

Budget Update

Successes, Challenges
and Decisions Ahead

David Eisler, president
Sally DePew, director, Budgetary Planning & Analysis

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Outline for Today

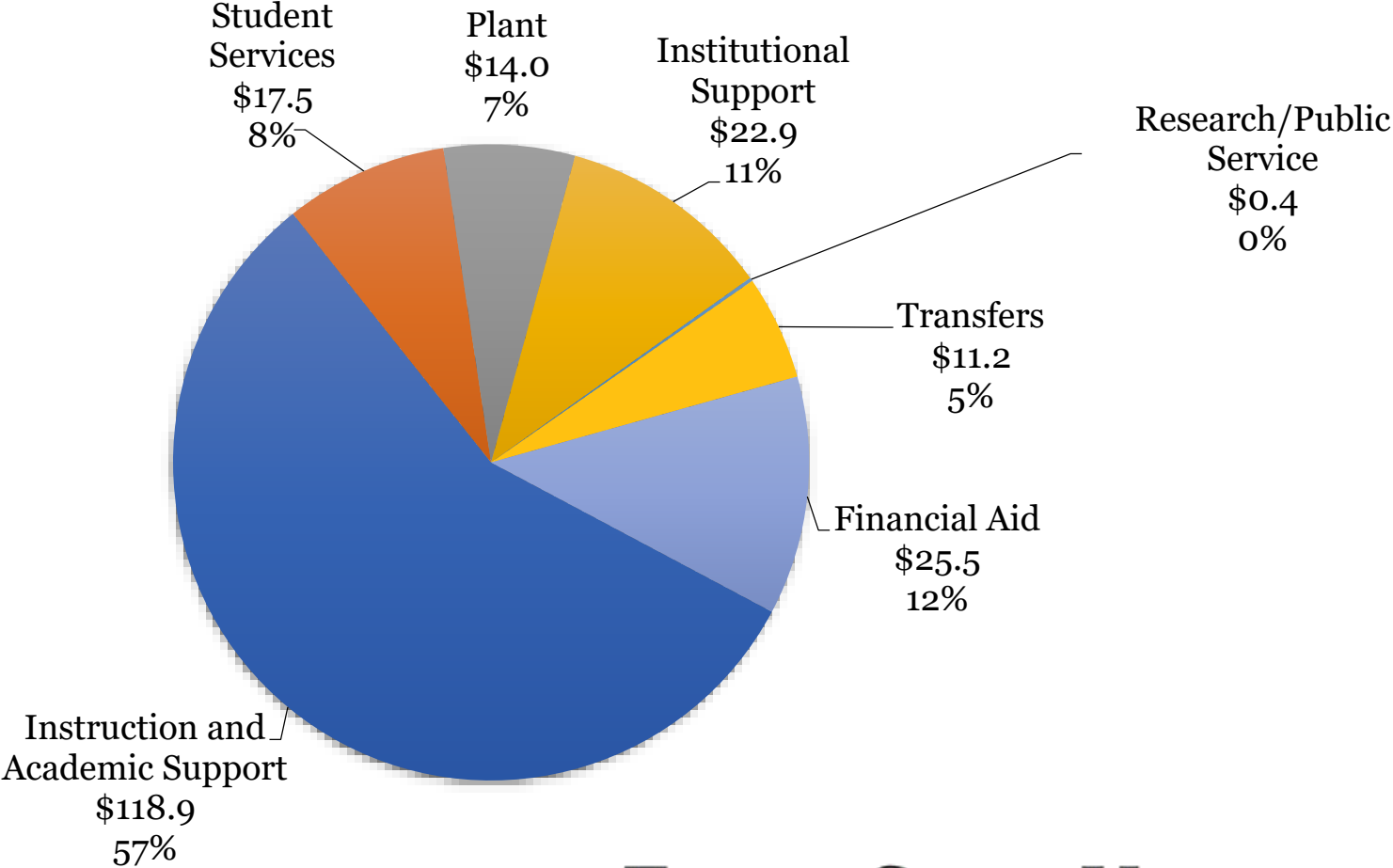
- **Ferris budget information**
 - Look back at 2019 fiscal results
 - Information on 2020 budget
- **Revenue and enrollment**
- **Looking forward to 2021**
- **Strategic initiatives**

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2018-2019 University Fiscal Results

General Fund Expenditures - \$210 Million

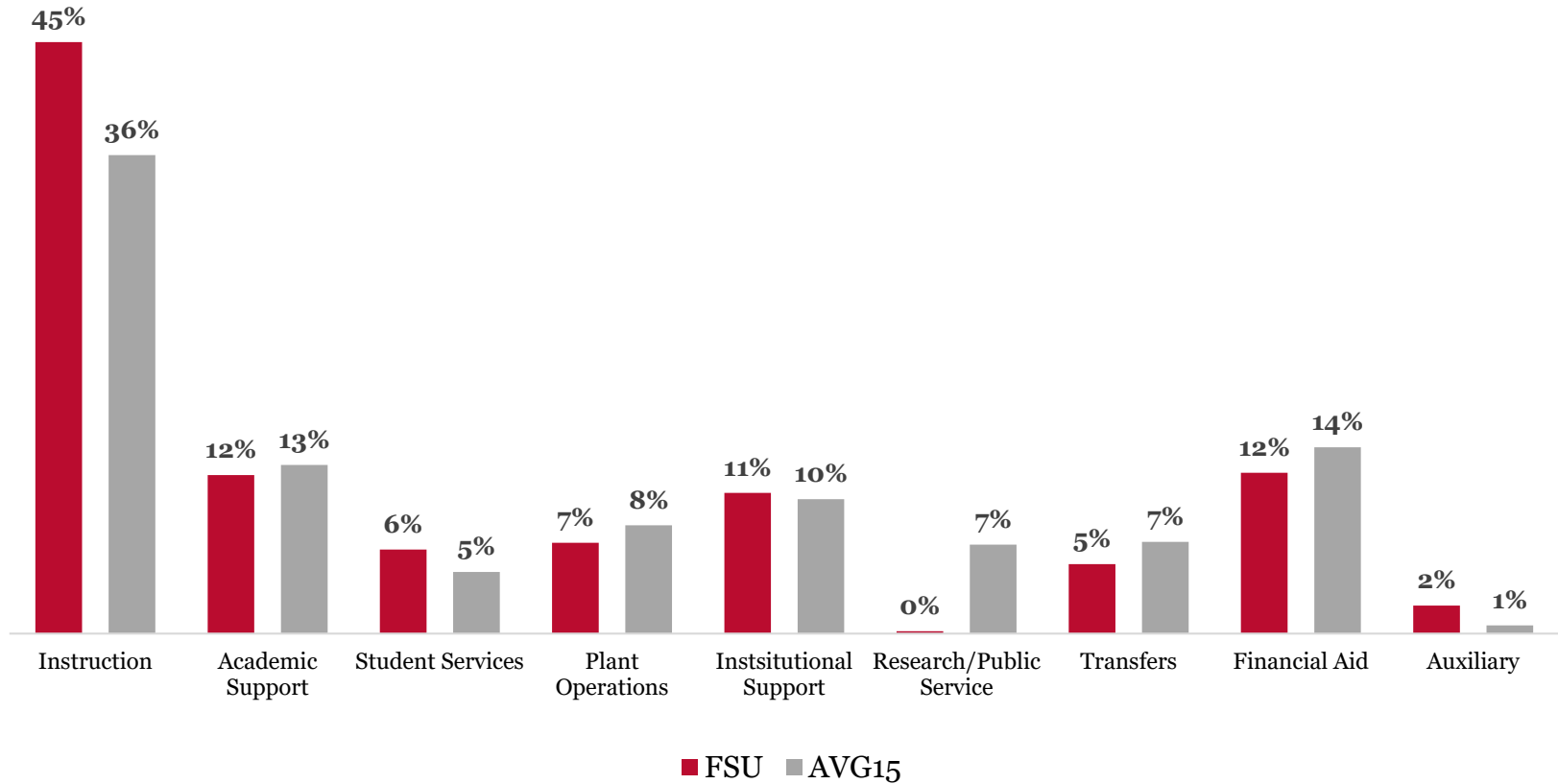


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Michigan Public University Spending Patterns

