

**OAKLAND UNIVERSITY
BOARD OF TRUSTEES
FINANCE, AUDIT AND INVESTMENT COMMITTEE
June 1, 2006**

**PROPOSED ANCILLARY ACTIVITIES OPERATING BUDGETS
FOR THE FISCAL YEAR ENDING
JUNE 30, 2007**

Division/Department: Finance and Administration

Summary:

Projected budgets for the following eight ancillary activities are presented for approval for the fiscal year ending June 30, 2007:

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 IA.

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 the 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.

The FY 2007 budgeted operational expenditures and transfers for these eight units total \$18,778,849. This represents a 7.8% increase over the FY 2006 estimated actual. Major capital expenditures total \$525,000, which represents a decrease of 56.1% from the FY 2006 estimated actual.

Payments to the General Fund for administrative overhead costs for FY 2007 from these eight ancillary operations totals \$391,920.

**Proposed Ancillary Activities Operating Budgets for the Fiscal Year
Ending June 30, 2007
Finance, Audit and Investment Committee
June 1, 2006
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Action to be Requested at Next Formal Board Meeting:

At the July 2006 meeting, the Board of Trustees will be asked to approve the budgets for Campus Recreation, Graham Health Center, Intercollegiate Athletics, Lowry Early Childhood Center, Meadow Brook Music Festival, Meadow Brook Music Theatre, Oakland Center and University Housing for the year ending June 30, 2007, with expenditures and transfers not to exceed the expense total for each unit detailed on Appendix I. All expenditures and transfers beyond the approved budget 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.

Attachment:

1. Appendix I
2. Appendix IA

Submitted by Vice President John W. Beaghan:

(Please Initial)

Reviewed by Secretary Victor A. Zambardi:

(Please Initial)

Reviewed by President Gary D. Russi:

(Please Initial)

**Oakland University
Auxiliary Operations
Proposed Budgets
Fiscal Year 2007
Summary**

	<u>FY 2006 Budget</u>	<u>FY 2006 Est. Actual</u>	<u>FY 2007 Budget (Proposed)</u>
Campus Recreation:			
Revenue	\$ 3,383,963	3,340,919	\$ 4,063,567
Expense	3,375,906	3,482,104	4,162,486
Net	<u>\$ 8,057</u>	<u>\$ (141,185)</u>	<u>\$ (98,919)</u>
Graham Health Center:			
Revenue	\$ 567,375	561,319	\$ 597,014
Expense	589,875	583,736	617,109
Net	<u>\$ (22,500)</u>	<u>\$ (22,417)</u>	<u>\$ (20,095)</u>
Intercollegiate Athletics:			
Revenue	\$ 1,734,053	1,641,811	\$ 1,769,618
Expense	1,668,914	1,549,692	1,633,540
Net	<u>\$ 65,139</u>	<u>\$ 92,119</u>	<u>\$ 136,078</u>
Lowry Early Childhood Center:			
Revenue	\$ 824,742	802,898	\$ 868,410
Expense	821,404	796,501	838,167
Net	<u>\$ 3,338</u>	<u>\$ 6,397</u>	<u>\$ 30,243</u>
Meadow Brook Music Festival:			
Revenue	\$ 114,000	114,000	\$ 114,000
Expense	71,400	70,519	73,800
Net	<u>\$ 42,600</u>	<u>\$ 43,481</u>	<u>\$ 40,200</u>
Meadow Brook Theatre:			
Revenue	\$ 72,000	71,135	\$ 75,000
Expense	53,100	52,593	51,500
Net	<u>\$ 18,900</u>	<u>\$ 18,542</u>	<u>\$ 23,500</u>
Oakland Center:			
Revenue	\$ 2,139,718	2,119,102	\$ 2,194,036
Expense	2,329,520	2,303,620	2,314,327
Net	<u>\$ (189,802)</u>	<u>\$ (184,518)</u>	<u>\$ (120,291)</u>
University Housing:			
Revenue	\$ 9,404,387	9,282,387	\$ 9,909,403
Expense	9,260,764	9,777,775	9,622,920
Net	<u>\$ 143,623</u>	<u>\$ (495,388)</u>	<u>\$ 286,483</u>
Totals:			
Revenue	\$ 18,240,238	\$ 17,933,571	\$ 19,591,048
Expense (non capital)	17,630,883	17,420,045	18,788,849
Subtotal Net Revenue	\$ 609,355	\$ 513,526	\$ 802,199
Capital Items	540,000	1,196,495	525,000
Net Revenue	<u>\$ 69,355</u>	<u>\$ (682,969)</u>	<u>\$ 277,199</u>

