

Fall Forum:

2017 Fiscal Results, 2018 Budget, Enrollment and Future Prospects

Thank you for taking time to review and consider these data, ideas and analysis presented at an open forum on Budget, October 10, 2017. I have annotated these slides with comments using the Adobe sticky note function. If you will save this file to your computer and open it with an Adobe product, clicking on the yellow squares with the balloons inside will open a comment box. As always I would appreciate hearing from you, please write me at eislerd@ferris.edu.

David L. Eisler, president
Sally DePew, director, budgetary planning & analysis
October, 2017

Outline for Today

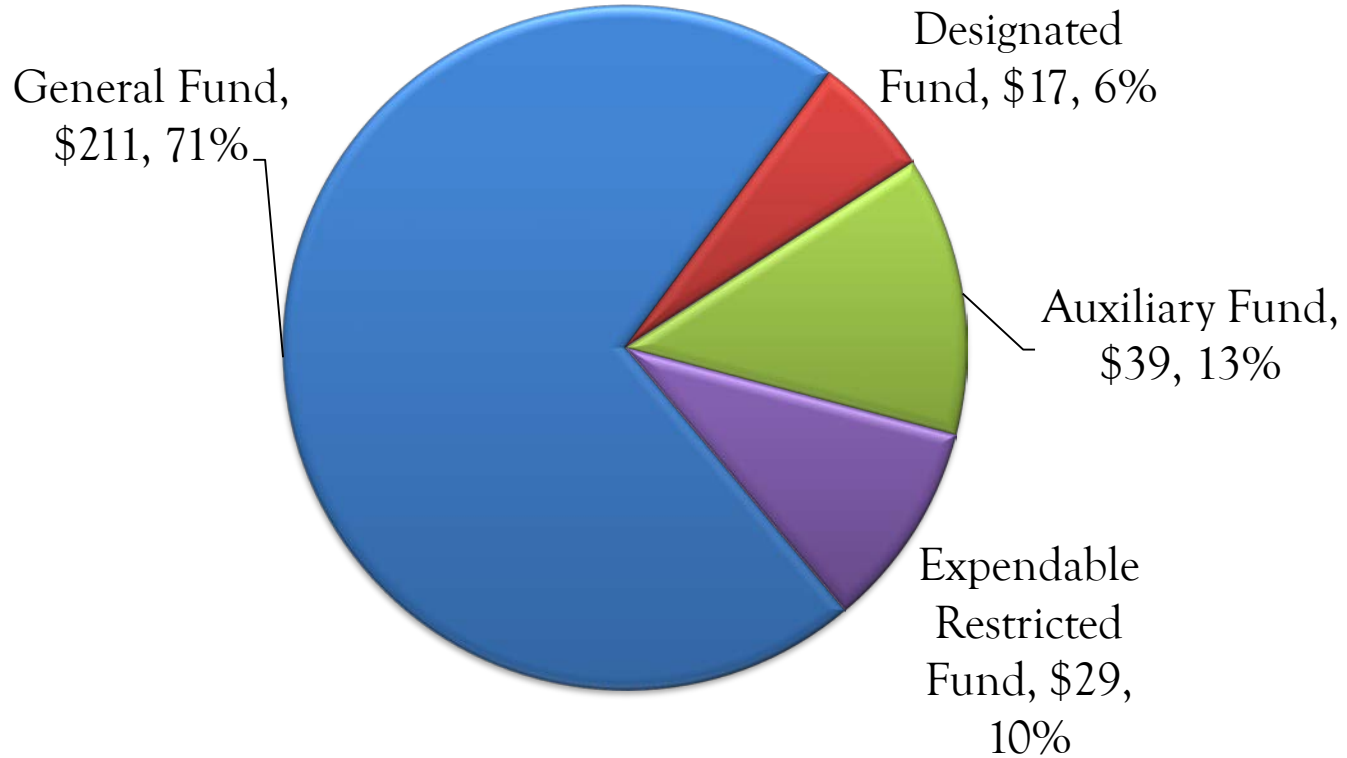
- Ferris budget information
 - Look back at 2017 fiscal results
 - Information on 2018 budget
- Revenue and Enrollment
 - State Budget priorities
 - Performance Funding
 - Enrollment
- Looking forward to 2019

2016-2017 University Fiscal Results

Operating Funds Revenues

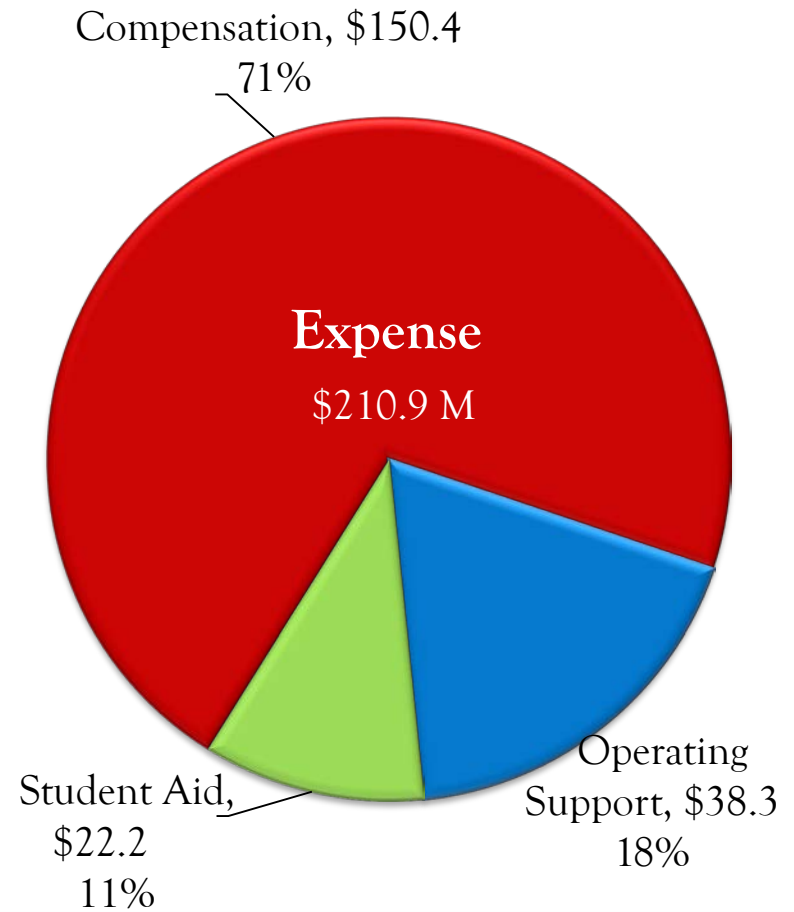
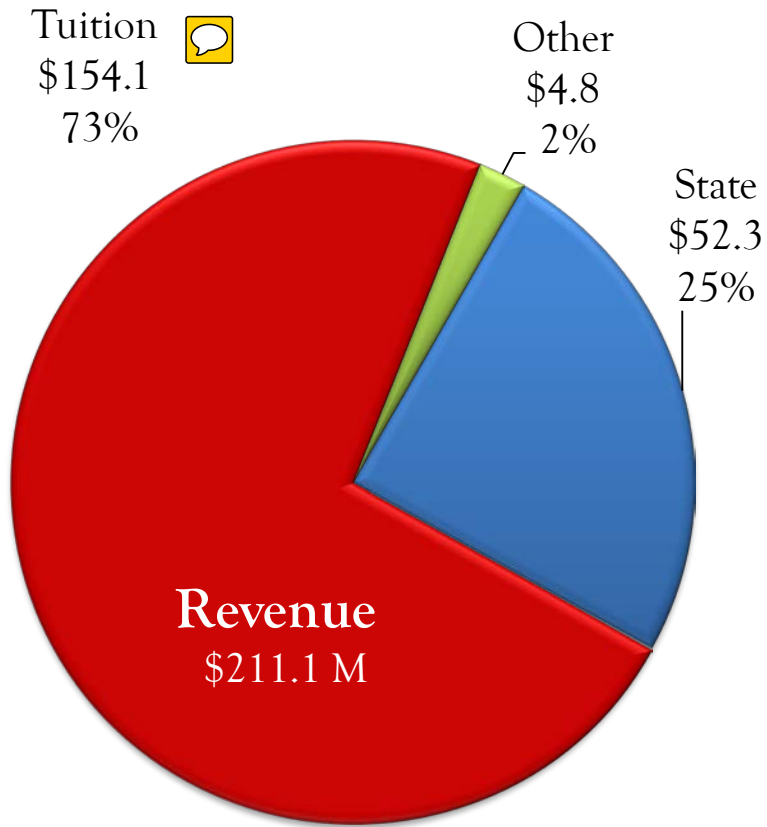
\$296 Million

