

Institute-wide Planning Task Force

Joint Session of the Working Groups

February 17, 2009

Plenary Session

Welcome and Introduction

Remarks from the President

Susan Hockfield, President

Remarks from the Leadership Team

Rafael Reif, Provost

Phillip Clay, Chancellor

Terry Stone, Executive Vice President and Treasurer

Remarks from the Coordinating Team

Martin Schmidt, Associate Provost

Steven Lerman, Vice Chancellor and Dean for Graduate Education

Israel Ruiz, Vice President for Finance

Working Session

2:00 Working Group Breakout Discussions

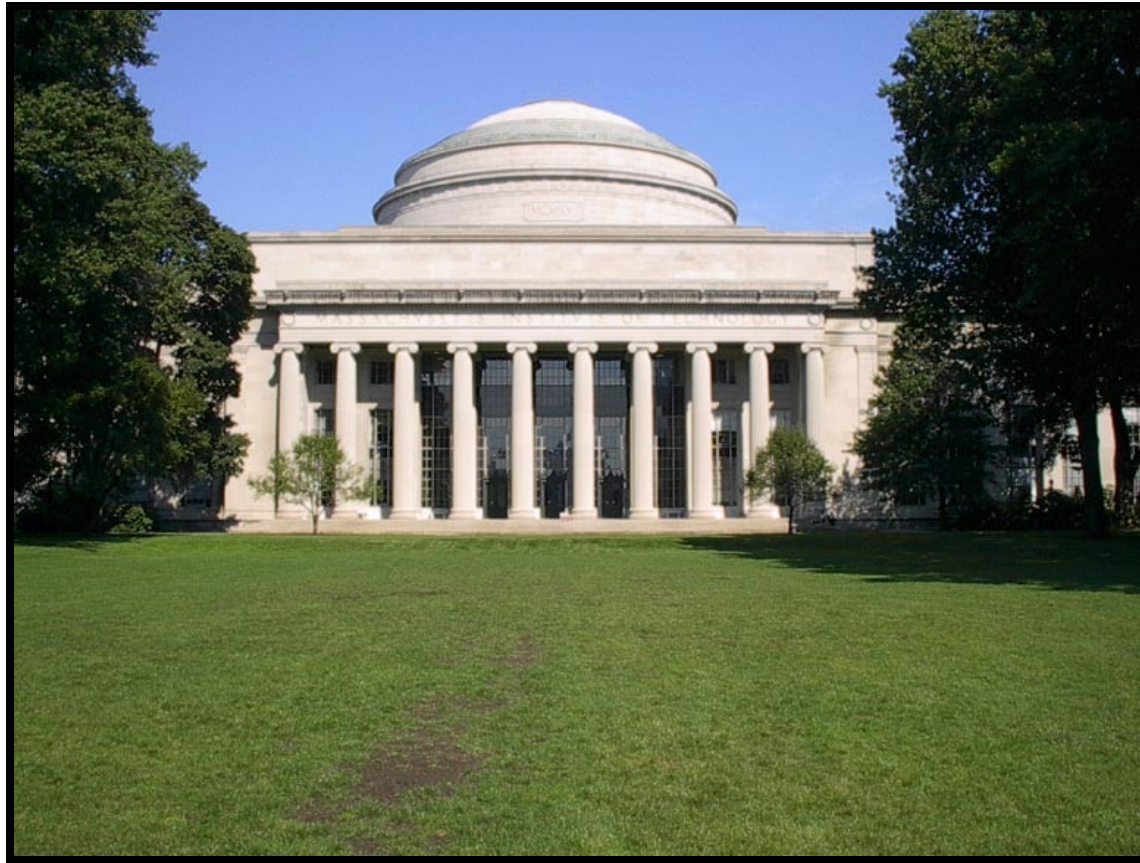
Room assignments on name badges

Led by Co-Chairs

3:30 Report-out

Return to Sala de Puerto Rico

4:30 Adjourn



Institute-wide Planning Task Force

Joint Session of the Working Groups

February 17, 2009

Remarks from the Leadership Team

Rafael Reif, Provost

Phillip Clay, Chancellor

Terry Stone, Executive Vice President and Treasurer

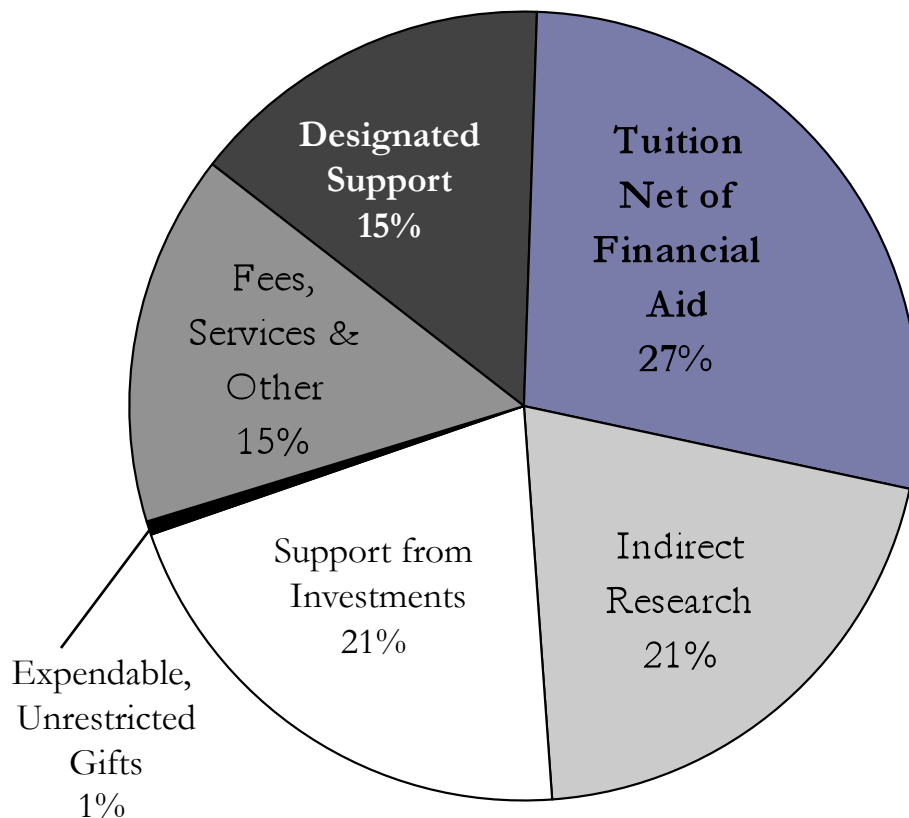
Why do we need a Task Force?

MIT's General Institute Budget (GIB)

