

**Agendum
Oakland University
Board of Trustees Formal Session
May 2, 2007**

**ANCILLARY ACTIVITIES OPERATING BUDGETS FOR THE
FISCAL YEAR ENDING JUNE 30, 2008**

A Recommendation

- 1. Division and Department:** Academic Affairs, Finance and Administration, Student Affairs.
- 2. Introduction:** Projected budgets for the following eight ancillary activities are presented for approval for the fiscal year ending June 30, 2008:

Campus Recreation (CR)	Meadow Brook Music Festival (MBMF)
Graham Health Center (GHC)	Meadow Brook Theatre (MBT)
Intercollegiate Athletics (IA)	Oakland Center (OC)
Lowry Early Childhood Center (LECC)	University Housing (UH)

The ancillary activities presented here represent a broad range of operations connected with and in support of the educational mission of Oakland University. A summary of the proposed budgets is attached as Appendix I. Further detail identifying internal revenue, General Fund support and administrative overhead for each ancillary unit can be found in Appendix II.

Each ancillary budget is presented in a similar format, using common terminology and revenue, expense and transfer categories. The "All Funds" budget model has been used to construct the presentation of these budgets. The all funds model is intended to provide a comprehensive picture of the financial activities of each unit. This format depicts operating and capital transactions in the General Fund, Auxiliary Fund, Designated Fund, Expendable Restricted Fund and Plant Fund. Gifts are included, but the fund balances in permanent endowments are not included as there is no discretion with regard to their use. Distributions from these endowments are income in the Expendable Restricted Funds and are included.

This agendum was thoroughly reviewed by the Finance, Audit and Investment Committee (Committee) at its meeting on April 20, 2007. The Committee supported the proposal and asked the University Administration to bring it forward for Board of Trustees (Board) action at the next Formal Session.

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3. Previous Board Action: The Board approved the FY 2007 Ancillary Budgets on June 7, 2006.

4. Budget Implications: The FY 2008 budgeted operational expenditures and transfers for these eight units total \$19,791,307. This represents a .3% decrease from the FY 2007 estimated actual. Major capital expenditures total \$450,000, which represents a decrease of 12.8% from the FY 2007 estimated actual. Payments to the General Fund for administrative overhead costs for FY 2008 from these eight ancillary operations totals \$360,478.

5. Educational Implications: See individual ancillary program descriptions for educational implications.

6. Personnel Implications: See individual ancillary program budget assumptions for personnel implications.

7. Recommendation:

RESOLVED, that the Board of Trustees approves the budgets for Campus Recreation, Graham Health Center, Intercollegiate Athletics, Lowry Early Childhood Center, Meadow Brook Music Festival, Meadow Brook Theatre, Oakland Center and University Housing for the year ending June 30, 2008, with expenditures and transfers not to exceed the expense total for each unit summarized on Appendix I, except as next set forth; and, be it further

RESOLVED, that all expenditures and transfers beyond the approved expense total must have the prior approval of the President or his designee and these amounts will be reported on a periodic basis to the Board of Trustees.

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8. Attachments:

1. Appendix I - Ancillary Operations Proposed Budgets FY 2008, Summary.
2. Appendix II - Ancillary Operations Payment to / (Support From) General Fund FY 2008, Summary.
3. Appendix III – Description of Programs and Proposed Budgets, FY 2008.

Submitted to the President
on _____, 2007 by

Virinder K. Moudgil
Vice President for Academic Affairs and Provost

John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Mary Beth Snyder
Vice President for Student Affairs

Recommended on _____, 2007
to the Board for approval by

Gary D. Russi
President

**Oakland University
Ancillary Operations
Proposed Budgets
FY 2008
Summary**

	<u>FY 2007 Budget</u>	<u>FY 2007 Est. Actual</u>	<u>FY 2008 Budget (Proposed)</u>
Campus Recreation:			
Revenue	\$ 4,063,567	4,013,122	\$ 4,161,056
Expense	4,162,486	4,186,821	4,305,819
Net	<u>\$ (98,919)</u>	<u>\$ (173,699)</u>	<u>\$ (144,763)</u>
Graham Health Center:			
Revenue	\$ 597,014	576,014	\$ 633,949
Expense	617,109	595,162	630,703
Net	<u>\$ (20,095)</u>	<u>\$ (19,148)</u>	<u>\$ 3,246</u>
Intercollegiate Athletics:			
Revenue	\$ 1,769,618	2,334,618	\$ 1,994,491
Expense	1,633,540	2,369,174	1,862,038
Net	<u>\$ 136,078</u>	<u>\$ (34,556)</u>	<u>\$ 132,453</u>
Lowry Early Childhood Center:			
Revenue	\$ 868,410	876,978	\$ 901,957
Expense	838,167	868,218	895,465
Net	<u>\$ 30,243</u>	<u>\$ 8,760</u>	<u>\$ 6,492</u>
Meadow Brook Music Festival:			
Revenue	\$ 114,000	117,545	\$ 144,000
Expense	73,800	72,500	75,800
Net	<u>\$ 40,200</u>	<u>\$ 45,045</u>	<u>\$ 68,200</u>
Meadow Brook Theatre:			
Revenue	\$ 75,000	76,070	\$ 80,000
Expense	51,500	52,461	57,500
Net	<u>\$ 23,500</u>	<u>\$ 23,609</u>	<u>\$ 22,500</u>
Oakland Center:			
Revenue	\$ 2,194,036	2,281,706	\$ 2,308,925
Expense	2,189,327	2,379,350	2,291,808
Net	<u>\$ 4,709</u>	<u>\$ (97,644)</u>	<u>\$ 17,117</u>
University Housing:			
Revenue	\$ 9,909,403	10,115,094	\$ 10,209,425
Expense	9,622,920	9,849,190	10,122,174
Net	<u>\$ 286,483</u>	<u>\$ 265,904</u>	<u>\$ 87,251</u>
Totals:			
Revenue	\$ 19,591,048	\$ 20,391,147	\$ 20,433,803
Expense (non capital)	18,788,849	19,856,625	19,791,307
Subtotal Net Revenue	\$ 802,199	\$ 534,522	\$ 642,496
Capital Items	400,000	516,251	450,000
Net Revenue	<u>\$ 402,199</u>	<u>\$ 18,271</u>	<u>\$ 192,496</u>

