Academic Council

Shaping the Future of MSU

Meeting challenges, maintaining commitment to values and vision

Source: ShapingTheFuture.MSU.EDU
Overview

- Core values of quality, inclusion and connectivity remain constant
- Boldness by Design provides the long-term framework for shaping future
- Continue reliance on tested systems and processes for guiding MSU
- Build upon planning base established by Provost Wilcox and VP Poston
- Sculpt university using design principles to maintain its status among the best research universities in the world while adjusting to long-term fiscal realities
- Changes primarily derived through unit and cross-unit planning, augmented by transparency, soliciting ideas and formal consultation with faculty, staff, students and community
- Process is both decentralized and integrated, began in 2008-09, and will continue over the next three years
- Uncertainty about the external environment and commitment to consultation coupled with the above factors in an iterative process that may seem “messy” at times
State Revenue Estimates

9/1/2009

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Estimated Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09 (Original Estimate)</td>
<td>$8.9</td>
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<tr>
<td>Estimated 2009-10 (Jan est)</td>
<td>$7.9</td>
</tr>
<tr>
<td>Estimated 2009-10 (May est)</td>
<td>$6.9</td>
</tr>
<tr>
<td>Estimated 2010-11</td>
<td>$6.9</td>
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<tr>
<td>Estimated 2011-12</td>
<td>$6.9</td>
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<tr>
<td>Estimated 2012-13</td>
<td>$6.9</td>
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<tr>
<td>Estimated 2013-14</td>
<td>$6.9</td>
</tr>
<tr>
<td>Estimated 2014-15</td>
<td>$6.9</td>
</tr>
</tbody>
</table>

Note: $ in billions

- To be offset by stimulus proceeds
- State stimulus plan submitted to Fed. Zero pledged
- 22% Reduction
Percent Change in Appropriations

Forecasted values in red

Model provided on overhead slide
Contracting GF Appropriation Support

2009-10 | 2010-11 | 2011-12

$333.6M | $319.1M | $304.6M | $348.2M

$319.1M | $23.2M | $34.8M | $34.8M

4% | 4% | 4% | 4%

-7% | -7% | -7% | -7%

If state recognizes
"maintenance of effort" (Stimulus)

$261.1M | $246.6M | $232.1M | $230.1M

$232.1M | $58.0M | $58.0M | $58.0M

$275.6M | $261.1M | $246.6M | $232.1M

Return to presentation
Contracting GF Appropriation Support

<table>
<thead>
<tr>
<th>Year</th>
<th>appropriation</th>
<th>Change</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>$333.6M</td>
<td>-</td>
<td>If state recognizes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>&quot;maintenance of effort&quot;</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>(Stimulus)</td>
</tr>
<tr>
<td>2010-11</td>
<td>$319.1M</td>
<td>-3%</td>
<td>If state recognizes</td>
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<tr>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Stimulus)</td>
</tr>
<tr>
<td>2011-12</td>
<td>$304.6M</td>
<td>-3%</td>
<td>-7%</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>-10%</td>
</tr>
<tr>
<td></td>
<td>$290.1M</td>
<td>-3%</td>
<td>-7%</td>
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<tr>
<td></td>
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<td></td>
<td>-10%</td>
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<td>$275.6M</td>
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Return to presentation
Contracting GF Appropriation Support

- **2009-10**: $333.6M
- **2010-11**: $319.1M
- **2011-12**: $304.6M

### If state recognizes “maintenance of effort” (Stimulus)
- **2009-10**: $290.1M
- **2010-11**: $275.6M
- **2011-12**: $261.1M

### Return to presentation

- **2009-10**: $333.6M
- **2010-11**: $319.1M
- **2011-12**: $304.6M

If state does not recognize “maintenance of effort” (Stimulus)
- **2009-10**: $232.1M
- **2010-11**: $246.6M
- **2011-12**: $261.1M

### Return to presentation
## MSU Appropriations

<table>
<thead>
<tr>
<th></th>
<th>Governor</th>
<th>House</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Experiment Station</strong></td>
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<td></td>
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<tr>
<td>and Extension</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurring</td>
<td>-50 Percent</td>
<td>2.5 Percent</td>
<td>-44 Percent</td>
</tr>
<tr>
<td>Stimulus</td>
<td>-0-</td>
<td>$2.0M</td>
<td>$27.8M</td>
</tr>
</tbody>
</table>

190 tenure system faculty FTE  
800 funded FTE of all personnel types  
1,500 employees receive, at least, partial support
Global Design Principles

• Most design principles are previously existing policies or practices

• Currently being augmented to guide abrupt and gradual change necessary given the magnitude of current financial challenges

• Synthesis of previously used planning elements

• Guide sculpting process over next three to four years

• Institutional direction setting

• Changing culture and attitudes

• Reaffirm priority of academic mission

• Provide accountability mechanism to assess progress over time
Illustrative Global Design Principles

• Design principles focused in the following areas:
  • Students
  • Performance Expectations
  • Compensation
  • Health care
  • Academic enterprise
  • Outreach
  • Research
  • Student Support
  • Finance
  • Operations
Campus Communications

• Actively communicating across the campus community about MSU’s reshaping efforts.

