

FERRIS STATE UNIVERSITY

2018-19 General Fund Operating Budget

Final Recommendation

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

October 2018



Prepared by:

Office of Budgetary Planning & Analysis

Phone: (231) 591-3823 | Email: budgetoffice@ferris.edu

2018-19 General Fund Operating Budget
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
 FY 2018-19 General Fund Operating Budget
 Final Recommendation**

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

Routine Contract Approvals – 2018-2019

The recommended general fund operating budget supports a number of routine annual contract renewals.
No additional Board action is required for these items.

Recurring Contract	Current Provider	FY2017 Approved Amount	FY2017 Actual Spending	FY2018 Approved Amount	FY2019 Request Amount
General Fund Areas					
Advance Pharmacy Practice Exp	Several Vendors	\$461,300	\$328,620	\$427,700	\$429,929
Aircuity Controls Services*	Quality Air Inc.	—	—	\$30,000	\$30,000
Board of Trustees Legal Counsel	Mika, Meyer, Beckett and Jones	\$60,000	\$36,108	\$70,000	\$60,000
Chiller Preventative Maintenance*	Trane West Michigan	—	—	\$45,000	\$45,000
Consumable Office Supplies	Staples	\$550,000	\$365,710	\$550,000	\$500,000
Economic Development	Mecosta County Develop Corp	\$25,000	\$25,000	\$25,000	\$25,000
Electronic Recruitment & Mktg	TargetX/Sales Force	\$108,000	\$110,058	\$112,000	\$120,000
Employment Screening Services	Certified Background Check	\$25,000	\$8,343	\$15,000	\$15,000
External Auditors	Andrews Hopper Pavlik PLC	\$70,800	\$68,800	\$75,000	\$75,000
External Lobbyist	Manny Lentine, Inc	\$50,000	\$50,000	\$50,000	\$50,000
Fire Life Safety Insp & Testing**	Simplex	\$100,000	\$108,139	\$100,000	\$100,000
HVAC Prevent Main & Serv - Kendall	Dyken Mechanical, Inc.	\$85,000	\$53,721	\$80,000	\$55,500
Internal Auditors	Rehmann Group	\$45,000	\$53,044	\$45,000	\$45,000
Investment Advisors	Ellwood Associates	\$87,000	\$63,724	\$90,000	\$105,000
Landscaped Mgmt & Serv - Kendall	Various – Per Bids	\$45,000	\$28,521	\$22,000	\$32,000
Library Acquisitions	Several Vendors	\$1,212,750	\$982,237	\$1,212,750	\$1,212,750
Library Acquisitions – Kendall	Several Vendors	\$70,000	\$42,660	\$47,370	\$78,500
Marketing Representative – BR	Michael Waters	\$180,000	\$191,267	\$180,000	\$180,000
Marketing Representative – EIO	Michael Waters	\$280,000	\$98,780	\$150,000	\$150,000
Microsoft Licensing	Various – Per Bids	\$115,000	\$108,361	\$100,000	\$117,030
Microsoft Premium Support Services	Microsoft	\$41,666	\$41,666	\$43,225	\$50,370
Roof Preventative Maintenance**	Thomas Krum Consulting	\$100,000	\$106,976	\$100,000	\$100,000
Sign Language Interpreter	Several Vendors	\$260,000	\$185,108	\$260,000	\$260,000
Student Loan Collections Services	Outsourcing Solutions	\$170,000	\$132,819	\$170,000	\$170,000
Web Search Optimization	Peak Positions	\$60,000	\$60,000	\$60,000	\$60,000
Non-General Fund Areas (supported through self-generated funding)					
Academic Assessment Reports CSO	Creative Ed Solutions	\$35,000	\$34,367	\$35,000	\$35,000
Assessment Services Charter Acads	Northwest Evaluation Assoc	\$145,000	\$108,103	\$125,000	\$115,000
M.U.S.I.C Review-Charter Academies	Hylant Group	\$18,900	\$16,000	\$18,000	\$19,000
Oversight Software-Epicenter CSO	National Charter Schools Inst	\$39,900	\$38,450	\$38,000	\$40,000
Perf Center-Academics/Finance/CSO	National Charter Schools Inst	\$20,550	\$21,000	\$15,000	\$23,000
School Assessment & Evaluation CSO	National Charter Schools Inst	\$20,000	\$19,215	\$20,000	\$21,000
Special Edu Prog Analysis/Charter Acad*	Francis Young International	—	—	\$30,000	\$30,000
Teacher Cert Review-Charter Schools	Quality Perf Resource Group	\$32,500	\$29,900	\$32,500	\$35,000
Worksite Agreement – Dining	Hope Network West Michigan	\$170,520	\$122,369	\$130,000	\$130,000

