April 28, 2008

Representative Pam Byrnes, Chair  
House Appropriations Subcommittee on Higher Education  
State Capital  
P.O. Box 30014  
Lansing, Michigan 48909

Dear Representative Byrnes:

Thank you for your letter of March 20th presenting nine questions requesting information for the House Appropriations Subcommittee on Higher Education. We are especially pleased that the Higher Education Subcommittee under your leadership will visit Ferris State University as part of its hearing process. It is an honor to welcome you and your distinguished colleagues to our campus.

The responses to the questions posed in your correspondence follow below. If there is additional information that would be helpful to you or your colleagues, please call on me to assist in your review and consideration of these topics.

1. **What is your University's niche in Michigan's higher education community?**

   Founded by Woodbridge N. Ferris, a two-term Michigan Governor and U.S. Senator from Michigan, Ferris State University has a unique place among public universities in the state. Originally named the Big Rapids Industrial School, Woodbridge Ferris envisioned the institution he founded as a place where people could come to receive the education and training they needed to better their prospects in life. Established in 1884 near the end of the lumber boom, Ferris recognized the need for lumbermen to gain new skills – and not only lumbermen, but subsistence farmers and women holding menial positions.

   Ferris’ vision was also an egalitarian one. The first class of 15 students included five women. As early as 1909 Ferris publicly announced that his school was “thoroughly democratic – that is to say, it is a school for all people regardless of race or station.”

   These founding impulses toward practicality and equal access remain central tenants to this day. The University recently adopted a new mission statement: “Ferris State University prepares students for successful careers, responsible citizenship, and lifelong learning. Through its many partnerships and its career-oriented, broad-based education, Ferris serves our rapidly changing global economy and society.” With our commitment to career preparation and our many partnerships with community colleges, we remain the only public university in the state whose commitments to both individual and social improvement are the explicit and still-vital goals of its founder.
2. How does your mission contribute to the progress and advancement of the State of Michigan?

First of all, Ferris State University offers professional degrees that are either unique to the state, or else in short supply. Ferris State University's

- Michigan College of Optometry is the only such college in Michigan, one of only five in the Midwest, and one of only 17 schools of optometry in the United States
- College of Pharmacy is one of three in Michigan, but the only one located outside of the Detroit-Ann Arbor metropolitan area and graduates more than 50% of the practicing pharmacists in the state
- Professional Golf Management program is the only one of its kind in the state, and was the first of its kind to be established anywhere; many of the state’s more than 800 courses employ Ferris PGM graduates
- Plastics Engineering Technology Bachelor of Science program is the largest in the United States
- Rubber Engineering Technology Bachelor of Science program is only one of its kind in the country and was started in response to industry need

Beyond these specific colleges, programs and degrees, we produce graduates in many traditional skilled professions Michigan needs to produce goods, provide services and maintain infrastructure – everything from Automotive Technology to Heavy Equipment Management; Mechanical Engineering Technology to Computer Assisted Design; Surveying Engineering to Facility Management; Heating, Cooling, Air Conditioning and Refrigeration to Construction Management Technology; Welding Engineering Technology to Manufacturing Operations Management. This list could continue on and on. Beyond that, through our unique bachelor’s degree in Industrial Technology and Management we provide career ladder opportunities to community college students who have earned an associate degree through an apprenticeship program. While these professions may have been eclipsed in the public consciousness by high-tech jobs, they are as essential today as they have ever been. When the Wall Street Journal published an article entitled “Where Have All the Welders Gone?” it featured a Ferris graduate and the number of employers looking for his skills.

However, we offer innovative high-tech degrees as well. Our Digital Animation and Game Design degree, for example, isn’t just about designing the next online role-playing game. Increasingly, digital animation – especially as it relates to the virtual world – opens up new possibilities for businesses to show customers virtual copies of designs for everything from entire buildings to office interiors, helping to save time and money and streamline production. Our new Information Security and Intelligence degree is designed to respond to the very real threats our nation faces from enemies who would seek to compromise our information and defense infrastructure, at the same time preparing graduates who help business and industries defend themselves against hackers and other destructive forces. Through Kendall College of Art and Design we graduate working artists in interior design, industrial design, and furniture design. Also, our unique partnership has allowed us to create an MBA with an emphasis in design, suited to new graduates and working professionals alike.
Our College of Business’ Hospitality Programs includes hospitality management, music industry management, and professional golf and tennis management, which are preparing more than 700 future professionals for the tourism industry in Michigan, a critical component in our future. This innovative grouping of programs created one of the first resort management certificates in the nation.

To help maintain the highest quality of life in Michigan, our laddered programs at the associate, bachelors, masters, and first professional level are creating the next generation of leaders for the healthcare industry in fields that range from nursing to radiography to respiratory therapy, to dental hygiene, to healthcare administration, optometry and pharmacy.

