

FERRIS STATE UNIVERSITY

FERRIS FORWARD

Fiscal 2023-24 General Fund Final Operating Budget

Approved by the Board of Trustees October 6, 2023



Prepared by:

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**Ferris State University
Fiscal 2023-24 General Fund
Final Operating Budget**

October 6, 2023

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**Ferris State University
Fiscal 2023-24 General Fund
Final Operating Budget
October 6, 2023**

**Ferris State University Total
FY 2023-24 Final General Fund Operating Budget**

	FY23 Budget*	FY24 Preliminary	FY24 Final	FY24 Change Prelim to Final Better/(Worse)
Revenue				
State Appropriation	\$56,952,900	\$59,085,240	\$59,646,500	\$561,260
Tuition	\$133,741,854	\$134,921,398	\$133,787,941	(\$1,133,457)
Student Fees	\$386,823	\$397,025	\$397,025	\$0
Investment Income	\$1,200,000	\$2,000,000	\$2,000,000	\$0
Dept Activities	\$1,748,136	\$1,346,950	\$1,353,050	\$6,100
Total Revenue	\$194,029,713	\$197,750,613	\$197,184,516	(\$566,097)
Expenses				
Compensation				
Salaries	\$95,081,387	\$97,561,233	\$98,255,472	(\$694,239)
Benefits	\$37,601,235	\$38,463,042	\$36,527,458	\$1,935,584
Total Compensation	\$132,682,622	\$136,024,275	\$134,782,930	\$1,241,345
Operating Support				
Supply & Expense	\$22,330,256	\$21,920,651	\$22,551,578	(\$630,927)
Debt Service	\$6,525,000	\$6,525,000	\$6,525,000	\$0
Utilities	\$4,426,147	\$4,599,155	\$4,599,455	(\$300)
Equipment	\$285,324	\$442,324	\$442,324	\$0
Total Operating Support	\$33,566,727	\$33,487,130	\$34,118,357	(\$631,227)
Student Assistance				
Student Assistance	\$27,780,363	\$28,239,208	\$28,283,229	(\$44,021)
Total Student Assistance	\$27,780,363	\$28,239,208	\$28,283,229	(\$44,021)
Total Expense	\$194,029,713	\$197,750,613	\$197,184,516	\$566,097
Net Surplus/(Deficit)	\$0	\$0	\$0	\$0

*FY23 One-Time Funding for Scholarships is included in Operating Support under Supply and Expense.

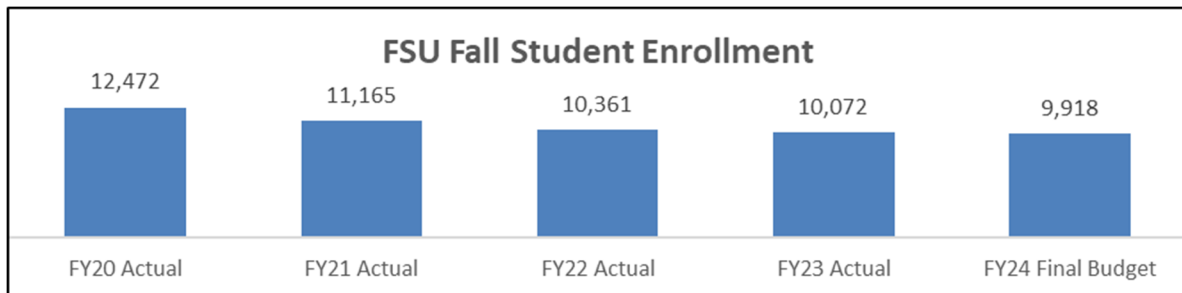
General Fund Budget

The University general fund operating budget is submitted for approval by the Board of Trustees in two stages. A preliminary budget is recommended in the spring to establish tuition rates and base operating support levels for the new fiscal year which begins on July 1. In the fall, when enrollment and state funding decisions are known, a final budget is presented. This is the final budget recommendation and includes state appropriations approved by the MI Legislature.