Oakland University
Ancillary Operations
Payment To/(Support From) General Fund
FY 2008
Summary

	<u>FY 2007 Budget</u>	<u>FY 2007 Est. Actual</u>	<u>FY 2008 Budget</u>
Campus Recreation:			
Internal Revenue	\$ -	\$ -	\$ -
General Fund Support			-
Overhead	58,928	58,928	44,249
Total Payment/(Support)	<u>\$ 58,928</u>	<u>\$ 58,928</u>	<u>\$ 44,249</u>
Graham Health Center:			
Internal Revenue	\$ -	\$ -	\$ -
General Fund Support	-	-	-
Overhead	23,911	23,911	20,937
Total Payment/(Support)	<u>\$ 23,911</u>	<u>\$ 23,911</u>	<u>\$ 20,937</u>
Intercollegiate Athletics:			
Internal Revenue	\$ -	\$ -	\$ -
General Fund Support	(2,484,610)	(2,446,834)	(2,829,950)
Overhead	-	-	-
Total Payment/(Support)	<u>\$ (2,484,610)</u>	<u>\$ (2,446,834)</u>	<u>\$ (2,829,950)</u>
Lowry Early Childhood Center:			
Internal Revenue	\$ -	\$ -	\$ -
General Fund Support	(18,225)	(30,449)	(24,600)
Overhead	-	-	-
Total Payment/(Support)	<u>\$ (18,225)</u>	<u>\$ (30,449)</u>	<u>\$ (24,600)</u>
Meadow Brook Music Festival:			
Internal Revenue	\$ -	\$ -	\$ -
General Fund Support	-	-	-
Overhead	-	-	-
Total Payment/(Support)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Meadow Brook Theatre:			
Internal Revenue	\$ -	\$ -	\$ -
General Fund Support	-	-	-
Overhead	-	-	-
Total Payment/(Support)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Oakland Center:			
Internal Revenue	\$ (150,092)	\$ (150,092)	\$ (150,092)
General Fund Support	-	-	-
Overhead	18,752	18,752	7,737
Total Payment/(Support)	<u>\$ (131,340)</u>	<u>\$ (131,340)</u>	<u>\$ (142,355)</u>
University Housing:			
Internal Revenue	\$ (106,057)	\$ (106,057)	\$ (106,057)
General Fund Support	-	-	-
Overhead	290,329	290,329	287,555
Total Payment/(Support)	<u>\$ 184,272</u>	<u>\$ 184,272</u>	<u>\$ 181,498</u>
Totals:			
Internal Revenue	\$ (256,149)	\$ (256,149)	\$ (256,149)
General Fund Support	(2,502,835)	(2,477,283)	(2,854,550)
Overhead	391,920	391,920	360,478
Total Payment/(Support)	<u>\$ (2,367,064)</u>	<u>\$ (2,341,512)</u>	<u>\$ (2,750,221)</u>

Department of Campus Recreation

Description of Program

The Department of Campus Recreation is responsible for the management of the Oakland University Recreation Center and Upper Pioneer Field. The primary mission of the department is to promote the recruitment, retention and satisfaction of Oakland University students by providing an extensive array of informal, intramural, club sport, outdoor, fitness/wellness and special event programs.

Fiscal year 2007 is the ninth year of operation for the Department of Campus Recreation. Program growth and successes include:

- Successful inaugural year of employee wellness program, Shape Up OU. 108 faculty and staff signed up the first four hours the program was offered. Through the first half of the program, the participation rate has maintained a level of 97%.
- The Men's Ice Hockey Club winning the ACHA Division I National Championship during their first year of competition in the higher level of the ACHA, having previously won Division II championships in 2004 and 2006
- Hosting the NIRSA Regional Basketball Tournament involving 17 men's and women's teams from institutions throughout the Midwest.
- Sponsorship of the 6th annual Rec Fest and second annual Bowling Party involving over 1,000 students in healthy and fun activities.
- Involvement by student employees and professional staff in leadership and presenting educational sessions at the state, regional and national level within the National Intramural Recreational Sports Association.

The Department of Campus Recreation also provides opportunities for 125 student employees through involvement in facility and program management and to improve their interpersonal skills through participation in decision-making activities.

Key Performance Indicators

	<u>FY 2005</u>	<u>FY 2006</u>	Estimated <u>FY 2007</u>
Building Entries	260,890	258,004	265,000
Days of Operation	344	343	343
Non-student members	1,257	1,241	1,500
Paid guest visits	9,033	9,354	10,000

Department of Campus Recreation

Explanation of Major Changes

- While non-student memberships in all categories are greater in FY 2007 than during the same time period last year, the overall shortfall in projected revenue can be attributed to the acupuncture therapist relocating off campus.
- The slight decrease in student tuition allocation is a result of lower than estimated actual student headcount.
- Projected lower compensation is a result of a vacant professional staff position for 4.5 months, a vacant graduate assistant position for six months, and efficiencies in student labor.
- The estimated FY 2007 transfer activity reflects funding support for Shape Up OU received from the general fund in FY06.
- The approved Wellness Center capital project for FY 2007 will begin construction on April 30, with completion by June 15. The project is expected to be on time and within budget.
- Given the variances of revenue, expenditures and transfers, the FY 2007 projected June 30 fund balance is \$32,413 greater than budgeted one year ago during this process.

