



FERRIS STATE UNIVERSITY
Imagine More



Our Budget, Our Future: The 2010-2011 Budget and Beyond

David L. Eisler, president
Sally DePew, budget planning
November 2010



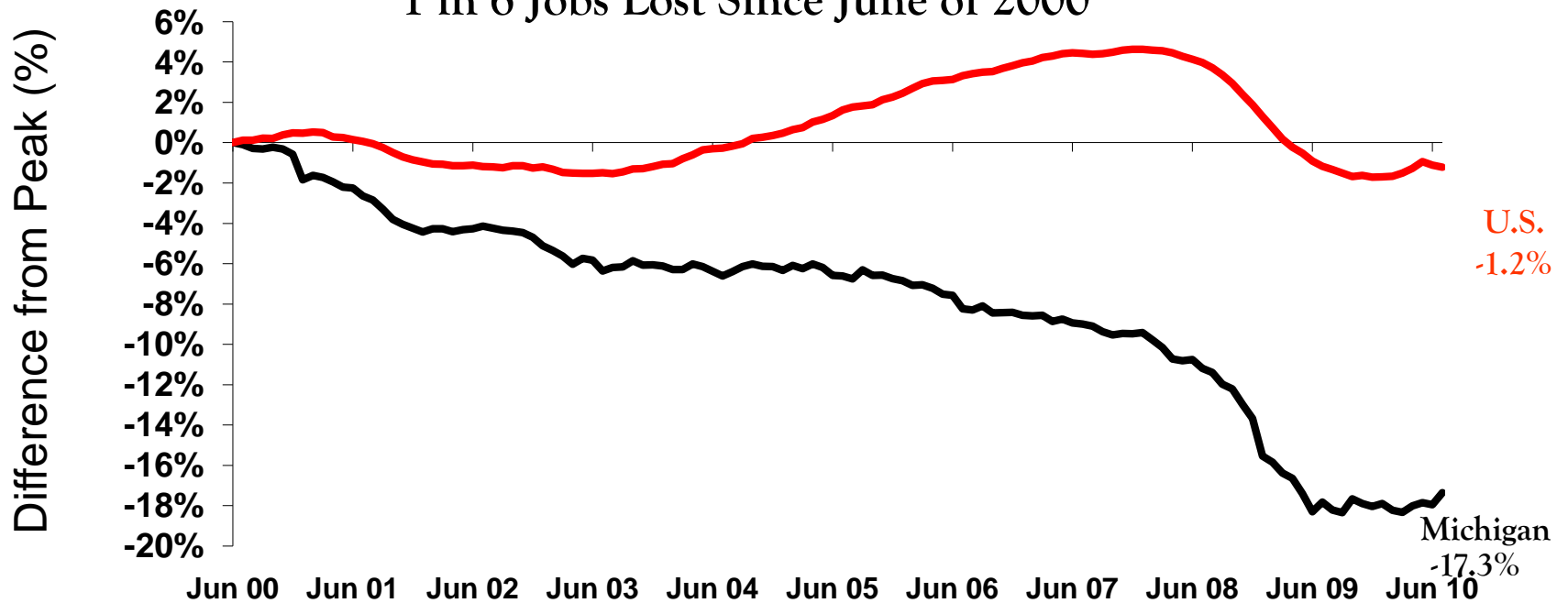
The Last Decade Has Been an Economic Disaster for Michigan

	Growth 2000 to 2009		Michigan
	<u>U.S.</u>		<u>Rank</u>
Population	8.8%		51
Real Per Capita GDP*	9.7%		51
Employment	-0.7%		51
Real Per Capita Income	3.6%		51