Student Enrollment and Semester Credit Hours

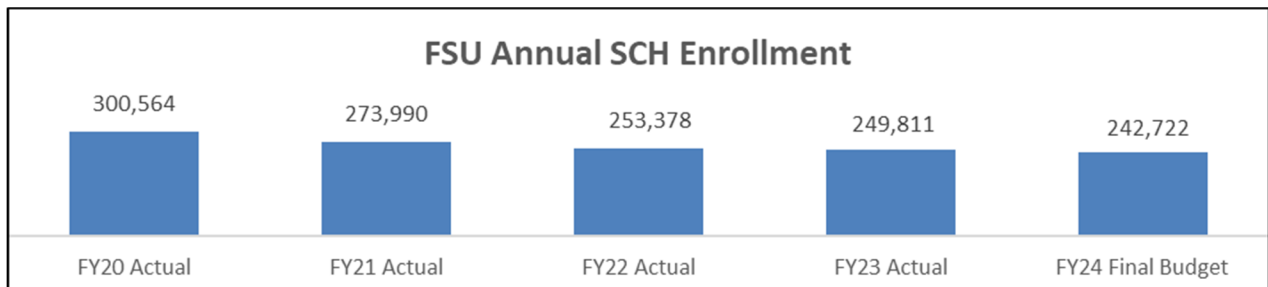
The Fall 2023 semester has 9,918 students, or an overall reduction of 154 students (-1.5%) from Fall 2022. Changes by campus location: Big Rapids +68 (+0.9%), on-line -38 (-5.8%), regional/statewide -196 (-19.0%), and Kendall +12 (+2.1%).

June's Preliminary FY24 Budget assumed student enrollment of 9,897. The final budget has 21 more students.



Tuition revenue is calculated based upon Semester Credit Hours (SCH). FY 2023-24 budgeted annual SCH enrollment is 242,722. This represents a decline of 2.8% compared to actual SCH enrollment of 249,811 in FY 2022-23.

SCH enrollment is 0.6% higher than June's Preliminary FY24 Budget projection of 241,173.



General Fund Revenue Budget

General Fund revenue comes from three main sources: state appropriations, tuition and fees, and other departmental revenue.

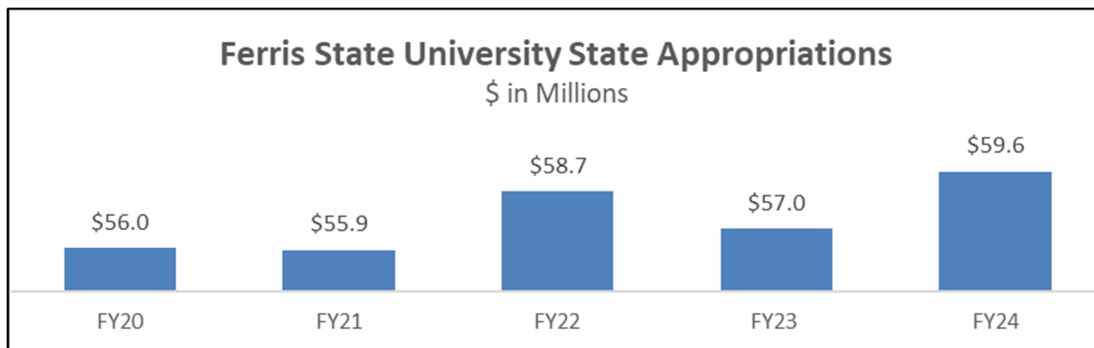
State Funding

This operating budget reflects the state appropriation passed by the House and Senate and approved by Governor Whitmer on June 30, 2023.

Ferris received a 4.7% increase in base operating support. There was not a one-time supplemental appropriation distribution. State Appropriations represent 30.2% of university revenues.

Although not included as state appropriation revenue, the legislature is again eliminating a portion of our MPSERS (Michigan Public School Employee's Retirement System) debt, which is estimated to save the university \$2 million in expenses. These savings are reflected as a reduction in Benefit expenses in this budget.

State Appropriation	
2023 State Appropriation	\$56,952,900
2024 State Appropriation	\$59,646,500
Increase/(Decrease)	\$2,693,600



Tuition and Fee Revenue

In June, the Board approved an average 3.8% undergraduate tuition increase: 3.4% for lower division and 4.2% for upper division. The approved 2023-24 tuition rates are lower than the State's undergraduate tuition restraint limit of 4.5% or \$676. FY 2023-24 tuition rates are appended to end of this document.

