

**The University Senate
of Michigan Technological University**

Minutes of Meeting 471
21 January 2009

Synopsis:

The Senate

- Heard a progress report on the fundraising campaign;
- Discussed Proposals 5-09, Proposal for a Masters Degree Program in Computer Engineering, 6-09, Proposal for a Doctor of Philosophy Degree Program in Computer Engineering, and 7-09, Definition of Dissimilar Repeats.

1. Call to order and roll call. President Sloan called the University Senate Meeting 471 to order at 5:32 pm on Wednesday, January 21, 2009, in room B45 EERC. She asked the Senators and guests to observe a moment of silence in respect of Bill Gregg. Secretary Cooper called roll. Absent were Senators Koszykowski, and representative of Army/Air Force ROTC, Cognitive and Learning Sciences, the Library, the School of Forestry, Visual and Performing Arts, and Academic Services C. Liaisons Anna Pereira (GSC) and Daniel Freeman (USG) were in attendance. Mechanical Engineering–Engineering Mechanics, Academic Services A, and Auxiliaries and Cultural Enrichment currently have no elected representatives.

2. Recognition of visitors. Guests included Shea McGrew (Advancement), Lesley Lovett-Doust (Provost), Jackie Huntoon (Graduate School), and Theresa Jacques (Registrar's Office).

3. Approval of agenda. President Sloan announced that Proposal 8-09 (item 9.d on the agenda) is being withdrawn at the request of the Instructional Policy Committee for further consideration. B. Davis **moved** approval of the agenda as amended and Johnson seconded. The motion to approve **passed** on a voice vote with no dissent.

4. Presentation: “Fundraising Campaign Progress Report” by Shea McGrew.

What we really need to be thinking about is how to draw private resources to Michigan Tech over time and consistently in ever-growing amounts. Right now in the fundraising campaign, two-and-a-half years in, we have \$93.72 million of gifts and pledges. What's been going on in the financial situation at Michigan Tech is a dramatic change in the funding formula. This past year, Michigan Tech received \$49 million from the state. Before I came, Michigan Tech's operating budget was a little over \$100 million; now it is \$200 million and some. The scope of the university has grown dramatically. The general trend is that in the percentage contributed to income by the individual components of the budget support from the state is down 23 percent, tuition is up 36 percent, research is up 21 percent, fundraising is up 4 percent, auxiliary income is up 13 percent, and miscellaneous funding is up 3 percent.

The Michigan Tech Fund until about two years ago was in charge of raising money for the university and also received and processed gifts and managed gift assets. Funds now managed by the Tech Fund amount to \$90 some million. A couple of years ago we made a significant change: we decided it was important to make fundraising a university-run function, that it was too important to leave to volunteers. So we pulled out the fundraising responsibilities from the Tech Fund and put them in the Advancement unit which also has responsibilities for marketing and communication and alumni relations. That means that fundraising is managed or scrutinized no differently than enrollment is, or financial aid, by the Board of Control.

A fundraising campaign seeks private resources — support from alumni, friends, corporations, and private foundations. It runs for a defined time period, has an announced goal and specific priorities, has an associated marketing effort, and involves volunteers who help to guide and advise it and raise money.

Why do we need a fundraising campaign? To fund the strategic plan, build a substantial endowment, establish a stronger, permanent fundraising operation, and help create a culture of philanthropy. We have an inadequate endowment. Today, Michigan Tech's endowment market value is about \$66 million, but a few months ago it was \$84 million. The good news is that of all endowment investment performance of all universities, public and private, in the United States, our total return in the last quarter of calendar year 2008 puts it in the top quartile. We beat the University of Michigan by nearly 10 percentage points.

Klooster asked if Michigan Tech just didn't have as many risky investments as other universities. McGrew said we do some aggressive things, but with a smaller proportion of the portfolio. Other universities have been more speculative; we're a bit more conservative than that. Maybe if we had more money, we would be more aggressive.

Michigan Tech does not have a culture of giving like the University of Michigan and other prestigious schools do. What do great universities, like Harvard, Carnegie Mellon, Stanford, the University of Michigan, MIT, and Northwestern have in common: world class talent (faculty, students, staff), strategic focus, resources (funds), and a history of significant philanthropy and an expectation among their constituents of giving. Michigan Tech has about 20 percent of alumni who give an annual gift, which puts us in the top 20 of public universities.

The preliminary fundraising campaign goals are to triple Michigan Tech's endowment to \$200 million and get at least \$225 million by 30 June 2012. The objectives are to raise dollars, increase endowment, fund priority projects, elevate constituents' perception of Michigan Tech's direction and quality, and emerge with a strong development infrastructure. We want to make Michigan Tech better known and better perceived.

We feel that the way to move toward becoming a stronger institution is to have more faculty supported by endowments, more endowed financial undergraduate scholarships and graduate fellowships, more endowed programs, fulfill academic unit priorities (generally not buildings, except for the Great Lakes Research Center and perhaps a large expansion of Fisher), and more annual giving, as annual gifts go right into the operating budget. The target financial objectives for six years include getting \$125 million for the endowment, \$50 million for non-endowed program and student support, \$40 million for facilities, and \$10 million in unrestricted annual giving.

The original timetable for the campaign was to start 1 July 2006, followed by a quiet phase through 30 June 2009 (but we might extend that for a year because of the current financial situation and because we keep surfacing more and more good fundraising prospects, particularly alumni of significant means), and a public phase lasting through 30 June 2012. Typically in a campaign, you try to raise the largest gifts first; that's the quiet phase. And then you announce the campaign publicly and invite everyone to give, and that's usually small gifts. An operating principle of fundraising is that 80 percent of the funds will come from 20 percent of donors. The trend now is for 90 percent of the money to come from 10 percent of the gifts.