FY2019 – Percent of General Fund Expenses
by Function of Expense



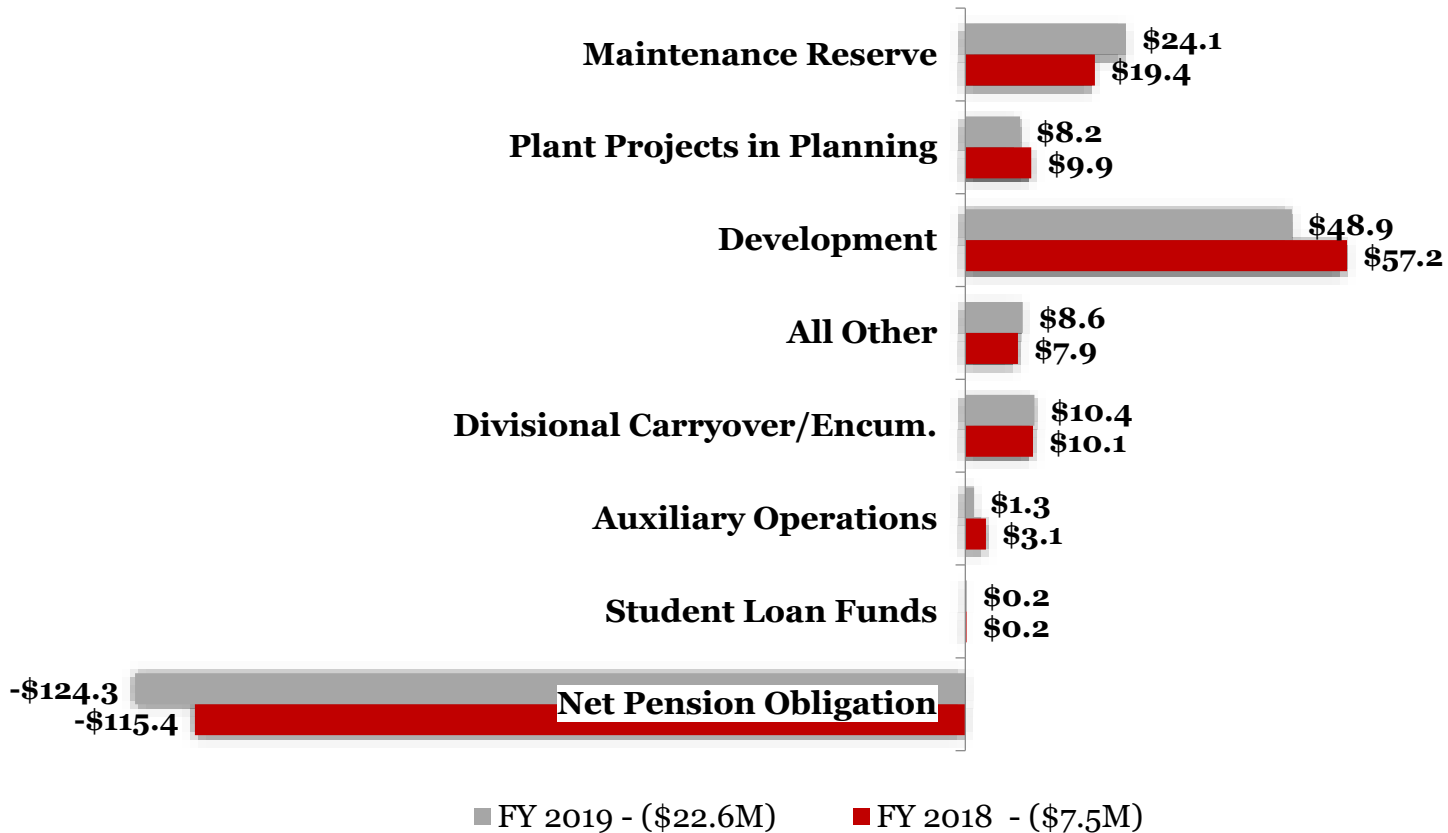
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2018-2019 University Fiscal Results

Unrestricted Net Position Comparison

(Amounts in Millions)



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2019-20 General Fund Budget

Revenues

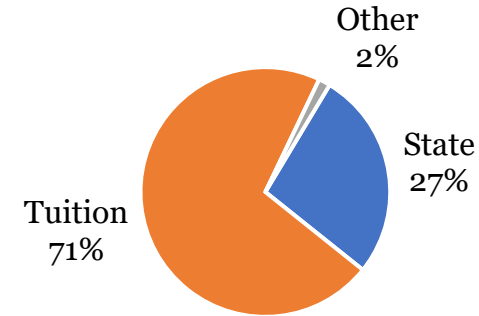
State	\$56M
Tuition	\$147M
Other	\$3M
<i>Total Revenues</i>	<i>\$206M</i>

Expenses

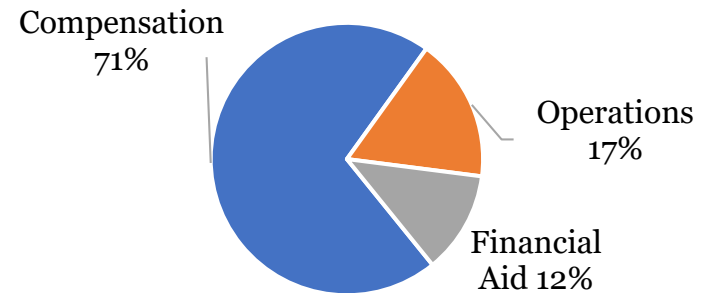
Compensation	\$146M
Operating	\$35M
Financial Aid	\$25M
<i>Total Expenses</i>	<i>\$206M</i>

2019-2020 Budget includes \$8 million in reductions

Revenue



Expense



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State Funding

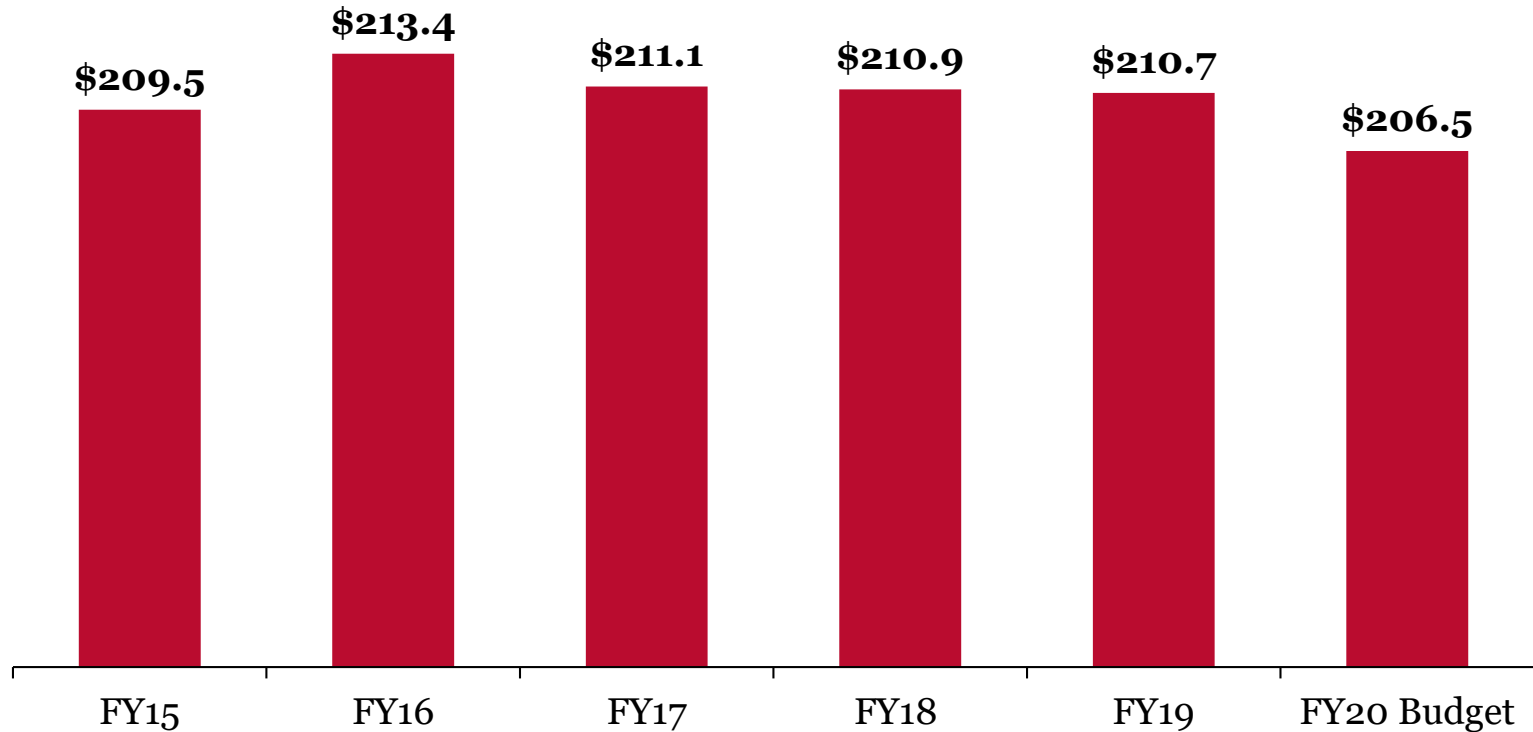
- Higher education budget provides increase of .5%
- Includes full funding of Indian Tuition Waiver
- Overall University operations state increase of 1.0%
- Results in a FSU increase of 2.0%
- Includes full funding of the Tuition Incentive Program

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General Fund Revenue

(Amount in Millions)



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FY 2019-20 General Fund Budget Reductions

<u>Description</u>	<u>Positions</u>	<u>Amount</u>
Administrative	15.0 FTE	\$2.4M
Clerical	3.0 FTE	\$.2M
Faculty	11.0 FTE	\$1.3M
Maintenance	3.0 FTE	\$.2M
Part-time Wage		\$.3M
Operating Support		\$.5M
Student Assistance		<u>\$.5M</u>
Totals Completed	32.0 FTE	\$5.4M
Assigned		<u>\$2.6M</u>
Total		\$8.0M

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Four-Year Summary General Fund Budget Reductions

<u>Description</u>	<u>Positions</u>	<u>Amount</u>
FY 2017	24.0 FTE	\$5.2M
FY 2018	9.5 FTE	\$3.0M
FY 2019	55.0 FTE	\$7.3M
FY 2020	32.0 FTE	\$8.0M
4-Year Totals	120.5 FTE	\$23.5M