Amounts in Millions



2016-2017 General Fund Budget - \$211 M

Amounts in Millions

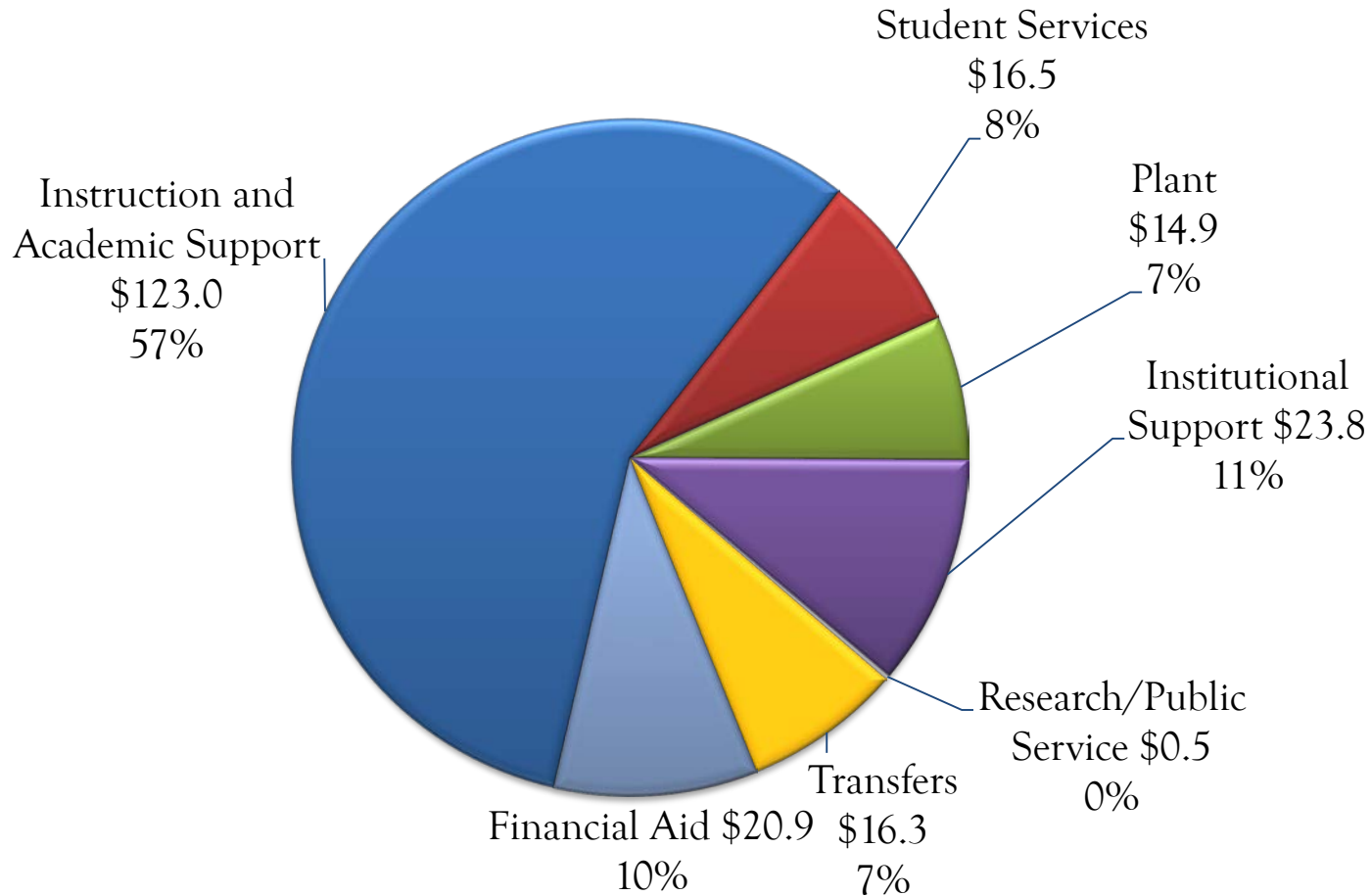


2016-2017 University Fiscal Results

General Fund Expenditures


\$211 Million

Amounts in Millions - State Reported HEIDI



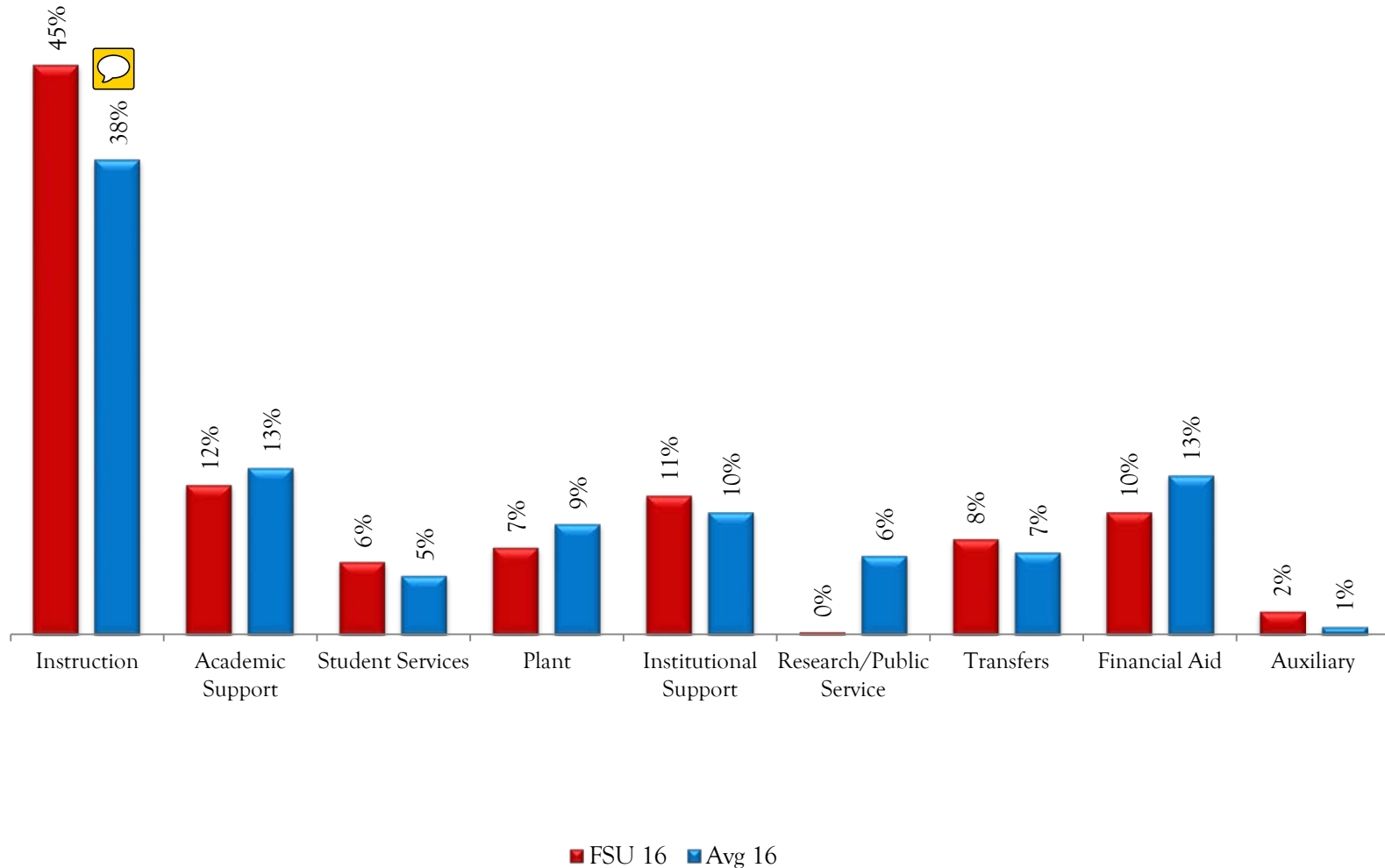
Budget Reductions

- FY17 - \$5.1 Million
- FY 18 Initial - \$3.0 Million
- FY 18 Assigned - \$442k pending spring enrollment

- FY17 and FY 18 - \$8.5 Million over 2 years 
 - 33.5 positions
 - \$4.6 Million in compensation
 - \$3.5 Million in operating support
 - \$.4 Million cuts to be made

Michigan Public University Spending Patterns

Fiscal year 2015 and 2016 Percent of General Fund Expenses by Function of Expense

