Senator Stamas and members of the Senate Appropriations Subcommittee on Higher Education, thank you for taking time from your busy legislative schedule to hear from Michigan universities. It is an honor to appear before you today. I know that in speaking with you I am talking with our friends and supporters. You are our advocates in Lansing. We need your help and support more now than ever and I look forward to working with you to reverse the negative state financial aid trends in order to support our students.

It is especially an honor to be able to have Ferris State University hosting today’s session. We begin today with our sincere thanks for your support of a new facility for the Michigan College of Optometry, which is taking shape across the street. This has been a dream of our campus for more than thirty years. You helped make this dream a reality. This new facility is just one example of how Ferris is busy upgrading facilities to meet the needs of the record number of students we are attracting.

Each of you has a vital interest in Ferris State University, as we enroll students from each of your districts at our University –

- Sen. Anderson: 104 students
- Sen. Brater: 215 students
- Sen. George: 364 students
- Sen. Stamas: 577 students
- Sen. Kahn: 605 students
- Sen. Barcia: 639 students
- Sen. Hardiman: 1,674 students

Constituents of the members of this panel represent 30 percent of the students who attend Ferris State University. In many respects we are your hometown university, also.
In beginning, I want to acknowledge the citizens who form our Board of Trustees for their hard work on behalf of the University. The efforts of our board have been directed at keeping the cost of a Ferris education within reach during these difficult economic times. Our board consists of -

R. Thomas Cook – Chair
Sueann L. Walz – Vice Chair
Alisha M. Baker – Secretary
James K. Havemen, Jr – Immediate Past Chair
George J. Menoutes – Member
Ronald E. Snead – Member
Arthur L. Tebo – Member

Ferris Celebrates 125 Years of Providing Opportunity

We are delighted to welcome you to Ferris State University at this historic time. During this academic year Ferris State University is celebrating 125 years of providing educational opportunity. In 1884, Woodbridge and Helen Ferris founded what was at first called the Big Rapids Industrial School as a place to provide displaced loggers, subsistence farmers and others an opportunity to learn the skills they needed to make a better living in a changing economy. Their educational philosophy was both practical and visionary. It was also inclusive. Women comprised a third of the first class of 15 students and the school accepted students of color early in its history, reflecting the Ferris’ egalitarian vision that guides the University today. (See chart one)

Mr. Ferris founded his school around opportunity. Today we celebrate and embrace that value, remembering his words which he delivered in 1916 as he was concluding his second term as Governor –

My plea in Michigan –
And it will be my plea to the last breath I draw
And the last word I speak –
Is education for all children, all men and all women of Michigan
All the people in all our states all the time

Looking at this picture of the original fifteen students at the Big Rapids Industrial School, one is struck by how toughened they appear by life. These were people who did not have access to education, for whom the future would be limited, but for the efforts of Mr. and Mrs. Ferris. From the very start the Big Rapids Industrial School, Ferris Institute, Ferris State College, and now Ferris State University have been dedicated to the concept of providing opportunity to those who did not have access to education. We believe today, as Mr. Ferris did then, that the opportunity of education is the pathway to a successful career, to a better life, and to a better Michigan.
Let me give you one example of our founders’ dedication to assuring that Ferris students had the resources they needed to become successful. In 1893 a student named Marius Preysz asked for training to pass the state board examination in Pharmacy. With the help of having had a year of medical training, Woodbridge Ferris bought a handbook that covered topics in the board exam and proceeded to instruct the school’s first Pharmacy student, who indeed passed the exam. That inspired Woodbridge to establish a Pharmacy school, which today is one of the University’s most prestigious colleges and produces a large percentage of the pharmacists practicing in Michigan.

One hundred and twenty five years after our founding, we face many of the same challenges as in those early years. Ferris State University is educating students for new careers in a changing economy. In 1884 the state’s primary industry, which was then lumber extraction, had peaked, forcing many people to retrain for new jobs – some of which were not yet even in existence. Replace “lumber extraction” with “automobile production” and you have a pretty good description of what our students face today. In retrospect it is easy to see how education was crucial not just to improving the lives of individuals, but to the state as a whole. I would assert that this, too, is something that has not changed.

The mission statement of Ferris State University, which today enrolls nearly 14,000 students system-wide, remains true to its founding principles: 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.

Access and Opportunities at Ferris

Interwoven with the concept of opportunity is a commitment to access. Today that means providing a Ferris education wherever and whenever it is needed throughout Michigan. We do this by partnering with community colleges, offering our unique career-oriented education to students right on the community college campus they already attend, providing opportunity and access for students who are place-bound and unable to relocate to Big Rapids.