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Successes

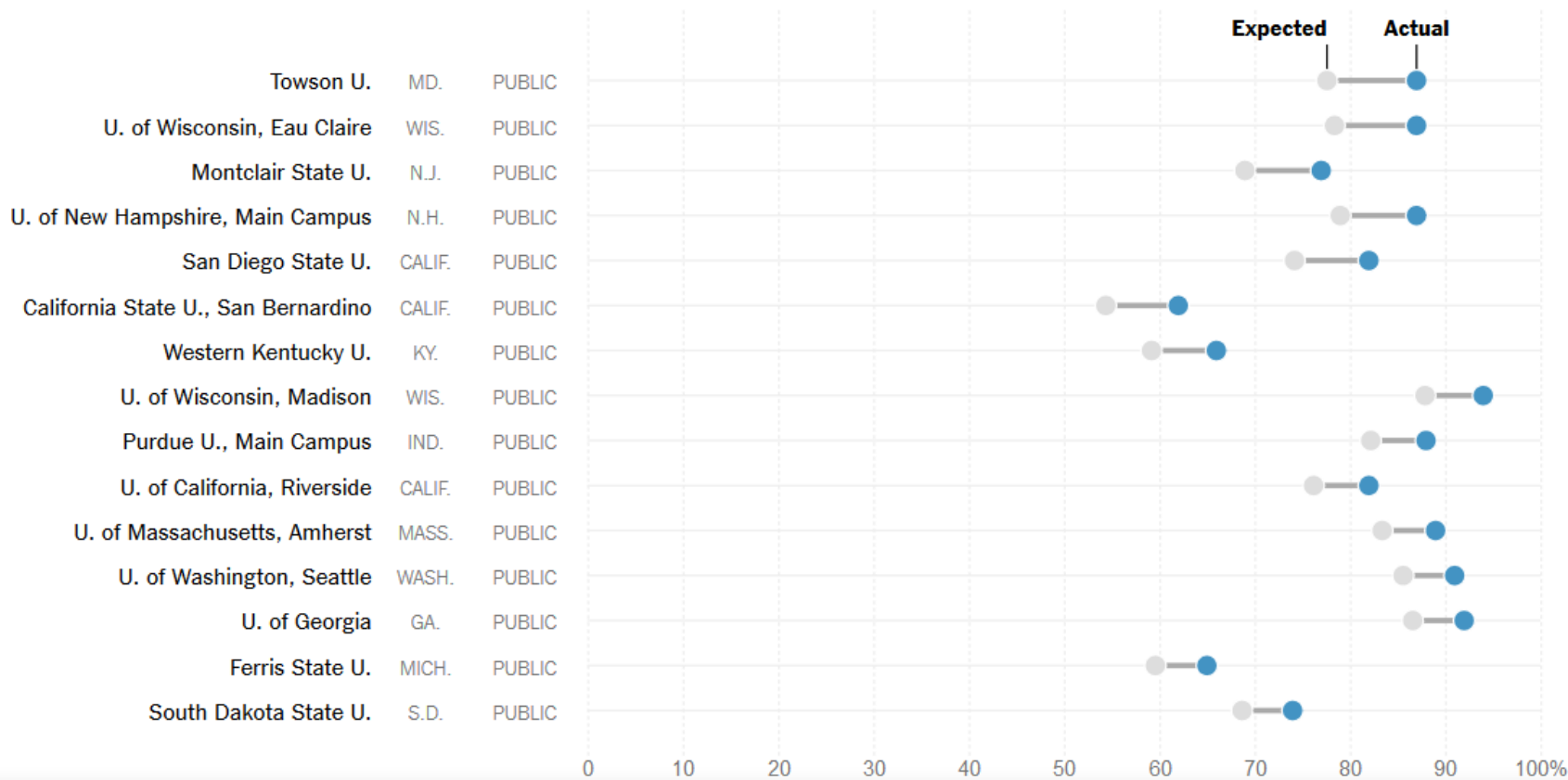


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Top Performing Schools – *NY Times*

Largest Schools – 2,000+ Entering Students



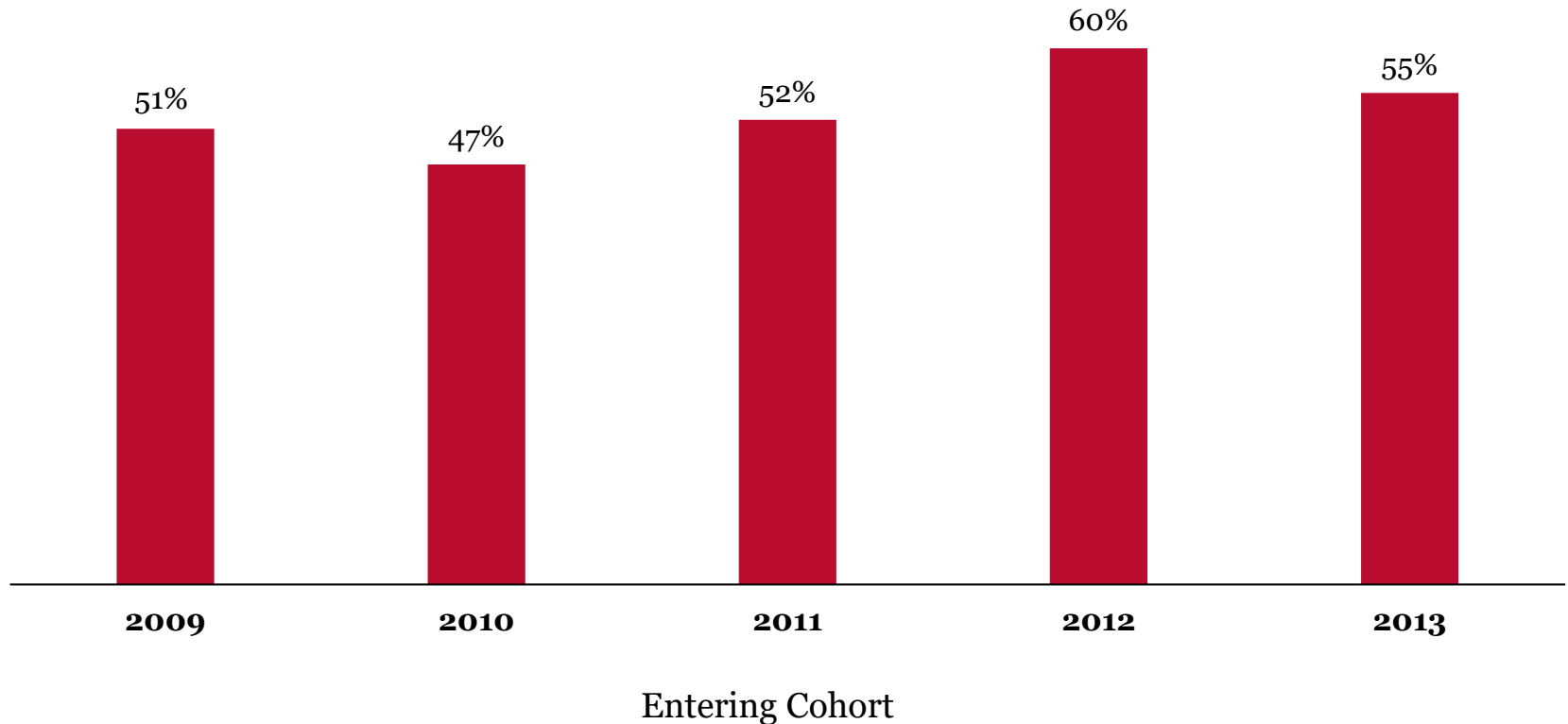
Source: *The College Dropout Crisis* – David Leonhardt & Sahil Chinoy - May 23, 2019

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Six-Year Graduation Rate

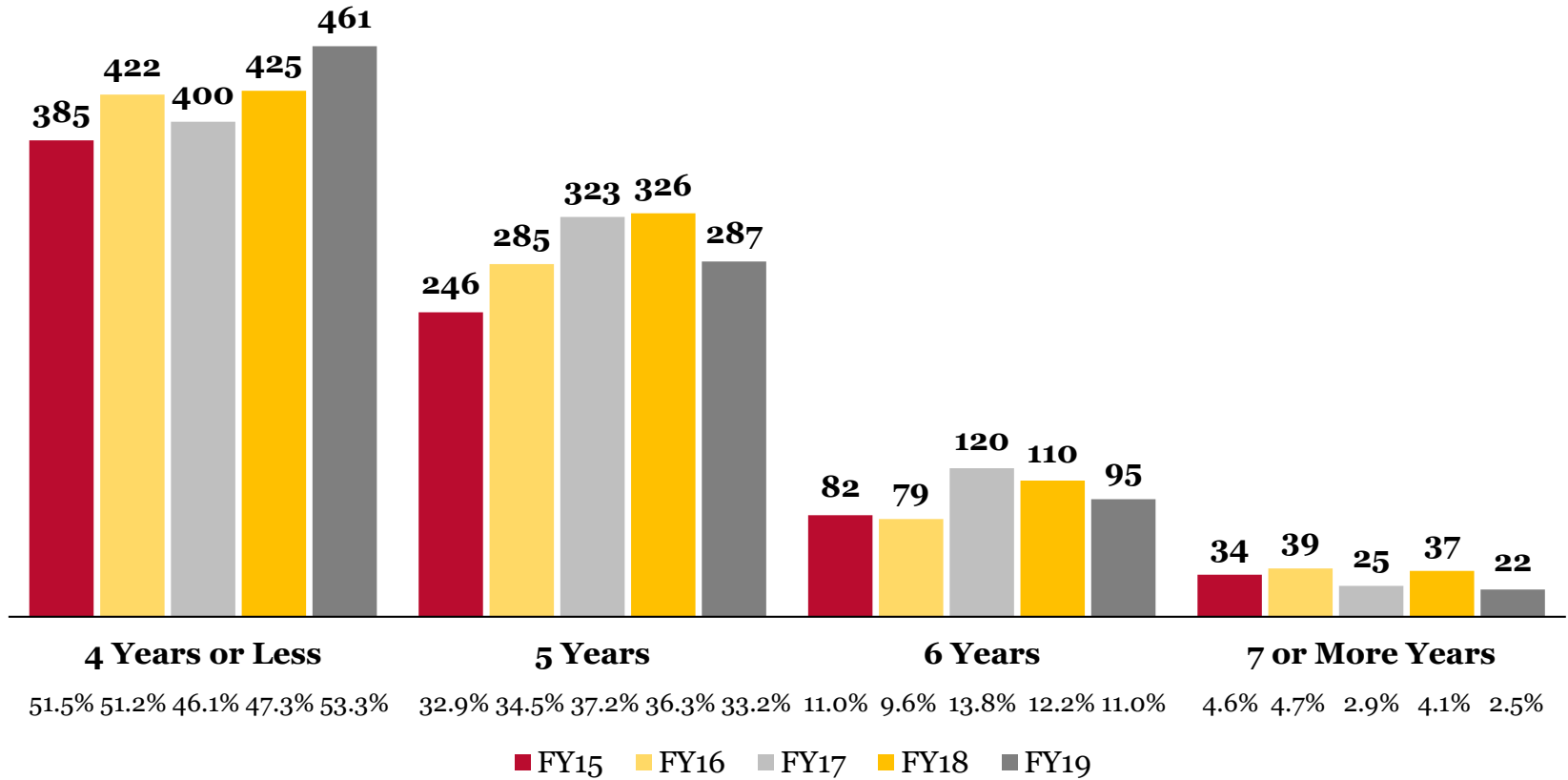
Full-Time FTIAC Bachelor's Degree Seeking Students