3. What role do you think the State should play in university-based commercialization?

The simple reality of higher education funding in Michigan is that Ferris State University has not received a funding increase from the state since 2001. That increase was 1.8%. The highest priority for funding to higher education must be access and opportunity. If Michigan truly believes the future of our state is closely tied to doubling our number of college graduates, then scarce funding should be directed to encouraging and incenting enrollment growth.

A study of university-based commercialization models by W. Chad Carlos and Sangchan Park of Cornell University notes that universities with greater financial resources experience the most success in these endeavors. With that observation in mind, the implication of pursuing greater university-based commercialization in hopes of spurring economic growth runs the danger of creating a two-tier system of public education by funding already affluent institutions at the expense of those universities that educate the greatest number of students.

Ferris State University provides a wide-range of degrees in areas of specialization that Michigan needs to facilitate its economic recovery. Proposals that favor commercialization over career preparation put these efforts at risk and disadvantage citizens seeking to prepare or retrain for precisely those professions our state needs. Ferris is producing graduates with the skills to help existing and start-up businesses discover and develop the best applications for new technologies.

4. What is your university doing to foster entrepreneurship in Michigan?

At our Big Rapids location we host Corporate and Professional Development Services (CPD), which offers consulting services in such areas as job task analysis, Lean Manufacturing, grant writing and administration, and much more. These services are available to both beginning and established businesses. As a forward-looking center within Ferris’ College of Technology, the CPD is affiliated with the Green Mechanical Council.

In terms of coursework we offer a Small Business and Entrepreneurship course of study within our College of Business. In addition, many of our other programs emphasize the skills needed for the establishment of small businesses for students who want to pursue that path. These include Pharmacy, Optometry, Restaurant and Food Industry Management, Construction Technology Management, Music Industry Management and many others.

5. Please describe your university’s employment picture since 2002; i.e. staffing levels of clerical, faculty, administration etc.
Between 2002 and 2007, Ferris State University’s enrollment grew from 11,074 students to 13,087, an increase of over 18%. Today we have two fewer full-time employees than in 2002. During that time, we have reduced employees in other areas to have the faculty resources to handle this increased enrollment.

- In 2002, we employed 12 police officers; in 2007 that number was unchanged at 12.
- In 2002 we employed 27 counselors and librarians; in 2007 we had 26 – a decrease of one.
- In 2002 we employed 159 clerical staff; in 2007 there were 148 – a decrease of 11.
- In 2002 we employed 106 maintenance/food service employees; in 2007 there were 100 a decrease of six.
- In 2002 we employed 343 administrative personnel; in 2007 that number was unchanged at 343.
- In 2002 we employed 496 faculty members; in 2007 there were 512 – an increase of 16.

It is remarkable, given the increased demands placed upon public universities for reporting and compliance issues and the increased complexity of the demands we face today, that Ferris State University educates 18% more students with essentially the same number of employees.

6. Please describe the salary range within the above-mentioned categories since 2002.

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<tr>
<th>Category</th>
<th>2002</th>
<th>2007</th>
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<tbody>
<tr>
<td></td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Police</td>
<td>$42,489</td>
<td>$32,897</td>
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<tr>
<td>Counselor/Librarian</td>
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<td>Administrative</td>
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</tr>
<tr>
<td>Faculty</td>
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<td>$36,224</td>
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A more accurate comparison of costs and investments in people would be gained through a comparison of compensation rather than salary. The above data ignore the significant cost of health insurance benefits. The overall increase will be higher for lower paid occupations where health benefits are a much higher percentage of salary.

7. In light of recent violent crimes on campuses across the nation, what actions has your university taken to ensure safety for your students and faculty.

Emergency management and preparedness has been a significant concern of mine throughout my presidency. When I became president of Ferris State University in 2003, I initiated a complete review of all emergency management efforts. This resulted in new plans and approaches distributed to all employees. This fall in light of the killings at Virginia Tech, three university-wide task forces were convened to review both the internal and external reviews of this tragedy - nearly 500 pages of documentation. There are two distinct parts of any comprehensive
security plan – preventing violence from occurring and responding to a violent incident. Ferris State University is acting to increase both awareness and our ability to respond.

In terms of awareness, we are working to give information to all segments of the campus community – including students, faculty and staff. This June, for example, at our “Summer University,” a three-day learning seminar for our staff, we will have several informational sessions including a very powerful keynote address about active shooter situations. There will also be breakout sessions on threat assessment, personal preparedness, the Clery Act and emergency communications. We will be making a special effort to urge faculty to become familiar with the information regarding possible active shooter scenarios. For incoming freshmen, our Ferris State University Seminars (FSUS) help students with the transition to college, which includes safety and counseling information. Increased information and technology upgrades need to work together. Better door security, for example, won’t help if students open a door to someone they don’t know.