* New to list:

Aircuity - Board approved 10/6/17, Res. 4a.5(ii)

Chiller Prevent - Board approved 10/6/17, Res. 4a.5(ii)

Special Edu Prog - Board approved 10/6/17, Res. 4a.5(i)

** Funding split between general and non-general fund.

Given these are estimates, approvals include authorization up to five percent over these amounts up to a \$10,000 variance on any individual item.



Student Services/Supply Fees 2018-2019

The list contains fees strictly for students as the primary customer.

2018-2019 Additions/Changes

FEE TYPE	DESCRIPTION	AMOUNT	FREQUENCY	COLLEGE/DEPART	REFUNDABLE	FOAP	ORG NAME	EFF. DATE
Service	App Processing Fee-Crim Background Check	\$25	as needed	Admissions	no	10000-61100-5219-556	Admissions	Jun-07
Recreational	Replacement of Lost Items	variable	as needed	Athletics	no	10000-51600-550	General Athletics	
Service	Health Center Fee	\$47	per semester	Birkam Health Center	yes	X30223-62900-900	Health Center	Jun-07
Educational	Resp. Care Credentialing Exam Review Fee	vendor amt	as needed	Health Professions	no	10000-32102-152	Respiratory Care	Jan-09
Educational	Kaplan Exam	vendor amt	per semester	Health Professions	no	10000-32202-164	Nursing-BSN	Jul-12
Service	Health Insurance - Int'l Students - Fall/Sp	vendor amt	per semester	International Education	no	Variable	International Student	Jul-13
Service	Health Insurance - Int'l Students - Summer	vendor amt	per semester	International Education	no	Variable	International Student	Jul-13
Educational	Int'l Student Application Fee	\$30	once	International Education	no	10000-31502-5218-556	OIE Recruiting	Apr-16
Service	New Int'l Student Orientation	\$85	once	International Education	yes	10000-31500-446	Office of Int'l Education	May-00
Service	Study Abroad Program-semester long	\$135	as needed	International Education	no	D11248-31503-446	Study Abroad Development	Jun-07
Educational	TOEFL	\$20	as needed	International Education	no	10000-31501-115	OIE Student Services	May-00
Educational	Digital Resource Fee	\$108	per class	Kendall College	no	10100-92251-5213-110	Digital Resource Fee	
Educational	Fire Up Student Teacher Conference Fee	variable	as needed	Kendall College	no	10100-92190	KCAD Art Education	May-18
Service	Enrollment Deposit (Kendall)	\$150	once	Kendall College	no	10002-2530	New Admit Enroll Dep	Dec-08
Service	Unreturned/Damaged IT Equip.-list on file KCAD	variable	as needed	Kendall College	no	10100-92440-5228-444	KCAD Info Tech Academic	Apr-16
Educational	3D Studio Course Fee (Sculpture & Functional Art)	\$94	per class	Kendall College	no	10100-92231-5213-110	3D Studio Fee	Jul-14
Educational	Application Fee (Int'l Stu App Fee)	\$30	once	Kendall College	no	10100-92000-5218-990	Kendall Revenue	Apr-16
Educational	Fashion Studies Studio Fee	\$175	per class	Kendall College	no	10100-92281-5213-110	Fashion Studies Studio Fee	Jul-14
Service	Fee-Student Life	\$20	per semester	Kendall College	no	10100-92505-5219-552	Student Life	Jul-13
Service	Locker Fee (\$15 deposit, returned unless damaged) \$30 annual	\$45	per year	Kendall College	no	10100-92000-5769-990	Kendall Revenue	Jul-01
Educational	Metals/Jewelry Course Fee	\$135	per class	Kendall College	no	10100-92151-5213-110	Metals/Jewelry Course	Jul-14
Educational	Model Fee	\$93	per class	Kendall College	no	10100-92401-5213-110	Model Fee	Jul-14
Educational	Orientation Fee (Kendall)	\$55	once	Kendall College	no	10100-92507-5714-990	Kendall Revenue	Jul-15
Educational	Photography Course Fee	\$83	per class	Kendall College	no	10100-92241-5213-990	Photography Course Fee	Apr-16
Educational	Print Management Fee	\$108	per class	Kendall College	no	10100-92000-5213-990	Kendall Revenue	Jul-14
Educational	Printmaking Course Fee	\$149	per class	Kendall College	no	10100-92291-5213-110	Printmaking Course Fee	Jul-14
Service	Studio Card (24 hr. access)	\$10	once	Kendall College	no	10100-92617-5714-771	Studio Space Rental	Jul-01
Service	Studio Deposit	\$103	once	Kendall College	no	10100-92617-5714-771	Studio Space Rental	Jul-14
Service	Studio Space Rental (undergraduates)	\$355	per semester	Kendall College	no	10100-92617-5714-771	Studio Space Rental	Jul-14
Educational	Study Away Fee (KCAD)	variable	per class	Kendall College	no	11241-92550-5714-199	KCAD Study Abroad	May-02
Educational	Technology Fee	\$175	per semester	Kendall College	no	10100-92440-5229-444	Fee Technology	Jul-14
Service	Transcript - Official	\$5	per copy	Kendall College	no	10100-92000-5231-990	Kendall Revenue	Jul-09
Recreational	YMCA Membership Fee	\$160/\$360	as needed	Kendall College	no	10100-92603-7116-662	YMCA Membership	Jul-14
Service	Fines - List on File at Library	variable	as needed	Library	no	30228-44000-900	Library Revolving	
Educational	Alcohol Education Class	\$100	as needed	Office of Student Conduct	no	10000-62200-551	Office of Student Conduct	Aug-01
Educational	Drug Education Class	\$100	as needed	Office of Student Conduct	no	10000-62200-551	Office of Student Conduct	Aug-99
Educational	Harm Reduction Program	\$200	as needed	Office of Student Conduct	no	10000-62200-551	Office of Student Conduct	Aug-01
Educational	Nicotine 101 Class	\$80	as needed	Office of Student Conduct	no	10000-62200-5714-551	Office of Student Conduct	Apr-17