A Lost Decade of Michigan Employment

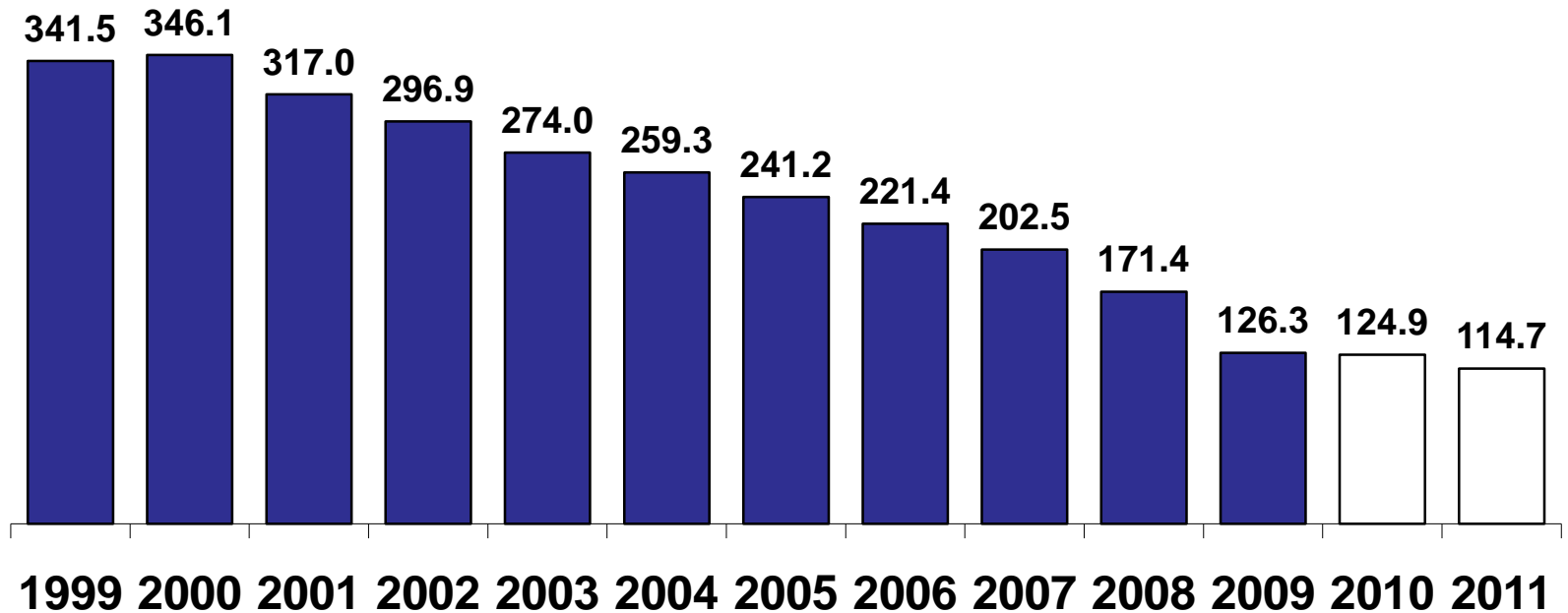
1 in 6 Jobs Lost Since June of 2000





2 in 3 Auto Jobs Lost by 2011

Michigan Transportation Equipment Employment
(In Thousands)