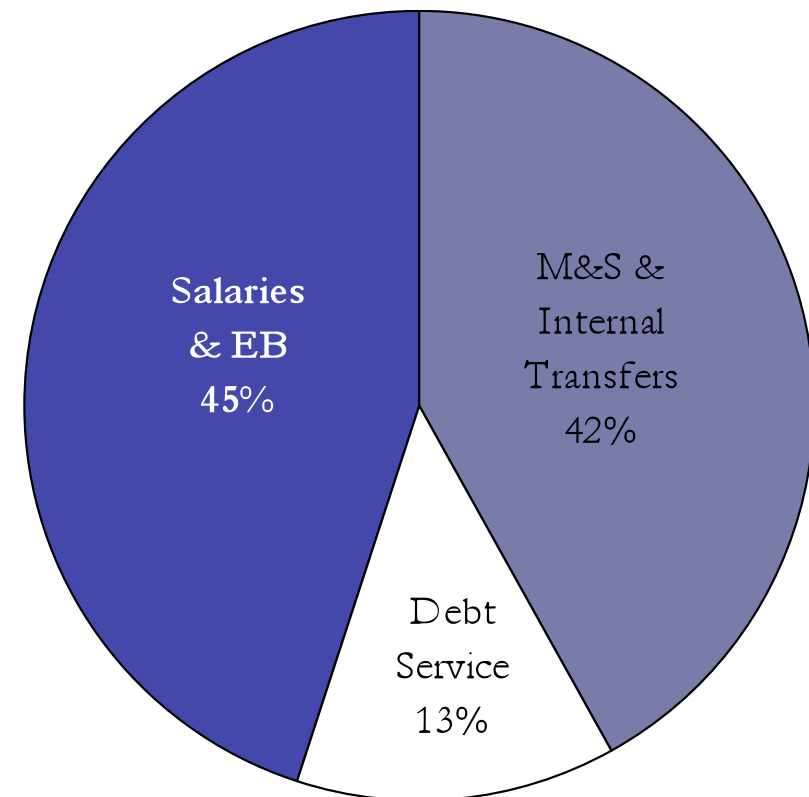
Fiscal 2008

GENERAL INSTITUTE BUDGET

Revenues

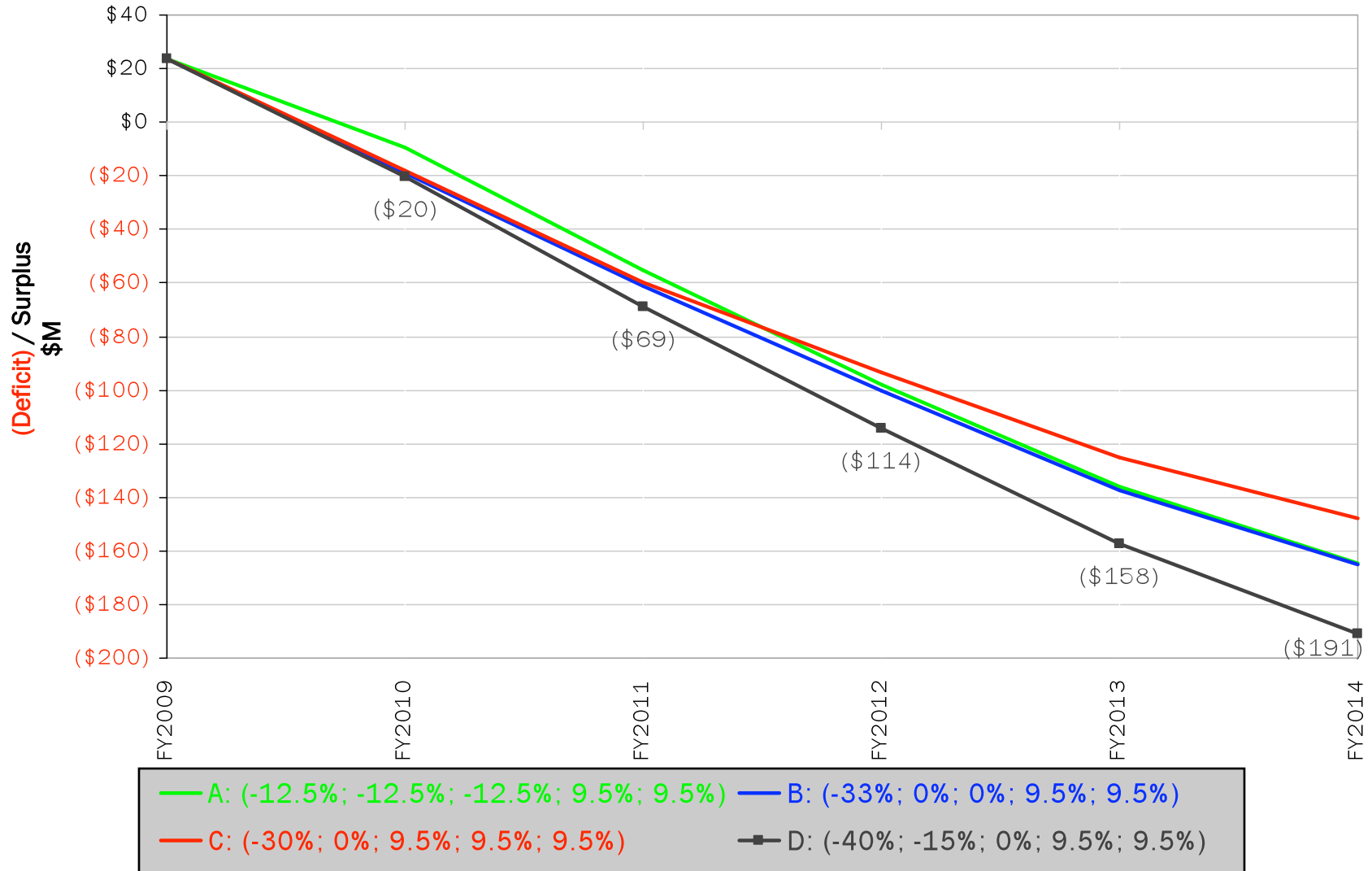


Expenses



Identifying a Long-term Budget Planning Target

Projected End-of-Year GIB Deficits as a Function of Endowment Performance



Short-term: Fiscal 2010 Budget

Goal: Develop a Fiscal 2010 budget that achieves a \$50m expense reduction

General Revenue Parameters

- ❖ Moderate tuition increase
- ❖ Flat endowment payout (FY09 to FY10)
- ❖ Maintain undergraduate financial aid policies and tuition subsidy for graduate student research assistants

General Expense Parameters

- ❖ No new recurring funds
- ❖ Modest merit pool increases
- ❖ Significant reductions in startup and retention funds

Long-Term: Budget Planning

Objective for FY11 and beyond:

- ❖ Reach long-term budget targets (\$100m-\$150m) assisted by an Institute-wide Task Force effort

Guiding principles for the Task Force:

- ❖ Maintain commitment to:
 - ❖ MIT's mission: Advance knowledge and educate students
 - ❖ MIT's unified structure: One faculty, one staff and one student population, operating under common sets of policies and procedures
 - ❖ Cutting edge research and to closely integrate teaching with research
 - ❖ Need-blind admissions and need-based financial aid
 - ❖ Diversity
 - ❖ Working and communicating with the entire MIT community

Task Force Charge

Review and analyze current practices and expenditures that support the Institute's mission and operations.

Identify

- ❖ Activities or operations closely aligned with MIT's core mission
- ❖ Opportunities for efficiency and cost reduction, as well as costs/benefits of proposed operational changes
- ❖ Opportunities to promote environmental impact and sustainability
- ❖ Paths to implementation that preserve MIT's mission, values, and culture

