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# Academic Senate Presentation on FY 2007 Budget

April 3, 2007



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# Agenda

- Description of Budget Funds
- General Fund Budget Detail
- Budget Development Process
- Budget Management Policy



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## Operating Funds

- General Fund – Primary support from State of Michigan and student tuition; supports academic mission of the University
- Designated Fund – Supported primarily from gifts and grants for designated purposes
- Auxiliary Fund – Self-supporting operations of the University
- Expendable Restricted – Restricted State and Federal grants and contracts



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## Non-Operating Funds

- Plant Fund – Unexpended appropriations for construction/maintenance; reserves for maintenance and debt services; value of physical properties
- Student Loan Fund – Private gifts and government grants for student aid
- Agency Fund – Funds held in custody for students and University-related organizations
- Foundation

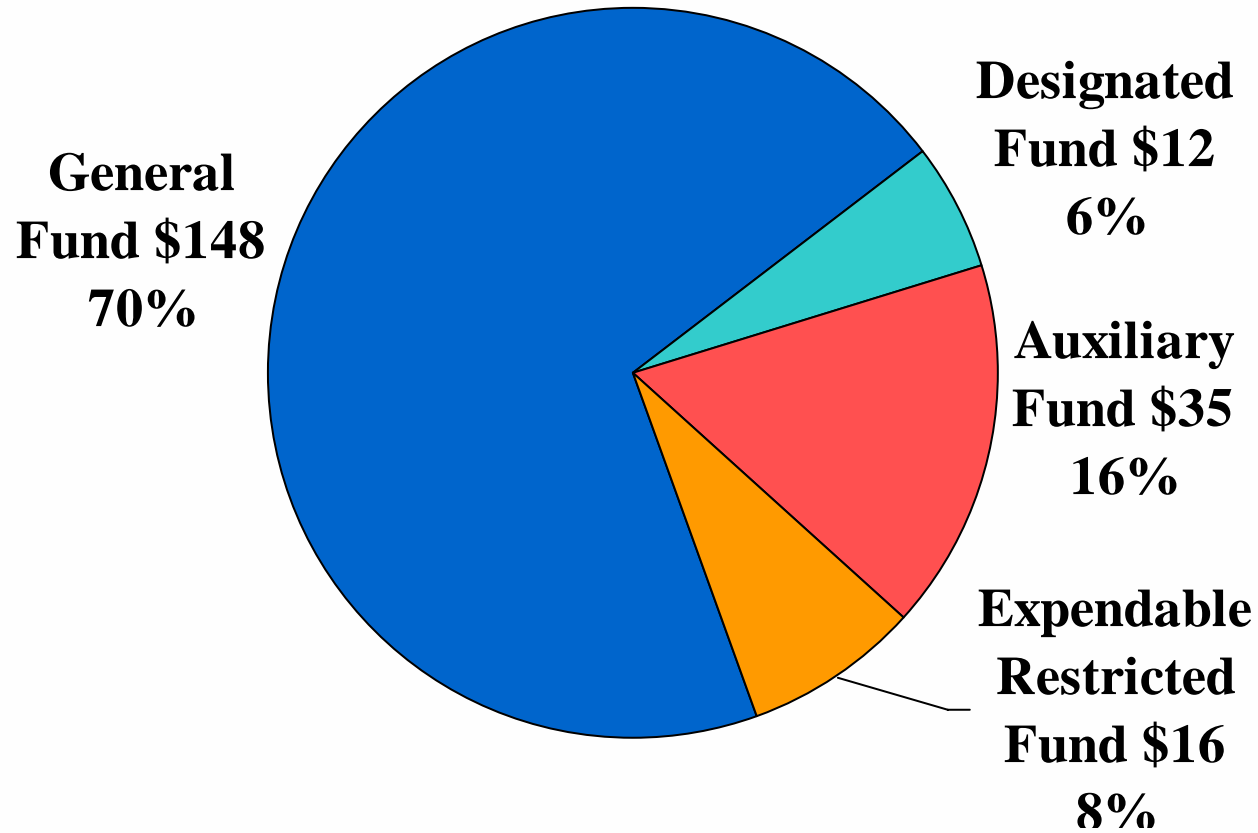


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## FY 2007 Operating Funds Revenue \$211 Million



