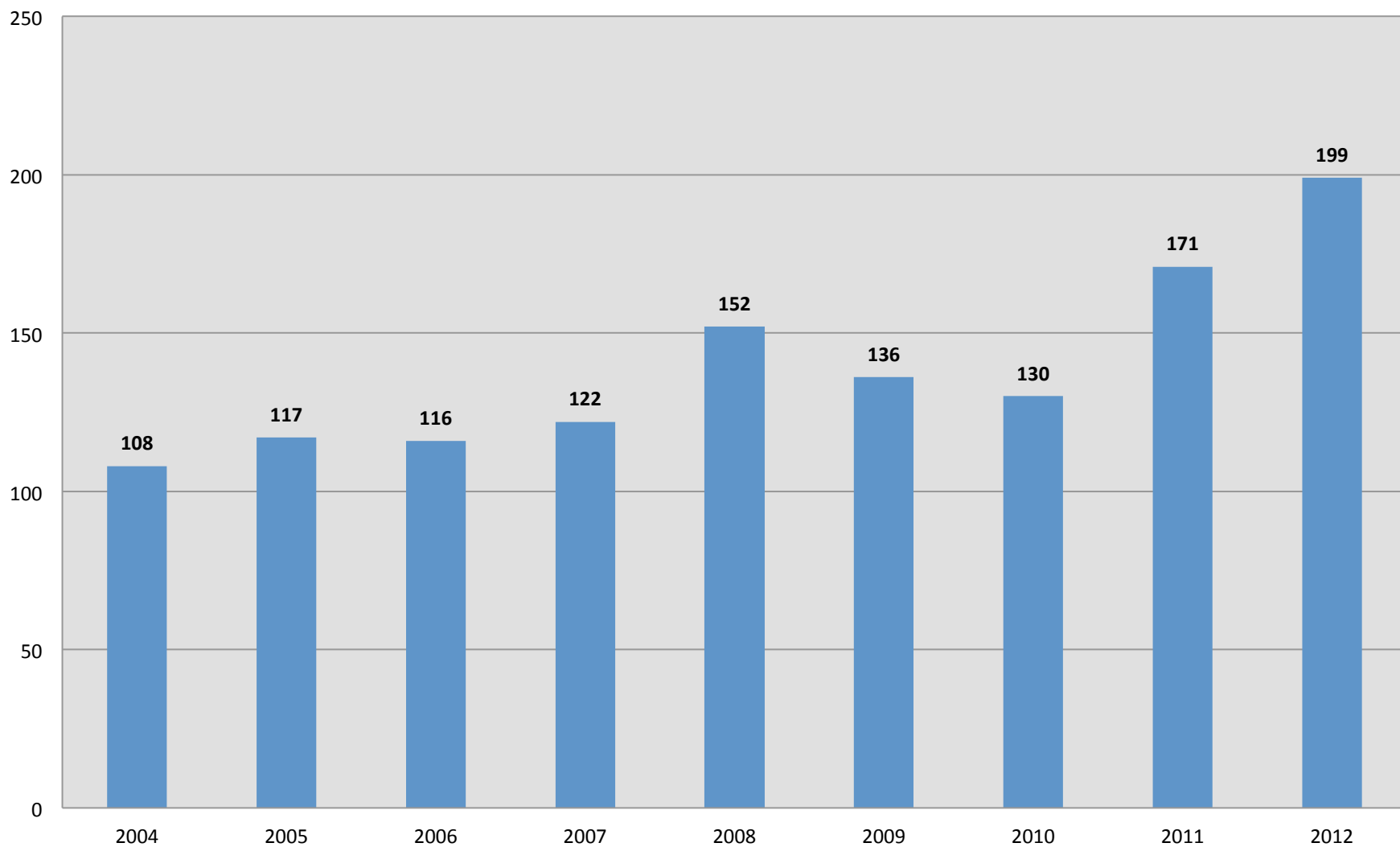
(Undergraduate)