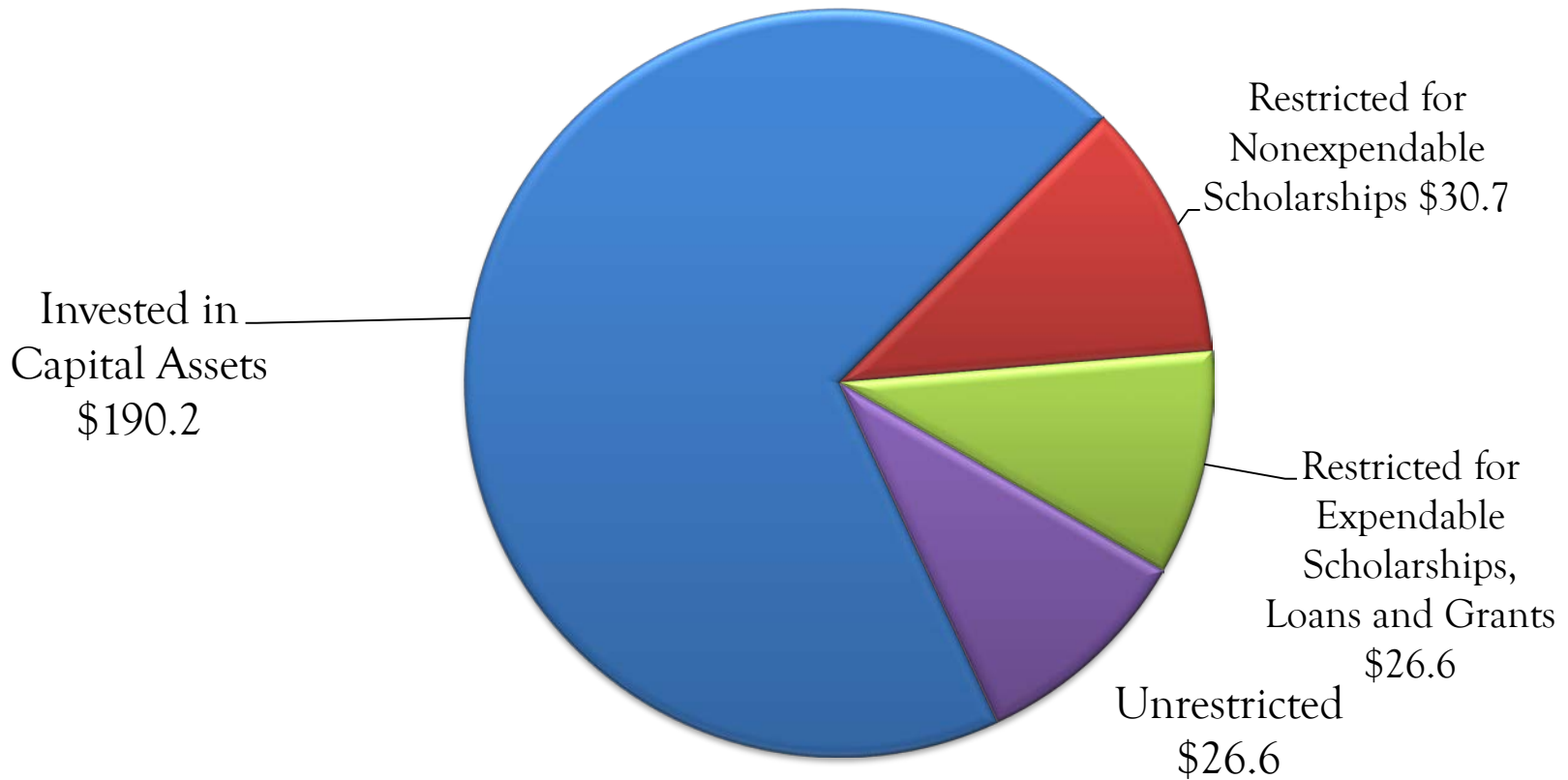


2016-2017 University Fiscal Results

Net Assets / Net Position 

\$274 Million

Amounts in Millions

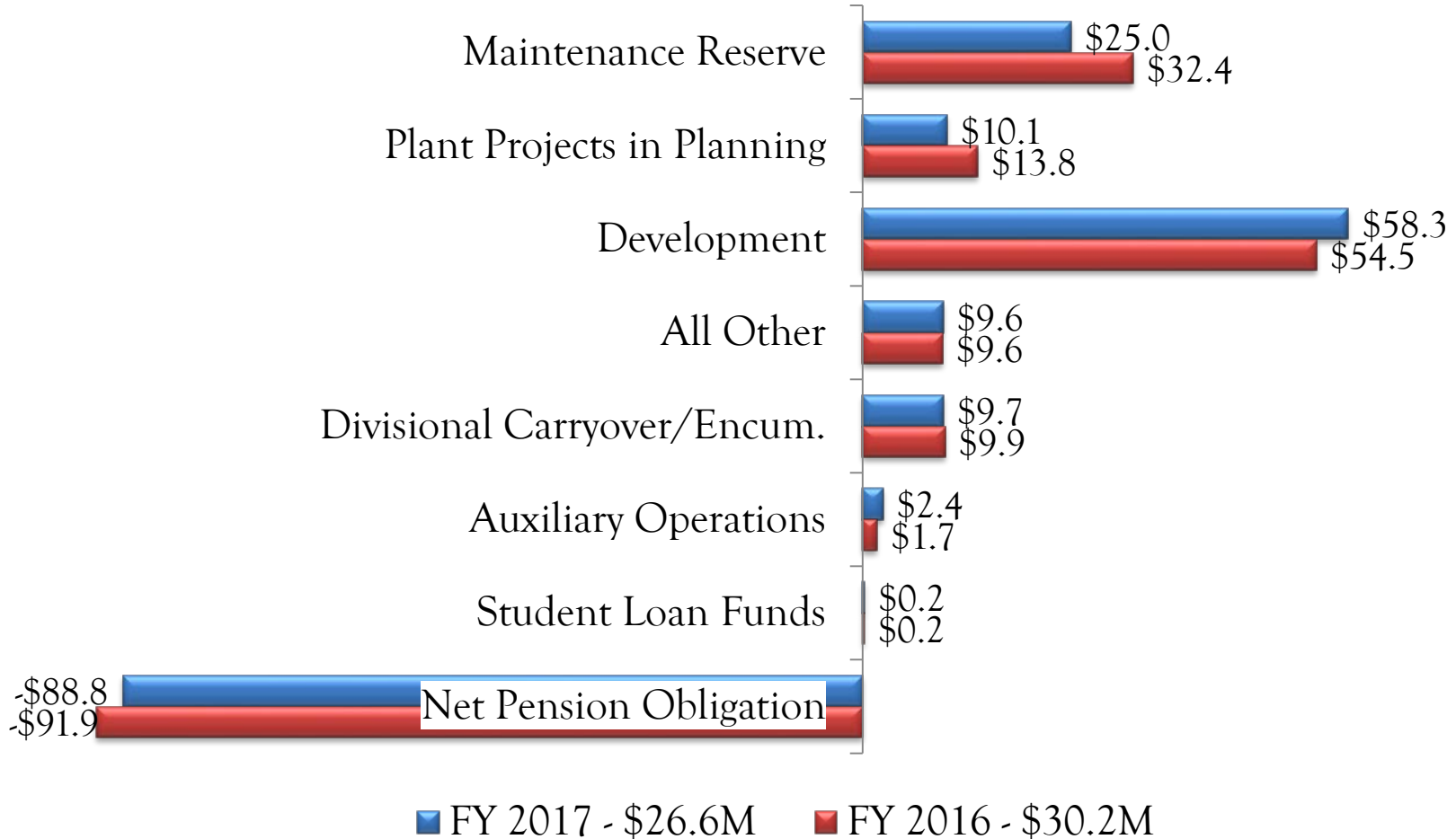


2016-2017 University Fiscal Results

Unrestricted Net Position

Comparison


Amounts in Millions



Higher Education Performance Funding and Tuition Restraint

- Higher education budget included \$41.5 million increase
 - \$28.0 million – performance funding
 - \$11.6 million – grants and financial aid
 - \$1.9 million – other (Ag Experiment, MPSEERS, etc.)
- Ferris received \$1.3M increase for total of \$53.6M
 - 4.7% of performance funding total
 - 2.6% increase over prior year
- Tuition Restraint
 - Requirement to not increase tuition more than the greater of 3.8% or \$475

Performance Funding and Enrollment



- Four of the six performance funding metrics are tied to enrollment
 - Critical skills degrees awarded
 - Six-year graduation rate
 - Total degree completions
 - Percent of students receiving Pell
- State TIP Restrictions negatively impact on enrollment
 - Cap of \$8.5M to any one institution
 - Boilerplate for 2019 to limit support to 3x community college tuition rate
 - TIP Phase I students are down 295 students
 - TIP numbers include 202 students who did not receive state funding and accepted Ferris support 
- Efforts to attract and retain students are increasingly more difficult, but critical to our future