The approved tuition rates applied to the budgeted enrollment level will yield annual tuition and fee revenue of \$134.2 million; roughly flat with the FY 2022-23 revenue level. Tuition and Fees represent 68.1% of university revenues.

Although total SCH enrollment increased by 0.6% over the preliminary budget estimate, Tuition revenue does not increase correspondingly in the final budget. Tuition revenue is \$1.1 million lower in the final budget.

Final SCH enrollment in Graduate, Professional and Doctoral student types decreased by 6.0% over the preliminary enrollment estimates resulting in a \$1.6 million reduction in revenue. This reduction is offset by an increase in final undergraduate student enrollment which provides an additional \$500 thousand in tuition revenue over preliminary estimates.

Tuition and Fee Revenue (in Millions)	FY23 Budget	FY24 Final	\$ Change	% Change
Ferris	\$122.9	\$122.1	(\$0.8)	-0.6%
Kendall	\$11.3	\$12.1	\$0.8	7.5%
Total Tuition	\$134.1	\$134.2	\$0.1	0.0%

Other Revenues

Other revenues for FY24 are \$400 thousand (13.7%) higher than FY23 levels and comprise 1.7% of total university revenues.

Investment Income is increasing by \$800 thousand given higher interest rates on fixed income investments.

Departmental Income is decreasing by \$400 thousand: all revenue from Athletic Ticket Sales will remain in Athletics (\$250K), Parking Revenue has decreased due to fewer on-campus students/lower fees & fines (\$70K), and Late Payment Penalties are expected to be lower (\$75K).

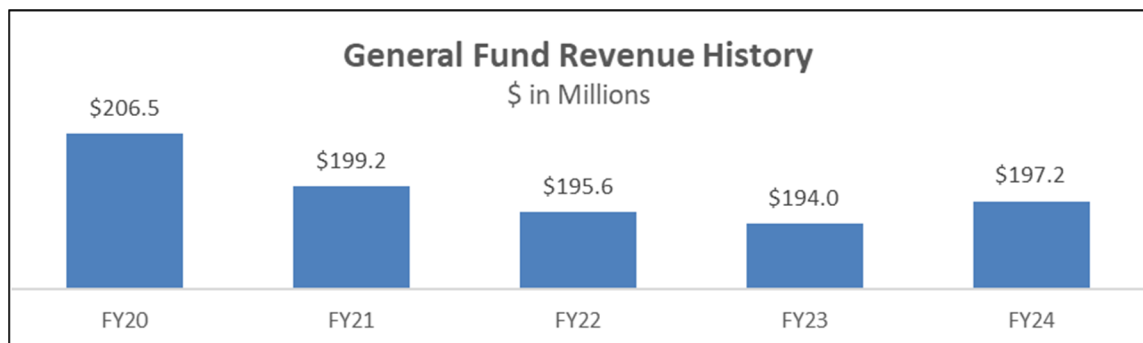
Other Revenue (in Millions)	FY23 Budget	FY24 Final	\$ Change	% Change
Investment Income	\$1.2	\$2.0	\$0.8	66.7%
Departmental Income	\$1.7	\$1.4	(\$0.4)	-22.6%
Total Other Revenue	\$2.9	\$3.4	\$0.4	13.7%

FY 2023-24 Revenue Summary

The final budget reflects an overall revenue increase of \$3.2 million over FY23. This is the net result of a \$2.7 million increase in state appropriations and a net increase in Tuition, Fees and Other revenues of \$500K.

Revenue Summary (in Millions)	FY23 Budget	FY24 Final	\$ Change	% Change
State Appropriation	\$57.0	\$59.6	\$2.7	4.7%
Tuition and Fees	\$134.1	\$134.2	\$0.1	0.0%
Other Revenues	\$2.9	\$3.4	\$0.4	13.7%
Total Revenue	\$194.0	\$197.2	\$3.2	1.6%

5 Year General Fund Revenue History



General Fund Expense Budget

Compensation Expense

Compensation includes annual salary increases for faculty and staff based on labor contracts where applicable. Benefits include an estimated \$2.0 million in MPSERS savings. Total compensation has increased by 1.6% from the prior year budget and represents 68.4% of total university expenditures.

