

Campus Budget Forum

January 26, 2017

Agenda

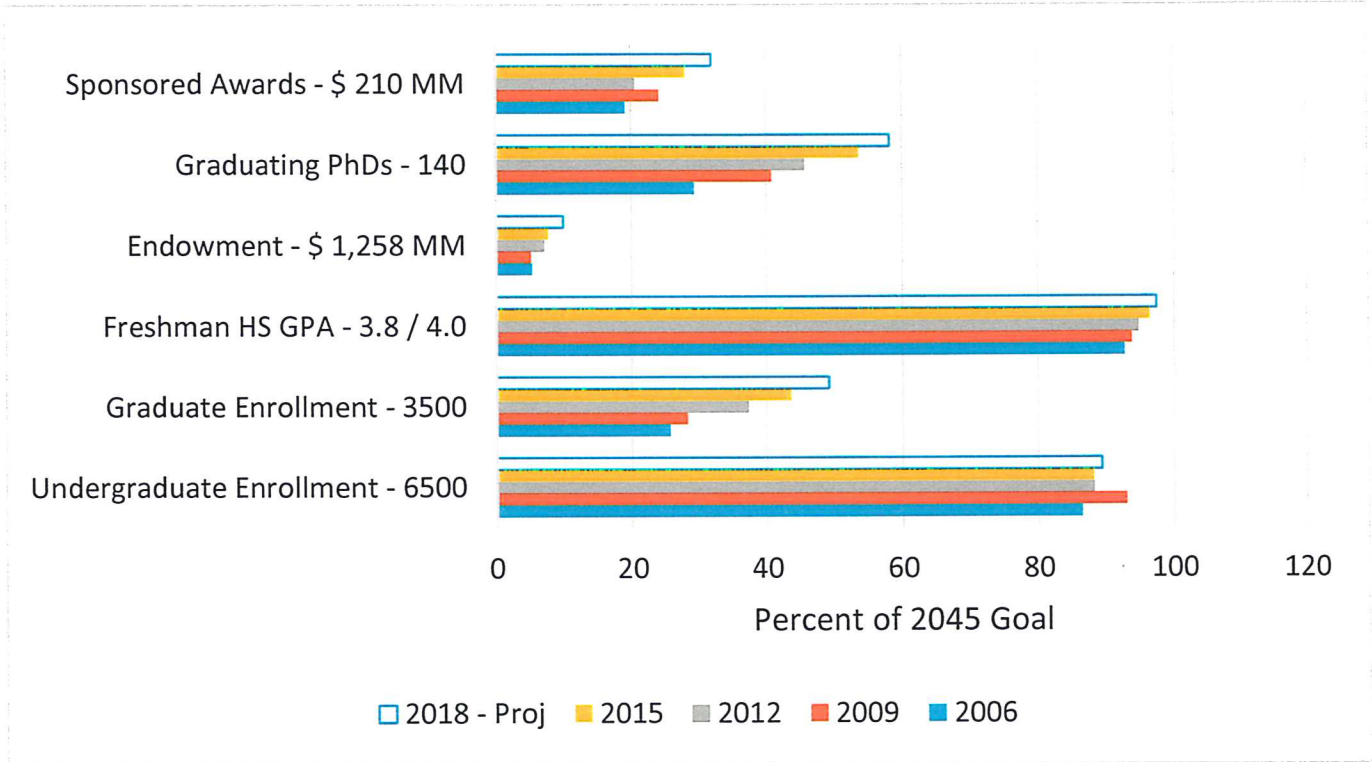
- I. Long-term Trends
 - Strategic Metrics
 - Revenue and Expenditure Trends
 - Enrollment
 - Tuition
 - Faculty Salaries

- II. FY16 Wrap-up
 - Liquidity
 - Debt

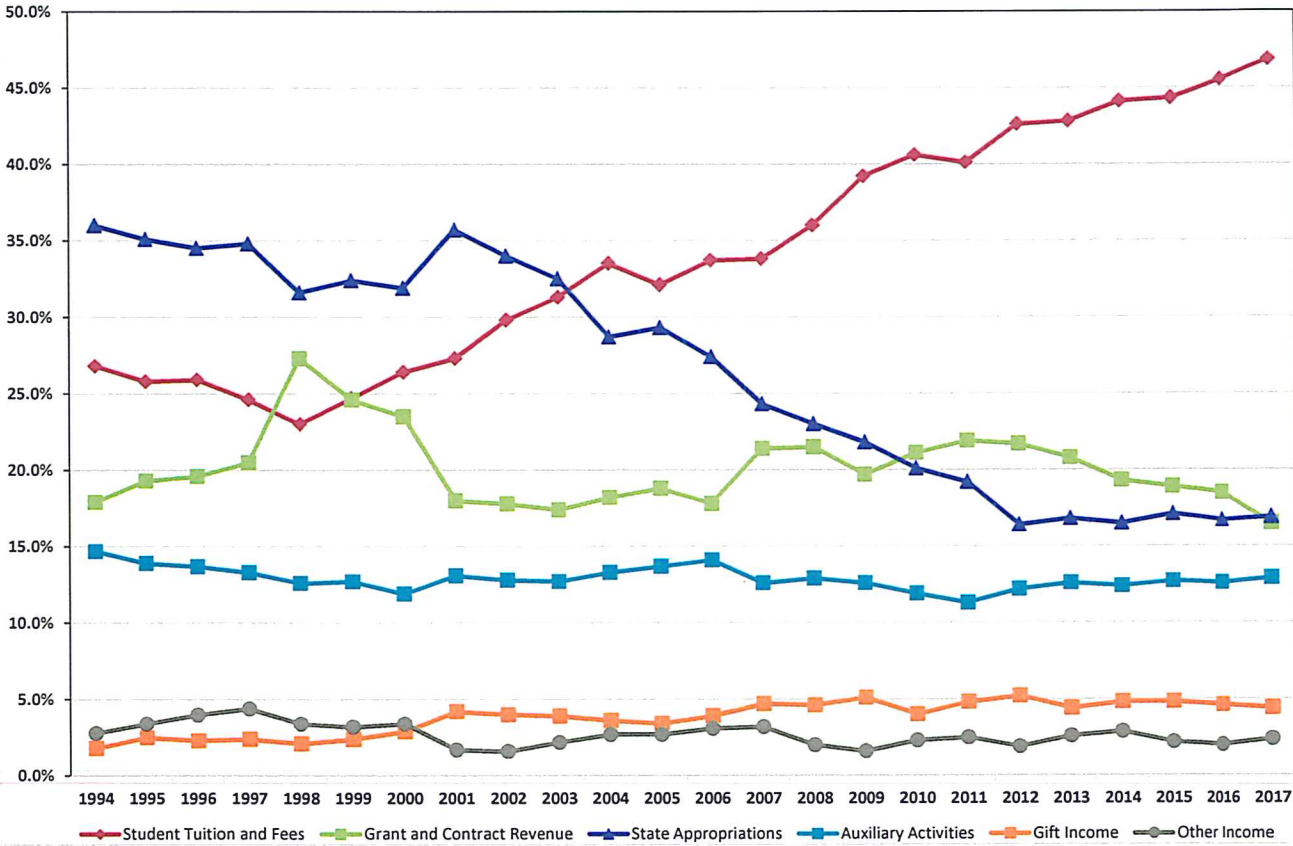
- III. FY17 Status
 - 2nd Quarter Projections

- IV. FY18 Planning
 - Budget Timeline
 - Enrollment Projection
 - General Fund Budget Planning Parameters

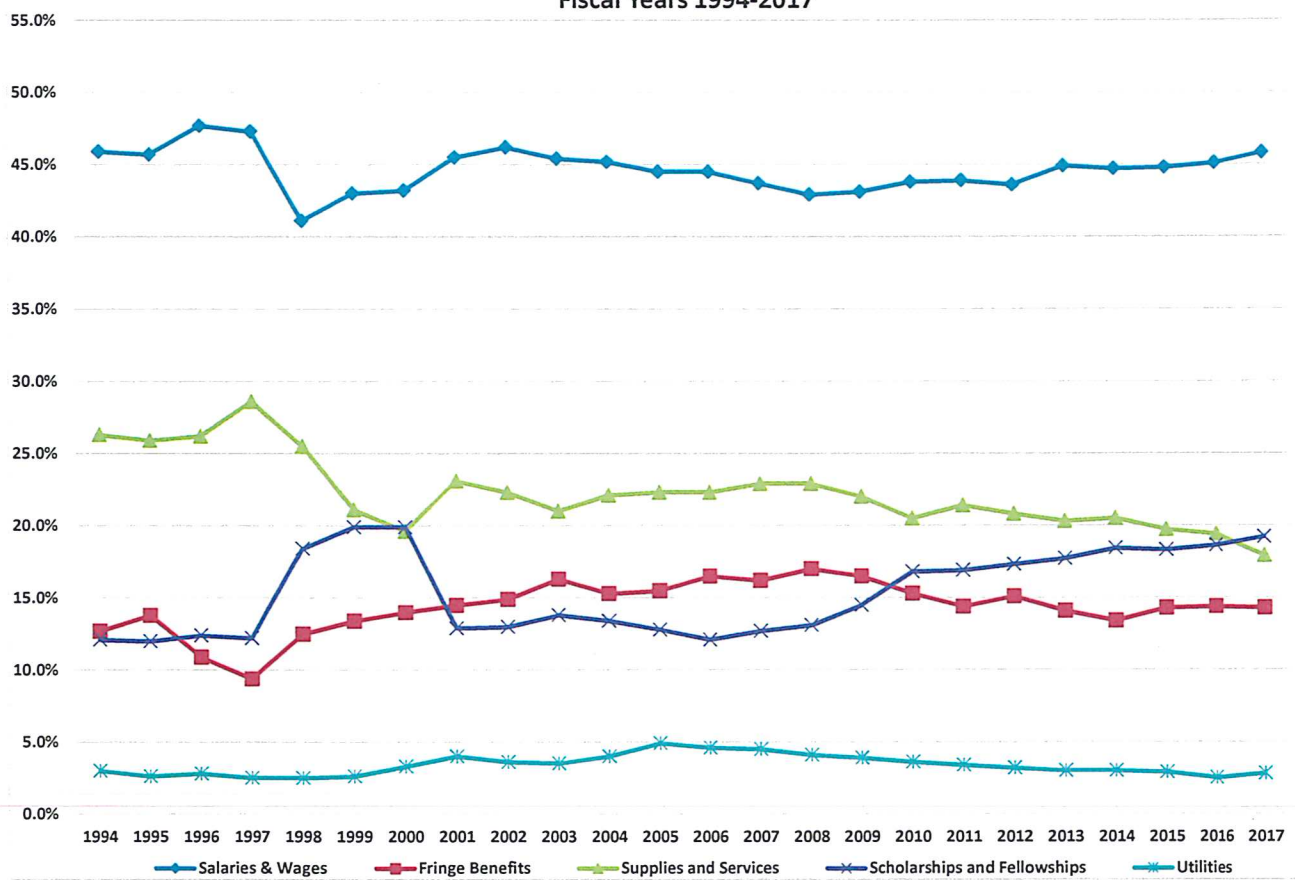
- V. Anything Else ?
 - Strategic Plan Update