Higher Education



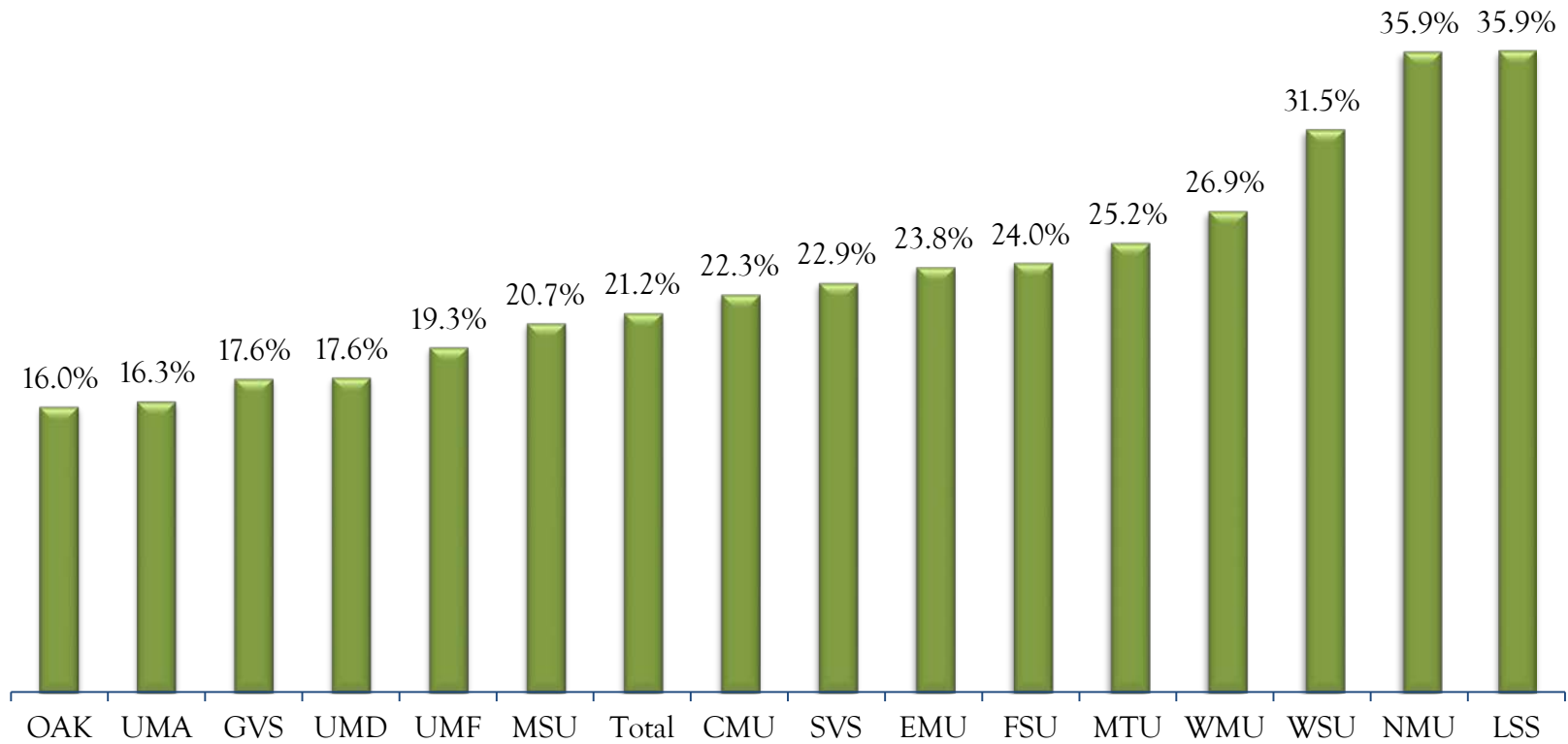
Performance Funding Increases

FY 13 to FY 18

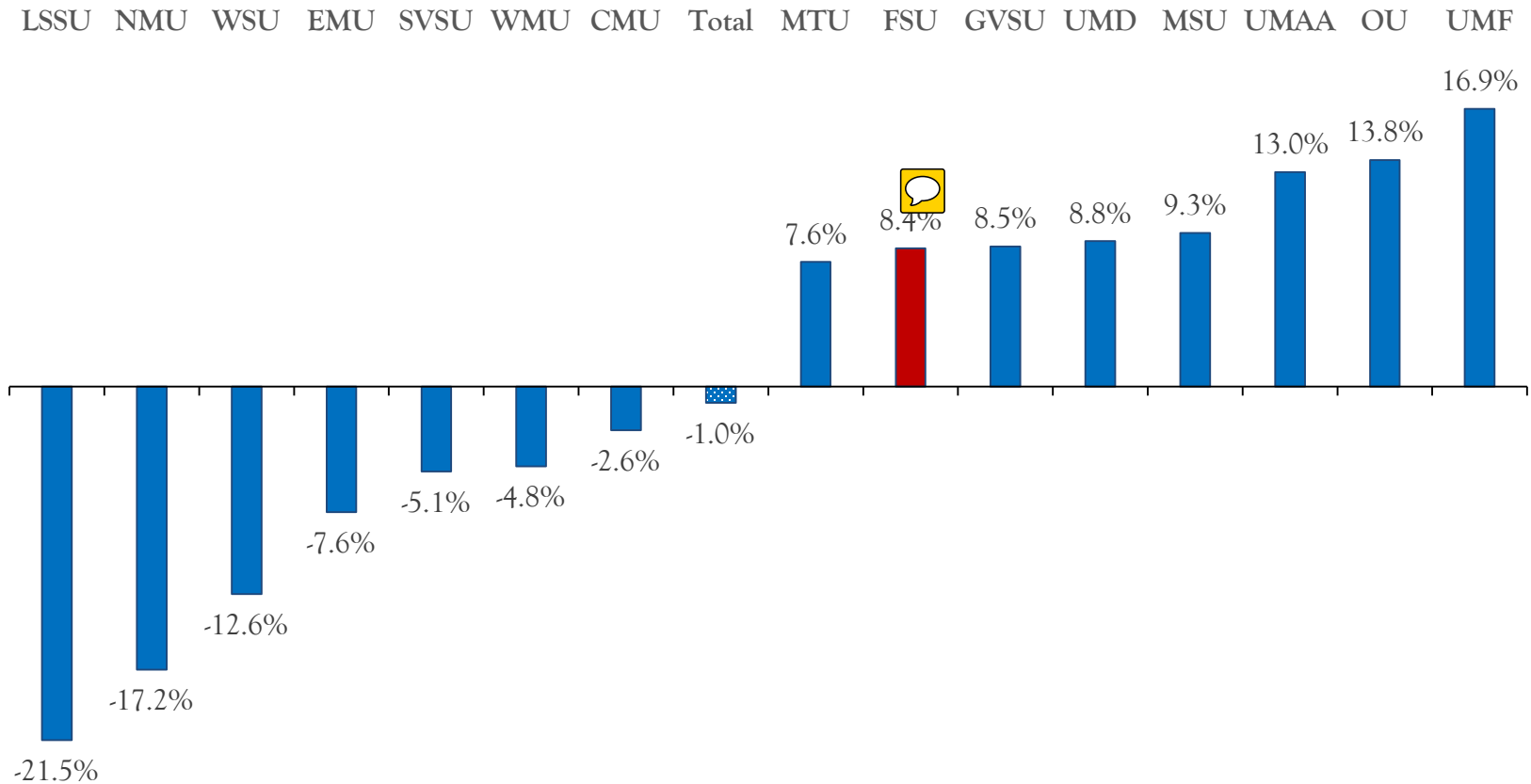
	State Performance Funds	FSU Performance Funds	FSU % of Total	FSU % Increase	HE % Increase
FY 2012-13	\$36,217,000	\$2,926,400	8.10%	7.10%	3.00%
FY 2013-14	\$21,869,000	\$1,351,900	6.20%	3.10%	1.80%
FY 2014-15	\$74,637,500	\$3,450,500	4.60%	7.60%	5.90%
FY 2015-16	\$20,099,400	\$1,108,700	5.50%	2.30%	1.50%
FY 2016-17 	\$39,787,400	\$1,890,100	4.80%	3.80%	2.90%
FY 2017-18	\$28,000,000	\$1,335,567	4.77%	2.56% 	2.94%



Michigan Public University State Portion of General Fund Revenues FY 2016

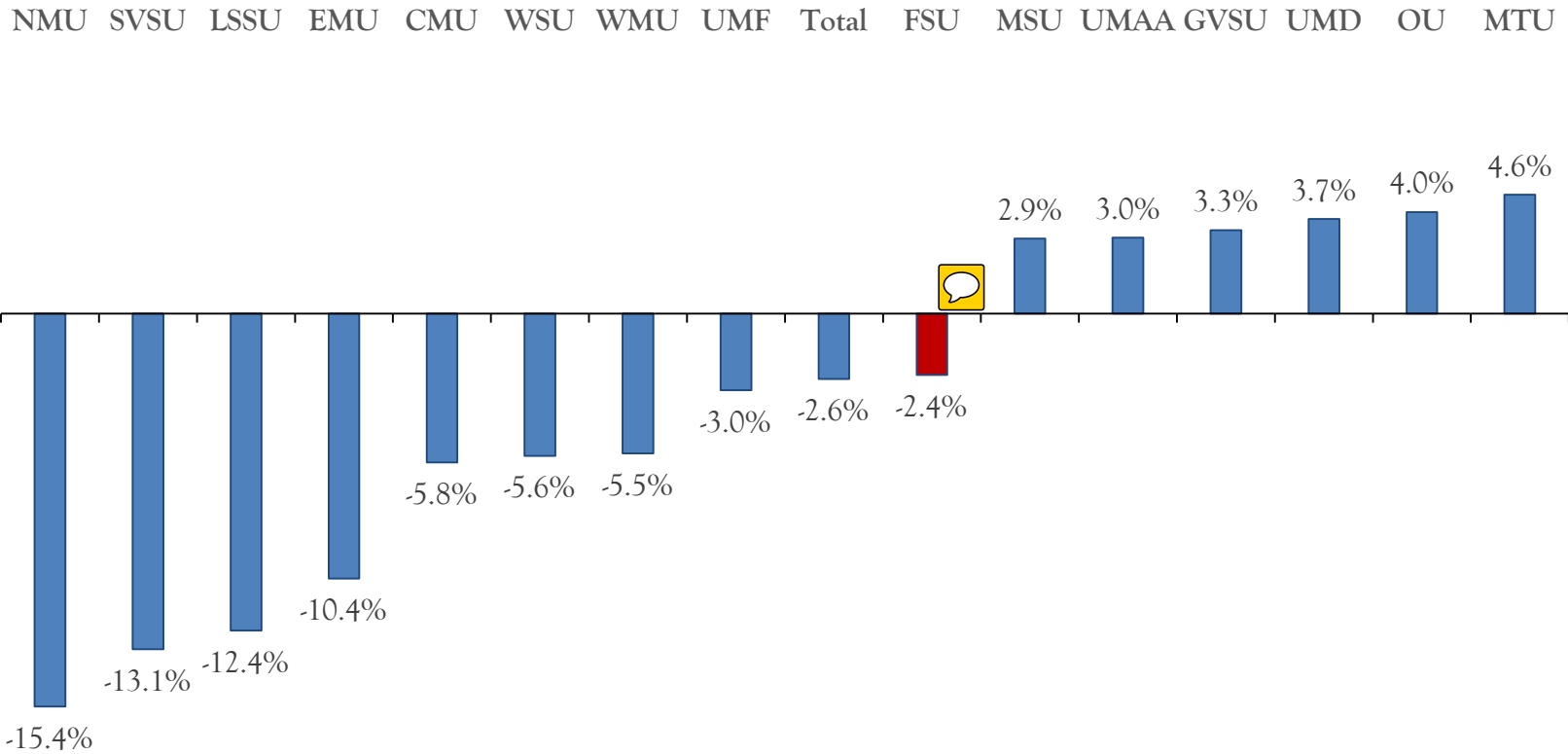


Michigan Public Universities Total Headcount – Ten-Year Enrollment Change Fall 2007 – Fall 2016



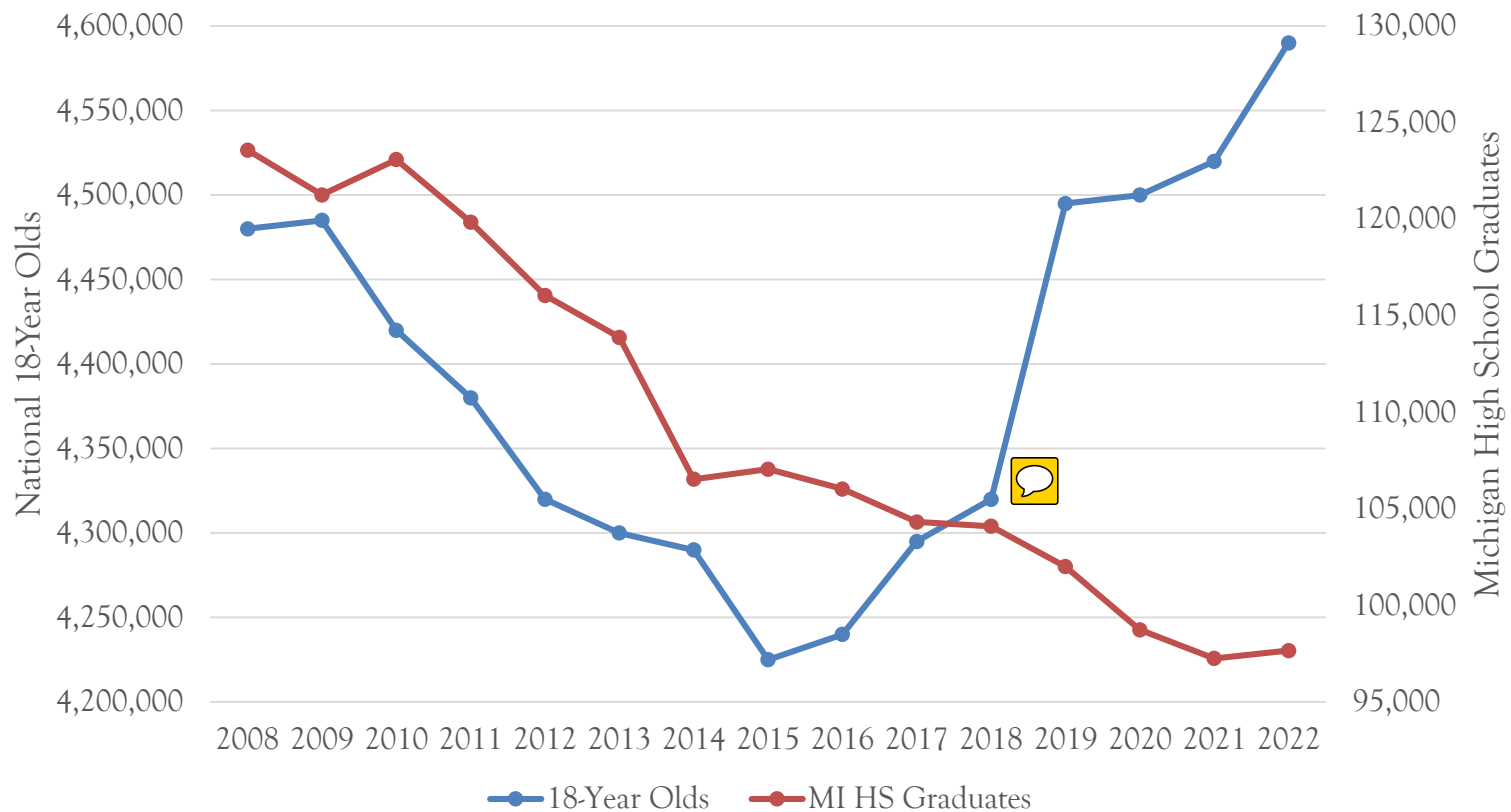
Source: MASU Fall Enrollment Report

Michigan Public Universities Total Headcount – Five-Year Enrollment Change Fall 2012 – Fall 2016



