

FERRIS STATE UNIVERSITY

2018-19 General Fund Operating Budget

Final Recommendation

Approved by the Board of Trustees Friday, October 5, 2018

October 2018



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Final Recommendation
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The preliminary FY19 general fund operating budget was approved in May allowing for budget allocations to be in place for the beginning of the fiscal year on July 1. That budget included assumptions as to enrollment and State operating appropriation support which are updated for this final recommendation.

State Appropriation

The State higher education appropriation as included within the education omnibus appropriation was signed into law effective June 28, 2018 as PA 265 of 2018. The omnibus bill included an overall 2.0 percent funding increase for university operations. The increase for Ferris is \$1,355,200, a 2.53 percent increase for a total of \$54,950,700.

The approved budget was formulated using the performance funding model which aligns well with Ferris' mission.

Performance Funding Components - \$1,355,200 Appropriated

Proportionate to 2011	\$488,929
Critical Skills Degrees Conferred	\$248,412
Carnegie Scored Metrics	\$617,870
<i>(Graduation Rate, Institutional Efficiency, Total Degrees Conferred)</i>	

The preliminary budget in May had assumed a 2 percent appropriation increase. The approved amount represents a \$251,967 increase above the May projection.

May Preliminary Budget	\$54,698,733
Final Approved Appropriation	<u>\$54,950,700</u>
Change from May	\$ 251,967

Enrollment/Tuition

The preliminary budget was based upon projected annual student credit hours of 315,648 (a decline of 4 percent from FY18). The current projection based on actual summer and fall and projected spring enrollment is 314,370, a reduction of 1,278 credit hours from the preliminary budget estimate.

	May	Final	Change
Student Credit Hours	315,648	314,370	(1278)
Big Rapids/Regional	293,675	293,373	(302)
Kendall	21,973	20,997	(976)

The current student credit hour enrollment projects tuition revenue that is \$1.8 million less than initially projected in May.

	May	Final	Change
Tuition and Fee Revenue	\$152,681,989	\$150,896,748	-\$1,785,241
Big Rapids/Regional	\$135,393,716	\$134,269,465	-\$1,124,251
Kendall	\$17,288,273	\$16,627,283	-\$660,990

For the Big Rapids/regional campus, the tuition revenue decline is disproportionate to the student credit hour decline due primarily to the 20 percent decline in international student enrollment. International student tuition rates are larger than for in-state students.

The current tuition revenue budget, including projected spring enrollment, will require an additional \$1.8 million of budget reductions; \$660k at Kendall and \$1.12 million for Big Rapids/Regional. These amounts will be effected before the end of the year and are subject to adjustment when actual spring enrollment is known.

General Fund Revenues

Projected general fund revenues total \$209.1 million, a reduction of \$1.5 million (.7%) from the May preliminary budget.

	May Preliminary	Final	Change
State Appropriation	\$ 54.70M	\$ 54.95M	\$.25M
Tuition and Fees	\$152.68M	\$150.90M	(\$1.78M)
Other Revenue	<u>\$ 3.20M</u>	<u>\$ 3.22M</u>	<u>\$ 0</u>
Total Revenue	\$210.60M	\$209.07M	(\$1.53M)

General Fund Expense Budget

The general fund expense budget is updated to reflect \$661k of budget reductions at Kendall which have already been identified. An additional \$1.1 million of reductions for the Big Rapids/Regional campus will be identified before the end of the fiscal year.

General fund expenses are now projected at \$209.1 million, a reduction of \$1.5 million from the preliminary budget.

	May Preliminary	Final	Change
Compensation	\$149.57M	\$149.12M	(\$.45M)
Operations	\$ 35.76M	\$ 35.81M	\$.05M
Student Assistance	\$ 25.27M	\$ 25.27M	
Budget Reductions	<u> </u>	<u>(\$ 1.12M)</u>	<u>(\$1.12M)</u>
Total Expenses	\$210.60M	\$209.07M	(\$1.53M)

**Ferris State University
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Revenue	Amount
State Appropriation	\$54,950,700
Operations	
Tuition	\$150,228,486
Student Fees	\$668,262
Other	
Revenue	
Investment Income	\$1,200,000
Departmental Activities	<u>\$2,024,183</u>
Total Revenue	\$209,071,631
 Expense	
Compensation	
Salaries	\$104,698,626
Benefits	<u>\$44,420,913</u>
Total Compensation	\$149,119,539
Operating Support	
Supply and Expense	\$24,937,333
Utilities	\$4,297,997
Debt Service	\$6,230,891
Equipment	<u>\$341,110</u>
Total Operating Support	\$35,807,331
Student Assistance	\$25,269,012
Budget Reduction	<u>-\$1,124,251</u>
Total Expense	\$209,071,631

**Ferris State University
 FY 2018-19 General Fund Operating Budget
 Final Recommendation by Campus**

	Big Rapids	Kendall	Total
Revenue			
State Appropriation	\$54,950,700		\$54,950,700
Tuition	\$134,269,465	\$15,959,021	\$150,228,486
Student Fees		\$668,262	\$668,262
Other Revenue			
Investment Income	\$1,200,000		\$1,200,000
Departmental Activities	<u>\$1,943,975</u>	<u>\$80,208</u>	<u>\$2,024,183</u>
Total Revenue	\$192,364,140	\$16,707,491	\$209,071,631
Expense			
Compensation			
Salaries	\$96,415,766	\$8,282,860	\$104,698,626
Benefits	<u>\$41,590,549</u>	<u>\$2,830,364</u>	<u>\$44,420,913</u>
Total Compensation	\$138,006,315	\$11,113,224	\$149,119,539
Operating Support			
Supply and Expense	\$23,944,892	\$992,441	\$24,937,333
Utilities	\$3,797,997	\$500,000	\$4,297,997
Debt Service	\$4,482,702	\$1,748,189	\$6,230,891
Equipment	<u>\$341,110</u>	<u> </u>	<u>\$341,110</u>
Total Operating Support	\$32,566,701	\$3,240,630	\$35,807,331
Budget Reduction	-\$1,124,251		-\$1,124,251
Student Assistance	<u>\$22,915,375</u>	<u>\$2,353,638</u>	<u>\$25,269,012</u>
Total Expense	\$192,364,140	\$16,707,491	\$209,071,631