

# Board of Trustees

## PRESIDENT'S REPORT

June 30, 2022

Thank you, Chair Studley.

Before I begin my report, I would like to recognize Dr. Richard Rothaus for his service as interim provost over the last six months. Dr. Rothaus stepped up to serve when Provost Schutten returned to the faculty, and I have very much enjoyed working with him. He is well-known by our students, faculty and staff for his ethical leadership, commitment to transparency and wonderful sense of humor. Dr. Rothaus, thank you.

This week, we are hosting the last of June's 16 orientation sessions for new Central Michigan University students and their families. More are planned for July, and before you know it, we'll be gearing up for IMPACT, Leadership Safari and Move-In. Our student orientation ambassadors and our faculty and staff members have done an outstanding job creating an informative and engaging on-campus experience for the newest CMU Chippewas, and it has been a pleasure to witness their energy and excitement.

We are excited, too, because for the first time since 2014, we plan to welcome more new students this year than in the year prior.

### **Enrollment**

Although final enrollment figures cannot be confirmed until later in the year, all leading indicators point to increases in new first-year, transfer and graduate student enrollment for academic year 2022-23. This is confirmation that our efforts are beginning to bear fruit, and that we are back on the upward swing. I want to recognize everyone who played a role in this vital work. Please join me in thanking the faculty and staff who made this good news possible.

While this is outstanding news, we are not finished. We will continue to pursue our bold, creative and strategic work to reach new prospective students, and to continue to raise the reputation of our institution in our region and beyond.

### **Introducing Innovation and Online**

At the same time, we also will expand our program offerings to meet our students' changing needs. There is significant and increasing demand for more flexibility in higher education, both

in terms of how and where students attend classes, and in the types of educational credentials they seek.

Over the past several years, pathway groups engaged in our Strategic Envisioning Process have put forward a variety of recommendations to improve upon and expand our at-a-distance and flexible educational opportunities. From those discussions, we have reimagined our approach to our Global Campus programs. This month, we are launching that area of our enterprise as CMU Innovation and Online.

Innovation and Online initiatives will include improving and expanding our offerings in online degree programs, and also micro-credentials, badges, certificates, bootcamps and more. With this shift, we are well-positioned to help Michigan reach its 60 by 30 goal to help 60% of Michigan workers complete a post-secondary credential by 2030. With exciting, flexible program offerings, we can help to close the skills gap in Michigan and fuel our state's economic growth. We are positioning CMU to reclaim its prominence in distance learning and become the leader in this high-demand market, here in Michigan and beyond.

It is important to note that the new Innovation and Online unit was created and funded by reallocating resources from our Global Campus programs. We continue to responsibly steward resources as we pursue these exciting new initiatives.

I would like to recognize Dr. Betty Kirby and Mr. Ernie Bedford for their outstanding leadership over the past several years — they have done exceptional work in preparing us for this exciting shift. Dr. Kirby has agreed to continue to provide guidance and oversight in this area as the inaugural Vice President of Innovation and Online, and we look forward to seeing what she and her team will achieve. Thank you, Dr. Kirby, for your continued leadership.

### **Strategic investments**

This strategic investment in our flexible and online program offerings is just one of many steps we are taking to move CMU forward. We also are investing resources in programs, services and supports that help our students achieve their goals and earn their CMU degrees. This includes significant investments in the scholarships, need-based and merit-based financial aid programs that keep CMU accessible and affordable for students and their families. It also includes support for programs like the Mentor Collective and the Counseling Center, which help students build community and navigate the challenges and stresses of campus life.

We will continue to invest in CMU's academic quality, ensuring we are able to offer academic programs with rigor, relevance and excellence that meet the needs of our students and the communities we serve.

### **Tuition**

The costs of providing that high-quality education are on the rise — here at CMU and throughout the country. Inflation is at its highest level in many decades, and every aspect of our operation has been impacted. Like all of our peer institutions in Michigan, CMU must raise tuition this year to ensure we can continue to offer the highest quality experiences for our students.

As we considered this necessary decision, we also focused on keeping a CMU degree within reach for our students and their families. The tuition increase we will propose today — which will be discussed in a presentation from Vice President and Chief Financial Officer Nick Long — is within the tuition restraint caps proposed by the Michigan House, Senate and Governor’s office.

And, even after these adjustments, CMU will remain one of the most affordable institutions in the state of Michigan. Over the past ten years, CMU has had the lowest cumulative undergraduate tuition increase among Michigan’s public institutions, and we continue to offer one of the lowest overall tuition rates. In addition, these tuition increases will be offset by significant additional investment in scholarships and need-based financial aid.

Our students’ success remains our top priority, and that means ensuring we remain accessible and affordable while providing the highest quality learning environment.

