

# FERRIS STATE UNIVERSITY

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FERRIS FORWARD

## **Preliminary Fiscal 2022-23 General Fund Operating Budget Recommendation**

**June 21, 2022**

*Approved by the Board of Trustees Tuesday, June 21, 2022*



*Prepared by:*  
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Ferris State University  
Preliminary Fiscal 2022-23 General Fund  
Operating Budget Recommendation

June 21, 2022

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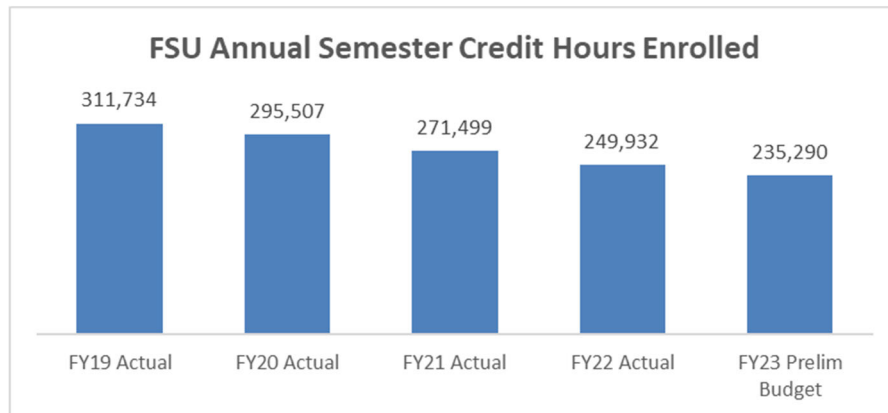
**Ferris State University  
Fiscal 2022-23 General Fund Operating Budget  
Preliminary Recommendation  
June 21, 2022**

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.

**Student Enrollment and Semester Credit Hours**

The major driver to the general fund budget is student enrollment. Enrollment Services office projections for next fall reflect an estimated 9,625 students, or an overall reduction of 7% from last year. Reductions by campus location: Big Rapids 6%, on-line 11%, regional/statewide 12%, and Kendall 7%.

Tuition revenue is determined by Semester Credit Hours (SCH). Total projected annual student credit hour enrollment is 235,290, which is a 5.9% decline over FY22: actual summer SCH's are 1% less than last year. Fall 2022 is projected at 5.5% less than fall 2021, and Spring assumes a fall retention rate of 90%.



**State Funding**

At this time, State funding for Michigan public universities has not been finalized.

- The Executive budget recommendation for higher education includes a 5% base increase and a 5% one-time increase.
- The Senate recommendation includes 5.5% increases for both base and one-time increases, as well as one-time funding to reduce our MPERS (Michigan Public School Employees' Retirement System) obligation.

- The House proposal includes one-time funding for MPSERS but does not include base or one-time supplemental increases.

The following chart reflects legislative recommendations to date:

<b>Component</b>	<b>Executive</b>	<b>Senate</b>	<b>House</b>
Operations	5% Base 5% One-Time	5.5% Base 5.5% One-Time MPSERS reduction	0% Base 0% One-Time MPSERS reduction
Tuition Restraint	5.0% / \$722	5.0% / \$722	4.4% / \$636

