Below are some of the audience questions along with the responses I provided at our “Food for Thought” get-togethers on February 18 and 19. Some of the language has been edited slightly to make it read better on the page, although I have tried to make sure that the full sense of both the questions and my answers remain faithful to the moment in which they were spoken.

David L. Eisler, President

• **Question:** Will economic stimulus funds come to the University?
  **Answer:** We don’t know this yet. We will be short on base funds. The stimulus funds are a short-term fix and those dollars will most likely be used for renovation issues, like Arts & Sciences heating or the Student Recreation Center roof.

• **Question:** What will be the impact of economic stimulus funds for Ferris?
  **Answer:** State appropriations for 2009 have to be above what they were in 2006 or the state does not qualify for economic stimulus funds. The Governor’s recommendation reduces support very close to the minimum threshold at which we qualify for economic stimulus funds. Further, if the state reduces university budgets for next year it will be required to replace those funds with stimulus dollars for both 2010 and 2011. It would be a serious strategic mistake for our state to take the one-time opportunity of economic stimulus funds and use them to replace base funding lost through a budget reduction. After two years the funds will be spent and the shortfall in our budgets will still remain. The state delaying the base budget cuts for two years just makes the situation worse. The purpose of the economic stimulus funds is not to backfill for the present, but to build for the future. If these funds are used the wrong way, it will be a colossal mistake for our country. Using economic stimulus to back-fill a budget is the wrong decision. I hope that the stimulus package will provide the ability to begin to restore opportunities for more residents of our state. Without workers who can contribute to a new, diverse, and technology-dependent economy, we will be stuck in our current cycle of contraction, job loss and outward migration. The new economy will depend upon people who can do things that require special training, and Ferris is the best at that. We will do so much more if we can partner with the state. Imagine all the money going to be spent on roads; we know how to educate for these jobs. Think of all the ways that we can help; we can educate people to construct/modernize for energy efficient homes, etc.

• **Question:** Do we have shovel-ready projects that could be funded?
  **Answer:** “Shovel-ready” is the new term for all of us. We have them and are ready with the requests. There is $124 million in the 1st request I sent in for the economic stimulus and $90 million in the second. This include the new building for the Michigan College of Optometry; heating and cooling systems in Arts & Sciences – and to make it geothermal, if
possible – and there is the renovation at The Rock dining facility. We also have infrastructure, housing and dining projects. I want to make a clarification here. I’ve heard many people ask if this is the right time to do housing and dining projects with the budget reductions. These cuts impact the general fund only. Housing and dining are auxiliary funds. We are trying to create reasons for students to want to come to our Big Rapids campus. The way to do that is to provide competitive living accommodations. We haven’t built new housing (other than “married apartments”) since the 1960s! Even though we have good people who do a great job maintaining our current housing, most students do not have roommates at home and frequently don’t want them at college.

**Question:** What are discussions from other university presidents?

**Answer:** There are a number of ideas being suggested by universities and there is more cooperation than normal. I’m promoting the idea that the public universities should partner with community colleges. The common issue is not budget cut but tuition freeze. Community college tuition is also frozen by the governor. If we can fight this issue together in the House, we can garner enough political power with them. Some are saying if we get some economic stimulus money, we should give it back to the students dollar for dollar. I do not favor this approach, I believe the stimulus funds should be used to solve continuing problems, put people to work, or to generate economic growth. Another president is suggesting we use economic stimulus funds to reduce MPSERS [Michigan Public Schools Employee Retirement System] costs. This would assist us, but is not something I favor strongly because it splits higher ed down the middle since all not public universities are in that system; we need to stay together now. The PCSUM [Presidents Council, State Universities of Michigan] is meeting next week and have been invited to the Governor’s mansion – I’m not expecting good news. Beyond the 3 percent cut, the governor has proposed deleting the King/Chavez/Parks funding, but has included an increase in the Tuition Incentive Program. We’ll see what other comments she has next week.

