

# FERRIS STATE UNIVERSITY

FERRIS FORWARD

## Fiscal 2022-23 General Fund Final Operating Budget

*Approved by the Board of Trustees October 7, 2022*



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Ferris State University  
Fiscal 2022-23 General Fund  
Final Operating Budget

October 7, 2022

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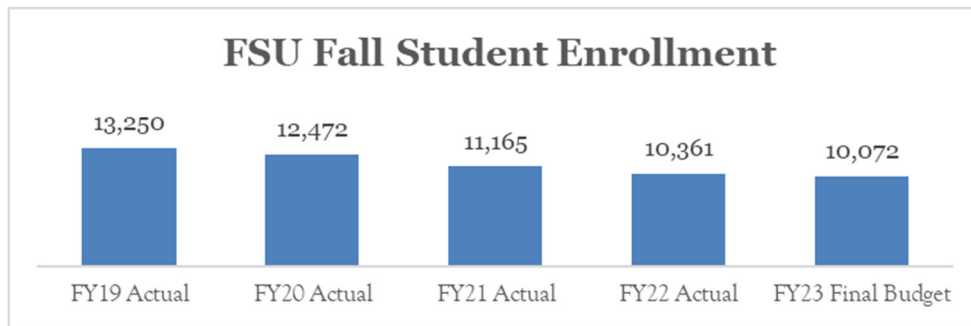
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**Ferris State University  
Fiscal 2022-23 General Fund Operating Budget  
Final Recommendation  
October 7, 2022**

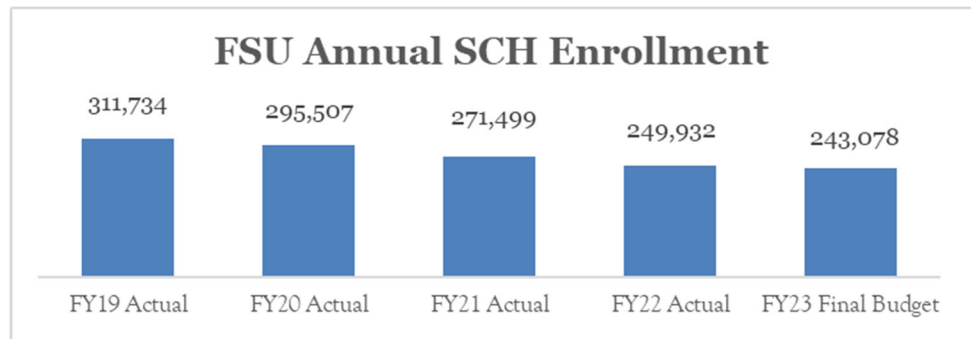
The University general fund operating budget is submitted for approval by the Board of Trustees in two stages. A preliminary budget is recommended in the spring to establish tuition rates and base operating support levels for the new fiscal year which begins on July 1. In the fall, when enrollment and 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**

Student enrollment is the main building block for the general fund budget. Fall 2022 semester has 10,072 students, or an overall reduction of 289 students (-2.8%) from last year. Changes by campus location: Big Rapids +0.6%, on-line -11.3%, regional/statewide -15.6%, and Kendall -10.3%. June’s Preliminary FY23 Budget assumed student enrollment of 9,625.



Tuition revenue is based upon Semester Credit Hours (SCH). Total projected annual student credit hour enrollment is 243,078. SCH’s have declined by 2.7% since FY22, but are 3.3% better than June’s Preliminary FY23 Budget projection of 235,290.



## General Fund Revenue Budget

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

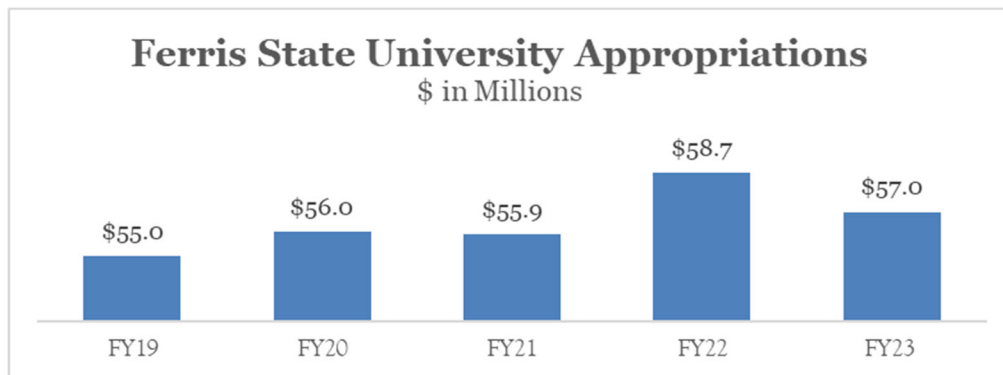
### State Appropriations

This operating budget reflects the state appropriation passed by the House and Senate on June 30, 2022 and approved by Governor Whitmer on July 14, 2022.