What counts in the total of funds raised: cash, stocks, bonds, mutual fund shares, corporate matching gifts, some corporate research grants, real estate and real property, planned gifts, and life insurance.

Hoagland asked why corporate research grants are counted. McGrew said that it is now standard practice because fundraising is interpreted as all money that comes from private sources. Hoagland commented that that money is allocated; it doesn't go into the endowment. McGrew said, neither do other things like annual gifts. We're trying to reflect private source giving. Increasingly, research opens the door to further giving.

The fundraising campaign leadership includes the Board of Control, the Campaign Committee (Dave House, Chair, and 8–10 volunteers who make significant gifts, help seek other significant gifts, and monitor progress), and the Michigan Tech Fund Board of Trustees.

What's going well: so far we have 16 gifts/pledges of \$1 million plus, the number of endowed chairs and professorships are increasing, we have 15 new 7-figure prospects, and campaign/university messaging is getting more effective.

Some of the notable gifts so far include Dave House's gift of \$10 million to fund endowed professorships, Dick and Bonnie Robbins' gift of \$6 million to fund three endowed chairs in sustainability, Dick and Liz Henes' gift of \$1 million to fund an endowed professor in mathematics, Bill and Gloria Jackson's gift of \$1 million to fund an endowed professor in EE/CS entrepreneurship, and twelve other gifts/pledges of \$1 million plus. When I came to Michigan Tech, there was only one endowed chair, and it wasn't filled.

The top 10 requests we have are for two individuals giving \$10 million, one individual giving \$5 million, a corporation giving \$4 million, two individuals giving \$2.5 million, two individuals giving \$2 million, and one individual giving \$1 million. The challenges we face include the fact that the economy is tough, which creates donor uncertainty. We also need another significant (\$5 million plus) gift, and we are seeking prospects who will give at the level of \$1 million plus. McGrew suggested that faculty and staff can help by sharing their contacts, such as alumni and corporations, and by promoting Michigan Tech externally.

Vable commented that endowed chairs are visible, but so too are scholarships for students. He asked how much in scholarship funds are given out from the Michigan Tech endowment versus how much we give from general funds. McGrew said that we give out about \$1.5 million a year in private scholarships and around \$16 million in scholarships from the general fund. He concluded that our future is tied to our ability to secure private resources as other resources go down.

5. Approval of Minutes from Meeting 470. Pierce suggested corrections to the minutes, and the Provost was asked to provide corrected data offered about the number of employees who had filled out health plan enrollment forms. Snyder **moved** approval of the minutes as corrected (and pending correct data from the Provost), and Vable seconded the motion, which **passed** on a voice vote with no dissent.

6. President's report.

President Mroz vetoed Proposal 4-09, Request for Open Enrollment Extension, but extended the date slightly and made provision for more information on enrollment.

President Mroz has requested the Senate consider streamlining the search procedures for the new provost. The Senate executive committee will consider this issue.

Candidates for Athletic Council to complete the term of David Karnosky are being sought. We have one volunteer, and we plan to vote on this at the next Senate meeting. Please ask anyone in your unit who is interested to contact Martha Sloan or Judi Smigowski.

An undetermined senator asked how long the term is that is to be filled. Sloan said it is for the rest of the semester or into the summer, but we are going to ask President Mroz if he would be willing to make it for a whole 3-year term plus the few months left in Karnosky's term.

7. Old Business. There was no old business.

8. New Business

a. Proposal 5-09: Proposal for a Masters Degree Program in Computer Engineering.

The proposal was reviewed by the Curricular Policy Committee and they have twice indicated that they favor it in general, but they have not yet signed off on it. The Finance Committee has reviewed it, and Larry Davis, the chair of the committee, has sent an email stating the Finance Committee has reviewed the proposals for the masters and PhD programs in computer engineering and has no concerns with the programs from a financial perspective.

b. Proposal 6-09: Proposal for a Doctor of Philosophy Degree Program in Computer Engineering.

Unfortunately nobody was able to be here tonight to present it and answer questions about it. The chair of ECE is away on business, but he said he would be willing to take questions by email, and he will be at the meeting next time in case there are questions.

c. Proposal 7-09: Definition of Dissimilar Repeats.

Senator Buche, the chair of the Instructional Policy Committee, explained that the proposal was brought to the committee by the registrar's office. They have encountered instances of very dissimilar repeats. They would like a definition they could use to eliminate obvious grade inflation attempts. We're just suggesting an addition to the catalog defining dissimilar repeats.

Vable asked whether repeats are only applicable if the course is no longer offered. Buche said yes. Lovett-Doust asked whether the language in the background statement could be toned down since this will be a public document. She also suggested that in the proposal itself, "covers similar material" be reworded to read "covers comparable material at a similar level."

Theresa Jacques (registrar's office) explained that the practice of dissimilar repeats arose when Michigan Tech moved from quarters to semesters and the courses all changed, so that students who wanted to repeat courses could only take equivalent but not exactly the same courses. There are some departments that still use dissimilar repeats a lot but not in the manner in which they were originally supposed to be used. Sometimes students have been allowed to take a different course even when the course still exists.

Hamlin said that that did not constitute "widespread abuse," and suggested that the background language could be toned down. Jacques agreed. Sloan said that there seems to be agreement that by next time we will tone that language down.

Lovett-Doust repeated her suggestion of changing the language in the proposal, and Sloan explained that the change had been made but didn't appear in the copy distributed to the Senate. Jacques said the change was perfectly fine.

Johnson commented that sometimes equivalent courses are in other departments, and advisors may not always look for them. Sloan said the revised copy of the proposal will accompany the agenda for the next meeting.

9. Adjournment: President Sloan adjourned the meeting at 6:22 pm.

Respectfully submitted
by Marilyn Cooper
Secretary of the University Senate