

**Agendum
Oakland University
Board of Trustees
September 10, 2003**

**APPROVAL OF AMENDMENT TO OAKLAND UNIVERSITY FY 2004 GENERAL
FUND BUDGET AND TUITION AND FEE RATE SCHEDULE**

A Recommendation

Introduction

The Board of Trustees originally approved the FY 2004 General Fund budget at its June 2003 formal meeting. The budget was based on a preliminary estimate of state appropriations, since no final action had yet been taken by the state legislature. Since that date, the legislature and Governor Granholm have reached agreement on the base state appropriation for higher education. Under that agreement, the reduction anticipated in Oakland University's state appropriation is \$1,942,000 less than projected in June.

Following Board discussion at the August 2003 formal meeting, the University proposes to use a portion of these additional funds to roll back the proposed tuition and fee rates by 1.4%, effective winter semester. The result will be an 8.5% average undergraduate tuition and fee rate increase over last year, beginning winter semester. On an annualized basis, this reduction will save our students \$970,000 in tuition and fees.

Remaining funds are proposed to be allocated directly to support a quality academic experience for Oakland University students. This includes restoring critical faculty lines, supporting undergraduate programs, and providing graduate student support. In addition, one-time funds of \$420,202 generated in fall semester due to the previously approved tuition rate will be used to supplement existing student financial aid programs.

More detail on these proposals is included in Exhibits I and II.

Recommendation

RESOLVED, that the Board of Trustees approves the Revised FY 2004 General Fund budget at an expenditure level of \$123,218,355 and approved encumbrances and carryforwards from the June 30, 2003 fund balances, an increase of \$902,305 from the original \$122,316,050 approved amount; and, be it further

RESOLVED, that the Board of Trustees approves the revised Schedule of Tuition and Fee Rates, as shown in Exhibit III, effective Winter semester 2004.

**Amendment to Oakland University FY 2004 General Fund Budget
and Tuition and Fee Rate Schedule
Board of Trustees
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Attachment

- Exhibit 1-Revised General Fund Budget
- Exhibit 2-FY 2004 Detail of General Fund Budget Adjustments
- Exhibit 3-Schedule of Tuition and Fee Rates Effective Winter Term 2004

Submitted to the University President
on _____, 2003 by

Lynne C. Schaefer
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on _____, 2003
to the Board of Trustees for Approval

Gary D. Russi
President

**Exhibit I
Oakland University
Fiscal Year 2004
Revised General Fund Budget**

Category	FY 2004 Approved Budget	FY 2004 Revised Budget	Amount Change	% Change
State Appropriation - Base	47,146,100	49,087,858	1,941,758	4.12%
Student Tuition	73,599,150	72,629,870	(969,280)	-1.32%
Student Tuition - One-Time Fall 2003	-	420,202	420,202	N/A
Student Fees	5,693,538	5,693,538	-	0.00%
Financial Aid Offset	(7,031,845)	(7,522,133)	(490,288)	6.97% (1)
Net Tuition & Fees Revenue	<u>72,260,843</u>	<u>71,221,477</u>	<u>(1,039,367)</u>	<u>-1.44%</u>
Indirect Cost Recovery	1,200,000	1,200,000	-	0.00%
Miscellaneous Income	1,710,000	1,710,000	-	0.00%
Encumbrances	-	-	-	N/A (2)
Total Funding Sources	<u>122,316,943</u>	<u>123,219,335</u>	<u>902,392</u>	<u>0.74%</u>
Less: Budgeted Base Expenditures	122,316,050	123,218,355	902,305	0.74%
Revenues Over (Under) Expenditures	893	980	87	
FYES Enrollment	13,305	13,305	-	
Per FYES Comparisons:				
Base Appropriation	3,543	3,689	146	4.12%
Tuition and Fees	5,960	5,918	(42)	-0.70%
Total Budget Expenditures	9,193	9,261	68	0.74%

Notes:

1) The university has adopted financial statement presentation changes as recommended by GASB 34 and 35 and NACUBO principles for financial statement presentation. As a result, institutional financial aid is shown as an offset to revenues.