**Question:** What will Ferris’ position be on the tuition freeze?

**Answer:** Our position is very clear - freezing tuition is a terrible idea. If we freeze, we are going to have to adjust what we do to financial aid. Those students who really need aid the most will be impacted the most and may not have the opportunity to attend college. A freeze sounds good at first, but when you freeze, you are simply delaying difficult financial decisions until they must be faced and this only makes them far worse when that inevitability arrives. This leads to double-digit tuition increases in later years. We will have to use restraint – perhaps a 5 percent increase when we need 6 or 7 percent. We can manage our way out of this if the Governor and legislature allows us the opportunity to manage our finances as creatively as possible rather than tie our hands.

**Question:** How will budget cuts impact some of the projects underway or that have already been announced to campus?

**Answer:** I hear questions like – “How can you be doing a dining or housing renovation? How does this make sense?” Earlier in the presentation we talked about the difference between general and auxiliary funds. We cannot use general fund dollars for auxiliary
purposes. We bond out for building projects for the life of the project. These remodeled or new facilities create another reason for students to want to attend Ferris in Big Rapids. We need state-of-the-art facilities. For example, we are thinking about new student apartments on East Campus because we haven’t built housing since 1969 when Victor Spathoff was Ferris president. We need to offer our students amenities that are competitive with other campuses.

**Question:** What about the Rankin Center renovation idea – is that still being considered?  
**Answer:** Every purchase, every position, every idea from here on out is going to be scrutinized very, very carefully. We have to hunker down and make tough decisions together. It is great that the Rankin Student Center is one of the highest priorities for our campus, but I am not willing to dump this on the backs of our students. Let’s suggest this project would be $17 million to renovate and to bond out, and that means $70,000 per year on a 30-year bond. Divide by 10,000 students, and that comes to $120 to every student’s bill each year for 30 years – and that’s too much to ask. We have to be as responsible as we can and find a way to fund some of the costs here from other sources.

**Question:** Does a new building for the College of Education and Human Services fall into that same category?  
**Answer:** No – that is our highest priority after the Optometry building for capital outlay funds from the state, but we just received the MCO building and the state most likely won’t have new dollars for some time. When they do, we are not likely to be at the top of the list again for awhile. It may be 5-7 years. The state funds 75 percent of the cost of capital outlay. When we reach the top of the list, we’ll find a way to fund the other 25 percent if we can get that money.

**Question:** Some employees are near retirement – what about offering a retirement incentive? For 30-year seniority people, is there any thought to early buy-outs? Are we considering a reduction of hours or a “furlough”? What about a severance package (look at it with attrition in mind)?  
**Answer:** This is certainly a workable idea, but at this point it is my preference to hold back on this for the present. We will need to gather the one-time funds to cover it; maybe this is two years down the road. Once we have played that card we won’t be able to do it again on the short term. When we get to that point, we will have played nearly every card we have and if we are hit with another large cut things could be very difficult. We have the VRIP [Volunteer Retirement Incentive Program] option in the faculty contract, and I usually agree when those are requested.

I believe buy-out options are premature at this point. There is a proposal from the MEA [Michigan Education Association] to encourage this, but there is a great deal of disagreement about how much that would cost. Buy-outs are one of the important things we can do as we go along – probably not in the short-term, but for later if things get really tough. We will have to build up one-time funds to cover this if it occurs. We need to step back and be very, very thoughtful about this.

We have not had a discussion regarding a furlough option. There are perhaps rumors regarding this, but I have not discussed it. At this point we are accepting all
suggestions and are not going to rule out any options without careful consideration. There is nothing that has been decided at this point. My preferred approach to budget reduction is through attrition.

On occasion we have done severance packages, usually in unique instances. I don’t see this as potentially reaching a significant number of employees, but is an idea we can consider. We want your input! Maybe some things we do now and some things we do later. When we are dealing with the legislature, the focus is short-term. They are worried about meeting the budget for next year. We have to look much further ahead than July!

