1. Beginning with total FY 2010-11 university appropriations minus the reductions in the governor's FY 2011-12 budget, if a funding formula were designed for all 15 universities with the remaining funds, what should that formula look like? Please address the following considerations: How would the formula be fair to TAXPAYERS, fair to all university students in Michigan, fair to what your students/graduates will contribute to the Michigan economy through a viable major that will compete for a real job in the student's area of study, fair based on the number of students, and fair to your institution?

Michigan is one of the very few states in the country, if not the only one, that does not fund enrollment growth. Universities receive no additional funding for enrollment growth, but instead must fund growth through only through tuition revenues. This is not an approach that fosters the higher education growth essential for Michigan’s future. The first recommendation is both simple and obvious –

**Fund Enrollment Growth**

Whether it is at $4,000, $5,000, $6,000, or $7,000 for each full-time student, reward and incentivize universities by providing support for enrollment growth. In doing so you will ensure that future generations of Michigan citizens will have access to high quality, public education.

One of the fallacies of current higher education funding measures is they assume all programs, and thereby all students, cost the same. It is obvious that the cost per student of teaching 60 students in a social science course is much less than instructing 12 students in a nursing course. Unless a mechanism is developed to reward universities for programs with high instructional costs, growth will occur in the areas of lowest cost, rather than greatest need. This analysis and accompanying proposals are based upon institutional data available from two sources, the Higher Education Institutional Data Inventory (HEIDI), Michigan’s official State database for higher education information, and the Integrated Post-secondary Educational Data System (IPEDS), the federal government’s official database for higher education.

Using cost data from HEIDI it is possible to develop the average cost for delivering educational programs across the state, and provide an objective basis for comparison. For example, in 2009-10, the average cost for producing one student credit hour (SCH) at the twelve teaching universities across Michigan was $193.

Further, using this methodology, HEIDI average-costs data can be developed that reflect the intensity of instruction required for each discipline. High-cost programs tend to be those requiring special laboratory settings, equipment and are more “hands on” instruction (high intensity programs); disciplines that are basically lecture courses are lower cost (low intensity programs).
Grouping the various disciplines by average costs helps to describe and define different academic programs. For this analysis, disciplines were grouped as follows, based upon the average costs of the 12 primarily teaching universities for each discipline.

- High Intensity Instruction Disciplines with average cost of $250/SCH or more
- Medium Intensity Programs Disciplines with average costs of $150 to $249/SCH
- Low Intensity Programs Disciplines with average cost of less than $150/SCH

Unless a mechanism is developed that rewards universities for offering and expanding access to high-intensity disciplines, growth will be constrained in high cost areas and forced toward disciplines with lower instructional costs. Disciplines with lower instructional costs tend to be areas where employment opportunities can be limited. Sustaining and growing a significant proportion of high-intensity degrees will require increased funding.

The inherent specialization involved in higher education demands that consideration be given to the expense of high cost-delivery programs. This is especially true for technology and health-related areas of study. For example, many of Ferris’ most in-demand programs are also among the most high-intensity in terms of cost, including those in the disciplines of Optometry ($558/Per Credit Hour), Mechanical/Repair Technologies ($319/PCH) and Pharmacy ($349/PCH), among others.

These are career-path disciplines are crucial to Michigan’s economic recovery and long-term social stability. For example, in 2010 Ferris State University conferred the following percentage of degrees in the state in the following discipline areas:

- Optometry, 100 percent
- Precision Production, 100 percent
- Mechanical/Repair Technologies, 73 percent
- Communication Technologies, 58 percent
- Pharmacy, 41 percent

This analysis leads to the second recommendation:

**Fund Results**

Create incentives for universities to expand access to degrees in desired disciplines by funding them at a higher weighted rate.

The third recommendation grows from these needs and the strength of these efforts:

**Fund Opportunity**

This is most easily addressed through targeted programs including the Tuition Incentive Program (TIP). Understand that if you want more students to attend college, you will need to find...
a way to balance accepting students who have a greater risk in finishing within any given graduation measure.