Compensation (in Millions)	FY23 Budget	FY24 Final	\$ Change	% Change
Salaries	\$95.1	\$98.2	\$3.2	3.3%
Benefits	\$37.6	\$36.5	(\$1.1)	-2.9%
Total Compensation	\$132.7	\$134.8	\$2.1	1.6%

Operating Expenses

Net Operating expenses have increased by \$0.6 million, or 1.6%.

Operating Expenses (in Millions)	FY23 Budget	FY24 Final	\$ Change	% Change
Supply and Expense	\$22.3	\$22.6	\$0.2	1.0%
Debt Service	\$6.5	\$6.5	\$0.0	0.0%
Utilities	\$4.4	\$4.6	\$0.2	3.9%
Equipment	\$0.3	\$0.4	\$0.2	55.0%
Total Operating	\$33.6	\$34.1	\$0.6	1.6%

Scholarship Expenses

Although student enrollment is decreasing by 1.5%, total scholarship funding is increasing by 1.8%. On a per student basis, this represents an average increase of 3.4% in scholarship funding.

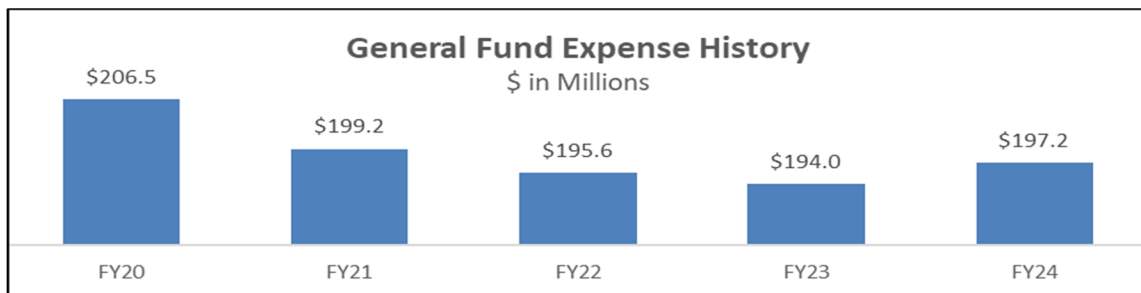
Scholarships (in Millions)	FY23 Budget	FY24 Final	\$ Change	% Change
Total Scholarship Funding	\$27.8	\$28.3	\$0.5	1.8%

FY 2023-24 Expense Summary

Total general fund expenses have increased by \$3.2 million, or 1.6%.

General Fund Expenses (in Millions)	FY23 Budget	FY24 Final	\$ Change	% Change
Compensation	\$132.7	\$134.8	\$2.1	1.6%
Operating Expenses	\$33.6	\$34.1	\$0.6	1.7%
Scholarship Funding	\$27.8	\$28.3	\$0.5	1.8%
Total General Fund Expenses	\$194.0	\$197.2	\$3.2	1.6%

5-Year General Fund Expense History



Final FY 2023-24 General Fund Operating Budget – Total University

**Ferris State University Total
FY 2023-24 Final General Fund Operating Budget**

	FY23 Budget*	FY24 Final	Change from FY23 Budget	
			Amount	%
Revenue				
State Appropriation	\$56,952,900	\$59,646,500	\$2,693,600	4.7%
Tuition	\$133,741,854	\$133,787,941	\$46,087	0.0%
Student Fees	\$386,823	\$397,025	\$10,202	2.6%
Investment Income	\$1,200,000	\$2,000,000	\$800,000	66.7%
Departmental Activities	\$1,748,136	\$1,353,050	-\$395,086	-22.6%
Total Revenue	\$194,029,713	\$197,184,516	\$3,154,803	1.6%
Expenses				
Compensation				
Salaries	\$95,081,387	\$98,255,472	\$3,174,085	3.3%
Benefits	\$37,601,235	\$36,527,458	-\$1,073,777	-2.9%
Total Compensation	\$132,682,622	\$134,782,930	\$2,100,308	1.6%
Operating Support				
Supply and Expense	\$22,330,256	\$22,551,578	\$221,322	1.0%
Debt Service	\$6,525,000	\$6,525,000	\$0	0.0%
Utilities	\$4,426,147	\$4,599,455	\$173,308	3.9%
Equipment	\$285,324	\$442,324	\$157,000	55.0%
Total Operating Support	\$33,566,727	\$34,118,357	\$551,630	1.6%
Student Assistance				
Scholarship Funding	\$27,780,363	\$28,283,229	\$502,866	1.8%
Total Student Assistance	\$27,780,363	\$28,283,229	\$502,866	1.8%
Total Expenses	\$194,029,713	\$197,184,516	\$3,154,803	1.6%
Net Surplus/(Deficit)	\$0	\$0	\$0	

