FSU Operating Funds

• General Fund: Primary support from State of Michigan and student tuition; supports academic mission of the University

• Auxiliary Fund: Self-supporting operations of the University (housing, dining, golf course, etc.)

• Designated Fund: Supported from gifts and grants for designated purposes

• Expendable Restricted: Restricted State and Federal Grants and Contracts
Current Operating Funds Revenues - FY 2008 - $232 Million

- General Fund, $167
- Auxiliary Fund, $36
- Expendable Restricted Fund, $17
- Designated Fund, $12
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%
Ferris’ FY 09 General Fund Operating Budget - $172 Million

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

Financial Statement Amounts

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 02</td>
<td>$55.5</td>
</tr>
<tr>
<td>FY 03</td>
<td>$55.5</td>
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<tr>
<td>FY 04</td>
<td>$50.0</td>
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<tr>
<td>FY 05</td>
<td>$49.0</td>
</tr>
<tr>
<td>FY 06</td>
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</tr>
<tr>
<td>FY 07</td>
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<tr>
<td>FY 07 Paid</td>
<td>$43.9</td>
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<tr>
<td>FY 08</td>
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<tr>
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<td>$54.3</td>
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<tr>
<td>FY 09</td>
<td>$50.2</td>
</tr>
<tr>
<td>FY 09 Paid</td>
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</table>
Calculated Appropriation per FYES (Student)
FY 01 through FY 09

Appropriation payments per student have declined 29%
State Appropriation per FYES
FY 01 Indexed for Inflation Compared to Amount Paid
10-Year Tuition Increase

Resident, Undergraduate taking 15 Credits

Ferris State University
Imagine More
State Funding and Tuition Rate of Change

Inverse Relationship between State Funding and Tuition
Tuition and State Dollars per FYES
Indexed to Inflation

Between 2001 and 2008 annual increase in cost per student is 2.1%
FY 09 University Budget

• Budget reallocations of $1M
• State increase of 1%
  – State increase in jeopardy
• Tuition increase of 6.3%
State of Michigan Budget
FY 2009 - $43.9 Billion

- General Fund 22%
- Federal 34%
- Local/Private 1%
- State Restricted 43%

Ferris State University
Imagine More
State of Michigan Spending
$9.7 Billion General Fund/General Purpose Budget - FY 2009

- Community Health: 32.2% ($3.1 billion)
- Corrections: 20.0% ($1.9 billion)
- Human Services: 14.1% ($1.4 billion)
- All Other: 13.7% ($1.3 billion)
- Higher Education: 19.9% ($1.9 billion)
- Community Colleges: 3.0% ($0.3 billion)
- Universities: 16.7% ($1.6 billion)
2008-2009 University Appropriations (Millions of Dollars)

University Operations $1,534

Grants/Financial Aid $111
Michigan

- Unemployment 16-year high – 9.6%
- Michigan lost 113,000 jobs last year
- Unemployment predicted to reach 11% for next two years
- Job loss for decade predicted to be 674,000 jobs
Corrections

• 50,400 people in state prison
• Prisoner costs $31,000 annually
• Prison population quadrupled in 25 years
• Michigan 1 of 4 states that spends more on corrections than higher ed
State Budget Status

• December executive order
  – $133 million

• Revenue estimates
  – $917 million shortfall
  – $578.5 million in general fund (11.3%)
  – $712.8 million in carry forward
Revenue Estimates 2010

• $1.4 billion shortfall from initial projected revenues for 2009
• $371.6 million additional drop in general fund revenues (4.5%)
• $950.1 million combined general fund impact
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)
Additional Michigan Challenges

• No new taxes
• Calls to cut Michigan Business Tax
• Proposal to eliminate the Michigan Promise Scholarship
• Effectiveness in Lansing
• Outbound migration
Enrollment

• High school class of 2009 begins decade of reductions in high school graduates in Michigan
• Reduction of 105 full-time students is $1 million
Transfer Scholarships

• Academic Excellence
  – 3.7 transfer gpa
  – Increase from $2700 to $4000

• Phi Theta Kappa
  – 3.5 transfer gpa
  – Increase from $1700 to $3500

• Transfer Academic Achievement
  – 3.3 transfer gpa
  – Increase from $1500 to $3000
Chicago Initiative

• Students from Cook, DuPage, Lake, Will, Kane, McHenry
  – 74 applicants, 22 enrolled (2007)

• In 2008, with unconditional admission eligible for out-of-state scholarship
  – 125 applicants, 52 enrolled
Neighboring States

- Ohio – 27 applicants, 6 enrolled
- Indiana – 45 applicants, 9 enrolled
- Illinois (excluding Chicago) – 40 applicants, 7 enrolled
- Wisconsin – 30 applicants, 11 enrolled
Population Density, 2000
People per square mile
by state
People per square mile by county
3000.0 to 66940.0
300.0 to 2999.9
160.0 to 299.9
79.6 to 159.9
7.0 to 79.5
1.0 to 6.9
0.0 to 0.9
U.S. density 79.6
Data Source: U.S. Census Bureau, Census 2000

People per square mile by county

<table>
<thead>
<tr>
<th>Density Range</th>
<th>Color</th>
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</thead>
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<tr>
<td>3000.0 to 66940.0</td>
<td>Dark Blue</td>
</tr>
<tr>
<td>300.0 to 2999.9</td>
<td>Medium Blue</td>
</tr>
<tr>
<td>160.0 to 299.9</td>
<td>Light Blue</td>
</tr>
<tr>
<td>79.6 to 159.9</td>
<td>Medium Green</td>
</tr>
<tr>
<td>7.0 to 79.5</td>
<td>Light Green</td>
</tr>
<tr>
<td>1.0 to 6.9</td>
<td>Pale Green</td>
</tr>
<tr>
<td>0.0 to 0.9</td>
<td>White</td>
</tr>
</tbody>
</table>
Retention

• Renewal criteria WNF scholarships
• Add 3rd year renewal to transfer scholarships