The adoption of a responsibility-based budgeting approach by the legislature will provide the opportunity to step away from the politics of the past and create an approach that with fund higher education for both the present and future. We urge you to consider these three simple proposals –

- Fund Enrollment
- Fund Results
- Fund Opportunity

Such a formula would be fair to taxpayers because it reflects the market success and outputs of each university; fair to all students in Michigan public universities by establishing a level playing field; fair to our own students/graduates by recognizing the needs of the career-oriented decisions they have and are making; obviously fair to our total number of students by making that a factor in funding; and fair to Ferris State University by providing incentives of us to continue to grow and offer needed, but resource-heavy programs.

Excerpted and updated from 2005 legislative testimony -

2. What exact and specific functions at your institution have been privatized? What are the estimated annual savings amounts from privatizing each of those functions?

- Barnes & Noble Bookstore - $335,000 improvement over self-operations (started in 2000)
- Central Vending - $31,000 (average seven years) improvement over self-operations (started in 2003)
- Hospitality Holdings - $178,000 (average 10 years) improvement over self-operations (started in 2001)
- Automated Apartment Laundries - $7,000 improvement over self-operations (started in 2004)
- Touchnet - $500,000 (third party administrator that charges a fee for credit card payments for student accounts, started in 2010)

3. Are your budget and expenditures posted on a website that's easy to find and read, with expenditure recipients' names, amount of expenditure, and dates listed on that site? Don't the taxpayers of Michigan deserve this?

We post our budget online in broad categories. One challenge to listing every expenditure on the Web is that some preferred pricing on a number of projects is proprietary. Contracts the University negotiates that result in discounted pricing to save Michigan taxpayers money often
prohibit the publication of such detailed information. Ferris State University works to provide full and complete information and is committed to transparency in its operations.

4. Is your credit transfer policy posted online? Where? Is whether or not a credit with a grade of a C or C- (or better) clearly articulated in that policy? EXACTLY and SPECIFICALLY, how does your online credit transfer policy compare with that of Indiana University South Bend’s (http://www.iusb.edu/~admissio/)?

Yes, our credit transfer policy is posted online. It is available as a Quick Link off the Ferris Home Page (www.ferris.edu/admissions/Transfer). From this page there are a number of sub-pages with specific information about transfer requirements. One prominent link from the Transfer page is the University Policy, which reflects the Michigan Association of Collegiate Registrars and Admissions Officers Transfer Agreement. The link notes that courses with a grade of “C” (2.0) or better will transfer.

Ferris has articulation agreements with many community colleges and universities, and the specific transfer requirements down to the course level can be found in links off the Transfer page. These are broken down by program within a specific college so that, for example, a student transferring to Ferris’s Dental Hygiene program can see a listing of qualifying courses with minimum credits and minimum grade requirements.

Ferris has invested considerable effort in a cutting-edge electronic advising tool, DegreeWorks, which allows any student to see how much of any degree they have completed and the time remaining to finish their degree.

5. Please explain the factors contributing to your six-year graduation rate vs. the rates of the other 14 public universities. (See attached table.) What specific efforts is your institution making to improve both first-year completion rates and bachelor's degree completion rates?

The data provided have been completed from the federal Integrated Postsecondary Education Data System (IPEDS). It is important to understand that these data reflect only the progress of students who are First Time Freshmen in Any College (FTIACs), and graduate from that institution. IPEDS does not reflect any student who transfers into the institution and graduates, and the university’s rate is diminished by those students who transfer out of the university and graduate from another institution.

At Ferris State University we track students who leave our institution through the National Clearing House. We know that in addition to the 46 percent of FTIACs who graduate from Ferris, another 30 percent transfer to another institute of higher learning. So at a minimum, 76 percent of freshmen who begin at Ferris either graduate or transfer to another institution. Additionally, not included in the 2009 rate of 46 percent are 473 baccalaureate graduates who were initially enrolled as seeking less than four-year degrees.
A recent study released by The Chronicle of Higher Education showed that Ferris State University’s graduation rates, during a six-year period from 2003 to 2008, experienced a nine-point rise – the 15th-best improvement in the nation.

There are a number of factors that have contributed to our increase in graduation rates. For several years, Ferris has raised admission requirements. As a university founded to offer opportunity to students, this was not an easy decision to make. However, as educational costs have risen, it is important that students are prepared to make the most of the investment that they are making in their future. Despite the increase in admission requirements, Ferris has lived up to its historic mission by being the state’s fastest growing university.

Also, for students who need developmental help, Ferris designed its Structured Learning Assistance program back in 1993. It was established to help increase the number of students passing some historically high-risk-for-failure courses. Many factors were taken into consideration in the program’s establishment, including anticipated student benefit, academic need, faculty commitment and staff expertise.