**Oakland University
Auxiliary Operations
Payment To/(Support From) General Fund
Fiscal Year 2007
Summary**

	<u>FY 2006 Budget</u>	<u>FY 2006 Est. Actual</u>	<u>FY 2007 Budget</u>
Campus Recreation:			
Internal Revenue	\$ -	\$ -	\$ -
General Fund Support	(526,071)	(526,074)	-
Overhead	88,106	88,106	58,928
Total Payment/(Support)	<u>\$ (437,965)</u>	<u>\$ (437,968)</u>	<u>\$ 58,928</u>
Graham Health Center:			
Internal Revenue	\$ -	\$ -	\$ -
General Fund Support	-	-	-
Overhead	25,326	25,326	23,911
Total Payment/(Support)	<u>\$ 25,326</u>	<u>\$ 25,326</u>	<u>\$ 23,911</u>
Intercollegiate Athletics:			
Internal Revenue	\$ -	\$ -	\$ -
General Fund Support	(1,964,127)	(2,184,508)	(2,484,610)
Overhead	-	-	-
Total Payment/(Support)	<u>\$ (1,964,127)</u>	<u>\$ (2,184,508)</u>	<u>\$ (2,484,610)</u>
Lowry Early Childhood Center:			
Internal Revenue	\$ -	\$ -	\$ -
General Fund Support	(21,096)	(18,225)	(18,225)
Overhead	-	-	-
Total Payment/(Support)	<u>\$ (21,096)</u>	<u>\$ (18,225)</u>	<u>\$ (18,225)</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	13,129	13,129	18,752
Total Payment/(Support)	<u>\$ (136,963)</u>	<u>\$ (136,963)</u>	<u>\$ (131,340)</u>
University Housing:			
Internal Revenue	\$ (106,057)	\$ (106,057)	\$ (106,057)
General Fund Support	-	-	-
Overhead	314,074	314,074	290,329
Total Payment/(Support)	<u>\$ 208,017</u>	<u>\$ 208,017</u>	<u>\$ 184,272</u>
Totals:			
Internal Revenue	\$ (256,149)	\$ (256,149)	\$ (256,149)
General Fund Support	(2,511,294)	(2,728,807)	(2,502,835)
Overhead	440,635	440,635	391,920
Total Payment/(Support)	<u>\$ (2,326,808)</u>	<u>\$ (2,544,321)</u>	<u>\$ (2,367,064)</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 2006 is the eighth year of operation for the Department of Campus Recreation. Program growth and successes include:

- Installation of lighting on Upper Pioneer Fields which directly impacted entries for intramural flag football (up 58%).
- Significant increase in overall student participation in the intramural sports program (48% in all team sports and 97% in individual sports).
- Continued employee wellness initiatives with 78% success rate in the Lighten Up program.
- The Men's Ice Hockey Club winning the ACHA Division II National Championship for the second time in three years.
- Hosting the NIRSA Regional Basketball Tournament involving 15 men's and 7 women's teams from throughout the Midwest.
- Sponsorship of the 5th annual Rec Fest and first annual Bowling Party involving over 800 students in healthy and fun activities.
- Involvement by student employees and professional staff in leadership roles 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.

Key Performance Indicators

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u> <u>(estimated</u> <u>through June)</u>
Building Entries	254,629	260,890	258,000
Days of Operation	343	344	343
Non-student members	1,415	1,257	1,243
Paid guest visits	9,645	9,033	9,179

Department of Campus Recreation

Explanation of Major Changes

Effective Winter Semester 2006, the Recreation Center fee (\$75 per on campus student for Fall Semester and Winter Semester; \$47.50 for Spring Term and Summer Term) was eliminated. A new revenue calculation formula for FY 2007 in support of Campus Recreation was developed in collaboration with the Division of Finance and Administration and the Budget Office.

The estimated FY 2006 transfer activity reflects a return of funding support (\$82,319) received from the general fund (in FY 2004) in association with the re-financing of the Series 1995 bonds, completed in FY 2005.

FY 2006 Major Capital Expenditures includes payment (\$22,217) to complete the purchase of replacement cardio and strength equipment budgeted for but not finalized in FY05.

Previously approved capital projects have been completed including the Upper Pioneer Field lighting, cardio and strength equipment replacement, Fitness Center carpet replacement and Court 5 enclosure.