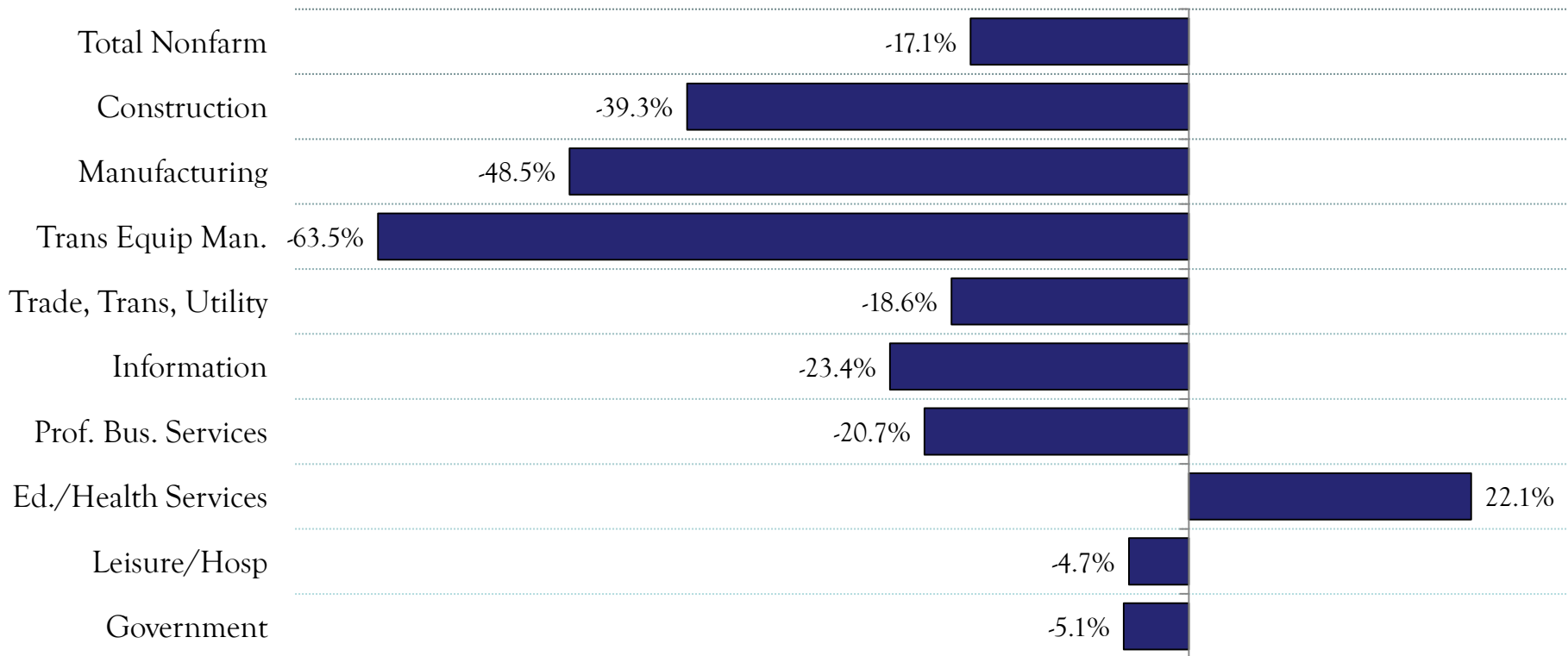


Avg. Agency Forecast



Almost Every Sector in Michigan Has Lost Jobs

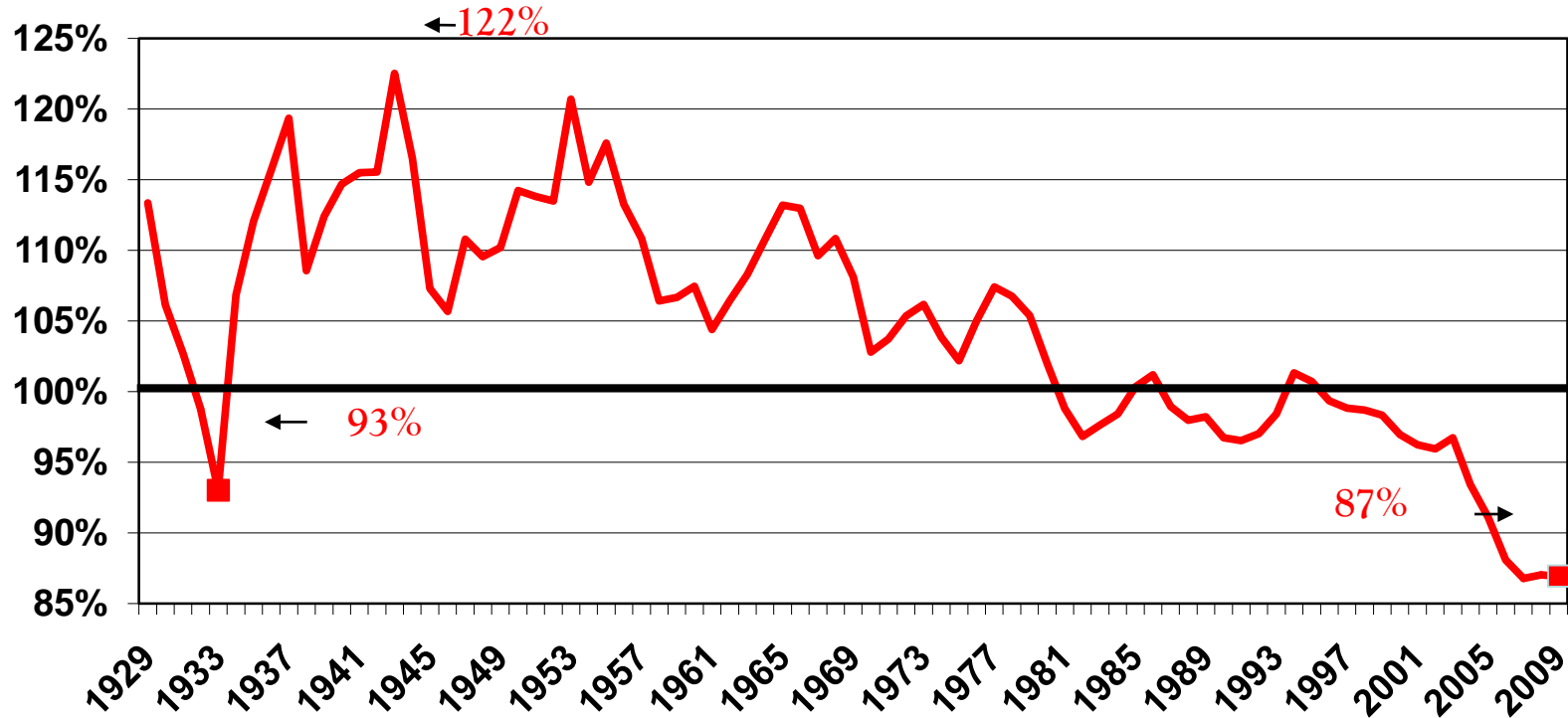
2000 to 2009





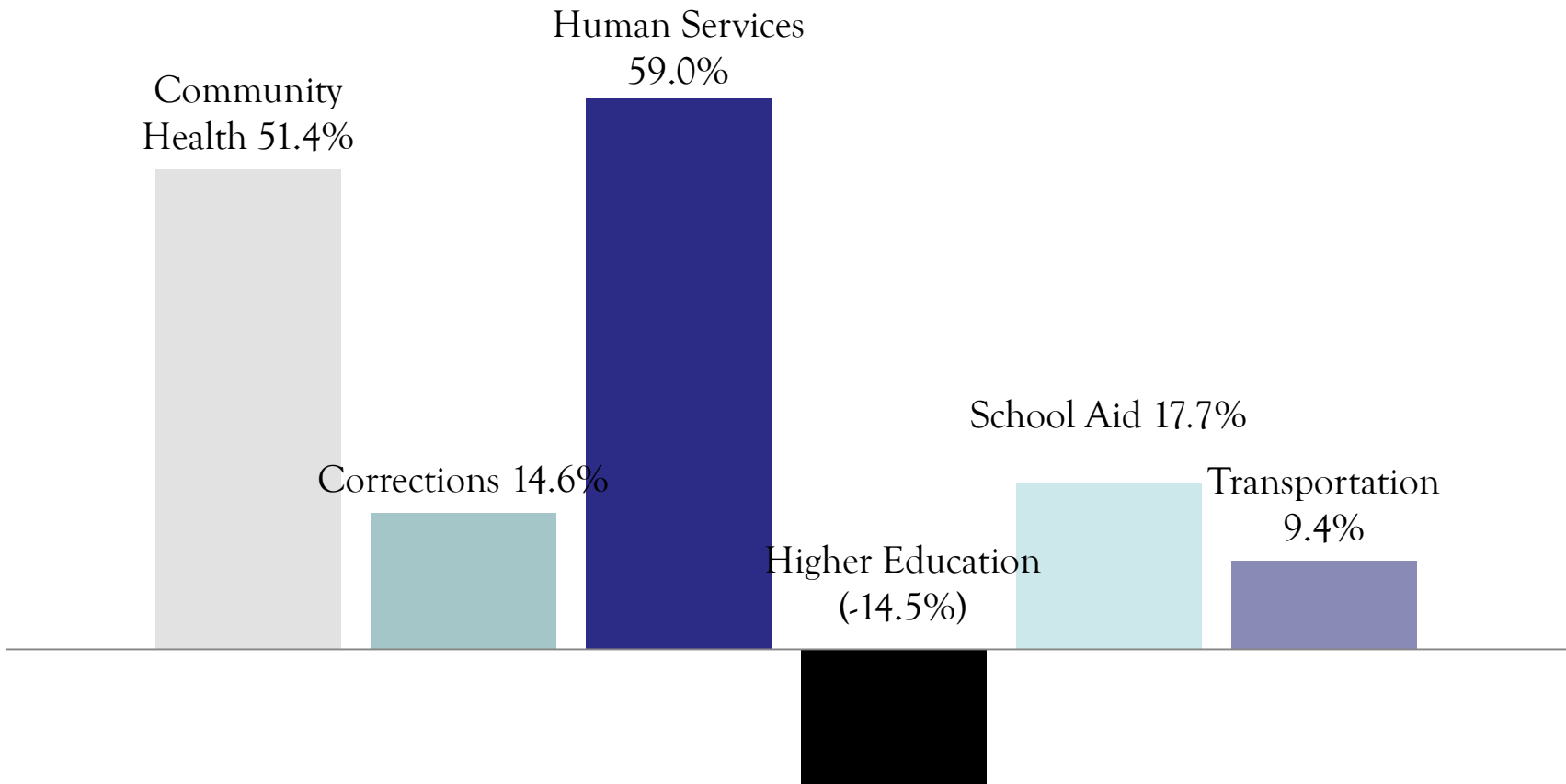
Michigan Has Become Poorer Relative to Other States

Michigan per Capita Income as a Percent of U.S. Per Capita Income
Rank has fallen from 20th in 2001 to 37th in 2009





Change in State Appropriations- All Funds FY 2001 to FY 2010





FY 2011 Budget Has \$1.6B in One-Time Resources

	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change</u>
<u>GF-GP</u>			
ARRA	\$261	\$0	-\$261
New Stimulus	\$380	\$0	-\$380
IIT Rate Cut	\$0	-\$150	-\$150
Tax Amnesty	\$89	-\$62	-\$150
Unclaimed Property	\$168	\$61	-\$107
Debt Restructuring	\$120	-\$4	-\$123
Total GF-GP	\$1,017	-\$154	-\$1,171
<u>SAF</u>			
ARRA	\$184	\$0	-\$184
New Stimulus	\$316	\$0	-\$316
Total SAF	\$500	\$0	-\$500
Total GF + SAF	\$1,518	-\$154	-\$1,672



