

**GENERAL FUND BUDGET AND TUITION RATES
FOR FISCAL YEAR 2010**

A Recommendation

1. **Division and Department:** Finance and Administration, Budget and Financial Planning Office
2. **Introduction:** Board of Trustees (Board) approval is requested for the FY2010 General Fund budget and tuition rates. Highlights and assumptions for this proposal are described below.

Attachment A is a FY2010 Budget Briefing.

Attachment B is the detailed FY2010 Proposed General Fund Budget which provides summarized budget information for each major academic and operating unit of Oakland University (University) and a comparison to the FY2009 General Fund budget.

Attachment C is the proposed Schedule of Tuition Rates Effective Fall Semester 2009.

Attachment D is a summary of the FY2010 Budget Assumptions and Alternatives.

State Appropriations:

With a relatively new business tax structure, high and rising unemployment, and continued population decline, State funding for higher education remains unstable and in danger of being further eroded. The Governor, Senate and House of Representatives have each proposed an FY2010 State budget, however, the timing of final passage of the budget is uncertain. The University's FY2010 Proposed General Fund Budget is based on a 3% appropriation reduction, as proposed by the Governor.

The FY2010 appropriation is \$2.3 million less than what was received ten years ago, with no allowance for enrollment growth or inflation. This represents a 25% State funding decrease since FY2002, on an inflation adjusted basis. Executive Orders and operation reductions continue to erode State appropriations. Historically, the University has been under-funded by the State on a per Fiscal Year Equated Student (FYES) basis as compared to the other fourteen four-year public universities in Michigan. In FY2009, the University's appropriated per FYES funding was \$3,585 as compared to the state average of \$5,287, second lowest in the state.

Cost Containment and Budget Reductions:

The University has accumulated data on cost containment initiatives totaling over \$13.5 million of permanent and one-time savings. In addition, the University has managed nearly \$18 million in permanent and one-time budget reductions. The total \$31.5 million in cost containment and budget reductions included eliminating positions, reducing program offerings, further deferring needed maintenance, renegotiating contracts, refinancing debt, outsourcing, and implementing lean academic and administrative practices. The University's combined cost of educating a student -- appropriation per

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FYES plus tuition per FYES – was third lowest in the state in FY2009. Compared to the state average in FY2008, Oakland University's General Fund expenditures were \$3,547 less per student, substantiating that Oakland University is an efficient and lean organization.

Protecting the Core Education of Students:

The University's economic and societal impact on the state and region have been steadily increasing over the past decade – due to strategic planning, aggressive fiscal management, outstanding faculty and staff, and creative partnerships with business, industry and the community. To maintain Oakland University's distinctive and valued educational programming and service, additional revenue is needed to adequately fund operations and strategic initiatives for the benefit of our students. With State funding as a percentage of the University's General Fund budget dropping to an all-time low, projected to be 25% in FY2010, cost containment and budget reduction initiatives continuing, tuition increases are necessary to protect the core education of Oakland University students.

Tuition:

In an effort toward keeping resident undergraduate tuition rates below the state average (on an "all-in" basis, considering other universities' propensity for fees), while pursuing an aggressive financial aid strategy, program improvements and continued pricing transparency with no fees, the proposed resident undergraduate tuition rate for a full time student is \$9,353, a \$31 per credit hour increase. Over 55% of Oakland University undergraduate students receive non-loan financial aid (scholarships, grants and other awards), with an average aid package estimated at \$4,672 for FY2009. Assuming relative aid packages for FY2010, the net cost to attend Oakland University for these students will be \$4,167. The proposed resident graduate tuition rate for a full time student is \$12,264, a \$15 per credit hour increase.

Highlights of changes in the Proposed General Fund Budget:

Revenue:

1. State appropriation reduced by 3% to \$50,690,700, per the Governor's budget proposal.
2. One-time Federal stimulus funds of 2%, directed toward student financial aid.
3. FYES enrollment of 15,173, an increase of 150 students.
4. Average undergraduate in-state tuition of \$9,353 for full-time students, an increase of approximately \$31 per credit hour.
5. Average graduate in-state tuition of \$12,264 for full-time students, an increase of approximately \$15 per credit hour.
6. Continued pricing transparency with no fees.

Expenditures:

1. The expense budget increases 4% in total, excluding financial aid.
2. Salary freeze and projected savings from healthy living benefits.
3. Increased student financial aid funding of \$4.5 million, a 30% increase, including a new student full aid guarantee and economic hardship fund.

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4. OU at Macomb initiatives for enrollment management.
5. Program improvements; library collections, wireless network upgrades, strategic and retention initiatives and plant renewal.
6. Operating funding required for approved course offerings with related faculty appointments (reflecting program growth and market demand), debt service obligations, utilities and other contractual obligations.

Depending on the results of the State's final FY2010 budget, continued monitoring of State revenue forecasts, and the results of collective bargaining, the University may consider a midyear budget adjustment and/or tuition increase.

3. Previous Board Action: On June 28, 2008 the Board approved the FY2009 General Fund budget and tuition rates.

4. Budget Implications: Approval of the FY2010 Proposed General Fund Budget and the Schedule of Tuition Rates Effective Fall Semester 2009 provides the needed authorization for assessing students and expending University resources for instructional, programmatic and operating needs.

5. Educational Implications: Provides General Fund budget for academic programming.

6. Personnel Implications: Provides General Fund budget for personnel.

7. University Reviews/Approvals: The FY2010 Proposed General Fund Budget and the Schedule of Tuition Rates Effective Fall Semester 2009 were developed by the Budget and Financial Planning Office and reviewed by the Vice President for Finance and Administration, President, Student Leadership and the Board's Finance, Audit and Investment Committee.

8. Recommendation:

WHEREAS, the FY2010 Proposed General Fund Budget and Schedule of Tuition Rates Effective Fall Semester 2009 require Board of Trustees approval; now, therefore, be it

RESOLVED, that the Board of Trustees approves the FY2010 General Fund Budget at an expenditure level of \$182,789,314 (see Attachment B for detail) and approved encumbrances and carry-forwards from the June 30, 2009 fund balance; and, be it further

RESOLVED, that the Board of Trustees approves the Schedule of Tuition Rates Effective Fall Semester 2009 (see Attachment C for detail); and, be it further

RESOLVED, that the Board of Trustees further directs the President to reduce instructional, programmatic and/or operating expenditures to balance the General Fund

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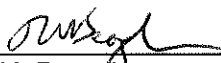
Budget based upon the General Fund revenues generated from enrollment at the Tuition Rate approved by the Board of Trustees; and, be it further

RESOLVED, that the Board of Trustees approves the spending of General Fund revenues generated from enrollment in excess of that budgeted to adequately cover the instructional, programmatic and operating expenditures necessary to support higher than budgeted enrollment levels.

9. Attachments:

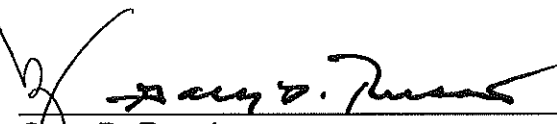
- A. FY2010 Budget Briefing
- B. FY2010 Proposed General Fund Budget
- C. Schedule of Tuition Rates Effective Fall Semester 2009
- D. FY2010 Budget Assumptions and Alternatives

Submitted to the President
on 7/28, 2009 by



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

Recommended on 7/29, 2009
to the Board of Trustees for approval by



Gary D. Russi
President



**Fiscal Year 2010
Budget Briefing
July 24, 2009**



**Is Oakland a Quality University?
Should Oakland continue to improve Quality?**



OU Quality External Recognitions

- Building OU brand regionally, nationally...strengthening position among competitors
 - The Carnegie Classification of Institutions of Higher Education categorizes Oakland University as a “Doctoral/Research University.” Produced by the Carnegie Foundation for the Advancement of Teaching, the classification reflects OU’s strong commitment to graduate education through its doctoral programs as well as its extensive undergraduate programs.
 - Oakland University was ranked one of the nation’s most underrated schools in the last edition of "The Unofficial, Unbiased Guide to the 328 Most Interesting Colleges," published by Kaplan Publishing/Simon and Schuster. Oakland appears on a list of the 20 most underrated schools in the United States.
 - Division I standing – Increased visibility



OU Quality External Recognitions

- The Princeton Review named Oakland University in its first edition of "The Best Midwestern Colleges, 150 Great Schools to Consider." The book showcases the top schools in 11 states based on academic excellence and student surveys about academics, campus life and the student body.
- *U.S News and World Report* consistently recognizes Oakland in its annual report about "America's Best Colleges." Oakland has been listed among national-doctoral universities since the 2002-03 edition. Prior to appearing on the national list, *U.S. News and World Report* ranked Oakland among the top universities in the Midwest.
- *2007 Detroit News* front page article (Once-quiet college aims for big time)



OU Quality Accreditations

- Higher Learning Commission - North Central Association
- NASM (National Association of Schools of Music)
- NAST (National Association of Schools of Theatre)
- NASD (National Association of Schools of Dance)
- ACS (American Chemical Society)
- NASPAA (National Association of Schools of Public Affairs and Administration)
- COPRA (Commission in Peer Review and Accreditation)
- CSWE (Council on Social Work Education)
- CACREP (Council for Accreditation of Counseling and Related Educational Programs)
- TEAC (Teacher Education Accreditation Council)
- CCNE (Commission on Collegiate Nursing Education)
- CANAEP (Council on Accreditation of Nurse Anesthesia Educational Programs)
- AACSB International (Association to Advance Collegiate Schools of Business)
- CAPTE (Commission on Accreditation in Physical Therapy Education)
- ASAC (Applied Science Accreditation Commission) of ABET (Accreditation Board for Engineering and Technology)
- EAC (Engineering Accreditation Commission of ABET)