- Ranked 63rd among 100 national universities
- Ranked 4th in the country for encouraging students to give service to their country through ROTC programs

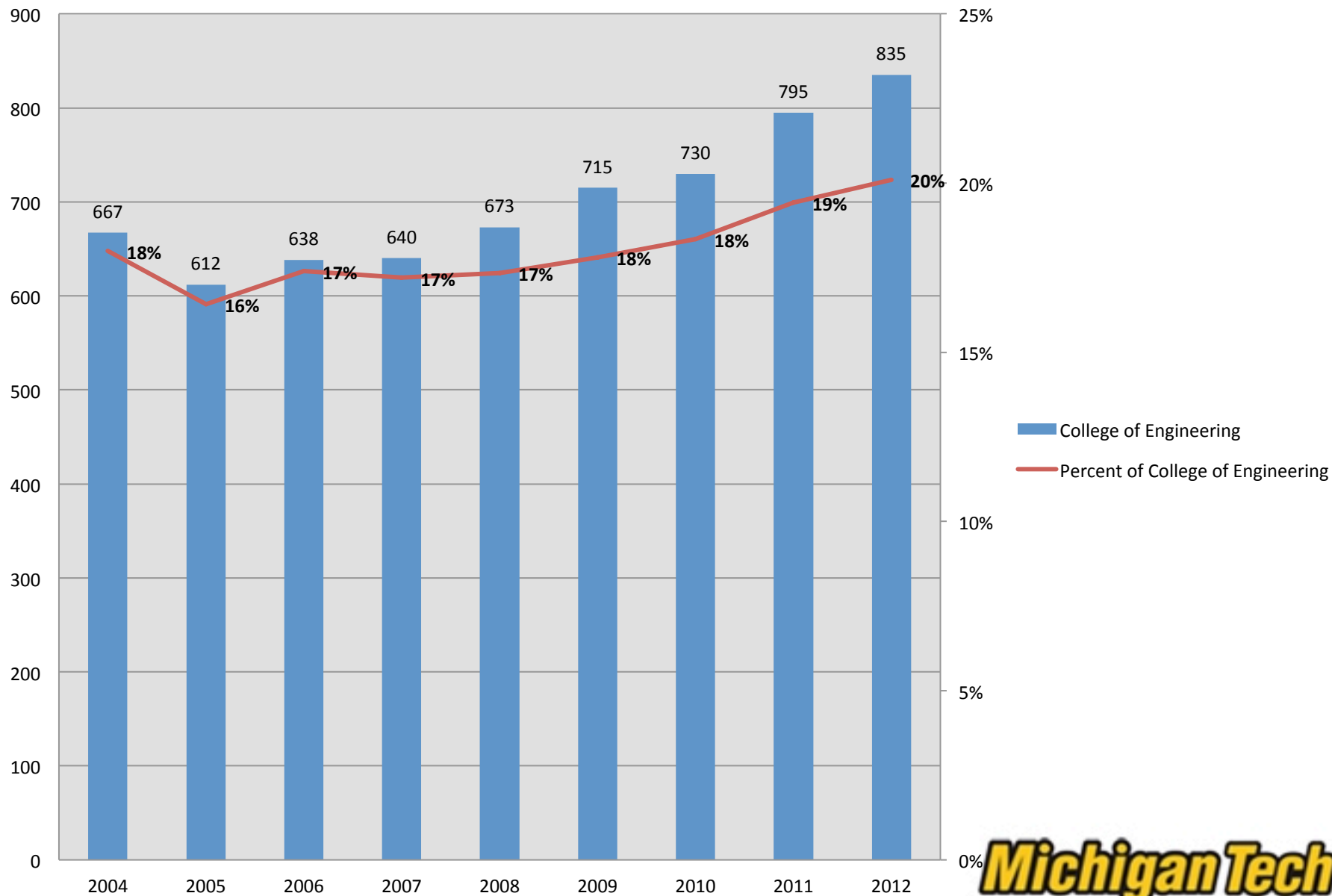
Fall '12 Career Fair Results

- Employers 280
- Representatives 888
- Students 3000
- Total Interviews 4186+

Incoming Female College of Engineering Undergraduates



College of Engineering Females





My roommate is **XX**traordinary

Because she was accepted everywhere she applied – and chose to come to the crazy, snowy U.P. instead of going to Princeton. Because she's the only girl in her Advanced Algorithms