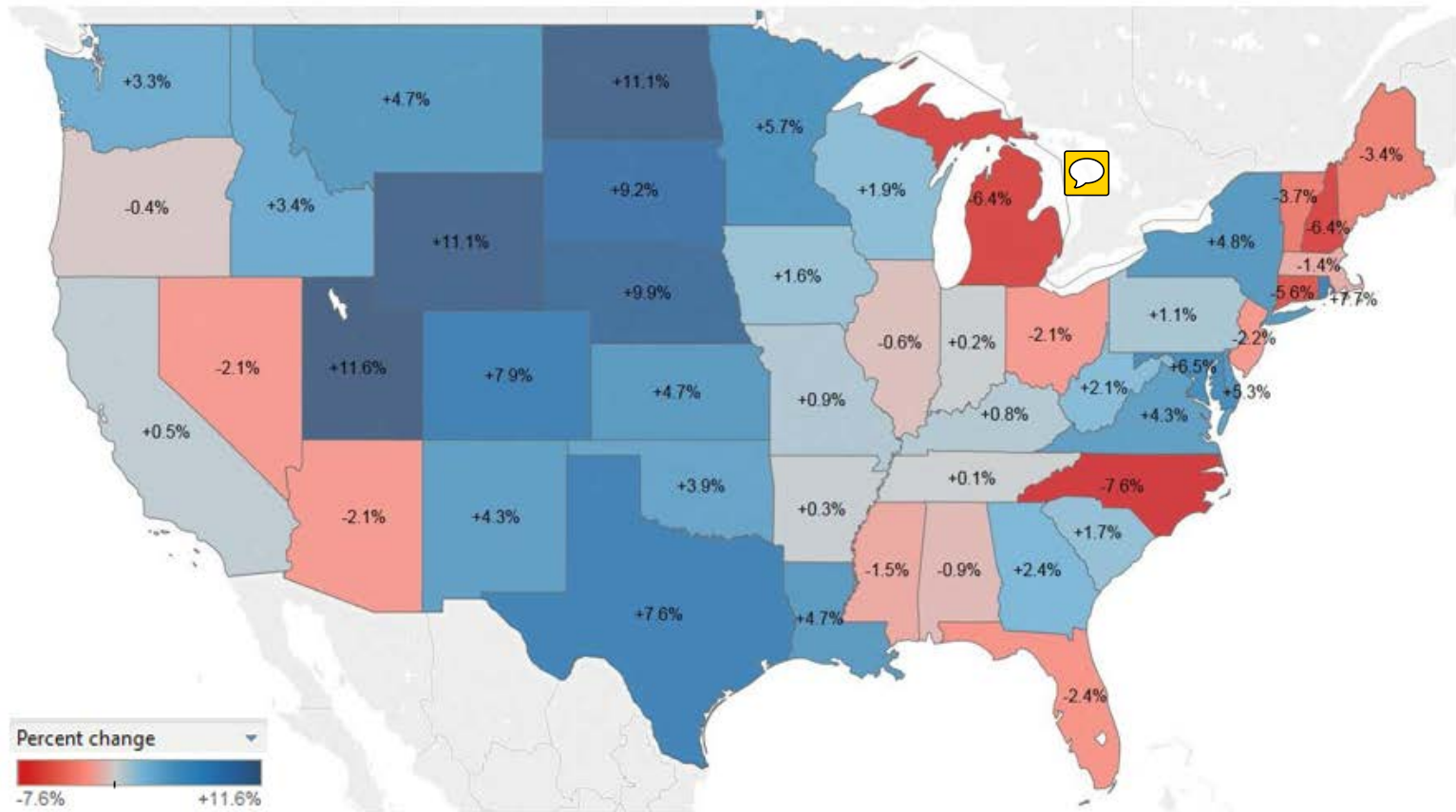
Source: MASU Fall Enrollment Report

Projected Number of U.S. 18-Year Olds And Michigan High School Graduates



High School Graduates

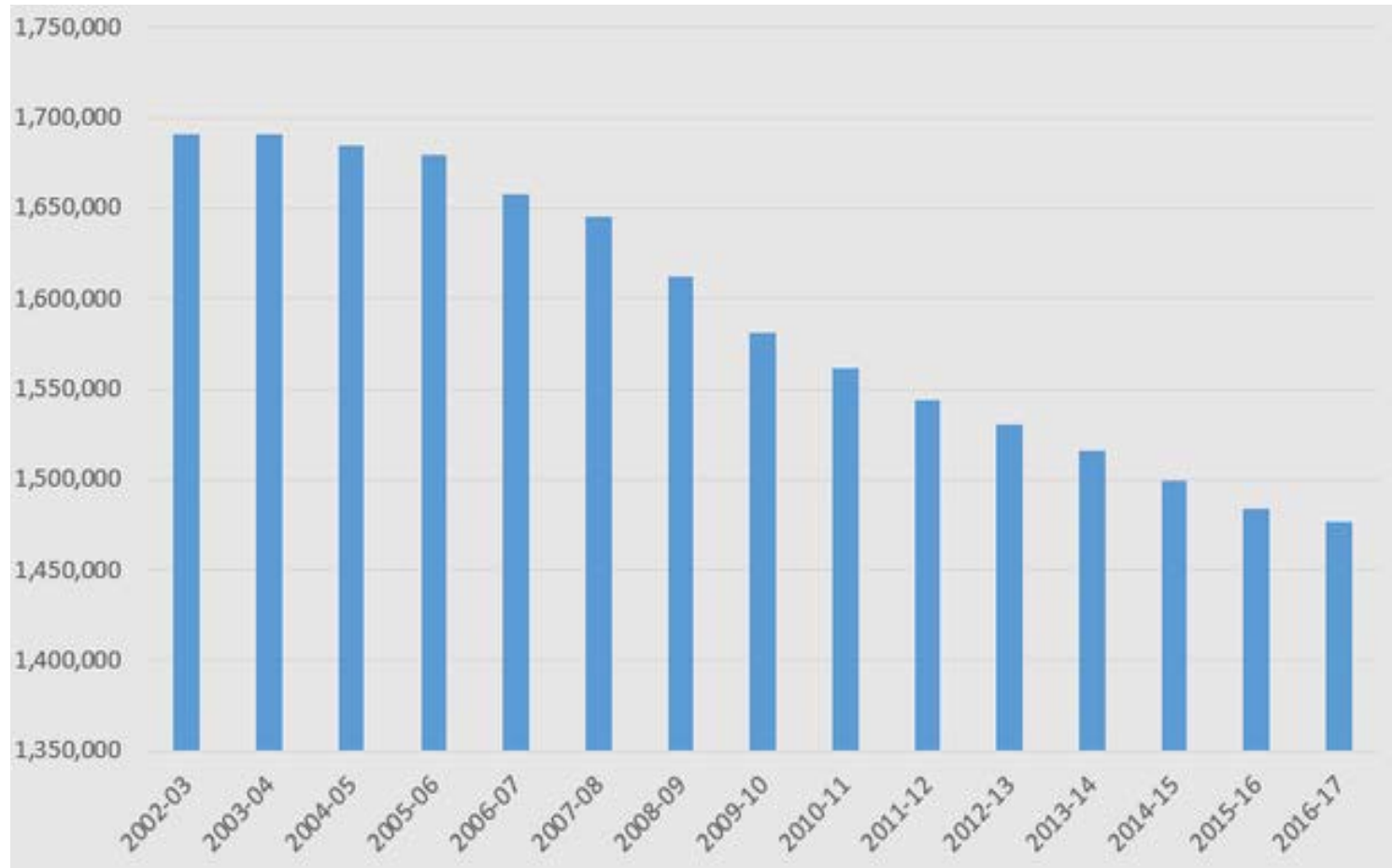
Projected change (2016-17 to 2021-22)