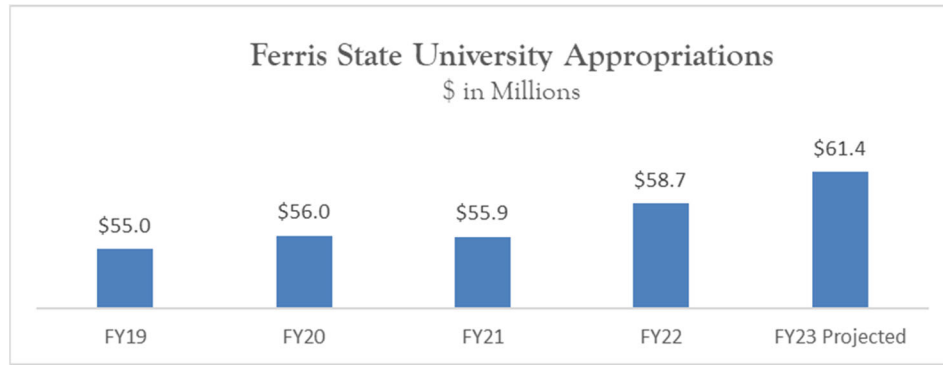
Legislative budgets have been moved out of the subcommittees but have not been considered by the Conference Appropriations Committee. For purposes of this preliminary budget recommendation, we’ve assumed a 5% base increase and 5% one-time supplemental increase.

Ferris State University estimates its total MPSERS debt in excess of \$118M, of which the FY23 payment will be \$11.5M. The MPSERS payment is included in the budget. If the state provides an appropriation to retire the MPSERS debt, the University will still be required to make annual payments for current MPSERS employees (approximately \$3M). It’s estimated that a State appropriation reducing the MPSERS debt would potentially free-up \$8.5M in base funding for the university. This budget recommendation does not assume retirement of the University’s MPSERS debt.

It is always the budget approach at Ferris State University to present a balanced budget to the Board of Trustees. This balanced budget is formulated on the concept of only using base funding for ongoing commitments.

To qualify for federal stimulus funds, which have already been distributed to public schools, the State must meet a Maintenance of Effort (MOE) for higher education. This would result in another \$2.5M for FSU for the FY22 budget. At this point the legislature has not approved this action.

<b>State Appropriation</b>	
Current 2022 State Appropriation	\$58,700,000
Projected 2023 State Appropriation	\$61,354,950
Increase/(Decrease)	\$2,654,950



This year’s State appropriation cycle is not complete. Any budget adjustments resulting from the State’s final approved appropriation or changes in enrollment from these projections will be reflected in this Fall’s final budget recommendation.

### Tuition and Fees

The proposed 2022-23 tuition rates are lower than the predicted undergraduate State tuition restraint limits of 4.4% - 5.0%, 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 recommendation with this tuition increase.

The University is recommending an average 3.2% undergraduate tuition increase (2.6% lower division; 3.7% upper division). The greater increase for upper division tuition rates reflects the higher cost of delivering upper division instruction.

The following schedule details recommended 2022-23 tuition rates.

Student Type	Current Year 2021-22	Proposed 2022-23	Change	
			\$	%
<b>Ferris Undergraduate - Lower Division</b>				
US & Canada	\$455	\$467	\$12	2.6%
International	\$734	\$765	\$31	4.2%
<b>Ferris Undergraduate - Upper Division</b>				
US & Canada	\$487	\$505	\$18	3.7%
International	\$783	\$815	\$32	4.1%
<b>Ferris Graduate</b>				
US & Canada	\$686	\$711	\$25	3.6%
International	\$1,030	\$1,072	\$42	4.1%

Student Type	Current Year 2021-22	Proposed 2022-23	Change	
			\$	%
<b>Ferris Doctoral</b>				
All Resident Types	\$776	\$805	\$29	3.7%
<b>Ferris Optometry</b>				
All Resident Types	\$874	\$906	\$32	3.7%
<b>Ferris Pharmacy</b>				
All Resident Types	\$902	\$935	\$33	3.7%
<b>Kendall Studio</b>				
US & Canada	\$1,042	\$1,081	\$39	3.7%
International	\$1,661	\$1,731	\$70	4.2%
<b>Kendall Gen Ed - Lower Division</b>				
US & Canada	\$455	\$467	\$12	2.6%
International	\$734	\$765	\$31	4.2%
<b>Kendall Gen Ed - Upper Division</b>				
US & Canada	\$487	\$505	\$18	3.7%
International	\$783	\$815	\$32	4.1%
<b>Kendall Graduate</b>				
MArch/MA/MAVCS/MFA -All Resident Types	\$1,168	\$1,211	\$43	3.7%
MBA/Certificate - US & Canada	\$686	\$711	\$25	3.6%
MBA/Certificate - International	\$1,030	\$1,072	\$42	4.1%
<b>Ferris Concurrent &amp; Dual - All Resident Types</b>				
Ferris Concurrent	\$145	\$149	\$4	2.8%
Ferris Dual Enrollment	\$290	\$298	\$8	2.8%
<b>Kendall Concurrent &amp; Dual - All Resident Types</b>				
Kendall Concurrent - Studio & Gen Ed	\$145	\$149	\$4	2.8%
Kendall Dual Enrollment - Gen Ed	\$290	\$298	\$8	2.8%
Kendall Dual Enrollment - Studio	\$307	\$315	\$8	2.6%