**Current Fund
Revenue Trends as a Percentage
Fiscal Years 1994-2017**



**Current Fund
Expense Trends as a Percentage
Fiscal Years 1994-2017**

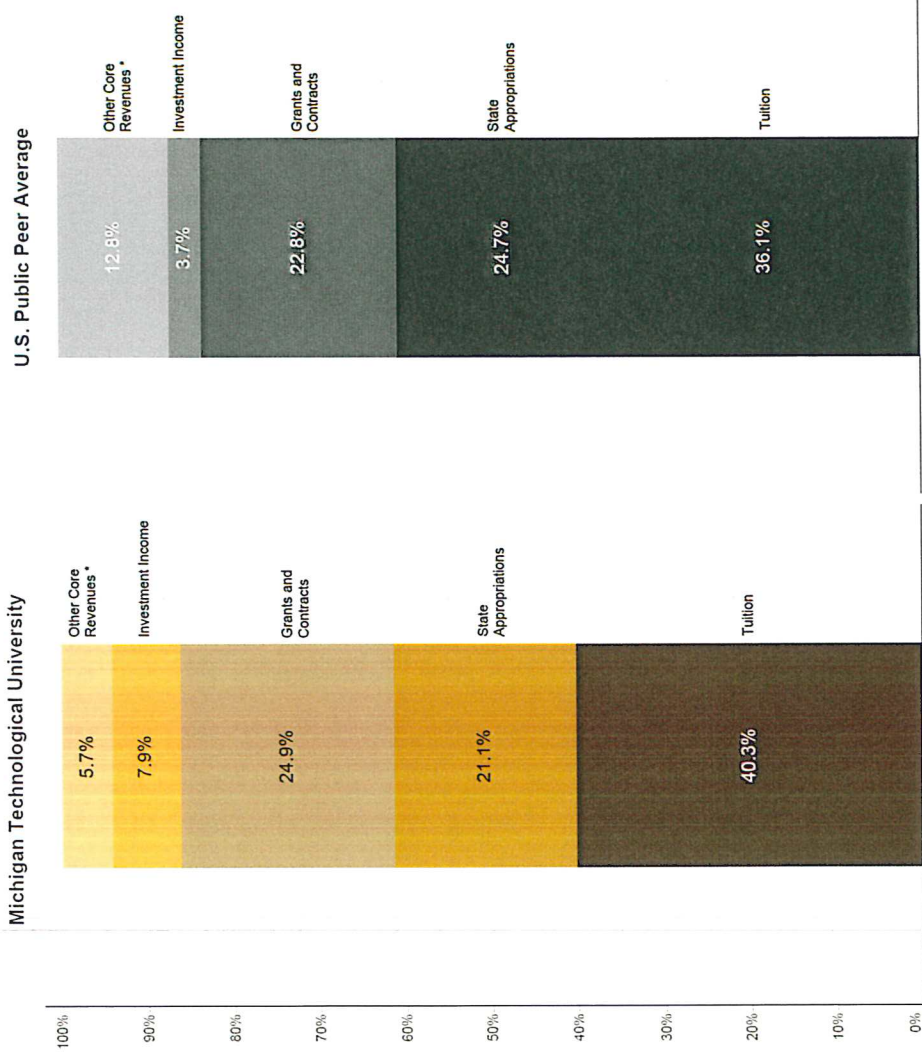
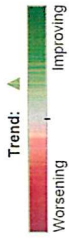


Michigan Technological University Core Revenues 2014

What it is: Revenues that fund core activities come from tuition and fees, state appropriations, investment income, and specific funds, such as research grants.

Why it matters: The amount of reliance a university places on each type of funding can indicate its long-term stability, as well as the impact of state-level appropriations. The less funding a public university receives from the state, the more it must rely on tuition dollars and other sources of funding to educate students.

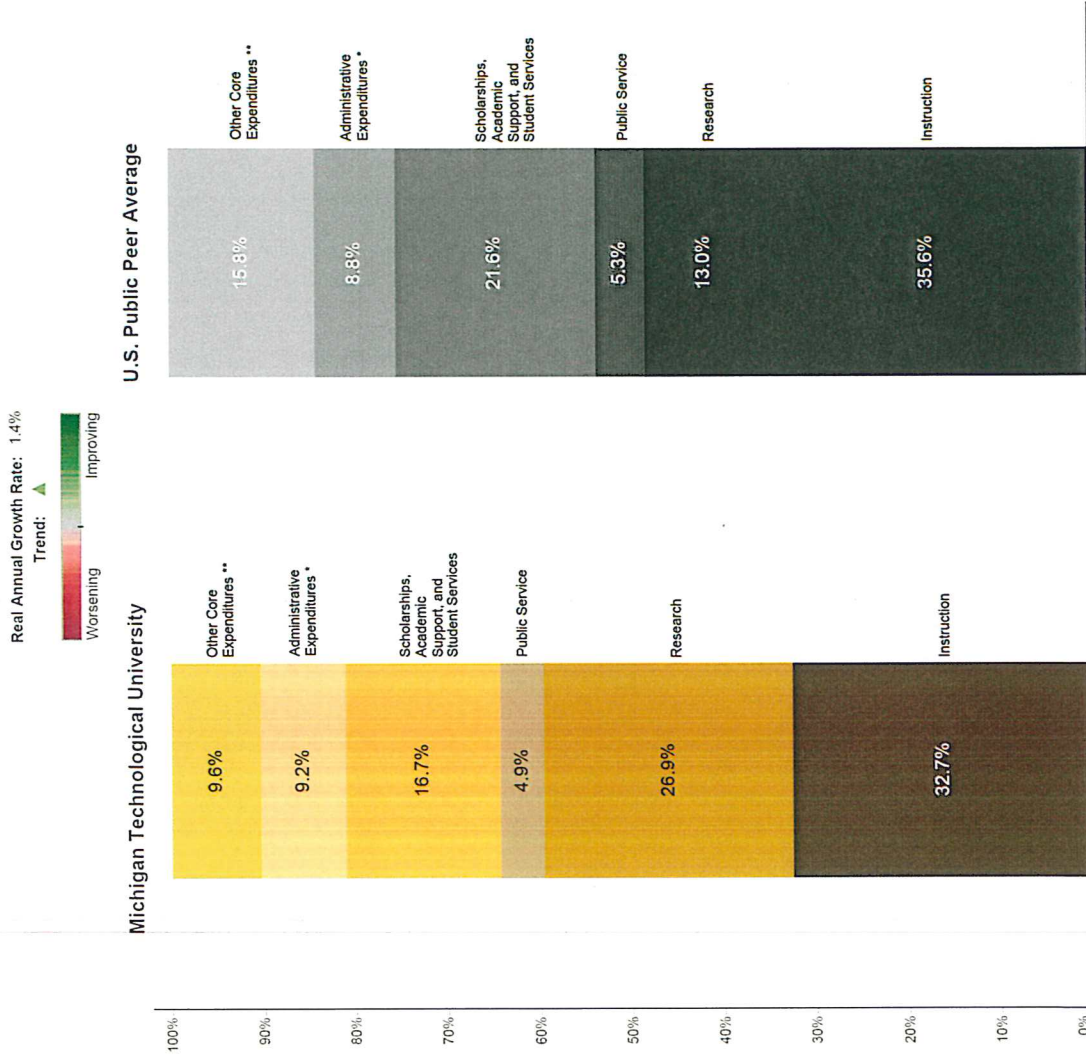
Real Annual Growth Rate: 1.6%



Notes:
 Annual growth rate and trend are measured from 2004 to 2014.
 * Other Core Revenues include revenues from Federal and local appropriations (none of Michigan's public universities have revenue from these sources) as well as donor gifts.
 ** Grants and Contracts are revenues earmarked for specific projects and degree programs. Grants and contracts from federal, state, and local governments, as well as private business and foundations.

Michigan Technological University Core Expenditures 2014

What it is: Core activities include instruction, research, institutional support and public service.
Why it matters: This measure shows the spending priorities of the university. Each dollar the university spends ends up back in the economy to drive and sustain growth.

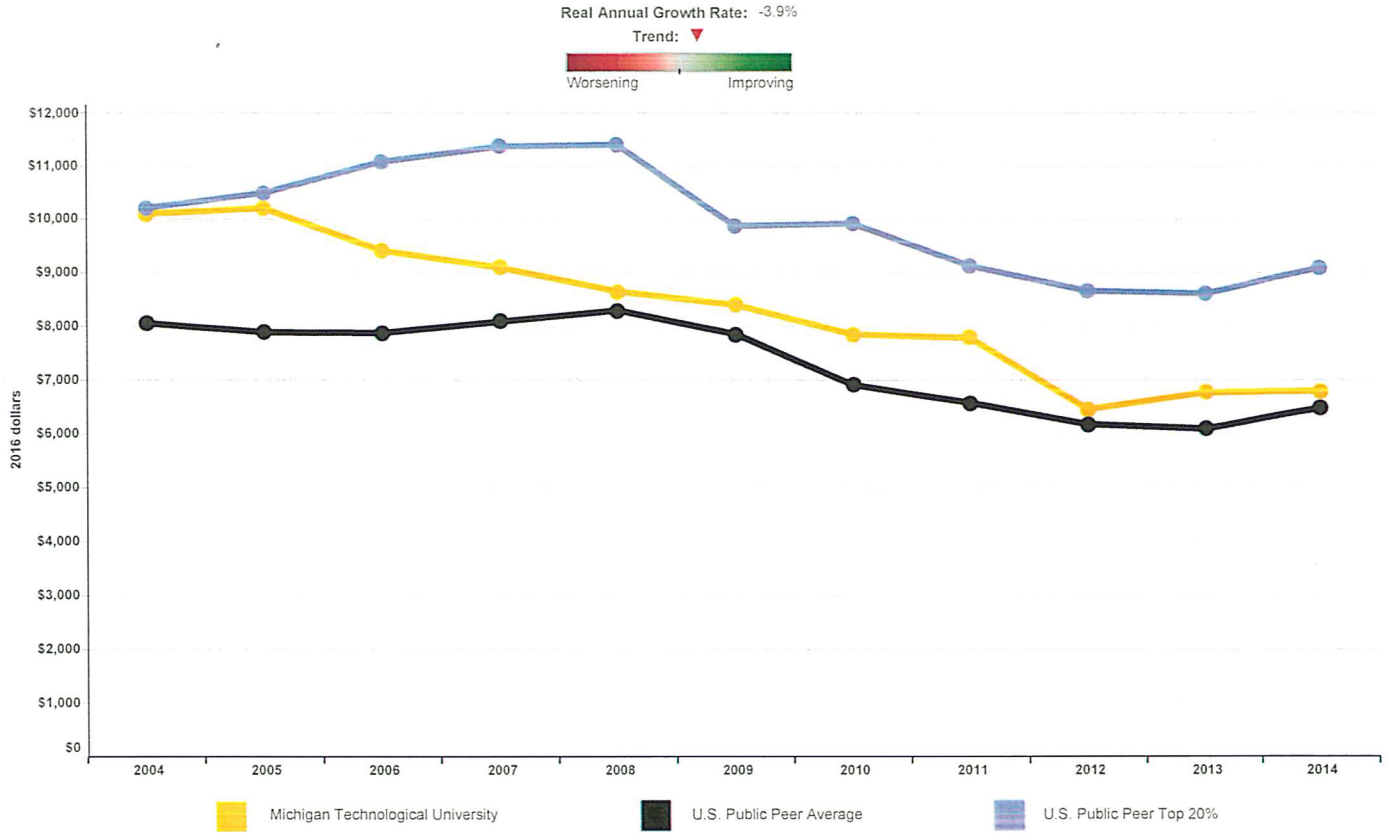


Notes:
 Annual growth rate and trend are measured from 2004 to 2014.
 * Administrative expenditures are labeled "Institutional Support" in the IPEDS data system.
 ** Other Core Expenditures include expenditures for maintenance and operations of facilities, depreciation of facilities and assets, and other non-categorized expenditures.

Michigan Technological University

State Appropriations per Full-Time Equivalent Student

What it is: The total amount of funds appropriated by the state to public universities divided by FTE students. State spending on public universities is shown in 2016 dollars to illustrate real growth.
Why it matters: State investment in public universities helps keep education affordable. A decline in state appropriations often forces institutions to increase tuition.