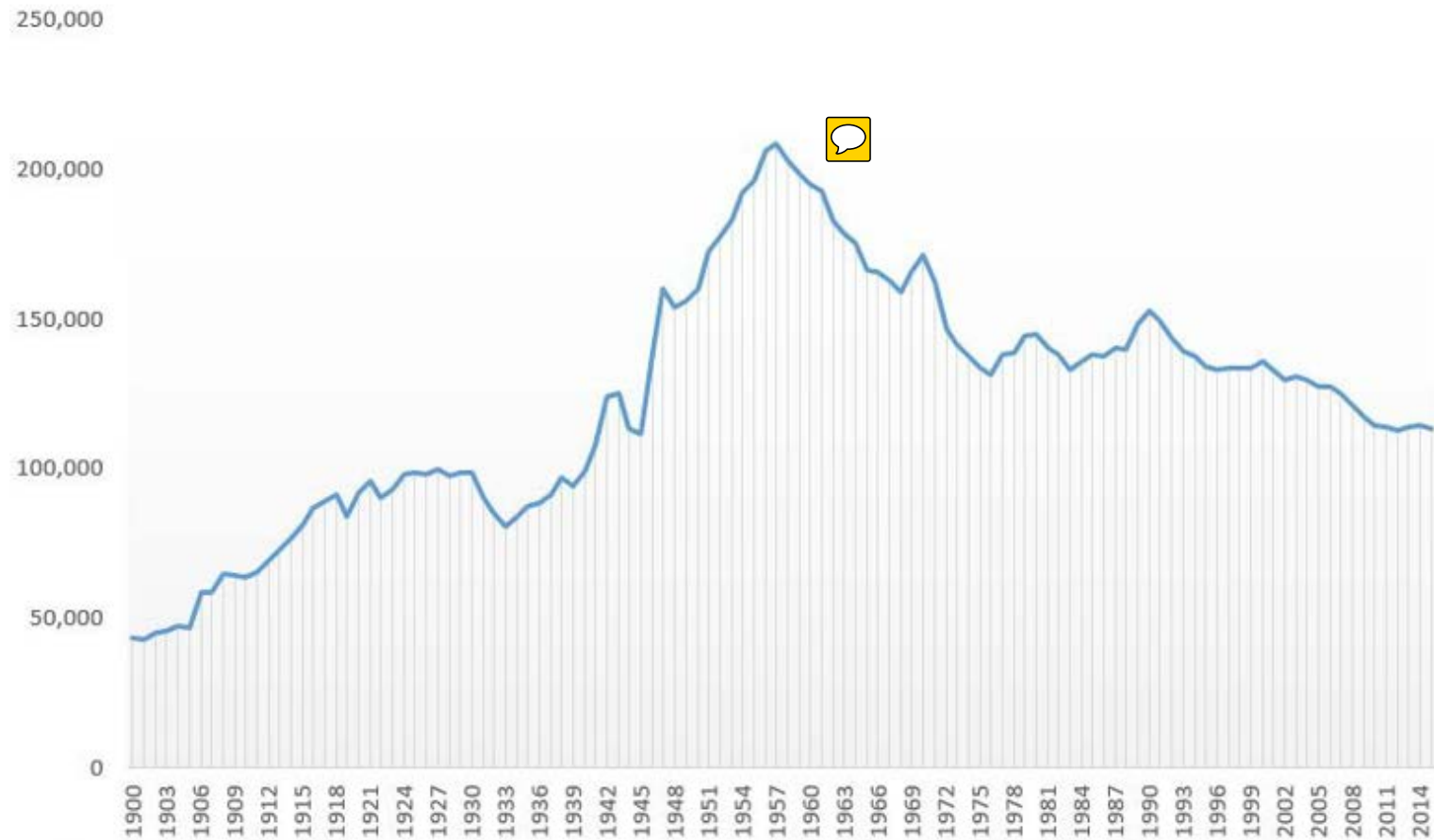
© December 2012. *Knocking at the College Door*.
Western Interstate Commission for Higher Education