class (and the only one getting an "A"). Because she's never missed a dogwalking date with the Copper County Humane Society. Because she makes butterscotch brownies for our whole floor, every single week. Because she's like all the other women at Michigan Tech: smart, cool, brave, kind, FEARLESS!

Get to know the extraordinary women of MTU at www.facebook.com/xxtraordinarywomen

Want to see MTU for yourself? Email admissions@mtu.edu
or call 888 688 1885. We'd love to show you around!



mtu.edu.

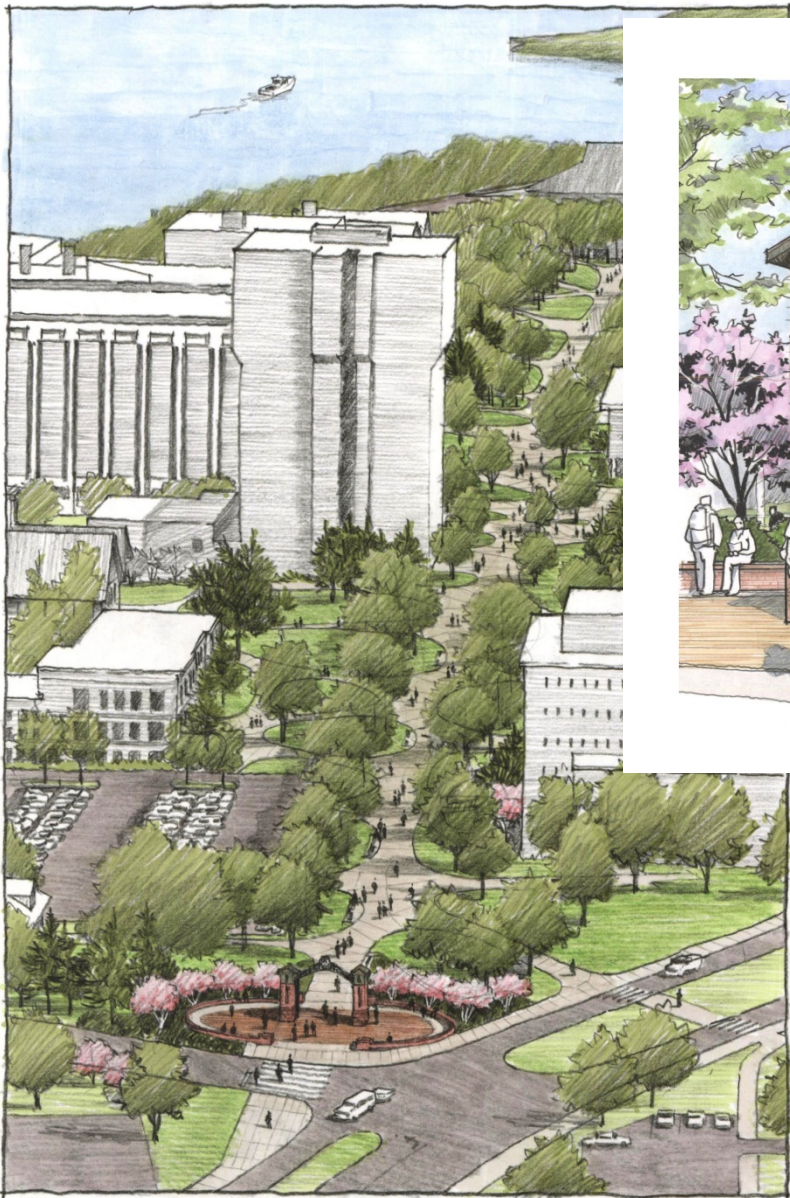
**No Capital Outlay
Will be Funded in '14
Per Governor's Office**

