

# ***Board of Trustees***

---

***Focus Discussion***

***August 5, 2004***

# *Budget Summary*

---

*Fiscal Year 2004-2005*

*Mr. Gavin Leach  
Associate Vice President for  
Finance and Planning*

# ***Fiscal Year 2004-2005***

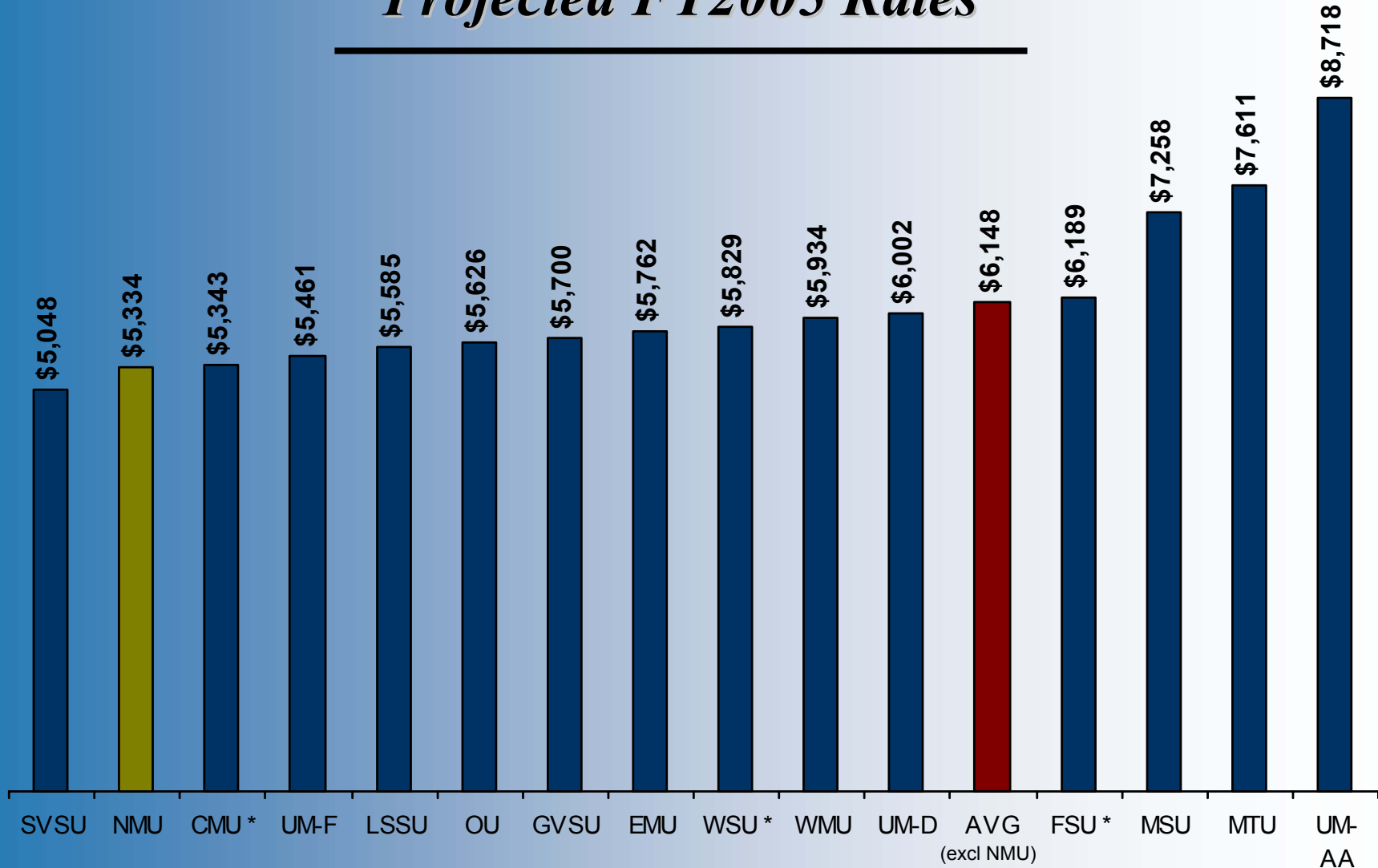
---

- **Budget reductions (\$3.3 million)**
  - \$1.8 million in BAC recommended reductions
  - \$1.5 million in President's Council recommended reductions
- **Enrollment increase**
  - 3.0% increase in full-time enrollment
- **State appropriation restoration (\$1.4 million)**
  - Assumes restoration of \$1.4 million (3% of FY2004 executive order reduction)
- **Tuition and fee increase**
  - 2.4% increase in annual full-time resident undergraduate rate
    - *Only 0.45% increase from winter to fall semester*
  - 3.5% to 3.6% in annual non-resident and graduate rates
    - *Only 1.5% to 1.6% increase from winter to fall semester*

# *Annual Tuition and Fee Rate Comparison*

## *Projected FY2005 Rates*

---



*\* Not approved yet -- assumed 2.4%*

# ***Fiscal Year 2004-2005***

- **Budget line items to note**
  - (\$880,000) in budget reductions for Public Radio and Television
    - Reinstated \$250,000 in funding for Public Radio and Television for FY2004-2005
  - (\$418,600) in budget reductions for USOEC
    - Reinstated \$80,000 base funding – equivalent to net tuition revenue from program
  - \$644,000 net increase in utility costs
    - Natural gas rate increase and additional square footage with Hedgcock and Thomas Fine Arts
  - \$540,000 for debt service for future capital projects
  - \$450,000 for scholarships
  - \$380,000 for state mandated benefits (MPSERS)
  - \$140,000 reallocation funds from auxiliary services
- **Overall budget increase (\$3.4 million)**
  - 4.3% total expenditure increase
  - 1.3% expenditure increase on a per student basis

**NORTHERN MICHIGAN UNIVERSITY**  
**RECOMMENDED GENERAL FUND BASE BUDGET**  
**FISCAL YEAR 2004-2005**

	<b>2003-2004 Approved Budget</b>	<b><u>BAC 2005</u></b>	<b><u>PC 2005</u></b>	<b><u>Operating Adjustments</u></b>	<b>2004-2005 Recommended Budget</b>	<b>Net CHANGE</b>	<b>Pct</b>
<b>BASE BUDGET RESOURCES</b>							
State appropriation	\$44,470,985			\$1,404,000	\$45,874,985	\$1,404,000	3.2%
Less: Superior Dome	(576,664)				(576,664)	0	
USOEC	(418,564)	\$418,564		(\$80,000)	(80,000)	338,564	-80.9%
Northern Initiatives	(190,014)	\$115,014			(75,000)	115,014	-60.5%
Indian Tuition Waiver Program	(250,852)				(250,852)	0	0.0%
Bay Mills Tribal College	(85,500)				(85,500)	0	0.0%
MLK Programs	(76,842)				(76,842)	0	0.0%
<b>Subtotal - State appropriation</b>	<b>42,872,549</b>	<b>533,578</b>	<b>0</b>	<b>1,324,000</b>	<b>44,730,127</b>	<b>1,857,578</b>	
Tuition and fees	41,698,893			\$2,005,000	43,703,893	2,005,000	4.8%
Less: Scholarships	(6,735,789)			(\$460,000)	(7,195,789)	(460,000)	6.8%
<b>Subtotal - Net Tuition and fees</b>	<b>34,963,104</b>	<b>0</b>	<b>0</b>	<b>1,545,000</b>	<b>36,508,104</b>	<b>1,545,000</b>	
Departmental income	481,505				481,505	0	0.0%
Investment income	177,000				177,000	0	0.0%
<b>RESOURCES</b>	<b>\$78,494,158</b>	<b>\$533,578</b>	<b>\$0</b>	<b>\$2,869,000</b>	<b>\$81,896,736</b>	<b>\$3,402,578</b>	
<b>BASE BUDGET EXPENDITURES</b>							
Personal services	\$51,659,273	(\$1,077,974)	(\$602,396)	\$3,909,000	53,887,903	\$2,228,630	4.3%
Supplies and services	6,141,956	(\$9,286)	(\$145,115)	\$361,700	6,349,256	207,300	3.4%
Utilities	3,174,405	(\$106,216)		\$750,000	3,818,189	643,784	20.3%
Equipment, lease, and library acquisitions	7,701,735	(\$120)	(\$440,671)	\$167,000	7,427,944	(273,791)	-3.6%
Transfers:							
Debt service	3,235,027			\$540,000	3,775,027	540,000	16.7%
Administrative information technologies	2,567,660		(\$131,806)	\$40,000	2,475,854	(91,806)	-3.6%
Intercollegiate athletics	1,926,188		(\$119,450)		1,806,738	(119,450)	-6.2%
Other	769,145	(\$10,523)			758,622	(10,523)	-1.4%
Intramural recreational services	246,535		(\$78,000)		168,535	(78,000)	-31.6%
Development Fund	415,146		(\$13,845)		401,301	(13,845)	-3.3%
Reserves:							
University operating reserves	1,760,521			\$390,406	2,150,927	390,406	22.2%
Division reserves	94,927		(\$20,126)		74,801	(20,126)	-21.2%
Overhead reimbursement:							
Auxiliary services	(753,709)				(753,709)	0	0.0%
Off Campus and Summer Session	(261,651)				(261,651)	0	0.0%
Indirect cost recoveries	(183,000)				(183,000)	0	0.0%
<b>EXPENDITURES</b>	<b>\$78,494,158</b>	<b>(\$1,204,119)</b>	<b>(\$1,551,408)</b>	<b>\$6,158,106</b>	<b>\$81,896,736</b>	<b>\$3,402,578</b>	<b>+4.3%</b>
<b>Percentage change</b>						<b>+4.3%</b>	
<b>EXPENDITURES PER FYES</b>	<b>\$9,453</b>	<b>Total reductions:</b>	<b>(\$3,289,106)</b>		<b>\$9,575</b>	<b>\$123</b>	<b>+1.3%</b>
<b>Percentage change per FYES</b>						<b>+1.3%</b>	

