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)

<table>
<thead>
<tr>
<th></th>
<th>Original Projection</th>
<th>3rd Qtr. Projection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$ 257,840</td>
<td>$ 253,047</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td>$(257,397)</td>
<td>$(251,945)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$ 443</td>
<td>$ 1,102</td>
</tr>
<tr>
<td><strong>Current Fund Balance</strong></td>
<td>$ 12,931</td>
<td>$ 13,590</td>
</tr>
</tbody>
</table>

Note: Current Fund includes General Fund, Designated Fund, Auxiliaries, Retirement and Insurance, and the Expendable Restricted Funds.
<table>
<thead>
<tr>
<th></th>
<th>Balance 06/30/11</th>
<th>Balance 06/30/12</th>
<th>3rd Qtr Projection 06/30/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL CURRENT FUND BALANCE</td>
<td>$ 16,080</td>
<td>$ 12,488</td>
<td>$ 13,590</td>
</tr>
<tr>
<td>LEGALLY RESTRICTED FUNDS</td>
<td>(2,808)</td>
<td>(3,590)</td>
<td>(3,019)</td>
</tr>
<tr>
<td>UNRESTRICTED CURRENT FUND BALANCE</td>
<td>$ 13,271</td>
<td>$ 8,897</td>
<td>$ 10,571</td>
</tr>
</tbody>
</table>
### Balance Sheet

**Condensed Statement of Net Assets**

as of March 31, 2013

(unaudited - in thousands)

<table>
<thead>
<tr>
<th></th>
<th>University</th>
<th>Tech Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 315,082</td>
<td>$ 120,823</td>
<td>$ 435,905</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$ 105,552</td>
<td>$ 4,638</td>
<td>$ 110,190</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td>$ 209,530</td>
<td>$ 116,185</td>
<td>$ 325,715</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td>$ 315,082</td>
<td>120,823</td>
<td>435,905</td>
</tr>
<tr>
<td>Period</td>
<td>Rating</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2000 – FY2010</td>
<td>A1-Stable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2010 – FY2012</td>
<td>Aa3-Negative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2013 (January)</td>
<td>Moody’s downgraded all Higher Education to negative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2013 (April)</td>
<td>A1-Stable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th></th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Increase</td>
<td>2.8%</td>
<td>2.1%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Tuition Incentive Limit</td>
<td>4.0%</td>
<td>3.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Dollar Increase</td>
<td>$1.2M</td>
<td>$875K</td>
<td>$1.2M</td>
</tr>
</tbody>
</table>
# Other Proposed State Higher Education Appropriations

*All eligible universities

<table>
<thead>
<tr>
<th></th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MPSERS</td>
<td>$446K</td>
<td></td>
<td>$2.0M</td>
</tr>
<tr>
<td>Indian Tuition Waiver</td>
<td></td>
<td></td>
<td>$2.0M</td>
</tr>
<tr>
<td>Tuition Incentive</td>
<td>$6.0M</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ENROLLMENT
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

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduates</td>
<td>+70</td>
</tr>
<tr>
<td>Graduates</td>
<td>Same</td>
</tr>
<tr>
<td>Plateau Tuition</td>
<td>+2.9%</td>
</tr>
<tr>
<td>Graduate Tuition</td>
<td>+6.0%</td>
</tr>
<tr>
<td>State Appropriations</td>
<td>+2.8%</td>
</tr>
<tr>
<td>Faculty &amp; Staff Merit Pool</td>
<td>+3.0%</td>
</tr>
<tr>
<td>Grad. Student Minimum Stipends</td>
<td>+3.0%</td>
</tr>
<tr>
<td>Fringe Rate</td>
<td>+1.0%</td>
</tr>
<tr>
<td>IRAD Return</td>
<td>+600k</td>
</tr>
</tbody>
</table>
RESEARCH
FY12 Sponsored Program Awards
### Sponsored Awards, 3rd Qtr. FY13

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

$ 71.98 M
+ 2.7 %
# Intellectual Property, 3<sup>rd</sup> Qtr. FY13

|                        | 3<sup>rd</sup> Qtr. FY13 | 3<sup>rd</sup> Qtr. FY12 | % +/-  
|------------------------|--------------------------|--------------------------|-------
| Disclosures            | 35                       | 39                       | - 10.3 %  
| NDAs                   | 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

Michigan Tech
Create the Future
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

<table>
<thead>
<tr>
<th>FACULTY HEADCOUNT</th>
<th>2007-08</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>310</td>
<td>354</td>
<td>348</td>
</tr>
</tbody>
</table>

Net increase 38 (12%)

Total new faculty 156 (45% hired last 6 years)

SFHI faculty (Fall 2012) 32 (36 by fall 2013)
## SFHI UPDATE

<table>
<thead>
<tr>
<th>GRADUATE STUDENTS</th>
<th>2007-08</th>
<th>2011-12</th>
<th>2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masters</td>
<td>448</td>
<td>691</td>
<td>698</td>
</tr>
<tr>
<td>PhD</td>
<td>422</td>
<td>529</td>
<td>554</td>
</tr>
<tr>
<td>Total (incl. non-degree)</td>
<td>912</td>
<td>1,303</td>
<td>1,322</td>
</tr>
</tbody>
</table>
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

*AGB: Risk Management; An Accountability Guide for University and College Boards by Janice M. Abraham
Key Steps in Enterprise Risk Management (ERM)*

1. Risk Identification
   - Senior Risk Committee (Administration)
   - Risk Registers

2. Risk Assessment
   - Risk Score = Impact x Likelihood
   - Immediacy of Risk

3. Risk Mitigation Plan
   - Assign Owner
   - Consult Risk Subject Matter Expert
   - Reduce Risk Score

4. Report To Board
   - Committee
     - Specific, Standing
     - Audit
     - Executive
   - Full Board

*AGB: Risk Management; An Accountability Guide for University and College Boards by Janice M. Abraham
Commencement Speaker

David Barnes
Program Director
Emerging Internet Technologies
IBM Strategy
## GRADUATION STATISTICS*

<table>
<thead>
<tr>
<th></th>
<th>Fall</th>
<th>Spring</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Undergraduate</strong></td>
<td>346</td>
<td>739</td>
<td>1085</td>
</tr>
<tr>
<td><strong>Graduate</strong></td>
<td>132</td>
<td>229</td>
<td>361</td>
</tr>
<tr>
<td>23-PhD</td>
<td>23</td>
<td>55</td>
<td>78</td>
</tr>
<tr>
<td>109-MS</td>
<td>109</td>
<td>174</td>
<td>283</td>
</tr>
</tbody>
</table>

*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