FY 2007 Budget Assumptions

1. Operating Revenue reflects increased facility rental revenue (\$20,000) due to additional outdoor field availability and increased rental rates. Also reflected is a revenue reduction of \$5,000 due to vendor closure of the snack bar.
2. Student Tuition/Fee Allocation increase is consistent with University headcount enrollment projections and reflects the elimination of general fund budget support (\$526,074) as part of the tuition support allocation practice.
3. Compensation increases include higher student employment wages (\$44,495), resulting from a state mandated minimum wage increase. The increase is also due to the addition of a fitness coordinator position to support program initiatives (\$52,000) and part time student/casual employees for wellness programming (\$58,850).
4. Supplies and Services increase is due to expenses related to the wellness program (\$70,500) and for the implementation of a business/facility management software system (\$35,000) that will create a more efficient and safe environment for students and members.
5. Increase in utility expense (\$90,000) consistent with university projection.
6. Other Transfers reflect university support for student focused special events (\$8,000) and to assist in offsetting supplies and service and part time personnel (\$110,000) for the university employee wellness program "Shape Up OU!" administered by Campus Recreation.
7. Proposed major capital expense incorporates a Wellness Center Redesign and Upgrade. The ongoing success of revenue generating services necessitates improvements to wellness center space to accommodate current and future needs, including additional space for one on one fitness/wellness consultation, massage therapy and education. This investment is funded from reserve accounts supported by accumulated fund balances from prior years.

Oakland University
Department of Campus Recreation
Proposed Budget - All Funds
Fiscal Year 2007

	FY06 BUDGET	FY06 ESTIMATED ACTUAL	FY07 BUDGET
REVENUE:			
Operating Revenue	\$ 664,975	\$ 593,214	\$ 665,560
Retail Sales	-	-	-
Student Tuition/Fee Allocation	2,706,888	2,732,890	3,386,907
Gifts and Grants	3,000	2,000	2,000
Investment Income	9,100	12,815	9,100
Total Revenue	<u>\$ 3,383,963</u>	<u>\$ 3,340,919</u>	<u>\$ 4,063,567</u>
EXPENDITURES:			
Compensation	\$ 1,171,481	\$ 1,191,448	\$ 1,346,980
Supplies and Services	352,255	352,255	476,292
Repairs and Maintenance	182,891	177,891	178,071
Cost of Retail Sales	-	-	-
Equipment	25,000	31,626	20,000
Insurance	33,504	33,504	26,362
Utilities	500,000	485,000	575,000
University Overhead	88,106	88,106	58,928
Total Expenditures	<u>\$ 2,353,237</u>	<u>\$ 2,359,830</u>	<u>\$ 2,681,633</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ (526,071)	\$ (526,074)	\$ -
Debt Service	1,498,740	1,581,131	1,498,853
Other Transfers	-	(5,000)	(118,000)
Total Transfers	<u>\$ 972,669</u>	<u>\$ 1,050,057</u>	<u>\$ 1,380,853</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 58,057</u>	<u>\$ (68,968)</u>	<u>\$ 1,081</u>
Major Capital Expense	\$ 50,000	\$ 72,217	\$ 100,000
Net Revenue	<u>\$ 8,057</u>	<u>\$ (141,185)</u>	<u>\$ (98,919)</u>
FUND BALANCES JULY 1	\$ 896,818	\$ 1,084,839	\$ 943,654
FUND BALANCES JUNE 30	<u>\$ 904,875</u>	<u>\$ 943,654</u>	<u>\$ 844,735</u>

**Oakland University
Campus Recreation
Proposed Major Capital Expenditures
Fiscal Year 2007**

Item Description	Estimated Cost
Wellness Center Redesign and Upgrades	100,000

Fiscal Year 2007 Total

\$100,000

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 Graham Health Center functions as the primary care provider for all student insurance participants and makes referrals to specialists, if necessary. Staff members occasionally utilize the center for acute conditions that can be handled medically with one or two patient visits.

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 6 hours per month to conduct student psychiatric evaluations and/or medication reviews.

Key Performance Indicators

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Projected FY 2006</u>
Patient Visits	3,860	3,816	3,800
Participants in Student Health Insurance Program	380	435	373

Budget Assumptions

1. \$4,200 of the increase in 2007 operating revenue is due to an expected increase in the numbers of students served at the Graham Health Center with the additional part-time nurse practitioner. The remainder comes from fees for services.
2. Student Tuition/Fees Allocation is increased by \$8,462 or 3%.
3. Since the loss of the Nurse Educator position in 2003, the Graham Health Center has not been able to meet requests for outreach programs for the University community. We believe that an additional part-time nurse practitioner with expertise in community health will raise the awareness about the Graham Health Center services. Therefore \$20,066 of accumulated reserves (fund balance) from prior years will be used to fund a one-year program that involves hiring a part-time nurse practitioner to conduct community health education and limited patient care.