*FY23 One-Time Funding for Scholarships is included in Operating Support under Supply and Expense.

Final FY 2023-24 General Fund Operating Budget – By Campus

**Ferris State University Total
FY 2023-24 Final General Fund Operating Budget**

	Ferris	Kendall	Total	% of Total
Revenue				
State Appropriation	\$59,646,500	\$0	\$59,646,500	30.2%
Tuition	\$122,088,976	\$11,698,965	\$133,787,941	67.8%
Student Fees	\$0	\$397,025	\$397,025	0.2%
Investment Income	\$2,000,000	\$0	\$2,000,000	1.0%
Departmental Activities	\$1,279,500	\$73,550	\$1,353,050	0.7%
Total Revenue	\$185,014,976	\$12,169,540	\$197,184,516	100.0%
Expenses				
Compensation				
Salaries	\$92,380,495	\$5,874,976	\$98,255,472	49.8%
Benefits	\$34,392,327	\$2,135,132	\$36,527,458	18.5%
Total Compensation	\$126,772,822	\$8,010,108	\$134,782,930	68.4%
Operating Support				
Supply and Expense	\$22,116,894	\$434,683	\$22,551,578	11.4%
Debt Service	\$5,025,000	\$1,500,000	\$6,525,000	3.3%
Utilities	\$4,094,455	\$505,000	\$4,599,455	2.3%
Equipment	\$442,324	\$0	\$442,324	0.2%
Total Operating Support	\$31,678,673	\$2,439,684	\$34,118,357	17.3%
Student Assistance				
Scholarship Funding	\$26,563,481	\$1,719,748	\$28,283,229	14.3%
Total Student Assistance	\$26,563,481	\$1,719,748	\$28,283,229	14.3%
Total Expenses	\$185,014,976	\$12,169,540	\$197,184,516	100.0%
Net Surplus/(Deficit)	\$0	\$0	\$0	

Appendix

FY 2025 – FY 2027 Budget Projections

FY 2023-24 Tuition Rates

FY 2023-24 Student Fees

Fiscal Years 2025 – 2027
General Fund Operating Budget Projections

Future year budget projections depend upon key assumptions for future enrollment, tuition rate increases, appropriations from the state, and expense increases for salaries & benefits, utilities, and other operating expenses. The assumptions used here reflect our best estimates of future economic factors.

Description	FY 2024-25 Assumptions	FY 2025-26 Assumptions	FY 2026-27 Assumptions
Fall Enrollment – SCH’s	+ 1.0%	+ 2.0%	+ 3.0%
Tuition Rate Change	+ 3.5%	+ 3.5%	+ 3.5%
State Appropriations	+ 1.0% Base	+ 1.0% Base	+ 1.0% Base