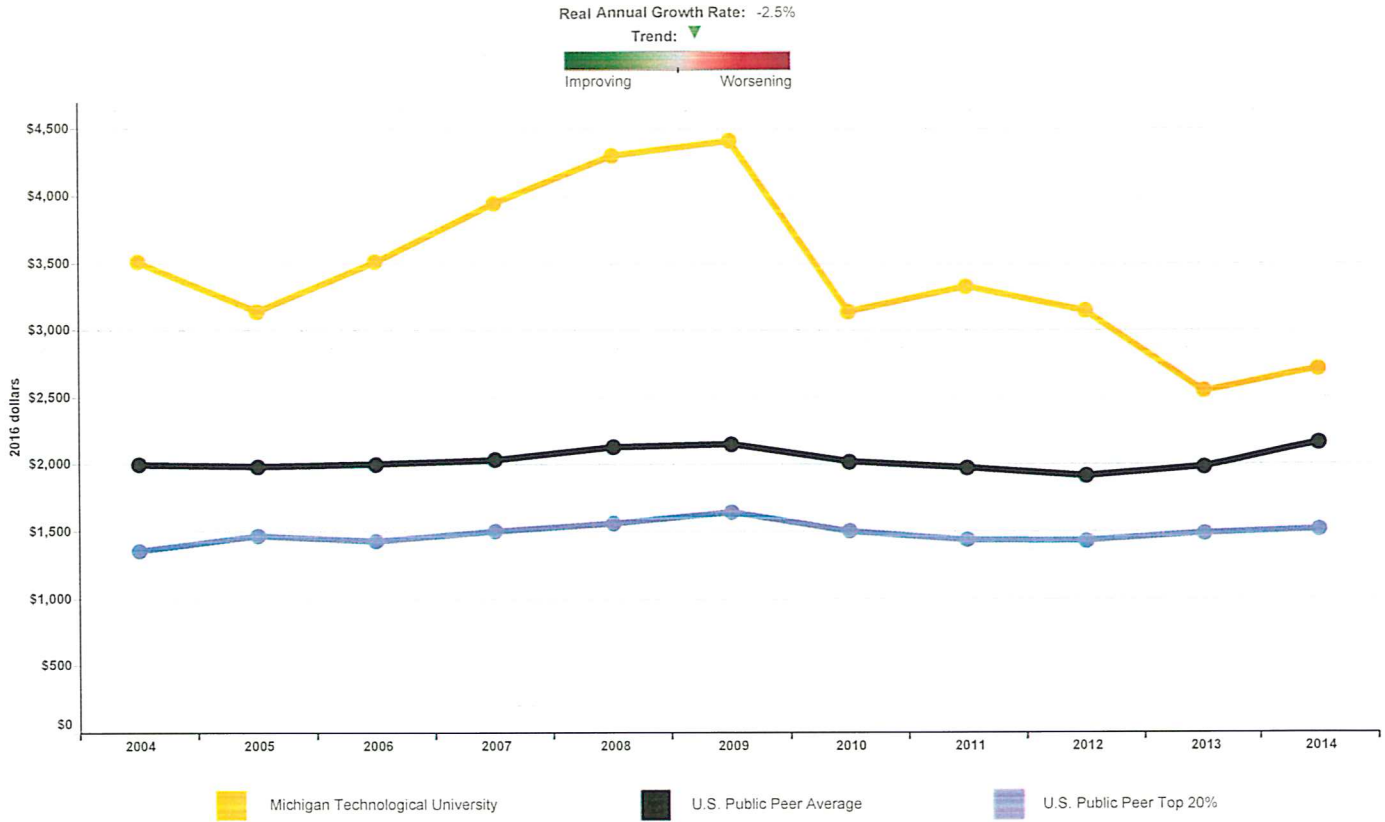
Note:
Annual growth rate and trend are measured from 2004 to 2014.

Michigan Technological University

Administrative Spending per Full-Time Equivalent Student

What it is: An institution's administrative spending divided by the number of FTE students. Administrative spending includes expenses for general administrative services, central executive-level activities concerned with management and planning, legal and fiscal operations, space management, employee records, purchasing services, and public relations and development.

Why it matters: This data shows what a university is spending on activities that do not include education, research, and student services. In other words, these dollars are not directly supporting student growth and learning. Low levels of administrative spending indicate a higher degree of administrative efficiency.



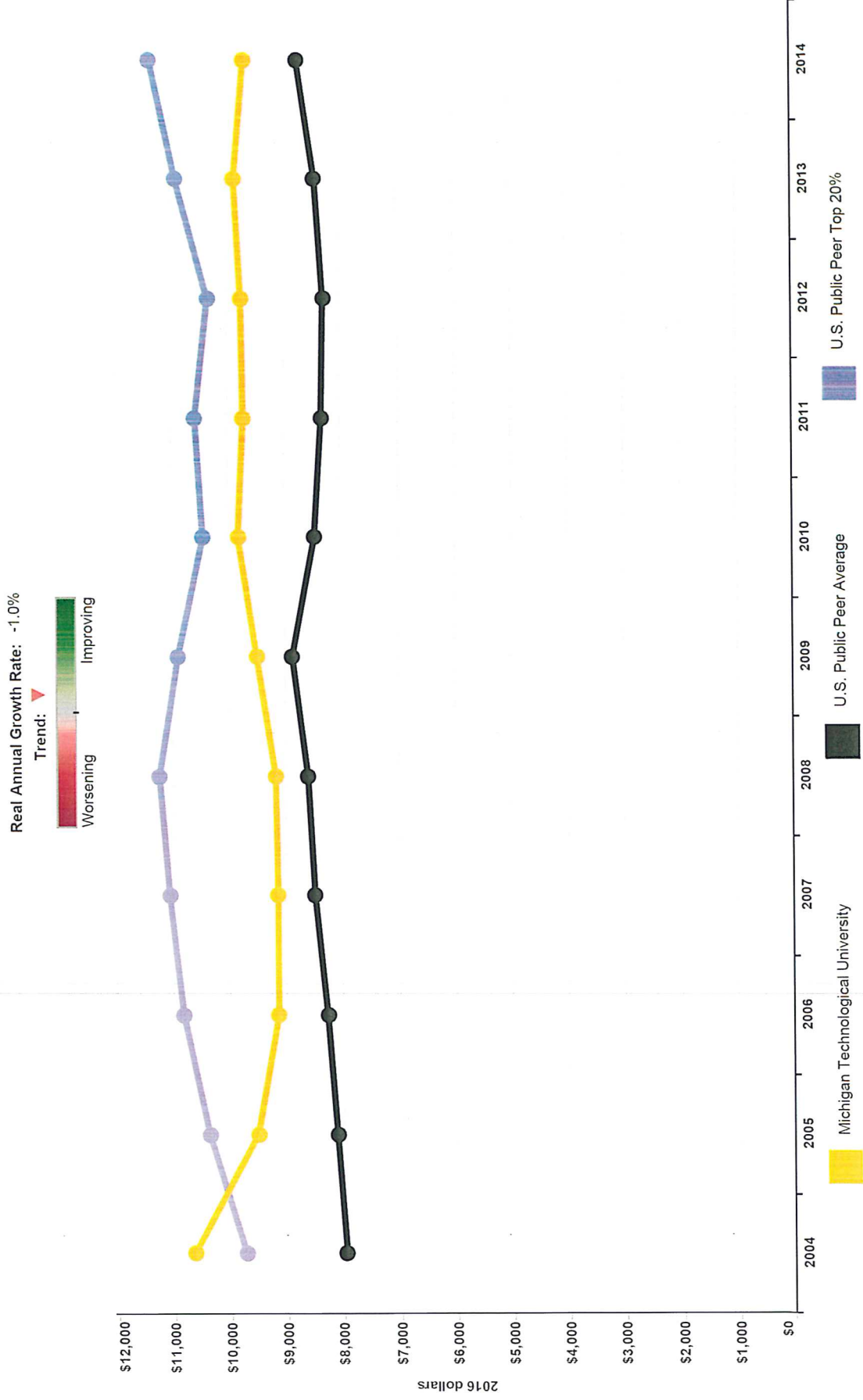
Note:
Annual growth rate and trend are measured from 2004 to 2014.

Michigan Technological University

Instructional Spending per Full-Time Equivalent Student

Why it matters: This measure shows how much the university is spending to educate enrolled students. Higher spending per student indicates more funds going to classroom services and compensation for highly qualified professors.

What it is: An institution's total instructional spending divided by the number of FTE students.