• **Question:** Please expand on the MEA proposal (to fund buyouts).
  **Answer:** I am certainly not an expert on the MEA proposal. I can provide some data to you, but I don’t know it well. There seems to be a fair amount of disagreement in terms of what the cost might be. In her public comments the Governor has not favored this. Perhaps a third-party group needs to look at this to get a feeling for the cost. This is only a proposal – and perhaps there is a compromise at some time. MPSERS is very difficult and complicated system to understand financially. I would not want something that provides a benefit and leaves us to pay for it for many years.

• **Question:** One thing we can all do collectively is to we can look at positions before filling; we can all do more of the work of those jobs not filled and still hold the standard of quality for students. It is painful to hold positions, but as long as we do it fairly, it is the right thing to do. We need to enhance communication so that everyone understands that if we have fewer positions, we are helping out the budget crises and your service level will be cut.
  **Answer:** I appreciate your support. It is not my intent to do a hiring freeze at Ferris. We will do this selectively and carefully. I am not willing to freeze – it takes away our ability to make decisions. We have already decided to not fill 16 positions and will continue to dialogue – these are difficult decisions and must include discussions so as not to limit access to the University and have an enrollment decline. We will have to continue to spend funds for things so we can meet critical needs, i.e. repair roofs and HVAC systems. Many areas are already short-staffed, and regretfully that will continue. We are creating the expectation that decisions will undergo more and more scrutiny – when we are making decisions, people will ask why fill this position and not another position. We are not using the word “freeze.” We intend to be transparent regarding this. We will need to prioritize what is truly important, and work hard at communicating this.

• **Question:** Is there any talk about privatizing?
  **Answer:** In the Strategic Plan, I requested that language regarding privatization be removed. Privatizing is not my intent! I believe the cost of it is too high, and do not intend to go there.

• **Question:** Is it realistic for our institution to plan on increasing enrollment given demographics and out-migration?
  **Answer:** My hope is to do another entire forum about enrollment in the future. Ultimately, enrollment will be more important than state support. As I pointed out in the presentation, tuition is 70 percent of the general fund. Admissions is doing an excellent
job. We are right now 400 admitted students ahead of last year, which suggests good things, but it doesn’t count until students are here and we collect tuition. When our new provost arrives, my hope is that we will begin a significant dialogue about how we retain students. We have locations all around the state, connecting with community colleges, where the average age of our students is 33 (average on campus is 23). We can continue to grow if we are thoughtful about it and grow where we have capacity to grow.

- **Question:** Since there are stimulus funds for construction for roads, are there thoughts of adjusting the academic year to get employees while they are laid off into classes so that they can be ready to go back to work in the spring?
  **Answer:** We have not discussed this, but it is possible. I am not suggesting that we will redo the entire schedule – that would create chaos, but we need to be able to respond really quickly. We are one of the best in the state with technical and applied programs, we need to do what we can to help people retool and train people to go to work.

- **Question:** Fundraising at some places is not just the job of the President, but everyone. What are we doing about that?
  **Answer:** Thank you for asking about this! We have been building up the capacity of University Advancement and Marketing by adding and training major gift officers. We just hired a new vice president who is a fundraising professional. People who have money now have less money than they did with the downturn in the economy. We are making good progress on fundraising. As we come to the 125th Anniversary and having just approved new values, mission and vision, I am hopeful we can wrap those into the first major capital campaign. This is one way all of you can help – if you know someone who has resources, connect us with them and we’ll take this up from there. People want to know how much our campaign will seek to raise. At this point I believe a more appropriate question is to ask how many people we know who can give us $5 million? That will start the campaign. Thank you for saying it’s not just the president’s role – we have to become more like a private institution in fundraising. We are better than we were, but have a long ways to go.

- **Question:** With the economic conditions in our local area and the poverty in our community, can we find a way to add additional students from those who are unemployed?
  **Answer:** I am hopeful we can find ways to do this and would appreciate your ideas on this. For some popular areas we will need to build more capacity. Sometimes the constraints are things like clinic placements and facilities. Hopefully we can help address the unemployed needs in our community.