**Oakland University
Graham Health Center
Proposed Budget - All Funds
Fiscal Year 2007**

	FY 06 BUDGET	FY 06 ESTIMATED ACTUAL	FY 07 BUDGET
REVENUE:			
Operating Revenue	\$185,000	\$185,000	\$196,500
Retail Sales	100,323	94,267	100,000
Student Tuition/Fees Allocation	282,052	282,052	300,514
Gifts and Grants	-	-	-
Investment Income	-	-	-
Total Revenue	<u>\$ 567,375</u>	<u>\$ 561,319</u>	<u>\$ 597,014</u>
EXPENDITURES:			
Compensation	\$ 314,445	\$ 314,445	\$ 346,731
Supplies and Services	121,482	121,482	142,000
Repairs and Maintenance	17,075	19,987	13,503
Cost of Retail Sales	82,000	71,411	69,800
Equipment	13,500	13,776	1,600
Insurance	11,047	12,309	13,564
Utilities	5,000	5,000	6,000
University Overhead	25,326	25,326	23,911
Total Expenditures	<u>\$ 589,875</u>	<u>\$ 583,736</u>	<u>\$ 617,109</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>\$ (22,500)</u>	<u>\$ (22,417)</u>	<u>\$ (20,095)</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ (22,500)</u>	<u>\$ (22,417)</u>	<u>\$ (20,095)</u>
FUND BALANCES JULY 1	<u>\$ 83,323</u>	<u>\$ 89,786</u>	<u>\$ 67,369</u>
FUND BALANCES JUNE 30	<u>\$ 60,823</u>	<u>\$ 67,369</u>	<u>\$ 47,274</u>

Department of Athletics

Description of Program

The OU Department of Intercollegiate Athletics has been fully participating in Division I athletics since 1999-2000. In the first seven years the Golden Grizzlies have won 14 regular-season conference championships, 30 conference tournament titles and have had 19 NCAA tournament appearances.

The Oakland University Athletics Department is a member of the Mid-Continent Conference. The Mid-Continent Conference is comprised of nine schools – Centenary, Chicago State, 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, and the baseball, softball and soccer games are played at the OU Athletic Fields. OU swimming and diving competes in the OU Aquatics Center, which has a capacity of 1,000, and the men's and women's golf teams call OU's Katke-Cousins its home golf course.

Key Performance Indicators

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
RPI Tier 1 Athletic Teams			
Men's Basketball	227	164	285
Women's Basketball	123	143	137
Men's Soccer	40	57	92
Women's Soccer	63	117	118
Men's Swimming/Diving	50#	85*	25#
Women's Swimming/Diving	39#	16*	11*
Number of Student Athletes	253	226	320

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

National Championship Finish/Ranking

* Mid-Major Ranking

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 2007 are as follows:

1. Increases in operating revenues are expected due to increased efforts in the areas of marketing, development and facility rentals.
2. Student Tuition/Fees Allocation will increase by 3%.
3. Included in the compensation line item are five new positions in the areas of academics, student well-being, marketing and development. These positions are the result of a departmental restructuring plan and the continuation of the initiative to increase and support the student-athlete population.
4. Increases in supplies and services are the result of the initiative to increase and support the student athlete population.
5. General Fund budget support increases are due to projected adjustments for compensation and athletic enrollment recruiting goals.

Oakland University
Department of Intercollegiate Athletics
Proposed Budget - All Funds
Fiscal Year 2007

	FY 06 BUDGET	FY 06 ESTIMATED ACTUAL	FY 07 BUDGET
REVENUE:			
Operating Revenue	\$ 897,879	\$ 757,879	\$ 943,109
Retail Sales	50,000	97,758	-
Student Tuition/Fees Allocation	511,174	511,174	526,509
Gifts and Grants	275,000	275,000	300,000
Investment Income	-	-	-
Total Revenue	<u>\$ 1,734,053</u>	<u>\$ 1,641,811</u>	<u>\$ 1,769,618</u>
EXPENDITURES:			
Compensation	\$ 2,362,129	\$ 2,186,392	\$ 2,717,385
Supplies and Services	1,434,412	1,764,361	1,555,872
Repairs and Maintenance	-	-	-
Cost of Retail Sales	40,000	112,426	-
Equipment	-	-	-
Insurance	24,000	28,737	31,611
Utilities	-	-	-
University Overhead	-	-	-
Total Expenditures	<u>\$ 3,860,541</u>	<u>\$ 4,091,916</u>	<u>\$ 4,304,868</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ (1,964,127)	\$ (2,184,508)	\$ (2,484,610)
Debt Service	42,000	41,282	41,282
Other Transfers	(269,500)	(398,998)	(228,000)
Total Transfers	<u>\$ (2,191,627)</u>	<u>\$ (2,542,224)</u>	<u>\$ (2,671,328)</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 65,139</u>	<u>\$ 92,119</u>	<u>\$ 136,078</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 65,139</u>	<u>\$ 92,119</u>	<u>\$ 136,078</u>
FUND BALANCES JULY 1	<u>\$ 1,887,151</u>	<u>\$ 1,855,368</u>	<u>\$ 1,947,487</u>
FUND BALANCES JUNE 30	<u>\$ 1,952,290</u>	<u>\$ 1,947,487</u>	<u>\$ 2,083,565</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 prekindergarten program for at-risk four year olds. This program enhances diversity and extends services to the community.