We do this in a cost-effective way, using the facilities of the community college, creating consortium agreements for student financial aid, and providing classes at times when students can attend around their work lives and family responsibilities. In sharing this success I also salute our community college partners who are a critical resource in providing this seamless pathway to bachelor’s degree. (See chart two)

Alpena Community College
Delta College
Grand Rapids Community College
Lansing Community College
Additionally, we partner with hospitals in Howell, Holland, Kalamazoo and Midland to provide RN – BSN nursing education. We understand that the students we work with on community college campuses are different and have tailored our education accordingly. In Big Rapids the average student age is 21.6. For our community college-based programs the average student age is 33. By understanding these students’ different learning requirements we offer opportunity and access to the education Michigan citizens need, not only survive, but to thrive and succeed.

Today there is a major shift in enrollment patterns in higher education in Michigan. With community colleges experiencing record-breaking double digit increases in enrollment, we have worked aggressively to provide seamless transfer from the community college to our University – whether it is here in Big Rapids, or at any of our eighteen educational centers across the state or online. As a result we are the transfer institution of choice in Michigan. In fall 2008, Ferris State University received 4,000 transfer applications, second largest among all Michigan public universities. In fact, this equated to a transfer ratio of .34 for every undergraduate enrolled, a ratio far higher than any other public university.

It should be no surprise to you that Ferris State University is the fastest growing public university in Michigan. Our commitment to access and opportunity together with an approach to learning that blends both theory and practice is why students choose Ferris. In a time when the need for a bachelor’s degree has never been greater, I am proud that 30 percent of all enrollment growth for Michigan public universities in the past decade has been at Ferris State University.

At Ferris our degree programs are cutting-edge and directed at the areas of future growth in the Michigan and national economies. Projections for occupational categories expected to generate significant employment demand through 2016 place Ferris and its students in a pivotal position. Ten of the 14 high-priority categories align directly with Ferris State University, with programs ranging from associate degrees in Computer Information Systems and Welding Engineering Technology to doctoral degrees in Pharmacy and Optometry. In the last three academic years, Ferris graduated
5,839 students who successfully completed degrees for in-demand occupations. More than 89 percent of all Ferris degrees awarded since 2006 were in programs that align with at least one in-demand occupation.

In terms of reinvigorating the economy, Ferris leads in awarding degrees classified as “high-intensity” and granted at teaching institutions in the state of Michigan. Ferris State is the highest producer of certified high-demand talent—fully 54 percent of Michigan’s total at non-research, teaching institutions. The next highest source awards no more than 23 percent.

Three years ago, Ferris initiated a major in Information Security and Intelligence at its Grand Rapids center. It is now offered on the Big Rapids campus, at Ferris’ Traverse City facility and will expand during the spring 2010 semester to Delta College, Ferris’ partner in Midland. Other examples are new degrees in Digital Animation and Game Design, Forensic Biology, Energy Systems Engineering, and Architectural Sustainability. Ferris students can pursue an MBA degree, with an emphasis on design, through a partner program in our Kendall College of Art & Design.

Synthesis is a major academic theme at Ferris. In the College of Business, for example, we have integrated much of the strength and synergy in the Professional Golf Management, Hospitality Management and Professional Tennis Management programs. The latest innovation connects business and management education to address the health care needs of older adults. The result is an Allied Health program in Retirement Facility Management that engages the attitudes and requirements of aging Baby Boomers in the operation of retirement facilities and the delivery of on-site services.

We continue to innovate with new degree offerings that prepare students for a rapidly changing workplace. Our new Educational Doctorate in Community College Leadership dovetails with our commitment to successful relationships with community colleges. With a business core and interdisciplinary approach, this degree will help assure that the future leaders of Michigan’s 28 community colleges are as well-prepared for the challenges of tomorrow as possible.

The opportunities Ferris State University provides extend beyond the campus to the city of Big Rapids, Mecosta County and the state as a whole. The University is a major economic engine for this region of the state, with approximately two-thirds of the economic benefits the University creates occurring in Mecosta County. In 2008 this meant an estimated $59.2 million in wealth creation for county residents. However, a third of annual wealth creation, more than $30.5 million, occurs outside of Mecosta County through our major presence in Grand Rapids and at satellite locations across the state.
Obviously, Ferris graduates are some of the most direct beneficiaries of their degrees. A recent study estimates that the class of 2008 will see lifetime earnings that are $235 million higher than if they had not attended Ferris. That $235 million estimate is in 2008 dollars, and will obviously be greater depending on inflation. Taking a different measure, the 49,135 known alumni in the state earned an aggregate $347 million more than they would have without a Ferris degree.

