

President's Memorandum to Faculty and Staff

Office of the President
February 11, 2013

Executive Budget

On Thursday, Governor Snyder and State Budget Director John Nixon released the state's executive budget. The budget proposes a two percent increase for higher education, and if approved in its current form, contains some positive financial news for Ferris State University. Last year's higher education funding awarded a three percent increase in funds based on five performance metrics and tuition restraint. Through that formula, Ferris received \$1.66 million in performance and \$1.27 million in tuition restraint funds. Since these funds were awarded as one-time monies, Ferris put the majority of this money toward student financial support.

The state's current proposed budget begins by making these one-time funds part of our base allocation. This increases base state funding from \$41.32 million to \$44.25 million. It also recommends continuing the performance metrics and tuition restraint approach established by the state last year. Three quarters of these funds are driven by performance metrics, and one quarter by tuition restraint.

The first performance metric awards each institution \$290 per the average of critical skill undergraduate degrees awarded in FY 2011 and 2012. Critical skill degrees are primarily in science, technology, engineering, math and healthcare fields. Ferris' average was more than 1,200 of these degrees, third highest in the state after the University of Michigan and Michigan State University.

The second metric rewards research and development expenditures and goes mostly to the U of M, MSU and Wayne State University. Ferris is one of eight institutions receiving none of these funds.

The third, fourth, and fifth metrics compare Ferris against its national peers in Carnegie classification. Each metric is graded on a 0-3 scale, with 3 being the highest score. The third metric rewards improvement in the six-year graduate rate. In this category, Ferris receives the maximum award, \$428,000, along with seven other institutions.

The fourth metric rewards institutions for their total number of degree completions. Here again, Ferris receives the maximum award, \$414,000 along with seven other institutions.

The fifth metric rewards institutional support as a percentage of core expenditures, i.e. how much of our budget do we direct toward our students. Here Ferris again receives the maximum award, \$888,000, along with Central Michigan University and Western Michigan University.

In all, this budget awards \$18.6 million in performance funding with 16.5 percent of the award to the U of M, 12.8 percent to MSU and 11.2 percent for Ferris. Given the difference in relative size of the budgets this is a one percent increase for the U of M, a 1.1 percent increase for MSU and a 4.7 percent increase for Ferris. There are two institutions that receive a greater increase of the state funding than Ferris: Lake Superior State University (5.1 percent) and U of M Flint (4.9 percent). However, in dollars our state funding is more than three times that of Lake State and twice that of U of M Flint.

The sum of these performance metrics amounts to an increase of \$2,083,400 for Ferris State University. Beyond this there remains \$6,217,300 in funding to be awarded as a result of tuition restraint. This calculation cannot be made until after all universities have set their tuition

and is based on how far we are below a four percent tuition increase in comparison to other universities.

While this is very good news, it is worth remembering that the executive budget is just the first step in the process. The state budget now moves to the legislature. I am scheduled to testify before the House Higher Education Appropriations Subcommittee on Tuesday, March 5th. The final budget is normally created in a compromise reached between the Michigan House, Senate, and executive budget.

There is one area of significant concern in the executive budget proposal, which is the Tuition Incentive Program. This is a program that provides a full-tuition scholarship for a student working on a career-oriented associate degree and whose family meets Medicaid requirements. The budget proposes limiting the maximum amount of tuition paid to approximately \$260 per credit hour. This would leave a potential \$100 per credit hour gap for Ferris students. We currently have over 1,000 TIP students enrolled at Ferris.

The performance metrics demonstrate the good academic work that is happening here at Ferris State University, appreciation for the career-centered approach of our educational programs, and the careful allocation and conservation of resources to aid our students. Additional explanation of performance metrics, performance funding and tuition restraint is contained in my budget forum slides from last fall, accessible at http://www.ferris.edu/HTMLS/administration/president/budget-pres/forums/Fall12_Budget_Forum.pdf (The relevant section begins at slide 14 and is entitled, Higher Education Performance Funding and Tuition Restraint.) A detailed explanation of the performance metrics and tuition restraint is contained in the handout from that presentation, accessible at <http://www.ferris.edu/HTMLS/administration/president/budget-pres/forums/PerformanceandTuitionRestraintFunding2013.pdf>

Congratulations College of Pharmacy

This past week we learned that the College of Pharmacy received notice of successful four-year accreditation of its Doctor of Pharmacy degree from the Accreditation Council for Pharmacy Education. There have been significant changes in accreditation standards by this body and preparation, responses, changes mandated by these new standards have required considerable efforts over the past three years by the faculty and staff in the College. In thanking them I also want to thank Dean Steve Durst and Provost Fritz Erickson for their leadership and support of this effort.