For the current year (FY 2022-23) Ferris received a 2% increase in base operating support. There is neither a one-time supplemental appropriation, nor Maintenance of Effort (MOE) distribution. With the elimination of last year's one-time supplemental appropriation, the overall effect is a 3% reduction in state appropriations from FY 2021-22.

Additionally, the legislature is eliminating nearly 50% of our MPSERS debt, which is expected to save the university \$4.6M in expenses, thereby offsetting the impact of lower appropriations revenue.

State Appropriation	
2022 State Appropriation	\$58,700,000
2023 State Appropriation	\$56,952,900
Increase/(Decrease)	(\$1,747,100)



## Tuition and Fee Revenue

In June, the Board approved an average 3.2% undergraduate tuition increase: 2.6% for lower division and 3.7% for upper division. Graduate level and above tuition increased by 3.6%, resulting in an overall average tuition increase of 3.7%. The FY23 approved tuition rates are appended to end of this document.

The approved 2022-23 tuition rates are lower than the State's undergraduate tuition restraint limit of 5.0% or \$722 (whichever is greater) while addressing fixed and contractual cost increases in Salaries, Benefits and Utilities. \$6.5 million in budget reductions, primarily in Compensation, have enabled a balanced budget with this tuition increase.

The approved tuition rates applied to the estimated enrollment level will yield annual tuition and fee revenue of \$133.8 million; flat with the FY22 revenue level.

Tuition and Fee Revenue (in Millions)	FY22 Approved	FY23 Final	\$ Change	% Change
Ferris	\$122.0	\$122.9	\$0.9	0.7%
Kendall	\$11.9	\$11.3	(\$0.6)	-5.1%
<b>Total Tuition</b>	<b>\$133.9</b>	<b>\$134.1</b>	<b>\$0.3</b>	<b>0.2%</b>

## Other Revenues

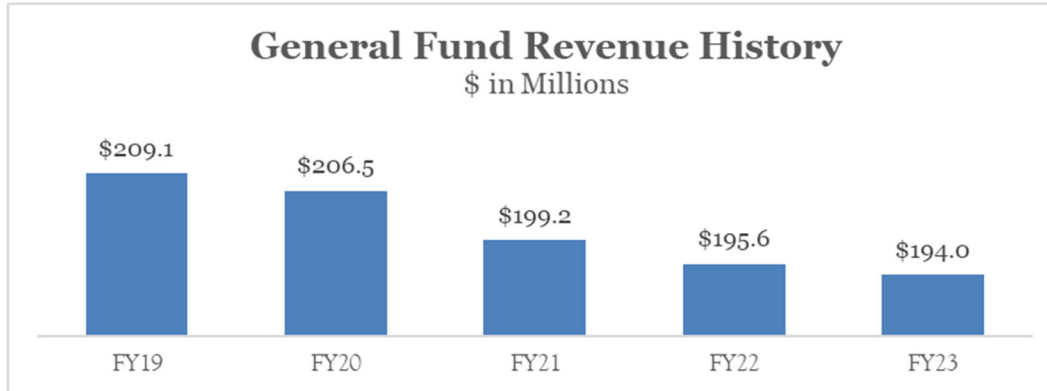
Other revenues for FY23 are nearly flat with FY22 levels, changing by \$100K in Departmental Income - Parking Revenue due to more on-line students and fewer on-campus students.

Other Revenue (in Millions)	FY22 Approved	FY23 Final	\$ Change	% Change
Investment Income	\$1.2	\$1.2	\$0.0	0.0%
Departmental Income	\$1.8	\$1.7	(\$0.1)	-4.4%
<b>Total Other Revenue</b>	<b>\$3.0</b>	<b>\$2.9</b>	<b>(\$0.1)</b>	<b>-2.7%</b>

## FY 2022-23 Revenue Summary

The final budget reflects an overall revenue reduction of \$1.8M which is the net result of a \$1.74 million reduction in state appropriations and a decrease in other revenue of \$100K.

Revenue Summary (in Millions)	FY22 Approved	FY23 Final	\$ Change	% Change
State Appropriation	\$58.7	\$57.0	(\$1.7)	-3.0%
Tuition and Fees	\$133.9	\$134.1	\$0.3	0.2%
Other Revenues	\$3.0	\$2.9	(\$0.1)	-2.7%
<b>Total Revenue</b>	<b>\$195.6</b>	<b>\$194.0</b>	<b>(\$1.6)</b>	<b>-0.8%</b>



## General Fund Expense Budget

### Compensation Expenses

Compensation includes annual salary increases for faculty and staff, based on labor contracts where applicable, averaging 2%. Benefits have increased an average of 0.5% over FY22. The decline in compensation expense from prior year is due to position reductions and changes.

