Ferris State University
Budget and Tuition Overview

May 2009

David L. Eisler, President
Sally DePew, Budget Director
FY 2008 Current Operating Funds
Revenues - $232 Million

General Fund, $167
Designated Fund, $12
Auxiliary Fund, $36
Expendable Restricted Fund, $17
FSU FY 08 General Fund Spending

Instruction and Academic Support 55%
Student Services 7%
Plant 13%
Institutional Support 13%
Financial Aid 6%
Mandatory Transfers 6%
FSU General Fund Revenue Perspective

FSU - 2009
- Tuition: 69%
- State: 29%
- All Other: 2%

FSU - 1980
- State: 68%
- All Other: 3%
- Tuition: 29%
State Budget Status
Current Year – FY 2009

• December executive order - $133 million

• May executive order - $300 million

• $1 billion remaining shortfall made up with stimulus funds

• No reductions to higher education
State Budget Status
FY 2010

• Deficit was $1.3 billion, now is likely over $2 billion

• About $450 million in cuts for FY 2009 can be applied to FY 2010

• State has about $1 billion in discretionary stimulus funds remaining

• Leaves deficit over $500 million
State Budget Status
FY 2011

• If $500 million in cuts found for 2010,
• If economy does not continue decline,
• If taxes are not phased out or reduced

• Discretionary stimulus funds will be gone
• State still has $1 billion dollar deficit to fill in major election year

• Will education stimulus requirements be relaxed?
State Budget Status
FY 2012

• Stimulus package has expired

• Education protection from budget reductions by stimulus requirements is gone

• Probable that major structural budget problems for FY 2011 delayed as election strategy

• Education will be likely target
State Budget Status
Ferris State University

• $8.2 million in cuts from 2003-2008.
• No cuts for 2009

• 2010 higher education 3% cut – $1.6 million
• Higher education at 2006 threshold

• Stimulus requirements apply for 2010 and 2011, higher education cannot be reduced below this amount and state qualify for stimulus funds.
FSU Budget Actions

• November - $2.5 million reduction
• February
  – Message to campus Feb. 4, Feb. 12
  – Budget Statement
  – Budget forums Feb. 18, Feb. 19
  – VPs\Deans Discussion Feb. 25
  – Decision to cut additional $2.5 million
• March
  – Message to Campus March 2
  – Presentation to Board March 20
  – VPs\Deans engage faculty and staff at department level in budget savings discussions
FSU Budget Actions

- April
  - Budget Suggestion Summary
  - Prioritized by SPARC, April 8
  - Messages to Campus April 13, April 20
  - Presentation\Discussion with students April 15
  - Ferris Cares – Opportunity @ 125 announced
  - Priorities reviewed by VPs and Deans, April 28
  - Discussion Presidents Council, April 29
  - Priorities reviewed budget forums, April 28, May 1
FSU Budget Actions

• May
  – Decision to delay classroom renovation, minor capital outlay, and pc replacement
  – Message to Campus, May 4
  – Discussion with Trustees, May 8

• June
  – Plans for second cut ($2.5 million) due June 1
  – Total reduction for FY 2010 = $5 million
Tuition

• February
  – Executive Budget – Freeze tuition (RUG)
  – Testimony to House, Feb. 23
  – Discussion with Emerson, Governor, Feb. 26

• March - House does not recommend freeze, does recommend tuition restraint

• May - Testimony to Senate, May 4
Tuition

• 7% ($6.3 million) needed to balance 2010 budget

• Restraint costs
  – All tuition $900K/1% percent reduction
  – RUG tuition $710K/1% percent reduction

• 2010 decision will create expectation for 2011
Tuition

• At this time
  – Reduce RUG increase to 4-5%
  – Use stimulus to reduce to nearly 2-3%
  – Reduce other increases to 6%

• Factors to watch
  – Big state reductions for higher education are likely in 2011 or 2012
  – Decline of 105 students is $1 million
Budget Impact

• Budget Impact (2010)
  – 4% RUG, 6% other is $2.4 million (total cut = $4 million)
  – 5% RUG, 6% other is $1.6 million (total cut = $3.2 million)

• Budget Impact (2010 & 2011)
  – 4%, 6% is total $7 million (over 2 years)
  – 5%, 6% is total $5 million (over 2 years)
Questions and Discussion

Budget files, further information accessible at http://www.ferris.edu/president/budget.htm

Thank you for taking time to join me today for discussion on these very important issues.

Dave Eisler