1. **What are your plans for changes in tuition and fee rates for academic year 2010-11?**

At Ferris State University we do not increase tuition more than is necessary to support incremental cost increases resulting from contracts, utilities, and unfunded mandates from the state and federal government. We do not pass budget reductions from the state on to students in the form of increased tuition, but rather reduce the University budget when state funding is cut. Throughout the current cycle of economic decline in Michigan we have worked to cut our budgets in advance of reductions from the state in order to restrain tuition. Regrettably, it has become a pattern in Michigan that the state budget is not approved until well into the fall – months after our own budget must be set. In a context where there currently exists a $700 million revenue shortfall in the general fund, planning for what the state will do in regards to higher education funding is extraordinarily difficult. Knowing what our funding level will be before we set tuition rates for the year would be of significant value to planning how best to budget University resources. This would also allow us to help the families of the estimated 14,000-plus students who will attend Ferris State University to do the best job possible with their personal finances and the increasingly large burden of providing educational opportunities for their children.

Last year we reduced our budget by $2.5 million, the equivalent of a five percent reduction from the state. Of that total, $1.6 million represented the base reduction received from the state. The remaining $900,000 was used to restrain tuition. During fiscal year 2010 Ferris has continued to reduce operating costs, which will allow us to have a lesser rate of tuition increase than otherwise might be needed. While a final number is undetermined at this time, historically Ferris increases tuition somewhere between five to seven percent to cover cost increases.

It is worth noting the cost constraints we have introduced at Ferris State University. Since 2001 the cost of education at Ferris (taken as the total of tuition plus state funding per Full Year Equalized Student) has risen an average of 2.6 percent per year – a figure that is not only less than the Higher Education Price Index, but less than even the Consumer Price Index rate of inflation.

Ferris State University has made it a priority to keep these rates low even as it has become the fastest growing university in the state. The expansion of educational opportunity this provides is part of both the contemporary and historical mission of our University. Additional public support – such as tying funding to enrollment, as is the case in K-12 funding – would help us keep tuition increases even lower and allow even more students to avail themselves of the career-oriented types of degrees we offer.
2. What do you think about the Governor’s proposal to convert the Promise Grant to a refundable income tax credit?

Some of the recent history behind the elimination of the Promise Grants scholarship program for Michigan is instructive. It was the action of the legislature last year that cut Promise Grants along with many other student financial aid programs. This is especially troubling since the Promise Grants had a dedicated source of funding from Tobacco Settlement Funds. Nonetheless, these monies were shifted away from Michigan students for other legislative priorities. At Ferris State University these scholarships are an important priority. For fall semester 2009 we took the federal economic stimulus funds we received and used them to replace the Promise Grants and Michigan Competitive Scholarships for all students enrolled at our University. Unfortunately these funds were not sufficient to cover these scholarships for spring semester.

While it is good that the Governor has attempted to respond to the Promise Scholarship dilemma, it is our opinion that this proposal falls short in two major areas. First, the most desperate need of students is for scholarship support while they are in school, not after they have graduated when they have higher earning potential. If funds are not available for the scholarships, rather than providing a tax credit it would be far better to provide this support as a loan while the student is in school and then forgive portions of the loan over time upon graduation. Second, while it is understandable that state government would want to incentivize college graduates to remain in the state, doing so through holding the Promise Grant hostage to post-graduation employment opportunities is misguided public policy. These are students whose families have lived in the state, paid state taxes, gone to college in the state and, I personally believe, in the great majority of cases want to stay in the state to pursue their careers and raise their families. However, no one can know in advance what opportunities will open up for them once they have earned their degrees. Graduates will need to pursue employment activities wherever they might exist. Surely we do not want to restrict the opportunity and freedom of our graduates to pursue their future. Adding a further element of uncertainty to our students’ lives is not to the benefit of them or, ultimately, the State of Michigan.

3. Can you provide the following information about the 2008-09 and 2009-10 Promise Grant students on your campus:

a. What was the total number of Promise Grant recipients in academic year 2008-09? How many students do you estimate were eligible to receive Promise Grants in 2009-10?