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2018-2019 Additions/Changes

FEE TYPE	DESCRIPTION	AMOUNT	FREQUENCY	COLLEGE/DEPART	REFUNDABLE	FOAP	ORG NAME	EFF. DATE
Service	Advance Enrollment Deposit	\$500	once	Optometry	no	10000-10000 5118	On Campus Tuition	Apr-16
Educational	Golf Course Fee/PGM Students	\$110	semester-Fall	P G M	no	30222-51400-900	Golf Course	May-18
Educational	Golf Course Fee/PGM Students	\$110	semester-Spring	P G M	no	30222-51400-900	Golf Course	May-18
Educational	Golf Course Fee/PGM Students	\$110	semester-Summer	P G M	no	30222-51400-900	Golf Course	May-18
Educational	PGA 2.0/3.0 Mandatory Associated Fees	vendor amt	per semester	P G M	no	D11856	Prof Golf Mgmt Training	Aug-18
Educational	PGA Playing Ability Test	\$200	per semester	P G M	no	D11856	Prof Golf Mgmt Training	Aug-13
Educational	PGA Student Affiliate Fee/PGM Students	\$50	academic year	P G M	no	D11856	Prof Golf Mgmt Training	Jul-11
Service	Advance Enrollment Deposit	\$200	once	Pharmacy	no	10000 10000 5120	On Campus Tuition	Aug-18
Educational	Informational & Experiential Support Fee	\$34	per semester	Pharmacy	no	G37000	Pharmacy Dean's Office	Apr-17
Educational	MTM Elective, Medication Mgt Therapy (certification)	vendor amt	per class	Pharmacy	no	G37000	Pharmacy Dean's Office	May-18
Educational	ACLS Advanced Cardiac Life Support (certification)	vendor amt	per class	Pharmacy	no	G37000	Pharmacy Dean's Office	May-18
Educational	NACDS Innovations in Pharmacy (certification)	vendor amt	per class	Pharmacy	no	G37000	Pharmacy Dean's Office	May-18
Educational	Nursing Methods 1-5, Shadow Health & Lippincott vSim	vendor amt	per class	Nursing	no	G32202	Nursing-BSN	May-18
Service	Parking Permit Fee (Fall, Spring & Summer)	\$100	per year	Public Safety	no	10000-57000-5753-664	Public Safety	Jul-10
Service	Preliminary Breath Test and Tube Fee	\$5	as needed	Public Safety	no	10000-57000-5714-664	Public Safety	Jul-09
Recreational	Racquet Facility Fee	\$13	per semester	Racquet & Fitness Club	yes	X30235-51200-900	Racquet Club	Jul-03
Educational	Transcript - Official	\$5	per copy	Registrar	no	11577-61200-662	Registrar Transcript	Mar-99
Service	Contract Guarantee Deposit	\$200	as needed	Residential Life	yes	X51902-30000-991	Housing & Res Life	
Service	Housing Forfeiture Fee	\$200	as needed	Residential Life	no	X51902-30000-991	Housing & Res Life	
Educational	APL - Credit Award Fee	\$50	as needed	RSS	no	11658-43000-554	RSS	Jul-00
Educational	APL - Portfolio Review Fee	\$250	as needed	RSS	no	11658-43000-554	RSS	Jul-00