## Tuition and Fee Revenue

The recommended tuition rates applied to the estimated enrollment level will yield tuition and fee revenue of \$131.4 million, down \$2.5 million from the FY22 revenue level. Lower enrollment is the reason for the tuition revenue decline.

Tuition and Fee Revenue (in Millions)	FY22 Approved	FY23 Preliminary	Change
Ferris	\$122.0	\$120.1	(\$1.9)
Kendall	\$11.9	\$11.3	(\$0.5)
<b>Total Tuition</b>	<b>\$133.9</b>	<b>\$131.4</b>	<b>(\$2.5)</b>

## Other Revenues

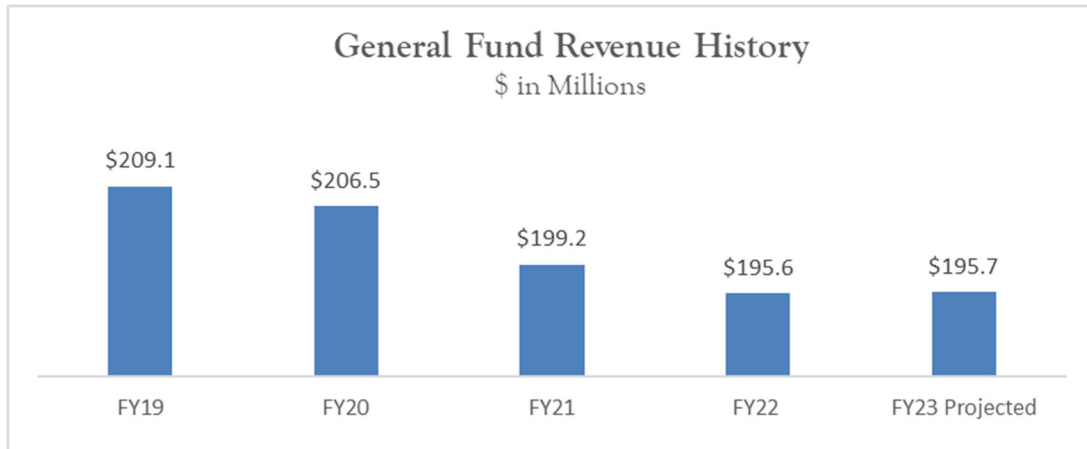
Other revenues for FY23 are flat with FY22 levels, changing by \$100K in Departmental Income - Parking Revenue.

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

## FY 2022-23 Revenue Summary

The preliminary budget recommendation reflects an overall revenue change of \$100K. One-time supplemental state appropriations are used to offset a projected deficit of \$2M for Kendall in FY23.

Revenue Summary (in Millions)	FY22 Approved	FY23 Preliminary	Change
State Appropriation	\$58.7	\$61.4	\$2.7
Tuition and Fees	\$133.9	\$131.4	(\$2.5)
Other Revenues	\$3.0	\$2.9	(\$0.1)
<b>Total Revenue</b>	<b>\$195.6</b>	<b>\$195.7</b>	<b>\$0.1</b>



### Compensation Expense

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 budget reductions necessary for balancing the FY23 budget.