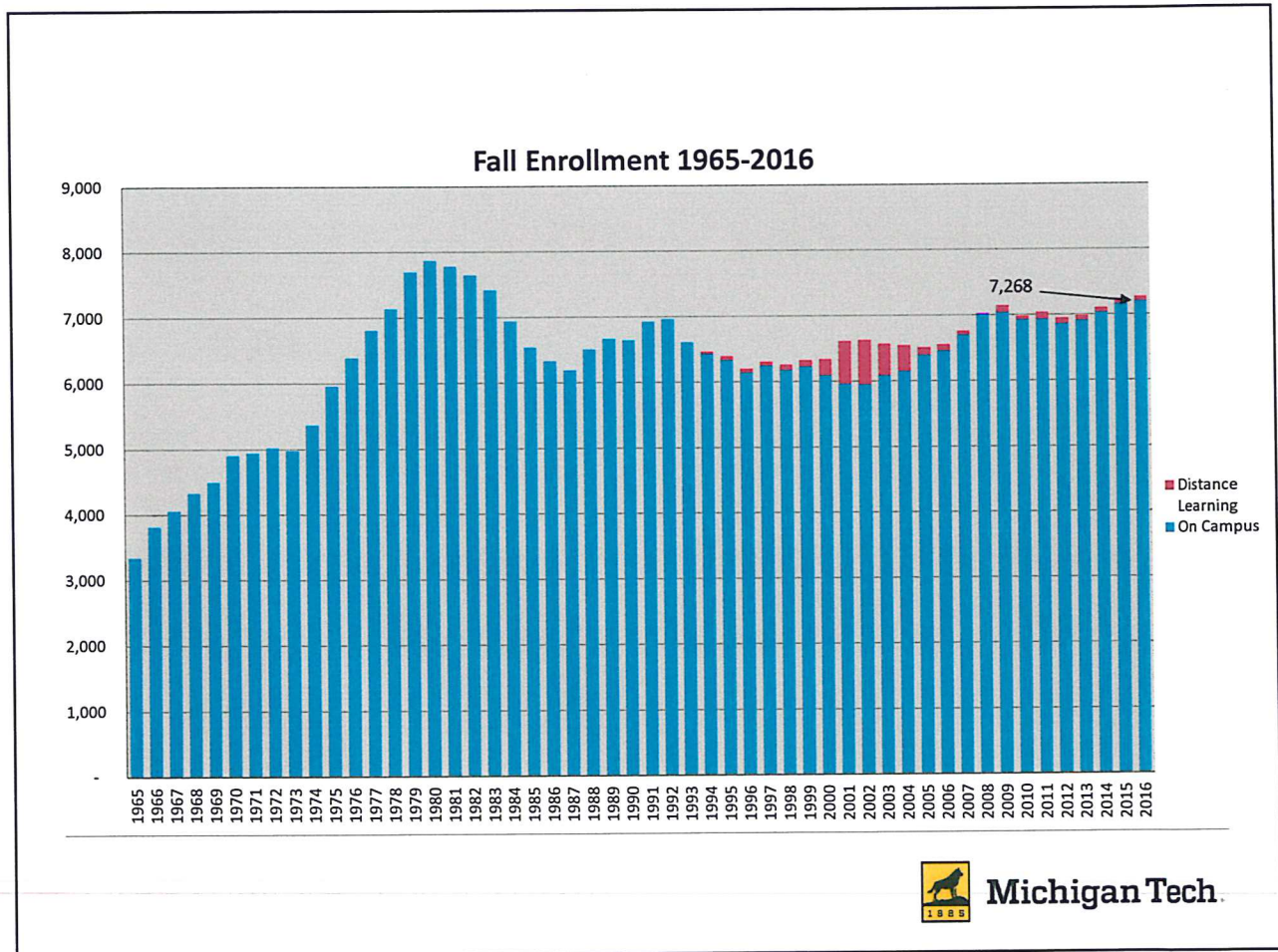


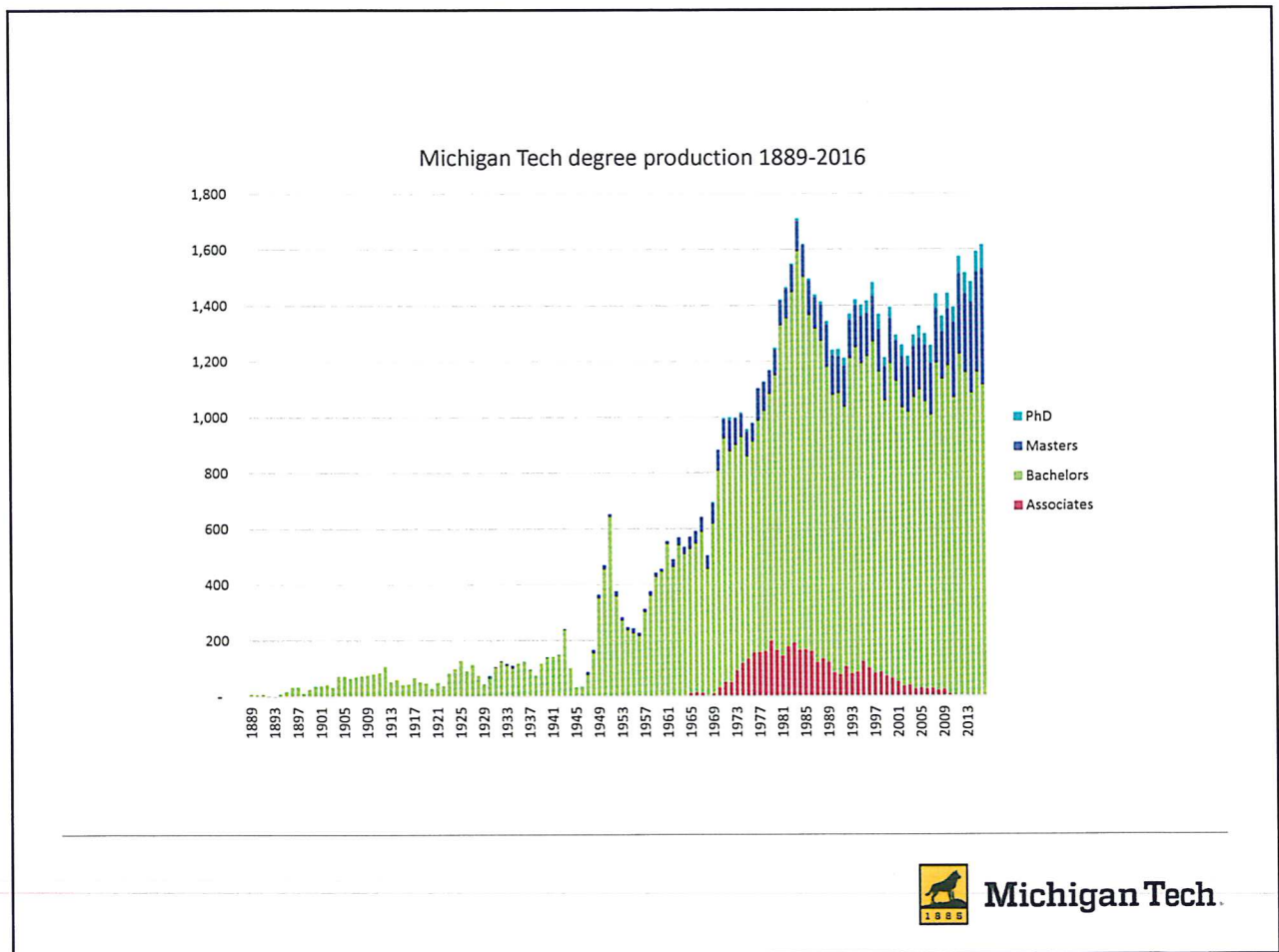
Note: Annual growth rate and trend are measured from 2004 to 2014.

Enrollment: Increase graduate student enrollment to a level of 6 FYES and undergraduates at 15 FYES per tenured/tenure-track faculty FTE.

Strategies:

1. Increase faculty capacity to advise graduate students through appropriate hiring and retention.
2. Increase faculty numbers through strategic faculty hiring.
3. Improve housing options for students.
4. Ensure the minimum graduate stipend is at competitive levels with peer institutions.





Tuition and Fees: Set tuition to support our standing as a national technological university

Strategies:

1. Undergraduate resident engineering tuition, non-resident tuition, and graduate tuition should be comparable to those of our major competitors among national technological universities.
2. Tuition and fee increases minus any state appropriation increase minus any financial aid increase should not exceed the Higher Education Price Index.
3. Increase financial aid supported through endowed scholarships.
4. Utilize financial aid to address access and affordability for students, and the achievement of institutional enrollment goals.

**Academic Year 16-17 Tuition Charges
Michigan Tech and Competitors Engineering Rates**

Undergraduate Semester Charges (15 Credits)

	<u>Resident</u>		<u>Non-Resident</u>	
	<i>Lower Division</i>	<i>Upper Division</i>	<i>Lower Division</i>	<i>Upper Division</i>
Michigan Technological University	7,167	8,583	15,334	17,406
University of Michigan Ann Arbor	7,537	9,767	22,674	25,464
Michigan State University	7,031	8,666	18,945	20,374
Kettering University	19,895	19,895	19,895	19,895
Purdue University	7,051	7,051	16,452	16,452
University of Minnesota Twin Cities	6,273	6,273	11,105	11,105
University of Wisconsin-Madison	5,244	5,244	17,769	17,769
Western Michigan University	5,910	6,463	13,589	15,061
Grand Valley State University	5,760	6,597	8,196	9,033

Graduate Semester (9 Credits)

	<u>Graduate</u>	
	<i>Resident</i>	<i>Non Resident</i>
Michigan Technological University	9,239	9,239
University of Michigan Ann Arbor	12,559	23,367
Michigan State University	6,995	13,119
Kettering University	7,713	7,713
Purdue University	9,762	10,782
University of Minnesota Twin Cities	8,120	12,560
University of Wisconsin-Madison	5,971	12,635
Western Michigan University	4,992	10,573
Grand Valley State University	5,949	5,949

**
Michigan Technological University
University of Michigan Ann Arbor
Michigan State University
Kettering University
Purdue University
University of Minnesota Twin Cities
University of Wisconsin-Madison
Western Michigan University
Grand Valley State University

**All include Fees and LD/UD Rates

Per student undergraduate student tuition revenue and financial aid averages

Based on Fall and Spring Semesters Tuition Revenue and Average Fall/Spring Enrollment



■ Tuition Revenue Less Financial Aid ■ Institutionally Funded Financial Aid

White House
Scorecard Data

Median Starting
Salary vs. Annual
Net Price

Public
Institutions in IL,
IN, MI, MN, OH,
WI



Compensation: Increase average faculty salaries for each rank to the median value of a select group of competitors

	Assistant Professor	Associate Professor	Professor
Median Average Salary ¹	\$ 85.7	\$ 99.5	\$ 138.0
Michigan Tech Average Salary	\$ 78.2	\$ 94.6	\$ 114.9
Difference	\$ 7.5	\$ 4.9	\$ 23.1

Strategies:

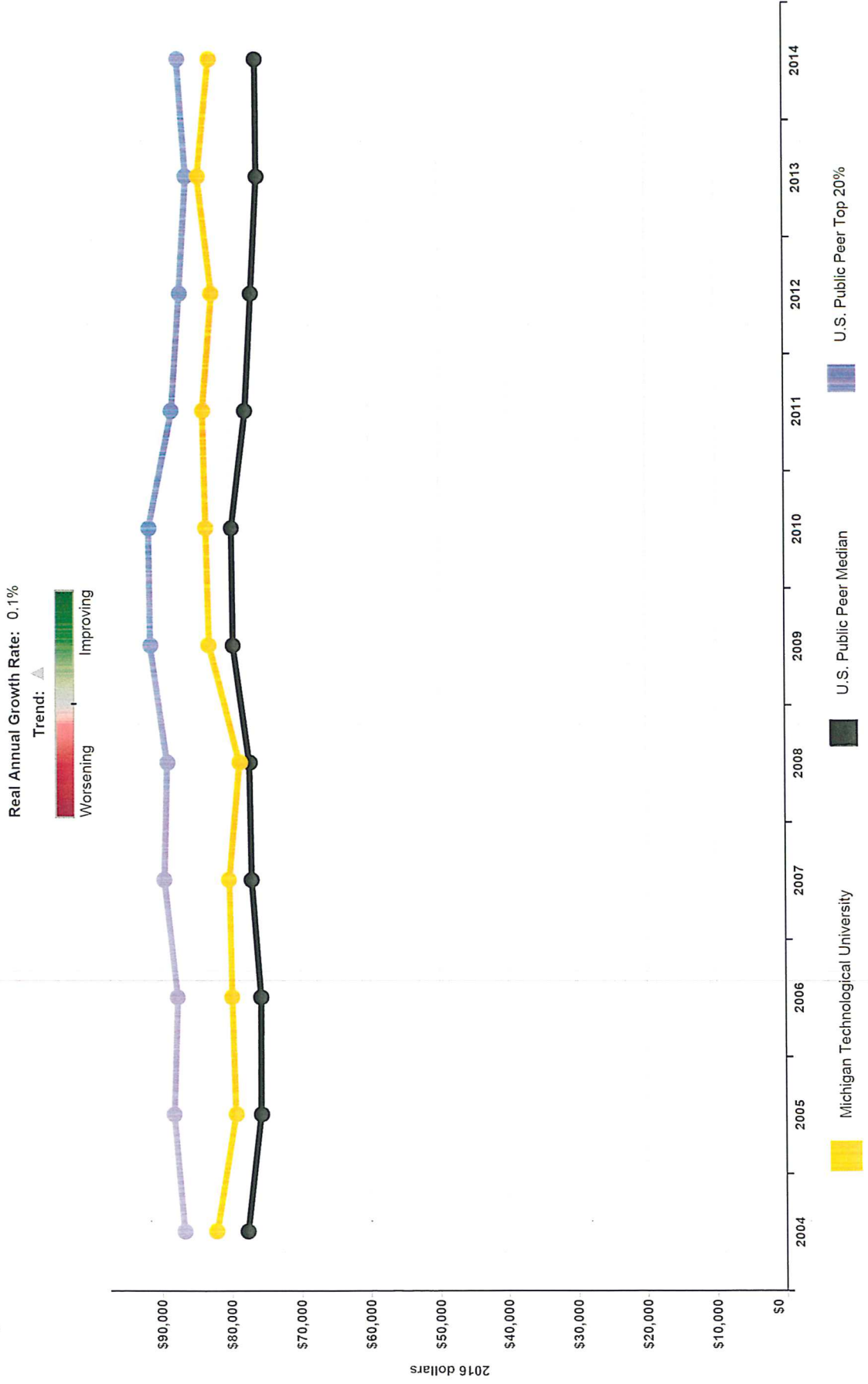
1. Base salary increases on merit, marketplace, and equity, with the marketplace and equity pools to be used to address inequities by both discipline and rank for faculty.
2. Maintain faculty promotional increments at approximately 10% of the average salary of the initial rank.
3. Maintain salaries and wages at about 75% of total compensation.
4. Within budget constraints, until the above goal is met, set a target for the compensation adjustment amount at one percent or more in excess of core CPI.

¹ Median average salary is the median of the average salaries taken from Academe, Bulletin of the AAUP, Annual Report on the Economic Status of the Profession, 2013-2014. Universities included: Carnegie-Mellon, Colorado School of Mines, Georgia Tech, Purdue, Rensselaer Polytechnic Institute, Michigan State University, Missouri University of Science and Technology, University of Illinois – Urbana-Champaign, University of Minnesota-Twin Cities, University of Wisconsin-Madison, Virginia Tech.