2) The amounts for Budgeted Expenditures for FY 2004 do not include any encumbrances and carryforwards. Encumbrances and carryforwards as of June 30, 2003 will be added to the budgeted expenditure base for the following fiscal year as a one time allocation.

Exhibit II
Oakland University
FY 2004 Detail of General Fund Budget Adjustments

1. Tuition Rollback of 1.4% - Winter 2004 (\$969,280)

A rollback in the average full-time undergraduate resident tuition and fee rates by 1.4% effective winter semester, 2004 is proposed. Tuition and fee bills for fall semester have already been issued and many paid, and financial aid packages have been mostly finalized, making it very difficult to implement a tuition cut for the fall.

2. Restore Faculty Lines (\$852,305)

In total, roughly \$2.2 million in faculty positions was cut as part of the FY 2004 budget reduction process. Enrollment is expected to grow significantly in the fall. Returning \$852,305 to fund additional faculty positions will help relieve the pressure academic units' face from reduced course offerings and larger class sizes.

3. Fund Distinctive Undergraduate Experience (\$50,000)

This funding will be used as seed money to set in motion Oakland University's initiative to create innovative capstone experiences for its undergraduate students. Specifically, as detailed in our FY 2004 Operating Budget Request to the State, undergraduate students will have valuable opportunities to conduct research, serve in internships, participate in field experiences and global education, all geared to provide students with a portfolio of skills for success in work and life.

4. Graduate Student Support (\$100,000)

There is a need to restore critical tuition and fee support for graduate assistantship award packages in support of faculty research activities. This money will maintain graduate assistantship tuition and fee support packages at FY 2003 levels.

5. Student Financial Aid Supplement (\$420,202) One-Time

As a result of implementing the 1.4 percent reduction in the tuition and fee rates in winter semester, \$420,202 in one-time tuition and fee revenue will be generated in the fall semester. The University proposes to use these funds to directly benefit students by creating a student financial aid pool to supplement existing financial aid programs in future semesters.

Exhibit III

**Oakland University
Schedule of Tuition and Fee Rates
Effective Winter Term 2004**

Tuition Rate Per Credit Hour or Fee Rate	Current Rate 2003	Proposed Rate 2004	Percent Change
Resident UG Lower	144.25	158.00	9.53%
Resident UG Upper	158.75	173.50	9.29%
Resident Grad	268.50	293.00	9.12%
Resident Doctoral	268.50	293.00	9.12%
Non Resident UG Lower	364.00	382.25	5.01%
Non Resident UG Upper	392.00	411.50	4.97%
Non Resident Grad	508.00	533.50	5.02%
Non Resident Doctoral	508.00	533.50	5.02%
Competency	34.00	34.00	0.00%
General Service Fee	145.00	145.00	0.00%
Student Activity Fee - Fall & Winter	21.00	21.00	0.00%
Student Activity Fee - Spring & Summer	10.50	10.50	0.00%
Course Fee	50.00	52.00	4.00%
MPT Course Fee/Cr Hr	42.50	42.50	0.00%
Rec Center - Fall & Winter	77.00	77.00	0.00%
Rec Center - Spring & Summer	49.50	49.50	0.00%
Orientation Fee FTIAC	80.00	80.00	0.00%
Orientation Fee Transfer	55.00	55.00	0.00%
Applied Music	85.00	85.00	0.00%
Teacher Ed	35.00	35.00	0.00%

Summary comparison of tuition and required fees (exclusive of special course fees)

A) Undergraduate Michigan resident student taking a full 15 credit hour load over two semesters (30 total credit hours):

1) Lower Division:

Tuition	4,327.50	4,740.00	9.5%
Required Fees	486.00	486.00	0.0%
Total	4,813.50	5,226.00	8.6%

2) Upper Division:

Tuition	4,762.50	5,205.00	9.3%
Required Fees	486.00	486.00	0.0%
Total	5,248.50	5,691.00	8.4%

Residential Undergraduate Average

5,031.00 5,458.50 8.5%

B) Graduate Michigan resident student taking a full 12 credit hour load over two semesters (24 total credit hours):

Tuition	6,444.00	7,032.00	9.1%
Required Fees	486.00	486.00	0.0%
Total	6,930.00	7,518.00	8.5%