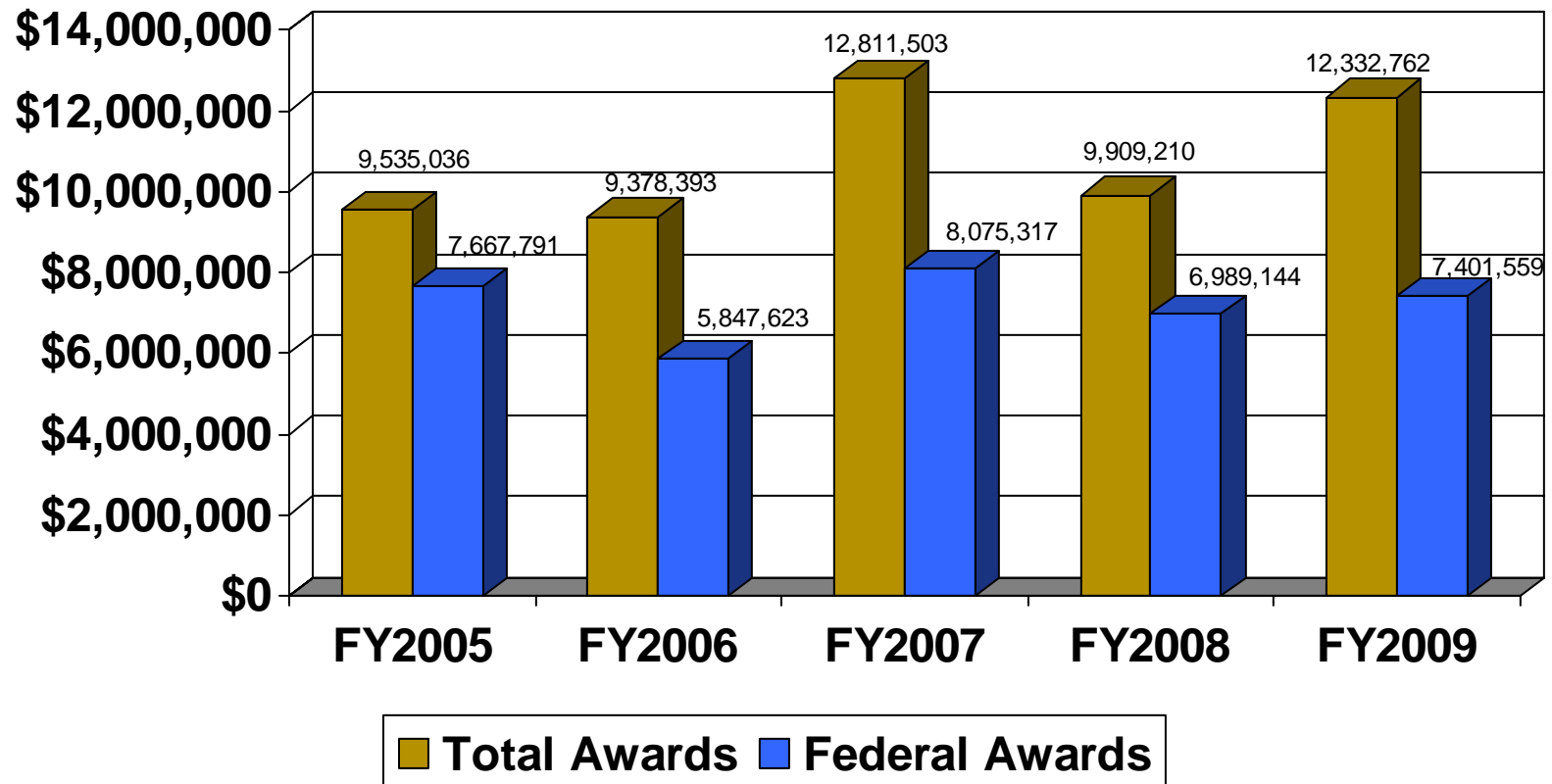
OU Quality Comprehensive Campaign

- Early conclusion - \$111.8 million raised a year ahead of schedule
- Of \$111.8 million raised:
 - 78 new endowments created
 - 86% of funds have come from commitments of \$25,000 or more
 - 64% of funds allocated to academic programs, 28% to endowments, 8% to facilities



OU Quality

Grant and Contract Activity FY 2005 – FY 2009





OU Quality Entering Freshmen

Average GPA

3.06

3.14

3.27

1988

1998

2008

Average ACT Score

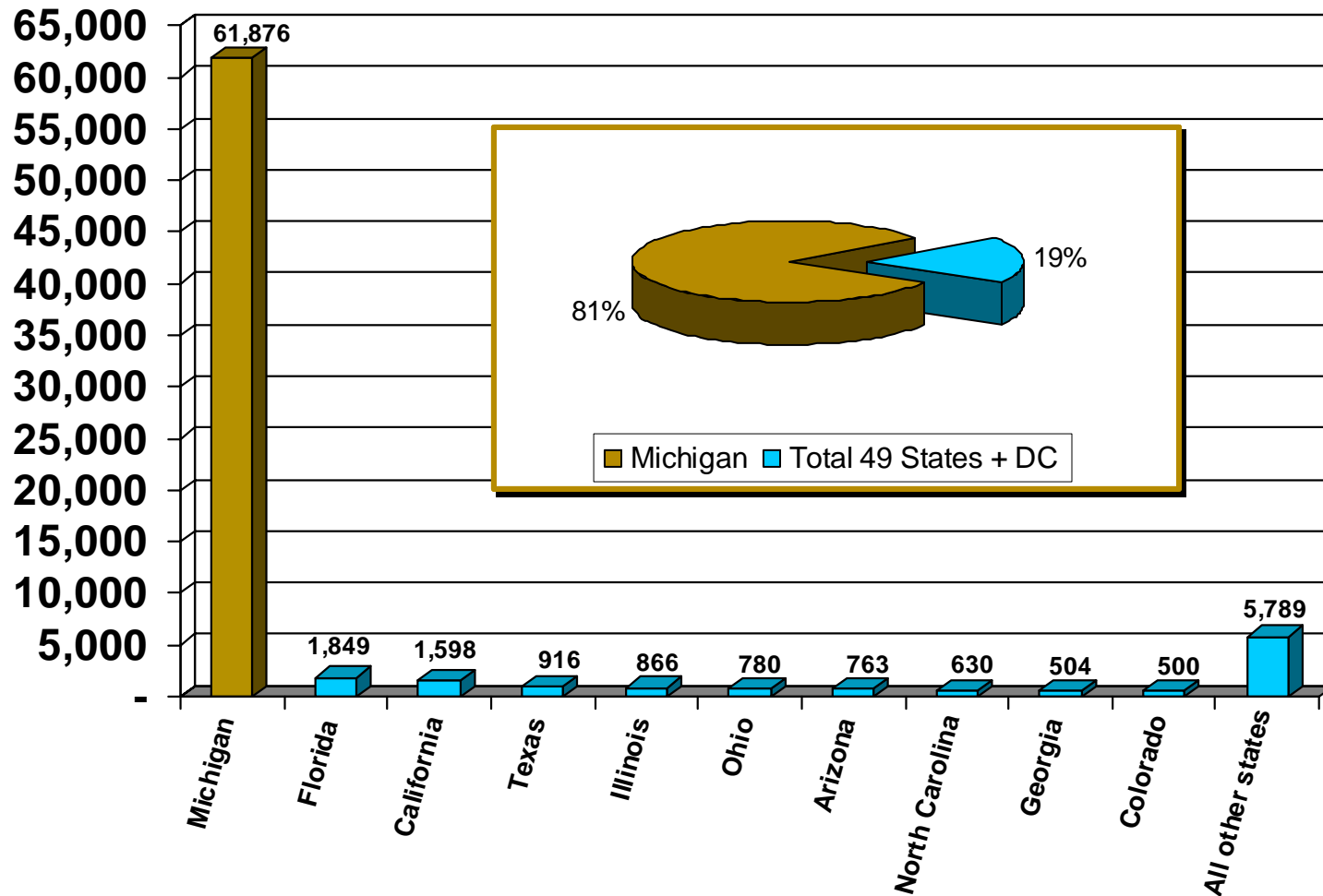
20.4

21.8

22.0



Where OU Graduates Live and Work Alumni Demographic Distribution



Source: Oakland University Office of Alumni Relations



United States and Michigan 2007 Unemployment Rates by Educational Attainment

	<u>U.S.</u>	<u>Michigan</u>
Less than a high school diploma	10.1%	18.9%
High school graduates, no college	5.8%	8.3%
Some college, no degree	4.5%	7.6%
Associate degree	3.6%	5.3%
Bachelor's degree	2.4%	3.9%
Graduate or Professional	1.5%	1.3%



Is Oakland a Quality University? Should Oakland continue to improve Quality?

- Reputation enhanced and secure in the region
- On path to national university recognition through 2020 vision planning and execution
- A tribute to strategic planning, leadership, action, and faculty/staff commitment and dedication
- Board and top leadership understand the personal uncertainty and challenges that our faculty, staff and students are facing
- Students and parents expect excellence in return for their investment in Oakland



Is Oakland a Lean University?