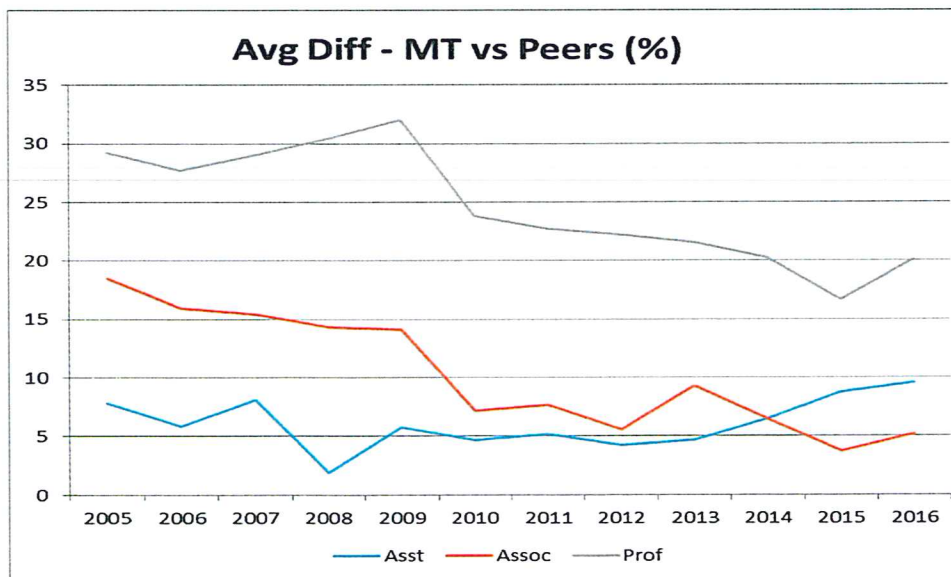
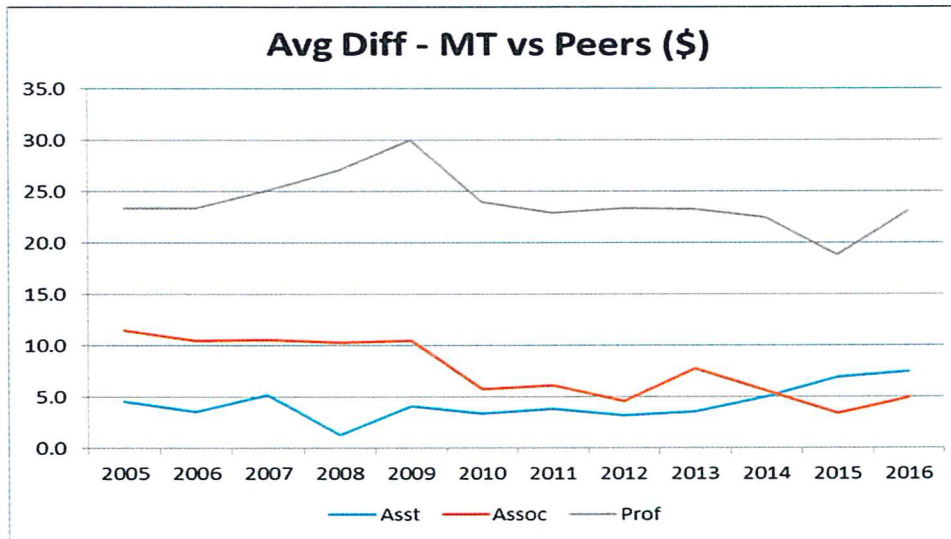
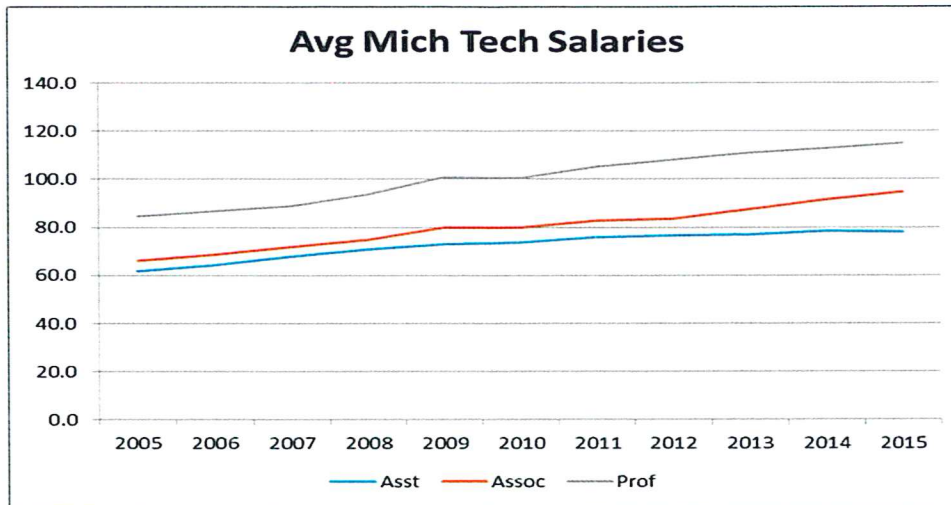
Michigan Technological University

Average Salary for Full-Time Instructional Staff

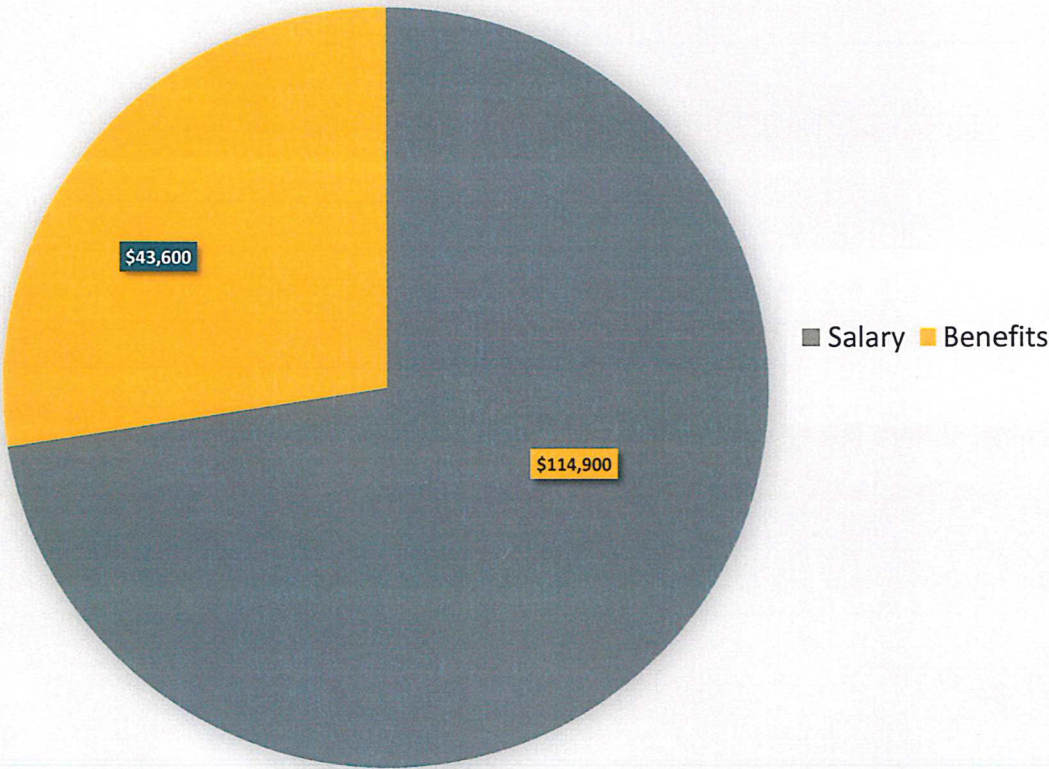
What it is: The trend in average salary for full-time instructional staff. This does not include graduate student instructors.
Why it matters: Universities across the U.S. compete for professors to provide students with the best education possible. Instructional staff salary is one component of a university's competitiveness.



Note: Annual growth rate and trend are measured from 2004 to 2014.