Compensation (in Millions)	FY22 Approved	FY23 Final	\$ Change	% Change
Salary	\$94.6	\$95.1	\$0.5	0.5%
Benefits	\$41.9	\$37.6	(\$4.3)	-10.2%
<b>Total Compensation</b>	<b>\$136.5</b>	<b>\$132.7</b>	<b>(\$3.8)</b>	<b>-2.8%</b>

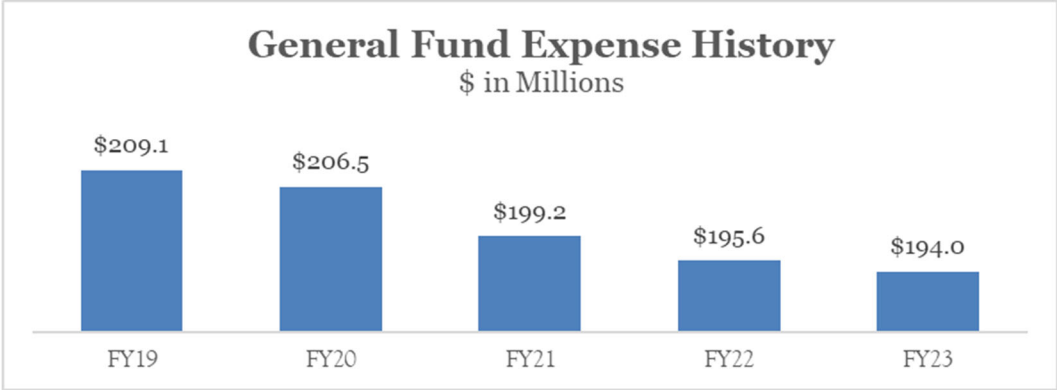
### Operating Expenses

Overall Operating Expenses have been reduced by 1%. Supply expense reductions offset inflationary cost increases in utilities.

Operating Expenses (in Millions)	FY22 Approved	FY23 Final	\$ Change	% Change
Supply and Expense	\$21.5	\$23.2	\$1.6	7.6%
Utilities	\$4.3	\$4.4	\$0.2	3.5%
Debt Service	\$6.5	\$6.5	\$0.0	0.0%
Equipment	\$0.3	\$0.3	\$0.0	0.0%
<b>Total Operating</b>	<b>\$32.6</b>	<b>\$34.4</b>	<b>\$1.8</b>	<b>5.5%</b>

**FY 23 General Fund Expense Summary and 5-Year History**

<b>General Fund Expenses (in Millions)</b>	<b>FY22 Approved</b>	<b>FY23 Final</b>	<b>\$ Change</b>	<b>% Change</b>
Compensation	\$136.5	\$132.7	(\$3.8)	-2.8%
Operating Expenses	\$32.6	\$34.4	\$1.8	5.5%
Scholarship Base Funding	\$26.5	\$26.9	\$0.4	1.7%
<b>Total Operating</b>	<b>\$195.6</b>	<b>\$194.0</b>	<b>(\$1.6)</b>	<b>-0.8%</b>



## FY 2022-23 General Fund Operating Budget – Total University

Ferris State University Total

FY 2022-23 Final General Fund Operating Budget Recommendation

	FY22 Approved	FY23 Final	Change from FY22 Approved	
			Amount	%
<b>Revenue</b>				
State Appropriation	\$58,700,000	\$56,952,900	-\$1,747,100	-3.0%
Tuition	\$133,471,657	\$133,741,854	\$270,197	0.2%
Student Fees	\$402,941	\$386,823	-\$16,118	-4.0%
Investment Income	\$1,200,000	\$1,200,000	\$0	0.0%
Departmental Activities	\$1,828,573	\$1,748,136	-\$80,437	-4.4%
<b>Total Revenue</b>	<b>\$195,603,171</b>	<b>\$194,029,713</b>	<b>-\$1,573,458</b>	<b>-0.8%</b>
<b>Expenses</b>				
<b>Compensation</b>				
Salaries	\$94,600,639	\$95,081,387	\$480,748	0.5%
Benefits	\$41,895,138	\$37,601,235	-\$4,293,903	-10.2%
<b>Total Compensation</b>	<b>\$136,495,777</b>	<b>\$132,682,622</b>	<b>-\$3,813,155</b>	<b>-2.8%</b>
<b>Operating Support</b>				
Supply and Expense	\$21,532,730	\$23,177,113	\$1,644,383	7.6%
Utilities	\$4,275,308	\$4,426,147	\$150,839	3.5%
Debt Service	\$6,525,000	\$6,525,000	\$0	0.0%
Equipment	\$285,324	\$285,324	\$0	0.0%
<b>Total Operating Support</b>	<b>\$32,618,362</b>	<b>\$34,413,585</b>	<b>\$1,795,223</b>	<b>5.5%</b>
<b>Student Assistance</b>				
Total Funding	\$27,719,099	\$27,780,363	\$61,264	0.2%
One-Time Funding	-\$1,230,067	-\$846,857	\$383,210	-31.2%
<b>Base Funding</b>	<b>\$26,489,032</b>	<b>\$26,933,506</b>	<b>\$444,474</b>	<b>1.7%</b>
<b>Reductions</b>				
Net Budget Reductions Requir	\$0	\$0	\$0	0.0%
<b>Total Reductions</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total Expenses</b>	<b>\$195,603,171</b>	<b>\$194,029,713</b>	<b>-\$1,573,458</b>	<b>-0.8%</b>
<b>Net of Revenue/Expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	