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Time to Bachelor's Degree (FTIACS) Including Percent of Total

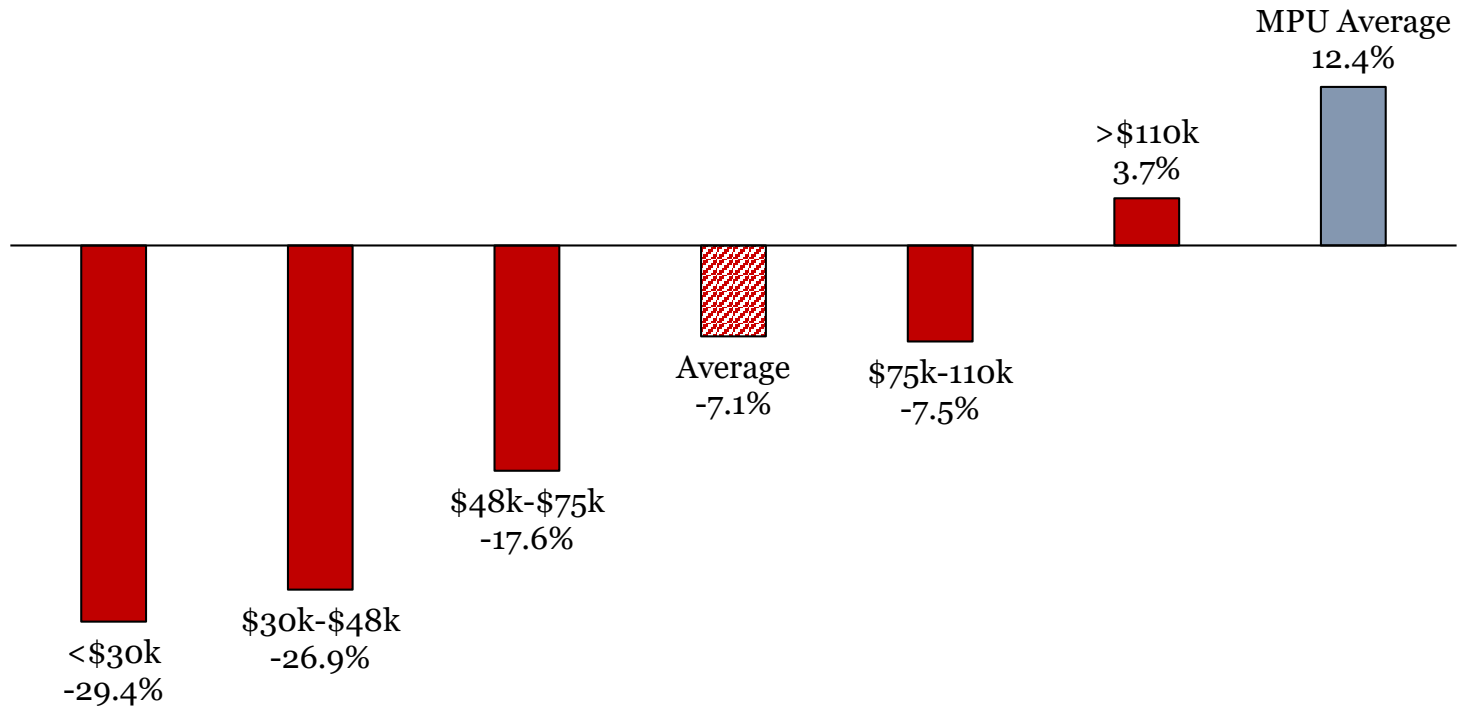


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Change in Net Price 2009 to 2018

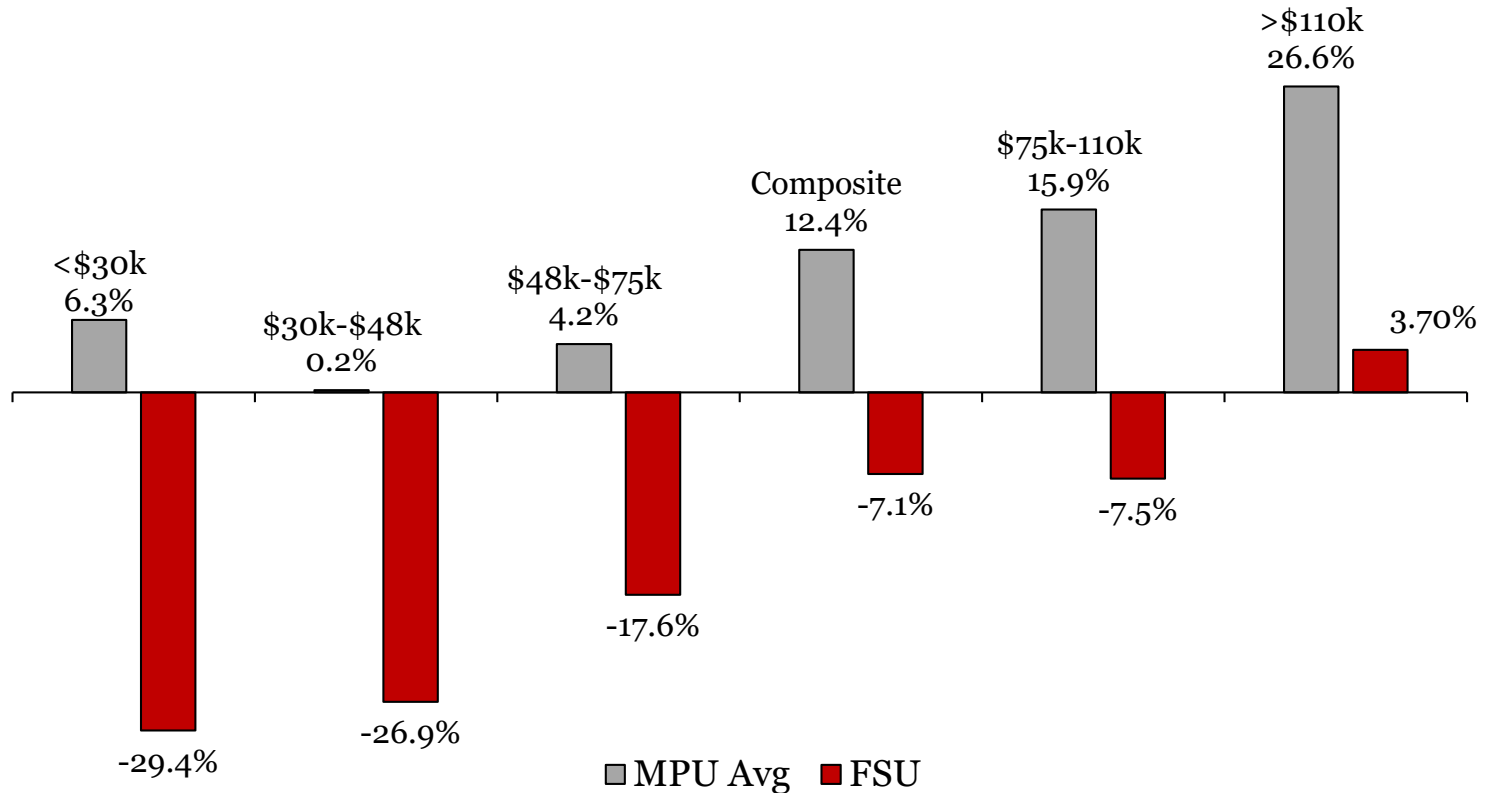


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Michigan Public Universities

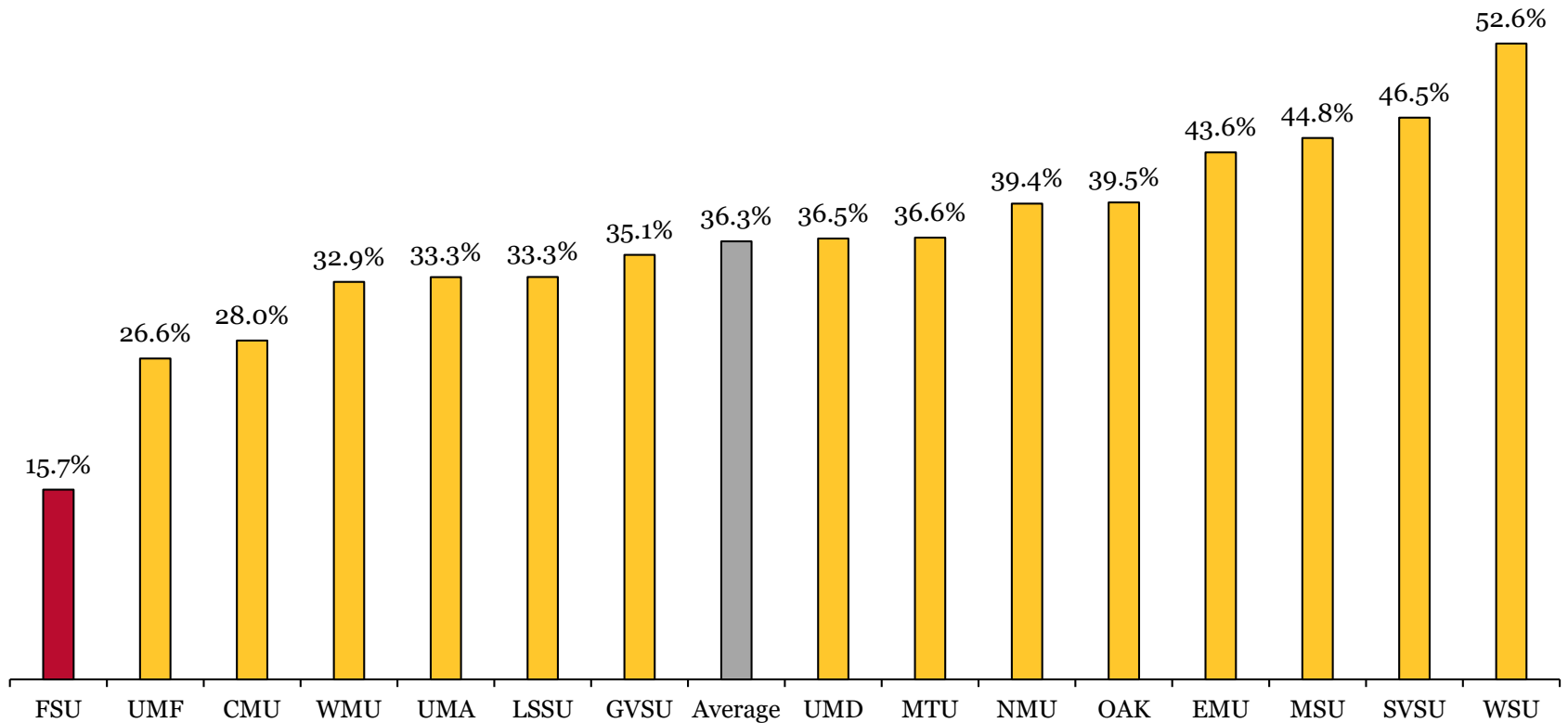
Average Change in Net Price 2009 to 2018