Key Performance Indicators

Percentage of enrollment capacity for Winter semester, 2006

	Toddler-AM	Toddler-PM	Toddler-Full
Monday	87%	73%	93%
Tuesday	100%	100%	100%
Wednesday	100%	80%	87%
Thursday	100%	100%	93%
Friday	97%	73%	87%
	Preschool-AM	Preschool-PM	Preschool-Full
Monday	114%	93%	95%
Tuesday	93%	114%	100%
Wednesday	114%	93%	90%
Thursday	93%	107%	95%
Friday	107%	79%	90%
	Pre-K-AM	Pre-K-PM	Pre-K-Full
Monday	117%	108%	64%
Tuesday	125%	75%	91%
Wednesday	125%	125%	64%
Thursday	117%	67%	105%
Friday	133%	108%	59%
Total overall enrollment percentage =	94%		

Lowry Early Childhood Education Center
(Child Development Lab)

	Winter 2003 Participants	Winter 2004 Participants	Winter 2005 Participants	Winter 2006 Participants
Community	142	200	146	156
Students	30	22	22	38
Faculty and Staff	22	14	19	25

Age Group	2003-2004	2004-2005	2005-2006	2006-2007
Toddlers	\$47 Full day \$26 Half day	\$49 Full day \$27 Half day	\$49 Full day \$27 Half day	\$52 Full day \$29 Half day
Preschool	\$39 Full day \$21 Half day	\$41 Full day \$22 Half day	\$41 Full day \$22 Half day	\$44 Full day \$24 Half day
Pre-K	Pre-K \$39 Full day \$21 Half day	Pre-K \$41 Full day \$22 Half day	Pre-K \$41 Full day \$22 Half day	Pre-K \$44 Full day \$24 Half day
Before / After-Care	\$5.00 / ½ hour (Unscheduled hours discouraged.)	\$5.00 / ½ hour	\$5.00 / ½ hour	\$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).

Oakland University
Lowry Center for Early Childhood Education
Proposed Budget - All Funds
Fiscal Year 2007

	FY 06 BUDGET	FY 06 ESTIMATED ACTUAL	FY 07 BUDGET
REVENUE:			
Operating Revenue	\$ 778,462	\$ 715,110	\$ 782,657
Retail Sales	-	-	-
Student Fees	-	-	-
Gifts and Grants	46,280	87,788	85,753
Investment Income	-	-	-
Total Revenue	<u>\$ 824,742</u>	<u>\$ 802,898</u>	<u>\$ 868,410</u>
EXPENDITURES:			
Compensation	\$ 770,000	\$ 737,910	\$ 760,299
Supplies and Services	61,000	55,076	59,625
Repairs and Maintenance	-	16,140	26,268
Cost of Retail Sales	-	-	-
Equipment	6,000	1,500	6,000
Insurance	-	-	-
Utilities	5,500	4,100	4,200
University Overhead	-	-	-
Total Expenditures	<u>\$ 842,500</u>	<u>\$ 814,726</u>	<u>\$ 856,392</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ (21,096)	\$ (18,225)	\$ (18,225)
Debt Service	-	-	-
Other Transfers	-	-	-
Total Transfers	<u>\$ (21,096)</u>	<u>\$ (18,225)</u>	<u>\$ (18,225)</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 3,338</u>	<u>\$ 6,397</u>	<u>\$ 30,243</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 3,338</u>	<u>\$ 6,397</u>	<u>\$ 30,243</u>
FUND BALANCES JULY 1	\$ 219,936	\$ 264,052	\$ 270,449
FUND BALANCES JUNE 30	<u>\$ 223,274</u>	<u>\$ 270,449</u>	<u>\$ 300,692</u>

Meadow Brook Music Festival

Description of Program

The 2005 Meadow Brook Music Festival season was the ninth season under the ten year agreement with Palace Sports and Entertainment 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 2005 schedule included a two weekend visit by the Detroit Symphony Orchestra, for a total of six 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 the Palace, there is a guaranteed annual payment of \$105,000, plus 6% of gross revenues over \$3 million, through the 2006 season.