Compensation (in Millions)	FY22 Approved	FY23 Preliminary	Change
Salary	\$94.6	\$94.4	(\$0.2)
Benefits	\$41.9	\$42.1	\$0.2
<b>Total Compensation</b>	<b>\$136.5</b>	<b>\$136.4</b>	<b>(\$0.1)</b>

### Operating Expenses

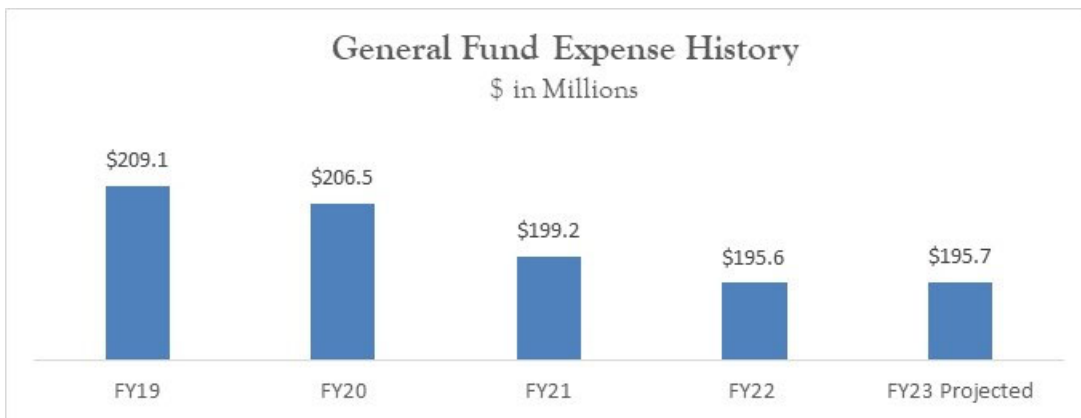
Overall Operating Expenses have been reduced by 1%. Supply expense reductions offset inflationary increases in utility expenses.

Operating Expenses (in Millions)	FY22 Approved	FY23 Preliminary	Change
Supply and Expense	\$21.5	\$21.0	(\$0.5)
Utilities	\$4.3	\$4.4	\$0.2
Debt Service	\$6.5	\$6.5	\$0.0
Equipment	\$0.3	\$0.3	\$0.0
<b>Total Operating</b>	<b>\$32.6</b>	<b>\$32.3</b>	<b>(\$0.3)</b>



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

General Fund Expenses (in Millions)	FY22 Approved	FY23 Preliminary	Change
Compensation	\$136.5	\$136.4	(\$0.1)
Operating Expenses	\$32.6	\$32.3	(\$0.3)
Scholarship Base Funding	\$26.5	\$27.0	\$0.5
<b>Total Operating</b>	<b>\$195.6</b>	<b>\$195.7</b>	<b>\$0.1</b>



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

Ferris State University Total

FY 2022-23 Preliminary General Fund Operating Budget Recommendation

	FY22 Approved	FY23 Preliminary	Change from FY22 Approved	
			Amount	%
<b>Revenue</b>				
State Appropriation	\$58,700,000	\$61,354,950	\$2,654,950	4.5%
Tuition	\$133,471,657	\$131,009,991	-\$2,461,666	-1.8%
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>\$195,699,900</b>	<b>\$96,729</b>	<b>0.0%</b>
<b>Expenses</b>				
<b>Compensation</b>				
Salaries	\$94,600,639	\$94,383,779	-\$216,860	-0.2%
Benefits	\$41,895,138	\$42,051,523	\$156,385	0.4%
<b>Total Compensation</b>	<b>\$136,495,777</b>	<b>\$136,435,302</b>	<b>-\$60,475</b>	<b>0.0%</b>
<b>Operating Support</b>				
Supply and Expense	\$21,532,730	\$21,048,546	-\$484,184	-2.2%
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>\$32,285,018</b>	<b>-\$333,344</b>	<b>-1.0%</b>
<b>Student Assistance</b>				
Total Funding	\$27,719,099	\$27,826,437	\$107,338	0.4%
One-Time Funding	-\$1,230,067	-\$846,857	\$383,210	-31.2%
<b>Base Funding</b>	<b>\$26,489,032</b>	<b>\$26,979,580</b>	<b>\$490,548</b>	<b>1.9%</b>
<b>Total Expenses</b>	<b>\$195,603,171</b>	<b>\$195,699,900</b>	<b>\$96,729</b>	<b>0.0%</b>
<b>Net of Revenue/Expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