### **Staff Salary Increase**

Behind each one of those successful CMU students, there is a team of outstanding faculty and staff. Our reputation rests in their hands: Our faculty and staff are the reason we are known as a supportive community that lifts up every individual. They set the leadership standard in their fields of work, and they make it possible for CMU to offer exceptional educational experiences with real-world impact each and every day.

CMU must compete to attract and retain the very best faculty and staff, and we must do everything we can to support them. For this reason, we have included salary increases in this year’s budget, which we will discuss shortly. These increases will fulfill obligations from our negotiations with our unionized faculty and staff, and also provide increases for non-union professional and administrative staff.

As I mentioned previously, we are making strategic investments in areas that will move CMU forward. Investing in our faculty and staff is one of the most important steps we can take to keep us on a path to success and sustainability.

### **Budget**

Our future success also depends on our ability to steward our resources effectively and efficiently. Thanks to the continued efforts of our faculty and staff, CMU is a strong, viable university, and we will continue to be strategic and responsible in our financial activities. Later in the meeting, Vice President Long will provide a more in-depth look into the budget proposal for fiscal year 2022-23, but I would like to take a moment now to acknowledge the hard work and collaboration that went into this process.

A budget, simply put, is a plan to achieve goals. Creating a balanced budget requires deep reflection on our most important priorities, candid discussion of our fiscal realities, and compromise when necessary. Over the past several months, leaders from across the institution have worked diligently to align anticipated incomes — which will be lower next year — with necessary expenses. The resulting plan empowers CMU to continue to pursue its vital mission and to achieve its primary goals of student success; academic rigor, relevance and excellence; high-impact research, scholarly and creative activity; and service to the community. I commend everyone who played a role in this important process.

## **Fiscal realities**

As I mentioned, this plan anticipates lower revenues for the coming year, which meant some budget reductions were necessary. These reductions were made carefully and strategically – there were no “across the board cuts,” and investments continue to be made in key growth and priority areas. This budget also takes a conservative approach to anticipated funding from the state. We expect a decision on higher education appropriations soon, and we will revise our plans according to that state action.

Budgets are flexible, adaptable documents, and it is possible that adjustments may be necessary as the year progresses. We will continue to be ethical, accountable stewards of our resources and to be open and transparent about our process.

We are fortunate to be a viable, financially strong institution of higher education. Over the past few years, especially during this pandemic, we have witnessed the decline of some colleges and universities — but we remain strong.

We continue to be positively rated by credit agencies, and our balance sheet is healthy. We continue to be known for excellence in academics and for our outstanding student support programs. Our enrollment is growing, and so is our reputation.

## **Strategic Planning**

The future is bright for CMU and for the students and communities we serve. Over the past three years, members of the university community have shared their ideas and suggestions for our future through the Strategic Envisioning Process; many of their recommendations are already being implemented and are making a positive difference.

As we come to the end of CMU’s current strategic plan, Advancing Excellence, we are well-positioned to begin work on our next multi-year strategic plan. We will soon begin discussions for a new strategic planning process, one that builds upon the great work underway in the strategic pathway groups and incorporates the efforts of our diversity, equity and inclusion strategic planning team. I look forward to sharing more about this with the Board and the university community in the near future.

## **Fired Up for Summer**

Some say that summer is a down-time, or a slow time, for education. I would argue that the opposite is true at CMU. Right now, hundreds of students are exploring the world and becoming better global citizens through CMU Study Abroad Programs. Others are completing internships in their chosen field of work, while some are working alongside faculty to complete research and creative projects. Still more are taking advantage of our Summer Tuition Incentive to get ahead on their degree progress. Our student-athletes continue to train and prepare for their upcoming season, and our student performers are getting ready to hit the road with two fantastic shows.

While all that is going on, we also are hosting and participating in some terrific events and activities here on campus. In the past month alone, we have hosted the annual Special Olympics Summer Games, our second annual Juneteenth Celebration with the City of Mount Pleasant, and Grandparents University.

While others may choose to settle down during the high temperatures of summer, we have chosen to remain FIRED UP.

### **Good news**

Before I close my remarks today, I would like to share one final piece of good news. As we close the books on this fiscal year, we are on track to have our largest-ever year for research grants. We have already surpassed our previous record for research — \$20.8 million in 2010-2011 — and we expect to be closer to the \$24 million dollar mark when the numbers are finalized.

These grants represent funding from agencies such as the US Department of Energy, the National Science Foundation, the US Department of Education and more. These grants represent faculty from nearly all our academic colleges, and the funds support their vital work in areas including health and wellness, science and engineering, education and family services, community impact and the arts, and more.

This tremendous increase, along with the many other successes we are seeing at CMU, is the result of the hard work, passion and commitment of our faculty and staff, and I invite the board to join me in a round of applause in acknowledgement of their success.

Thank you. Chair Studley, this concludes my report.