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?
Identifying a Long-term Budget Planning Target
Projected End-of-Year GIB Deficits as a Function of Endowment Performance

A: (-12.5%; -12.5%; -12.5%; 9.5%; 9.5%)
B: (-33%; 0%; 0%; 9.5%; 9.5%)
C: (-30%; 0%; 9.5%; 9.5%; 9.5%)
D: (-40%; -15%; 0%; 9.5%; 9.5%)
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
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 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

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

### Space co-chairs:
- *Martin Schmidt*, Assoc. Provost
- *Ian Waitz*, Aero/Astro
  - Faculty = 13
  - Staff = 7
  - 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

<table>
<thead>
<tr>
<th>Total Expenditures FY08</th>
<th>Lincoln+ Expenditures FY08</th>
<th>Campus Expenditures FY08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Wages</td>
<td>896.1</td>
<td>Salaries &amp; Wages</td>
</tr>
<tr>
<td>EB</td>
<td>170.3</td>
<td>EB</td>
</tr>
<tr>
<td>Expenses</td>
<td>1,076.7</td>
<td>Expenses</td>
</tr>
<tr>
<td>Depreciation &amp; Interest</td>
<td>158.6</td>
<td>Depreciation &amp; Interest</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>2,301.7</td>
<td>Total Expenses</td>
</tr>
</tbody>
</table>

- 2,301.7 = 671.7 + 123.0 + 757.0 + 158.6

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 12\textsuperscript{th} 2009
  - 46% ideas / 54% comments
IdeaBank: Impressive First Week

1,700 Unique Visitors
- 28,000 page views
- Visitors from 20 countries
  USA, Portugal, Spain, Germany, 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
<table>
<thead>
<tr>
<th>Title</th>
<th>Average score</th>
<th>My Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Register Online</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No more anonymous ideas</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MIT Pharmacy accept prescriptions from Medical professionals outside of MIT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Save $11,250 per year in Foreign Exchange Commissions by using FX platform rather than Bank US Dollar Wire Platform</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 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 a 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 depts. 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)

**Comments**

That makes sense to me. Submitted by chelsey@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

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