# ***Housing, General Fund, and Other Projects***

---

***Mr. Carl Holm  
Director – Housing and Residence Life***

# *Housing*

---

- Magers Hall Renovation
- New Apartments
- Residence Hall Renovation



# ***Magers Hall Renovation***

---

- **9 residence halls**
  - 2,354 beds (85% of housing capacity)
  - Average age – 40 years
- **278 apartments**
  - 434 beds (15% of housing capacity)
  - 106 apartments (1957-59)
  - 72 apartments (1967)
  - 100 apartments (1981-82)

# ***Magers Hall Renovation***

---

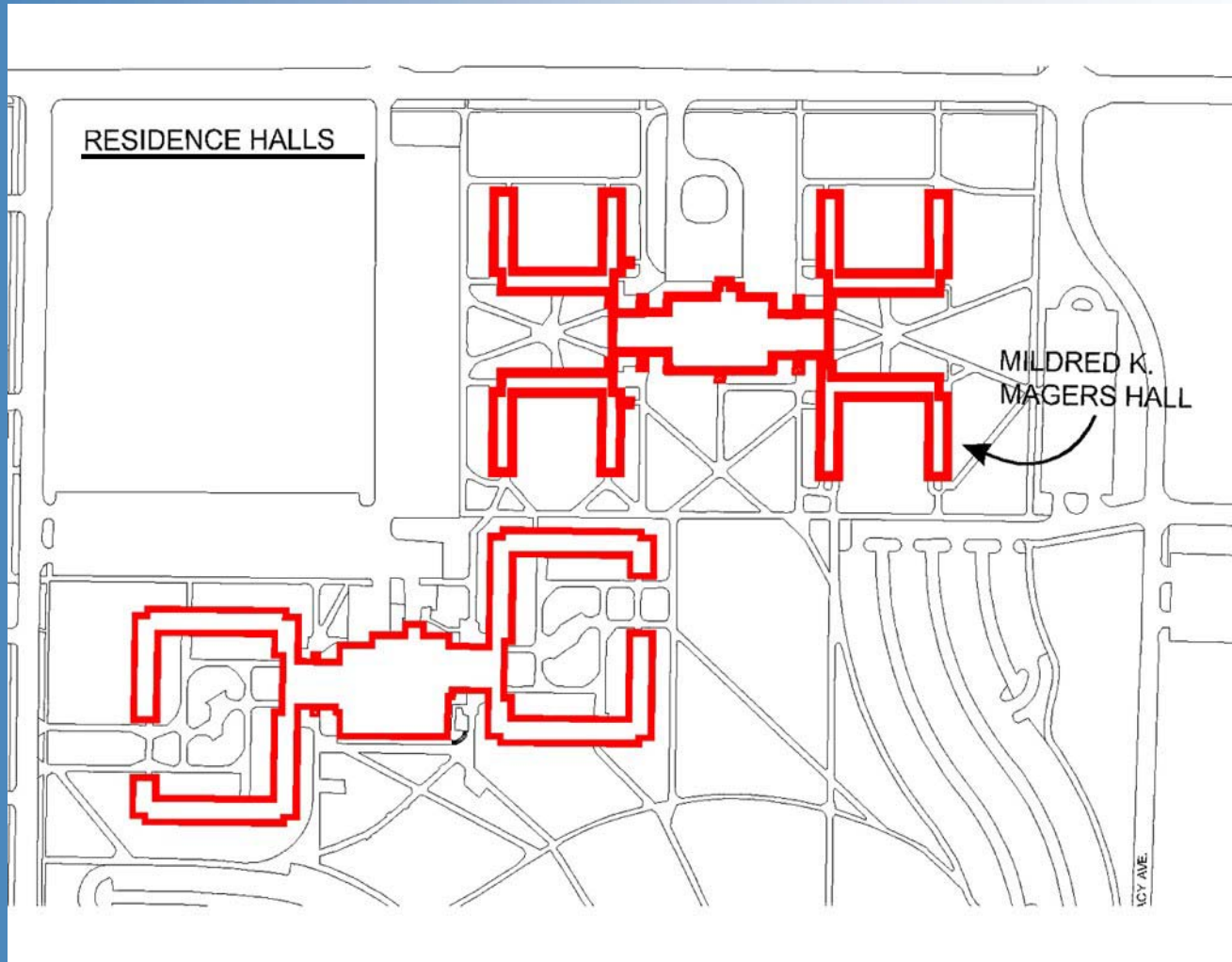
- **Increasing enrollment**
  - From outside of the region
- **Increasing residence hall occupancy**
- **Off-campus student housing market**
- **Age of our facilities**

# *Magers Hall Renovation*

- Opened in 1966
  - Approximately 55,000 square feet
  - 2 per room capacity of 302 students
- Not used for student housing since 1983-84
- Used for faculty and staff offices since 1988

# ***Magers Hall Renovation***

## ***Campus Location***



# ***Magers Hall Renovation***

---

- STS Consultants, Ltd. from Marquette
  - Architectural changes
  - Replace/update mechanical, electrical, plumbing, roof systems
  - Install new fire safety system
  - Replace windows and doors

# *Magers Hall Renovation*

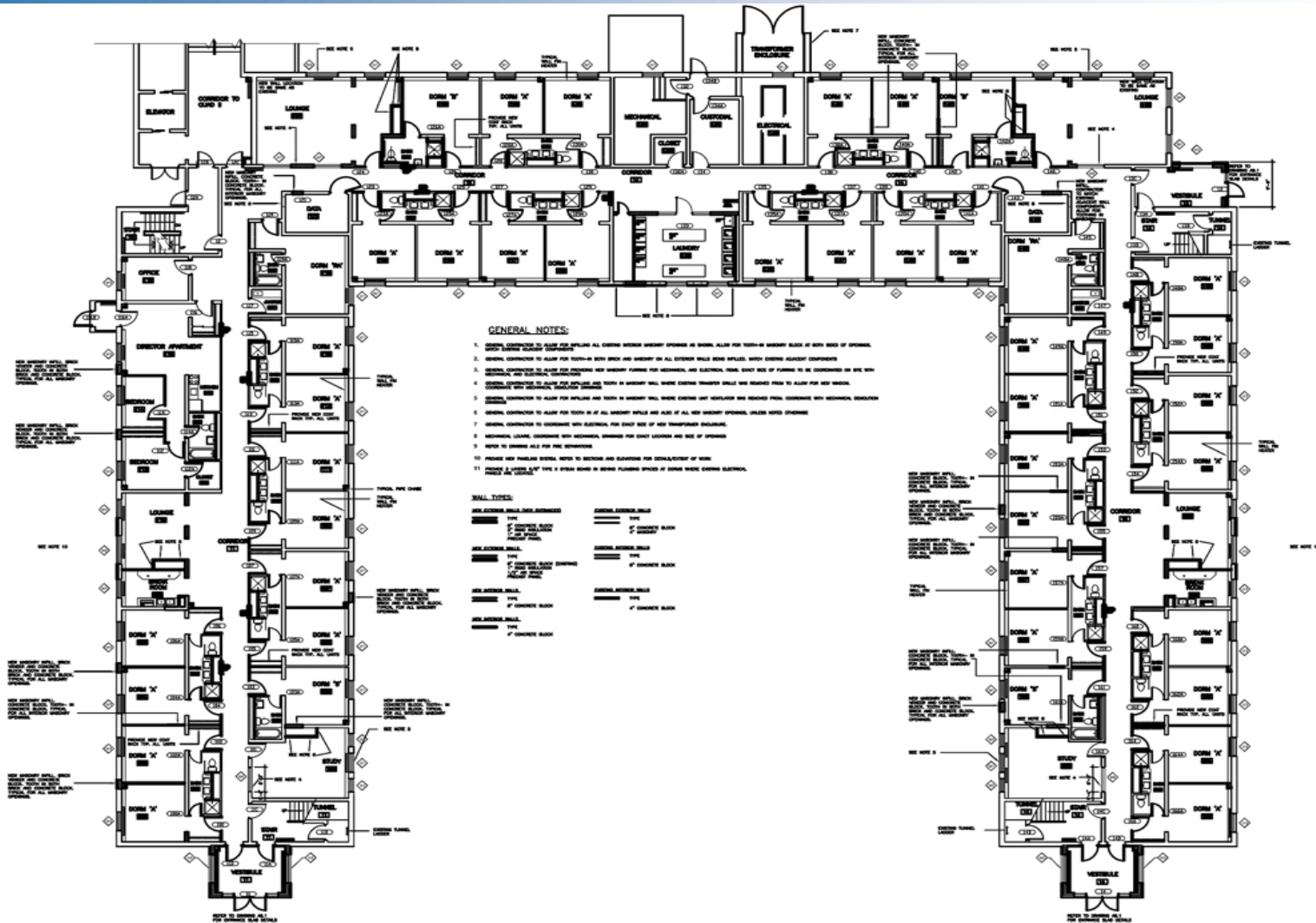
---

- LEED (Leadership in Energy and Environmental Design) Certification
  - US Green Building Council
    - Promote buildings that are environmentally responsible, profitable, and healthy places to live and work
    - Performance goals in five environmental categories
    - Points earned determine certification level