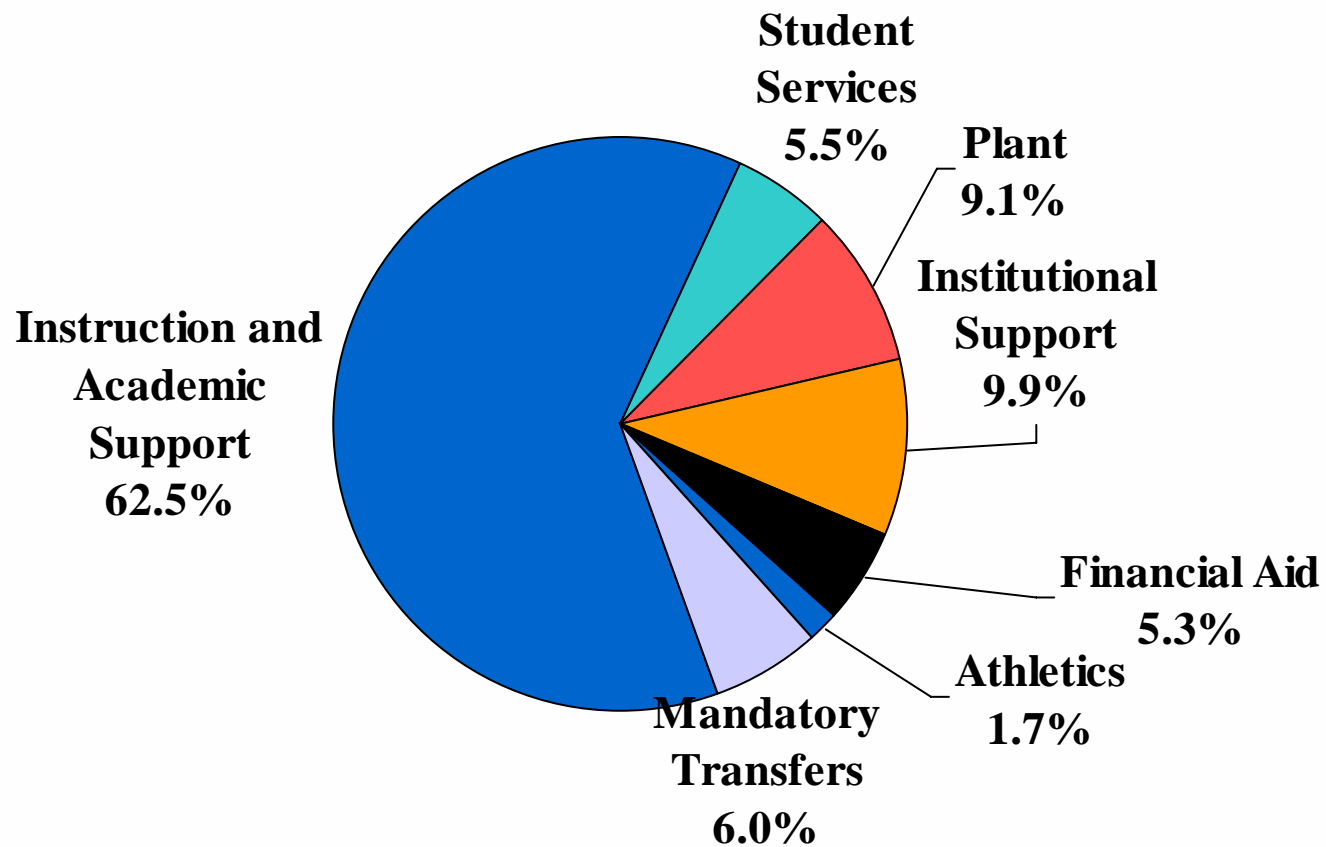


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## FY 2006 General Fund Spending





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## Michigan Public University – FY '06 GF Spending Percentages