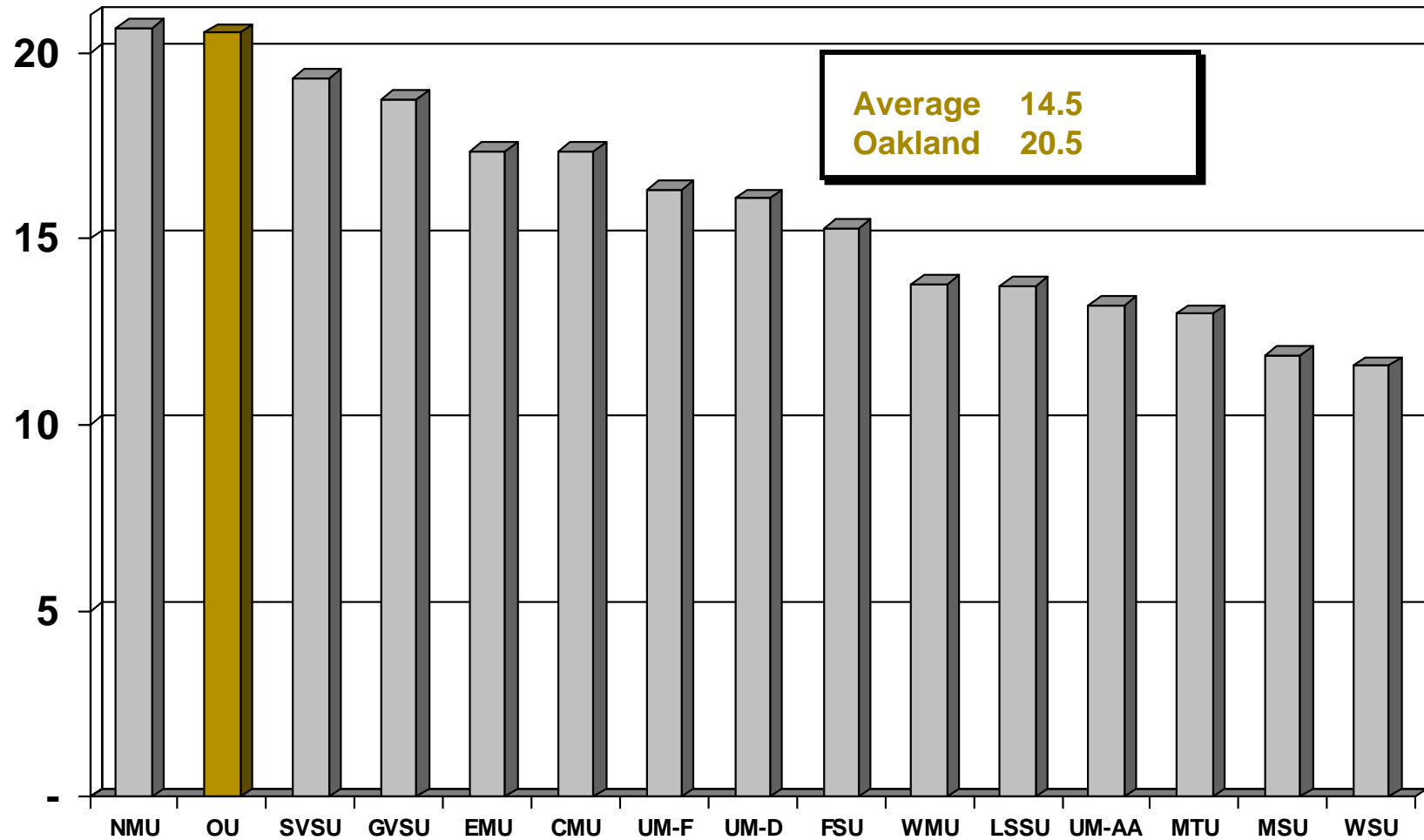
Lean University

Collaborating for Efficiency

- Collaborative cost savings initiatives with other universities:
 - Michigan Universities Self-Insurance Corporation (MUSIC)
 - Michigan Universities Coalition on Health (MUCH)
 - Merit Network
 - Midwestern Higher Education Compact (MHEC)
 - Michigan Delivering Extended Agreements Locally (MiDEAL)
 - Higher Education Recruitment Consortium (HERC)
 - Michigan Transfer Network (MTN)
 - Academic Program Review



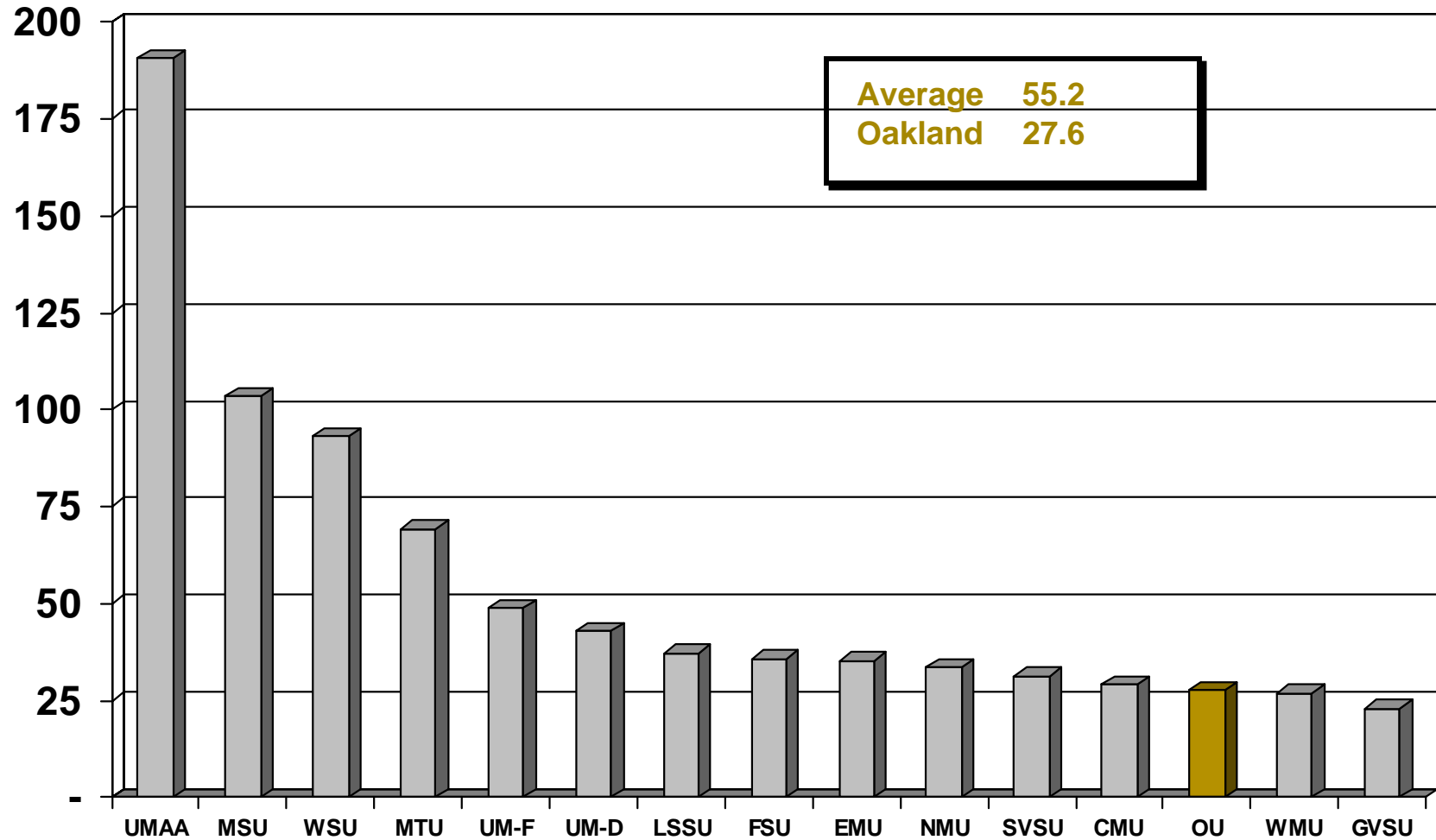
Michigan Universities FYES per Faculty FTE



Source: HEIDI



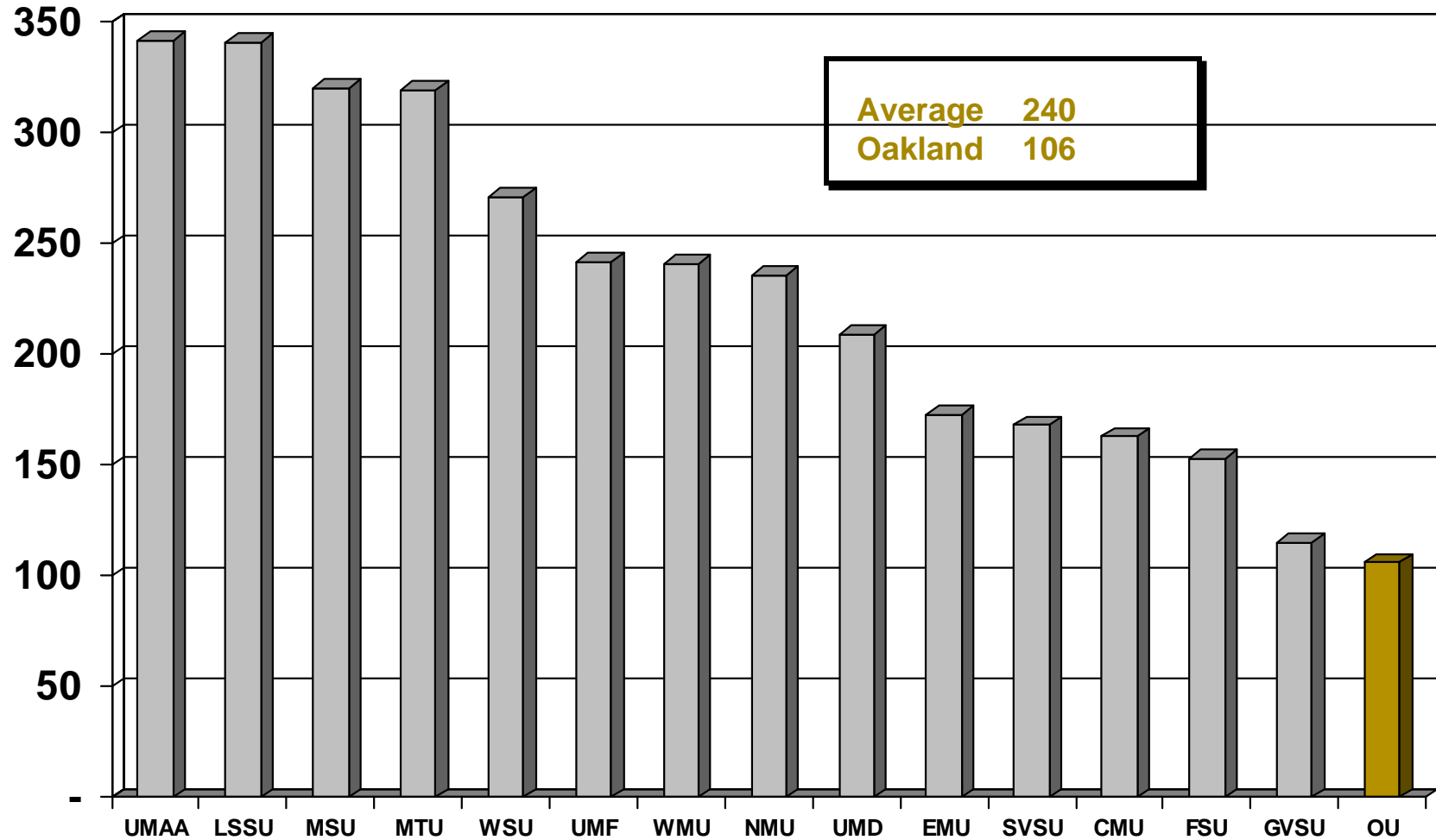
Michigan Universities Staff per 1,000 FTE Student