	FY 2024-25 BUDGET PROJECTION		FY 2025-26 BUDGET PROJECTION		FY 2026-27 BUDGET PROJECTION	
	Total	% Change from PY	Total	% Change from PY	Total	% Change from PY
Revenue						
State Appropriation	\$60,235,823	1.0%	\$60,831,039	1.0%	\$61,432,208	1.0%
Tuition	\$139,281,787	4.1%	\$146,819,272	5.4%	\$156,135,218	6.3%
Student Fees	\$397,025	0.0%	\$397,025	0.0%	\$397,025	0.0%
Investment Income	\$2,000,000	0.0%	\$2,000,000	0.0%	\$2,000,000	0.0%
Dept Activities	\$1,353,050	0.0%	\$1,353,050	0.0%	\$1,353,050	0.0%
Total Revenue	\$203,267,685	3.1%	\$211,400,386	4.0%	\$221,317,501	4.7%
Expenses						
Compensation						
Salaries	\$101,203,136	3.0%	\$104,239,230	3.0%	\$107,366,407	3.0%
Benefits	\$37,623,282	3.0%	\$38,751,980	3.0%	\$39,914,540	3.0%
Total Compensation	\$138,826,418	3.0%	\$142,991,210	3.0%	\$147,280,947	3.0%
Operating Support						
Supply & Expense	\$24,052,740	6.7%	\$27,400,966	13.9%	\$32,366,841	18.1%
Debt Service	\$6,525,000	0.0%	\$6,525,000	0.0%	\$6,525,000	0.0%
Utilities	\$4,682,365	1.8%	\$4,822,836	3.0%	\$4,967,521	3.0%
Equipment	\$442,324	0.0%	\$442,324	0.0%	\$442,324	0.0%
Total Operating Support	\$35,702,429	4.6%	\$39,191,126	9.8%	\$44,301,687	13.0%
Student Assistance						
Student Assistance	\$28,738,839	1.6%	\$29,218,050	1.7%	\$29,734,867	1.8%
Total Student Assistance	\$28,738,839	1.6%	\$29,218,050	1.7%	\$29,734,867	1.8%
Total Expense	\$203,267,685	3.1%	\$211,400,386	4.0%	\$221,317,501	4.7%
Net Surplus/(Deficit)	\$0	0.0%	\$0	0.0%	\$0	0.0%
Annual Semester Credit Hours	244,012	0.5%	248,464	1.8%	255,276	2.7%

FY 2023-24 Tuition Rates

Tuition Rates by Student Type	2023-24
Ferris Undergraduate - Lower Division	
US & Canada	\$483
International	\$800
Ferris Undergraduate - Upper Division	
US & Canada	\$526
International	\$850
Ferris Graduate	
US & Canada	\$740
International	\$1,115
Ferris Doctoral	
All Resident Types	\$836
Ferris Optometry	
All Resident Types	\$940
Ferris Pharmacy	
All Resident Types	\$970
Kendall Studio	
US & Canada	\$1,125
International	\$1,800
Kendall Gen Ed - Lower Division	
US & Canada	\$483
International	\$800
Kendall Gen Ed - Upper Division	
US & Canada	\$526
International	\$850
Kendall Graduate	
All Resident Types - MArch/MA/MAVCS/MFA	\$1,257
US & Canada - MBA/Certificate	\$740
International - MBA/Certificate	\$1,115
Ferris Concurrent & Dual - All Resident Types	
Ferris Concurrent & Direct Enrollment	\$155
Ferris Dual Enrollment	\$309
Kendall Concurrent & Dual - All Resident Types	
Kendall Concurrent - Studio & Gen Ed	\$155
Kendall Dual Enrollment - Gen Ed	\$309
Kendall Dual Enrollment - Studio	\$330