Key Performance Indicators

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Attendance	121,070	88,597	99,567
Gross Revenue	\$3,953,169	\$1,693,635	\$2,834,717
Number of Events	46	42	38

**Oakland University
Meadow Brook Music Festival
Proposed Budget - All Funds
Fiscal Year 2007**

	FY 06 BUDGET	FY 06 ESTIMATED ACTUAL	FY 07 BUDGET
REVENUE:			
Operating Revenue	\$ 105,000	\$ 105,000	\$ 105,000
Retail Sales	-	-	-
Student Tuition/Fees Allocation	-	-	-
Gifts and Grants	9,000	9,000	9,000
Investment Income	-	-	-
Total Revenue	<u>\$ 114,000</u>	<u>\$ 114,000</u>	<u>\$ 114,000</u>
EXPENDITURES:			
Compensation	\$ 63,900	\$ 64,700	\$ 66,300
Supplies and Services	2,500	2,500	2,500
Repairs and Maintenance	-	-	-
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	5,000	3,319	5,000
Utilities	-	-	-
University Overhead	-	-	-
Total Expenditures	<u>\$ 71,400</u>	<u>\$ 70,519</u>	<u>\$ 73,800</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>\$ 42,600</u>	<u>\$ 43,481</u>	<u>\$ 40,200</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 42,600</u>	<u>\$ 43,481</u>	<u>\$ 40,200</u>
FUND BALANCES JULY 1	\$ 149,765	\$ 151,098	\$ 194,579
FUND BALANCES JUNE 30	<u>\$ 192,365</u>	<u>\$ 194,579</u>	<u>\$ 234,779</u>

Meadow Brook Theatre

Description of Program

In June 2003, Oakland University entered into an agreement with The Theatre Ensemble, a non-profit corporation, 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 included:

- Continued professional theatre productions and related events at Meadow Brook Theatre.
- Guaranteed rent payment 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 Theatre Ensemble and Oakland University's students, particularly those in the academic theatre programs.

Key Performance Indicators

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u> (projected)
Total Attendance	68,438	60,224	57,000

Ticket sales and attendance have declined at Meadow Brook Theatre, largely due to general economic conditions. Like many of its peer institutions, Meadow Brook Theatre has seen declines in both ticket revenue and in contributions. The MBT Ensemble reported a loss for 2005 and projects a loss for 2006, while still fulfilling their budgeted financial obligation to the University. Combined with the positive financial results of 2004, the Ensemble's projected fund balance remains positive at the end of FY 2006

The theatre's 2006-2007 season offers attractive, commercial programming, which should help increase sales. The University will continue to monitor the Ensemble's attendance and financial activity, through the University's liaison for operations and by participation on the Board of Directors.

**Oakland University
Meadow Brook Theatre
Proposed Budget - All Funds
Fiscal Year 2007**

	FY 06 BUDGET	FY 06 ESTIMATED ACTUAL	FY 07 BUDGET
REVENUE:			
Operating Revenue	\$ 72,000	\$ 71,000	\$ 75,000
Retail Sales	-	-	-
Student Tuition/Fees Allocation	-	-	-
Gifts and Grants	-	135	-
Investment Income	-	-	-
Total Revenue	<u>\$ 72,000</u>	<u>\$ 71,135</u>	<u>\$ 75,000</u>
EXPENDITURES:			
Compensation	\$ -	\$ -	\$ -
Supplies and Services	-	393	1,000
Repairs and Maintenance	-	-	-
Cost of Retail Sales	-	-	-
Equipment	10,000	10,000	-
Insurance	3,100	2,200	2,500
Utilities	40,000	40,000	48,000
University Overhead	-	-	-
Total Expenditures	<u>\$ 53,100</u>	<u>\$ 52,593</u>	<u>\$ 51,500</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>\$ 18,900</u>	<u>\$ 18,542</u>	<u>\$ 23,500</u>
Major Capital Expenditures	\$ -	\$ -	\$ -
Net Revenue	<u>\$ 18,900</u>	<u>\$ 18,542</u>	<u>\$ 23,500</u>
FUND BALANCES JULY 1	\$ 57,516	\$ 61,997	\$ 80,539
FUND BALANCES JUNE 30	<u>\$ 76,416</u>	<u>\$ 80,539</u>	<u>\$ 104,039</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 2005</u>	<u>FY 2006</u>
Number of meeting reservations	5,541	6,130
Number of meeting attendees	220,405	339,000

Additionally:

- 13,168 pedestrian building entries on the first day of Fall 2005 Semester
- 201,486 pedestrian entries during September 2005 with a total of 1,354,472 from July 2005 through April 2006.
- 335 events with 78,000 attendees held in the Banquet Rooms, an increase of 45 percent over last year.
- 4.8 percent of Banquet Room use by off-campus clients.

Explanation of Major Changes

- FY 2006 compensation expenses were less than budgeted due to staff turnover and vacancies.
- The Board approved Gold Room renovation project was completed during FY 2006.
- June 16, 2006 marks the beginning of a new five-year contract period with Barnes and Noble. Capital improvements to the store and the new upper level satellite are expected beginning of the Fall 2006 semester. Revenues are anticipated to increase due to a new commission structure.

Budget Assumptions

1. A 3 percent student tuition support allocation increase is assumed for FY 2007.
2. Bookstore revenue is budgeted to increase an estimated 8 percent.
3. Student employee wages are budgeted to increase by \$6,575 to account for the mandated minimum wage change.