State Support

There is no denying that these are times of unprecedented economic challenge for Michigan. I have personal respect and regard for each of you and the considerable personal effort and sacrifice you invest in seeking to guide Michigan through these difficult times. It is important to remember that the change in funding for higher education is not the product of these past few years, but rather a decade-long abandonment of support (See chart three)

This chart tracks the changes in funding for major areas of state budget over the past decade. You will note the areas of strong state support: 59 percent growth in human services and 51.4 percent growth in community health, both substantially above the inflation rate during this time of 22.4 percent. Next come the areas that have not kept up with inflation: the school aid fund with 17.7 percent growth, corrections with 14.6 percent growth, and transportation with 9.4 percent growth. Finally, we come to higher education that has suffered a decrease in funding of 14.5 percent, a loss of nearly 37 percent against inflation. There can be no illusion that higher education has been a funding priority for our state during this past decade.

The impact of this on our students is stunning and profound. (See chart four) In 2001, Michigan provided $6,094 for each student at Ferris State University. Had the state only maintained this figure, adjusting for inflation and enrollment growth, today we would receive $7,836 per student. Instead we receive $4,130, a difference of $3,706, and a funding decrease of more than 47 percent per student. What this means is that had Michigan kept its commitment to our students and your constituents, they would not have paid $41.5 million dollars of what should have been state support. This is an amount our students will pay each and every year.

What I frequently hear expressed is concern about the growing costs of higher education both in Michigan and across our country. It is useful to consider the cost of education for each student at Ferris State University and its growth over time. (See chart five) Educational cost at our University is a combination of the support we receive per student from the state and the amount they pay in tuition. In 2001 that amount was $11,674. Today that cost is $14,328. This is an annual increase of just 2.6 percent, less than inflation during this period and far less than the average of higher education institutions across the country, which would place our costs today at $15,797.
At Ferris State University, just as in Lansing and across Michigan, we are reducing our budget, cutting costs, and reducing the size of our workforce. To date we have eliminated 40 full-time positions. To this point, the bulk of this has been done through attrition. In that process we have reduced the size of our administration by five percent. In February we opened an early retirement incentive program for staff and administrators, looking to further reduce the size of our workforce. Moving forward we will continue to cut positions as necessary, although regrettably many fewer of these will happen by attrition.

While investing through bonding efforts in the University physical plant, we have paused ongoing, self-funded efforts critical to the future of our Ferris. Five years ago I began an effort to modernize every classroom on campus, believing that the places where our students learn and our faculty teach should encourage active engagement and include state-of-the-art technology. My goal was simple - to make our University a place where our students could best and most effectively learn. We stopped this process last year and unfortunately will not improve any classrooms this year. With technology integrated so tightly into the teaching and learning process, five years ago I also began a systematic campus-wide effort to upgrade University computers. By providing our faculty and staff the tools they needed, we helped develop a more effective working and learning environment. Regrettably, we also stopped this process last year.

There are many, many other examples I could provide you of how we are continually working to reduce our costs. What we have done, and what we will continue to do, is support our students. At Ferris, I continually talk with our students about how their goal is to not go to college, but to graduate from it. For last fall we shifted $900,000 in institutional funds and used it to help students whose families’ financial situations had been negatively impacted. Our University community organized an ongoing campaign, Ferris Cares: Opportunity at 125, to which faculty, staff, alumni, and donors contributed funds that were immediately used to increase financial support for our students. Our goal was straightforward, to use every means possible to help our students remain in school.

In last year’s state budget, ongoing state funding for Ferris State University was reduced by $1.6 million and replaced by $1.39 million in economic stimulus funding. We cut our budget by the larger amount and used the stimulus funds to replace the funding students did not receive for Promise Grants and Michigan Competitive Scholarships. Despite our hopes, the funding we received did not cover the cost for this semester. For spring semester, however, we did refigure our students’ financial aid, increasing their awards with these dollars and any additional funds we could find. Every single dollar of stimulus funds was spent on our students.

There is no escaping the reality that Michigan has transferred the burden of higher education from the state to our students. While I recognize the difficult decisions you have in front of you, the decline in higher education funding has for the
last several years slowly but inexorably required students and their families to jeopardize their increasingly tenuous hold on the middle class in order to secure a future place in that very same middle class. Decisions at the state level have created increasingly difficult decisions at our University. Just as we seek to do everything possible to protect the opportunity, access, and quality of the education we provide here at the University, I urge you to do the same for us in Lansing.

Without colleges degrees and a path to the middle class, Michigan residents will require the state to invest more money in remedial job training, unemployment benefits, family services and, sadly, corrections – an area that already requires that the state spend more incarcerating its citizens than it does affording them the opportunity to earn college degrees.

