

President's Report to the Board of Trustees



June 23, 2015

Good morning, Trustees and audience members. Welcome.

Let's start today with a couple of highlights that show the impact of Central Michigan University — significant news of CMU and its stamp on the world.

The nearly 4,300 new students who've attended orientation so far have chosen CMU and registered for classes, looking forward to inspired learning opportunities inside the classroom and beyond.

They're eager to experience CMU's distinctive culture, with our hallmark connectivity between faculty, students, staff and alumni, our belief in leadership, and our commitment to others.

As evidence of that leadership and care, we received word in late May from the national Break Away organization that CMU's Alternative Break program is ranked third in the nation in number of participants and number of trips taken.

Only two of more than 4,000 colleges and universities in America are ranked ahead of us. And only one other Michigan university is in the top 10: that would be the school in Ann Arbor, coming in 10th.

Last year, 641 students spent their breaks serving others through 55 trips coordinated by CMU's Mary Ellen Brandell Volunteer Center. Registration for these trips starts early in the morning — before classes begin — and the spots fill in minutes.

Our students this past academic year traveled to 24 states to volunteer, as well as to Belize, Germany and Poland.

In the words of one of our Lem Tucker journalism scholars, Charnaé Sanders, "If you look at the big picture, an Alternative Break is not about going somewhere. It's really about the impact that you leave. You're a part of something bigger."

Charnaé, who this summer is taking classes and interning for two magazines, embodies the Chippewa spirit and the reason so many prospective students choose CMU.

And here's the second highlight: Central Michigan University last week made headlines in Saginaw and throughout the region, celebrating the grand opening of our College of Medicine educational facility.

In a couple of weeks, our third-year medical students will arrive in Saginaw, where they'll find classrooms and a 10,000-square-foot simulation center.

Students will learn medical equipment and procedures in its replicated operating room, intensive care unit, emergency room, and obstetrics and pediatric environments. And they'll do so by treating high-tech mannequins so life-like that they sweat ... and blink ... have heartbeats ... and breathe.

Current medical professionals also will use the center — for advanced training — which further extends CMU's value across the region and across the state.

This facility was made possible through our partnership with Covenant HealthCare and St. Mary's of Michigan, as well as with private donors, corporations and organizations.

I should note that earlier this month the Citizens Research Council released a report on Michigan's shortage of primary care physicians. It reveals that we have enough doctors to cover only 63 percent of the patient need in this state.

It documents that Michigan has 299 shortage areas, especially in the northern half of the Lower Peninsula and eastern half of the Upper Peninsula. The counties of Wayne, Chippewa and Montcalm have the highest total number of shortage areas in the state.

The medical crisis is real. And Central Michigan University has made a big, bold move to help address it. It would have been easier to turn our heads and hope someone else does something about it.

But that's not who we are. Since 1892, when a small group of leaders decided to do something about the state's critical lack of educated and prepared school teachers, Central Michigan University has stepped up — a leader in forging solutions.

These efforts uphold our first four strategic priorities, which focus on student success, research and creative activity, quality faculty and staff, and community partnerships. They provide a backdrop for our meeting today, as we address the Fiscal Year 2016 budget and uphold strategic priority No. 5 — infrastructure stewardship.

At \$483 million, our operating budget reflects some key realities:

1. For the past five years, this board has approved the lowest cumulative tuition increase in the state.
2. When students and families look at total cost of attendance among the state's 15 public universities, they discover that 11 of our 15 sister institutions cost more than CMU. This is possible in part because we continue to reduce and control operating costs.
3. State allocations have been partially restored, although they're still millions of dollars less than they were earlier this decade. In FY2003, state appropriations

represented 31 percent of our budget. Today, they fund 17 percent of it, which equates to 62 days of operating revenues.

4. At the same time, we continue to make a significant investment in students. We've once again added \$6 million in scholarships, helping determined students offset the cost of their education. Our base budget for scholarships has increased 67 percent since I became president in 2010.
5. We also continue to invest in faculty and staff, as they create the educational experiences that arm students to put their own stamps on the world. As in any organization, employee compensation is our largest financial commitment, representing 59 percent of the budget.

I thank the finance team, under Barrie Wilkes' leadership, for the work its done in preparing the budget proposal, in concert with the deans and leaders across campus.

Before we conclude, I'd like to note that Dr. Manuel Rupe has a new title, in alignment with many of his peers across the nation. Dr. Rupe is now Vice President and General Counsel.

Manuel does an exceptional job counseling and advising the board, our cabinet, our senior leadership team and indeed, our entire campus, on the myriad legal and compliance issues that confront CMU.

He is a brilliant lawyer and a leader ... a deep thinker and a rational, strong voice for Central Michigan University and the pursuit of excellence on behalf of our students.

Dr. Rupe, thank you for your service these past six years and into the future.

Chair Kanine, this concludes my remarks.