Source: Delta Cost Project on Trends in College Spending



Michigan Universities FY2008 General Fund Building Sq. Ft. per FYES



Source: HEIDI



Lean University Lean Projects Completed

Academic Advising Process

Staff Hiring Process

Staff Performance Management Process

Registration Process

Spending Authority Process

Payroll Process

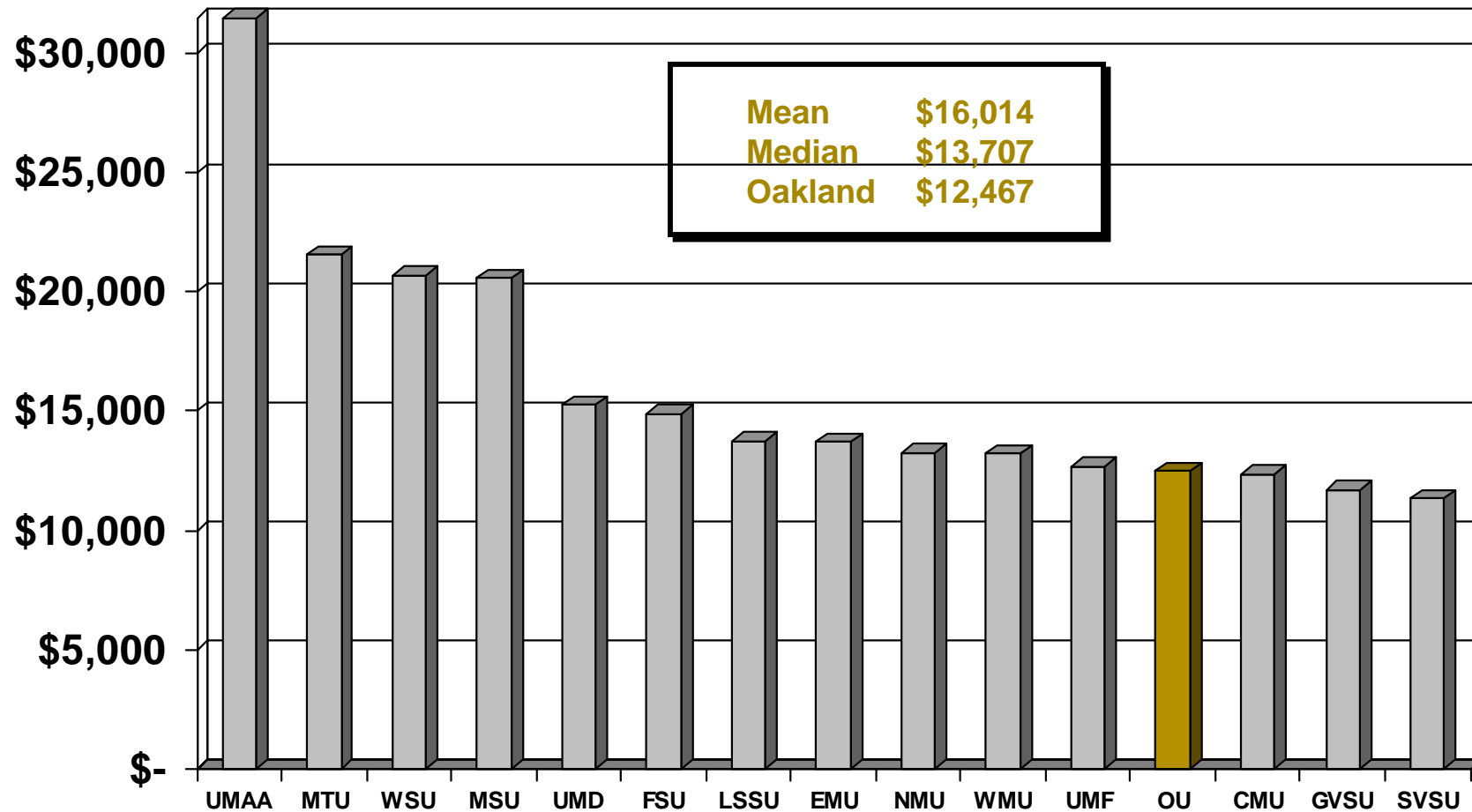
Admissions and Orientation Process

Procurement Process

Contract Administration Process



Michigan Universities FY2008 General Fund Expenditures per FYES (per HEIDI –Undergraduate and Graduate)





Budget Reductions FY2003 – 2009 Summary

	<u>Permanent</u>	<u>One Time</u>
Faculty Salaries	\$ 1,176,682	\$ 595,320
Non Faculty Salaries	1,578,074	284,338
Fringe Benefits	1,171,302	238,671
Operational Costs	2,486,389	4,507,671
Executive Order 2007-3*		2,382,200
Public Act 17 of 2007*	1,031,000	2,382,200
Total Budget Reductions	<u>\$ 7,443,447</u>	<u>\$ 10,390,400</u>
Total Cost Containment	10,170,002	3,456,313
Total Budget Reductions and Cost Containment	<u><u>\$ 17,613,449</u></u>	<u><u>\$ 13,846,713</u></u>

* Limited technology and other strategic initiatives, delayed hiring, departmental spending restraint, postponed classroom renovations and deferred maintenance projects, reduced year-end encumbrances, carry-forwards, contingencies and reserves.



Is Oakland a Lean University?

Oakland University is one of seven research universities in the State of Michigan, yet it has one of the lowest operating costs per student in the State.

Source: Delta Cost Project on Trends in College Spending and HEIDI



Have Oakland University's proactive pricing strategies been effective?