Budget Assumptions continued:

4. Utility rates are estimated to increase 15 percent over the FY 2006 actual.

5. Capital improvements, window replacement on the west side of the Oakland Center, are to be funded from accumulated reserves (fund balance) from prior years.

**Oakland University
Oakland Center
Proposed Budget - All Funds
Fiscal Year 2007**

	FY 06 BUDGET	FY 06 ESTIMATED ACTUAL	FY 07 BUDGET
REVENUE:			
Operating Revenue	\$ 1,202,309	\$ 1,176,309	\$ 1,225,350
Retail Sales	-	-	-
Student Tuition/Fees Allocation	929,909	925,909	953,686
Gifts and Grants	-	1,658	-
Investment Income	7,500	15,226	15,000
Total Revenue	<u>\$ 2,139,718</u>	<u>\$ 2,119,102</u>	<u>\$ 2,194,036</u>
EXPENDITURES:			
Compensation	\$ 911,427	\$ 813,613	\$ 956,725
Supplies and Services	222,480	210,030	190,000
Repairs and Maintenance	192,371	266,781	208,800
Cost of Retail Sales	-	-	-
Equipment	54,075	79,625	66,950
Insurance	25,438	18,158	18,700
Utilities	445,200	394,000	454,000
University Overhead	13,129	13,129	18,752
Total Expenditures	<u>\$ 1,864,120</u>	<u>\$ 1,795,336</u>	<u>\$ 1,913,927</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	-	-	-
Other Transfers	275,400	275,400	275,400
Total Transfers	<u>\$ 275,400</u>	<u>\$ 275,400</u>	<u>\$ 275,400</u>
Net Revenue Before Major Capital Expenditures	<u>\$ 198</u>	<u>\$ 48,366</u>	<u>\$ 4,709</u>
Major Capital Expenditures	\$ 190,000	\$ 232,884	\$ 125,000
Net Revenue	<u>\$ (189,802)</u>	<u>\$ (184,518)</u>	<u>\$ (120,291)</u>
FUND BALANCES JULY 1	\$ 871,124	\$ 988,041	\$ 803,523
FUND BALANCES JUNE 30	<u>\$ 681,322</u>	<u>\$ 803,523</u>	<u>\$ 683,232</u>

**Oakland University
Oakland Center
Proposed Major Capital Expenditures
Fiscal Year 2007**

Item Description	Estimated Cost
Window Replacement West Side	125,000
Fiscal Year 2007 Total	<u>\$ 125,000</u>

Department of University Housing

Explanation of Major Changes

The estimated year-end revenue shortfall of \$122,000 is due primarily to an increase in the allocation of bad debt assigned to University Housing and a reduction in projected investment income.

Cost reductions were achieved in supplies and services, insurance and utilities as reflected on the financial statement. The financial statement also reflects an additional capital expenditure of \$626,500 in FY 2006 for a refurbishing project in Hamlin Hall pending Board approval at the June 7, 2006 meeting. The project includes furniture and carpeting primarily in Hamlin Hall for the changeover of that building to a freshman community. The new furnishings include conversion of beds to lofts to ensure greater safety and conserve room space. The carpeting is to sound proof the floors.

Key Performance Indicators

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Opening Occupancy	1,612	1,644	1,642
Renovations and Refurbishing Projects	\$415,522	\$194,000	\$891,394
All Funds Balance	\$385,865	\$903,308	\$407,920 (est.)

FY 2007 Budget Assumptions

1. The budget reflects a projected average occupancy of 1,601 for FY 2007 based on a three-year average. For fiscal year 2006 the projected occupancy assumed in the budget was 1,593. The estimated year-end occupancy average is 1,586.
2. The budget reflects a 5.0 percent base rate increase in room and board for double room occupancy and a reduction in the single room premium in the community bathroom halls. Recommended rates are as follows:

Residence Halls Rates	FY 2006	FY 2007	% Change
Academic Year Base Rate (double room)	\$6,080	\$6,385	5%
Summer Term - Base Rate (double room)	\$1,340	\$1,405	5%
Spring Term Base Rate (double room)	\$1,390	\$1,460	5%
Single Room Premium (suite style halls)	\$1,090	\$1,145	5%
Single Room Premium (community bathroom halls)	\$1,090	\$ 800	-26.6%

Department of University Housing

3. The budget reflects a 5.0 percent rate increase in student apartments. Due to market conditions, there is no recommended increase for Matthews Court family housing. The recommended apartment rates are as follows:

University Apartment Rates	FY 2006	FY 2007	% Change
Academic Year Base Rate	\$4,910	\$5,155	5%
Summer Term Base Rate	\$1,170	\$1,230	5%
Spring Term Base Rate	\$1,230	\$1,290	5%
Matthews Court Monthly Rate	\$ 685	\$ 685	0%

4. The budget reflects a significant decrease in equipment expense due to one-time equipment purchases in FY 2006.
5. The budget reflects a 19% increase in Utilities.
6. The budget reflects a 7.5% reduction in the University overhead payment due to improved investment income performance on Housing Reserves.
7. The budget reflects a significant reduction in FY 2007 major capital expenditures as a result of the Hamlin Hall Refurnishing Project in FY 2006.
8. The budget reflects major capital expenditures for two new projects identified in the campus housing master plan: renovation of the community bathrooms in Fitzgerald, Anibal, Hill, and Van Wagoner and continued modernization of the residence halls elevators.