Significant Tax Cuts are in the Pipeline

	FY 2012	FY 2013	FY 2014
Reducing Michigan IIT Rate	-\$150.0	-\$329.0	-\$522.5
Alternative Energy Credits IIT	-\$42.0	\$0.0	\$0.0
Michigan EITC	-\$358.3	-\$379.8	-\$402.6
MBT Battery Credits(1)	-\$40.0	-\$268.0	-\$278.0
MBT Film Credits & Infrastructure (2)	-\$125.0	-\$125.0	-\$125.0
Polycrystalline Manuf. Credit	\$0.0	-\$25.0	-\$25.0
Photovoltaic Tech	-\$12.5	-\$12.5	-\$15.0
MBT Gross Receipt Changes	-\$117.8	-\$129.9	-\$132.7
Decouple from depr/prod activities	\$45.3	\$52.3	\$60.0
Historic preservation credits	-\$8.6	-\$9.6	-\$10.6
Promise Zones	-\$10.0	-\$15.0	-\$20.0
Use Tax Bad Debt Deduction Change	-\$17.1	-\$17.7	-\$18.4
Exempt supplies for Cobo Center	<u>-\$2.5</u>	<u>-\$3.5</u>	<u>\$1.5</u>
Totals	-\$838.2	-\$1,262.7	-\$1,491.3
MBT Surcharge in 2012?			

Significant Tax Cuts are in the Pipeline

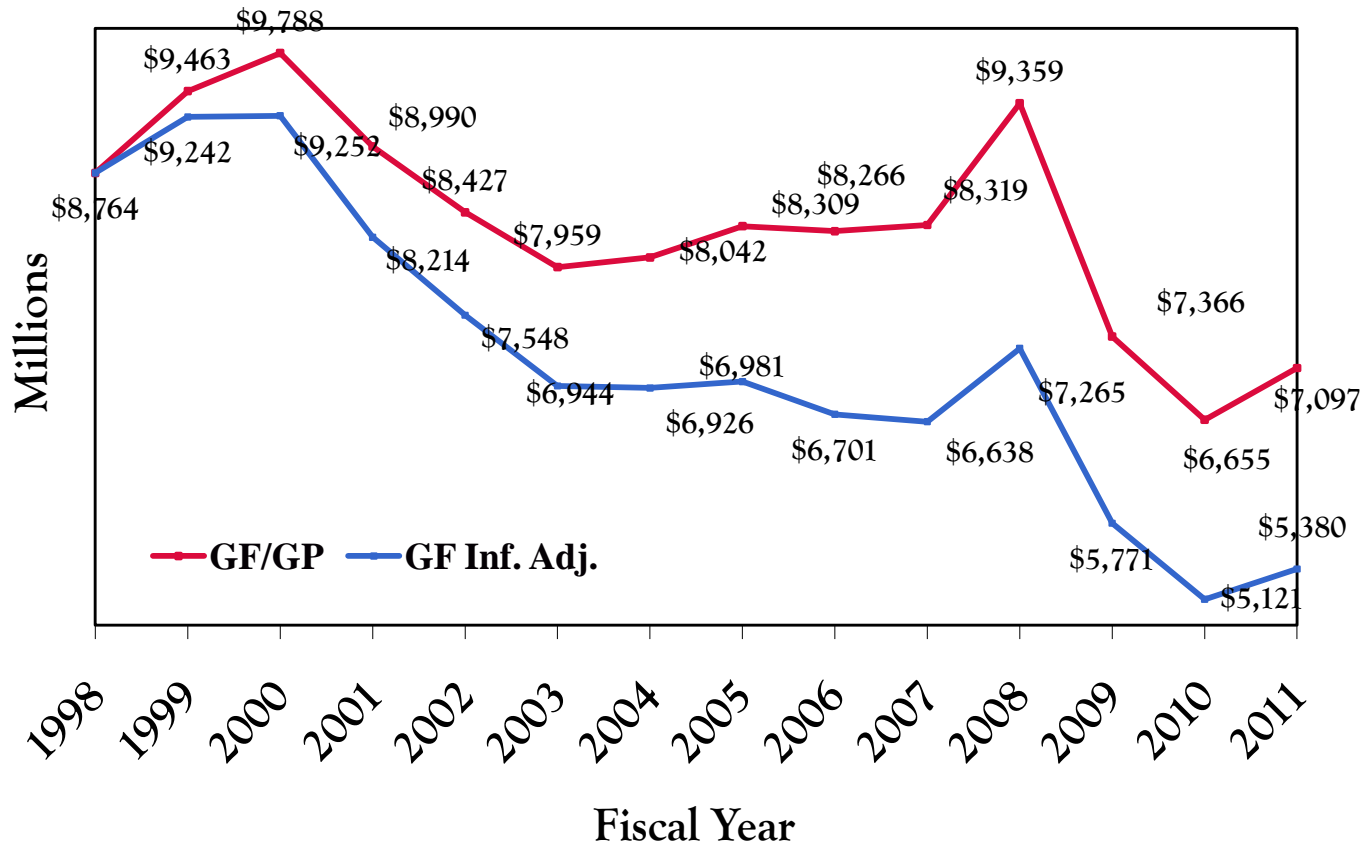
	FY 2012	FY 2013	FY 2014
Reducing Michigan IIT Rate	-\$150.0	-\$329.0	-\$522.5
Alternative Energy Credits IIT	-\$42.0	\$0.0	\$0.0
Michigan EITC	-\$358.3	-\$379.8	-\$402.6
Eliminating MBT Surcharge	-\$715.0		
MBT Battery Credits(1)	-\$40.0	-\$268.0	-\$278.0
MBT Film Credits & Infrastructure (2)	-\$125.0	-\$125.0	-\$125.0
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Totals	-\$1,553.5	-\$1,262.7	-\$1,491.3
MBT Surcharge in 2012?			