In 2001, the U.S Department of Education’s Fund for the Improvement of Post-Secondary Education awarded Ferris a grant for “Modeling a Successful Student Retention and Faculty Development Program” to help four partner universities to develop their own SLA programs. These partners were Northern Kentucky University, Kentucky; San Jacinto College North, Texas; Benedictine University, Illinois; and Indiana University-Purdue University-Indianapolis, Indiana. In Fall 2004, an apprentice program was incorporated into SLA. Apprentices are SLA tutors who assume an increasing amount of responsibility in workshop delivery. They are guided by their mentor facilitator during the apprentice semester, and then receive new facilitator training. Additionally, new facilitators are assigned to veteran facilitators for continued mentoring.

In response to the recent increase in the number of other institutions interested in implementing SLA, the first-ever SLA Symposium was held in March 2008. Participants from around the country traveled to Ferris to gain the knowledge and tools necessary to implement and enhance SLA at their home campuses. It is interesting to note the consultant who spoke with the House Appropriations Subcommittee used the application of the SLA program as an exemplar of good practice. As originators of this highly successful effort we would welcome the opportunity to present this information to the committee.

6. What amounts do your employees pay for health insurance deductibles, co-pays, and contributions toward insurance premium costs? What is the average price of a health insurance policy at your institution for an individual? For a family policy?

The University has three main healthcare providers covering our seven benefit-eligible job groups. These carriers include Blue Cross Blue Shield, Priority Health, and MESSA. As there are various plan options through these carriers please note the eligible groups, deductibles, and co-pays described below. Through our participation in the Michigan Universities Coalition on Health
(MUCH) we are able to provide lower cost coverage to our non-MEA employees. Employees can choose from four levels of MUCH coverage to obtain the level of coverage appropriate for their family, taking into consideration the cost of each option after the University’s fixed contribution portion.

**Blue Cross Blue Shield Options (3) and Priority Health Option (1) available to Administrative/Staff, Temporary Faculty, AFSCME, Public Safety and Nurses (Non-MESSA)**

<table>
<thead>
<tr>
<th>Option</th>
<th>In Network Deductibles and Coverage</th>
<th>Out of Network Deductibles and Coverage</th>
<th>In Network Copays</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUCH Option 1</td>
<td>$0 Single/$0 Family 100% coverage</td>
<td>$250 Single/$500 Family 80% after deductible</td>
<td>$10</td>
</tr>
<tr>
<td>MUCH Option 2</td>
<td>$250 Single/$500 Family 80% after deductible</td>
<td>$500 Single/$1000 Family 60% after deductible</td>
<td>$10</td>
</tr>
<tr>
<td>MUCH Option 3</td>
<td>$1000 Single/$2000 Family 80% after deductible</td>
<td>$2000 Single/$4000 Family 60% after deductible</td>
<td>$30</td>
</tr>
<tr>
<td>Priority Health</td>
<td>$0 Single/$0 Family 100% coverage</td>
<td>Not covered</td>
<td>$10</td>
</tr>
</tbody>
</table>

**MESSA Options (2) available to Tenure Track Faculty:**

<table>
<thead>
<tr>
<th>Option</th>
<th>In Network Deductibles and Coverage</th>
<th>Out of Network Deductibles and Coverage</th>
<th>In Network Copays</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Care I</td>
<td>$100 Single/$200 Family 100% inpatient, 90% master medical</td>
<td>n/a</td>
<td>remaining 10% after deductible</td>
</tr>
<tr>
<td>Choices II</td>
<td>$0 Single/$0 Family 100% coverage</td>
<td>$250 Single/$500 Family 80% coverage</td>
<td>$5 copay</td>
</tr>
</tbody>
</table>
MESSA Option (1) available to Clerical Technical:

<table>
<thead>
<tr>
<th>Choices II</th>
<th>In Network Deductibles and Coverage</th>
<th>Out of Network Deductibles and Coverage</th>
<th>In Network Copays</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0 Single/$0 Family 100% coverage</td>
<td>$250 Single/$500 Family 80% coverage</td>
<td>$5 copay</td>
</tr>
</tbody>
</table>

- The average cost for insurance for an individual plan for 2010-11 is $6,559.
- The average cost for insurance for a family plan for 2010-11 is $15,056.
- Faculty members have the option of either Super Care I or MESSA Choices PPO, of which the University pays 92 percent and the employee 8 percent.
- Administrative staff members have the choice of four levels of coverage through MUCH, of which the University pays 80 percent and the employee 20 percent.
- For support staff, health options are bargained to be either MESSA for clerical employees, or the MUCH options for non-MEA support staff. On average the University pays about 75 percent and the employee 25 percent of the non-MEA health costs. For MEA clerical employees the University pays 100 percent of costs.