Instruction and Academic Support		Research and Public Service		Student Service		Institutional Support		Plant		Student Aid		All Other	
<b>FSU</b>	<b>62.4%</b>	MTU	8.3%	UMF	7.4%	LSS	15.6%	UMA	15.0%	WMU	11.2%	NMU	14.3%
MSU	61.5%	UMA	7.5%	EMU	6.6%	CMU	13.3%	LSS	14.3%	MTU	10.2%	SVS	13.9%
GVS	57.4%	MSU	6.0%	UMD	6.6%	UMF	13.0%	UMF	13.4%	LSS	10.1%	OAK	12.7%
EMU	56.9%	WSU	5.4%	NMU	6.5%	UMD	12.2%	GVS	12.4%	UMA	9.4%	CMU	10.8%
UMD	56.2%	<b>AVG</b>	<b>4.8%</b>	GVS	6.4%	SVS	11.8%	NMU	12.2%	EMU	8.8%	LSS	8.8%
WMU	56.2%	CMU	3.6%	OAK	5.9%	OAK	11.5%	<b>AVG</b>	<b>12.0%</b>	NMU	8.5%	UMA	8.6%
OAK	55.1%	WMU	2.3%	<b>FSU</b>	<b>5.5%</b>	EMU	11.2%	WSU	12.0%	SVS	8.3%	MTU	7.8%
UMF	54.1%	UMF	2.3%	LSS	5.4%	MTU	10.6%	UMD	11.8%	<b>AVG</b>	<b>8.1%</b>	<b>FSU</b>	<b>7.7%</b>
<b>AVG</b>	<b>54.0%</b>	GVS	2.0%	CMU	5.2%	WSU	10.6%	EMU	11.0%	GVS	7.5%	UMD	7.7%
CMU	53.7%	EMU	1.9%	WSU	5.1%	GVS	10.0%	MSU	10.9%	MSU	7.5%	WMU	7.1%
WSU	53.4%	UMD	1.3%	MTU	4.9%	<b>FSU</b>	<b>9.9%</b>	WMU	10.3%	WSU	7.0%	<b>AVG</b>	<b>7.1%</b>
SVS	50.7%	OAK	0.8%	SVS	4.9%	<b>AVG</b>	<b>9.3%</b>	SVS	10.2%	OAK	5.5%	WSU	6.6%
MTU	49.4%	LSS	0.7%	<b>AVG</b>	<b>4.6%</b>	WMU	9.2%	<b>FSU</b>	<b>9.1%</b>	CMU	5.5%	UMF	5.1%
NMU	49.0%	NMU	0.6%	UMA	4.0%	NMU	9.1%	MTU	8.7%	<b>FSU</b>	<b>5.3%</b>	GVS	4.3%
UMA	48.4%	SVS	0.3%	WMU	3.7%	MSU	8.6%	OAK	8.5%	UMF	4.8%	EMU	3.6%
LSS	45.1%	<b>FSU</b>	<b>0.0%</b>	MSU	3.0%	UMA	7.1%	CMU	7.9%	UMD	4.2%	MSU	2.5%

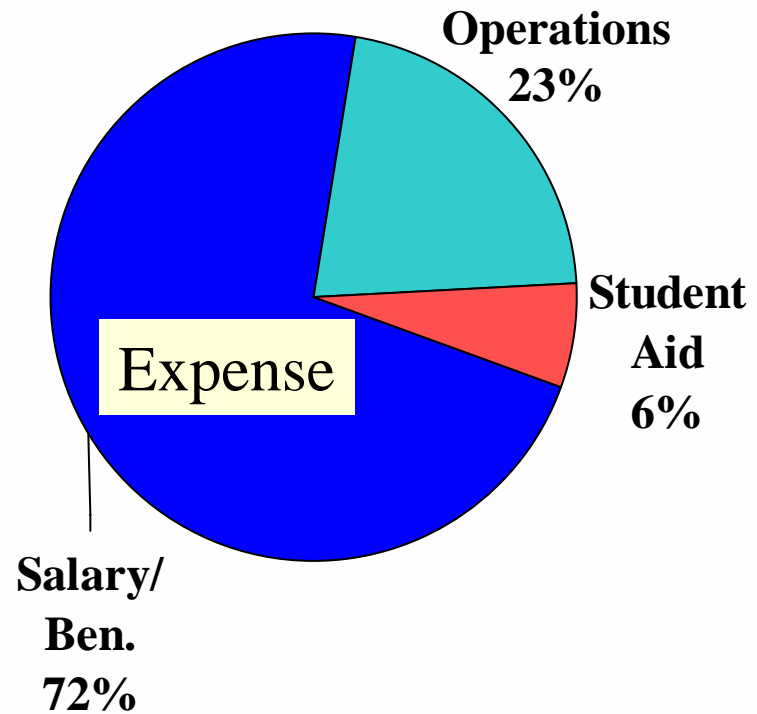
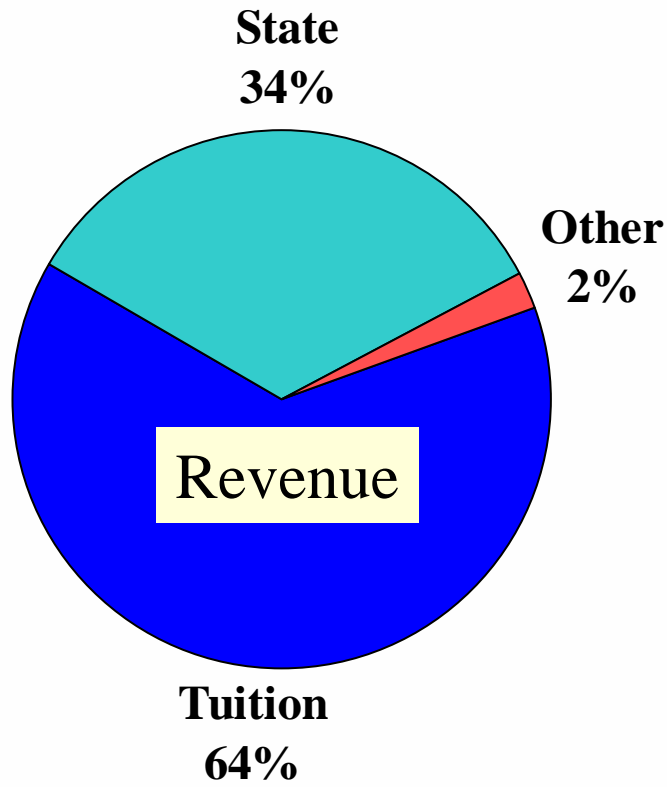