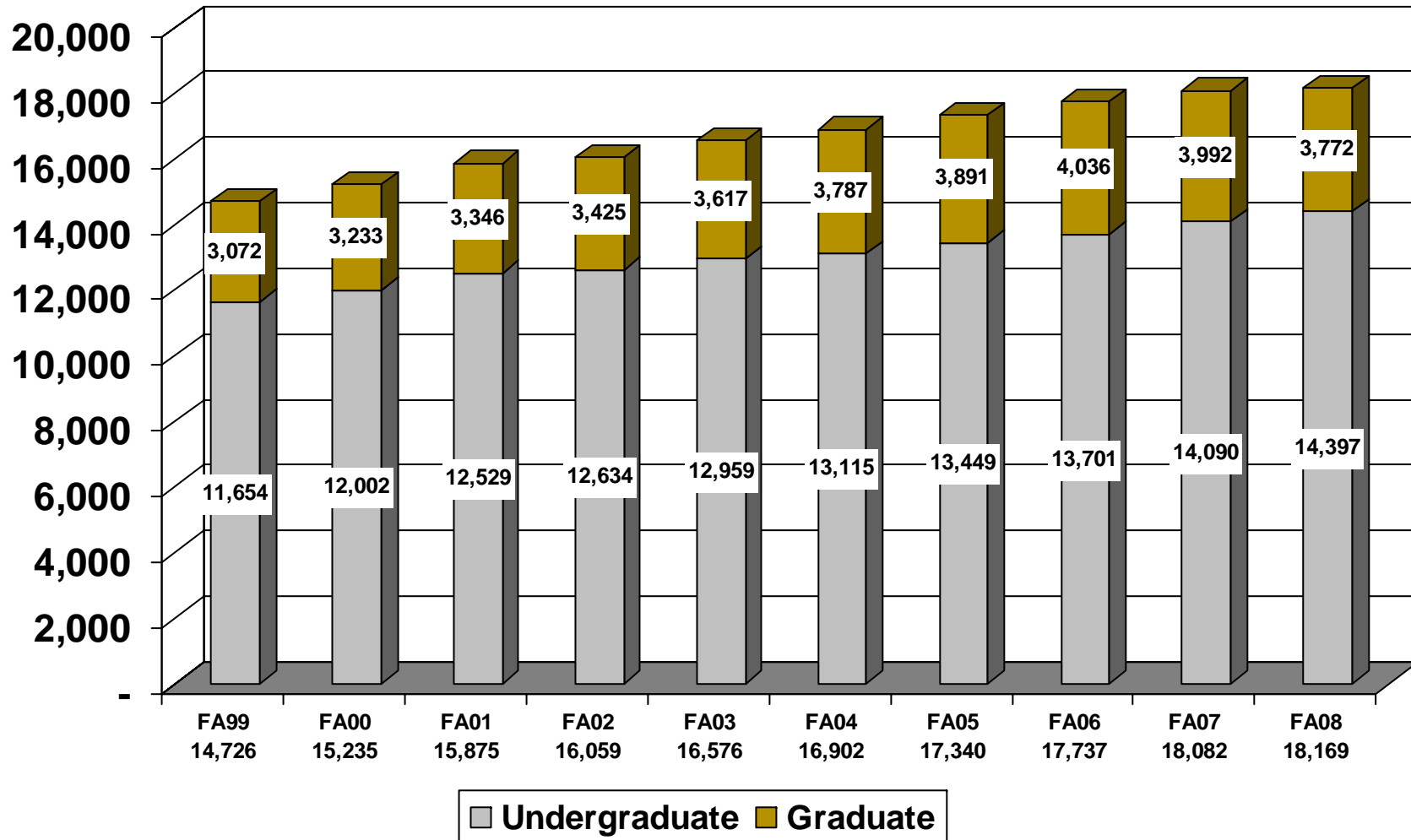


Affordability/Retention Strategies

- Board Endorsed Enrollment Growth
- Community College Initiatives
- Alumni-Admissions Ambassador Program
- Affordable Tuition
- Elimination of all Fees
- Need-Based Scholarships – No loans for Fall 2009 FTIAC's
- Economic Hardship Fund
- Merit Scholarships
- Capital Campaign – Endowed Scholarships
- Summer Campus Corps

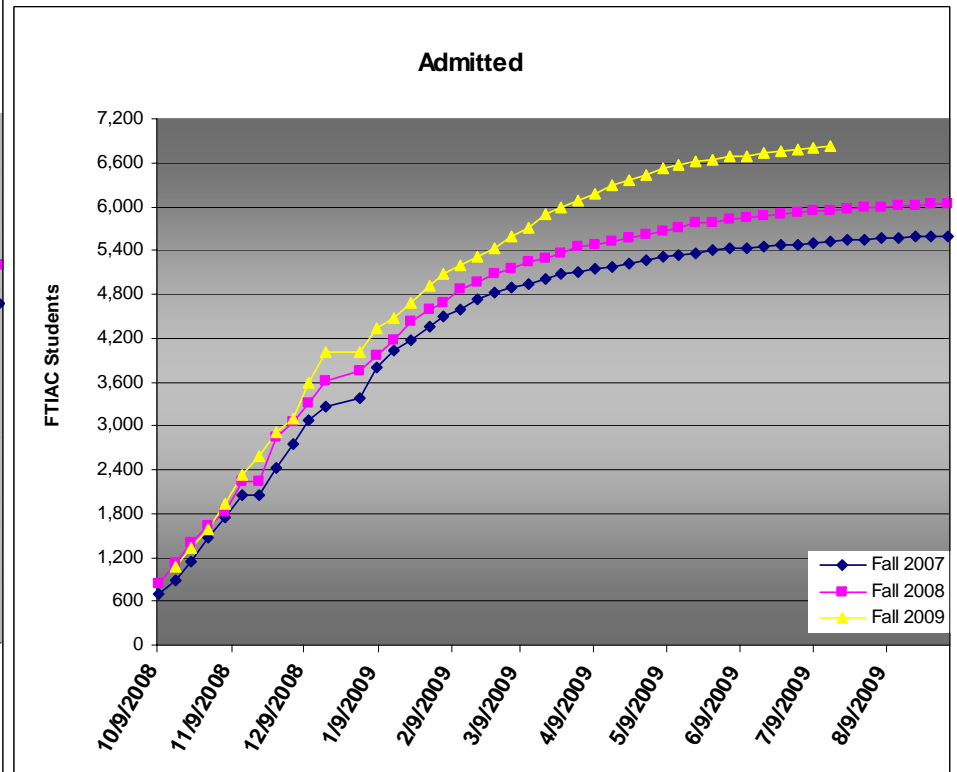
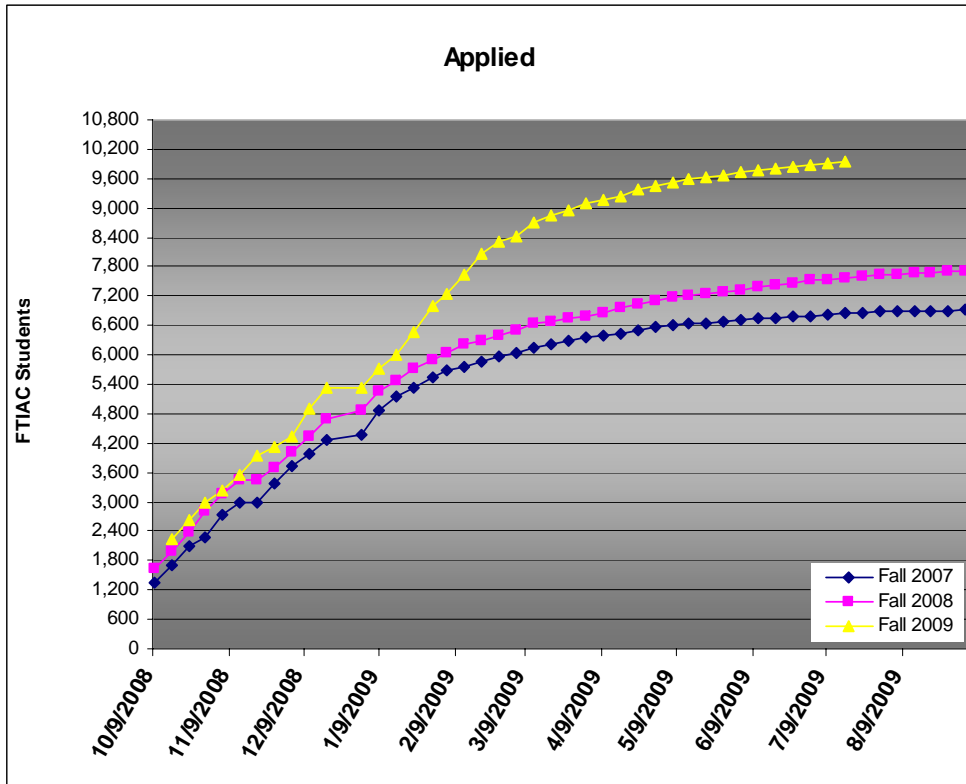


10-Year Enrollment Growth Fall 1999 – Fall 2008





FTIAC Summer / Fall - FY 2007 – FY 2009 Applied and Admitted Experience



Source: Office of Undergraduate Admissions



FY2009 Undergraduate Tuition & All Fees (per FYES)

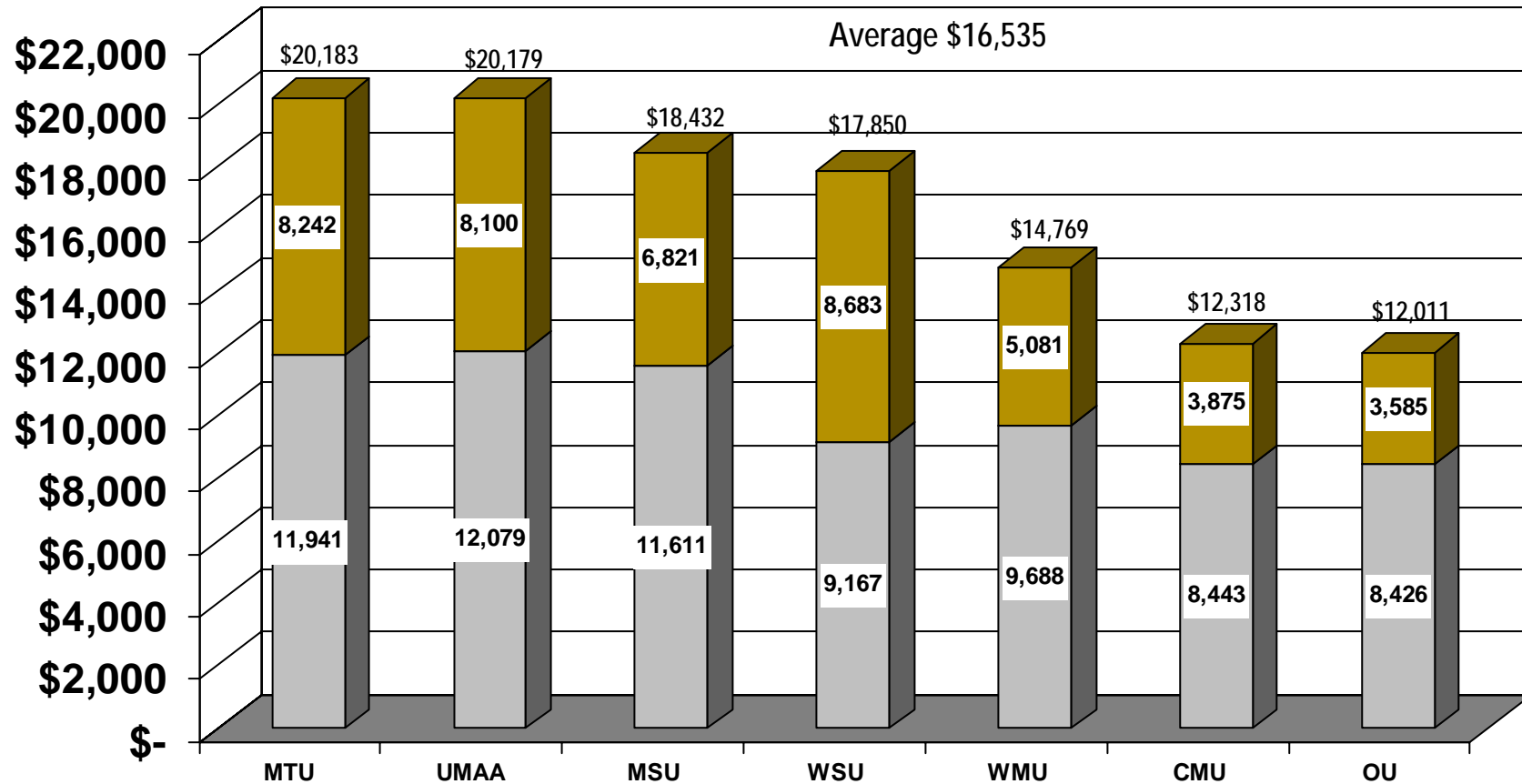
	Tuition & Mandatory Fees *	Other Fees **	All-In Price
UMAA	\$ 11,738	\$ 341	\$ 12,079
MTU	11,616	325	11,941
MSU	10,960	651	11,611
WMU	8,382	1,306	9,688
FSU	9,000	441	9,441
WSU	8,751	416	9,167
EMU	8,091	785	8,876
GVSU	8,400	339	8,739
UMD	8,637	29	8,666
LSSU	7,894	614	8,508
CMU	8,190	253	8,443
OU	8,426	0	8,426
UMF	7,825	467	8,292
NMU	7,128	326	7,454
SVSU	6,492	70	6,562
<i>Average</i>	<i>\$ 8,769</i>	<i>\$ 424</i>	<i>\$ 9,193</i>