Financial Aid/TIP

While I stand before you as the President of Ferris State University, today I want to represent all public university students in Michigan and talk with you about the financial aid crisis in our state. Last year’s budget decimated state financial assistance for students in Michigan.

I have always taken pride from our state’s commitment to students. During the last decade, even during times of budget contraction, Michigan continued solid support of our students through financial aid. (See chart six) Beginning with general fund support of $123 million in 2001, you maintained this support at $111 million through 2009. For all funds you retained the $242 million in support in 2001 at a level of $235 million in 2009.

This pattern was abandoned for the current budget. General fund support for financial aid dropped from $111 million to $48 million - a decline of 56.8 percent. The Merit Award Trust fund was decreased by 71.6 percent. In one year this removed 63.9 percent of the financial support Michigan had provided our students.

A careful examination of state financial aid detail reveals the staggering impact of these decisions. (See chart seven) The demise of the Michigan Promise Grants has been well documented in the media. They are now gone, a decrease of $80.5 million. Promise Grants provided our students with up to $1,000 in annual support for their first two years in college.

The Competitive Scholarship Grants were reduced by 54.9 percent or $17.9 million. These funds are awarded to students based on academic ability and financial need. For this year those awards would have been up to $1,300, but were instead limited to $510, a reduction of nearly $800 per student.
The Michigan Work Study program was eliminated, $7.3 million in student support. These awards benefitted both students and universities, providing employment and service in the university workplace. Also gone are the $4.2 million Nursing Scholarship Program, the $2.6 million Part-Time Independent Study Program and the $2 million Michigan Education Opportunity Grants.

Examining the funding sources for this financial aid comparison reveals the stark reality of the budget actions in Lansing last fall. Although student financial aid support in the general fund was cut most severely, reduced by $63.2 million or 56.8 percent, the reduction does not stop here. The Merit Award Trust Funds were reduced by $75.7 million, or 71.6 percent. The Merit Award Trust Funds are funds secured by the Master Tobacco Settlement and thus were not decreased by the slowing economy or reduced tax receipts. These funds were diverted away from our students for other purposes.

There was one bright spot in last year’s financial aid funding. You worked to increase funding to the Tuition Incentive Program (TIP) by $6 million, or 23.8 percent. The TIP program is designed to help students escape the cycle of poverty. To qualify, a student must have been eligible for Medicaid during 24 of the previous 36 months. Currently, this program pays the first two years of college tuition for students earning an associate degree at a community college or public university.

This program is especially powerful at public universities because it not only helps students earn associate degrees, but also bachelor degrees, providing an additional $1,000 for third and fourth year study. In a pattern we see only too well documented on the materials in front of you, the Executive Budget now proposes reducing first and second year support under the TIP program to community college tuition levels, and eliminating the third and fourth year of the program.

Ferris has the largest TIP enrollment among Michigan universities. 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). We currently receive more than $2.3 million from the program. 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 TIP program personifies the opportunity we provide at Ferris State University. It attracts extraordinary young people to our campus, students who are determined that education is the pathway to the future. I am joined today by one of our TIP students, Melissa DiVietri, a first-year Printing Technology major. Even though it is spring break at Ferris State University, Melissa has stayed on campus so she could share her story with you.
Hi everyone. My name is Melissa DiVietri, 21 years old, a first year student at Ferris State University. I am from Traverse City and raised in Jackson, Michigan. I’m a Print Management major and eCommerce minor, so I am studying for my Bachelors of Science and a Certification. I want to go to Ferris for the next four to five years. I know exactly what requirements I need to fulfill my education for my dream career.

I will be the first person in my family to get a Bachelor’s degree. I am seventh of eight children and only three of us went to college and two graduated. My mother has an associates and my father went to a tech school. College is supposed to be my ‘safe zone’ before I begin working at a career level. The plan is to successfully get my degree at Ferris and enter the career field with that ‘cushion’ of having the education as well the college experience. I have two campus jobs and am involved in multiple groups on campus, committees and leadership roles. I work for Ferris as a student employee working on the Ferris website, updating pages and links. Being a student employee working in the field I am studying is giving me that extra bonus of education & work at the same time.