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

### Ferris State University Total FY 2022-23 Preliminary General Fund Operating Budget Recommendation

	Ferris	Kendall	Total
<b>Revenue</b>			
State Appropriation	\$61,354,950	\$0	\$61,354,950
Tuition	\$120,071,318	\$10,938,673	\$131,009,991
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>\$184,310,743</b>	<b>\$11,389,157</b>	<b>\$195,699,900</b>
<b>Expenses</b>			
<b>Compensation</b>			
Salaries	\$88,615,406	\$5,768,373	\$94,383,779
Benefits	\$40,063,724	\$1,987,799	\$42,051,523
<b>Total Compensation</b>	<b>\$128,679,130</b>	<b>\$7,756,172</b>	<b>\$136,435,302</b>
<b>Operating Support</b>			
Supply and Expense	\$21,048,546	\$0	\$21,048,546
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>\$30,260,018</b>	<b>\$2,025,000</b>	<b>\$32,285,018</b>
<b>Student Assistance</b>			
Total Funding	\$26,218,452	\$1,607,985	\$27,826,437
One-Time Funding	(\$846,857)	\$0	(\$846,857)
<b>Base General Funding</b>	<b>\$25,371,595</b>	<b>\$1,607,985</b>	<b>\$26,979,580</b>
<b>Total Expenses</b>	<b>\$184,310,743</b>	<b>\$11,389,157</b>	<b>\$195,699,900</b>
<b>Net of Revenue/Expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