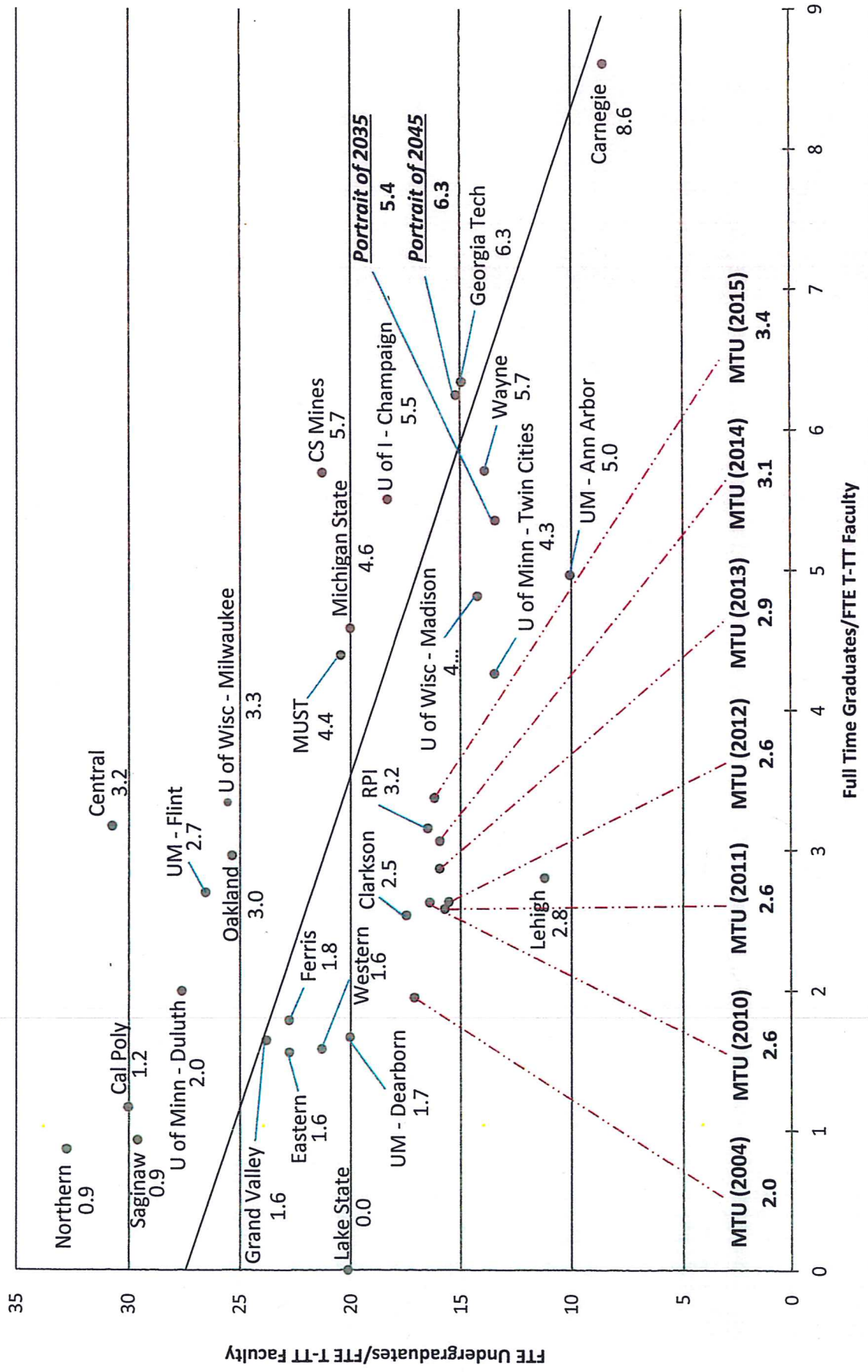


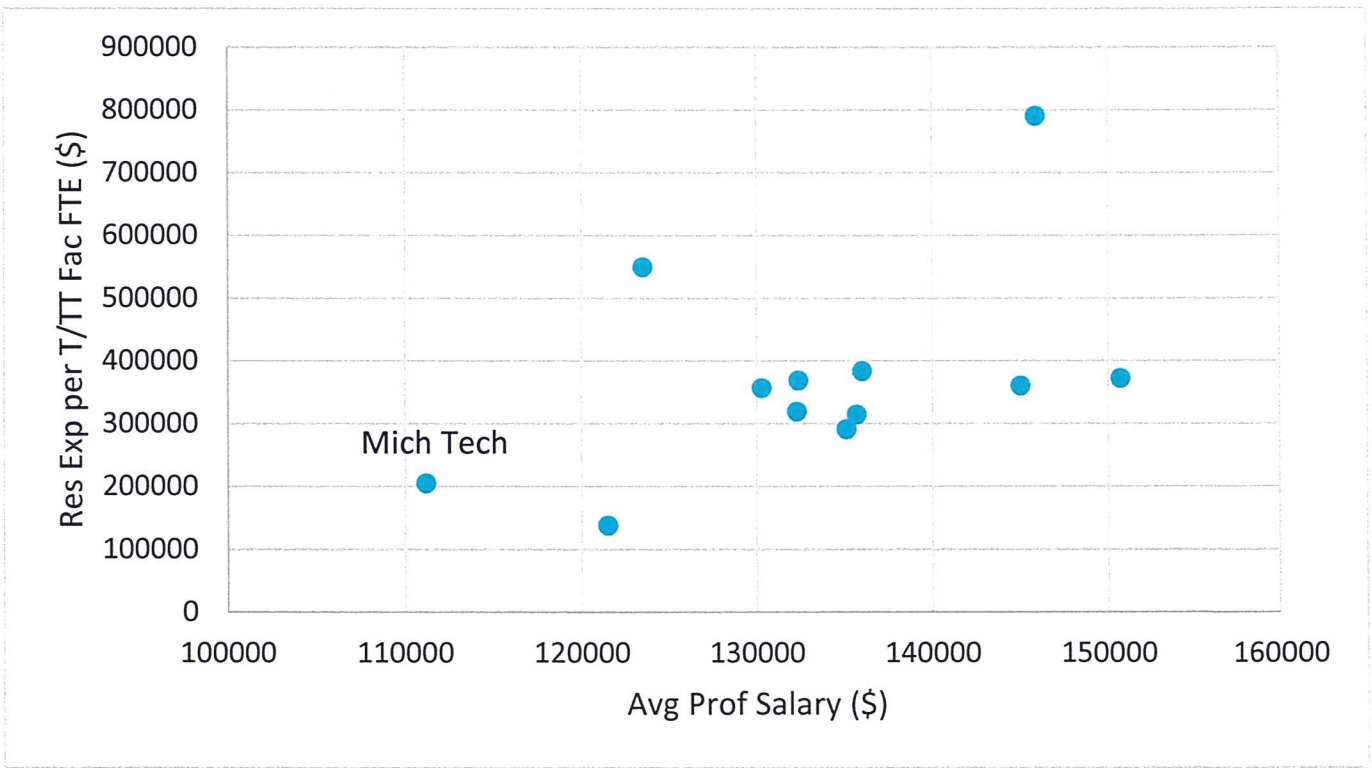
Average Full Professor Total Compensation - \$158,500



Academe. Higher Education at a Crossroads: The Annual Report on the Economic Status of the Profession, 2015-2016, Appendix I. 2016 American Association University Professors (AAUP)

Full Time Graduates Vs. FTE Undergraduates Michigan Public Universities and Michigan Tech Benchmark Universities Fall 2014





MICHIGAN TECHNOLOGICAL UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Year Ended June 30	
	2016	2015
Revenues		
Operating revenues		
Student tuition and fees (net of scholarship allowances of \$36,498,154 and \$34,510,488 in 2016 and 2015, respectively)	\$ 91,129,651	\$ 86,156,727
Federal grants and contracts	26,321,977	26,893,733
State and local grants and contracts	3,912,193	3,644,029
Nongovernmental grants and contracts	15,980,712	15,054,250
Educational activities	5,603,375	5,140,185
Departmental activities	9,645,896	9,335,561
Student residence fees (net of scholarship allowances of \$7,312,176 and \$6,983,425 in 2016 and 2015, respectively)	18,530,757	18,348,105
Total operating revenues	171,124,561	164,572,590
Expenses		
Operating expenses		
Compensation and benefits	160,685,451	154,670,598
Supplies and services	50,826,898	51,863,016
Student financial support	6,438,047	6,545,747
Utilities	6,821,070	7,497,312
Depreciation	14,273,858	14,626,326
Total operating expenses	239,045,324	235,202,999
Operating loss	(67,920,763)	(70,630,409)
Nonoperating revenues (expenses)		
Federal Pell grants	5,701,124	5,653,714
Federal grants, other	508,799	517,635
State appropriations	46,912,320	46,532,519
Gifts	13,832,405	9,860,476
Investment return	(149,603)	1,923,865
Interest on capital asset-related debt	(4,262,895)	(3,789,016)
Loss on disposal of capital assets	(252,201)	(164,634)
Net nonoperating revenues	62,289,949	60,534,559
Loss before other revenues	(5,630,814)	(10,095,850)
Other revenues		
Capital grants and gifts	1,080,090	2,538,012
Gifts for permanent endowment purposes	6,390,937	8,198,140
Other nonoperating revenues	293,699	164,603
Total other revenues	7,764,726	10,900,755
Change in net position	2,133,912	804,905
Net position		
Beginning of year	294,385,089	293,580,184
End of year	\$ 296,519,001	\$ 294,385,089

The accompanying notes are an integral part of these financial statements.

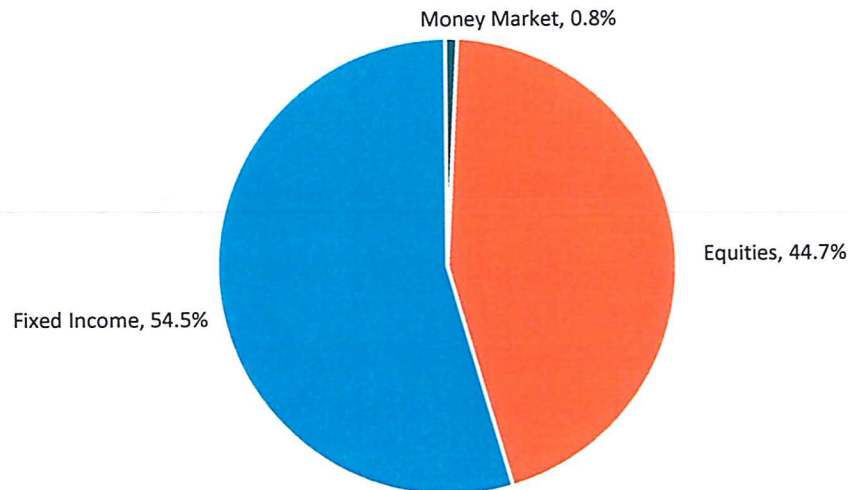
MICHIGAN TECHNOLOGICAL UNIVERSITY
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY FUND BY OBJECT
FOR THE YEAR ENDED JUNE 30, 2016

	General	Designated	Auxiliary Activities	Retirement & Insurance	Expendable Restricted	Total Current Funds	Student Loan	Plant	Michigan Tech Fund	Eliminations	2016	2015
Revenues												
Operating revenues												
Student tuition and fees, net	\$ 126,452,380	\$ 2,299	\$ 1,173,126	\$ -	\$ -	\$ 127,627,805	\$ -	\$ -	\$ -	\$ (36,498,154)	\$ 91,129,651	\$ 86,156,727
Federal grants and contracts	130,367	-	-	-	26,242,976	26,373,343	(51,366)	-	-	-	26,321,977	26,893,793
State and local grants and contracts	-	-	-	-	3,912,193	3,912,193	-	-	-	-	3,912,193	3,444,029
Non-governmental grants and contracts	-	1,000	-	-	15,888,712	15,889,712	-	91,000	-	-	15,980,712	15,054,250
Indirect cost recoveries	12,006,969	-	-	-	(12,006,969)	-	-	-	-	-	-	-
Educational activities	325,252	3,546,474	913,329	-	144,299	4,929,354	90	673,931	-	-	5,603,376	5,140,185
Departmental activities	9,808	100,716	9,480,998	(170)	3,128	9,594,482	-	51,414	-	-	9,645,896	9,335,561
Student residence fees, net	-	-	25,782,534	-	-	25,782,534	-	60,399	-	(7,312,176)	18,530,757	18,348,105
Total operating revenues	138,924,776	3,650,491	37,349,987	(170)	34,184,339	214,109,423	(51,276)	876,744	-	(43,810,330)	171,124,561	164,572,590
Expenses												
Operating expenses												
Salaries and wages	82,780,216	8,407,319	10,407,091	2,269,789	17,991,709	121,856,124	-	-	-	-	121,856,124	117,283,200
Fringe benefits	28,833,729	2,297,762	2,861,481	730,648	4,085,707	38,829,327	-	-	-	-	38,829,327	37,387,398
Supplies and services	15,262,321	9,760,495	13,352,421	359,084	13,820,182	52,554,503	120,636	8,168,813	13,735,318	(23,752,372)	50,826,898	51,863,016
Student financial support	38,211,853	646,732	414,547	-	10,975,245	50,248,377	-	-	2,548,167	(46,358,497)	6,438,047	6,545,747
Utilities	3,755,249	206,590	2,836,210	-	23,021	6,821,070	-	-	-	-	6,821,070	7,497,312
Depreciation	-	-	-	-	-	-	-	14,273,858	-	-	14,273,858	14,626,326
Total operating expenses	168,843,368	21,318,898	29,891,750	3,359,521	46,895,864	270,309,401	120,636	22,442,671	16,283,485	(70,110,849)	239,045,324	235,202,999
Operating (loss) income	(29,918,592)	(17,668,407)	7,458,237	(3,359,691)	(12,711,525)	(56,199,978)	(171,912)	(21,565,927)	(16,283,485)	26,300,539	(67,920,763)	(70,630,409)
Net transfers (out) in	(9,108,147)	10,845,749	(8,643,161)	(5,853,634)	2,694,802	(10,064,391)	-	10,064,391	-	-	-	-
Nonoperating revenues (expenses)												
Federal Pell grants	-	-	-	-	5,701,124	5,701,124	-	-	-	-	5,701,124	5,653,714
Federal grants, other	-	-	-	-	-	-	-	508,799	-	-	508,799	517,635
State appropriations	46,912,320	-	-	-	-	46,912,320	-	-	-	-	46,912,320	46,532,519
Gifts	609,921	7,617,830	425,152	-	4,266,500	12,919,403	-	-	13,832,155	(12,919,153)	13,832,405	9,860,476
Investment return	-	-	-	622,203	35	622,238	320,117	128,829	(1,220,787)	-	(149,603)	1,923,865
Interest on capital asset-related debt	-	-	-	-	-	-	-	(4,262,895)	-	-	(4,262,895)	(3,789,016)
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	(252,201)	(252,201)	(164,634)
Net nonoperating revenues (expenses)	47,522,241	7,617,830	425,152	622,203	9,967,659	66,155,085	320,117	(3,625,267)	12,611,368	(13,171,354)	62,289,949	60,534,559
Income (loss) before other revenues	8,495,502	795,172	(759,772)	(8,591,122)	(49,064)	(109,284)	148,205	(15,126,803)	(3,672,117)	13,129,185	(5,630,814)	(10,095,850)
Other revenues												
Capital grants and gifts	-	-	-	-	-	-	-	1,321,727	337,630	(579,267)	1,080,090	2,539,012
Gifts for permanent endowment purposes	-	-	-	-	-	-	-	-	6,390,937	-	6,390,937	8,198,140
Other nonoperating revenues	-	-	-	-	-	-	-	-	293,699	-	293,699	164,403
Fund additions	-	-	-	-	-	-	-	12,549,918	-	(12,549,918)	-	-
Total other revenues	-	-	-	-	-	-	-	13,871,645	7,022,266	(13,129,185)	7,764,726	10,900,755
Net increase (decrease) in net position	8,495,502	795,172	(759,772)	(8,591,122)	(49,064)	(109,284)	148,205	(1,255,158)	3,350,149	-	2,133,912	804,905
Net position, beginning of year	(10,668,289)	17,617,315	8,481,985	(35,995,712)	4,086,338	(16,478,363)	14,436,207	171,370,478	125,056,767	-	294,365,089	293,580,184
Net position, end of year	\$ (2,172,787)	\$ 18,412,487	\$ 7,722,213	\$ (44,586,834)	\$ 4,037,274	\$ (16,587,647)	\$ 14,584,412	\$ 170,115,320	\$ 128,406,916	\$ -	\$ 296,519,001	\$ 294,385,089