State of Michigan Capital Outlay Plan

Five - Year Capital Outlay Plan – FY 2014

Rank	Project Name	Gross Sq. Ft. New	Gross Sq. Ft. Renovated	Total Project Cost (000's)	State Funds (000's)	Est. Const. Univ. Funds (000's)	Start/End
1	Advanced Energy Research Laboratories		122,500	\$19,872	\$14,623	\$5,249	2014 – 2016
2	Human Health Research Center	100,000		\$35,000	\$26,250	\$8,750	2015 - 2017
3	Manufacturing Center	45,000	20,000	\$21,000	\$15,750	\$5,250	2016 - 2018

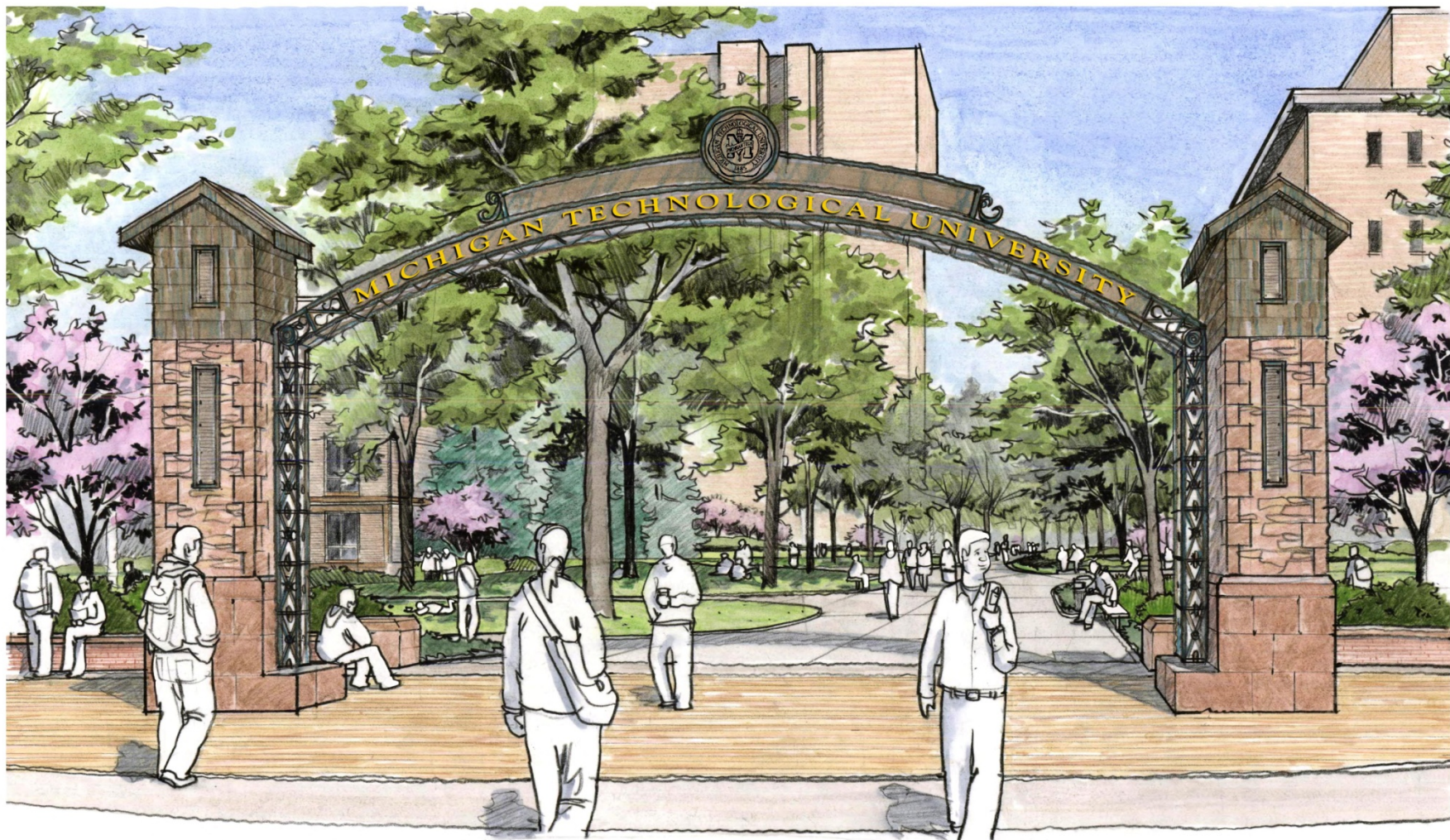




The Alumni Way

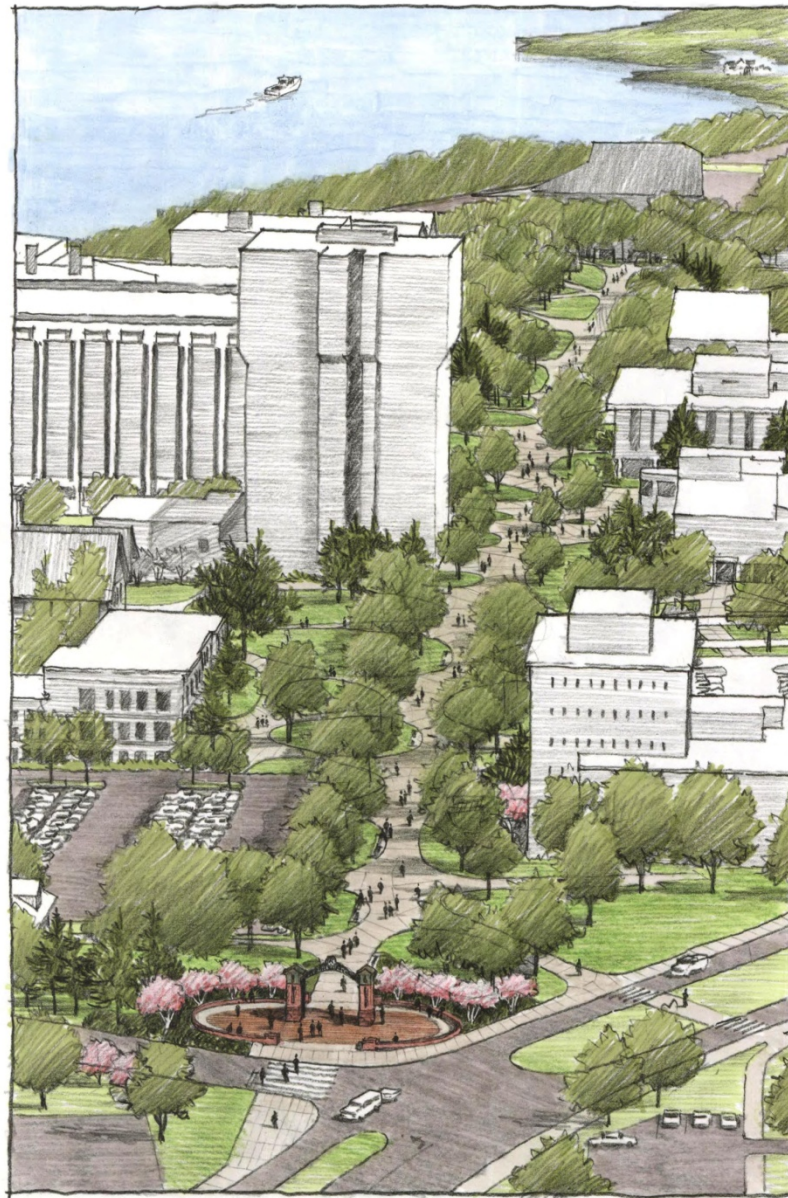
Michigan Tech - Central Campus Mall











Michigan Tech - Central Campus Mall

Thanks For All You Do!

QUESTIONS