* Source: HEIDI

** Source: Presidents Council and University Websites



State Research Universities (per Lumina Foundation for Education) FY09 Tuition & Fees and FY09 State Appropriation



Sources:
HEIDI, President's Council Tuition and Fee Report, Higher Education Appropriations Report

2009 All-in Price
 2009 Approp. per FYES



Financial Aid Strategy Average Net Tuition

	<u>FY 2009</u>	<u>FY 2008</u>
Average U/G Tuition Rate	\$ 8,426	\$ 7,928
Less:		
Average Need-based award	2,235	1,821
Average Merit-based award	2,437	2,328
Average net cost to financial aid student	<u><u>\$ 3,754</u></u>	<u><u>\$ 3,779</u></u>
Percent of Students receiving free financial aid	55%	54%
Average financial aid based on all students that receive a financial aid package		



Have Oakland University's proactive pricing strategies been effective?

- The value of a college degree appreciates remarkably, resulting in increased earnings, employment opportunities and flexibility.
- The more postsecondary education one has, the greater the return on investment.



\$ 33,704

The cost of an OU undergraduate college degree

\$\$\$

A college graduate earns 72% more per year than a high school graduate

Source: United States Census Bureau

\$ 33,965

The cost of a 2009 Chevy Impala SS



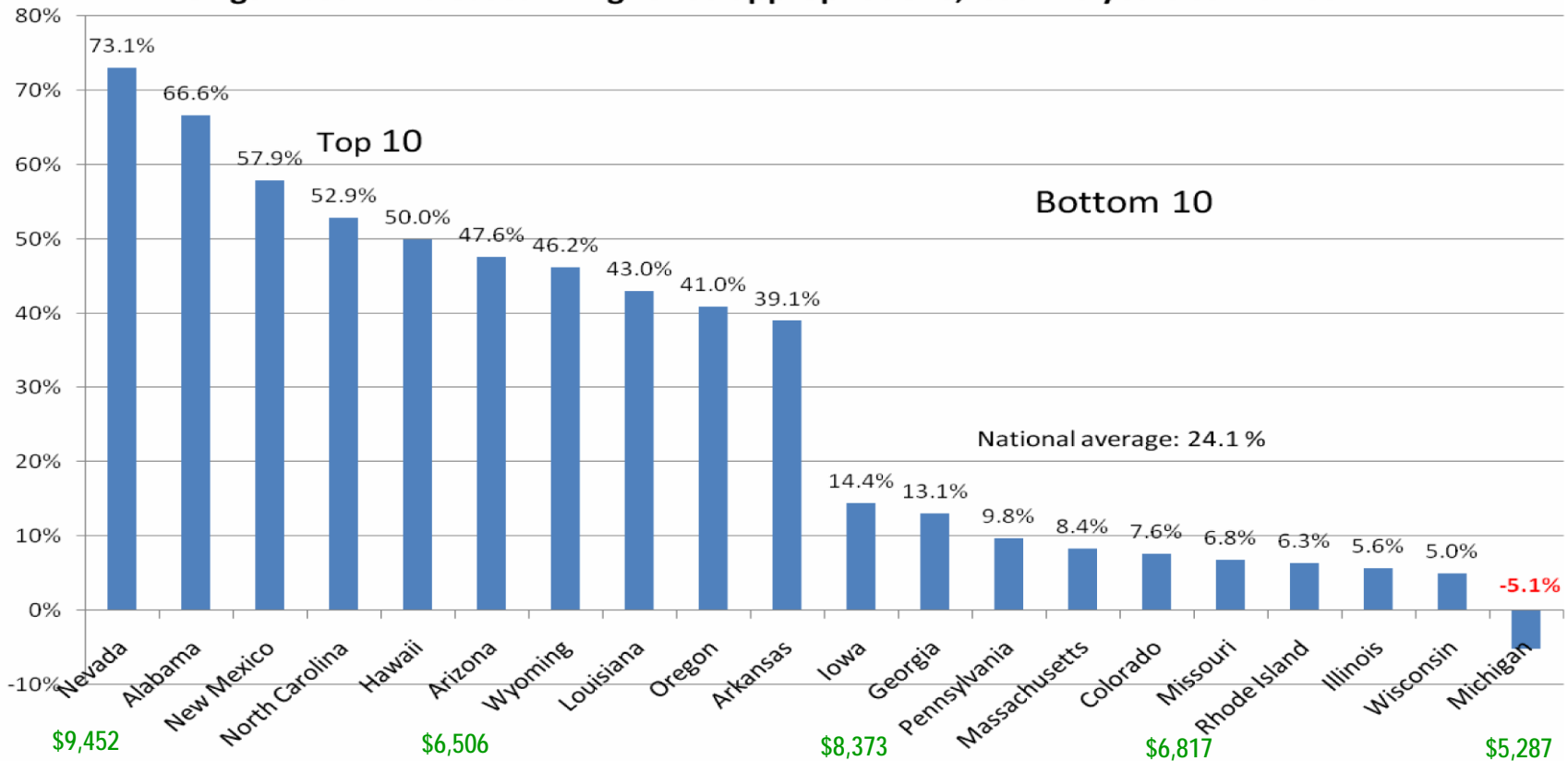


How has and how will public higher education be funded?



National Disinvestment in Higher Education

Michigan last in increases in higher ed appropriations, last five years combined



\$9,452

\$6,506

\$8,373

\$6,817

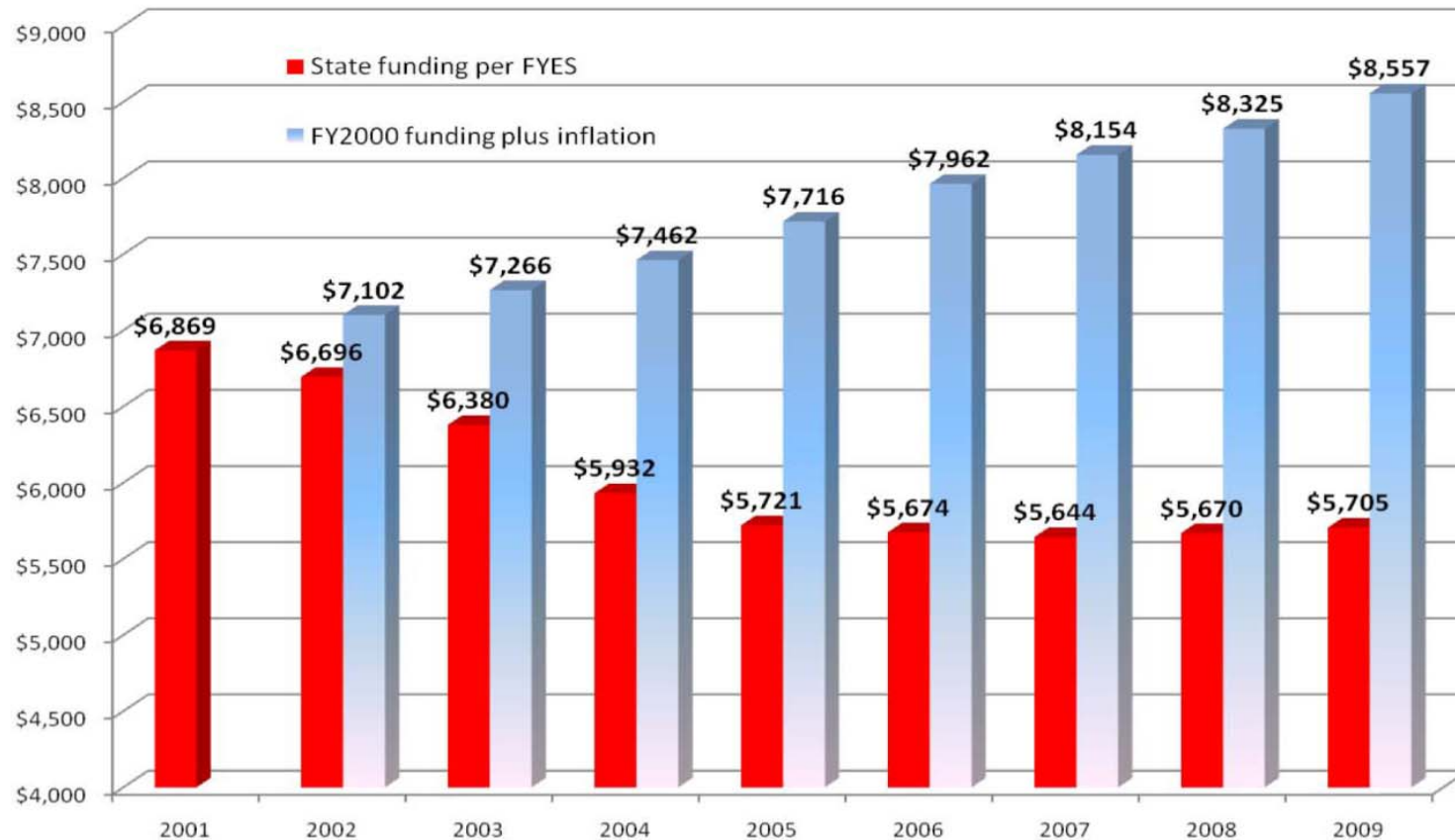
\$5,287

Growing states like Nevada, Alabama and North Carolina are stepping up investment in higher education

