

President's Memorandum to Faculty and Staff

Office of the President
September 20, 2010

This was a historic week as we officially announced the University's plans to renovate the Old Federal Building in Grand Rapids and dedicated the East Campus Suites in Big Rapids.

During the past decade Kendall College of Art and Design's student enrollment has grown from 600 students to more than 1,400 students. The federal building renovation will help address the facility needs of Kendall faculty, staff and students by adding nearly 95,000 square feet of classroom, gallery and lecture space. The location is perfect, sitting squarely between the current Kendall building and the 5 Lyon Apartments where many Kendall students live. In March 2012 when the project is complete, Kendall will occupy three contiguous city blocks dedicated to a community of student artists, designers and creative thinkers.

The project is funded through an innovative financing package that utilizes a mix of funding options, including state historic tax credits, enhanced historic tax credits, Brownfield tax incentives, American Recovery and Reinvestment Act bonds, and unique public private partnership approach. We are also seeking private philanthropic support for the project. With the state providing more than \$13 million in tax credits for this \$27 million project, the long-term bonded costs for Kendall ultimately are expected to be less than \$7 million. One of the reasons it took many, many months to finalize the agreements for this project is that we made it a priority that funding the renovation would not become a burden for our students or for Kendall.

Many people have played crucial roles in making this project a reality. These include Kendall President Oliver Evans, Kendall Vice President for Administration and Finance Sandy Davison-Wilson, Ferris Vice President for Administration and Finance Jerry Scoby, Vice President for University Advancement and Marketing John Willey, The Christman Company President and Chief Operating Officer Jim Cash, Grand Rapids Mayor George Heartwell, State Representative Roy Schmidt and many, many others.

East Campus Suites

The new East Campus Suites student residences are an important step forward in our ongoing efforts to make Ferris the University of choice for students from Michigan, the Midwest and beyond. Today education is becoming more of a commodity with students picking up courses on-line or at a community college. Ferris provides quality education in these formats and settings, but for many students, especially traditionally aged students, there are great benefits to the environment for intellectual and personal growth a residential campus provides.

The East Campus Suites were a \$22 million project with the bonding costs financed through the room rates paid by the student residents who live there. The project was completed at \$2.7 million below the estimated cost. These remaining bond funds have been shifted to the Arts and Sciences Mechanical Systems Project and for updates to existing residence hall facilities.

In the last few years we have worked hard to upgrade our campus here in Big Rapids seeking to make it an academic destination for students. Academically we have done this through

the living/learning spaces created in the IRC, the renovation of more than 75 classrooms and laboratory spaces, and now through the new Optometry Building rising on our campus.

While we work to maintain and update our residence halls, it is worth remembering they were all constructed before 1970, when Victor Spathelf was president of Ferris. The East Campus Suites create the type of modern living facilities that will attract students to Big Rapids and keep them living on our campus.

In designing and renovating facilities we stress the construction of common spaces outside the classroom where learning and collaboration can take place anywhere and anytime. In addressing quality of life issues for our students, we have also tried to create living, learning environments that are vital and relevant to our students' needs. Student Government President Morgan Toms noted that East Campus Suites is an expression of pride and a concrete example of the University looking out for student interests.

We worked closely with our partners Granger Construction and the architectural firm of TowerPinkster to create a building that is not only beautiful and conducive to learning, but energy-efficient as well. The East Campus Suites are our first LEED certified building, meeting the criteria for the Gold standard. This reflects our strategic goal to make the University more energy efficient and environmentally sound.

Budget and Politics Update

The state is headed toward a compromise on a budget and it looks like this will be reached before October. While not yet approved, the higher education budget will include a 2.6 percent reduction in funding to public universities. There do not appear to be cuts to student financial aid, very good news for our TIP students. We have exerted much effort in Lansing to preserve this funding and to help these students be able to attend and afford college.

There was an alarming development in Lansing last week when the House voted 55-49 to approve a bill that would create bachelor degrees at community colleges. This fight now shifts to the Senate where we will redouble our efforts against passage. If approved, over time this could create as many as 28 new 4-year competitors for our offerings in Michigan.

Last Thursday and Friday I attended the West Michigan Policy Conference in Grand Rapids. Jeff Guilfoyle, President of the Citizen's Research Council, presented their independent assessment of the state budget. He identified a deficit of \$1 billion for the state's general fund and of \$600 thousand for the school aid fund. These shortfalls will need to be addressed in the budget that the new administration and legislature will tackle in February. Jeff's slides (accessible at http://www.grandrapids.org/assets/501084/michigans_budget_spending_priorities.pdf), especially numbers 13 and 21, are a fascinating, but devastating analysis of the state's financial challenges.

On Friday I heard gubernatorial candidates Virg Beneiro and Rick Snyder speak. While their approaches are different and they disagree on many things, both plan to eliminate the Michigan Business Tax and neither plans to raise taxes. Difficult decisions and significant reductions lie ahead. Despite our strong enrollment, budget problems in Lansing have a great impact on us at Ferris. Whether it is a \$2 million, \$5 million, or \$7.5 million reduction in our state appropriations, the affect of the lost funding on our budget, which is currently balanced, will be severe.

Closing Thoughts

The annual Relay for Life was held in Big Rapids this past weekend to raise funds for the fight against cancer. It was good to see so many Ferris people turn out for this important cause. They persevered through some difficult weather to help raise awareness and support. Our family, like many of yours, has been impacted by this disease. Thank you for working so very hard to make a difference.

Congratulations to the football team for this weekend's victory at Ohio Dominican. Their victory at home the week before against 16th ranked Saginaw Valley was a very exciting contest. The team is now 2 -1 and is home this weekend to play Tiffin University at 7 p.m.

If you have not done so recently, I would encourage you to drive around campus on the weekend and see the large number of students who remain in town and on campus. Gone are the days when this was a suitcase college and many students left for the weekend. It may well be time to rethink both our academic and campus life efforts to adjust to the changing patterns of our students. This is very exciting to see.

The beginning of the semester is always a hectic, busy time as we help students adjust to our campuses and get started in classes. Thank you so very much for helping this go so very smoothly.

Sincerely,

David L. Eisler, President