Task Force Timeline & Membership Overview

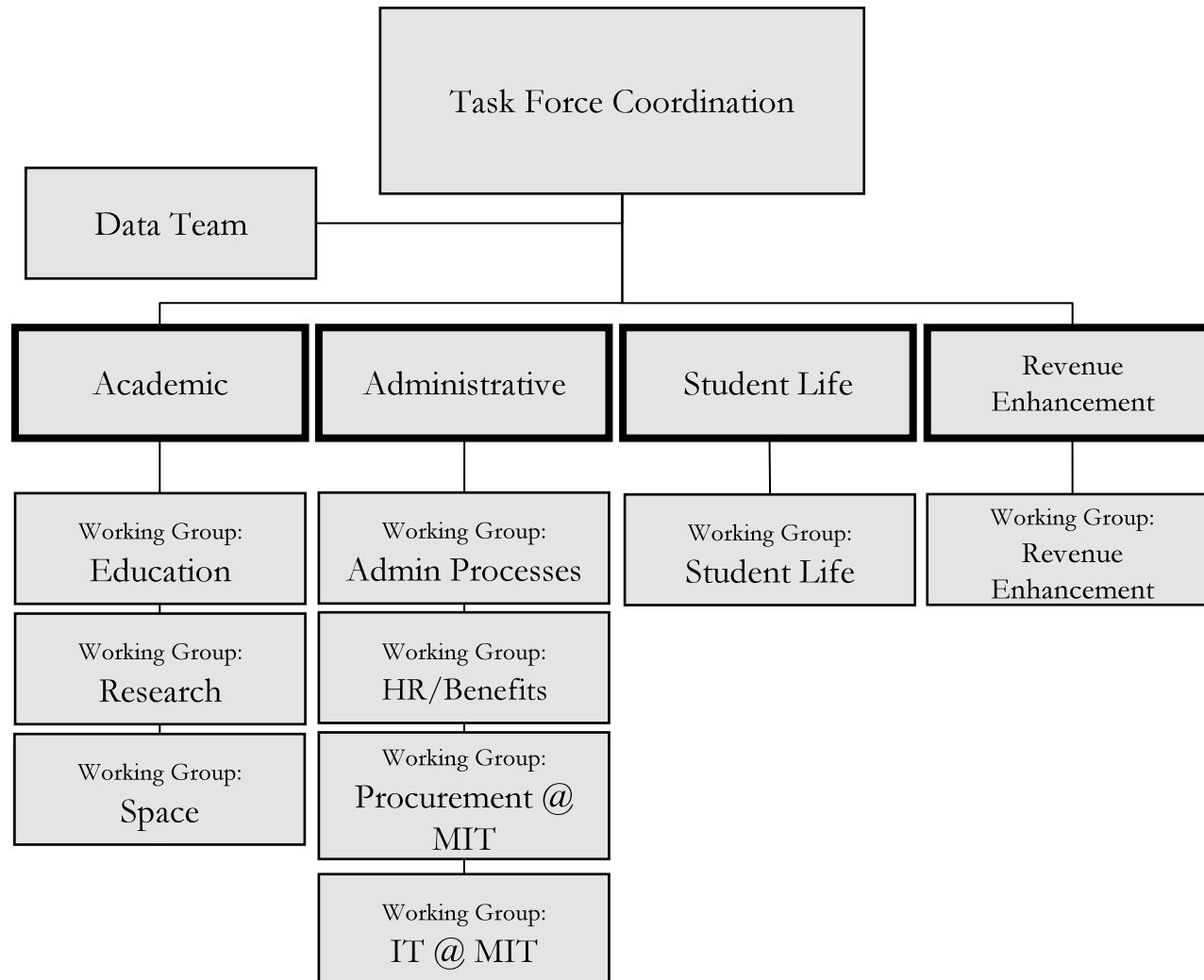
Timeline for Task Force Report

- ❖ June 2009: Preliminary recommendations for possible implementation in FY10
- ❖ October 2009: Final recommendations for implementation beginning with the FY11 budget

Total Task Force Membership

- ❖ Total faculty: 87
- ❖ Total staff: 85
- ❖ Total students: 20

Task Force Structure



Task Force Co-chairs

Task Force Coordination

- *Steven Lerman*, Vice Chancellor
- *Martin Schmidt*, Associate Provost
- *Israel Ruiz*, VP for Finance

Academic

Education co-chairs:

- *Eric Grimson*, EECS
- *Daniel Hastings*, DUE
 - Faculty = 17
 - Staff = 8
 - Students = 2

Space co-chairs:

- *Martin Schmidt*, Assoc. Provost
- *Ian Waitz*, Aero/Astro
 - Faculty = 13
 - Staff = 7
 - Students = 2

Research co-chairs:

- *Claude Canizares*, VP Research
- *Maria Zuber*, EAPS
 - Faculty = 12
 - Staff = 12
 - Students = 2

Administrative

Admin co-chairs:

- *Steve Eppinger*, Sloan
- *Israel Ruiz*, VP Finance
 - Faculty = 5
 - Staff = 15
 - Students = 2

IT co-chairs:

- *Thomas Malone*, Sloan
- *Wilson D'Souza*, IS&T
 - Faculty = 5
 - Staff = 11
 - Students = 2

Procurement co-chairs:

- *Richard Locke*, Sloan
- *Anthony Sharon*, Lincoln Lab
 - Faculty = 6
 - Staff = 11
 - Students = 2

HR/Benefits co-chairs:

- *Thomas Kochan*, Sloan
- *Jean Samuelson*, HR
 - Faculty = 5
 - Staff = 9
 - Students = 2

Task Force Co-chairs, cont'd.

Student Life

Student Life co-chairs:

- *Muriel Medard*, EECS
- *Steven Lerman*, Vice Chancellor
 - Faculty = 8
 - Staff = 6
 - Students = 4

Revenue Enhancement

Revenue co-chairs:

- *Klavs Jensen*, Chem E
- *Philip Khoury*, Associate Provost
 - Faculty = 14
 - Staff = 4
 - Students = 2

Data Team

(Supporting Working Groups)

Data Team co-chairs:

- *Deb Leitch*, Sr. Director, Special Projects (EVP)
- *Lydia Snover*, Director, Inst. Research (Provost)
 - Staff = 2



Overview of Fiscal 2008 Total Expenditures

Total Expenditures FY08		-	Lincoln+ Expenditures FY08		=	Campus Expenditures FY08	
Salaries & Wages	896.1		Salaries & Wages	224.4		Salaries & Wages	671.7
EB	170.3		EB	47.3		EB	123.0
Expenses	1,076.7		Expenses	319.7		Expenses	757.0
Depreciation & Interest	158.6		Depreciation & Interest	-		Depreciation & Interest	158.6
Total Expenses	2,301.7		Total Expenses	591.4		Total Expenses	1,710.3

MIT's total expenditures across all funding sources = \$2.3B
as published in Treasurer's Report

MIT's campus expenditures = \$1.7B

Compensation = \$795m

Non-compensation = \$757m

Depreciation and Interest = \$159m

MIT's General Institute Budget (GIB) expenditures = \$1.0B

Remarks from the Coordinating Team

Martin Schmidt, Associate Provost

Steven Lerman, Vice Chancellor and Dean for Graduate Education

Israel Ruiz, Vice President for Finance



Task Force in the Context of the Budget Process

FY2010

- ❖ \$50M expense reduction distributed across all units
- ❖ Left to individual units to manage

FY2011 and Beyond

- ❖ Task Force ideas will inform decisions
- ❖ October 2009 Deadline: Beginning of FY2011 budget planning process

Process: Phase 1

February - May 2009

- ❖ Each Working Group collects community input
- ❖ Each Working Group develops categorized list of opportunities
- ❖ Deliverable of each Working Group:
 - List of opportunities with estimated impacts
 - ❖ We will provide a common template
 - ❖ Resource available: Data Group

June 2009

- ❖ Synthesize Inputs from all Working Groups
- ❖ Task Force presents report to Leadership Team
- ❖ Receive feedback

Process: Phase 2

July - September 2009

- ❖ Each Working Group receives feedback on opportunities list
- ❖ Working Groups further refine list based on feedback
 - ❖ Highlight critical implementation issues
 - ❖ Refine estimates of impact
- ❖ Deliverable of each Working Group: Report of opportunities with estimated impacts

October 2009

- ❖ Synthesize Inputs from all Working Groups
- ❖ Task Force presents report to Leadership Team
- ❖ Receive feedback

Process: Phase 3

Beyond October 2009

- ❖ Working Groups meet periodically
- ❖ Review status of implementation and
- ❖ Provide feedback to Senior Leadership