Significant Tax Cuts are in the Pipeline

	FY 2012	FY 2013	FY 2014
Reducing Michigan IIT Rate	-\$150.0	-\$329.0	-\$522.5
Alternative Energy Credits IIT	-\$42.0	\$0.0	\$0.0
Michigan EITC	-\$358.3	-\$379.8	-\$402.6
Eliminating MBT Surcharge and entire MBT	-\$2,200.0		
MBT Battery Credits(1)	-\$40.0	-\$268.0	-\$278.0
MBT Film Credits & Infrastructure (2)	-\$125.0	-\$125.0	-\$125.0
Polycrystalline Manuf. Credit	\$0.0	-\$25.0	-\$25.0
Photovoltaic Tech	-\$12.5	-\$12.5	-\$15.0
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Exempt supplies for Cobo Center	<u>-\$2.5</u>	<u>-\$3.5</u>	<u>\$1.5</u>
Totals	-\$3,038.5	-\$1,262.7	-\$1,491.3
MBT Surcharge in 2012?			



State of Michigan General Fund Revenue



Down 24.2%
Since FY
2008

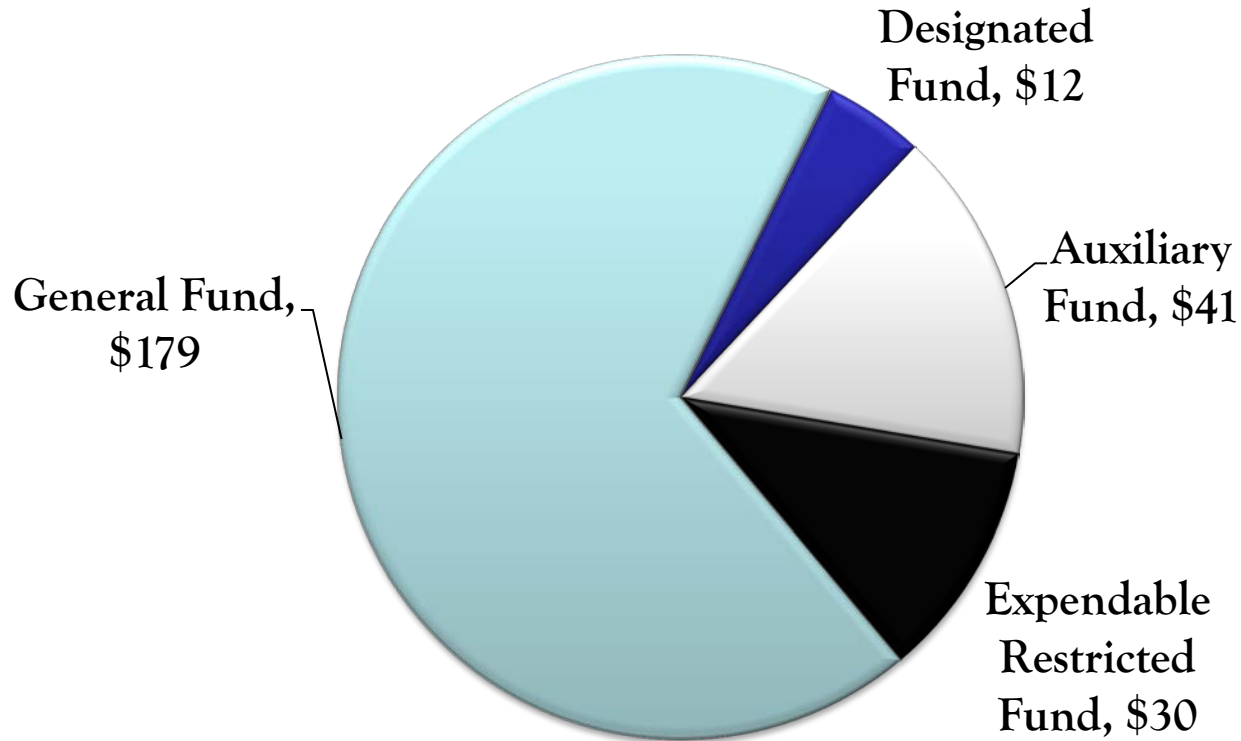
Down 42%
Since FY
2000



Current Operating Funds Revenues

FY 2010 - \$262 Million

(Amounts in Millions)