Currently we are implementing the following recommendations involving planning, education, training and practice –

- A comprehensive plan of drills and emergency response training encompassing post-event communications and business continuity plans for all buildings, locations, and people
- Programs to educate people on depression, suicide, high-risk situations, and disruptive individuals inside and outside the classroom
- Programs to educate employees on FERPA, HIPAA and ADA regarding the sharing of information on disturbed students
- A Students of Concern Committee to improve communication, collaboration, cooperation, and care for disturbed/disturbing students
- A Threat Assessment Team to determine if a particular student is a threat to themselves or others
- Student workshops on conflict management, resilience and problem solving
- An evaluation of current campus and building security systems

In terms of responding to a possible active shooter or other violent incident, the University is also looking at new technology and greater preparedness. We have already begun rolling out an upgraded campus communications and security infrastructure -

- A grant-funded “City Watch” communications system that provides the capability to communicate with University employees and students via landline, cell phone, email, or text messages
- Classroom communications via the installation of telephones in each room and instant messaging software in all teaching station computers
- Replacement and expansion of the current blue light emergency assistance phone
- Installation of outdoor communication warning and communication through public address systems and additional electronic message boards
- Expansion of card readers to all remaining residence hall doors
8. Please share your thoughts on formula based appropriations versus across the board increases in university appropriations.

Currently, higher education funding in Michigan takes a back seat to other important budget outlays, such as those for Medicaid and Corrections. Operating under formulas, those constituencies have built-in expectations that help assure full funding and even coverage of cost overruns.

It is important to establish a funding formula that will help the greatest number of people in Michigan get the education they need to enter or re-enter the workplace, and once there to improve their place in it. However, looking at graduation rates alone, for example, will not achieve this - that yardstick requires too long a reporting horizon to be practical.

As I will present in my testimony, the best way to compare institutions of varying sizes is to use Full-Year Equated Students (FYES). This number is derived by dividing the total number of credits at the undergraduate level by 30 (2 semesters of 15 credits) and 24 at the graduate level (2 semesters of 12 credits). During the period 2001 to 2007 Ferris FYEs grew from 8,979 in 2001 to 11,492 in 2008, a 28% growth.

Beyond that, a funding formula should understand and reflect the differences in instrumental and equipment costs in presenting degrees in technical and healthcare fields. The costs in these high demand and high employment fields can be as much as four times the cost of instruction in the liberal arts or social sciences.

Across-the-board increases create a disincentive for universities such as Ferris to continue to grow and increase their capacity to prepare the graduates Michigan needs. Under an across-the-board approach institutions actually receive more instructional costs per student if their enrollment declines. A formula that stresses graduation rates ignores student transfer, which is a strength in today’s interrelated higher education system and fails to fund a university whose offerings help students whose educational needs may not require a four-year degree. As you can see from the employee charts above, Ferris State University has done a remarkable job of carrying out its mission during a time of increased need and decreased support. However, there is a limit to such efficiencies. Higher education funding in Michigan needs to reflect the reality of student needs.

9. What is your university’s position on implementation of a P-20 tracking system?

At Ferris State University, we support the implementation of a P-20 tracking system and are willing to participate in a pilot study of this capability. A tracking system of this nature will need to be formulated in such a way as to allay the fears that exist in some quarters regarding student privacy – especially as protected by the Family Educational Rights and Privacy Act. However, the current piecemeal approach to gathering some very important reporting trends – including graduation data – means legislators and others are not receiving the information they need to most effectively and equitably allocate educational resources.

Here at Ferris, we see many success stories that do not adequately get reflected in existing data – especially as regards graduation rates. Because of our unique reputation among public Michigan universities, we have employers who look to us for skilled workers. These may be non-traditional students who are re-training for new economy jobs, or younger undergraduates in such
programs as HVACR, Rubber Technology or even Criminal Justice. Prospective employers of these students are anxious to have their specialized skills, and often will make offers of employment before the student has a degree in hand. In large part, we believe these sought-after students complete their degrees at other institutions, perhaps even paid for by their employer.

An institution such as Ferris State University, which works closely with business and industry and produces knowledgeable and skilled graduates (and even graduates-to-be), can look as though it is not fulfilling its mission when judged by an incomplete measure. So while there are technical, social and economic hurdles to such a system, we believe this to be of significant value.

In closing I want to express my thanks to you and your colleagues for the time you take to understand the complex issues facing higher education in Michigan today. We appreciate and need very much your advocacy for higher education and higher education funding. On behalf of our students, faculty, staff, and the citizens in communities across Michigan that Ferris State University serves, my sincere and heartfelt thanks and appreciation.

Sincerely yours,

David L. Eisler
President