CAMPUS FORUM

April 26, 2011
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/
Promotion Recommendations

Full Professor

• Seth Donahue
• Jason Keith
• Leonard Bohmann
• Zhi (Gerry) Tian
• Brad King
• Jeffrey Naber
• Yoke Khin Yap
Associate Professor
Promotion & Tenure Recommendations

- Keat Ghee Ong
- Yue Li
- Amlan Mukherjee
- Michael Bowler
- Qiuying Sha
- Fabrizio Zanello
- Fernando Ponta
- Gregory Graman
- Hao (Howard) Qi
- John Vucetich
- Abdul Nasser Al araje
- Yu Cai
Promotion to Senior Lecturer

- Evelyn Johnson
- Susanne Kilpela
- Charles Margraves
Spring Commencement 2011

- 753 Undergraduates
- 150+ Graduates
### Current Fund FY11

*(in thousands)*

<table>
<thead>
<tr>
<th></th>
<th>Original Projection</th>
<th>3rd Qtr Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>245,429</td>
<td>247,777</td>
</tr>
<tr>
<td>Expense</td>
<td>(245,218)</td>
<td>(247,526)</td>
</tr>
<tr>
<td>Net Income</td>
<td>211</td>
<td>251</td>
</tr>
<tr>
<td>Current Fund Balance</td>
<td>15,524</td>
<td>15,564</td>
</tr>
</tbody>
</table>

Note: Current Fund includes General Fund, Designated Fund, Auxiliaries, Retirement and Insurance, and the Expendable Restricted Funds.
## Current Fund Balances
### FY08 Thru FY11

<table>
<thead>
<tr>
<th></th>
<th>Balance 06/30/08</th>
<th>Balance 06/30/09</th>
<th>Balance 06/30/10</th>
<th>Balance 06/30/11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL CURRENT FUND</strong></td>
<td>$15,415</td>
<td>$15,635</td>
<td>$15,313</td>
<td>$15,564</td>
</tr>
<tr>
<td><strong>LEGALLY RESTRICTED FUNDS</strong></td>
<td>(2,933)</td>
<td>(2,822)</td>
<td>(2,692)</td>
<td>(2,546)</td>
</tr>
<tr>
<td><strong>UNRESTRICTED FUND BALANCE</strong></td>
<td>$12,482</td>
<td>$12,813</td>
<td>$12,621</td>
<td>$13,018</td>
</tr>
</tbody>
</table>
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
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
In Other Words ....

- No Knee Jerk Reactions
- Follow Our Strategic Plan
• 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
## Proposed 2012 State Appropriation

($ in Millions)

<table>
<thead>
<tr>
<th></th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>$37.41</td>
<td>$37.43</td>
<td>$40.73</td>
</tr>
<tr>
<td>Tuition Restraint Incentive</td>
<td>$ 3.32</td>
<td>$ 3.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Appropriation</td>
<td>$40.73</td>
<td>$40.75</td>
<td>$40.73</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change from Current Appropriation</td>
<td>-7.2</td>
<td>-7.2</td>
<td>-7.2</td>
</tr>
</tbody>
</table>
Proposed 2012 Appropriations
Bill Boilerplate Discussions

GOVERNOR –
Combine Financial Aid for Private and Public Research Universities Unchanged

SENATE –
Defines Research Universities as “High” & “Very High” - Carnegie

HOUSE –
Recognized High Cost Programs at Michigan Tech
No Recognition of Research Universities
FY12 Current Fund Planning Parameters

Revenue

Enrollment: +55 Students

Tuition: +6.95%

Indirect Cost Recovery: +9%

State Appropriations: -15%
FY12 Current Fund Planning Parameters
Expenditure Changes

Promotional Increases +$400k
Reduction in Credit Card Fees -$600k
Utilities Decrease -$200k
Fringe Rate -$1.2M
Carryforward Reserve +$3.2M
2% Academic/4% Admin. Savings -$3.0M
Financial Aid (Grad & Undergrad.) +$1.3M
Auxiliaries -$800k
## Comparison FY11- FY12 Current Fund Projections ($ in Millions)

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
</tr>
</thead>
<tbody>
<tr>
<td>(March Proj.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>180.3</td>
<td>192.5</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>242.0</td>
<td>244.8</td>
</tr>
<tr>
<td>Non-Operating Rev./Exp.</td>
<td>67.5</td>
<td>58.4</td>
</tr>
<tr>
<td>Net Increase Fund Balance</td>
<td>0.25</td>
<td>0.04</td>
</tr>
</tbody>
</table>
CPI Adjusted Revenue Streams 1994-2015
As a Percentage of Total Revenue

Percentage of Total Revenue

Net Tuition & Fees
Grant and Contract Revenue
Auxiliary Revenue
State appropriations, Operating
Other Income