FY 2023-24 Student Fees

Description	Fee Type	Amount	College / Department
3D Studio Course Fee (Sculpture & Functional Art)	Educational	\$74	Kendall General Fund
ACCUPLACER Fee	Educational	vendor amt	Testing
ACLS Advanced Cardiac Life Support (certification)	Educational	vendor amt	Pharmacy
ACT	Educational	vendor amt	Testing
Advance Enrollment Deposit	Service	\$500	Optometry
AOD Wellness Program (formerly Choices)	Educational	\$200	Office of Student Conduct
APL - Prior Learning Assessment	Educational	\$250	R&SS
App Processing Fee-Crim Background Check	Service	\$25	Admissions
Application Fee (Undergraduate)	Educational	\$25	Admissions
Application Fee (Int'l Stu App Fee)	Educational	\$30	Kendall College
Bad Check Fee on Tuition	Service	\$25	Student Financial Serv
Bulldog I.D. Card (replacement cost)	Service	\$25	Telecommunications
Business Information Systems: ISYS 321	Educational	\$43	College of Business
CLEP	Educational	\$25	Testing
Contract Guarantee Deposit	Service	\$200	Residential Life
Convenience Fee (Student Financial Serv)	Service	variable	Third Party Collection
CREW: Alcohol Check-in	Educational	\$100	Office of Student Conduct
CREW: Marijuana Check-in	Educational	\$100	Office of Student Conduct
Digital Resource Fee	Educational	\$108	Kendall College
Enrollment Deposit	Service	\$150	Kendall College
Fashion Studies Studio Fee	Educational	\$175	Kendall College
Fee-Student Life	Service	\$20	Kendall College
Fines - List on File at Library	Service	variable	Library
Fire Up Student Teacher Conference Fee	Educational	variable	Kendall College
Health Center Services Fee (Birkam) Fall and Spring	Service	\$53	Birkam Health Center
Health Center Services Fee (Birkam) Summer	Service	\$35	Birkam Health Center
Health Insurance - Int'l Students - Fall/Spring	Service	vendor amt	International Education
Health Insurance - Int'l Students - Summer	Service	vendor amt	International Education
Housing Forfeiture Fee	Service	\$200	Residential Life
Int'l Student Application Fee	Educational	\$30	International Education
Kaplan Exam	Educational	vendor amt	Health Professions
Late Registration Fee	Service	\$100	Student Financial Serv
List on File at Rec Ctr	Recreational	variable	University Recreation
Locker Fee (\$15 deposit, returned unless damaged) \$30 annual fee	Service	\$45	Kendall College
Metals/Jewelry Course Fee	Educational	\$76	Kendall College
Model Fee	Educational	\$67	Kendall College
MTM Elective, Medication Mgt Therapy (certification)	Educational	vendor amt	Pharmacy
NACDS Innovations in Pharmacy (certification)	Educational	vendor amt	Pharmacy
New Int'l Student Orientation	Service	\$85	International Education
Nicotine 101 Class	Educational	\$80	Office of Student Conduct
Nursing Methods 1-5, Shadow Health, Lippincott vSim, DocuCare	Educational	vendor amt	Nursing
On-line Learning Fee (Main Campus & KCAD)	Service	\$12	Student Financial Serv
Orientation Fee (Ferris)	Service	\$100	Student Financial Serv
Orientation Fee (Kendall)	Educational	\$55	Kendall College

Description	Fee Type	Amount	College / Department
Parking Permit Fee (Fall, Spring)	Service	\$90	Public Safety
Parking Permit Fee (Fall, Spring, Summer)	Service	\$130	Public Safety
PGA 3.0 Mandatory Associated Fees	Educational	vendor amt	PGA Golf Mgt
PGA Playing Ability Test	Educational	\$200	PGA Golf Mgt
PGA Student Affiliate Fee/PGA Golf Mgt Students	Educational	\$50	PGA Golf Mgt
PGM Facility Access Fee <i>(no fee while on internship)</i>	Educational	\$210	PGA Golf Mgt
Pharmacy Collection Database Fee	Educational	\$94	Pharmacy
Photography Course Fee	Educational	\$43	Kendall College
Preliminary Breath Test	Service	\$5	Public Safety
Preliminary Breath Test with Tube Provided	Service	\$10	Public Safety
Prime for Life	Educational	\$200	Office of Student Conduct
Print Management Fee	Educational	\$108	Kendall College
Printmaking Course Fee	Educational	\$130	Kendall College
Proficiency Exams	Educational	\$25	Per College
Replacement of Lost Items	Recreational	variable	Athletics
Resp. Care Credentialing Exam Review Fee	Educational	vendor amt	Health Professions
Student Taxpayer Identification Number Fee	Service	\$100	Student Financial Serv
Studio Card (24 hr. access)	Service	\$10	Kendall College
Studio Deposit	Service	\$103	Kendall College
Studio Space Rental (undergraduates)	Service	\$355	Kendall College
Study Abroad Program-semester long	Service	\$135	International Education
Study Away Fee	Educational	variable	Kendall College
Technology Fee	Educational	\$200	Kendall College
TOEFL	Educational	\$20	International Education
Transcript - Official	Service	\$5	Kendall College
Transcript - Official	Educational	\$5	Registrar
University Services	Recreational	\$45	Student Affairs
Unreturned/Damaged Equip-list on file ECDS	Service	variable	R&SS/ECDS
Unreturned/Damaged IT Equip-list on file KCAD	Service	variable	Kendall College
Wave Card (The Rapid bus pass) new or replacement	Service	vendor amt	Kendall College
YMCA Membership Fee	Recreational	\$160/\$360	Kendall College