# Magers Hall Renovation

## 2<sup>nd</sup> Floor Plan

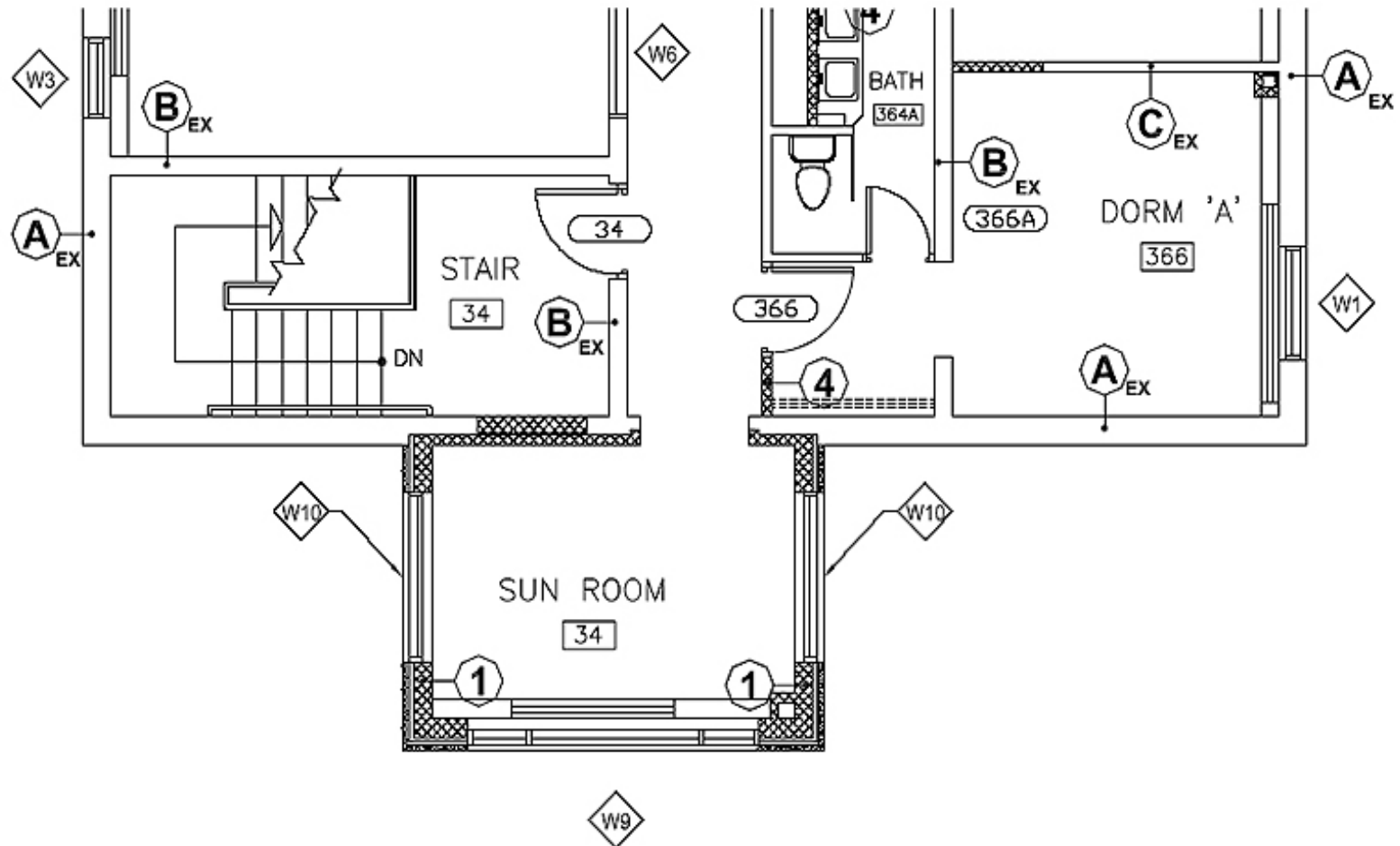




# *Magers Hall Renovation*

## *“3-Story Entryway – “Sunroom”*

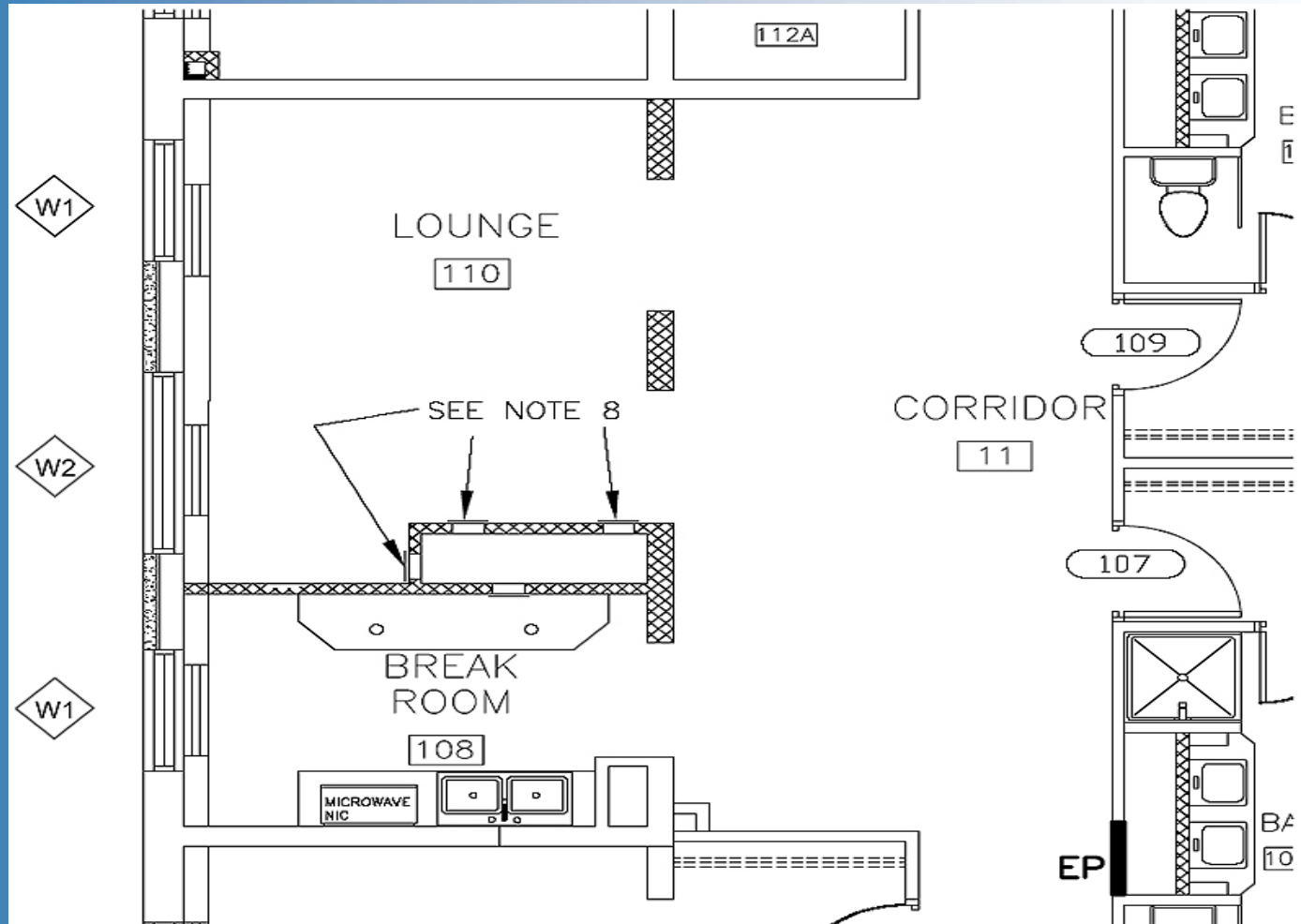
---



# *Magers Hall Renovation*

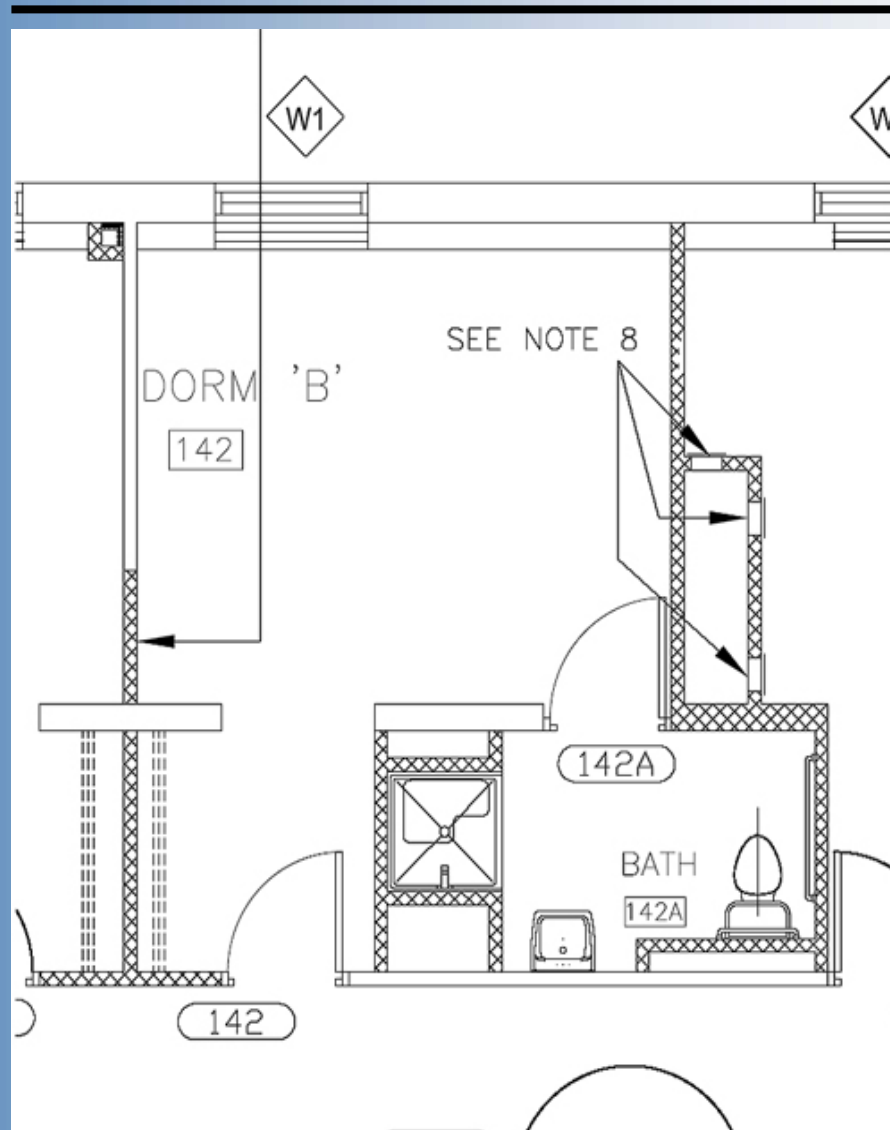
## *New Lounge/Kitchenette*

---



# *Magers Hall Renovation*

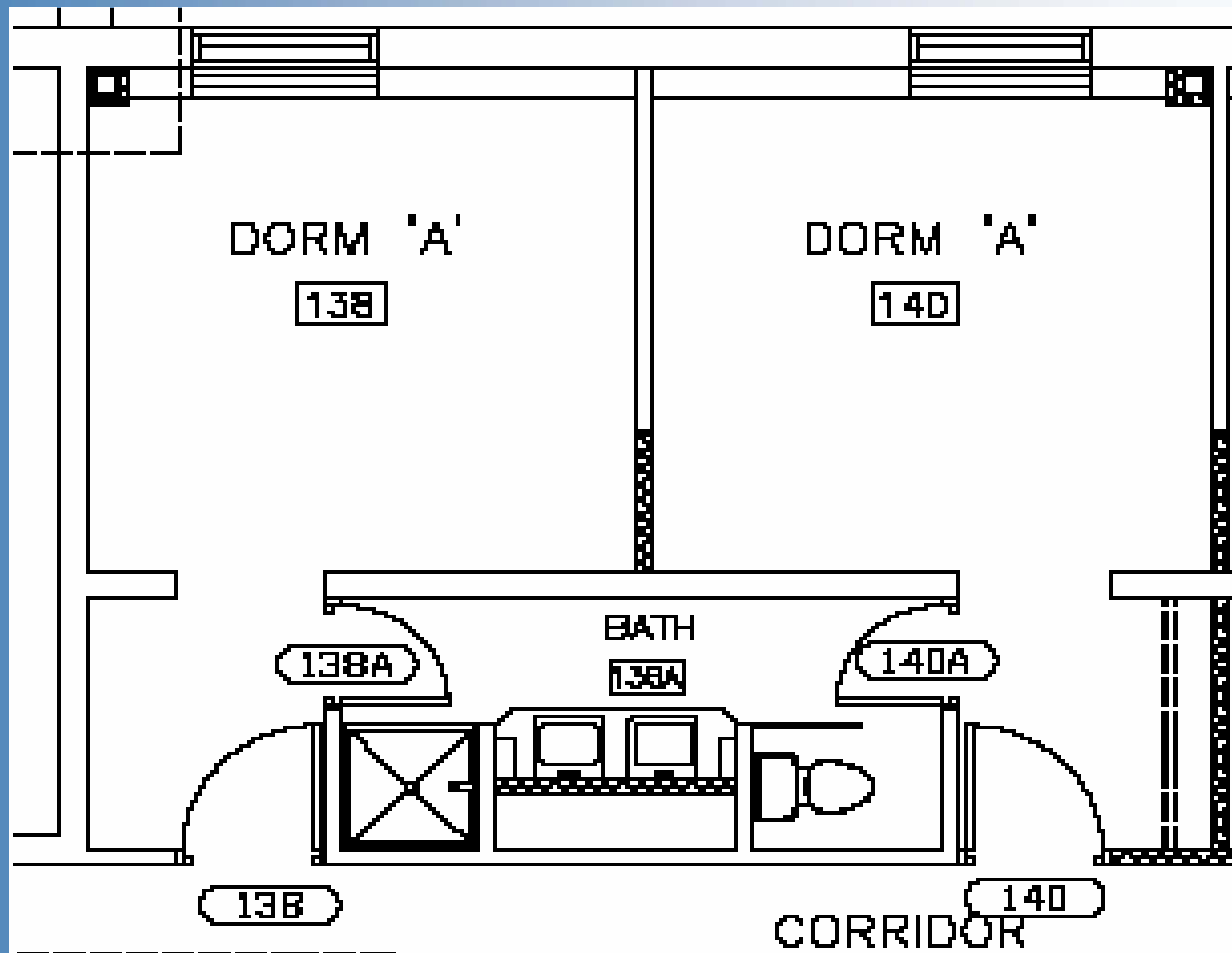
## *Barrier Free Room*



# *Magers Hall Renovation*

## *Standard Suite*

---



# *Magers Hall Renovation*

---