Budget Assumptions

- Campus Recreation continues to receive a tuition support allocation designed to replace revenue from the former recreation fee.
- Operating Revenue reflects increased non-student membership rates, the re-packaging of couple/family memberships and the ability to pro-rate non OU employee memberships over 12 payments.
- Student Tuition Allocation increase is consistent with University headcount enrollment projections.
- Compensation increases include higher student employment wages resulting from state mandated minimum wage increase, hiring for vacant positions and university directed compensation calculations.
- Supplies and Services decrease is due to elimination of expenses related to Shape Up OU.
- Increase in utility expense is consistent with university projection.
- University Overhead is lower due to increased services to the general fund and higher earnings on cash balances.
- Other Transfers reflect university support for student focused special events.
- Proposed major capital expense includes the sanding of all wood floors, the replacement of worn carpet and the replacement of selected cardio equipment. These projects will be funded from reserve funds.
- Net operations are budgeted for a small surplus with use of fund balance reserves for capital expenditures causing a budgeted deficit for the year.

Oakland University
Department of Campus Recreation
Proposed Budget - All Funds
FY 2008

	FY07 BUDGET	FY07 ESTIMATED ACTUAL	FY08 BUDGET
REVENUE:			
Operating Revenue	\$ 665,560	\$ 603,569	\$ 699,000
Retail Sales	-	-	-
Student Tuition Allocation	3,386,907	3,378,403	3,440,056
Gifts and Grants	2,000	2,000	2,000
Investment Income	9,100	29,150	20,000
Total Revenue	<u>\$ 4,063,567</u>	<u>\$ 4,013,122</u>	<u>\$ 4,161,056</u>
EXPENDITURES:			
Compensation	\$ 1,346,980	\$ 1,281,823	\$ 1,356,156
Supplies and Services	476,292	472,662	416,344
Repairs and Maintenance	178,071	181,153	184,224
Cost of Retail Sales	-	-	-
Equipment	20,000	20,000	20,000
Insurance	26,362	26,362	27,153
Utilities	575,000	575,000	618,000
University Overhead	58,928	58,928	44,249
Total Expenditures	<u>\$ 2,681,633</u>	<u>\$ 2,615,928</u>	<u>\$ 2,666,126</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	1,498,853	1,498,893	1,497,693
Other Transfers	(118,000)	(28,000)	(8,000)
Total Transfers	<u>\$ 1,380,853</u>	<u>\$ 1,470,893</u>	<u>\$ 1,489,693</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 1,081</u>	<u>\$ (73,699)</u>	<u>\$ 5,237</u>
Major Capital Expense	\$ 100,000	\$ 100,000	\$ 150,000
Net Revenue	<u>\$ (98,919)</u>	<u>\$ (173,699)</u>	<u>\$ (144,763)</u>
FUND BALANCES JULY 1	\$ 943,654	\$ 1,050,847	\$ 877,148
FUND BALANCES JUNE 30	<u>\$ 844,735</u>	<u>\$ 877,148</u>	<u>\$ 732,385</u>

**Oakland University
Campus Recreation
Proposed Major Capital Expenditures
FY 2008**

Item Description	Estimated Cost
Wood Floor Sanding and Re-finishing	\$70,000
Replace worn carpet	40,000
Replace selected cardio equipment	40,000
FY 2008 Total	<u><u>\$150,000</u></u>

Graham Health Center

Description of Program

The Graham Health Center provides acute care for Oakland University students and staff members. The primary users of the center are residence hall students, participants in the student health insurance program and female students who utilize the center for their women's health care issues.

The model of care delivery in the Graham Health Center is a nurse practitioner model utilizing a consultative relationship with two area physicians. One physician is on site four hours each week and available by phone for consultation during the remainder of the hours that the health center is open. The physicians also provide delegated prescriptive authority to the nurse practitioners. In addition, a consulting psychiatrist is on site six hours per month to conduct student psychiatric evaluations and/or medication reviews.

Key Performance Indicators

	<u>FY 2005</u>	<u>FY 2006</u>	<u>Projected FY 2007</u>
Patient Visits	3,816	3,708	3,775
Participants in Student Health Insurance Program	435	373	305

Explanation of Major Changes

The Board-approved FY 2007 budget included \$20,095 from its equity balance to fund a Nurse Educator on a part-time basis. With the resignation of one nurse practitioner and medical leave by a clerical employee, the funds were used to cover temporary staffing costs in the clinic. The health educator duties will be absorbed by the clinicians in FY 2008.

Budget Assumptions

1. Student Tuition Allocation is increased 3%.
2. Operating Revenue is estimated to increase by 4%.
3. Utilities are anticipated to increase by 10% and salaries by 3%.