Distinguished Staff Awards and Distinguished Team Awards

I encourage you to nominate individual staff members as well as staff who work as a team for the university Distinguished Staff and Team Awards. These are annual awards that honor commitment and service to Ferris and the community. There are many people and teams at Ferris worthy of these awards. The act of nomination is itself a powerful validation of work that goes the extra mile, year in and year out. Current employees below the level of vice president who have been Ferris employees for at least the last two years are eligible. Honorees are presented their awards at our annual Employee Service Award Celebration. Distinguished Staff awardees will receive a plaque and a cash award of \$500. Team award winners will receive an equipment allocation of \$1,500 to the team's home department.

Thanks to the following members of the Distinguished Staff and Team Awards committee for soliciting nominations and reviewing candidates: Bill Bitzinger and Shelly VandePanne (co-chairs), Craig Bowman, Pam Muccio and Tracy Powers. For more information about the Distinguished Staff Awards and Distinguished Team Awards and resources to make a nomination, visit <http://www.ferris.edu/HTMLS/staff/distinguished/> .

Festival of the Arts

This is the third week of the Festival of the Arts. The Festival always manages to bring a host of extraordinary events to Big Rapids, along with what is usually some of the worst winter weather. This coming week's events truly represent the diverse offerings available and include -

- Monday - Local ophthalmologist Ralph Crew and his photos, "The Path to ArtPrize"
- Tuesday - Photojournalist James Cook, "Remembering Wounded Knee"
Big Rapids Middle School Band in Concert
Welding faculty member Dave Murray, "Introductory Welding for Artists"
- Wednesday - Gardener Janet Macunovich, "Eight Months of Color - Even in Small Spaces"
Local author Wendy Nystrom, "Adventures in Children's Literature"
Guitarist Paul Vondiziano in Concert
- Thursday - Local businessman Craig Snyder, "Everything Grilled," a barbecue workshop
- Friday - Local trumpeter Thomas Boulton and the Brass Roots Trio in Concert
- Saturday - Art Gallery Director Carrie Weis, "Introduction to Manga" workshop
Song writer, singer and guitarist Peter Mayer in Concert
Emmy award-winning actor, Anthony Zerbe, "It's All Done with Mirrors"
Foreign Film Festival, "The Hedgehog"
- Sunday - FSU Winter Band and Orchestra Concert, faculty member Scott Cohen, conductor

Athletic Update

This past weekend the men's and women's basketball teams and the men's ice hockey team were all at Northern Michigan University. On Saturday the men's basketball team won 69-63, and the women's basketball team came from behind to tie in the final minute of regulation and win 73-70 in overtime. The hockey team won 3-1 Friday, but lost Saturday 0-3.

Both basketball teams will be at home this Thursday evening against Northwood University. The men's game begins at 6 p.m. and the women's at 8 p.m. Basketball is in action again on Saturday against Lake Superior State with games at noon and 2 p.m. Ice hockey is also home this weekend against Bowling Green. The puck drops at 7:05 p.m. Friday and 5:05 p.m. Saturday. With conference realignments, Saturday will mark the final CCHA games in Ewigleben Ice Arena.

I encourage you to take time to support our Ferris student athletes.

Ferris Cares

Two different efforts in recent days highlight the many ways in which our university is fully engaged with the life of the Big Rapids community.

First, I am very proud of the swift reaction our university had to the flooding along the Muskegon River. As an institution we offered emergency food and housing assistance, among other endeavors. Also, there have been individual students, faculty and staff members who volunteered their time, contributed resources, or opened their homes to help those affected by the

flooding. Both as an institution and as individual members of the Ferris community, we will continue to remain engaged with local groups who are spearheading the effort to provide resources.

As an ongoing source of help, the United Way is the most important organization coordinating assistance to the greater Big Rapids area. Again this year, Ferris State University has met its United Way contribution goal. We have regularly met this goal even during difficult economic times. More than any words, this outpouring of support tells the story of our commitment to our community. My thanks to everyone who contributed to this year's United Way campaign. Also, please join me in thanking Dan Burcham and Linda Telfer, who have for some time now led this effort so ably.

Sincerely,

David L. Eisler, president