MichiganTech
Create the Future
MPSERS Issues

- 1945 - System Begins, State pays cost
- 1974 - Universities assessed part of cost
- 1975 - Health Care added for retirees and dependents
- 1994 - Universities must fund all cost of retiree pension and health
- 1996 – No new MPSERS Universities’ employees in MPSERS
THE BASIC PROBLEM FOR UNIVERSITY MPSERS

For Non-University MPSERS (K-12)
• 1.5 WORKERS per retiree

For University MPSERS
• 1.8 RETIREES per worker
## MPSERS for Michigan Tech FY11 and FY12

<table>
<thead>
<tr>
<th></th>
<th>FY11</th>
<th>FY12</th>
<th>Est. Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Members pension normal charge</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate</td>
<td>4.11%</td>
<td>3.21%</td>
<td>-22%</td>
</tr>
<tr>
<td>$</td>
<td>602,846</td>
<td>470,836</td>
<td></td>
</tr>
<tr>
<td><strong>Pension unfunded liability</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate</td>
<td>9.73%</td>
<td>13.41%</td>
<td>38%</td>
</tr>
<tr>
<td>$</td>
<td>908,764</td>
<td>1,252,469</td>
<td></td>
</tr>
<tr>
<td>Non-Members</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate</td>
<td>9.73%</td>
<td>13.41%</td>
<td>38%</td>
</tr>
<tr>
<td>$</td>
<td>722,478</td>
<td>995,728</td>
<td></td>
</tr>
<tr>
<td><strong>Retiree Health Care</strong></td>
<td>2,602,717</td>
<td>2,902,029</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,836,805</td>
<td>5,621,062</td>
<td>16%</td>
</tr>
</tbody>
</table>

**Note:** Since exact payroll amounts for each category aren't known yet, FY12 numbers are estimates based on current MPSERS payroll of $12M.
COE female deposits paid

- 2004 Deposits
- 2005 Deposits
- 2006 Deposits
- 2007 Deposits
- 2008 Deposits
- 2009 Deposits
- 2010 Deposits
- 2011 Deposits
Female Deposits Paid

Week 2 4 6 8 10 12 14 16 18 20 22 24 26 28 30 32 34 36 38 40 42 44 46 48 50

2004 2005 2006 2007 2008 2009 2010 2011
MICHIGAN TECHNOLOGICAL UNIVERSITY
Generations of Discovery
Campaign Progress Summary
as of April 22, 2011

Alumni & Friends $ 96,516,502
Corporations 39,589,259
Private Foundations 2,526,475
Gifts-in-Kind 5,031,981
Grand Total $143,664,217
Michigan Technological University
Generations of Discovery
Campaign Breakdown

- Facilities $7.2M
- Scholarships/Fellowships 16.9M
- Chairs & Professorships 28.8M
- Depts. Program Support/Ops. 51.8M
- Research 39.9M

TOTAL $143.6M
Increase in Endowed Faculty Positions

Dr Ching-An Peng
James and Lorna Mack Endowed Chair
Chemical Engineering

Dr Dave Shonnard
Robbins Chair
Chemical Engineering

Dr Dan Fuhrmann
Dave House Endowed Professorship
Electrical and Computer Engineering

Dr Shuanglin Zhang
Henes Endowed Math Professorship
Mathematical Sciences

Dr Rolf Peterson
Robbins Chair
School of Forest Resources and Environmental Sciences

Dr Brad King
Ronald and Elaine Starr
Assoc Professor in Space Systems

Dr Jeff Naber
Ronald and Elaine Starr
Assoc Professor in Energy Systems

Dr Jeff Allen
John & Joan Calder Assoc Professor
In Mechanical Engineering

Dr Tim Schulz
Dave House Endowed Professorship
Electrical and Computer Engineering

Dr Craig Friedrich
Robbins Chair
Mechanical Engineering – Engineering Mechanics

Searching:
William and Gloria Jackson
Endowed Professorship in Electrical Engineering,
Computer Science, and Entrepreneurship

Rick and Jo Berquist Professorship in
Entrepreneurship and Innovation

MichiganTech
Create the Future
Power of Philanthropy

Fifth Floor
EERC

Center for Computer Systems Research
Power of Philanthropy

Fifth Floor
EERC

Center for Computer Systems Research
Power of Philanthropy

A.E. Seaman Mineral Museum
Power of Philanthropy

Humanities Digital Media Zone
Career Center

Power of Philanthropy
(Your Name Here)
Great Lakes Research Center
Task Forces/Working Groups

- Incentive Return Task Force - Completed
- Lactation Center - In Process
- MUB Basement Working Group - Completed
- New Faculty Start-up Task Force - Completed
- Data Standards Group - Completed
- Parking Task Force - Completed
- Tobacco Review Working Group - Completed
- AQIP Projects - On going
Commencement Speaker
Norman R. Augustine
QUESTIONS