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MPU Cost of Attendance Resident, On-Campus Student Change 2008-09 to 2018-19



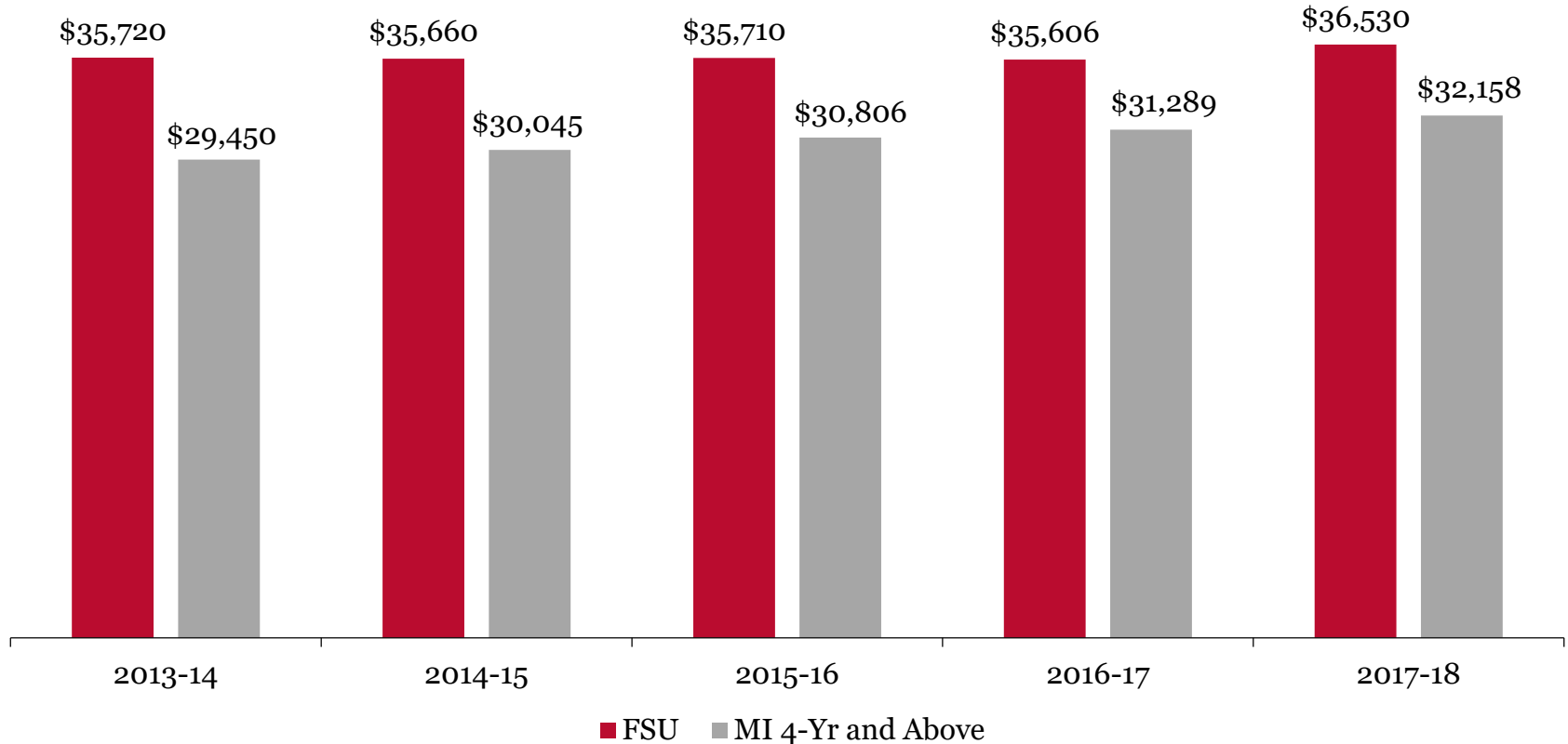
Source: IPEDS College Navigator

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Average Student Debt

Bachelor's Degree Graduates with Debt



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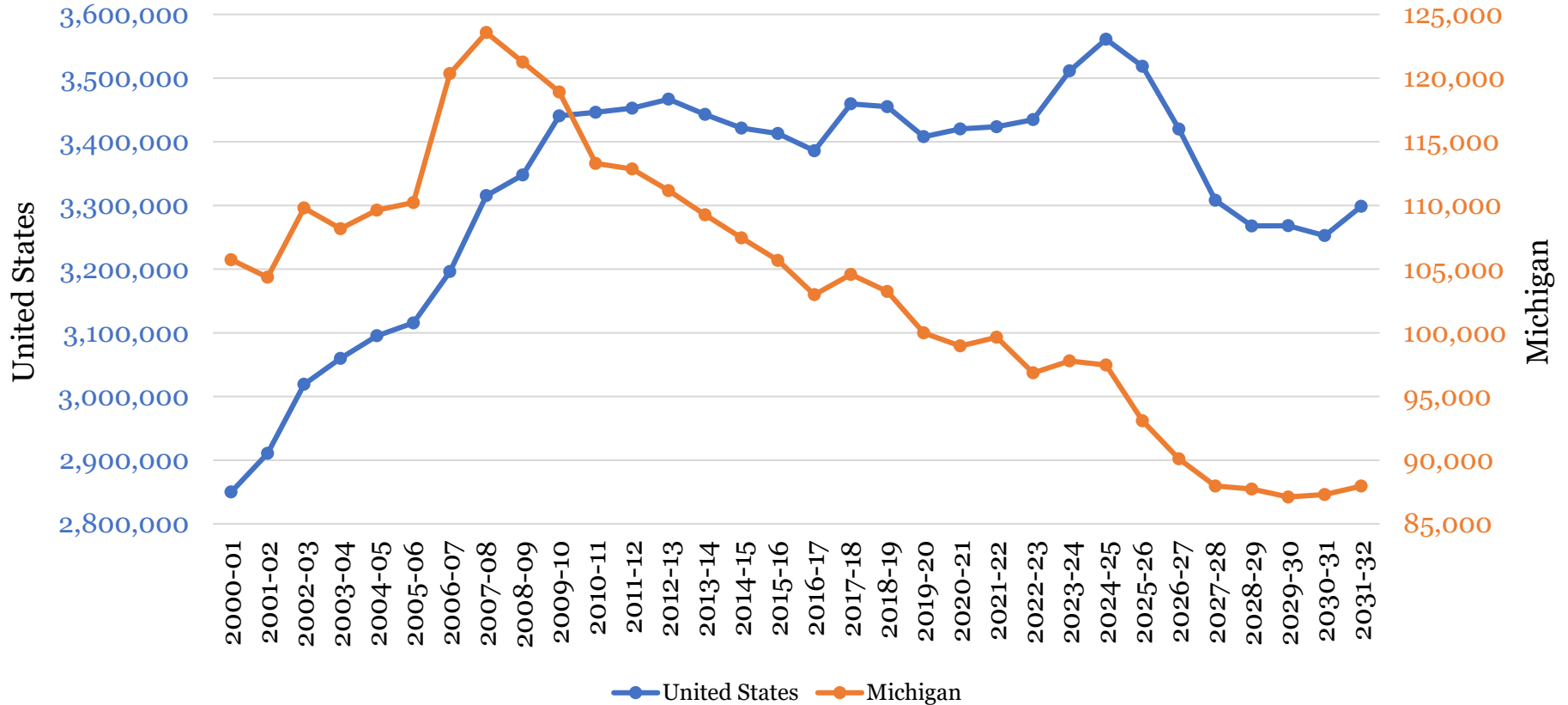
Challenges



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Projected Number of U.S. and Michigan High School Graduates