**Oakland University
Graham Health Center
Proposed Budget - All Funds
FY 2008**

	FY 07 BUDGET	FY 07 ESTIMATED ACTUAL	FY 08 BUDGET
REVENUE:			
Operating Revenue	\$ 196,500	\$ 196,500	\$ 204,360
Retail Sales	100,000	79,000	112,560
Student Tuition Allocation	300,514	300,514	309,529
Gifts and Grants	-	-	7,500
Investment Income	-	-	-
Total Revenue	<u>\$ 597,014</u>	<u>\$ 576,014</u>	<u>\$ 633,949</u>
EXPENDITURES:			
Compensation	\$ 346,731	\$ 336,000	\$ 337,387
Supplies and Services	142,000	142,000	145,000
Repairs and Maintenance	13,503	13,503	13,908
Cost of Retail Sales	69,800	61,184	94,000
Equipment	1,600	-	-
Insurance	13,564	13,564	13,971
Utilities	6,000	5,000	5,500
University Overhead	23,911	23,911	20,937
Total Expenditures	<u>\$ 617,109</u>	<u>\$ 595,162</u>	<u>\$ 630,703</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	-	-	-
Other Transfers	-	-	-
Total Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Revenue Before Major Capital Expenditures	<u>\$ (20,095)</u>	<u>\$ (19,148)</u>	<u>\$ 3,246</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ (20,095)</u>	<u>\$ (19,148)</u>	<u>\$ 3,246</u>
FUND BALANCES JULY 1	\$ 67,369	\$ 67,369	\$ 48,221
FUND BALANCES JUNE 30	<u>\$ 47,274</u>	<u>\$ 48,221</u>	<u>\$ 51,467</u>

Department of Intercollegiate Athletics

Description of Program

The Oakland University (OU) Department of Intercollegiate Athletics has been fully participating in Division I athletics since 1999-2000. In the first eight years the Golden Grizzlies have won 15 regular-season conference championships, 33 conference tournament titles and have had 21 NCAA tournament appearances. The Oakland University Athletics Department is a member of the Mid-Continent Conference. The Mid-Continent Conference is comprised of eight schools – Centenary, IUPUI, UMKC, Oral Roberts, Southern Utah, Valparaiso and Western Illinois. OU has 16 varsity sports - baseball, men's basketball, women's basketball, men's cross country, women's cross country, men's golf, women's golf, men's soccer, women's soccer, softball, men's swimming & diving, women's swimming & diving, women's tennis, men's track, women's track and volleyball. The Golden Grizzlies play their court sports (volleyball and men's and women's basketball) at the Athletics Center (O'Rena) which has a capacity of 4,005, with baseball, softball and soccer games played at the OU Athletic Fields. OU swimming and diving competes in the OU Aquatics Center, which has a capacity of 1,000, and OU's Katke-Cousins golf course is the home course for the men's and women's golf teams.

<u>Key Performance Indicators</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>
RPI Tier 1 Athletic Teams			
Men's Basketball	164	285	120
Women's Basketball	143	137	138
Men's Soccer	57	92	156
Women's Soccer	117	118	187
Men's Swimming/Diving	85*	25#	35#
Women's Swimming/Diving	16*	11*	40*

* Mid-Major Ranking - # National Championship Finish/Ranking

RPI (Ratings Percentage Index) is a rating system utilizing three factors: Division I winning percentage, schedule strength, and opponents' schedule strength.

Number of Student Athletes	226	320	377
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Graduation Rates-All Students/Student Athletes	-	45% / 64%
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Freshman-Cohort 1999/2000 Graduation Rate: This is the most recent graduating class for which the required six years of information is available. "All Students" represents all undergraduate students who were enrolled in a full-time program of studies for a degree. "Student Athletes" represents those student athletes who received athletics aid from the university for any period of time during their entering year.

Department of Intercollegiate Athletics

Budget Assumptions

The Oakland University Department of Intercollegiate Athletics' budget reflects the revenues and expenditures of its continuing participation in Division I athletics. Budget assumptions for Fiscal Year 2008 are as follows:

1. Increases in operating revenues over the FY 2007 budget are expected due to increased revenues from the NCAA and Mid-Continent Conference, as well as increases in Team Guarantees.
2. Student Tuition Allocation will increase by 3%.
3. Included in the compensation line item is the addition of a full-time Men's & Women's Track & Cross Country coach and a 3% adjustment for expected salary increases.
4. Increases in supplies and services over the FY 2007 budget are the result of an initiative to televise more home basketball games and an increased investment in the Grizzly Center for Graduates & Champions. Additionally, there are increases in team operating budgets due to increased travel costs associated with the addition of three universities into the Mid-Continent conference starting in FY 2008.
5. General Fund budget support increases are due to projected adjustments for compensation and athletic enrollment recruiting goals. These funds were shown as Other Transfers in FY07.

Oakland University
Department of Intercollegiate Athletics
Proposed Budget - All Funds
FY 2008

	FY 07 BUDGET	FY 07 ESTIMATED ACTUAL	FY 08 BUDGET
REVENUE:			
Operating Revenue	\$ 943,109	\$ 1,233,109	\$ 1,152,187
Retail Sales	-	-	-
Student Tuition Allocation	526,509	526,509	542,304
Gifts and Grants	300,000	550,000	275,000
Investment Income	-	25,000	25,000
Total Revenue	<u>\$ 1,769,618</u>	<u>\$ 2,334,618</u>	<u>\$ 1,994,491</u>
EXPENDITURES:			
Compensation	\$ 2,717,385	\$ 2,717,385	\$ 2,838,572
Supplies and Services	1,555,872	2,245,872	1,768,718
Repairs and Maintenance	-	-	-
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	31,611	39,469	43,416
Utilities	-	-	-
University Overhead	-	-	-
Total Expenditures	<u>\$ 4,304,868</u>	<u>\$ 5,002,726</u>	<u>\$ 4,650,706</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ (2,484,610)	\$ (2,446,834)	\$ (2,829,950)
Debt Service	41,282	41,282	41,282
Other Transfers	(228,000)	(228,000)	-
Total Transfers	<u>\$ (2,671,328)</u>	<u>\$ (2,633,552)</u>	<u>\$ (2,788,668)</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 136,078</u>	<u>\$ (34,556)</u>	<u>\$ 132,453</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 136,078</u>	<u>\$ (34,556)</u>	<u>\$ 132,453</u>
FUND BALANCES JULY 1	<u>\$ 1,875,776</u>	<u>\$ 1,875,776</u>	<u>\$ 1,841,220</u>
FUND BALANCES JUNE 30	<u>\$ 2,011,854</u>	<u>\$ 1,841,220</u>	<u>\$ 1,973,673</u>

Lowry Early Childhood Education Center (Child Development Lab)

Description of Program

The Lowry Early Childhood Center is a model center, which exhibits best practice in the field of early childhood education and development. Its main purpose is to provide a laboratory setting for the study of human, family, and child development. The aim of Lowry is to be a Child Development Lab and Educational Center of the highest quality.