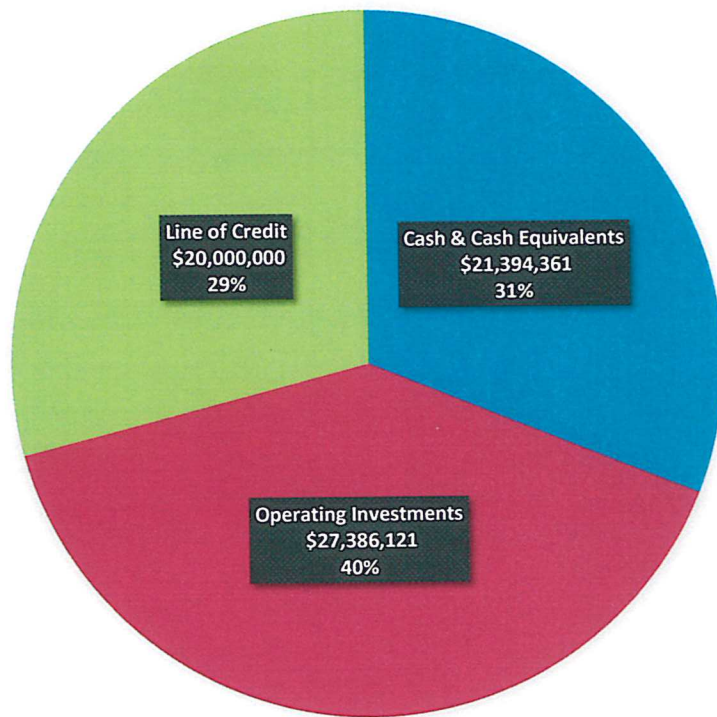
**MICHIGAN TECH UNIVERSITY
INVESTMENT PORTFOLIO
JUNE 30, 2015 THROUGH JUNE 30, 2016**

	<u>Market Value 6/30/2015</u>	<u>Market Value 6/30/2016</u>	<u>Change</u>	<u>Fiscal-Year Investment Return</u>
Money Market Fund	\$ 442,694	\$ 234,115	\$ (208,579)	0.0%
Equity Funds:				
Delaware Value Fund	1,050,723	1,480,858	430,135	9.4%
Vanguard Extended Market Index Fund	2,455,061	2,278,142	(176,919)	-5.4%
Vanguard 500 Index Fund	<u>8,429,573</u>	<u>8,575,705</u>	<u>146,132</u>	3.9%
Total Equity Funds	11,935,357	12,334,705	399,348	
Fixed Income Funds:				
Lord Abbett Bond Debenture Fund	1,412,742	7,527,635	6,114,893	2.2%
Lord Abbett Short Duration Income Fund	<u>1,423,036</u>	<u>7,523,781</u>	<u>6,100,745</u>	1.7%
Total Fixed Income Funds	2,835,778	15,051,416	12,215,638	
Total	<u>\$ 15,213,829</u>	<u>\$ 27,620,236</u>	<u>\$ 12,406,407</u>	<u>2.2%</u>

Current Asset Allocation



**Sources of Available Cash &
Operating Investments
June 30, 2016**



Debt: Utilize debt to develop the infrastructure to support the strategic plan.

Strategies:

1. Maintain our University Composite Financial Index (CFI) at 1.1 or greater and our bond rating of A1
2. Maintain a debt service coverage of 1.25 or greater.

**MICHIGAN TECH UNIVERSITY
OUTSTANDING BALANCES ON BOND ISSUANCES
JUNE 30, 2016**

Bonds Outstanding	Long-Term Outstanding Amount	Current Outstanding Amount	Total Outstanding	Original Issue Amount
Series 2008 Bond Issue (maturity 2038)				
Purchase of UPPCO Building				
Partial Funding of KRC Building				
MUB Ballroom Renovation				
Total Series 2008 Bond Issue	\$ 5,090,000	\$ -	\$ 5,090,000	\$ 15,880,000
Series 2009A Bond Issue (maturity 2039)				
New Student Apartment Building				
Partial Funding of KRC Building				
Total Series 2009 Bond Issue	15,600,000	405,000	\$ 16,005,000	18,235,000
Series 2010A Bond Issue (maturity 2040)				
Great Lakes Research Center				
A.E. Seaman Mineral Museum				
KRC Building Purchase (Blizzard Building)				
Life Safety Improvements on Campus				
Total Series 2010 Bond Issue	8,340,000	215,000	\$ 8,555,000	10,975,000
Series 2012A Bond Issue (maturity 2034)				
Refunding of 2003 & 2004 Fixed Rate Bond Issues				
SDC Ice Plant and Partial Roof of SDC				
Total Series 2012 Bond Issue	28,915,000	1,220,000	\$ 30,135,000	33,070,000
Series 2013A Bond Issue (maturity 2036)				
Refunding 2006 Bond Issue				
Refunding partial 2008 Bond Issue				
Total Series 2013 Bond Issue	12,790,000	740,000	\$ 13,530,000	14,265,000
Series 2015A Bond Issue (maturity 2046)				
Daniell Heights Renovation				
Campus Dining Renovation				
Fuel Storage Tank Facility				
Chemical Storage Facility				
Chemistry Labs Renovation				
IT and Safety Systems Upgrades				
McNair Hall Bathrooms Renovation				
Total Series 2015 Bond Issue	23,870,000	425,000	\$ 24,295,000	24,295,000
Total - All Bond Issues	\$ 94,605,000	\$ 3,005,000	\$ 97,610,000	\$ 116,720,000

Michigan Technological University
 FY17 Current Funds Income Statement Projection
 December 31, 2016

2nd Quarter Projection

	General Fund	Designated Fund	Auxiliary Fund	R&I Fund	Total Current Unrestricted	Total Expendable Restricted	Total Current Fund
Operating Revenues							
Student Tuition and Fees	\$ 131,764,783	\$ -	\$ 1,185,622	\$ -	\$ 132,950,405	\$ -	\$ 132,950,405
Federal Grants and Contracts	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ 22,676,799	\$ 22,826,799
State/Local Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,637,554	\$ 3,637,554
Nongovernmental Grants and Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,338,624	\$ 15,338,624
Indirect Cost Recoveries	\$ 11,521,663	\$ -	\$ -	\$ -	\$ 11,521,663	\$ (11,079,416)	\$ 442,247
Educational Activities	\$ 280,169	\$ 3,647,689	\$ 960,184	\$ -	\$ 4,888,042	\$ 180,019	\$ 5,068,061
Student Resident Fees	\$ -	\$ -	\$ 26,941,910	\$ -	\$ 26,941,910	\$ -	\$ 26,941,910
Sales and Services of Dept Activities	\$ 15,482	\$ 113,963	\$ 9,646,771	\$ -	\$ 9,776,216	\$ 4,390	\$ 9,780,606
	\$ 143,732,098	\$ 3,761,652	\$ 38,734,486	\$ -	\$ 186,228,236	\$ 30,757,970	\$ 216,986,206
Operating Expenses							
Salaries & Wages - Non-Faculty	\$ (38,470,512)	\$ (3,711,013)	\$ (8,743,824)	\$ (2,097,918)	\$ (53,023,267)	\$ (8,851,462)	\$ (61,874,730)
Salaries & Wages - Faculty	\$ (43,317,395)	\$ (777,940)	\$ (57,344)	\$ (156,236)	\$ (44,308,915)	\$ (3,534,072)	\$ (47,842,987)
Salaries & Wages - Graduate Students	\$ (4,969,796)	\$ (813,495)	\$ (1,075,813)	\$ -	\$ (6,859,105)	\$ (4,180,944)	\$ (11,040,049)
Salaries & Wages - Undergrad Students	\$ (1,872,101)	\$ (640,063)	\$ (1,047,179)	\$ -	\$ (3,559,344)	\$ (1,094,809)	\$ (4,654,153)
Fringe Benefits	\$ (30,705,614)	\$ (1,328,664)	\$ (3,013,899)	\$ (118,075)	\$ (35,166,252)	\$ (3,945,169)	\$ (39,111,421)
Supplies and Services	\$ (15,704,338)	\$ (8,842,818)	\$ (14,131,709)	\$ (821,242)	\$ (39,500,108)	\$ (9,699,722)	\$ (49,199,830)
Scholarships and Fellowships	\$ (41,277,032)	\$ (806,727)	\$ (475,484)	\$ -	\$ (42,559,244)	\$ (10,234,369)	\$ (52,793,612)
Utilities	\$ (4,548,147)	\$ (177,657)	\$ (3,074,044)	\$ -	\$ (7,799,848)	\$ (10,077)	\$ (7,809,925)
	\$ (180,864,937)	\$ (17,098,378)	\$ (31,619,297)	\$ (3,193,471)	\$ (232,776,083)	\$ (41,550,624)	\$ (274,326,707)
Transfers							
Mandatory Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,106,757	\$ 2,106,757
Mandatory Transfers Out	\$ (1,682,411)	\$ (246,083)	\$ (4,908,265)	\$ -	\$ (6,836,760)	\$ (1,324,716)	\$ (8,161,476)
Non Mandatory Transfers In	\$ 17,277,895	\$ 21,388,100	\$ 19,285,212	\$ 5,867,426	\$ 63,818,632	\$ 3,165,853	\$ 66,984,485
Non Mandatory Transfers Out	\$ (25,506,041)	\$ (8,165,346)	\$ (21,963,832)	\$ (11,729,202)	\$ (67,364,422)	\$ (2,895,717)	\$ (70,260,140)
	\$ (15,571,166)	\$ 10,548,337	\$ (8,447,330)	\$ 2,742,166	\$ (10,727,993)	\$ 2,622,947	\$ (8,105,046)
Nonoperating Revenues (Expenses)							
State appropriations, Operating	\$ 48,179,700	\$ -	\$ -	\$ -	\$ 48,179,700	\$ -	\$ 48,179,700
Gift Income	\$ 4,378,238	\$ 3,833,219	\$ 425,152	\$ -	\$ 8,636,609	\$ 4,035,768	\$ 12,672,378
Investment Income (loss)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Investment Income</i>	\$ 162,395	\$ -	\$ -	\$ 619,835	\$ 782,230	\$ -	\$ 782,230
<i>Investment Fees</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Realized Gains on Investments</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Unrealized Gains on Investments</i>	\$ 110,810	\$ -	\$ -	\$ 976,070	\$ 1,086,880	\$ -	\$ 1,086,880
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,279,616	\$ 5,279,616
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 52,831,143	\$ 3,833,219	\$ 425,152	\$ 1,595,905	\$ 58,685,420	\$ 9,315,385	\$ 68,000,804
Net increase (decrease) in fund balance	\$ 127,138	\$ 1,044,830	\$ (906,989)	\$ 1,144,600	\$ 1,409,579	\$ 1,145,677	\$ 2,555,256
Transfer of Investments	\$ 3,500,000	\$ -	\$ -	\$ (3,500,000)	\$ -	\$ -	\$ -
Adjusted Change in Net Assets	\$ 3,627,138	\$ 1,044,830	\$ (906,989)	\$ (2,355,400)	\$ 1,409,579	\$ 1,145,677	\$ 2,555,256