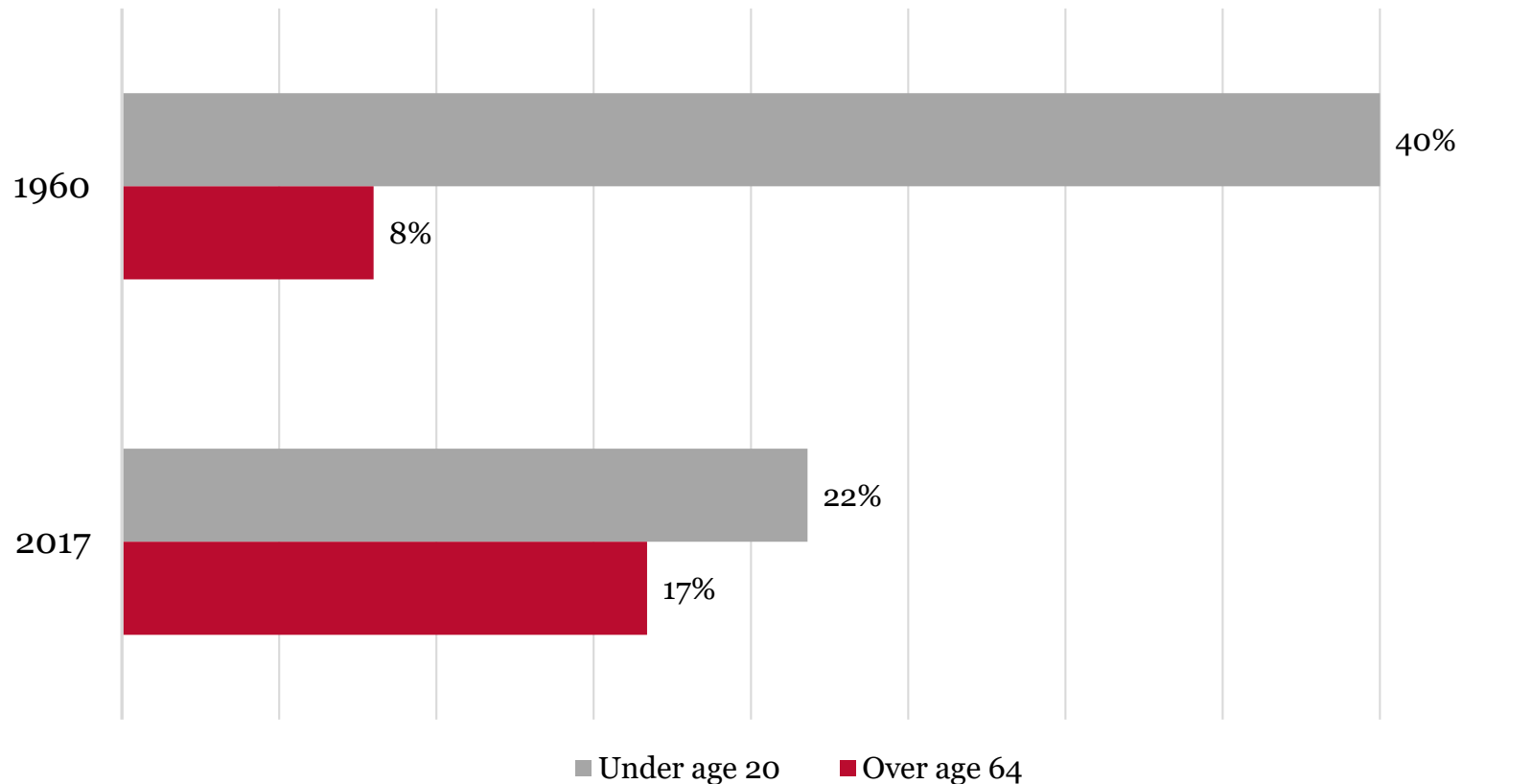


Source: WICHE – Knocking at the College Door

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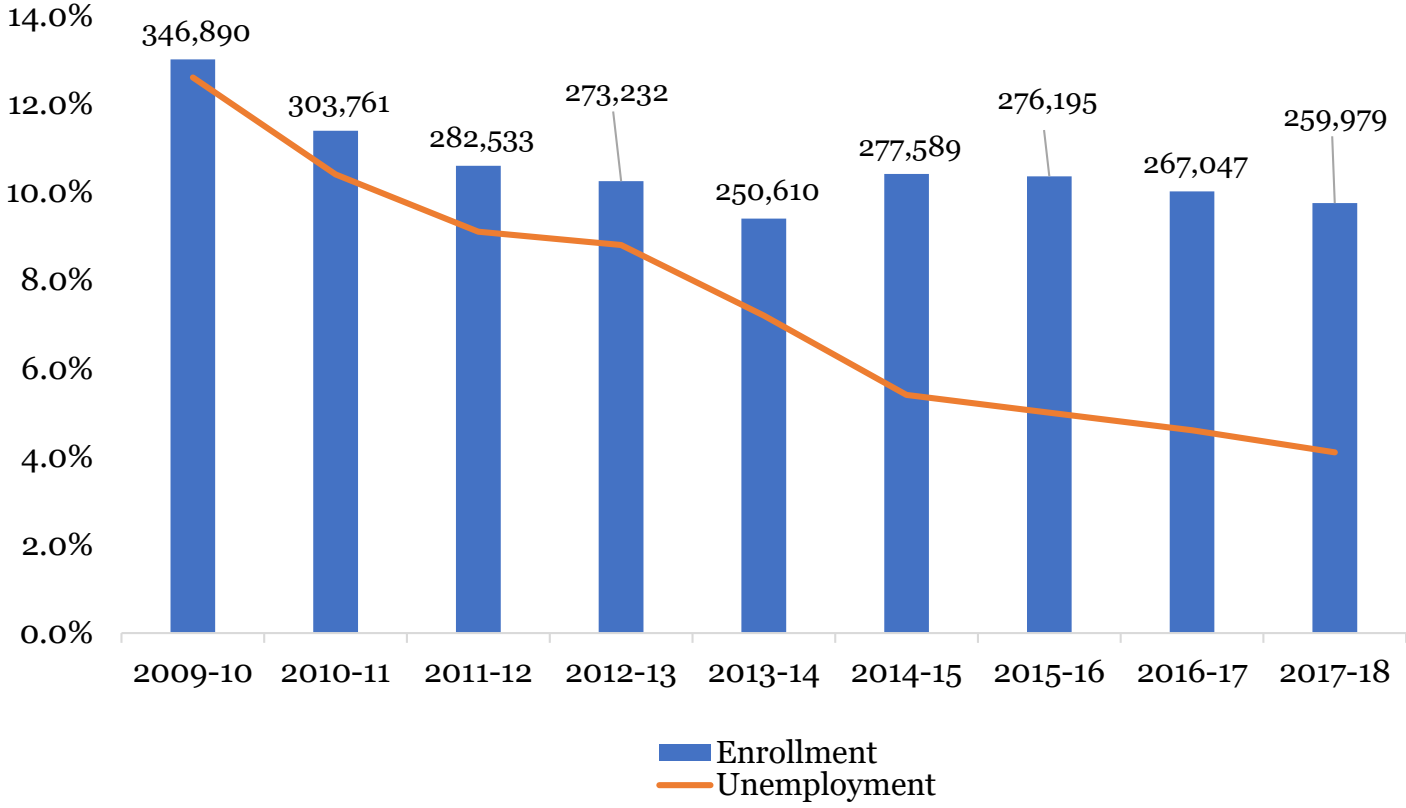
Percent of Michigan Residents Who Are Children vs. Senior Citizens 1960 and 2017



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Michigan Community College Enrollment



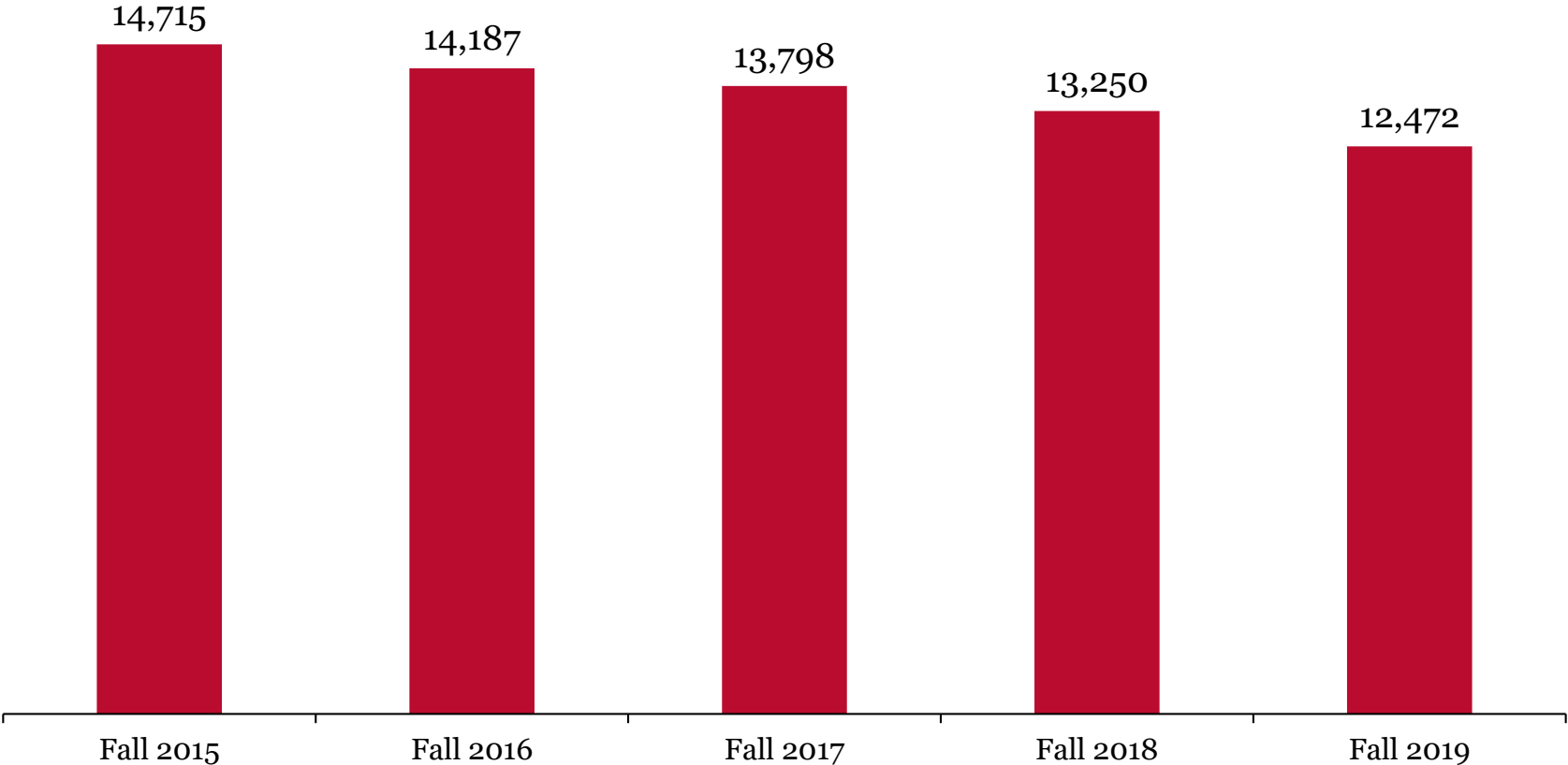
Decline of 86,911 students or 25%
Source: MI School Data

