

Budget Forum Presentation – Opening Statement: March 25, 27 and April 9, 2019
David L. Eisler, president

Thank you for taking this time to visit with me today. I appreciate the opportunity to share this information, to answer your questions, and to consider together how we move forward.

Higher education in Michigan has never dealt with a challenge of the magnitude of what we currently face. Over the past decade, the number of students graduating from Michigan high schools has declined by 15%. And over the next decade, high school graduates will decline by another 15%.

Why is this? It's because of the declining birthrate in our state. Since 2000 the number of children being born in our state has decreased by nearly 25,000 annually. During this period our birthrate has declined by 18%, the second largest decrease in the country. One needs to go back to 1944, in the midst of the Second World War for a time when fewer babies were born.

In what has become an ultracompetitive educational environment, we have done well, especially for a public university in a rural area without much population density. Despite our best efforts however, our enrollment has declined. Currently 73% of our general budget is generated by tuition and as enrollment declines so has our revenue.

Today I want to share with you the challenge in front of us. This is a challenge of historic proportion and will continue for the next decade. This is something we need to understand and deal with together. In this environment, we will continue to –

- Help our students
- Retain and increase the quality of the educational experience at Ferris, and
- Help you as we deal with these difficult challenges.

There is no denying the impact of this on each us. The challenges we are facing and what we are experiencing impact on you, they impact on me, they impact on all of us. Here at Ferris State University we work very hard. We've dedicated our lives to our students, to their education experience, and to the difference this makes in their lives. While this is difficult, there is a way forward and together we can and will accomplish this.

At Ferris our budget approach is straight forward. Inputs need to match outputs; revenues must balance with expenses. To do otherwise places our collective future in jeopardy. Over the past three years we have made many difficult decisions. As a university, we've cut \$15.4 million from the budget, and eliminated 83 positions. For next year's budget in Big Rapids, we will need to reduce another \$4.6 million. The math for revenue is simple. A decline of 100 students equals \$1.2 million in revenue. There is no denying, this work is very hard. It forces us to do more with less.

Eliminating enrollment declines will require the efforts of everyone. I am confident we can and will succeed in this environment. Why...because Ferris is unique, and our uniqueness can be the difference maker. At Ferris we care, and this difference is exemplified in the difference our efforts make for our graduates. Both of these are competitive advantages

Success will also require we be more entrepreneurial. We need to stretch our comfort level, to take more risks, to try new approaches, and to build on those efforts that succeed. Through this we will work to create the Ferris of tomorrow.

I need you, we need you, we all need to work together,

- To attract and retain students
- To help the public understand the value and impact of what we do
- To change and evolve to meet this challenge.

TOGETHER I AM CONFIDENT WE CAN AND WILL SUCCEED.