- Bid drawings completed – August, 2004
  - Bids due - middle of September 2004
- Construction
  - Begin - January, 2005
  - End – April, 2005
- Funding
  - Construction estimate - \$5.9 million
  - 2001 Bond -\$4.6 million (Quad II)
  - Debt service in operating budget since bonds were issued
- Operating costs – from increased enrollment

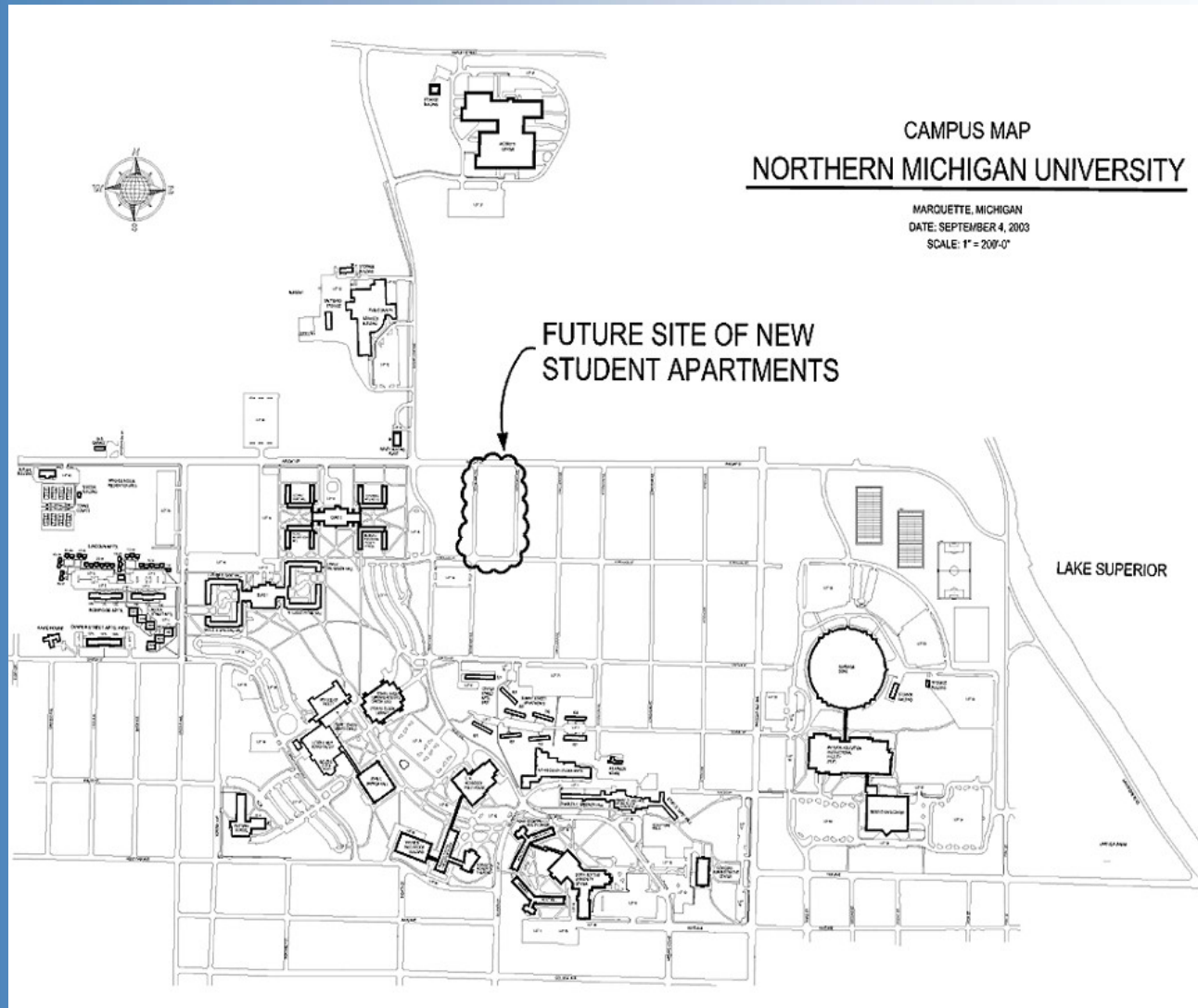
# *New Apartments*

---

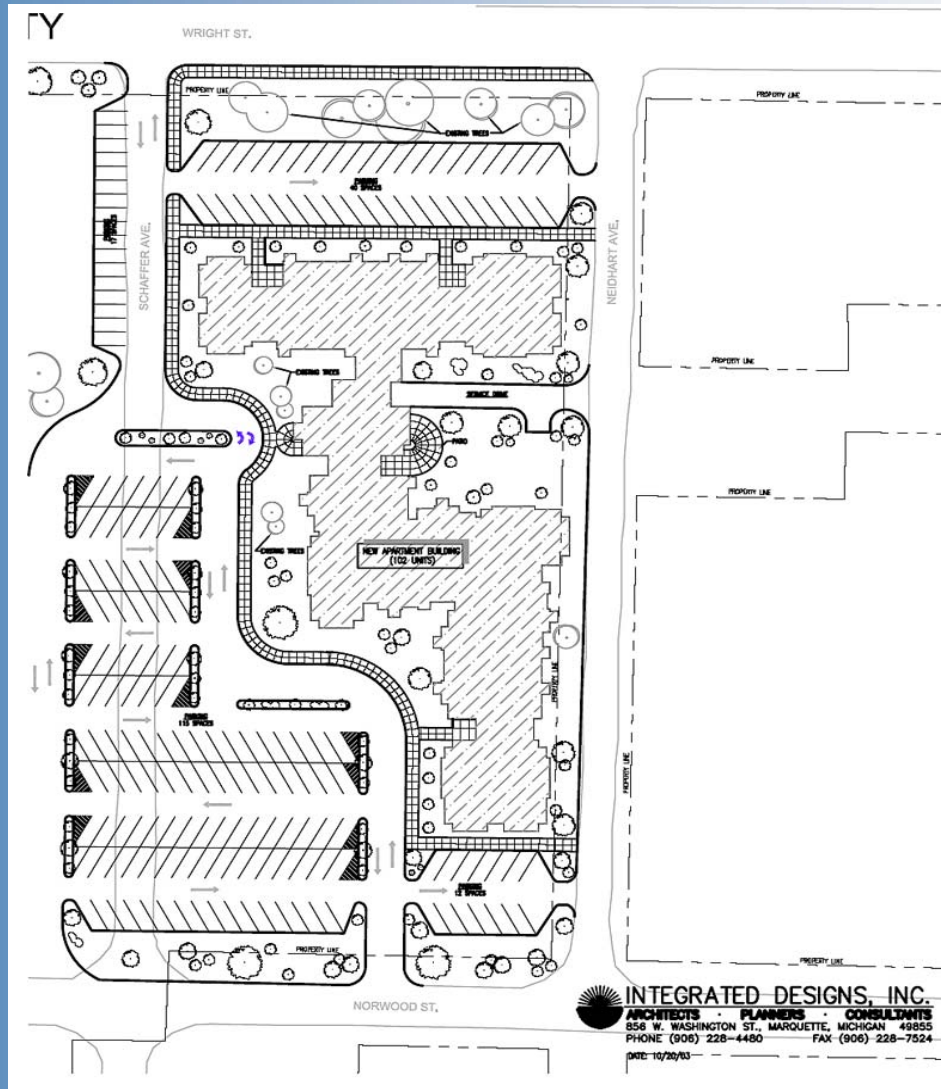
- Integrated Design – Marquette
  - Site plan
  - Initial design work

