

# President's Memorandum to Faculty and Staff

Office of the President  
March 2, 2009

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## Our Budget, Our Future

These are extraordinary times in which we live. The types of financial pressures and economic challenges in Michigan and across our nation are the most severe I have ever experienced. I am hopeful the stimulus package developed by President Obama will help reverse current trends, but the reality of the present is that our economy is still declining, and at an alarming rate.

We have begun budget preparations for next year with the expectation of a reduction from the state of \$1.6 million, slightly more than 3 percent of state support. Vice presidents and deans prepared for this by identifying \$2.5 million in reductions. The challenge for next year revolves around what we set for tuition, given that Governor Granholm has proposed we freeze tuition. Doing so would create a \$6.2 million revenue shortfall, so that the total amount we would need to cut from next year's budget would be \$7.8 million.

As you know from my public comments, I oppose a tuition freeze because of the outcomes it requires - either large cuts in the short-term or double-digit tuition increases in the future. At the same time, each of us must recognize the increasing financial challenges our students and their families are facing. While I do not support a tuition freeze, we *will* restrain tuition increases for next fall. This action will require additional budget reductions. For example, a 5 percent tuition recommendation will produce \$3.6 million less in revenue, while 3 percent yields \$5.3 million less revenue.

Beyond this there are no guarantees for the future. No one knows if we will see mid-year reductions in 2010, or additional reductions for 2011 or 2012. This past week I began a process to look at our budget in a more holistic fashion. Rather than focus just on next year's budget, we need to consider this in a continuum over several years. Having already reduced the budget by \$2.5 million, what are the decisions needed to reach a reduction of \$5 million, \$7.5 million, or \$10 million? Working with the deans, vice presidents, and vice chancellors I posed the following questions:

- What are the opportunities for savings in our budget?
- What are the challenges that accompany these opportunities?
- Having identified both the challenges and opportunities, what work is needed to realize these opportunities?
- What are the impediments to reaching these opportunities and how do we overcome those roadblocks?

Friday afternoon I shared this approach with the members of our Leadership Council, which includes the leaders of Ferris' labor unions and Academic Senate, President's Council, and Deans' Council. I am asking our deans, vice presidents and vice chancellors to engage at the

department level with you in discussions about the four questions posed above. They will be seeking your ideas, thoughts and inputs. We want you to think as broadly as possible and will consider all ideas and suggestions. I have asked this initial phase be completed by the last week in March so we can begin to prioritize these ideas.

While there may be proposals that we will not need to pursue, I believe this approach provides the best prospect to protect the academic quality of the education we provide and to help our University move forward in these challenging times. It is my hope and belief that we will not need to reduce by the higher amounts suggested above, but we need to be prepared for those eventualities should they occur.

To share information and to continue this dialogue and discussion, I have scheduled two open forums entitled "Our Budget, Our Future." Once again we will be meeting in the Centennial Dining Room and providing a light lunch. You are invited to join me this Wednesday at noon or Thursday at 11:30 a.m. This week's sessions will focus on economic stimulus funds, University reserves, and unrestricted net assets. As in the past I will look forward to your questions. If you cannot attend either of these sessions, we will continue to post this information at this Web site - <http://www.ferris.edu/president/Budget.htm>

As we move forward, please make use of all opportunities to provide your perspective on how best to manage the difficult times ahead. Collaboration and opportunity are two of our core values. By working together, we can meet the challenges we face. I thank you for your past help and look forward to your future involvement.

### **Higher Education Funding Testimony**

On Monday, I provided testimony to the Michigan State House of Representatives Appropriations Subcommittee on Higher Education at their meeting on the campus of Western Michigan University. There was much to discuss. Under the proposed budget on which the subcommittee was seeking comment, Michigan public universities are looking at a 3 percent cut in funding and elimination of the King-Chavez-Parks initiative, which helps provide access to classrooms for underrepresented communities. Additionally, as I noted above, Governor Granholm is pressing universities to freeze tuition rates for two years. The cumulative impact of these would result in the largest cut in funding in Ferris history. For the next year, these cuts would cost Ferris:

- \$100,000 for elimination of the King-Chavez-Parks Initiative
- \$1.6 million for the 3 percent funding decrease
- \$6.2 million, approximately, to freeze tuition
- Altogether, nearly \$8 million

By freezing tuition, two years from now Michigan universities would be faced with even larger deficits that would have to be addressed by even larger cuts or tuition increases. This is because state support of Ferris State University has gone from 68 percent of revenue in 1980 to 29 percent today. To make up for this disinvestment, tuition today accounts for 69 percent of Ferris' revenues as opposed to only 29 percent in 1980.