I attended Jackson Community College in 2007 using my C.A.R.E. scholarship, which funded my entire education. JCC didn’t offer the programs that I needed, and I chose Ferris because they offered the classes with the equipment, technology and resources that were helpful towards my career. Ferris State is the third best university in the country for the printing program. I use the TIP Scholarship as well as other forms of financial aid to pay for my education and living arrangements. I have been looking for more scholarships on top of what I already have to help pay for my tuition, books, computer equipment and not to mention my apartment. I live off campus to avoid paying the room & board (meal plan) and I use the payment option at my apartment complex for my financial aid to pay a majority of my rent cost. That’s very helpful, it saves me a lot of stress, but yet there isn’t enough money for everything I still need. I am constantly looking for aid. My degree is the always-changing ‘technology,’ and is constantly updating and I am at a lack of resources to use on my own.

If this scholarship changes, I may have to leave this university and go to a community college. I am worried that with all the changes that may happen, I won’t be able to afford going to school because there isn’t enough money to pay for everything I need. I am happy and very accommodated at Ferris. Ferris has helped me with my accommodations, education, and social involvement. I am learning it all here, at Ferris State University. If I have to, I’ll do everything possible to stay here because I know the community colleges could not offer what I need to be successful in my education.

The National Conference on State Legislatures’ publication “The Path to a Degree,” asserts that, “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.” Ferris State University provides
Increased degree program options for students
A safe geographic location option for students from larger cities and small towns alike
The chance to live on campus and participate fully in campus life
A full array of recognized academic support services
Unlike other institutions, full-time dedicated support specifically for the TIP Scholars program
High-quality instruction from full-time faculty who are teachers and experts in their fields
Small class sizes which allow for more individual attention and assistance
Higher retention rates from year one to year two

For these reasons, the Tuition Incentive Program is exactly the type of program Michigan needs during these challenging fiscal times. The simple truth is that at Ferris State University the TIP program works.

The Governor’s proposal would be devastating for the program and our students. If this becomes a reality students like Melissa will be forced to pay the difference in tuition previously funded by the TIP program, approximately $7,350 for next year.

It is worth remembering that there is no community college in the five-county area surrounding Big Rapids. TIP-eligible students would be left without a clear path toward a college degree. Taking the action recommended in the Executive Budget for the TIP would save only $1.1 million in general fund dollars. The remaining reductions, $6.3 million, are planned from the Merit Award Trust Funds.

For me, one of the stunning declines over this past decade has been the swift descent of per capita income in Michigan. From 20th in the nation in 2001 we are now approaching 40th in the country for 2011. Simply put, over these past ten years Michigan has moved from being a wealthy state to a poor state. The only way this pattern can be reversed is through a highly educated workforce. This has been the pattern for success in Georgia, North Carolina and Massachusetts. It also can be the model for Michigan by creating human capital through investment in our students, who truly are our future.

Every day I work at creating more privately funded scholarship support for our students. It is financial support that keeps the dream of access and opportunity alive. Please join with me in this endeavor. Stop and reverse the pattern of decreased state financial aid for our students, especially for those students for whom opportunity means the very most.
Closing Thoughts

Ultimately, education is about people and the incredible power of knowledge to change individual lives. As I share the Ferris story throughout Michigan during this our 125th Anniversary year, I frequently talk about Bob Gerholz, who graduated from Ferris Institute in 1916. We can see Bob as a student at Ferris in 1914, as a member of the advertising club. (See chart eight) Gerholz was one of twelve children born to German immigrants in rural Wisconsin. In order to pay for his degree, Gerholz had to work odd jobs—just as many students do today. In his case, those jobs included milking cows, cleaning furnaces and doing other work for Woodbridge Ferris, who wrote Gerholz his first letter of recommendation.

After receiving his degree and serving in World War I, he became successful in real estate in the Flint area by founding Gerholz Enterprises. His many achievements included serving a term as President of the National Chamber of Commerce in the mid-1960’s. He was also President of the National Association of Home Builders and the National Association of Realtors. He gave back to his alma mater by serving on what was then the Ferris State College Board of Control for 15 years. When you consider the impact that Bob Gerholz had on the rise of the post-war economic boom in Michigan, it becomes clear the ways in which providing opportunities for those struggling to earn a college degree can be the tipping point for economic and cultural transformation.

For me, students like Melissa DiVietri and graduates like Bob Gerholz personify what makes Ferris State University a great American university, committed to opportunity and to access. Each of us in this room understands the crucial difference access to higher education and the opportunity it provides has made for us. We can and will succeed in this effort, but we need your help because we cannot do it alone. Today you can begin the process of restoring the support our students so desperately need, and in doing so I also believe you will start Michigan down the path of economic recovery.

Thank you for joining us today in Big Rapids, and for your continued efforts in Lansing to promote higher education and most importantly the needs of our students. I know that working together we can and we will make a difference.

These materials are accessible on-line at http://www.ferris.edu/htmls/administration/president/senate-2010.htm