The mission of the Lowry Center is to provide a model center for early childhood education and human development for the broad University community and its constituency groups. Lowry provides an ideal setting for the professional development of pre-service and in-service educators in the field of Early Childhood Education. The educational goals of the center are congruent with the goals of the School of Education and Human Services and the mission of Oakland University. The Lowry Center serves multiple target groups by supplying high quality education experiences for young children in the community and an excellent field experience and observation site for Oakland University students.

The Lowry Early Childhood Education Center offers an exemplary program for young children 18 months through 5 years of age extended to 6 years in the summer program. The vision of the center is to cultivate and maintain an environment where students, faculty, staff and parents collaborate regarding the essential elements necessary for optimal learning in young children. Teacher education, research and service are in the forefront of goal setting throughout the center. Child development, early learning and best practice in the field of early childhood education are cornerstones of the program's foundation.

The curriculum is based on sound child development theory and practice, incorporating a variety of approaches and techniques. The daily routine structure is based on the High/Scope Curriculum model and consists of planning time, work time, and recall time. Project-based learning allows children the opportunity to challenge their minds by exploring various topics and questions. As children are involved in project experiences, they become familiar with, and competent in the process of planning, exploring, and expanding their interests. The program strives to provide an environment, which develops strong self-esteem, provokes curiosity, and increases the desire to learn.

The Lowry Center is utilized for selected graduate Early Childhood Education courses, thus providing immediate and direct opportunities for observation and interaction with young children. Undergraduate classes in the School of Education make frequent visits to the Lowry Center for observations, assessment, and modeling. Several other academic departments utilize Lowry Center to meet their specific education purposes. Many undergraduate students serve in classroom assistant roles throughout their time at Oakland University.

Lowry Early Childhood Education Center (Child Development Lab)

The Lowry Center partners with Rochester Community Schools to provide inclusive environments for children with special needs from the Rochester community. This partnership enhances learning for all children and offers a diverse environment and support from many specialists from the Rochester Community Schools.

Through the Child Care Access Means Parents in School (CCAMPIS) federal grant funding, the Lowry Center also strives to serve and support Oakland University student parents by providing a high quality program for their young children as they work to achieve educational goals.

Furthermore Lowry Center offers the Michigan School Readiness Program (MSRP), a state funded pre-kindergarten program for at-risk four year olds. This program enhances diversity and extends services to the community.

Key Performance Indicators

Projected percentage of enrollment capacity for Winter semester, 2007

	Toddler-AM	Toddler-PM	Toddler-Full
Monday	100%	27%	93%
Tuesday	100%	67%	100%
Wednesday	100%	27%	93%
Thursday	100%	67%	100%
Friday	100%	27%	87%
	Preschool-AM	Preschool-PM	Preschool-Full
Monday	85%	20%	90%
Tuesday	100%	80%	100%
Wednesday	85%	20%	90%
Thursday	100%	80%	100%
Friday	85%	20%	90%
	Pre-K-AM	Pre-K-PM	Pre-K-Full
Monday	89%	67%	77%
Tuesday	83%	83%	91%
Wednesday	89%	67%	77%
Thursday	83%	83%	91%
Friday	89%	67%	82%
Total overall enrollment percentage =	80%		

Lowry Early Childhood Education Center
(Child Development Lab)

	Winter 2004 Participants	Winter 2005 Participants	Winter 2006 Participants	Winter 2007 Participants
Community	200	146	156	135
Students	22	22	38	44
Faculty and Staff	14	19	25	27

Age Group	FY 2005	FY 2006	FY 2007	FY 2008
Toddlers	\$49 Full day \$27 Half day	\$49 Full day \$27 Half day	\$52 Full day \$29 Half day	\$55 Full day \$31 Half day
Preschool	\$41 Full day \$22 Half day	\$41 Full day \$22 Half day	\$44 Full day \$24 Half day	\$46 Full day \$26 Half day
Pre-K	Pre-K \$41 Full day \$22 Half day	Pre-K \$41 Full day \$22 Half day	Pre-K \$44 Full day \$24 Half day	Pre-K \$46 Full day \$26 Half day
Before / After-Care	\$5.00 / ½ hour	\$5.00 / ½ hour	\$5.00 / ½ hour Community \$3.00/ ½ hour OU	\$5.00 / ½ hour Community \$3.00/ ½ hour OU

1. Registration/Deposit fees for community members will be \$200 per year; \$150 will be deducted from the final payment (\$50.00 non-refundable).
2. Registration fees for OU affiliates will be \$50 per semester; \$25 will be deducted from the final payment per semester (\$25.00 non-refundable per semester).