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## Ferris' FY 07 General Fund Operating Budget - \$148 Million





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# Budget Development Process

- Fiscal Planning Assumptions
  - Expenses
    - Fixed Cost Increases
    - Initiatives
  - Revenue
    - State Appropriation
    - Enrollment



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## **Major FY 07 Cost Increases - \$8 Million**

### **Fixed Costs**

- Compensation \$4.7M
- Utilities \$ .5M
- Scholarship \$1.3M

### **Initiatives**

- Academic Incentive \$ .6M
- Pharmacy \$ .3M
- UCEL \$ .6M



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## Sources of Support

- State Appropriations
- Reallocation of existing resources
  - \$1.3 Million identified for FY 2007
- Student Tuition



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## State Appropriation

- Difficult to project, political decision, generally no formula
  - May know as early as June or as late as October what that funding will be
- Initial FY 2007 recommendation was a 1.7% increase for Ferris State or \$844k
  - MPSERS bill increased by \$1.2 million



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## Tuition Recommendations

- Student Fees Committee – campus wide committee – advisory to the president
  - Representatives from Academic Senate, Student Government, Enrollment Services, Business Office, Financial Aid, Academic Affairs, Marketing, Budget Office
- Committee receives charge from President and typically makes recommendations in April



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## Tuition Recommendations

- President receives advisory recommendation from committee
  - May ask for alternatives/revisions
- President reviews with vice presidents
- Recommendation made to Board



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## FY 2007 Tuition Recommendation

- The Student Fees Committee recommended moving undergraduates fully to per-credit last fall at \$268 per credit
  - 1<sup>st</sup> Credit = 1.1% increase
  - 15<sup>th</sup> credit = 19.3% increase



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## FY 2007 Tuition Recommendation

- Consensus was that increase needed to be less than 10 percent
- Recommendation to Board of Trustees was for an 8.6 percent increase
  - In expectation a lower increase might be recommended an alternate 6.8 percent was also prepared



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## FY 2007 Tuition Recommendation

- Budget reductions to make up difference
  - Prorated based on each unit's portion of budget
    - Academic Affairs - \$126k
    - Finance - \$33k
    - Executive - \$5k
    - Student Affairs - \$11k
    - General Counsel - \$2k
    - Advancement - \$4k



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## Final FY 2007 GF Budget

- Fall enrollment was less than had been anticipated with the July budget
- State appropriation approved at 2.9%
- Additional budget reduction of \$2M



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## FY 2007 Budget Reductions - \$1.2M

Unit	%/Total	Reduction One	Reduction Two	Total Reduced
Academic	69%	\$126k	\$690k	\$816k
Finance	18%	\$ 33k	\$181k	\$214k
Executive	3%	\$ 5k	\$ 29k	\$ 34k
Gen. Counsel	1%	\$ 2k	\$ 13k	\$ 15k
Student	6%	\$ 11k	\$ 59k	\$ 70k
Advance.	2%	\$ 4k	\$ 24k	\$ 28k



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# Academic Affairs Reductions

Total Reduction	(\$816,000)
Academic Enrollment Incentive	<u>\$606,789</u>
Net Reduction	(\$209,211)

## *Additional New Dollars*

UCEL Enrollment Incentive	\$570,495
Pharmacy Expansion	\$344,135



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## **Budget Management Policy Overview**

- Describes how allocated resources may be used
- Designates authority and accountability for use of funds to the vice presidents
  - Vice Presidents may delegate that authority
- Prescribes common rules for use of resources
- Available on the Web (Business Policies)



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- Presentation available on the Web

- <http://www.ferris.edu/htmls/administration/president/budgetinfopage.htm>
  - Terms and definitions
  - Today's PowerPoint presentation

- Budget Management Policy

- <http://www.ferris.edu/htmls/administration/buspolletter/bpl0001.htm>