# *New Apartments*

## *Campus Location*



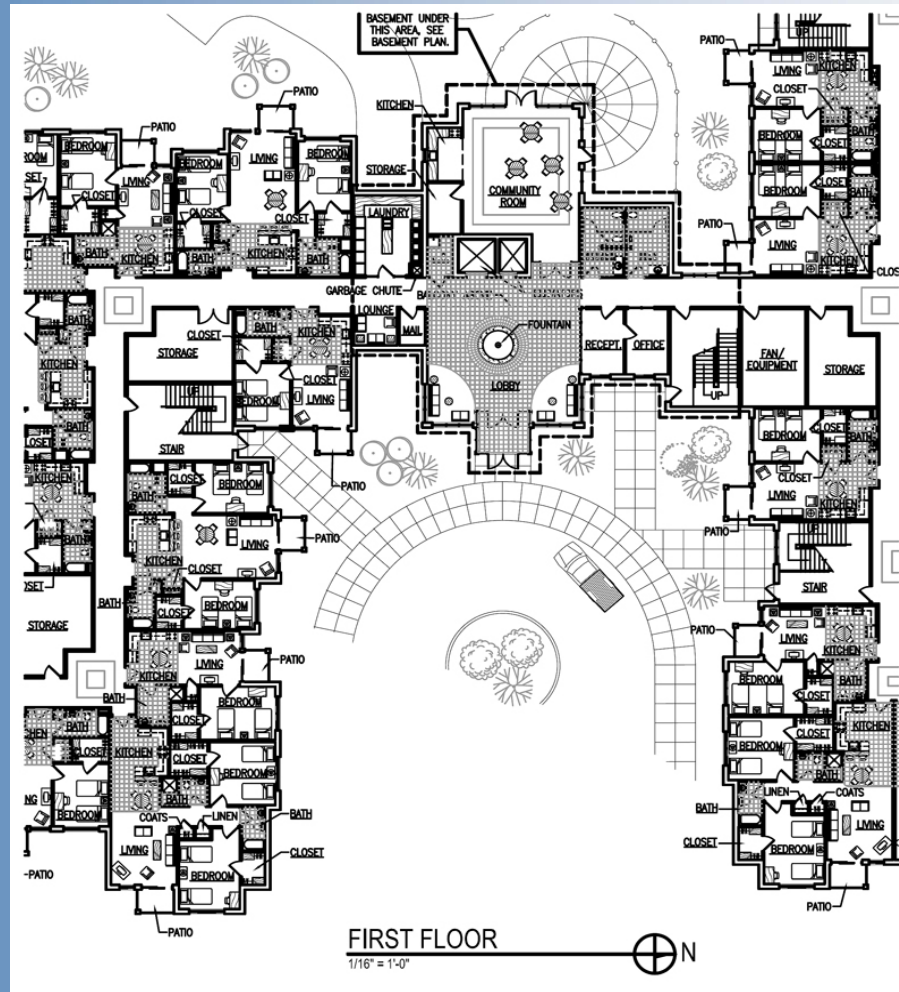
# New Apartments Site Plan





# New Apartments

## 1<sup>st</sup> Floor Schematic



# *New Apartments*

## *Elevation*

---



# *New Apartments*

- Scion Group – Consulting firm from Chicago
  - Off-campus student housing market
  - Feasibility of building new apartments
    - Surveyed all NMU students
      - 1,179 completed surveys (13% response rate)
    - Conducted five focus group sessions
    - Surveyed off-campus housing

# *New Apartments*

---

- Scion Group
  - Demand for new student housing is strong and can easily support new on-campus apartment
    - Student interest in apartment housing
    - Expanded recruitment base and increased enrollment
    - Condition, management, and maintenance of affordable rental rates of off-campus housing is undesirable

# *New Apartments*

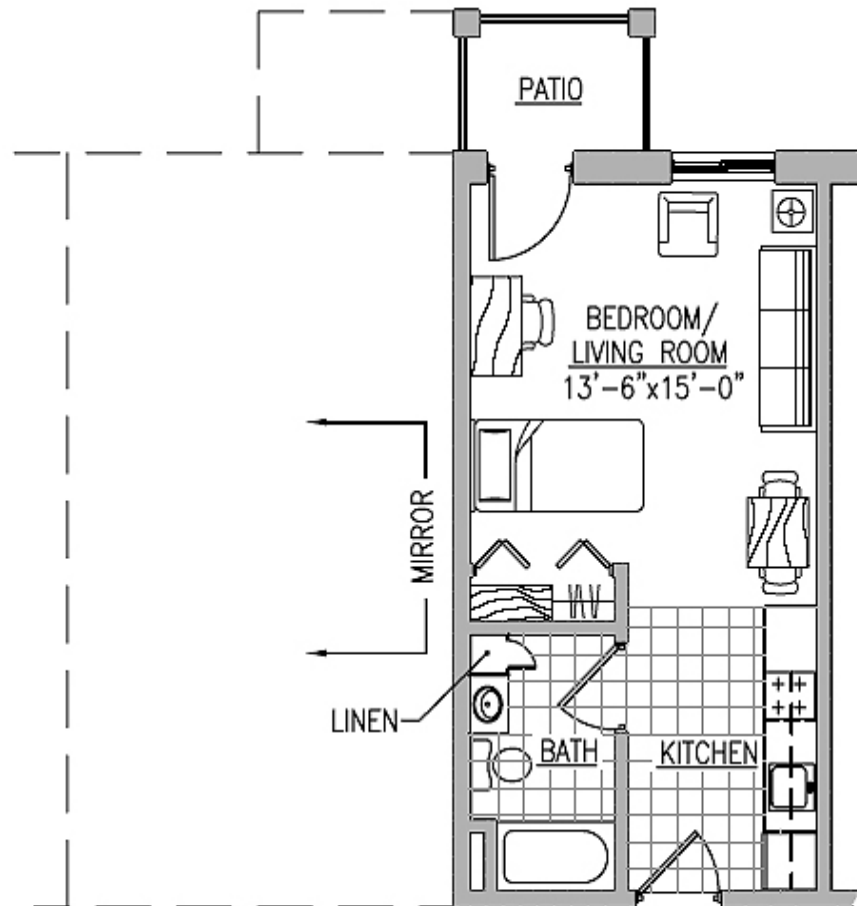
- Scion Group
  - NMU student preferred amenities
    - Proximity to campus
    - Convenient laundry facilities
    - High speed internet access
    - Convenient parking
    - Attention to safety and security
    - Exercise/fitness facilities

# *New Apartments*

---

- Scion Group
  - Recommend that NMU move forward
    - Recommend a 300 bed complex
      - 65 four-bedroom apartments
      - 20 one-bedroom efficiency apartments
      - 10 two-bedroom apartments
    - Initial unit designs are attractive and efficient
  - Estimated project cost - \$13 million

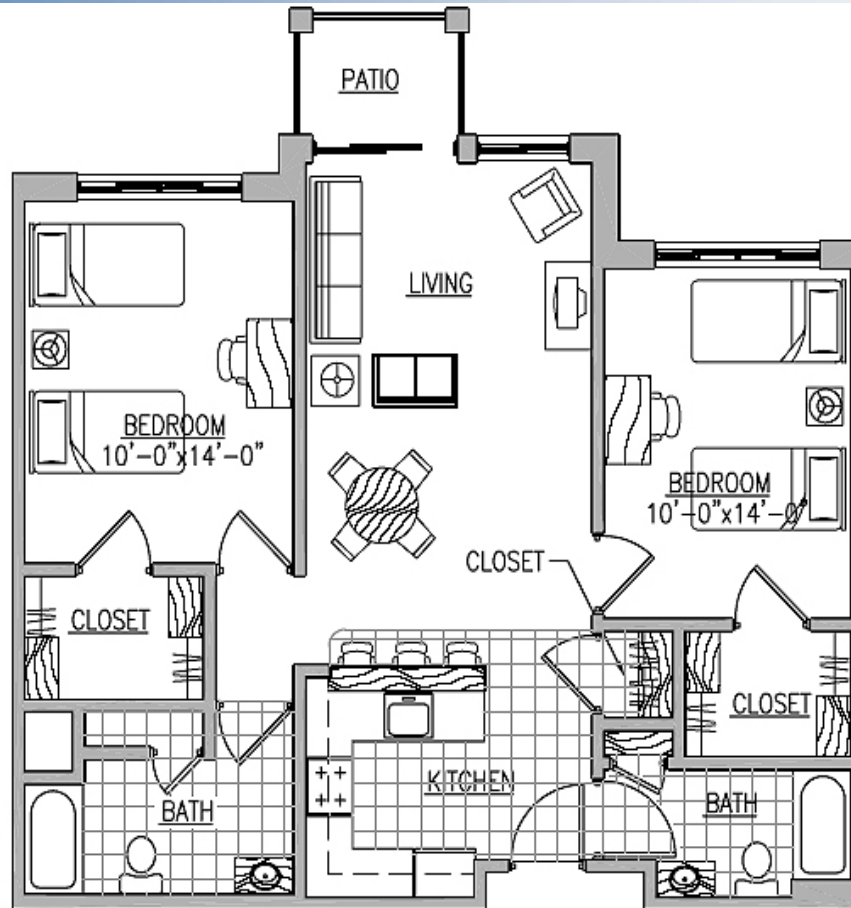
# *New Apartments*



**TYPICAL EFFICIENCY UNIT - 327 S.F.**

1/8" = 1'-0"