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FSU Fall Headcount Enrollment

University-Wide



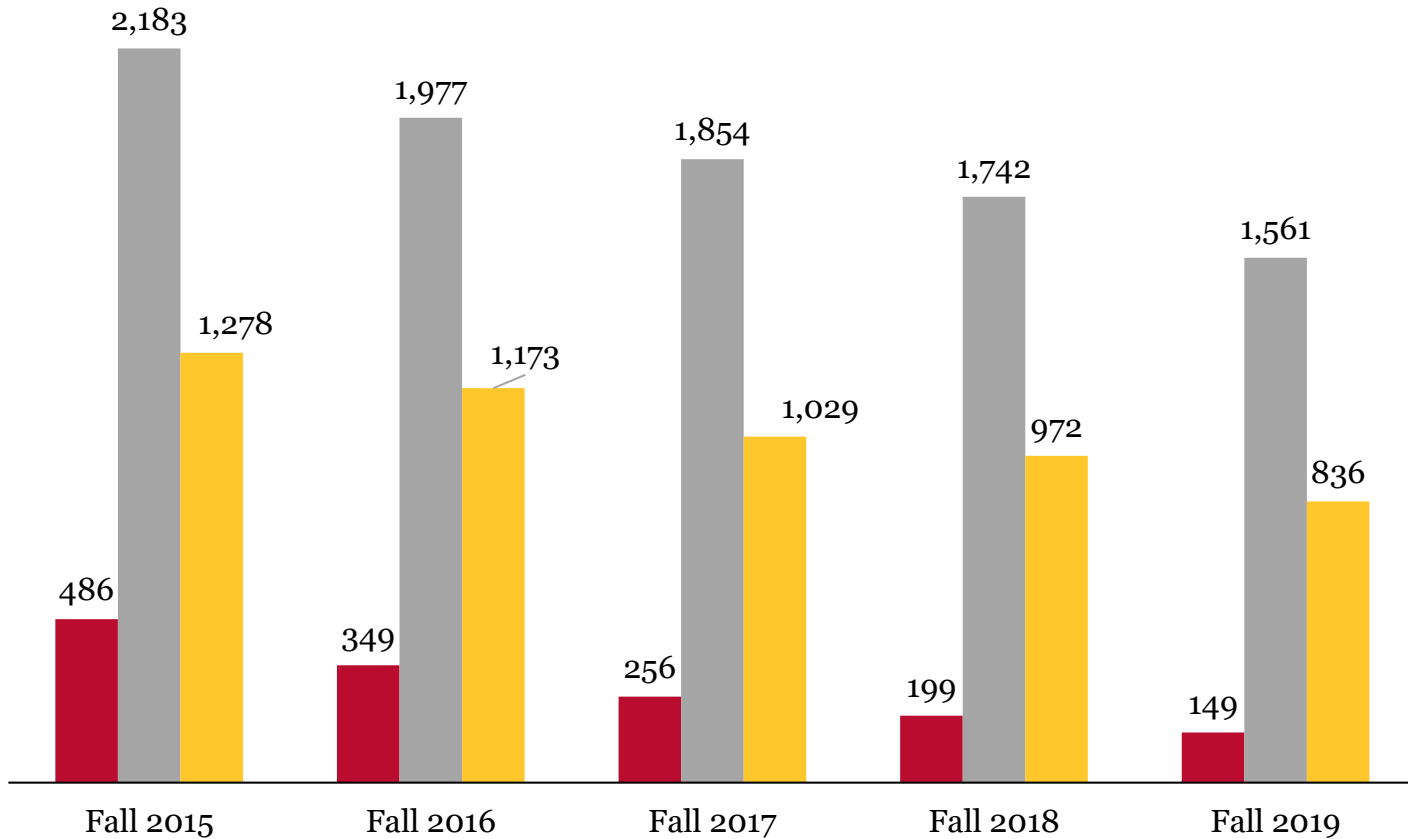
-15.2% decline University-wide over 5 years

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Fall Headcount Enrollment

BR International, Regional, Kendall College of Art and Design



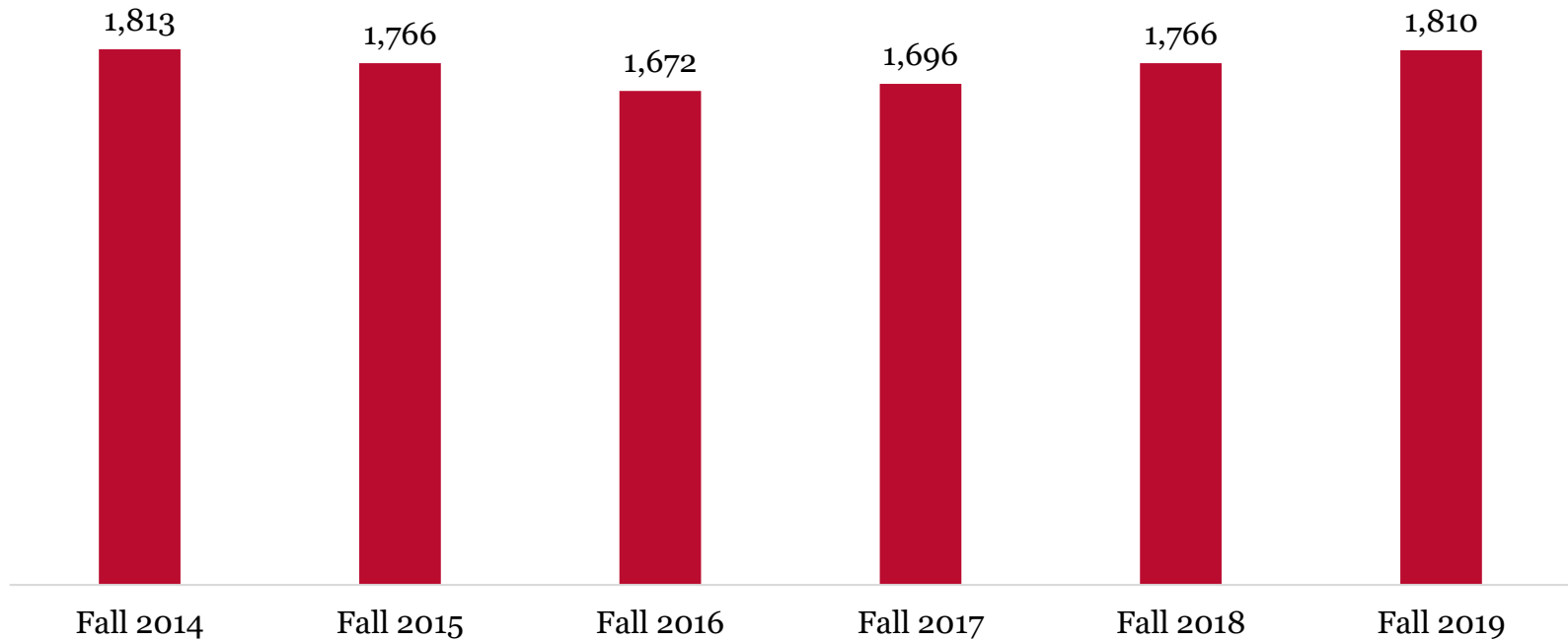
69.3% decline
28.5% decline
34.6% decline