Source: Illinois State University's "Grapevine Project"
<http://www.grapevine.ilstu.edu/>



State of Michigan Disinvestment in Higher Education

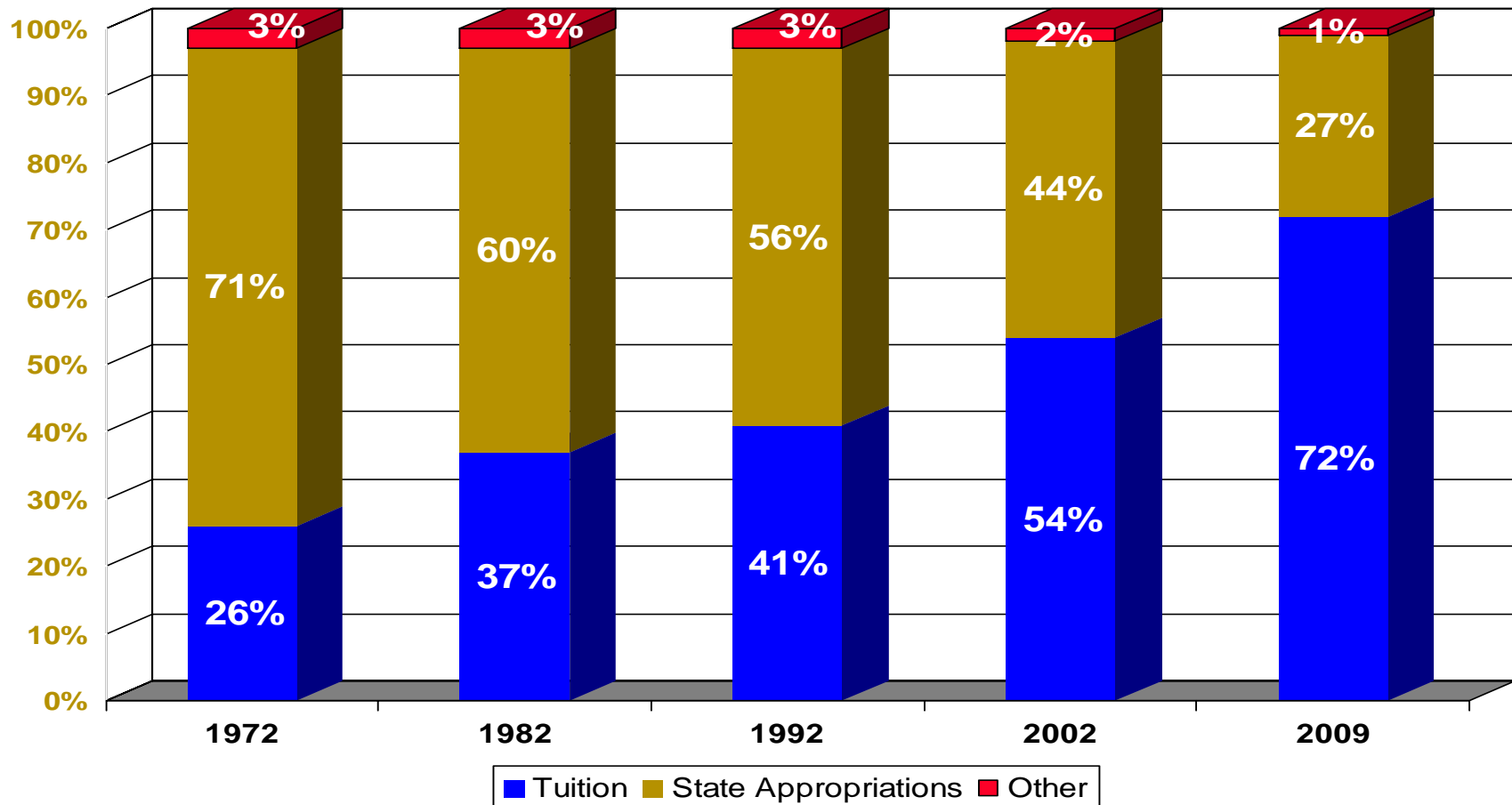


State budget cuts have reduced per student spending by \$2,852/student since FY2001

2007-2009 figures based on estimated 0.5 percent annual increase in FYES



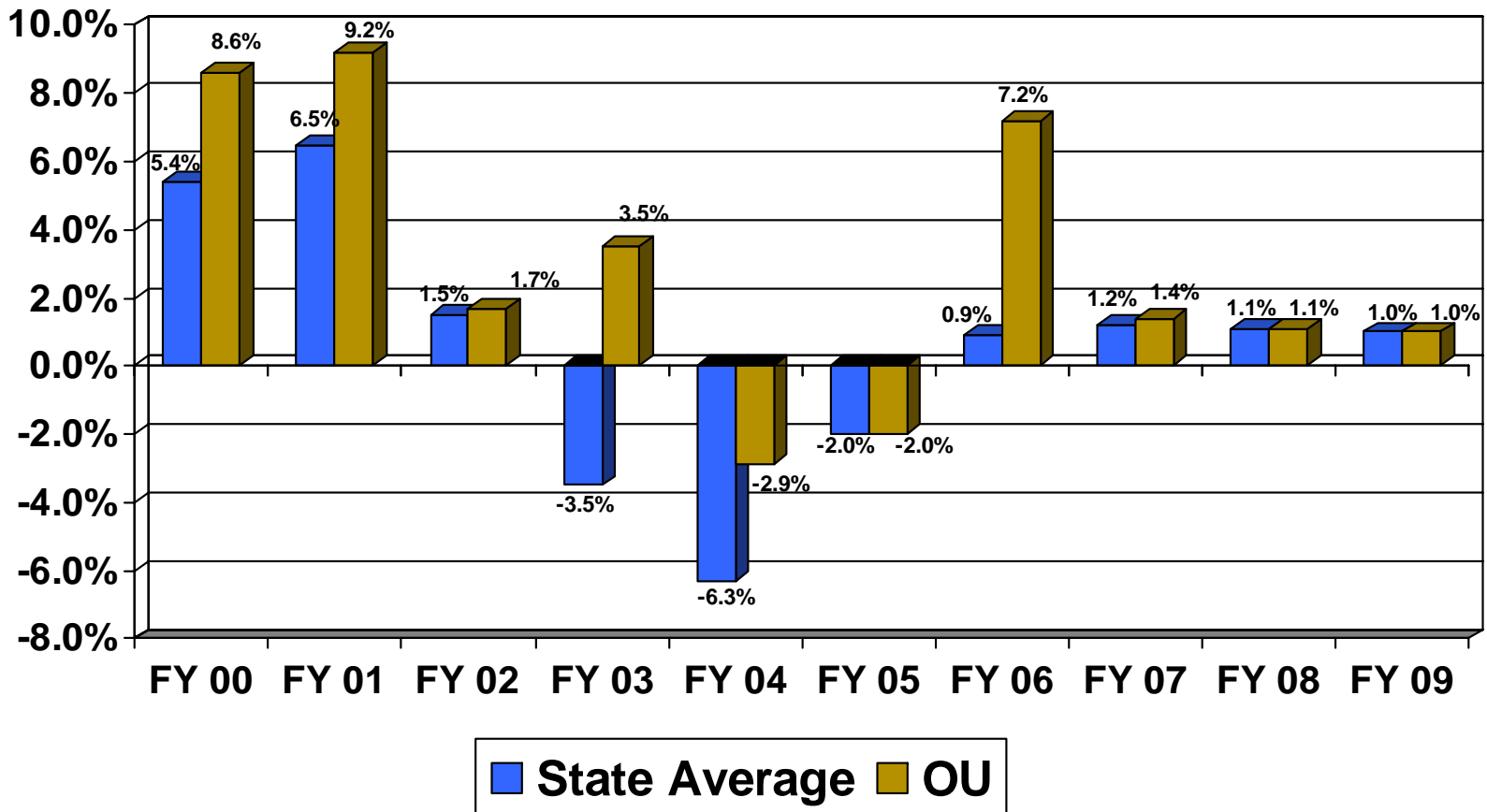
State of Michigan Disinvestment in Oakland University



Comparison of general fund revenue sources FY 1972 to FY 2009



State Appropriation Comparison FY 00 – FY 09





State Appropriations FY1999 - 2009

<u>Fiscal Year</u>	<u>Appropriation</u>
2000	48,083,000
2001	52,950,476
2002	52,384,700
2003	50,551,147
2004	46,633,500
2005	47,261,300
2006	51,530,500
2007	46,613,614
2008	51,932,900
2009	52,452,200
2010	50,690,700