Lowry Early Childhood Education Center
(Child Development Lab)

Budget Assumptions**Revenue –**

Operating revenue:

- Toddler classroom slots are being reduced from 15 to 12 to comply with the State of Michigan licensing rule changes for child care centers
- Rochester partnership with three free Tuesday/Thursday slots
- Based on 80% enrollment which is current trend
- Tuition fees raised 5% based on industry trend

Gifts & Grants:

- \$26,400 for MSRP grant (8 pre kindergarten half day slots) for award period 10/3/07 – 7/16/08; 2nd year of 3 year cycle
- \$54,121 for CCAMPIS grant for award period 10/1/07 – 9/30/08; renewed until October 1, 2010
- \$4,400 in projected gifts & investment income from endowments

Expenditures -

Compensation:

- Current salaries with 3% merit increase
- Student staff salaries based on current trend for previous two years

Supplies & Services:

- Supplies cost based on current trend with 5% increase to reflect inflation
- Additional funds allocated for bank charges which became effective 1/1/06

Repairs & Maintenance:

- Cleaning services contract based on current trend with 5% increase to reflect inflation

Utilities:

- Based on current trend

Transfers –

General Fund Budget Support:

- Based on previous years enrollment of graduate students and represents budget support equal to the General Fund tuition revenue generated by graduate students working in the lab during the summer.

Bottom Line:
Net revenue \$6,492
Projected fund balance \$292,732

Oakland University
Lowry Center for Early Childhood Education
Proposed Budget - All Funds
FY 2008

	FY 07 BUDGET	FY 07 ESTIMATED ACTUAL	FY 08 BUDGET
REVENUE:			
Operating Revenue	\$ 782,657	\$ 792,657	\$ 817,036
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	85,753	84,321	84,921
Investment Income	-	-	-
Total Revenue	<u>\$ 868,410</u>	<u>\$ 876,978</u>	<u>\$ 901,957</u>
EXPENDITURES:			
Compensation	\$ 760,299	\$ 824,044	\$ 837,490
Supplies and Services	59,625	45,003	48,875
Repairs and Maintenance	26,268	22,325	23,000
Cost of Retail Sales	-	-	-
Equipment	6,000	1,500	6,000
Insurance	-	-	-
Utilities	4,200	5,795	4,700
University Overhead	-	-	-
Total Expenditures	<u>\$ 856,392</u>	<u>\$ 898,667</u>	<u>\$ 920,065</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ (18,225)	\$ (30,449)	\$ (24,600)
Debt Service	-	-	-
Other Transfers	-	-	-
Total Transfers	<u>\$ (18,225)</u>	<u>\$ (30,449)</u>	<u>\$ (24,600)</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 30,243</u>	<u>\$ 8,760</u>	<u>\$ 6,492</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 30,243</u>	<u>\$ 8,760</u>	<u>\$ 6,492</u>
FUND BALANCES JULY 1	\$ 270,449	\$ 277,480	\$ 286,240
FUND BALANCES JUNE 30	<u>\$ 300,692</u>	<u>\$ 286,240</u>	<u>\$ 292,732</u>

Meadow Brook Music Festival

Description of Program

The 2006 Meadow Brook Music Festival season was the tenth season under the ten year agreement with Palace Sports and Entertainment (PSE) to operate and manage the Music Festival. Highlights of the agreement include a guaranteed lease payment, an investment of over \$2 million in facility improvements, as well as a long-term commitment to more concerts than presented in previous years. Meadow Brook's 2006 schedule included a three weekend visit by the Detroit Symphony Orchestra, for a total of eight performances. Besides the classical offerings, however, the Festival's events included rock, jazz, country, comedy, adult contemporary and family entertainment.

The Meadow Brook Music Festival opened in July 1964 and was built to be the summer home for the Detroit Symphony Orchestra. Over the years, millions of visitors have enjoyed concerts at the outdoor amphitheatre, which features over 2,700 pavilion seats and lawn seating for an additional 5,000. Under the University's contract with PSE, there is a guaranteed annual payment of \$105,000, plus 6% of gross box office revenues over \$3 million, through the 2006 season.

In November 2006, PSE exercised its option to extend the agreement for five years, through the 2011 season. The extension provides for an annual guaranteed payment of \$135,000, plus 6% of gross box office revenues over \$3.5 million.

Key Performance Indicators

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Attendance	88,597	99,567	97,539
Gross Revenue	\$1,693,635	\$2,834,717	\$2,113,912
Number of Events	42	38	43

**Oakland University
Meadow Brook Music Festival
Proposed Budget - All Funds
FY 2008**

	FY 07 BUDGET	FY 07 ESTIMATED ACTUAL	FY 08 BUDGET
REVENUE:			
Operating Revenue	\$ 105,000	\$ 105,000	\$ 135,000
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	9,000	12,545	9,000
Investment Income	-	-	-
Total Revenue	<u>\$ 114,000</u>	<u>\$ 117,545</u>	<u>\$ 144,000</u>
EXPENDITURES:			
Compensation	\$ 66,300	\$ 66,300	\$ 68,300
Supplies and Services	2,500	2,500	2,500
Repairs and Maintenance	-	-	-
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	5,000	3,700	5,000
Utilities	-	-	-
University Overhead	-	-	-
Total Expenditures	<u>\$ 73,800</u>	<u>\$ 72,500</u>	<u>\$ 75,800</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	-	-	-
Other Transfers	-	-	-
Total Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 40,200</u>	<u>\$ 45,045</u>	<u>\$ 68,200</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 40,200</u>	<u>\$ 45,045</u>	<u>\$ 68,200</u>
FUND BALANCES JULY 1	\$ 194,579	\$ 198,949	\$ 243,994
FUND BALANCES JUNE 30	<u>\$ 234,779</u>	<u>\$ 243,994</u>	<u>\$ 312,194</u>

Meadow Brook Theatre

Description of Program

In June 2003, Oakland University entered into an agreement with The Theatre Ensemble, a non-profit corporation (the Ensemble), to lease Meadow Brook Theatre facilities to produce a full season of plays each of the next five years, beginning in fiscal year 2004. Highlights of the agreement include:

- Continued professional theatre productions and related events at Meadow Brook Theatre.
- Guaranteed rent payments per week of each production season, with a guaranteed number of weeks each year.
- Additional rent payments based on tickets sold.
- Increased opportunities for a strong relationship between the Ensemble and Oakland University's students, particularly those in the academic theatre programs.

