Ferris State University Budget
Overview
April 2009

David L. Eisler, President
Sally DePew, Budget Director
Current Operating Funds Revenues - FY 2008 - $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%
Mandatory Transfers: 6%
Financial Aid: 6%
Financial Aid: 6%
Ferris’ FY 09 General Fund Operating Budget - $172 Million

- Tuition: 69%
- State: 29%
- Other: 2%

Revenue
State Appropriation per FYES
FY 01 Indexed for Inflation Compared to Amount Paid

Paid Appr/FYES
CPI Adjusted FY01 Appr/FYES
Tuition and State Dollars per FYES
Indexed to Inflation

FY 2001: $11,674
FY 2002: $14,398
FY 2003: $14,425
FY 2004: $15,704
FY 2005: $14,425
FY 2006: $14,398
FY 2007: $15,704
FY 2008: $14,425
FY 2009*: $14,398

Legend:
- Tuition and State $/FYES
- CPI adjusted
- HEPI adjusted

Ferris State University
Imagine More
Michigan Challenges

• Unemployment 16-year high – 12%
• No new taxes, calls to cut Michigan Business Tax
• Term limits=inexperience in Lansing
• Outbound migration – 67.1% of interstate moves are leaving the state
State Budget Status

- December executive order - $133 million
- Revenue estimates
  - $1.4 billion shortfall from initial projected revenues for 2009
- $1.6 million reduction
  - 3% operating cut
  - Eliminate King-Chavez-Parks Programs
- Freeze University tuition
  - $6.3 million shortfall
Ferris Actions

• November ‘08
  – vps hold 1% of current year budget
  – Planned reductions are in positions and done through attrition
  – Additional 1% central reduction
• $2.5 million (5% of state appropriation)
Budget Discussions

• What are the Opportunities for savings?

• What are the Challenges for these Opportunities?

• What Work is needed to realize these Opportunities?

• What are the Impediments to reaching these Opportunities?
Ferris Actions

• April ‘09
  – vps hold an additional 2% of current year budget
  – Planned reductions based on overall strategy developed through campus input and review
• Additional $2.5 million (5% of state appropriation)
Where do we stand today?

• State 3% cut appears definite
• Strong desire to restrain tuition
• $6.3 million for fixed cost increases needed to balance budget for fall
• Each 1% in tuition equals $720,000 to $900,000 revenue shortfall
Economic Stimulus

• 2010 and 2011 higher education state budget cannot be less than 2006 budget
  – 3% reduction puts higher education slightly above 2006

• If 2010 state budget is less than 2008 or 2009, replace difference with stimulus funds for 2010 and 2011

• Purpose for stimulus funds
  – Replace general & operating, mitigate tuition
  – Not to endowment
  – Not for infrastructure or capital projects
A Statement
On Our Budget
Our Future
Questions and Discussion

...now is not the time to ask what can we get, but rather, what can we do...

Thank you for caring and for taking time to consider how we best move Ferris forward in these challenging times.

Dave Eisler