## FY 2022-23 General Fund Operating Budget – By Campus

Ferris State University Total

FY 2022-23 Final General Fund Operating Budget Recommendation

	Ferris	Kendall	Total
<b>Revenue</b>			
State Appropriation	\$56,952,900	\$0	\$56,952,900
Tuition	\$122,872,487	\$10,869,367	\$133,741,854
Student Fees	\$0	\$386,823	\$386,823
Investment Income	\$1,200,000	\$0	\$1,200,000
Departmental Activities	\$1,684,475	\$63,661	\$1,748,136
<b>Total Revenue</b>	<b>\$182,709,862</b>	<b>\$11,319,851</b>	<b>\$194,029,713</b>
<b>Expenses</b>			
<b>Compensation</b>			
Salaries	\$89,399,520	\$5,681,867	\$95,081,387
Benefits	\$35,550,055	\$2,051,180	\$37,601,235
<b>Total Compensation</b>	<b>\$124,949,575</b>	<b>\$7,733,047</b>	<b>\$132,682,622</b>
<b>Operating Support</b>			
Supply and Expense	\$23,177,113	\$0	\$23,177,113
Utilities	\$3,901,147	\$525,000	\$4,426,147
Debt Service	\$5,025,000	\$1,500,000	\$6,525,000
Equipment	\$285,324	\$0	\$285,324
<b>Total Operating Support</b>	<b>\$32,388,585</b>	<b>\$2,025,000</b>	<b>\$34,413,585</b>
<b>Student Assistance</b>			
Total Funding	\$26,218,559	\$1,561,805	\$27,780,363
One-Time Funding	(\$846,857)	\$0	(\$846,857)
<b>Base General Funding</b>	<b>\$25,371,702</b>	<b>\$1,561,805</b>	<b>\$26,933,506</b>
<b>Total Expenses</b>	<b>\$182,709,862</b>	<b>\$11,319,851</b>	<b>\$194,029,713</b>
<b>Net of Revenue/Expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# **Appendix**

## **Tuition Rates 2022-23**

## Tuition Rates 2022-23

The following schedule details the 2022-23 tuition rates (per credit hour) approved by the Board of Trustees on June 21, 2022.

Student Type	2022-23
<b>Ferris Undergraduate - Lower Division</b>	
US & Canada	\$467
International	\$765
<b>Ferris Undergraduate - Upper Division</b>	
US & Canada	\$505
International	\$815
<b>Ferris Graduate</b>	
US & Canada	\$711
International	\$1,072
<b>Ferris Doctoral</b>	
All Resident Types	\$805
<b>Ferris Optometry</b>	
All Resident Types	\$906
<b>Ferris Pharmacy</b>	
All Resident Types	\$935
<b>Kendall Studio</b>	
US & Canada	\$1,081
International	\$1,731
<b>Kendall Gen Ed - Lower Division</b>	
US & Canada	\$467
International	\$765
<b>Kendall Gen Ed - Upper Division</b>	
US & Canada	\$505
International	\$815
<b>Kendall Graduate</b>	
All Resident Types - MArch/MA/MAVCS/MFA	\$1,211
US & Canada - MBA/Certificate	\$711
International - MBA/Certificate	\$1,072
<b>Ferris Concurrent &amp; Dual - All Resident Types</b>	
Ferris Concurrent	\$149
Ferris Dual Enrollment	\$298
<b>Kendall Concurrent &amp; Dual - All Resident Types</b>	
Kendall Concurrent - Studio & Gen Ed	\$149
Kendall Dual Enrollment - Gen Ed	\$298
Kendall Dual Enrollment - Studio	\$315