Key Performance Indicators

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u> (projected)
Total Attendance	60,224	58,429	62,000

Meadow Brook Theatre ticket sales and attendance have increased in the 2006-2007 season to date, mainly due to attractive, commercial programming. However, like many of its peer institutions, Meadow Brook Theatre continues to see declines in contributions. The Ensemble reported a small loss in 2006, while still fulfilling their budgeted financial obligation to the University. The Ensemble's projected fund balance remains positive at the end of fiscal 2007.

The University budget for Meadow Brook Theatre for fiscal year 2008 includes an amount for repairs and maintenance, to reflect the projected costs of maintaining the auxiliary operation.

**Oakland University
Meadow Brook Theatre
Proposed Budget - All Funds
FY 2008**

	FY 07 BUDGET	FY 07 ESTIMATED ACTUAL	FY 08 BUDGET
REVENUE:			
Operating Revenue	\$ 75,000	\$ 76,000	\$ 80,000
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	-	70	-
Investment Income	-	-	-
Total Revenue	<u>\$ 75,000</u>	<u>\$ 76,070</u>	<u>\$ 80,000</u>
EXPENDITURES:			
Compensation	\$ -	\$ -	\$ -
Supplies and Services	1,000	500	1,000
Repairs and Maintenance	-	-	2,500
Cost of Retail Sales	-	-	-
Equipment	-	1,496	-
Insurance	2,500	2,465	3,000
Utilities	48,000	48,000	51,000
University Overhead	-	-	-
Total Expenditures	<u>\$ 51,500</u>	<u>\$ 52,461</u>	<u>\$ 57,500</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	-	-	-
Other Transfers	-	-	-
Total Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 23,500</u>	<u>\$ 23,609</u>	<u>\$ 22,500</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 23,500</u>	<u>\$ 23,609</u>	<u>\$ 22,500</u>
FUND BALANCES JULY 1	\$ 80,539	\$ 81,434	\$ 105,043
FUND BALANCES JUNE 30	<u>\$ 104,039</u>	<u>\$ 105,043</u>	<u>\$ 127,543</u>

Oakland Center

Description of Program

The Oakland Center serves as a community center for students, faculty, staff and university guests. It offers a wide-range of services and amenities such as: campus-wide food service, 24-hour computer lab access, university bookstore, credit union, meeting and conference room facilities, departmental and student organization offices. The Oakland Center continues to experience strong and growing student utilization and to attract a diversity of campus and community programs.

Key Performance Indicators

	<u>FY 2006</u>	<u>FY 2007</u>
Number of meeting reservations	5,099	3,583 (partial year)
Number of meeting attendees	195,726	157,518 (partial year)

- A record 14,700 pedestrian building entries were recorded on August 31, 2006; 207,654 September entries and 1,041,449 entries July through February 20, 2007.
- 262 Banquet Room events were held with 49,164 attendees. Off-campus clients accounted for 7.6 percent of Banquet Room usage.
- Barnes and Nobel satellite store opened at the beginning of the Fall 2006 semester. The main store renovation was completed in March 2007.

Explanation of Major Changes

- FY 2007 compensation expenses were greater than budgeted due to full custodial staffing levels.
- Capital expenditures of \$116,251 for the completion of unexpected freight elevator repairs.

Budget Assumptions

1. FY 2008 total revenue reflects a 5.2 percent increase over the FY 2007 budgeted amount due to expected increases in conference bookings, bookstore revenue and student tuition support allocation.
2. FY 2008 compensation expenses are based on a 3 percent salary increase.
3. Utility rates are estimated to increase 7.4 percent over the FY 2007 estimated actual.

**Oakland University
Oakland Center
Proposed Budget - All Funds
FY 2008**

	FY 07 BUDGET	FY 07 ESTIMATED ACTUAL	FY 08 BUDGET
REVENUE:			
Operating Revenue	\$ 1,225,350	\$ 1,294,380	\$ 1,296,388
Retail Sales	-	-	-
Student Tuition Allocation	953,686	953,686	982,297
Gifts and Grants	-	240	240
Investment Income	15,000	33,400	30,000
Total Revenue	<u>\$ 2,194,036</u>	<u>\$ 2,281,706</u>	<u>\$ 2,308,925</u>
EXPENDITURES:			
Compensation	\$ 956,725	\$ 997,725	\$ 1,012,435
Supplies and Services	190,000	215,680	195,700
Repairs and Maintenance	208,800	214,415	220,750
Cost of Retail Sales	-	-	-
Equipment	66,950	76,300	69,000
Insurance	18,700	17,685	18,500
Utilities	454,000	475,000	510,000
University Overhead	18,752	18,752	7,737
Total Expenditures	<u>\$ 1,913,927</u>	<u>\$ 2,015,557</u>	<u>\$ 2,034,122</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	-	-	-
Other Transfers	275,400	247,542	257,686
Total Transfers	<u>\$ 275,400</u>	<u>\$ 247,542</u>	<u>\$ 257,686</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 4,709</u>	<u>\$ 18,607</u>	<u>\$ 17,117</u>
Major Capital Expenditures	\$ -	\$ 116,251	\$ -
Net Revenue	<u>\$ 4,709</u>	<u>\$ (97,644)</u>	<u>\$ 17,117</u>
FUND BALANCES JULY 1	<u>\$ 803,523</u>	<u>\$ 725,803</u>	<u>\$ 628,159</u>
FUND BALANCES JUNE 30	<u>\$ 808,232</u>	<u>\$ 628,159</u>	<u>\$ 645,276</u>

Department of University Housing

Description of Program

The Department of University Housing has administrative oversight for on-campus housing operations including budget, facility operations, maintenance, programming, support services, and all personnel. The department also has property management responsibilities for the Meadow Brook Subdivision.