# *New Apartments*

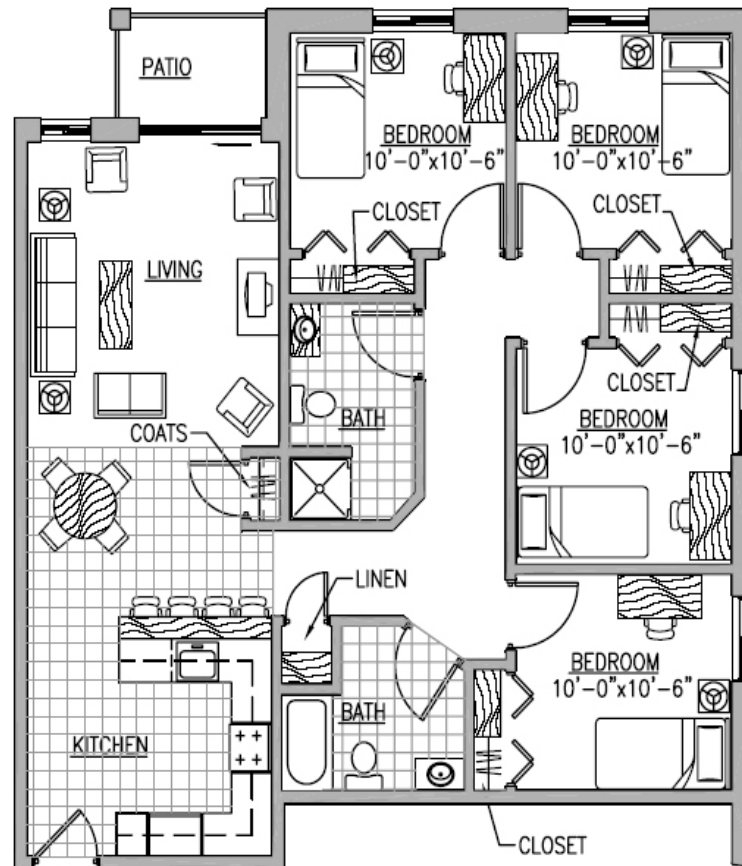


**TWO BEDROOM UNIT - 926 S.F.**

1/8" = 1'-0"



# *New Apartments*



**TYPICAL 4 BEDROOM END UNIT - 1,156 S.F.**

1/8" = 1'-0"

# *New Apartments*

---

- Scion Group
  - Rental rate of \$500-\$600/bed/month
  - Academic year lease
  - Monthly rent payments
  - Positive cash flow in 3 years

# *Residence Hall Renovation*

- Magers Hall – prototype
  - Timeline (May to August)
- STS Consultants
  - Estimated renovation cost of \$5 million

# *Residence Hall Renovation*

- Multi-year renovation plan
- Financing plan

# ***Other Bond Financed Projects***

---

- General Fund
- Future

# *General Fund Projects*

---

- Steam manholes
  - Heat, moisture, and salt causing delamination
  - Installed vaults 1996
  - Estimated cost: \$750,000

# *General Fund Projects*

- Heating Plant
  - Boiler upgrade
    - Accommodate increased steam loads
    - Provide boiler redundancy
  - Electrical switchgear replacement
    - Electrical gear obsolete
    - Greater flexibility with electrical system
  - Estimated cost: \$3,548,000

# *General Fund Projects*

- Superior Dome entrance
  - Estimated cost: \$400,000
- PEIF ventilation improvement
  - Improve ventilation and expand air conditioning
  - Estimated cost: \$1,150,000



# ***Future Projects***

---

- Sam Cohodas Administrative Center
- University Center
- Quad II

# *A Curriculum for the 21<sup>st</sup> Century*

---

*Dr. Terry Seethoff*  
*Dean – Arts and Sciences*



# ***Passport – Where are we now?***

---

## **International Studies Major**

- 30 students enrolled
- Interdisciplinary Program
- Must Demonstrate mastery of second language
- Must have 12 week study abroad experience

## **International Student Services**

assists and advises the international community in:

- immigration services & visa applications
- academic and social concerns
- inter-cultural orientation

## **Departmentally Initiated *Efforts* That Involve Faculty or Students**

- |            |            |                      |
|------------|------------|----------------------|
| •CAPS      | •History   | •Criminal Justice    |
| •Economics | •Math & CS | •Nursing             |
| •English   | •Education | •College of Business |
| •Geography | •HPER      |                      |
| •MLL       | •Biology   |                      |

**Approximately 60 students participate per year.**

What has to change? We provide the same opportunities as most universities. Why don't more students take advantage of what we have to offer?

We need to step back, and reconsider the program.

Why are we talking about this, anyway? What are we trying to accomplish?

# ***Global Challenge***

---

**Next Manned Space Launch Will Carry 3**



**China Hopes to Have Own Space Station Within 10 Years**



# Global Challenge



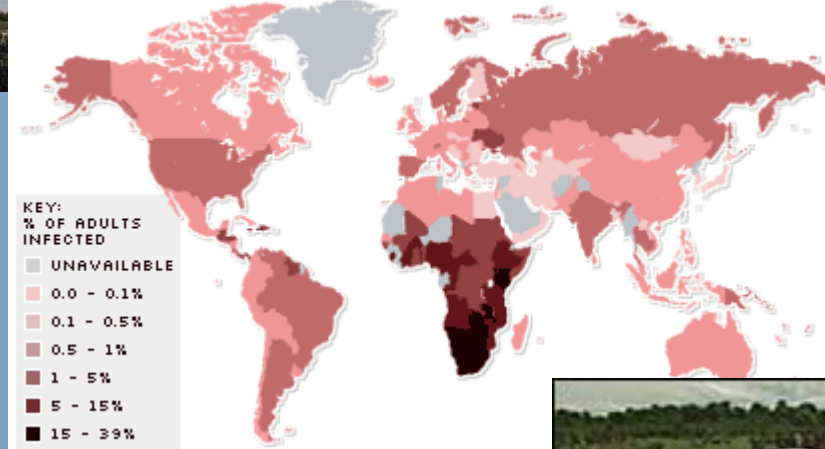
An endurance test for duration of more than 16 minutes on the indigenous Cryogenic Engine for Geo-synchronous Satellite Launch Vehicle, GSLV, was successfully conducted today...

***Only a few countries -- including the United States, Russia and France -- can build cryogenic engines.***

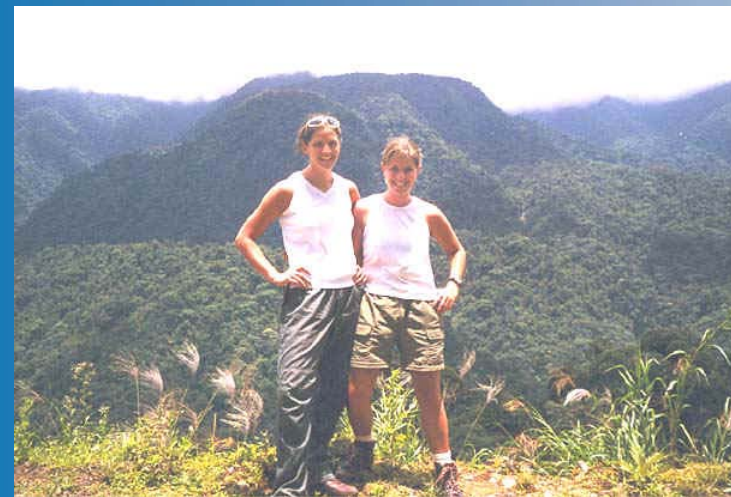
# *Global Challenge*



WORLDWIDE HIV PREVALENCE RATES



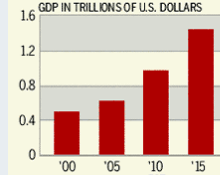




How will the  
Passport Program  
connect students  
with global  
issues?

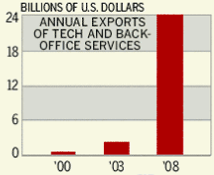
## WHY **CORPORATE** AMERICA IS BEATING A PATH TO INDIA

Growth prospects are  
accelerating...



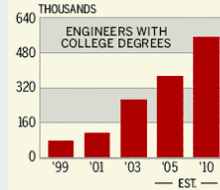
Data: Goldman, Sachs & Co.

...fed by booming exports  
of IT-related services...



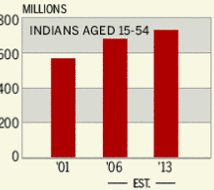
Data: McKinsey & Co./Nasscom

...a growing pool  
of tech graduates...



Data: Nasscom estimates

...and a swelling  
workforce



Data: CLSA Emerging Markets, Statistical Outline of India



# The Wall

---

**Total Credits Required for Degree** 124

**Liberal Studies** 30-40\*

**Health Promotion** 2

**Major** 78-79

## Chemistry

CH 111 General Chemistry I 5  
*Satisfies one of the foundations of natural sciences/ mathematics requirements.*

CH 112 General Chemistry II 5  
*Satisfies one of the foundations of natural sciences/ mathematics requirements.*

CH 241 Chemical Equilibrium 3

CH 242 Quantitative Analysis 2

CH 321 Organic Chemistry I 4

CH 322 Organic Chemistry II 4

CH 342 Physical Chemistry II 4

CH 450 Introductory Biochemistry 4

CH 452 Intermediary Metabolism 4

CH 454 Biochemical Techniques 4

## Biology

BI 111 Introductory Biology: Principles 4

BI 112 Introductory Biology: Diversity 4

BI 303 General Microbiology or 4-5

BI 313 Cell Biology or

BI 431 Plant Physiology

BI 312 Genetics 4

BI 418 Molecular Biology 4

## Mathematics

MA 161 Calculus I 5

MA 163 Calculus II 4

## Physics

PH 220 (or PH 201) Introductory Physics I 5

PH 221 (or PH 202) Introductory Physics II 5

**Biochemistry Electives(9)** Choose from the following:

AIS 435 Electronic Information Resources (2 cr.)

BI 203 Medical Microbiology (5 cr.)

BI 210 Principles of Ecology (4 cr.)

BI 303 General Microbiology (5 cr.)

BI 313 Cell Biology (4 cr.)

BI 405 Immunology (3 cr.)

BI 411 Limnology (4 cr.)

BI 413 Biochemistry of Development (4 cr.)

