

# President's Report to the Board of Trustees



**September 19, 2013**

Good morning.

Welcome trustees and all of you joining us today.

I am pleased to introduce new trustee Patricia Mooradian, president of The Henry Ford, that vast, ever-evolving, world-renowned tribute to American history. She and The Henry Ford strive to deliver rich, exciting and life-changing educational experiences ... just like us at Central Michigan University.

Welcome, Patricia. We appreciate your commitment and support of the CMU family.

I'd also like to welcome our new Provost and Executive Vice President, Michael Gealt. Dr. Gealt has been on the job just six weeks. He joins us from the University of Arkansas-Little Rock and brings vision, excitement and enthusiasm for CMU's academic and co-curricular strengths.

Dr. Gealt values academic excellence, teaching, research and creative endeavors, and cross-college collaboration. He values leadership, volunteering and study abroad student experiences, and he supports the forging of strong relationships between students, faculty and staff. All of these are the hallmarks of Central Michigan University.

Finally, I'd like to acknowledge David Burdette, who joins us one last time as vice president of finance and administrative services. David has served CMU nearly six years. He is a champion of students and the community and an ever-present figure at CMU events.

Having exceeded his pledge to serve CMU five years, he and his wife, Carol, now look forward to spending time with their families in New York, Virginia and Australia.

David — thank you for your dedication and hard work. Thank you for being a part of CMU during a time in which we continued to leverage our proud history while shaping a bold, strong future.

Much happens here at CMU that cements who and what we are: a great university. I have a limited amount of time, but I could mention tens and hundreds of examples. I'll mention four highlights from the past few weeks alone:

1. CMU has been recognized by U.S. News and World Reports as a tier-one university, ranked among the top 200 in academic quality. Match this with being one of the 80 largest universities in America, and it's clear — CMU is a national leader.
2. CMU's New Venture Competition, organized by the College of Business, was named the top educational program by Automation Alley, Michigan's largest technology business association.
3. The Michigan Department of Community Mental Health has awarded \$500,000 to a team of CMU psychology professors for autism research. They'll train students in behavior analysis techniques considered a leading autism treatment for improving communication, relationships, self-care, school and employment.
4. And in further exciting news, CMU's residence life programs have significantly outpaced six comparator universities, 19 Carnegie Classification peers and 250 total universities in a survey of on-campus residents. In categories such as program effectiveness, learning, sense of community, satisfaction with the university, dining services, facilities, safety and student staff — CMU outshines all the others, in every category.

All four examples show the leadership, the community, the excellence and innovation prescribed in CMU's vision statement.

Speaking of vision, today you'll receive final versions of several significant planning initiatives that will direct our efforts to pave the university's path forward.

You'll hear presentations about the university's Strategic Plan, Strategic Enrollment Management Plan, the Facilities Master Plan and the Information Technology Strategic Plan.

As challenging as our enrollment decline is, I'm proud to report that as our colleges and service units address it, there's something remarkable happening here at CMU.

No matter where I go on campus, I hear faculty and staff talking about what they're doing to improve recruitment and retention. They're asking me what they can do to help me help them to succeed. We're coming together, collaborating, fighting to be the first choice of prospective students.

At the same time, we're more determined than ever to help current students stay in college and graduate in four years.

It seems our CMU spirit ... is on fire.

Do we need to manage our budgets in response to current enrollment, without impacting the quality of teaching and student learning? Of course we do. And we are.

Is the sky falling? It most definitely is not.

Rest assured, CMU is a strong university with a bright future.

Today, you will receive the 2013 independent auditor's report. Plante Moran will present an unqualified audit opinion and a strong set of financial statements for CMU.

However, the auditor's report will include a significant footnote describing the recording of a pending unfunded retirement liability. This unfunded liability, for MSPERS retirement, is estimated at 100 million dollars. What's more, we expect a similar potential liability for unfunded MSPERS *health care benefits*.

The recording of these liabilities on our balance sheet could occur as soon as June 30, 2015.

We will keep the Board, and the campus community, updated on these liabilities and their anticipated negative impact on the university's unrestricted net assets.

The challenges facing CMU are testing colleges and universities across America. At the same time, the vicissitudes of higher education, while daunting, also provide opportunities for rethinking and strengthening who we are as we shape the future.

And now, I would like to close my report with a recognition.

Four CMU SAP business management software students are world champions after competing in the 5th International World ERPsim Championship Competition in June.

ERPsim is a simulated competition replicating a high-stress business environment. The students competed against teams from 156 other universities from around the world to qualify for the final round.

In that final round, CMU students competed virtually with 10 teams from universities such as Colorado State University and Purdue. At the end of the day, the ultimate victors were the Chippewas from CMU.

Please join me in congratulating CMU's World Champions — Ashley Hall of Taylor, Ryan Vanneste of Washington, Jeremiah Primeau of Auburn and Nicole Ladouceur of Escanaba — and their adviser, Business Information Systems professor Frank Andera.

Chairman Fannon, that concludes my report.