NOTES: Projections Exclude Projection GASB 68 Liability

DRAFT

Michigan Technological University
 FY17 General Fund and Current Fund Income Statements
 December 31, 2016

2nd Qtr Projection vs Budget	Adjusted Budget		2nd Quarter Projection		Variance		Original Projection		2nd Quarter Projection		Variance		Historic Precision
	General Fund		General Fund		General Fund	%	Total Current Fund		Total Current Fund		Total Current Fund	%	
OPERATING REVENUES													
Student Tuition and Fees	135,439,845		131,764,783		(3,675,062)	-2.7%	136,627,377		132,950,405		(3,676,972)	-2.7%	1.0%
Federal Grants and Contracts	150,000		150,000		-	0.0%	26,602,813		22,826,799		(3,776,014)	-14.2%	6.3%
State/Local Grants and Contracts	-		-		-	-	4,334,696		3,637,554		(697,142)	-16.1%	5.3%
Nongovernmental Grants and Contracts	-		-		-	-	17,256,307		15,338,624		(1,917,683)	-11.1%	6.4%
Indirect Cost Recoveries	12,426,000		11,521,663		(904,337)	-7.3%	5,159,091		442,247		(4,716,844)	-91.5%	
Educational Activities	122,890		280,169		157,279	128.0%	26,562,274		26,941,910		379,636	1.4%	8.9%
Student Resident Fees	-		-		-	-	9,744,452		9,780,606		36,154	0.4%	0.2%
Sales and Services of Dept Activities	-		15,482		15,482	-	226,287,010		216,986,206		(9,300,804)	-4.1%	2.7%
OPERATING EXPENSES													
CarryForward	(2,480,070)		-		2,480,070	-100.0%	(4,800,000)		-		4,800,000	-100.0%	1.4%
Salaries & Wages - Faculty & Staff	(83,399,272)		(81,787,907)		1,611,365	-1.9%	(110,819,541)		(109,717,717)		1,101,824	-1.0%	1.9%
Salaries & Wages - Graduate Students	(4,714,651)		(4,969,796)		(255,145)	5.4%	(10,673,401)		(11,040,049)		(366,648)	3.4%	2.2%
Salaries & Wages - Undergrad Students	(1,721,777)		(1,872,101)		(150,324)	8.7%	(4,584,023)		(4,654,153)		(70,130)	1.5%	3.7%
Fringe Benefits	(32,317,121)		(30,705,614)		1,611,507	-5.0%	(39,870,257)		(39,111,421)		758,836	-1.9%	5.1%
Supplies and Services	(17,599,324)		(15,704,338)		1,894,986	-10.8%	(52,940,439)		(49,199,830)		3,740,609	-7.1%	4.2%
Scholarships and Fellowships	(39,842,641)		(41,277,032)		(1,434,391)	3.6%	(52,738,022)		(52,793,612)		(55,590)	0.1%	1.8%
Utilities	(4,086,627)		(4,548,147)		(461,520)	11.3%	(7,215,123)		(7,809,925)		(594,802)	8.2%	8.5%
	(186,161,483)		(180,864,937)		5,296,546	-2.8%	(283,640,806)		(274,326,707)		9,314,099	-3.3%	
TRANSFERS													
TOTAL TRANSFERS	(14,939,452)		(15,571,166)		(631,714)	4.2%	(8,849,188)		(8,105,046)		744,142	-8.4%	>20.0%
NONOPERATING REVENUES (EXPENSES)													
State appropriations, Operating	48,179,700		48,179,700		-	0.0%	48,179,700		48,179,700		(0)	0.0%	N/A
Gift Income	4,527,500		4,378,238		(149,262)	-3.3%	12,678,622		12,672,378		(6,245)	0.0%	
Investment Income (loss)	255,000		-		(255,000)	-100.0%	571,033		-		(571,033)	-100.0%	
Investment Income	-		162,395		162,395	-	-		782,230		782,230	-	9.8%
Investment Fees	-		-		-	-	-		-		-	-	
Realized Gains on Investments	-		-		-	-	-		-		-	-	
Unrealized Gains on Investments	-		110,810		110,810	-	5,766,788		1,086,880		1,086,880	-	
Federal Grants	-		-		-	-	-		5,279,616		(487,172)	-8.4%	
Interest Expense	-		-		-	-	-		-		-	-	
Net increase (decrease) in Net Assets	52,962,200		52,831,143		(131,057)	-0.2%	67,196,145		68,000,804		804,659	1.2%	
	0		127,138		127,138	-	993,161		2,555,256		1,562,095	157.3%	

Michigan Technological University
Cash to Investments Scenario-DRAFT
January 2017

\$3.5 million of R&I investments to the GF, and invest \$6.2 million of cash in DF (w/out moving investments to R&I - investment income to be transferred to R&I)

	General Fund	Designated Fund	Auxiliary Fund	R&I Fund	Total Current Funds - Unrestricted	Expendable Restricted Fund	Total Current Funds	Equity Investments	Fixed Income Investments
Change in net assets-2nd Qtr Projection	191,983	1,044,830	(906,989)	1,144,580	1,474,404	1,145,677	2,620,081		
Transfer of investments	3,500,000	-	-	(3,500,000)	-	-	-		
Adjusted change in net assets	3,691,983	1,044,830	(906,989)	(2,355,420)	1,474,404	1,145,677	2,620,081		
Net assets, beginning of year	(2,172,787)	18,412,487	7,722,213	(44,586,834)	(20,624,921)	4,037,274	(16,587,647)	12,334,705	15,051,416
								45.0%	55.0%
Net assets, end of year	1,519,196	19,457,317	6,815,224	(46,942,254)	(19,150,517)	5,182,951	(13,967,566)	18,534,705	15,051,416
								55.2%	44.8%

Target Investment allocation of 2/3 equities and 1/3 fixed income, with the fixed income investments in the general fund.

Michigan Tech Board of Trustees

Audit and Finance Committee Calendar, FY17

October

- Audited Financial Statements FY16
- Independent Auditor's Report
- Approval of State Capital Outlay Request
- FY18 Preliminary Budget Planning Parameters
- Continuous Improvement Using Lean Principles Annual Report
- Potential Real Property Disposal

December

- Initial FY18 Enrollment Projections
- 1st Quarter Projections for FY17
- Approval of Room and Board Rates for FY18
- Updated FY18 Budget Parameters
- Debt Ratios

February

- 2nd Quarter Projections for FY17
- First Draft of FY18 Budget
- Annual Informational Items
- Capital Investment Plan

April/May

- 3rd Quarter Projections for FY17
- Approval of FY18 Budget [Contingent on State Action]
- Approval of External Auditor
- Draft/Audit & Finance Committee Calendar for next Fiscal Year
- External Auditor Update
- Proposed Internal Audits and Projects for FY18

Michigan Technological University
Admissions & Enrollment Information Model

Head count for summer/fall of: Projected Change
2016-2017

	Actual	2012	Actual	2013	Actual	2014	Actual	2015	Actual	2016	Projection	2017	Budget Year
		Prior Year 4		Prior Year 3		Prior Year 2		Prior Year 1		Base Year		Budget Year	
													1

	FY13	FY14	FY15	FY16	FY17	FY18
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Total New Undergrads

Applied	5,260	5,568	5,779	6,019	6,264	6,074	-190
Accepted	3,862	4,141	4,224	4,408	4,649	4,501	-148
Enrolled	1,410	1,448	1,406	1,461	1,580	1,534	-46

Total New Grads

Applied	3,106	3,624	5,338	5,159	5,213	5,180	-33
Accepted	1,156	1,398	1,525	1,509	1,238	1,229	-9
Enrolled	355	410	398	466	383	378	-5

Total New & Returning Students

<i>Undergraduate Students</i>	5,625	5,621	5,662	5,721	5,829	5,894	65
<i>Graduate Students</i>	1,322	1,358	1,442	1,521	1,441	1,417	-24
Total Enrollment	6,947	6,979	7,104	7,242	7,270	7,311	41

General Fund FY18 Budget Planning Parameters

REVENUES

Enrollments -	Total Enrollment Undergraduate Students - Increase 65 Graduate Students - Decrease 24 FY17 Estimated Tuition Shortfall
Tuition & Mandatory Fee Increases -	Resident Undergraduate Tuition - Average Increase 4.2% Non-Resident Undergraduate Tuition - Average Increase 4.2% Graduate Student Tuition - Increase 5%
Investment Income -	Fixed Income Investments (3% Return \$11.2M Investments)
Gift Income -	Unrestricted Michigan Tech Fund Gifts (Fee Income) Flat FY17 Level
Indirect Cost Recovery -	Flat FY17 Level
State Appropriations -	2.9% Increase

EXPENDITURES

Faculty & Staff Salaries -	Salary and Wage Budget Adjustment (1.5% Remaining FY17 + 1% FY18) Faculty Promotional Increases
Graduate Student Salaries -	Stipend - Increase 5%
Supplies & Services -	Maintenance Budget Space Review
Fringe Benefits -	Fringe Costs Associated Salary Changes FY18 Fringe Rate Increase 2% (39.5% Fringe Rate) Graduate Student Fringe Rate Increase 3.1% (10.5% Fringe Rate)
Strategic Investment -	Academic/Administrative Strategic Initiatives
Scholarships -	Undergraduate Financial Aid - Increase 4.2% Supported Graduate Student Tuition - Increase 5%
Utilities -	Increase
Contingency/Carryforward Reserve -	Remain at \$4.8M

TRANSFERS

Fringe Benefit Voluntary Reduction	Eliminate \$2.13M
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Cost per Space for Transportation Services

FY14			
Expenses	Number of Spaces	Cost per Space	
\$ 832,737.48	5116	\$	162.77

FY15*			
Expenses	Number of Spaces	Cost per Space	
\$ 661,690.39	5105	\$	129.62

FY16*			
Expenses	Number of Spaces	Cost per Space	
\$ 561,392.54	5102	\$	110.03

*In FY15 11 parking spaces were lost due to the John Edgar McAllister Welcome Center addition to the Memorial Union Building. In FY16 the Lakeshore Center lost 3 parking spaces to city projects.

**There were higher snow removal costs in FY14, and a required transfer of all parking citations to the General Fund. In FY15 and FY16 the transfer was lowered to the 20% auxiliary fee, consistent with other auxiliary units.

Strategic Plan Review Timeline, 2015

Preliminary

- Executive Team – February, 2014
- 2012 Timeline sent to Senate – February 6, 2014
- President's Forum – February 18, 2014
- BOC Academic Affairs Committee – February 20, 2014
- Senate Presentation – March 26, 2014
- Academic Forum – April 9, 2014
- VPAdmin Direct Reports – April 9, 2014
- VPR Direct Reports – April 16, 2014
- Staff Council – April 17, 2014
- Exec Team Retreat – April 24, 2014
- BOC Review – May 21, 2014
- FSO Directors – May 27, 2014

Review

- Executive Team Retreat – July 1, 2014
- Campus Comment Period – August 25 – September 19, 2014
- USG Discussion – September 3, 2014
- GSG Discussion – September 8, 2014
- Deans Retreat to Review/Revise – October 14, 2014
- Exec Team Retreat to Review/Revise Dean's Revision – October 27, 2014
- Initial Meeting with Chairs and Directors to Review Deans/ET Draft – October 27, 2014
- Exec Team/Deans/Chairs/Directors Revision – December 12, 2014
- Informal Review with BOC – December 18, 2014
- Campus Comment Period – December 19, 2014 – January 30, 2015
- Presentation to University Senate – January 21, 2015
- Review of Comments and Revisions by Deans – February 4, 2015
- Review with Executive Team – February 4, 2015
- BOC Review – February 19, 2015
- Distribution of DRAFT Revised Plan to Campus Community – February 20, 2015
- BOC Approval – May, 2015