Speaking to the subcommittee was also an opportunity to say Ferris plans to support President Obama and not use stimulus funds to plug the gap in base funding, but rather use them

as intended. The stimulus funds are one-time funds and will not provide solutions to the base budget funding issues we face. We need to look for long-term answers to funding higher education rather than settling for a series of short-term fixes.

My other plea to the lawmakers was that they finalize their budget decisions about higher education funding by July 1. That way, no matter what the outcome of their deliberations, Ferris – and more importantly our students – will have enough time to make good decisions based on the resources we are given.

There is already one positive outcome from last week's testimony. Last Thursday we learned that funding for King-Chavez-Parks programs that support College Day programs, Faculty Fellowships, and Visiting Professors is likely to be restored. My testimony, the accompanying charts, and my response to written questions from the committee are posted on-line at <http://www.ferris.edu/president/house-2009.htm>

### **Jim Crow Museum Events**

During the month of March, there are several events involving the Jim Crow Museum of Racist Memorabilia and the traveling exhibit "Them: Images of Separation" that are taking place at Fountain Street Church in Grand Rapids.

This Wednesday, March 4, starting at 6 p.m., there is a grand opening and reception featuring a lecture by Dr. David Pilgrim, Ferris' chief diversity officer and founder of the Jim Crow Museum. The cost of this event is \$50 with proceeds going to the Jim Crow Museum and its efforts to establish a permanent exhibition space on campus. To reserve your ticket, call 616-459-8386.

There are also several free lectures that will focus on the exhibition. These take place Sundays in March from 9:45-10:45 a.m. and include:

- Ferris professor of Sociology Tony Baker, who yesterday discussed understanding and overcoming the consequences of imaginary boundaries.
- Kendall College of Art and Design Professor of Art History Suzanne Eberle, whose presentation on March 29, "The 'Other' in Art," will illustrate how contemporary artists challenge us to become aware of the 'other' in our lives.

A brochure for all the events at the Fountain Street Church celebrating this exhibit is accessible at <http://www.fountainstreet.org/static/pdf/them.pdf>. This is a wonderful example of the kind of outreach Ferris and its resources – both human and material – can provide to the wider community. I want to thank David Pilgrim, Rankin Gallery Director Carrie Weis, Tony Baker and Sue Eberle for their efforts in making this series of exciting and challenging events possible.

### **Good News**

When you have the opportunity I encourage you to review the many "Good News" items that we have been sharing through the Ferris Web site. To cite just a few of the many items there:

- Music Industry Management Program Coordinator Dan Cronk has been selected to host the Work Force Development orientation session at next year's trade show sponsored by

NAMM, the premier association of the international music products industry. This year, 25 MIM students attended the show, which provides important networking opportunities.

- Kitty Manley, Education faculty member, received a third-year renewal for her career education grant of more than \$400,000
- The Women in Technology student organization hosted more than 50 fourth, fifth and sixth grade Junior Girl Scouts. The scouts experienced various areas in the engineering technology field, including Architectural and Facility Management, Automotive, Construction Management, Printing and Imaging Technology and Welding.
- Professional Golf Management alum John Lyberger, who is director of golf at Congressional Country Club in Bethesda, Maryland, was honored by the PGA as the Outstanding Private Club retailer in the U.S.
- An agreement has been signed between Kendall and the W. E. Upjohn Institute to fund a research effort on the importance of design thinking to businesses in West Michigan.
- Mark Swan, Michigan College of Optometry faculty member, has been appointed to the Community Health Advisory Committee for Kent County Health Department.
- Web services has created a "Bulldog Avatar" - a talking rendition on the Bulldog mascot who promotes events on campus. We have also launched a live blog for campus events and have successfully implemented it at basketball and hockey games.
- Tara Benzing, Study Abroad coordinator, National Student Exchange coordinator, is chair-elect for the Michigan Association of International Educators.
- The Ferris Web site now includes a printable version of our course catalog.

A complete listing of these and past achievements, developments and awards are available at <http://www.ferris.edu/president/GoodNews.htm>

Sincerely,

David L. Eisler  
President