• Planning for a general fund budget reduction of 4% this year, 6% next year, and an undetermined reduction for 2011-12, which could exceed the originally planned 6%.

• The following communications are intended to detail reshaping efforts, promote transparency, and begin dialogue.
Academic Unit Budget Reduction Planning – From Provost Wilcox

• Resolve to make decisions that preserve and enhance institutional quality and reputation

• Reduction plans call for deliberate and strategic reductions, as well as new investments

• Decisions need to be grounded in vision of the university we want to become

• Requesting Dean’s review of:
  • Curriculum for flexibility and relevance
  • Activities to determine whether they contribute to mission
  • Programs to determine viability in changing environment
  • Research and creative activities to determine ongoing need, potential for excellence, sustainable funding
  • Units, institutes and centers to determine necessity for future directions
  • Administrative assignments for effectiveness
  • Outreach and engagement to determine relevance to scholarship
Future of Student Support Services – From Provost Wilcox, V.P. Poston & V.P. June

• Consider types of services to students and the methods by which they’re provided
• Learning Alliance Roundtable report, First Year Experience Plan, and RHS Strategic plan provide groundwork
• Services closer to home, reduce redundancy, and student behavior are considerations
• Residence hall neighborhood transition provides excellent opportunity for integration
• New, integrated organizational model for student support to assure success academically and socially
• Budget circumstance will require difficult choices

Health Programs Planning – From Provost Wilcox

• Sustain proud tradition of providing quality health services
• Seeking collaboration to:
  Indentify benefits of integrating Olin and MSU Health Team
  Review the Student Health Fee
  More effectively align funding with unit goals and activities
  Ensure the most effective complement of practitioners to meet clinical needs
Campus Communications

Undergraduate Education – From Provost Wilcox

• Balance of educational requirements- increase flexibility to students and optimize instructional load for the department
• General education- Enhance model without eroding the IS concept
• Sophomore admission to majors-align services to support this initiative

Academic Governance-Budget Planning – From President Simon & Provost Wilcox

• Experiencing one of the most difficult economic periods in history
• Assure balanced budget and reshape university for continued excellence in the future
• Rely on existing governance structure and design principles

Support Unit-Budget Reduction Planning – From Provost Wilcox and V.P. Poston

• Appropriations expected to contract significantly in addition to considerable inflationary pressure on other budget elements
• Regardless of circumstance, we are all stewards of the university’s mission
• Need to change our activities, our attitudes and our culture
• Identify sub-functions in each unit and rank their importance
Employee Health Care – From President Simon

- Assure access to affordable, quality health care while constraining budgetary growth
- Health care has grown from less than 1% of GF budget to over 7.5% in 40 years
- Currently spending more than $110M annually on health care ($300K per day)
- Must constrain health care cost growth to, at most, 5% annually
- Health Care Strategy Advisory Committee partnering with University leadership to address the issue
MSU Planning Illustrations

2009-10

Review and Develop Plans

Academic Program Planning (Part 1)
Curricular Reform
Work Process Improvement
Support Units Sub-Function Analysis (Part 1)
Energy Conservation and Sustainability -- Spartan Green
Services to Students
Sync Services to Neighborhoods Concept
Campus Health Care Providers (Part 1)
Employee Health Care (Continuous)
Research Infrastructure (Part 1)
Institutes & Centers Review
MAES -- MSUE

2010-11

Phased Implementation

Academic Program Changes
Curricular Reform
Service Centers
EBSP
Integrate Academic Support Unit Plans and Implement
New Health Care Options
Research Infrastructure (Part 1)
Institutes & Centers Review
MAES -- MSUE
Communications

• Each member of our community is responsible to become an informed participant in this process.

• Communication, commitment to our values, and the courage to make the decisions which will best position MSU for the future, will best assure our success.

ShapingTheFuture.MSU.EDU
(Available September 3rd)

For Budget And Financial Background
Budget.MSU.EDU
Conclusions

• We are now asking much of a University community that already has experienced difficult times

• However, as stewards of a great university – serving as the link between past achievements and future promise – requires we redouble our efforts

• I sincerely appreciate your engagement during this defining time and pledge my support to assure MSU continues as one of the finest universities in the world