7. When was the last time your full-time tenured faculty took a pay cut? Saw their pay remain static for more than one year?

Faculty members at Ferris State University accepted a pay freeze during FY 1995.

8. What provisions will you be making this year, and long-term, to protect Christian students from harassment and being dismissed from your programs of study for their religious beliefs?

As an institution, our core values are Collaboration, Diversity, Ethical Community, Excellence, Learning and Opportunity. These lead our University to work continually to treat each person honestly and fairly. When concerns are brought to our attention, we work very hard to address those concerns at the University. Additionally, Ferris works hard to see that people at the University are not harassed by others.

Our official policy on harassment is this, in part: Ferris State University expects all students and employees to conduct themselves with dignity and respect for students, employees, and others. It is each individual’s responsibility to behave in a civil manner and to make responsible choices about the manner in which they conduct themselves. Harassment of any kind is not acceptable at the University. The University does not condone or allow harassment of others, whether engaged in by students, employees, supervisors or administrators, or by vendors or others doing business with the University. Harassment is the creation of a hostile or intimidating environment in which verbal or physical conduct, because of its severity or persistence, is likely to
significantly interfere with an individual’s work or education, or adversely affect a person’s living conditions. Harassment may be based upon a person’s status that is protected by law (e.g., religion, veteran status, handicap, etc.) or may be based on some other reason not specifically covered by law. In any event, harassment of any type is not acceptable at the University.

9. If I am looking at earning another graduate degree and I am a bargain shopper, who really does not need a new graduate degree but loves to learn, how can you compete regarding the following? I am looking for something in the policy/public administration/social studies realm. I hate paying to park and parking hassles. I really do not need this degree to advance at my job. I want to learn worthwhile substantive information. I found two programs just south of the state line with these costs: $420 per graduate credit hour at the University of Notre Dame and $543 per graduate credit hour at Indiana University South Bend (out-of-state rate). I am not looking to pay for Division I football, do not need an exciting campus experience, and prefer face-to-face instruction. I would like my new master’s degree to be from a program of acclaim.

Regrettably, Ferris State University does not offer a graduate degree in this area.

10. How many employees does your university have in each of the following categories and what is the average salary per employee for each category?

- 9 Deans - $134,011
- 10 Assistant/Associate Deans - 97,474
- 7 Vice Presidents - $172,695
- 7 Assistant Vice Presidents - $127,756 (note, at Ferris these are Associate VP’s)

When was the last time employees in each of those categories received pay raises? When was the last time employees in each of the categories received pay cuts?

Each of these categories received a two percent pay raise for this fiscal year. These employees accepted pay freezes during FYs 1992 and 1995.

11. What amount in prevailing wage costs was spent on your last three major building/renovation projects? What was the funding source for each project?

<table>
<thead>
<tr>
<th>Project</th>
<th>University Funded</th>
<th>Labor Cost (P.W.)</th>
<th>P.W. premium (15%+/-)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rock Café</td>
<td>University Funded</td>
<td>$2,393,000</td>
<td>$358,000</td>
</tr>
<tr>
<td>East Campus Suites</td>
<td>University Funded</td>
<td>$5,593,605</td>
<td>$2,097,062</td>
</tr>
</tbody>
</table>
Michigan College of Optometry
Capital Outlay Funded (75/25)
Labor Cost (P.W.) $4,640,000
P.W. premium (25%+/_) $1,160,000

12. Specific to Central, Oakland, and Western: Thus far, we are lead to believe that the building and setup costs for your new medical schools will be all privately funded. Long term, what is the plan for funding ongoing expenses? Will they be entirely covered by medical school tuition? Will having a medical school affect undergraduate and or graduate tuition levels? Will facility operations costs (lighting/heating/etc.) be covered out of medical school tuition or other sources?

Not applicable.