Michigan K-12 Public School Enrollment

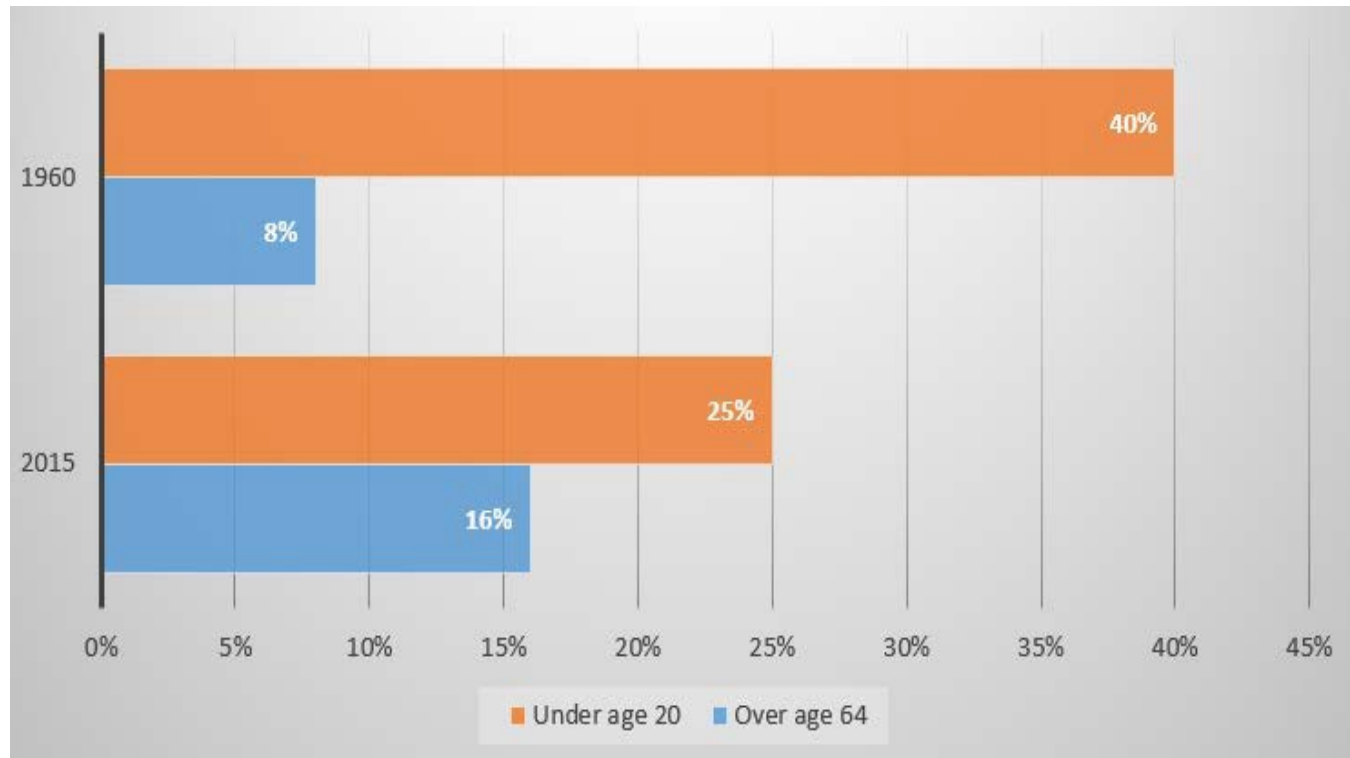
Since 2002-2003



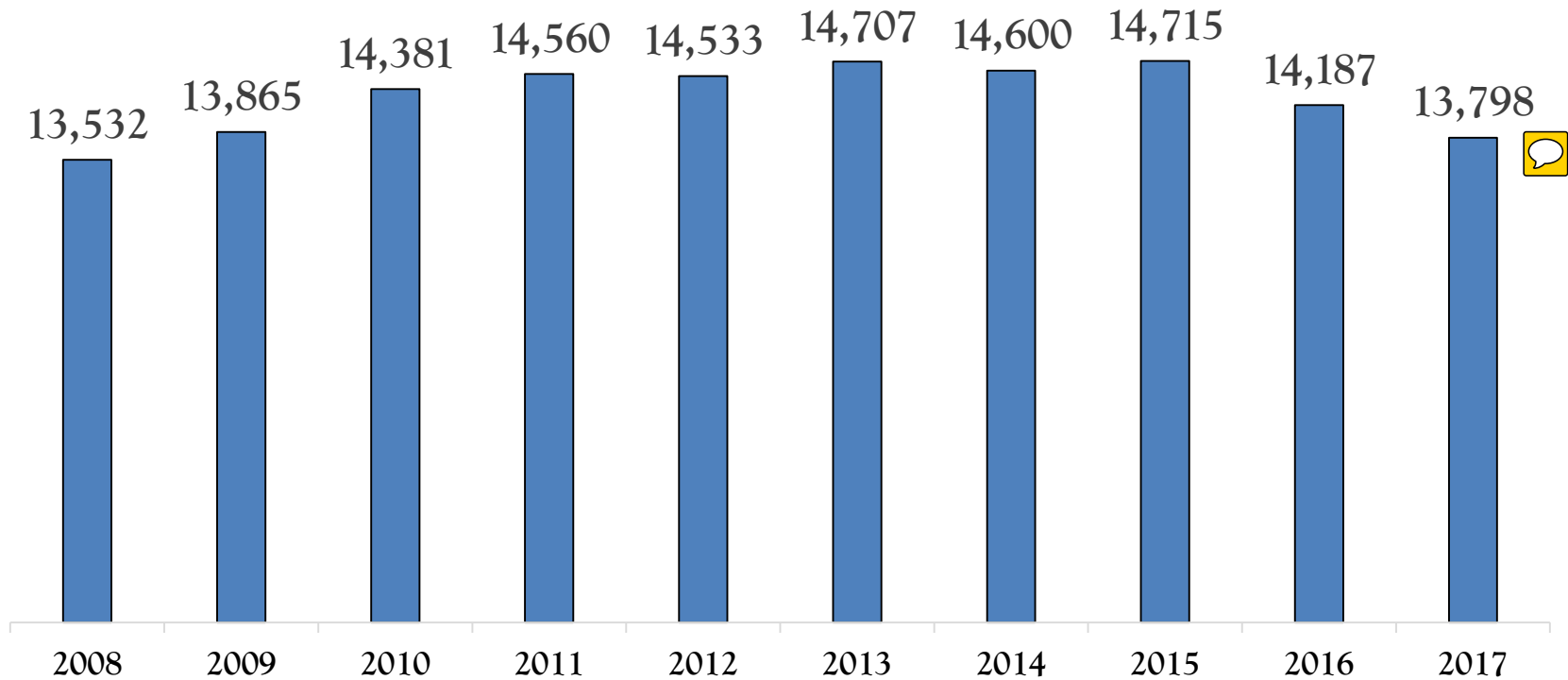
Number of Michigan Births 1900-2015



Percent of Michigan Residents Who Are Children vs. Senior Citizens 1960 and 2015

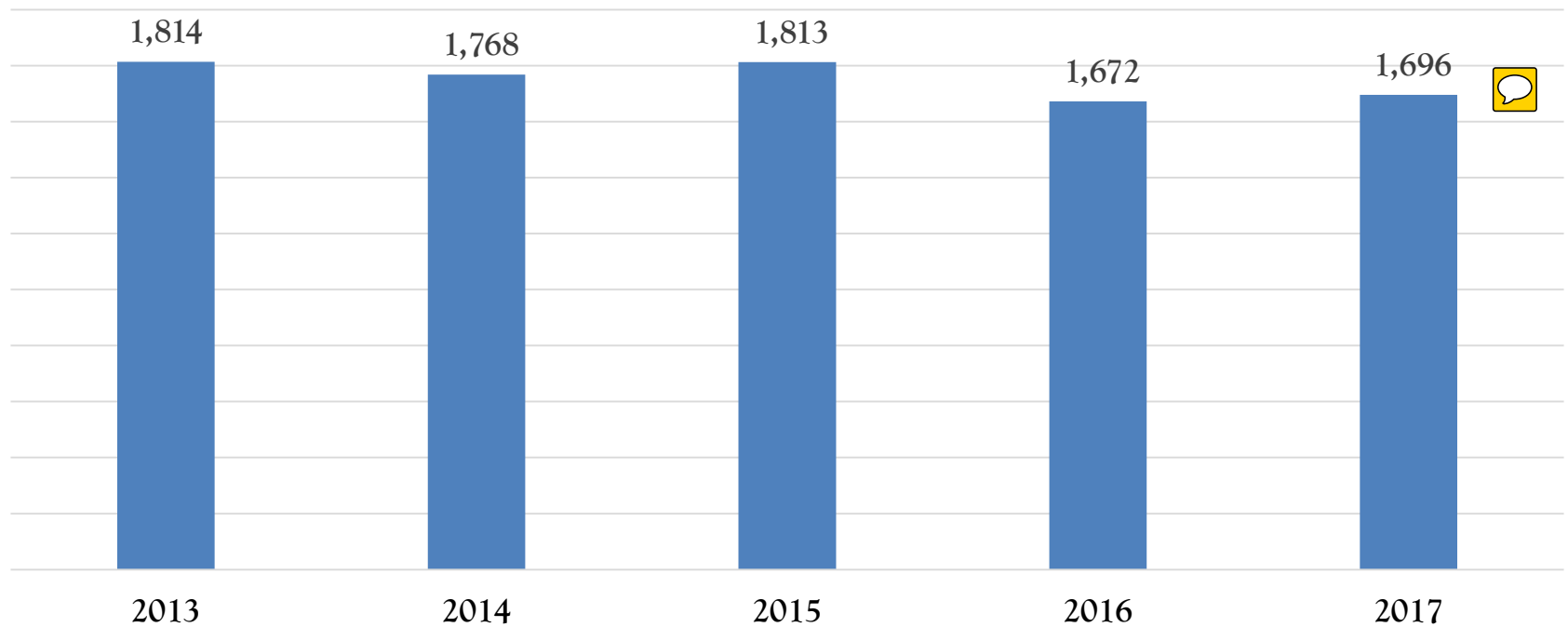


Fall Headcount Enrollment

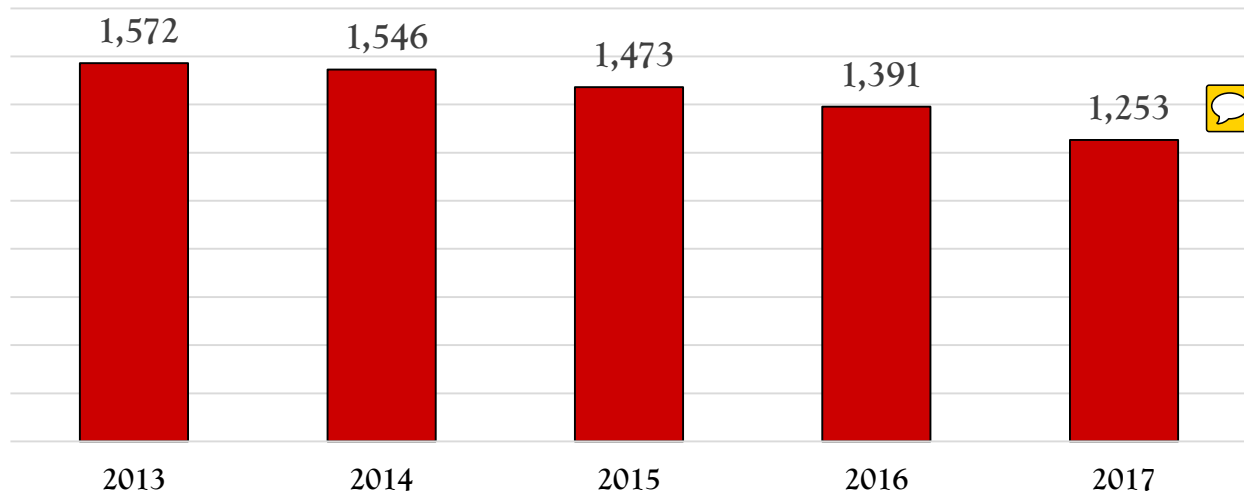


Data Source: FSU Institutional Research Official 4th Day Enrollment Summary

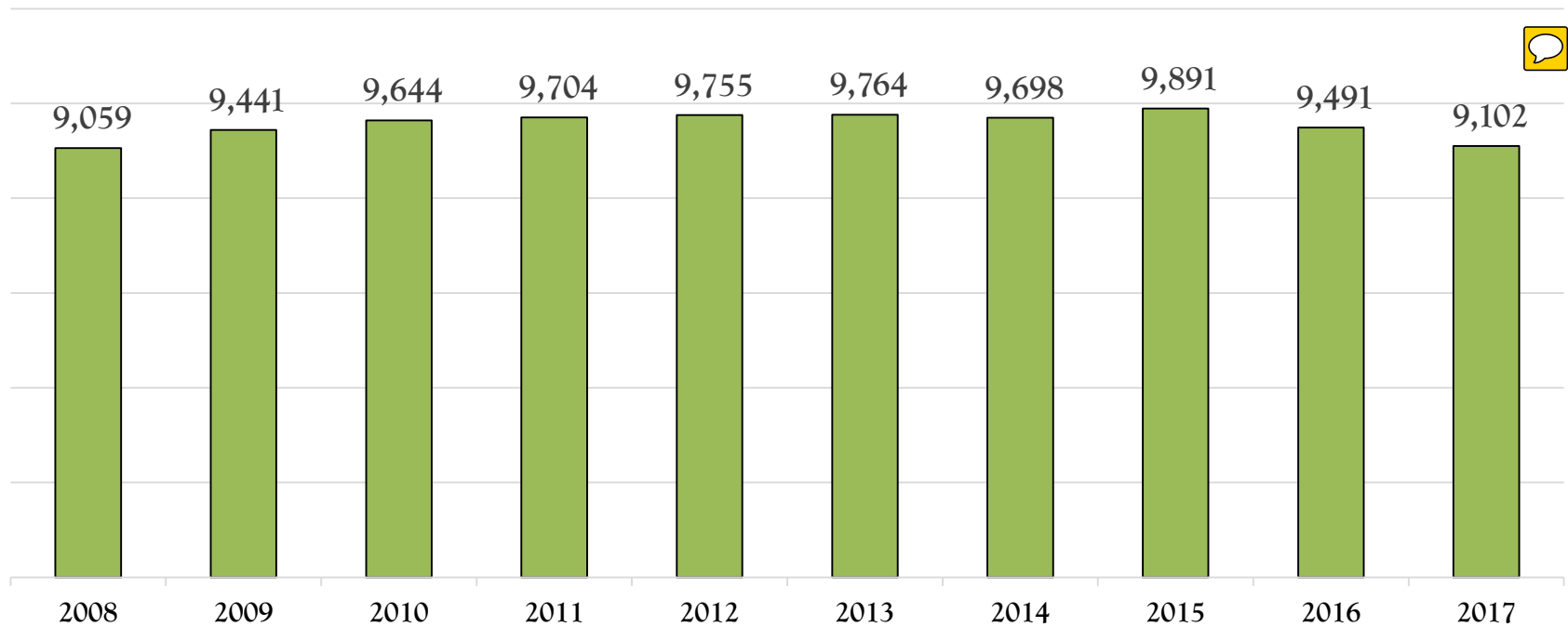
FTIAC Students - Big Rapids Fall Semester Traditional