■ BR International
■ Regional
■ Kendall

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FTIAC Students – Big Rapids

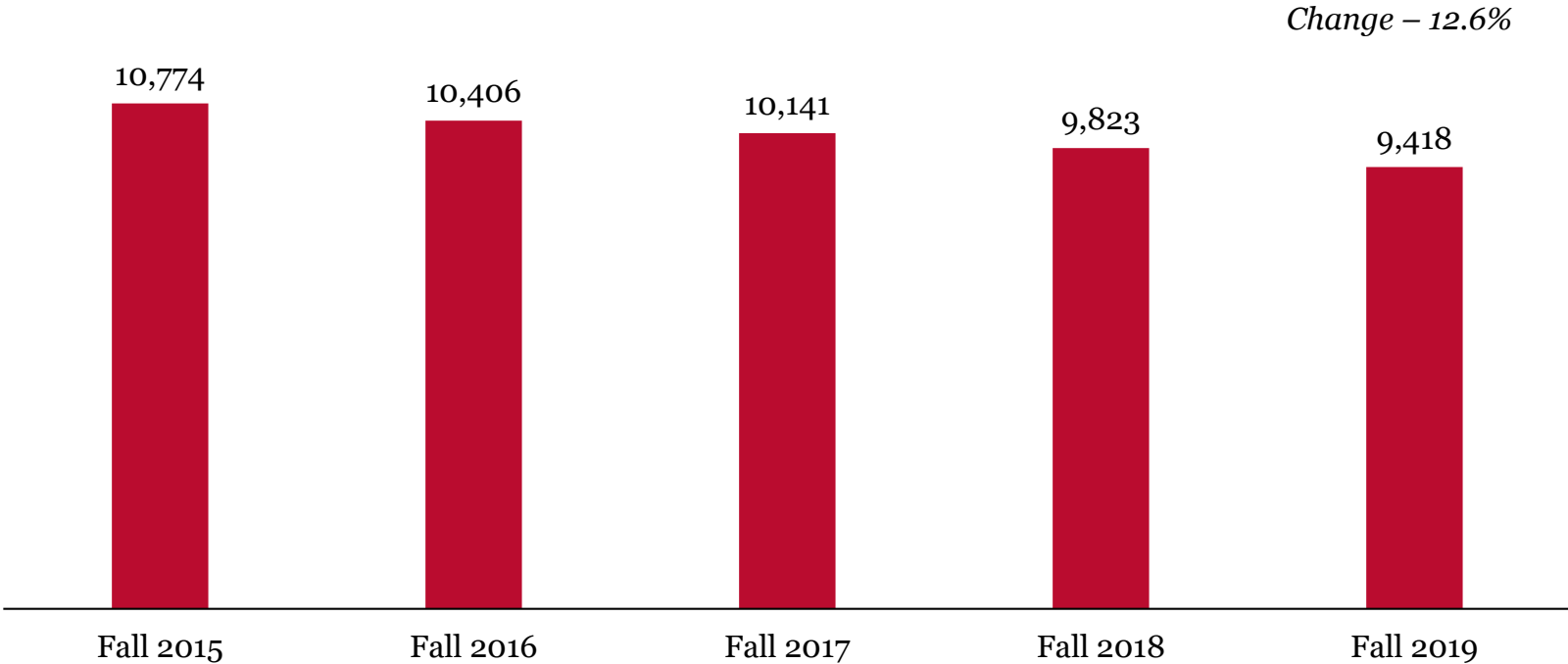


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Fall Headcount Enrollment

Big Rapids Traditional Students

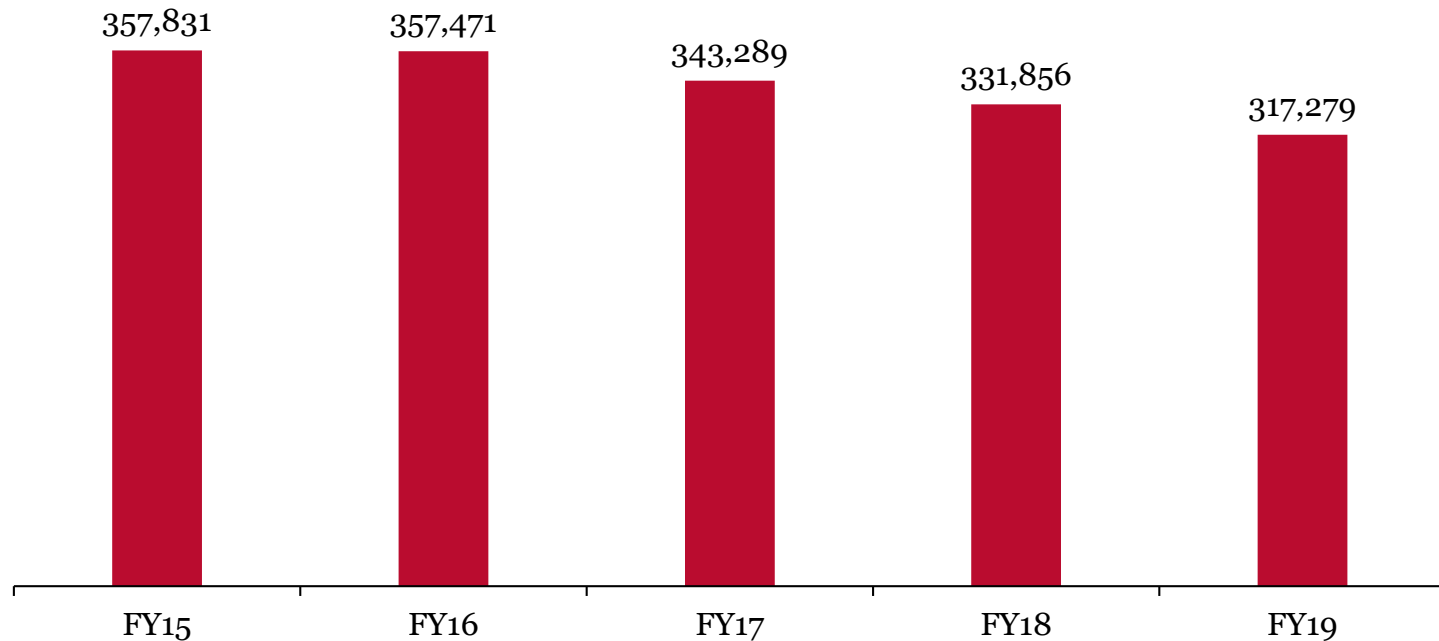


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FSU Student Credit Hour Enrollment

University-Wide



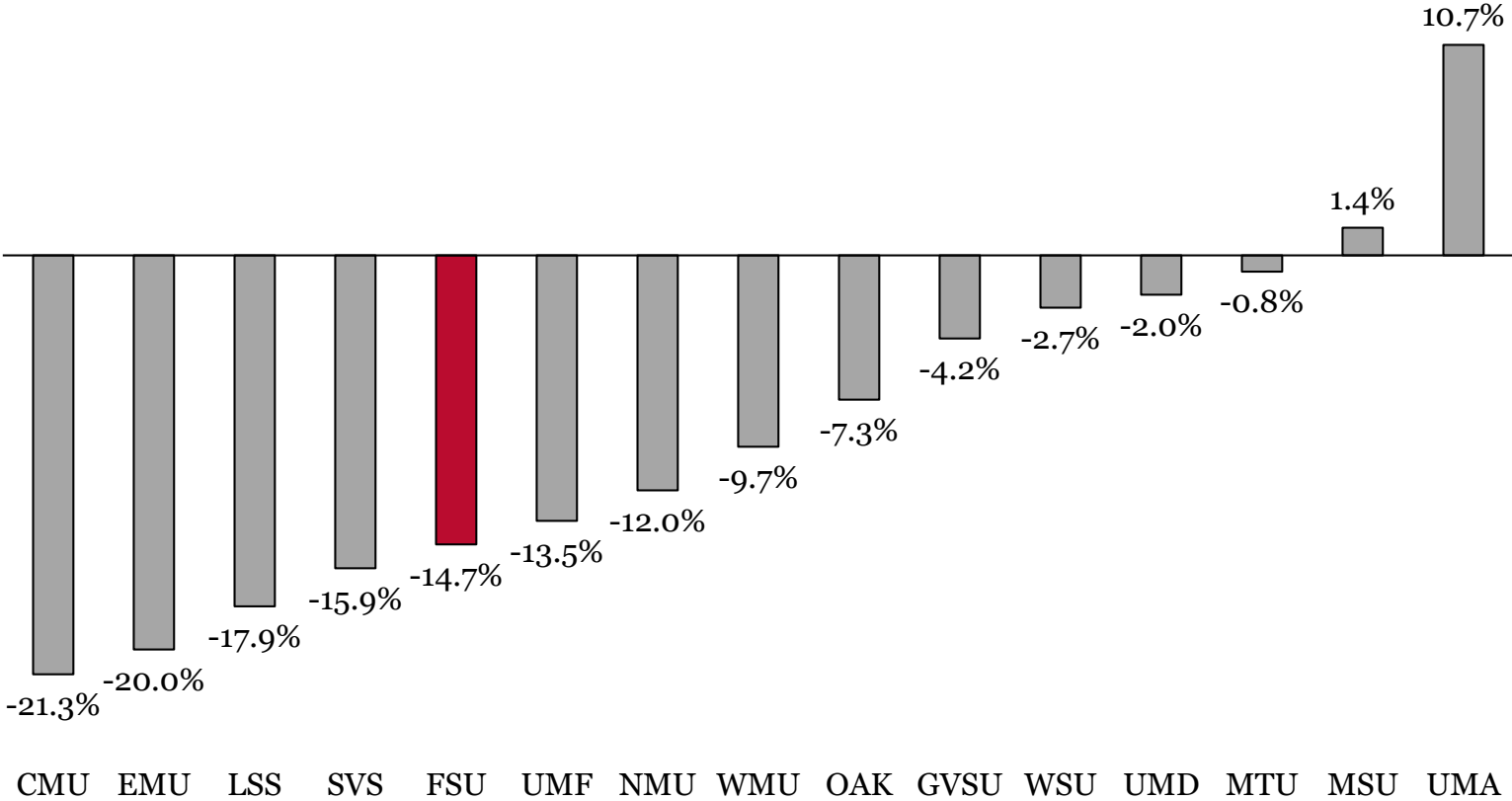
Decline from 2014-15 to 2018-19 is 40,552 SCH or 11.3%.

One-year decline of 14,577 SCH or 4.4%

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Michigan Public University Fall Headcount Enrollment Percent Change from 2014 to 2019



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2020-2021 Budget

- Until enrollment is stabilized additional budget reductions will be needed to balance declines in tuition collected.
- Budget planning for next year and beyond focuses on-
 - How are changes in enrollment tied to budgets?
 - Where can we be more efficient?
 - Where can we eliminate duplication and use our resources more effectively?

State Funding Challenges

- Continued push to remove higher education from the School Aid Fund
- Interest in new Performance Funding metrics
- “Free” community college
- Lack of support for higher education
- Competition for road funding
- Budgetary impasse in Lansing

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Ferris Forward

Strategic Plan 2019 - 2024

Ferris Forward



Academics
Enhancing Resources
Institutional Effectiveness

Pride and Community
Student Success
14 Key Strategic Targets

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Strategic Objectives

- Increase student enrollment to 14,000 by 2024.
- Increase online student credit hours by 5 percent annually
- Three new market-driven programs are added to the curriculum each year.
- Increase the overall first-year retention rate to 75 percent.
- Increase international student enrollment to 300.
- Increase minority enrollment by 3 percent annually.

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Ferris Forward



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This is a foundation that moves you

This is a multifaceted education designed to accelerate you through life.

We're here for those who want to get things done. Who want to build something from the ground up. Who can't wait to get started on the rest of their lives. Change is inevitable, but one thing remains constant: we're here to prepare you for it.

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Strategic Enrollment Decisions

- Transfer portal
- Increased senior search
- New sophomore and junior search
- Parent search
- New web application
- Marketing and branding campaign

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Thank You

Ferris' unique mission and strategic focus put us in a favorable place as we adjust to changing student enrollment.

Our people and programs can and will make the difference in this ultra-competitive higher education environment.

Thank you for the good work you do everyday supporting our students and advancing our University.

David L. Eisler, president

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