BI 425 Endocrinology (3 cr.)

BI 431 Plant Physiology (4 cr.)

BI 495 Special Topics in Biology (1-4 cr.)

BI 498 Directed Studies in Biology (1-4 cr.)

CH 340 Environmental Chemistry (5 cr.)

CH 341 Physical Chemistry I\* (4 cr.)

CH 415 Inorganic Chemistry (4 cr.)

CH 435 Gas and Liquid Chromatography (2 cr.)

CH 436 Modern Spectrometry (3 cr.)

CH 437 Atomic Absorption Spectrometry (1 cr.)

CH 456 Protein Structure and Function (3 cr.)

CH 460 Nuclear Chemistry (4 cr.)

CH 490 Senior Research and Seminar I (2-4 cr.)

CH 491 Senior Research and Seminar II (2-4 cr.)

CH 495 Special Topics in Chemistry (1-4 cr.)

CS 120 Introduction to Computing (4 cr.)

BI 412 Biometrics (4 cr.) or

MA 171 Introduction to Probability and Statistics (4 cr.)

MA 211 Introduction to Matrix Theory and Linear Algebra (3 cr.)

MA 361 Differential Equations (3 cr.)

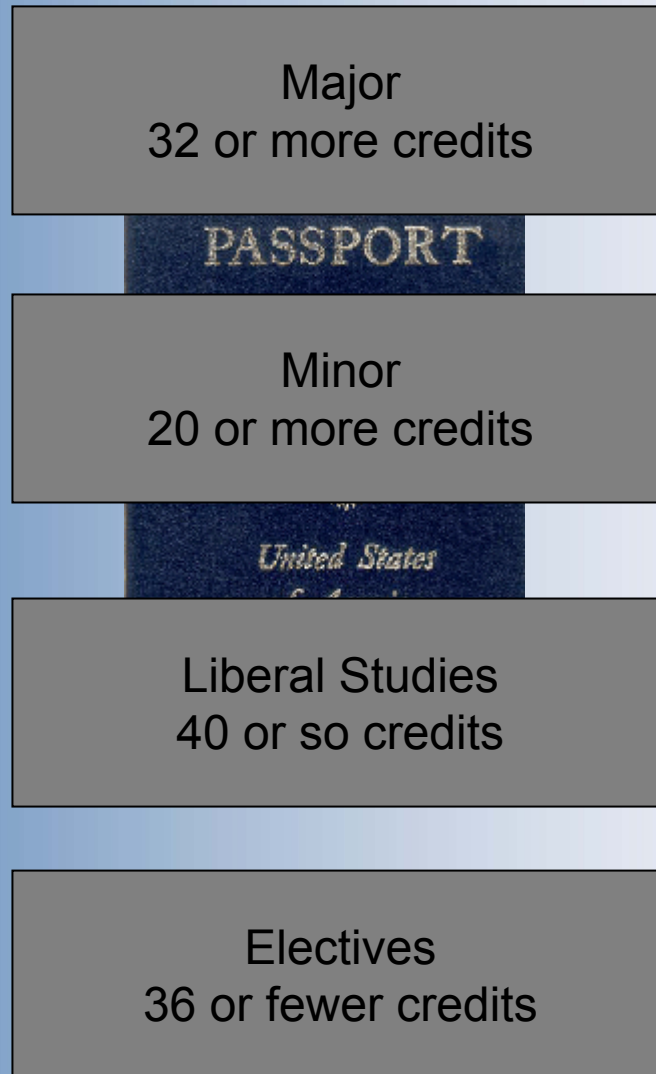
MA 475 Intermediate Statistics (4 cr.)

PH 322 Modern Physics (4 cr.)

**\*Students wishing to pursue graduate studies in biochemistry or industrial careers should take CH 341.**

# *Our Curriculum Model*

---




**Going to scale will require a change in the curriculum!**

What has to change?

The Passport Program has to become an integral part of the curriculum – not an add-on.

Students who participate need to have their activity credited toward our overall graduation requirements.

Major	
Minor	
Liberal Studies	
Electives	

The Passport Program will have to count as a core course in the major, minor, liberal studies or electives.

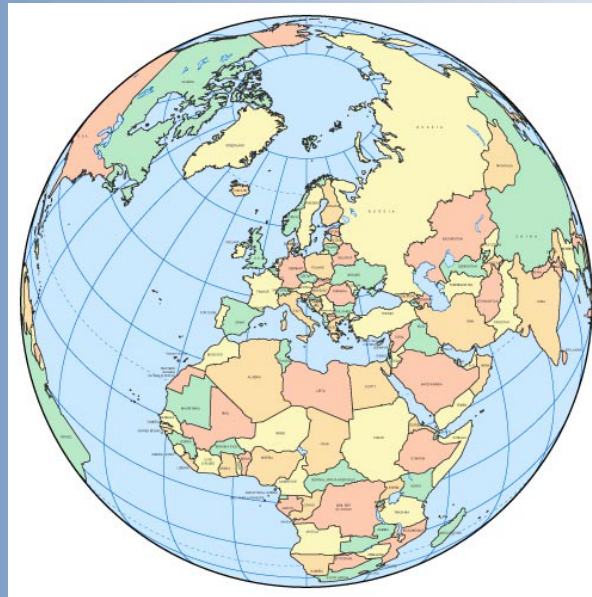
# *How could this work?*

Philosopher  
Historian  
Linguist

40  
Students

Islamic  
Influences  
In  
Europe

16 credits of coursework in  
Philosophy, History and Spanish







The Passport Program will require a transformation of the curriculum.

We have an opportunity to engage the campus in a review of the curriculum that hasn't taken place in over 35 years!

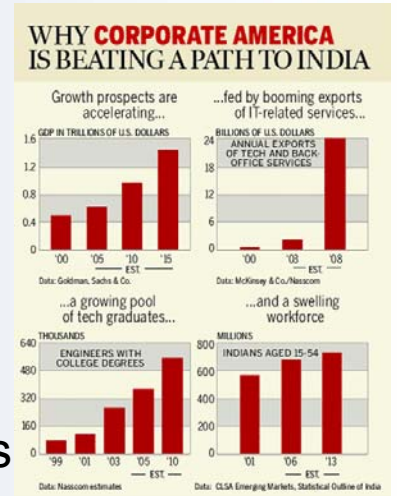
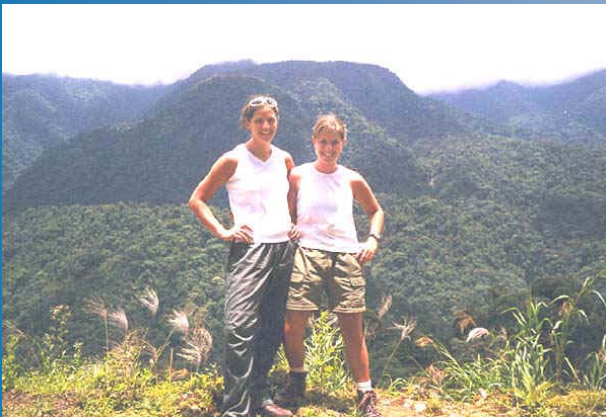


The Passport Program  
frames the overarching questions:

What will be the hallmarks of successful careers  
in the early 21<sup>st</sup> Century?

What will be the essential vocabulary of the  
early 21<sup>st</sup> century?

What will be characteristic of students who  
attend NMU in the early 21<sup>st</sup> Century?





"This younger generation has a filter mechanism," observes Jim Lentz, group VP of marketing at Toyota Motor Sales USA. Lentz has his own focus group at home: two sons, ages 17 and 21. **"They can be doing their homework, listening to music, watching TV, on the PC, and on the phone, all at the same time. It drives my wife crazy. You assume they're just screwing around - but they're not."** This ability to focus is governed by a complex neural network called the reticular activating system, which filters sensory input to keep the brain from being overwhelmed. When you grow up in an always-on world this system may adjust to cope. "They have a total ability to block out anything they don't want to get through," Lentz marvels. "From an advertising standpoint, that's what makes this animal so scary." (Wired, 29 July 2004)

Philosopher  
Historian  
Linguist

40  
Students

Islamic  
Influences  
In  
Europe

16 credits of coursework in  
Philosophy, History and Spanish

## How can we give our students a competitive advantage?

- Passport Program?
- Service learning opportunities to collaborate cooperatively with the local and world community?
- Value added activities which promote involvement, leadership and good citizenship?
- Year-round, virtual access to courses, faculty and the campus?
- Interdisciplinary studies?
- Access to great technologies?
- Apprentice-style learning opportunities?
- Accredited Programs?
- A core curriculum that is tuned to the 21st Century?

What's simmering?

*Academic Service Learning*

*Incubators* that engage undergraduates in the fundamentals of building a business.

- Hands on
- Interdisciplinary
- Tied to state and local economic initiatives
- Not a competitor of local business
- Part of the curriculum

# *Art and Design Entrepreneurship*

## *Strategies for Economic Development*

August 2004

# *Brick and Mortar Store Front*



# *Web Store Front*

**a+dlworks**

- buy a+dlworks
- calendar
- general information

www.nmu.edu

aanddworks.com features online purchasing

**2003-2004 Annual Collection**

■ **VIEW THE COLLECTION**

Molly Jean - NMU '88 [Graphic Communications]  
Automobile Magazine



# a+d|works

- buy a+d|works
  - annual collection
  - a+d products
- calendar
- general information

## annual collection

1 2 3 4 



1) **fine art metal**  
item: UNKNOWN-002  
\$90.00



2) **teapot**  
item: FONG-001  
\$195.00



3) **Chair**  
item: UNKNOWN-003  
\$50.00



4) **lamp**  
item: UNKNOWN2-001  
\$50.00



# ***Designers on a Global Stage***

**Store/Center serves as incubator for product design sustainability and economic practicality in a world marketplace**

Internationally, designers have more potential to halt environmental destruction than economists, politicians and businesses.

The ability of designers is catalytic in that once a more environmentally friendly product is introduced to the global marketplace its beneficial effects expands.

Businesses reduce costs of raw materials and production with higher profits and more efficient, design-valued products for customers.