New Transfer Students Fall Semester

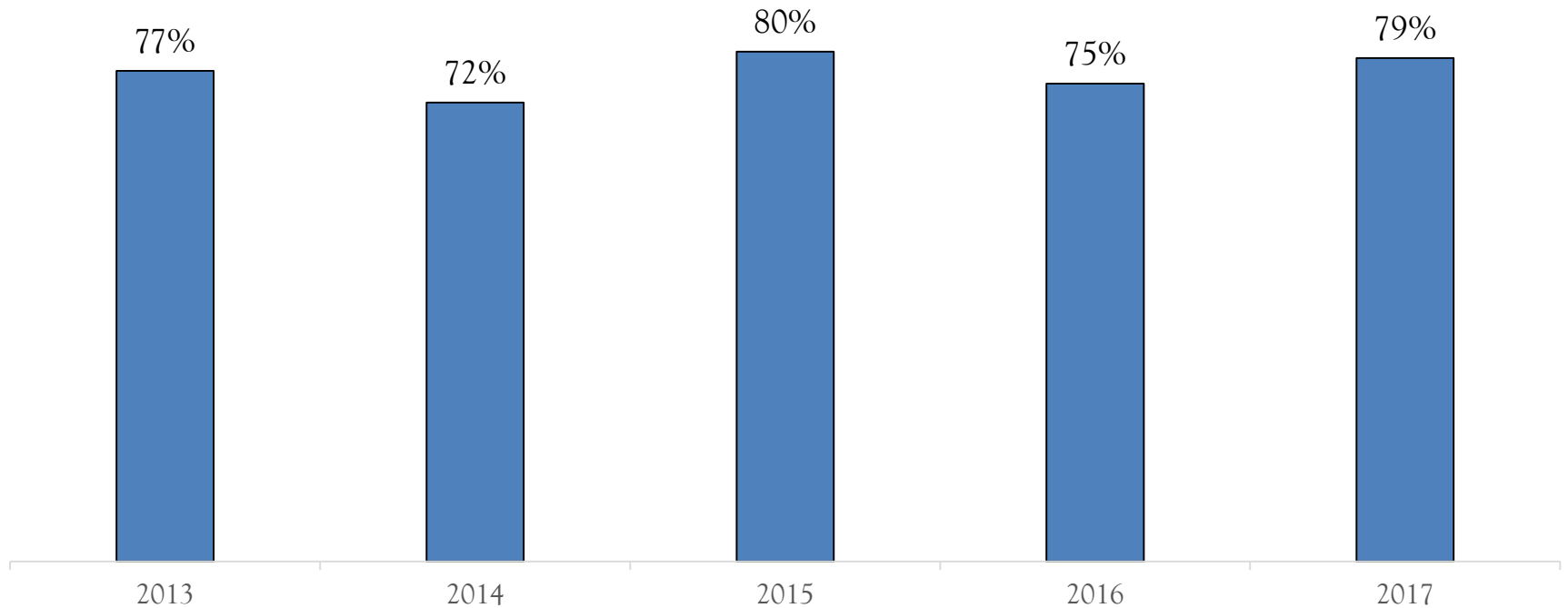


Continuing Students - Big Rapids Fall Semester

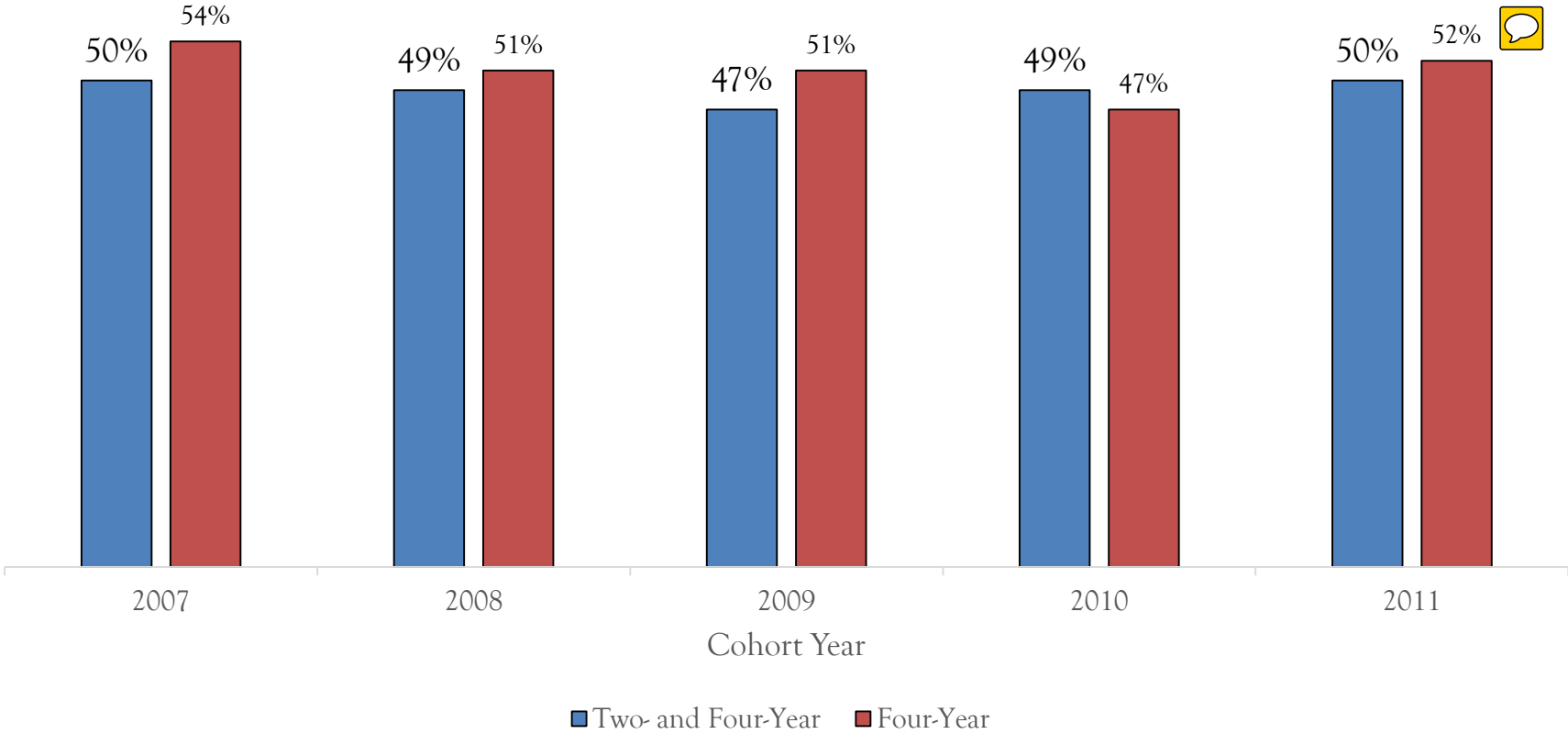


First Year Student Retention – Bachelor FTIACs

Spring First Year to Fall Second Year

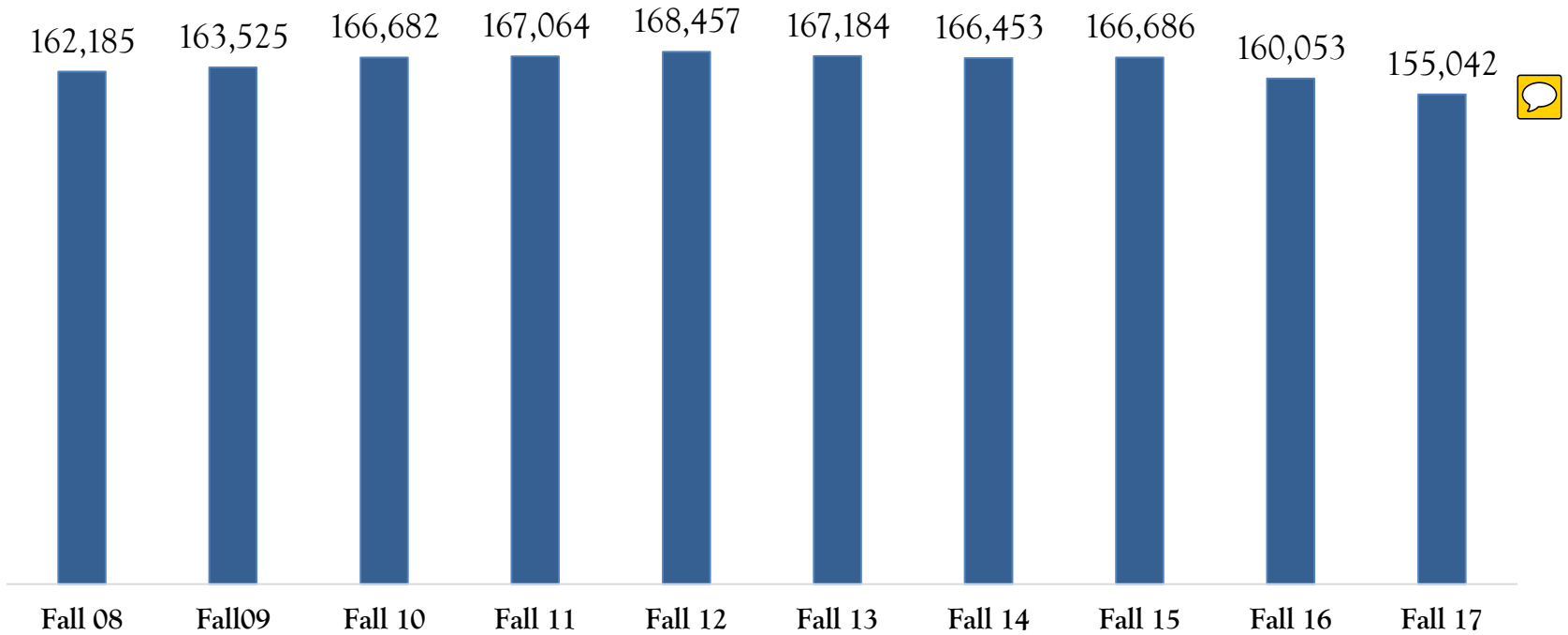


Six-Year Graduation Rates Two- and Four-Year Degree Seeking Graduates



FSU Student Credit Hour Enrollment

Fall Semester



Fall 2017 Enrollment

- Decline is primarily new transfer and continuing students
 - Transfer students are down 138 (9.9%)
 - Continuing students are down 389 (4.1%)
- FTIAC enrollment has stabilized
 - Up 24 in Big Rapids (1.4%)
 - Down 7 overall (.4%)
- Dual/Concurrent enrollment is up
 - Dual FTIACS are up 91 (14.4%)
 - Dual Continuing are up 11 (7.8%)

Fall 2017 Enrollment and Fiscal Impact

- Areas of decline
 - International students – 23.6% headcount
 - Master degree students – 7.0% headcount
 - Kendall – 11.4% SCH
 - Internet – 4.1% SCH
- Annual Student Credits are down 10,788 (3.2%)
- Tuition revenue shortfall of \$3.4M included in the budget
- Base budget reduced revenue inputs match expense outputs
 - \$3 Million of base reductions in place
 - Additional \$442 thousand reduction underway

Distinctiveness Matters

Fall 2017 headcount

Eastern Michigan down 766 students

Saginaw Valley down 503 students

Grand Valley down 411 students

Michigan State down 275 students

Ferris down 264 students 

Michigan Tech up 46 students 

Looking Forward

2019 Funding Issues

- General Fund Revenue Diversions for FY19 will require over \$1.0B
 - For Roads - \$150M (grows to \$600M in FY21)
 - For Business Tax Credits - \$619M
 - For Homestead Property Tax Credits - \$206M
 - For Personal Property Tax reimbursement to local government - \$398M
- Tuition Incentive Program – Funding and Limits
- Indian Tuition Waiver – (\$620K unfunded FSU)
- Competition in the School Aid Fund
- Performance funding formula
- Strong pressure to restrain tuition
- Federal support for Pell grants

Opportunities Moving Forward

- Improve student retention
- Push back state cap on TIP
- Remove impediments for transfer students
- Increase Summer School Offerings to take full advantage of year-round Pell
- Address decline in Internet SCH
- Build on renewed interest in programs at community colleges
- Leverage concurrent and dual enrollment into full-time students

Questions, Comments, Discussion

Thank you.....

Working together can and should increase enrollment for 2018-2019.

To do so will require everyone's help, support and strong efforts.

*Working together we can help more students
have the opportunity of a Ferris education
and graduate with their Ferris degree*

*Thank you for your continued efforts for our students
and to move Ferris State University forward*

David L. Eisler