

President's Memorandum to Faculty and Staff

Office of the President
October 5, 2009

State Budget

Last week the Michigan Legislature and Governor were unable to pass and sign a budget by the beginning of the state's fiscal year on October 1st. Until the final hours on Wednesday it appeared that a deal had been reached where the House would agree to a budget based upon a combination of reductions and economic stimulus funds developed by the Senate. There was also talk of revenue enhancements that the House would propose to reduce some of the more painful cuts. In the end budget actions broke down over proposed cuts to pupil funding for K-12 schools. Subsequently, no revenue enhancements were agreed upon and a continuation budget was adopted for the month of October while elected officials work to resolve these issues.

There is no denying the difficulties of this year's budgeting for the state. With the economic recession, and the near collapse and subsequent restructuring of the auto industry, Michigan's levels of unemployment are the highest in the country. The loss of jobs and tax revenues has made developing the state's budget a monumental task. From the start of the year to now we have seen the state's projected deficit rise from about \$1 billion to nearly \$3 billion. While the shortfalls are greater now, these issues remain essentially the same as they were last spring.

Unfortunately, our legislature did not work through the summer to address these issues in a thoughtful and reasoned manner. Instead, once again they pushed these problems into the final hours of the fiscal year. The result is considerable uncertainty for K-12 schools, many other public services, and most regrettably our students.

This year's state budget for higher education institutions has been largely dictated by the federal economic stimulus plan, which requires states to fund higher education at the level of the 2006 budget to be eligible for these dollars. For Ferris State University this base reduction was \$1.6 million, 3.3% of our state support. The budget approved by our Board of Trustees in July contains the \$1.6 million reduction and expresses the intention to use whatever federal stimulus funds Ferris receives to reduce costs for our students.

Of greatest concern today are moves to reduce financial support for students. News stories have focused on the elimination of the Michigan Promise Grants, but the higher education budget as approved by both the Michigan Senate and House also reduces funding by 50.4% for the Michigan Competitive Scholarships. While these are by far the biggest proposed reductions for Ferris students, the budget also eliminates Michigan Work Study, the Michigan Merit Award Program, the Michigan Nursing Scholarship, the Michigan Education Opportunity Grants, and Michigan Part-Time Independent Student Grants.

The impact of these actions is staggering. If enacted, elimination of the Michigan Promise Grants and reduction of the Michigan Competitive Scholarships will take \$2.2 million in financial support from Ferris students during his current academic year. Given the rhetoric around the importance of higher education for our state and the need to support students in this time of economic challenge, it seems to me unthinkable that this funding would be pulled from our students with the academic year well underway.

The continuation budget provides one additional month to work on these issues. I am still hopeful that at least some portion of this funding will be restored. Once the budget decisions have been made we will do everything possible to help our students with this increased financial burden. The scope

of the proposed reductions makes this essential. Perhaps you remember from last spring the pressure placed upon universities to limit tuition increases for this year, which we did. The average Promise Grant recipient at Ferris currently receives slightly more than \$1,000 from the state. This action by our legislature to eliminate the grant, if approved by the Governor, will represent an 11% increase in cost for those students.

This year is a precursor to the challenges that await the development of next year's state budget. At that point much of the federal economic stimulus funds will have been exhausted, a multi-billion dollar state revenue shortfall will still exist, and most likely the protection of economic stimulus plan for higher education will be gone. As we look forward, we need to be prepared for further significant funding reductions. My intention is to prepare and plan for these reductions, seeking to protect the quality of the education our students need and deserve. We will address these issues in the only truly productive, responsible way: together and head-on.

Homecoming

This week is a major continuation of our 125th Anniversary Celebration with a wide range of events scheduled for Homecoming. The festivities include a student event every evening this week including the Homecoming Bonfire Thursday evening. Friday events include -

- A ceremonial ribbon-cutting at the renovated Rock Café
- A debate team reunion honoring emeritus Professor Gary Horn
- A performance by comedian Iliza Schlesinger

And on Homecoming Saturday

- "125 Years of Stories - What's Yours?" An "Antiques Roadshow" style event for Ferris artifacts and oral histories
- The Homecoming parade including appearances by the "Year of the Dog" sculptures that have been placed around our community for the past year
- Lambda Chi Alpha's 100th anniversary
- Tailgate gatherings including the annual College of Engineering Technology Chili Cook-off
- Football vs. the University of Indianapolis
- A pig roast and open house for the 50th anniversary of the Heavy Equipment Technology program
- An all-student, all-alumni dance reception
- The black alumni reception

This is a very special homecoming year. I encourage you to take part in these many events. The full schedule and additional information are available at www.ferris.edu/alumni/Homecoming/schedule.htm. I want to thank everyone who worked so hard to make this celebration possible and extend a special thanks to members of the Homecoming Committee and advisors Brandi Behrenwald, Frank Dye, Kimberly Erickson, Teresa Fogel, Jeremy Mishler, Mary Kay MacIver, Christa Walker and Alli Witucki. I look forward to seeing you as we celebrate both our 125th Anniversary and Homecoming.

Sincerely,

David L. Eisler
President