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FY 11 Approved
General Fund
Budget Allocations

Division	Approved Budget	Percent of Total Budget
Academic Affairs	\$96,690,034	52.82%
Administration and Finance	\$24,701,303	13.49%
Governmental Relations/General Counsel	\$1,439,633	0.79%
Student Affairs	\$7,433,922	4.06%
University Advancement and Marketing	\$3,966,598	2.17%
General Division	\$28,448,154	15.54%
Kendall College of Art and Design	\$18,010,000	9.84%
General Fund Total	\$183,066,464	100.00%



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Ferris State University
FY11 Approved Housing and Dining Budget Allocations

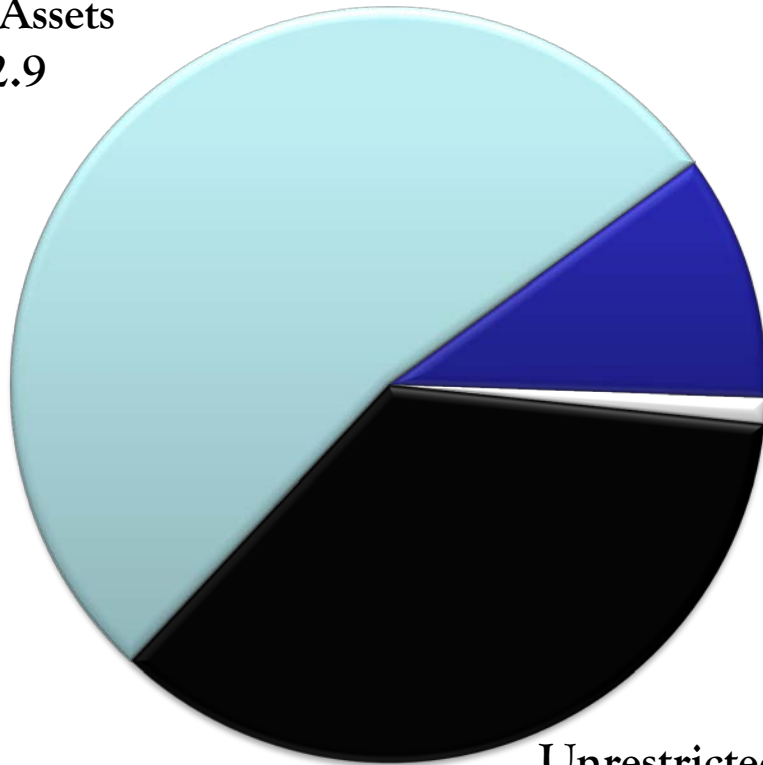
Department	Approved Budget	Percent of Total Budget
Housing/Dining General Budget	\$9,340,562	27.59%
Total Dining Budget	\$10,796,884	31.89%
Total Housing budget	\$13,714,776	40.51%
Total Housing/Dining	\$33,852,222	100.00%



FSU FY 2010 University Net Assets - \$250.5 Million

(Amounts in Millions)