This past year the following housing renovation projects were completed.

- Refurnishing of Hamlin Hall (carpet, loft furniture, main lounge renovation)
- Community bathroom upgrades in Anibal, Fitzgerald, Hill, and Van Wagoner.

Projects scheduled for FY 2008 include:

- Elevator Modernization (year 1 of 6-year program)

Key Performance Indicators

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Opening Occupancy	1,644	1,642	1,674
Renovation and Refurbishing Projects	\$194,000	\$891,394	\$300,000
All Funds Balance	\$903,308	\$630,187	\$881,903 (est.)

Explanation of Major Changes

An increase of \$205,691 in total revenue over the Board approved FY 2007 budget is due to higher occupancy.

The increase in Supplies and Services expenses are due to additional food service charges related to the occupancy, building tuck pointing, entryway refurbishing, interior and exterior painting, and select replacement of stairwell treads.

The equipment line reflects additional cost related to wireless technology infrastructure upgrades in residence halls.

Department of University Housing

Budget Assumptions

- 1). The budget reflects a projected three-year average occupancy of 1,654 for FY 2008.
- 2). The budget reflects a 4.5 percent rate increase in room and board rates. The recommended rates are as follows:

Year	FY 2006	FY 2007	FY 2008
Academic Year Rate (double room)	\$6,080	\$6,385	\$6,670
Single Room Premium	\$1,090	\$800	\$835
Spring Term - Base Rate (double room)	\$1,390	\$1,460	\$1,525
Summer Term – Base Rate (double room)	\$1,340	\$1,405	\$1,470
Percentage Increase	5.0%	5.0%	4.5%

- 3). The budget reflects a 4.5 percent rate increase in student apartments. Due to market conditions there is no recommended increase for Matthews Court family housing. The recommended rates are as follows:

Year	FY 2006	FY 2007	FY 2008
Academic Year Rate	\$4,910	\$5,155	\$5,385
Summer Term Rate	\$1,170	\$1,230	\$1,285
Spring Term Rate	\$1,230	\$1,290	\$1,350
Matthews Court - monthly rate	\$685	\$685	\$685
Percentage Increase	5.0%	5.0%	4.5%

- 4). The budget reflects a 3% increase in salaries.
- 5). The budget reflects a 3% increase in Supplies and Services due to the rate increase provision in the Board-approved food service agreement.
- 6). The budget reflects a 30% increase in Repairs and Maintenance for preventive maintenance projects identified in the Capital Asset Management Plan developed through Facilities Management.

Department of University Housing

- 7). The budget reflects a significant increase in Equipment due to ongoing replacement of wireless access points and switches in University Student Apartments (USA) and replacement of aging custodial equipment.
- 8). The budget reflects a 7% increase in Utilities.
- 9). The budget reflects a 47% decrease in Other Transfers due to reclassification of student programming fees under Supplies and Services. Student programming fees were previously accounted for in the Other Transfers line.
- 10). The budget reflects major capital expenditures for elevator modernization as identified in the Campus Housing Master Plan. In the FY 2007 housing budget the first phase of the project was approved at \$200,000. The subsequent bidding process resulted in the lowest bid exceeding the approved budget and therefore housing will re-bid the project in FY 2008.

**Oakland University
University Housing
Proposed Budget - All Funds
FY 2008**

	FY 07 BUDGET	FY 07 ESTIMATED ACTUAL	FY 08 BUDGET
REVENUE:			
Operating Revenue	\$ 9,904,098	\$ 10,095,602	\$ 10,178,523
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	-	-	-
Investment Income	5,305	19,492	30,902
Total Revenue	<u>\$ 9,909,403</u>	<u>\$ 10,115,094</u>	<u>\$ 10,209,425</u>
EXPENDITURES:			
Compensation	\$ 2,377,630	\$ 2,377,630	\$ 2,434,781
Supplies and Services	3,082,975	3,232,366	3,170,138
Repairs and Maintenance	678,976	678,976	885,000
Cost of Retail Sales	-	-	-
Equipment	21,218	98,097	125,000
Insurance	137,917	137,917	135,000
Utilities	1,250,000	1,250,000	1,340,000
University Overhead	290,329	290,329	287,555
Total Expenditures	<u>\$ 7,839,045</u>	<u>\$ 8,065,315</u>	<u>\$ 8,377,474</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	1,400,000	1,400,000	1,400,000
Other Transfers	83,875	83,875	44,700
Total Transfers	<u>\$ 1,483,875</u>	<u>\$ 1,483,875</u>	<u>\$ 1,444,700</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 586,483</u>	<u>\$ 565,904</u>	<u>\$ 387,251</u>
Major Capital Expenditures	\$ 300,000	\$ 300,000	\$ 300,000
Net Revenue	<u>\$ 286,483</u>	<u>\$ 265,904</u>	<u>\$ 87,251</u>
FUND BALANCES JULY 1	\$ 407,920	\$ 630,187	\$ 896,091
FUND BALANCES JUNE 30	<u>\$ 694,403</u>	<u>\$ 896,091</u>	<u>\$ 983,342</u>