During 2008-09, Ferris enrolled 1,830 students who received Promise Grants. Our estimate for 2009-10 is an increase of 20 to 1,850 recipients.

b. Of the students who were eligible to receive a grant in 2009-10, how many were “front-end” award earners and how many were “back-end” award earners?

Front-end award earners totaled 75; back-end only 3 students.
c. Do you have an estimate of the financial need of your Promise Grant recipients?

Our estimate as to the average financial need for Promise Grant recipients was $9,542 average need for 2008-09 and $9,642 for 2009-10.

4. What do you think about the Governor’s proposal to modify the Tuition Incentive Program (TIP) by capping reimbursement and targeting associate degree attainment?

According to the National Conference on State Legislatures publication “The Path to a Degree,” “prioritizing and preserving college access for underrepresented students can improve the state’s economy; increase per-capita income; improve individual lives; and fill workforce needs.” The Tuition Incentive Program (TIP) is exactly the type of program the State needs during these challenging fiscal times.

Ferris has the largest TIP enrollment in Michigan. For 2009-10 Ferris enrolled 744 TIP students; 655 in Phase I and 140 in Phase II (some students received benefits from both phases as they progressed from fall to spring). The large number of associate degrees we offer makes Ferris State University an attractive option for TIP students, and the mission of the TIP program closely aligns with Ferris’ mission of providing opportunity.

The Governor’s proposal would be devastating for the program and our students. These students would in all likelihood no longer be able to afford to attend the University. Since there is no community college in the five-county area surrounding Big Rapids, eligible students would be left without a clear path toward a college degree. There would not only be increased costs, but those who might be able to earn a degree while working and living in their home communities would have to travel long distances, or uproot, to get the education they need to better their lives. Ferris State University offers these students not just a path to an associate degree, but to a bachelor’s degree in many programs where a two-year degree acts as a “ladder” to a four-year degree.

The bottom line is that the TIP program works. It is the one way Michigan can help students break the endless cycle of poverty and become productive, fully employed citizens. The Tuition Incentive Program has been one of the most successful programs the State has funded. At Ferris, TIP students are retained at rates comparable to all students. This is not only a benefit to these students, their families and their communities, ultimately it saves the state money by producing wage earners instead of more of the chronically unemployed. The TIP Program is one of the ways the state can best leverage its resources to assure that it produces citizens who are prepared to move Michigan into the future.

5. How did your university spend the Federal stimulus dollars it received in fiscal year 2009-10?

Ferris used stimulus funds to fund both the Michigan Promise Grant and Michigan Competitive Scholarships for the fall semester that were eliminated in this year’s budget from the state. Ferris students and our University were notified last March of the awarding of these grants and scholarships, and that support was calculated into student bills for fall semester.
Our students were relying on this support and had already calculated their budgets based on the promise of these funds. The Ferris Board of Trustees and I believed revocation of this money constituted an unreasonable financial burden for our students so late in the semester, and thus voted to replace the lost funds.

Unfortunately, there were not sufficient stimulus funds to do so for the spring semester when students were responsible to cover those costs. However, the University took the opportunity to review and repackage financial aid for affected students for the spring semester to assist in keeping those students in school. This was the right decision for Ferris State University and an important move to help keep a Ferris education affordable.

6. How does your university provide custodial and food services on your campus, and what is the estimated annual cost for each service?

Ferris State University’s main campus in Big Rapids, Michigan, encompasses 880 acres and has 113 residential, educational and support facilities. System-wide, Ferris State University enrolled 13,865 students with 9,865 students attending classes on the Big Rapids campus. Of this total, 3,777 students lived in residence halls.

The University has 3.5 million square feet of building space on the Big Rapids campus, with 1.8 million square feet in academic use. In fiscal year 2008-2009, General Fund and Auxiliary custodial expenses totaled $5.04 million, which provided for a clean and well maintained campus that has helped attract new students and increase student retention. Our custodial and dining services are provided by Ferris State University employees. These individuals take great pride in Ferris and contribute to the overall success of our institution.

Dining services are provided to residential students, as well as commuter students. Quality dining facilities are a critical component of a student’s Ferris experience, providing opportunities for student interaction as well as interaction between faculty, staff and students. In fiscal year 2008-2009 expenditures for dining operations were $13.3 million.