Invested in
Capital Assets
\$132.9



Restricted
Schol/Loan
\$26.4

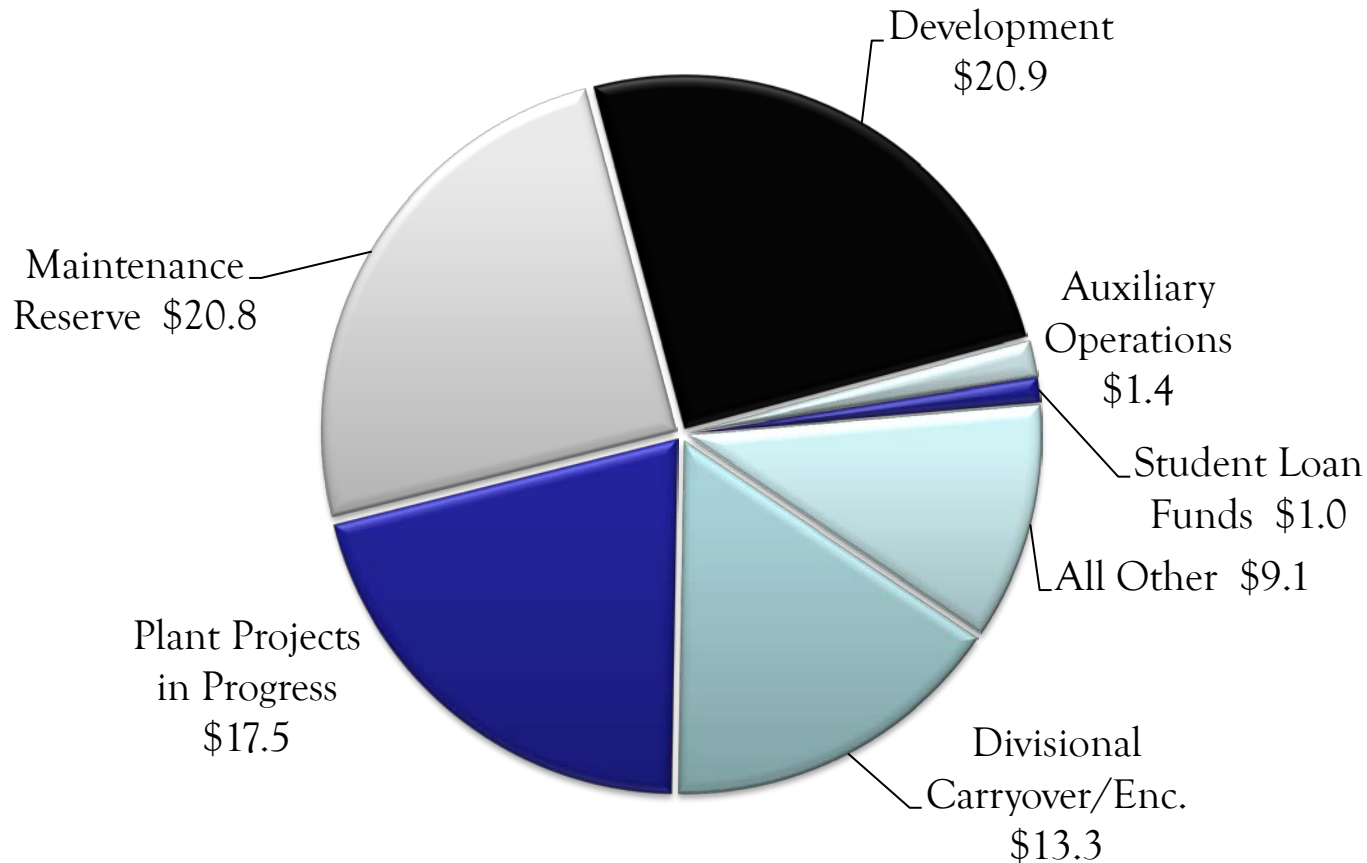
Restricted
Other \$2.8

Unrestricted
\$88.4

Unrestricted
without KCAD
\$83.5M



FSU Unrestricted Net Assets as of June 30, 2010 - \$83.5 Million
By Major Components (Excludes Kendall)
(Amounts in Millions)





Unrestricted Net Asset Changes

- Unrealized investment gains/losses \$5.7 million
 - Last year \$3.8 million loss
 - This year \$1.9 million gain
- Encumbrances \$.9 million
- Divisional Carryover \$.8 million
- Unallocated Investments \$.6 million
- Maintenance (non-GF) \$.6 million
- Foundation \$.3 million
- University Development \$.3 million
- Plant Projects in planning -\$3.9 million

Overall net asset increase is \$5.2 million



FSU Budget Actions & Challenges

- Ongoing Challenges
 - State Support
 - Enrollment
 - Health Costs
- Budget Actions to Date
 - Early Retirement Incentive for Non-Faculty
 - 59 Incentives approved
 - 28 positions eliminated for savings of \$1.8M
 - Base Reductions of \$7.5M Identified
 - 115 Positions eliminated



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Enrollment

- Tuition is 72% of general fund budget
- 100 students represent \$1,000,000 in revenue
- Ferris State University is the fastest growing public university in Michigan with record enrollments – 14,381 this fall (increase of 516 students)
- Fall semester 2010 in Big Rapids
 - Up 66 (.67%) students
 - Down 1,300 SCH (-1.02%)
- Growth is on line and at regional sites



Capital Projects

- Ferris has stimulated the local and west Michigan economy through capital projects. These projects are bonded and funded. In current economic climate benefitted from reduced construction costs.
 - Rock Dining Facility
 - East Campus Apartments
 - Arts and Sciences Mechanical Systems
 - Optometry Building
 - Campus Infrastructure project
- Will continue to move University forward looking strategically for the long term.
 - Federal Building
 - Pharmacy in Grand Rapids
 - Student Union Renovation



Ferris Forward

- Support for Students
 - Tuition
 - Increased Pell Grant
 - TIP
- Shaping the University of the Future
 - Student Success
 - Reorganization
 - Revenue Enhancement



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Thank You

*Your help is needed, you are needed,
your thoughts and your willingness
to work through this together are needed.
Our success relies on your help.
With your help we will get through this
and continue to build a greater university
together.*

Dave Eisler