Governments reduce spending on regulatory enforcement and net gain is an improved environment and quality of life



# *Curriculum Development and Revisions:*

---

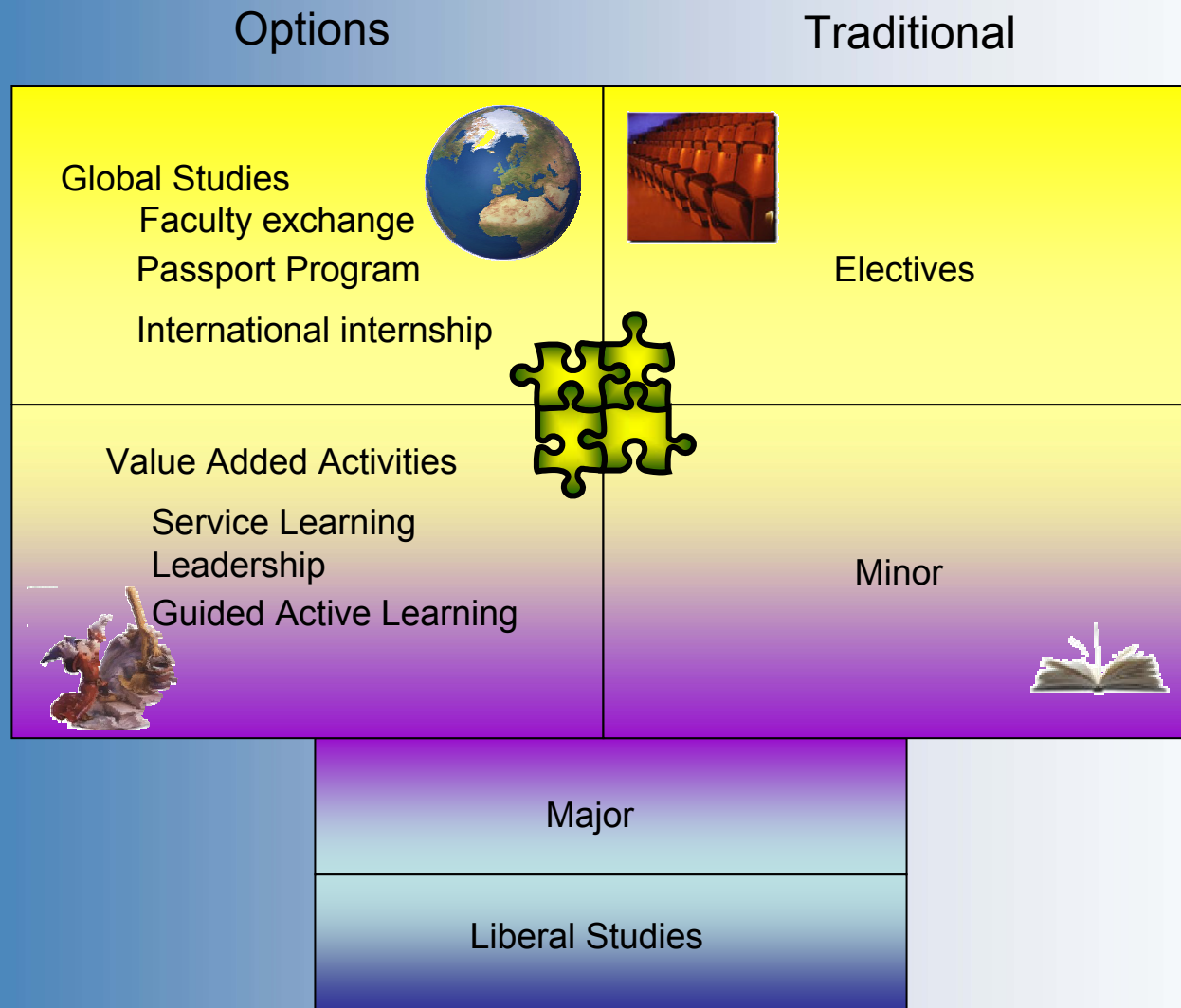
Reinstate product design studio concentration as separate area.

Create internships for store management (brick/mortar and web).

Create liberal studies course on Green Design and Sustainability.

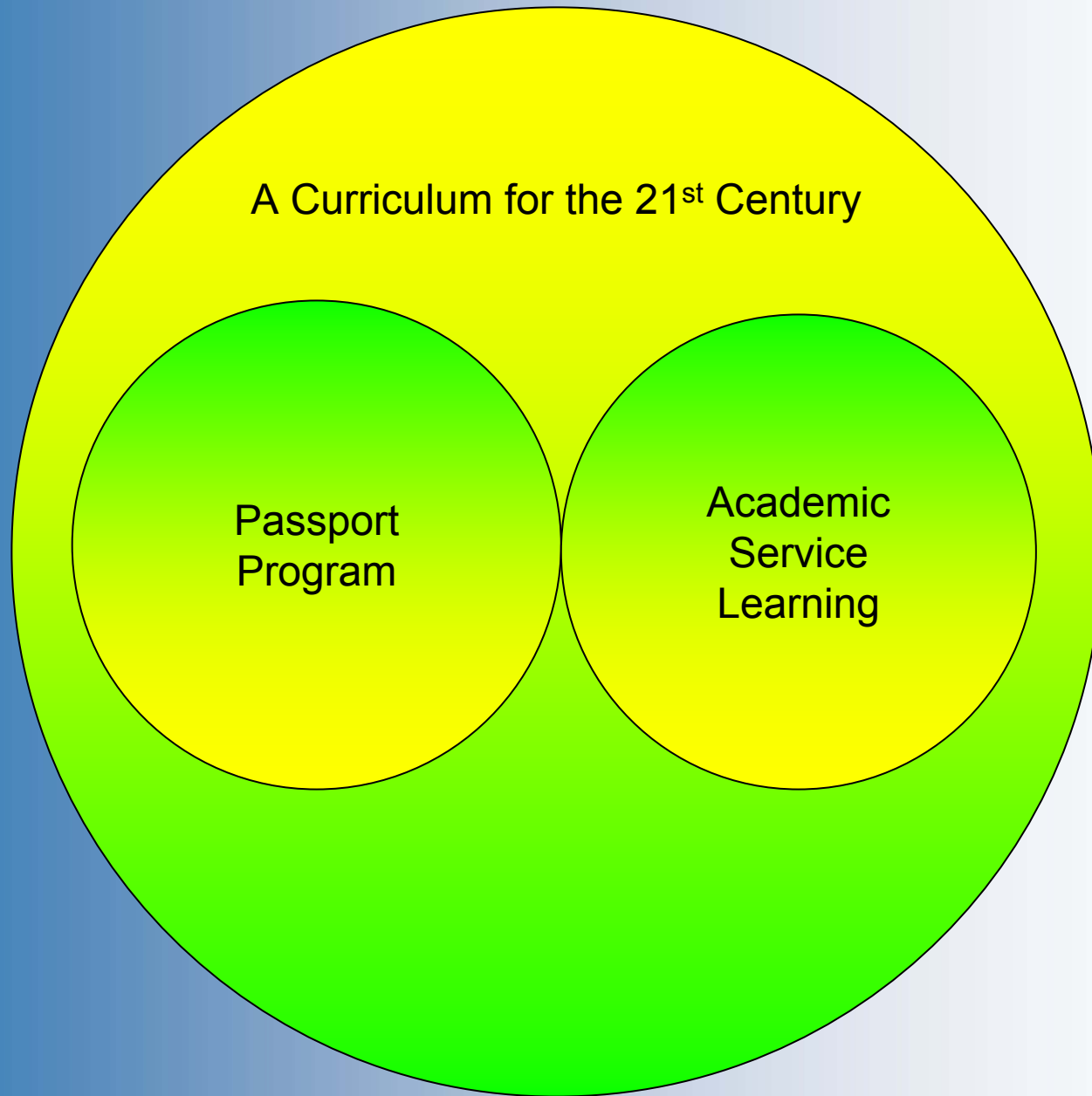
Introduce annual trips to international product design forums in Milan and Germany.

# *A conception of the curriculum*



Can we develop curriculum models that preserve traditional structures while adding new opportunities that develop the *personal* aspirations of our students?

# *Step by Step*



# ***Internationalization – building on the foundation.***

## ***Charge to the Internationalization Task Force***

The Provost and Vice President for Academic Affairs will appoint an Internationalization Task Force charged to:

- Catalog the current state of international study at NMU. This will include documenting the numbers of students and faculty who have recently participated in study abroad programs, broadly conceived. The detail will indicate how the events were arranged, their duration, their cost structure, and their academic content.
- Develop assessable goals for the program.
- Develop new curriculum and staffing models that would better facilitate our commitment to internationalization.
- Develop business plans for the staffing and curriculum models, above.
- Develop implementation strategies for the staffing and curriculum models, above.

It is anticipated that the Internationalization Task Force will complete its work during the 2004-05 academic year, with an *interim* report due to the Academic Senate and Provost and Vice President for Academic Affairs prior to the end of the 2004 fall semester. The Task Force will disband subsequent to the filing of its final report, which is due no later than May 1, 2005.

# *Value Added Activity – building on our experience.*

## *Charge to the Value Added Activity Task Force*

The Provost and Vice President for Academic Affairs will appoint a Task Force on Value Added Activities charged to:

- research, discuss, and make recommendations for a value-added initiative (working title: “Superior Edge Program”) comprised of several current student experiences including but not limited to leadership programs and experiences, volunteering, membership in student organizations, academic service-learning experiences, and civic engagement activities. Specifically, this committee is asked to:
  - determine which activities and experiences to include in this initiative.
  - recommend a name for this initiative.
  - recommend a record-keeping system that can accommodate a large number of student participants. This system should be relatively easy to maintain while at the same time sophisticated enough to ensure the legitimacy of the program.

## *Value Added Activity – building on our experience.*

### *Charge to the Value Added Activity Task Force*

- recommend a mean(s) of assessing the quality of the student experience in these activities.
- recommend means of promoting participation in this program with potential student participants.
- recommend ways in which this initiative can be marketed to potential students as a unique experience at Northern Michigan University.
- determine the level of support this program will require and recommend where and how it should be administered.

It is anticipated that the Value Added Task Force will complete its work during the 2004-05 academic year, with an *interim* report due to the Academic Senate and Provost and Vice President for Academic Affairs prior to the end of the 2004 fall semester. The Task Force will disband subsequent to the filing of its final report, which is due no later than May 1, 2005.