Communication/Coordination

Among Working Groups

- ❖ Monthly meeting of Co-Chairs
- ❖ Email reports from Co-Chairs twice per month
- ❖ Will assure collaboration and integration of activities

Internal to Working Groups

- ❖ Urge use of Wiki
- ❖ Email lists established

Task Force Working Methods

Central website ‘information hub’ <<http://web.mit.edu/instituteplanning/>>

- ❖ Task Force Information
 - ❖ Charge
 - ❖ Task Force Structure
 - ❖ Membership
- ❖ Frequently Asked Questions
- ❖ Idea Bank
- ❖ Resources for Students
- ❖ Resources for Faculty and Staff
- ❖ Resources for Alumni
- ❖ Letters to the Community
- ❖ Email comments, questions and suggestions

Task Force Working Methods

IdeaBank

- ❖ A forum for open discussion for all faculty, students, alumni and staff to:
 - ❖ **Post ideas** for how MIT can work more efficiently and effectively
 - ❖ **Respond to others' ideas** to add suggestions or concerns
 - ❖ **Rate ideas** that are particularly innovative and practicable
- ❖ Working Groups to assign representative(s) to monitor IdeaBank
- ❖ 312 entries as of February 12th 2009
 - ❖ 46% ideas / 54% comments



IdeaBank: Impressive First Week

1,700 Unique Visitors

- ❖ 28,000 page views
- ❖ Visitors from 20 countries
USA, Portugal, Spain, German, Canada, UK, China, South Korea, Italy, Singapore, Ecuador, Greece, Saudi Arabia, India, Ireland, Denmark, Finland, Qatar, Slovenia, and Thailand

Site Engagement


- ❖ Average visitor views 10 pages
- ❖ Average visit: 6 minutes
























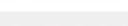








Idea Bank Examples

MIT Idea Bank

Top Rated Ideas

These ideas have been rated the top 25 by you, the MIT community.

Do you agree? Click on the red stars  under "My Recommendation" to cast or change your vote.

Title	Average score	My Recommendation
Register Online		
No more anonymous ideas		
MIT Pharmacy accept perscriptions from Medical professionals outside of MIT		
Save \$11,250 per year in Foreign Exchange Commissions by using FX platform rather than Bank US Dollar Wire Platform		
Examine how depts. use internal v. external vendors		
Do an opt-in for phonebooks instead of distribute to all		
Stop printing monthly summary statements		
Stop distributing institute phone books and course bulletins		
Stop paper payroll/direct deposit advices!		
Streamline Registration and Add/Drop		
Introduce electronic reimbursement deposit for travel expenses		
Maximizing the Yield on Operational Cash Balances Maintained Overnight and Methods to Evaluate the Competitiveness of Bank Fees		
Computerized Room Scheduling		
Print double-sided		
Encourage more flextime		
Convert paper-based Event Registration to secure on-line process		

MIT Idea Bank

Examine how depts. use internal v. external vendors

Submitted by jkastorf@MIT.EDU
in Procurement

I do not have enough background info on this topic to really suggest a fully developed idea but I am hoping to start a thread that might result in some ideas...

My department uses both on-campus and off-campus vendors for office supplies, copying, and food for meetings. We also reimburse folks who plan programs for students that require food, and they usually buy that food from off-campus vendors. I was surprised when I started here that there is really no incentive for depts. to use one over the other.

Am I right in assuming that when an on-campus vendor makes money, then MIT makes money? Either the vendor is part of MIT financially, so any excess revenue they make can go back to an operating budget, or they are paying rent to MIT, and if they make more money they can afford more rent?

My thinking is that if I need to buy something for my department, and an on-campus and off-campus vendor both offer the same price, there is no incentive for me to use the on-campus vendor, because it will cost my department the same amount. But wouldn't I be saving MIT money by using the on-campus vendor?

Folks who buy food for student programs often say they are more likely to use off-campus vendors because they are less expensive.