**Oakland University
University Housing
Proposed Budget - All Funds
Fiscal Year 2007**

	FY 06 BUDGET	FY 06 ESTIMATED ACTUAL	FY 07 BUDGET
REVENUE:			
Operating Revenue	\$9,399,237	\$9,279,387	\$9,904,098
Retail Sales	-	-	-
Student Tuition/Fees Allocation	-	-	-
Gifts and Grants	-	-	-
Investment Income	5,150	3,000	5,305
Total Revenue	<u>\$9,404,387</u>	<u>\$9,282,387</u>	<u>\$ 9,909,403</u>
EXPENDITURES:			
Compensation	\$2,308,379	\$2,312,890	\$ 2,377,630
Supplies and Services	2,993,179	2,980,178	3,082,975
Repairs and Maintenance	659,200	659,200	678,976
Cost of Retail Sales	-	-	-
Equipment	20,600	64,862	21,218
Insurance	133,900	99,477	137,917
Utilities	1,050,000	1,000,000	1,250,000
University Overhead	314,074	314,074	290,329
Total Expenditures	<u>\$7,479,332</u>	<u>\$7,430,681</u>	<u>\$ 7,839,045</u>
TRANSFERS OUT (IN):			
General Fund Budget Support	\$ -	\$ -	\$ -
Debt Service	1,400,000	1,400,000	1,400,000
Other Transfers	81,432	55,700	83,875
Total Transfers	<u>\$1,481,432</u>	<u>\$1,455,700</u>	<u>\$ 1,483,875</u>
Net Revenue Before Major Capital Expenditures	<u>\$443,623</u>	<u>\$396,006</u>	<u>\$ 586,483</u>
Major Capital Expenditures	\$300,000	\$891,394	\$ 300,000
Net Revenue	<u>\$143,623</u>	<u>(\$495,388)</u>	<u>\$ 286,483</u>
FUND BALANCES JULY 1	<u>\$674,787</u>	<u>\$903,308</u>	<u>\$ 407,920</u>
FUND BALANCES JUNE 30	<u>\$818,410</u>	<u>\$407,920</u>	<u>\$ 694,403</u>

**Oakland University
University Housing
Proposed Major Capital Expenditures
Fiscal Year 2007**

Item Description	Estimated Cost
Elevator Modernization Project	200,000
Community Bathrooms Renovation	100,000

Fiscal Year 2007 Total

\$ 300,000

**OAKLAND UNIVERSITY
BOARD OF TRUSTEES
WORKING SESSION AGENDUM ITEM
June 7, 2006**

**PROPOSED ANCILLARY ACTIVITIES OPERATING BUDGETS
FOR THE FISCAL YEAR ENDING
JUNE 30, 2007**

Division/Department: Finance and Administration

Summary:

Projected budgets for the following eight ancillary activities are presented for approval for the fiscal year ending June 30, 2007:

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 IA.

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.

The FY 2007 budgeted operational expenditures and transfers for these eight units total \$18,778,849. This represents a 7.8% increase over the FY 2006 estimated actual. Major capital expenditures total \$525,000, which represents a decrease of 56.1% from the FY 2006 estimated actual.

Payments to the General Fund for administrative overhead costs for FY 2007 from these eight ancillary operations totals \$391,920.

**Proposed Ancillary Activities Operating Budgets for the Fiscal Year
Ending June 30, 2007
Board of Trustees Working Session
June 7, 2006
Page 2**

Action to be Requested at Next Formal Board Meeting:

At the July 2006 meeting, the Board of Trustees will be asked to approve the budgets for Campus Recreation, Graham Health Center, Intercollegiate Athletics, Lowry Early Childhood Center, Meadow Brook Music Festival, Meadow Brook Music Theatre, Oakland Center and University Housing for the year ending June 30, 2007, with expenditures and transfers not to exceed the expense total for each unit detailed on Appendix I. All expenditures and transfers beyond the approved budget 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.

Attachment:

1. Appendix I
2. Appendix IA

Submitted by Vice President John W. Beaghan:

(Please Initial)

Reviewed by Secretary Victor A. Zambardi:

(Please Initial)

Reviewed by President Gary D. Russi:

(Please Initial)