# **Appendices**

Routine Contracts 2022-23

Student Services/Supply Fees List 2022-23

# Routine Contracts 2022-23

## Routine Annual Contracts Greater than \$50,000

Fiscal Year 2023

Updated June 14, 2022

Responsible Department	Vendor	Description	FY22 Requested Amount	FY23 Requested Amount
A&F / IT	Adobe Acrobat	Adobe Product Licensing	\$ 84,000	\$ 160,000
A&F / HR	Advantage Benefits Group	Health Benefit Consulting	\$ 86,000	\$ 88,000
A&F	Andrews Hooper Pavlik PLC	External Auditors	\$ 80,000	\$ 85,000
Academic Affairs	Digital Measures by Watermark	Collect/Record Faculty Activity for Accred.	\$ 58,745	\$ 59,000
KCAD	DK Security	Security Services	\$ 175,000	\$ 180,000
A&F / FM	Elevator Services, Inc.	Elevator Testing/Repairs	\$ 110,000	\$ 120,000
A&F / IT	Ellucian	Banner ERP Software Licensing	\$ 551,500	\$ 616,500
A&F / Finance	Ellwood Associates	Investment Advisors	\$ 107,100	\$ 115,000
A&F / Dining	Hope Network West Michigan	Worksite Agreement for Dining	\$ 175,000	\$ 200,000
Academic Affairs	Instructure - Canvas	Online Education Tool	\$ 283,000	\$ 283,000
President's Office	Manny Lentine, Inc.	External Lobbyist	\$ 55,000	\$ 55,000
A&F / IT	Merit Membership	Fiber-Optic Infrastructure	\$ 147,000	\$ 160,110
A&F / IT	Microsoft	Microsoft Premium Support Services	\$ 60,500	\$ 60,500
A&F / IT	Microsoft	Microsoft Licensing	\$ 135,300	\$ 215,500
President's Office	Mika, Meyer, Beckett and Jones	Board of Trustees Legal Counsel	\$ 52,700	\$ 52,700
Charter Schools	National Charter School Institute	Software Hosing Services	\$ 53,000	\$ 55,000
Charter Schools	Northwest Evaluation Assoc.	Assessment Services - Charter Academies	\$ 115,000	\$ 115,000
A&F / IT	Oracle	Oracle Product Licensing	\$ 230,000	\$ 160,000
A&F / Finance	Outsourcing Solutions	Student Load Collection Services	\$ 170,000	\$ 170,000
UA&M	Peak Positions	Web Search Optimization	\$ 87,000	\$ 87,000
A&F / Finance	Rehmann Group	Internal Auditors	\$ 55,000	\$ 57,000
A&F / FM	RoofTech Consulting	Roof Preventative Maintenance	\$ 100,000	\$ 100,000
Student Affairs	Rufallo Noel Levitz	Financial Aid Leveraging	\$ 75,000	\$ 78,000
A&F / Finance	SAP Concur	Expense Management	\$ 95,300	\$ 100,000
Academic Affairs	Several Vendors	Advance Pharmacy Practice Experiences	\$ 398,300	\$ 365,400
Academic Affairs	Several Vendors	Library Acquisitions	\$ 1,000,349	\$ 804,000
Academic Affairs	Several Vendors	Sign Language Interpreters	\$ 200,000	\$ 125,000
Student Affairs	Target X / Sales Force	Electronic Recruitment & Marketing	\$ 127,000	\$ 132,000
A&F / FM	Trane West Michigan	Chiller Preventative Maintenance	\$ 70,000	\$ 80,000
A&F / FM	Tyco Fire & Security (Johnson Controls)	Fire Life Safety Inspection / Testing	\$ 100,000	\$ 110,000
UA&M	VisionPoint	Marketing Representative - BR,EIO, & KCAD	\$ 349,600	\$ 450,000
<b>Total</b>	<b>Total</b>		<b>\$ 5,386,394</b>	<b>\$ 5,438,710</b>

## Student Services/Supply Fees List 2022-23

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 (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
Golf Course Fee/PGA Golf Mgt Students (no fee while on internship)	Educational	\$110	PGA Golf Mgt
Health Center Services Fee (Birkam)	Service	\$53	Birkam Health Center
Health Insurance - Int'l Students - Fall/Sp	Service	vendor amt	International Education
Health Insurance - Int'l Students - Summer	Service	vendor amt	International Education
Housing Forfeiture Fee	Service	\$200	Residential Life
Informational & Experiential Support Fee	Educational	\$62	Pharmacy
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	Educational	\$55	Kendall College
Orientation Fee (Ferris)	Service	\$80	Student Financial Serv

## Student Services/Supply Fees List 2022-23 (continued)

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
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
Racquet Facility Fee	Recreational	\$16	Racquet & Fitness Club
Replacement of Lost Items	Recreational	variable	Athletics
Resp. Care Credentialing Exam Review Fee	Educational	vendor amt	Health Professions
Student Activity Fee	Educational	\$20	Student Affairs
Student Government Fee	Educational	\$1	Student Affairs
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
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
* 2% Late Payment Fee-FSU & KCAD (Stu Finc Serv-25%)	Service	variable	Student Financial Serv
* 2% Late Payment Fee-FSU & KCAD (Tuition-75%)	Service	variable	Student Financial Serv
**Payment Plan Fee (Stu Finc Serv-50%)	Service	\$30	Student Financial Serv
**Payment Plan Fee (Tuition-50%)	Service	\$30	Student Financial Serv

### 2022-2023 New Fee

These fees are refundable upon student request

\* 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%)