Educational	APL - Pre-Assessment Fee	\$65	as needed	RSS	no	11658-43000-554	RSS	Jul-00
Educational	Student Activity Fee	\$20	per semester	Student Affairs	yes	11590-62602-551	Student Activity Fee	Jul-00
Educational	Student Government Fee	\$1	per semester	Student Affairs	yes	30200-60003-900	Associated Student Gov't	Jul-03
Service	* 2% Late Payment Fee-FSU & KCAD (Stu Finc Serv-25%)	variable	as needed	Student Financial Serv	no	10000-56200-662	Student Financial Services	Jul-02
Service	* 2% Late Payment Fee-FSU & KCAD (Tuition-75%)	variable	as needed	Student Financial Serv	no	10000-10020-990	General Fund Revenue	Jul-02
Service	Bad Check Fee on Tuition	\$25	as needed	Student Financial Serv	no	10033-1605	Student Financial Services	
Service	Employer- Paid Tuition Proc	\$35	as needed	Student Financial Serv	no	10000-10005-990	Grand Rapids Tuition	Jul-04
Service	Late Registration Fee	\$100	as needed	Student Financial Serv	no	10000-10020-990	General Fund Revenue	
Service	On-line Learning Fee	\$12	per credit hour	Student Financial Serv	no	10000-10000-5221-990	Tuition	Jul-18
Service	Orientation Fee (Ferris)	\$80	once	Student Financial Serv	no	11593-60002-556	Orientation	Jul-10
Service	**Payment Plan Fee (Stu Finc Serv-50%)	\$30	per semester	Student Financial Serv	no	10000-56200-662	Student Financial Services	Jul-08
Service	**Payment Plan Fee (Tuition-50%)	\$30	per semester	Student Financial Serv	no	10000-10020-990	General Fund Revenue	Jul-08
Service	Student Taxpayer Identification Number Fee	\$100	as needed	Student Financial Serv	no	11697-56200-5219-662	Taxpayer ID Number Fee	Jul-14
Educational	ACCUPLACER Fee	vendor amt		Testing	no	11581-61401-5727-554	Accuplacer	Apr-16
Educational	ACT	vendor amt	once	Testing	no	11578-61401-554	ACT Testing Account	Jul-01
Educational	CLEP	\$25	as needed	Testing	no	11580-61401-554	CLEP Testing	Jul-04
Educational	Proficiency Exams	\$25	per credit hour	Per College	no	11579-61401-554	Classroom Prof Exam	
Service	Convenience Fee (Student Financial Serv)	variable	as needed	Third Party Collection	no	Vendor charges for this fee	N/A	Jul-10
Recreational	List on File at Rec Ctr	variable	as needed	University Recreation	no	11186-62000-552	Intramural Development	

* 2% Late Payment Fee (Student Financial Services) will split between Tuition Account (75%) and Student Financial Services Account (25%)

**\$30 Payment Plan Fee will split between Tuition Account (50%) and Student Financial Services (50%)