So, what if on-campus vendors were to offer a discount on purchases paid for with MIT funds, so departments would have an incentive to use them? The discount would be subsidized by MIT and paid back to the vendor, but it would be calculated so that it actually increases revenue to MIT, by way of the increased revenue to on-campus vendors.

Does this make sense?

Average:

Average: 4.9 (23 votes)



jkastorf@MIT.EDU's ideas [Add new comment](#)

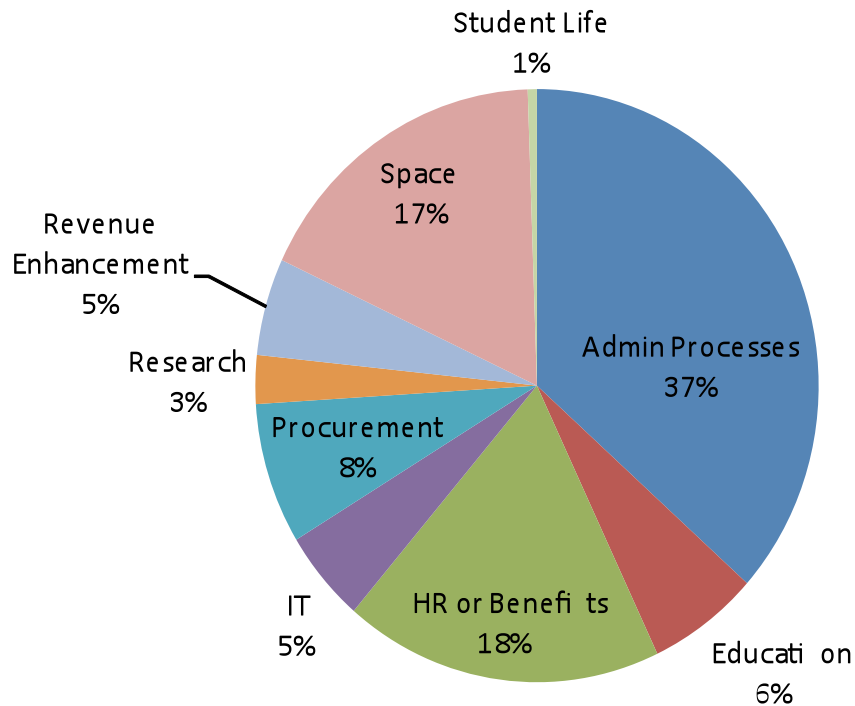
Comments

That makes sense to me.

Submitted by chelseyn@MIT.EDU on Mon, 02/09/2009 - 11:24am.

That makes sense to me. Though, if everyone who made food purchases with MIT funds were to go internal, it would create a huge demand that internal vendors would not be able to meet at their current capacity. It might also hurt so-called town-gown relations. I think it is just as good (and as you say, cheaper) to support the community surrounding MIT.

IdeaBank: Emerging Themes



Categorization of ideas	Number
Energy saving by going paperless	65
Energy saving measures with facilities	53
Personnel Savings through Flextime/ telecommuting/ time management - forced campus closure (4 day week, holiday time) / early retirement	24
Maximize resources - video conferencing, use water coolers, computer virus protection, tutoring, sharing existing resources	22
Reduce spending on food for parties / meetings	15
IT - Outsourcing, centralized software licensing	13
Salary freeze/cut	12

Breakout Sessions Outline

Introductions

Charge, timeline, expected deliverables

Schedule and agenda for Working Group meetings

Identify issues and concerns to be raised in Report-out Session

Working Group Report-Out

Guideline

General scope of work for the Group

Overlap among Groups where coordination may be needed

Examples of interesting ideas

Questions from the Group

Working Group Report-Out

Order

- 1) **Revenue Enhancement**
- 2) **Education**
- 3) **Research**
- 4) **Space**
- 5) **Student Life**
- 6) **Administrative Processes**
- 7) **Human Resources and Benefits**
- 8) **Procurement @ MIT**
- 9) **IT @ MIT**