Source: Audited Financial Statements, FY2009 State Budget and FY2010 OU Budget



FY2009 Appropriations per FYES

Wayne State University	\$	8,683
Michigan Technological University		8,242
University of Michigan Ann Arbor		8,100
Michigan State University		6,821
Lake Superior State University		5,596
Northern Michigan University		5,462
Western Michigan University		5,081
Ferris State University		4,529
Eastern Michigan University		4,255
University of Michigan Dearborn		4,238
University of Michigan Flint		4,105
Central Michigan University		3,875
Saginaw Valley State University		3,639
Oakland University		3,585
Grand Valley State University		3,088
<i>Average</i>	\$	<i>5,287</i>



Annual Appropriation Inequity

Appropriation Increase Using Funding Floor (\$3,775)	\$	2,787,375
Appropriation Increase Using 12 School Average (\$4,641)	\$	15,462,487
Appropriation Increase Using 15 School Average (\$5,287)	\$	24,905,591



Oakland students continue to receive a quality education despite state disinvestment in higher education, thanks to Oakland being an affordably priced and lean university



FY 2010 Budget Assumptions

- 3% State Funding Decrease
- 1% Enrollment Increase
- Aggressive Financial Aid Strategy
 - New Student Full Aid Guarantee
 - Economic Hardship Fund
 - Federal Stimulus Funds
- Salary Freeze
- Healthy Living Benefits Savings
- Macomb Initiatives



FY 2010 Budget Assumptions

- Program Improvements
 - Library Collections
 - Wireless Network Upgrade
 - Strategic and Retention Initiatives
 - Plant Renewal
- Operating Needs Funded (e.g. software licenses, utilities)
- Continued Pricing Transparency (no fees)
- Graduate Tuition Rate Protected
- Undergraduate Tuition Rate Below State Average (“all-in”)



FY 2010 Budget Summary

- Expense Budget \$182,789,314 (4%)
- Financial Aid \$4,516,421 (30%)
- Graduate Tuition \$12,264 (3%)
- Undergraduate Tuition \$9,353 (11%)

**Oakland University
Fiscal Year 2010
Proposed General Fund Budget**

Category	FY 2009 Budget	FY 2010 Projected Budget	Amount Change	% Change
State Appropriation - Base	\$ 51,932,900	\$ 50,690,700	\$ (1,242,200)	-2.39%
State Appropriation - Federal Stimulus	0	1,049,044	1,049,044	
Student Tuition	135,815,402	148,646,506	12,831,104	9.45%
Financial Aid Offset	(14,910,233)	(19,426,654)	(4,516,421)	30.29% (1)
Net Tuition & Fees Revenue	\$ 120,905,169	\$ 129,219,852	\$ 8,314,683	6.88%
Indirect Cost Recovery	1,750,400	1,650,000	(100,400)	-5.74%
Miscellaneous Income	455,110	179,718	(275,392)	-60.51%
Encumbrances	3,197,793	0	(3,197,793)	-100.00% (2)
Total Funding Sources:	\$ 178,241,372	\$ 182,789,314	\$ 4,547,942	2.55%
Less: Budgeted Expenditures	\$ 178,241,372	\$ 182,789,314	\$ 4,547,942	2.55%
Revenues Over (Under) Expenditures	\$ 0	\$ 0	\$ 0	
FYES Enrollment	15,023	15,173	150	1.00%

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 projected budget does not include any encumbrances and carryforwards. Encumbrances and carryforwards as of June 30 will be added to the budgeted expenditure base for the following fiscal year as a one time allocation.

Oakland University
General Fund Budgeted Expenditures
Fiscal Year 2009 - 2010

	FY 2009 Adjusted Total Budget	FY 2009 Enc. / Carryforward	FY 2009 Adjusted Base Budget	FY 2010 Budget Changes	FY 2010 Budget
College of Arts & Sciences	\$ 31,240,167	\$ (37,788)	\$ 31,202,379	\$ 0	\$ 31,202,379
School of Business Administration	11,217,936	(105,997)	11,111,939	0	11,111,939
School of Education and Human Services	8,737,834	(201,642)	8,536,192	0	8,536,192
School of Engineering and Computer Science	7,600,298	(41,021)	7,559,277	0	7,559,277
School of Health Sciences	3,187,545	(5,212)	3,182,333	0	3,182,333
School of Nursing	3,793,850	(28,652)	3,765,198	0	3,765,198
Kresge Library	4,447,871	0	4,447,871	59,566	4,507,437
Instructional and Information Technology	6,654,053	(169,804)	6,484,249	124,000	6,608,249
Academic Affairs - Other	34,169,785	(1,282,338)	32,887,447	1,971,472	34,858,919
Finance & Administration	20,193,953	(498,960)	19,694,993	427,768	20,122,761
Student Affairs	15,112,977	(197,379)	14,915,598	82,819	14,998,417
University Relations	3,093,846	(61,200)	3,032,646	4,769	3,037,415
President	10,434,152	(567,800)	9,866,352	2,023,452	11,889,804
General	18,357,105	0	18,357,105	3,051,889	21,408,994
Total	\$ 178,241,372	(\$ 3,197,793)	\$ 175,043,579	\$ 7,745,735	\$ 182,789,314

College of Arts & Sciences

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	15,798,130	0	0	15,798,130
Part-Time Faculty	3,309,815	0	0	3,309,815
All Other Staff	3,022,582	0	0	3,022,582
Operating Budget	1,245,144	(37,788)	0	1,207,356
Fringe Benefits	7,864,496	0	0	7,864,496
Total	31,240,167	(37,788)	0	31,202,379

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
College of Arts & Sciences Total	0	39,029,830	41,993,885	2,231,973	660,609	83,916,297	56.2%

School of Business Administration

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	6,242,607	0	0	6,242,607
Part-Time Faculty	265,333	0	0	265,333
All Other Staff	1,120,063	0	0	1,120,063
Operating Budget	581,997	(105,997)	0	476,000
Fringe Benefits	3,007,936	0	0	3,007,936
Total	11,217,936	(105,997)	0	11,111,939

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
School of Business Administration Total	0	3,269,116	10,061,270	3,962,859	0	17,293,245	11.6%

School of Education and Human Services

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	4,099,054	0	0	4,099,054
Part-Time Faculty	537,833	0	0	537,833
All Other Staff	1,239,464	0	0	1,239,464
Operating Budget	626,909	(201,642)	0	425,267
Fringe Benefits	2,234,574	0	0	2,234,574
Total	8,737,834	(201,642)	0	8,536,192

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
School of Education and Human Services Total	0	581,408	8,127,700	11,999,835	2,457,503	23,166,446	15.5%

School of Engineering and Computer Science

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	3,885,771	0	0	3,885,771
Part-Time Faculty	174,566	0	0	174,566
All Other Staff	1,165,015	0	0	1,165,015
Operating Budget	359,319	(41,021)	0	318,298
Fringe Benefits	2,015,627	0	0	2,015,627
Total	7,600,298	(41,021)	0	7,559,277

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
School of Engineering and Computer Science Total	0	936,432	3,817,378	2,052,433	514,003	7,320,246	4.9%

School of Health Sciences

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	1,380,930	0	0	1,380,930
Part-Time Faculty	176,302	0	0	176,302
All Other Staff	602,434	0	0	602,434
Operating Budget	210,274	(5,212)	0	205,062
Fringe Benefits	817,605	0	0	817,605
Total	3,187,545	(5,212)	0	3,182,333

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
School of Health Sciences Total	0	1,452,875	3,849,142	1,113,943	1,926,638	8,342,598	5.6%

School of Nursing

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	1,472,574	0	0	1,472,574
Part-Time Faculty	218,251	0	0	218,251
All Other Staff	911,171	0	0	911,171
Operating Budget	173,857	(28,652)	0	145,205
Fringe Benefits	1,017,997	0	0	1,017,997
Total	3,793,850	(28,652)	0	3,765,198

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
School of Nursing Total	0	290,753	7,624,951	1,112,410	567,377	9,595,491	6.4%

Kresge Library

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	776,783	0	0	776,783
Part-Time Faculty	55,767	0	0	55,767
All Other Staff	1,178,331	0	0	1,178,331
Operating Budget	1,613,751	0	59,566	1,673,317
Fringe Benefits	823,239	0	0	823,239
Total	4,447,871	0	59,566	4,507,437

Explanation of Major Changes:

59,566	Library Collections
59,566	Total Budget Changes

Instructional and Information Technology

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	34,830	0	0	34,830
All Other Staff	3,382,503	0	0	3,382,503
Operating Budget	1,764,522	(169,804)	124,000	1,718,718
Fringe Benefits	1,472,198	0	0	1,472,198
Total	6,654,053	(169,804)	124,000	6,608,249

Explanation of Major Changes:

94,000	Campus Wireless Network
30,000	Merit Internet / Network increase
124,000	Total Budget Changes

Academic Affairs - Other

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	3,088,007	0	0	3,088,007
Part-Time Faculty	4,823,996	0	0	4,823,996
All Other Staff	5,789,927	0	94,933	5,884,860
Operating Budget	16,730,367	(1,282,338)	1,836,547	17,284,576
Fringe Benefits	3,737,488	0	39,992	3,777,480
Total	34,169,785	(1,282,338)	1,971,472	34,858,919

Explanation of Major Changes:

1,739,532	CE and Incentive programs
132,155	Grad Stipend Adjustment (offset is Grad. Tuition Awards - Fin Aid)
21,488	Graduate Stipend Adjustment (Min. Wage)
(35,140)	Indirect Cost Recovery
113,437	Provost Office Reorganization
<u>1,971,472</u>	<u>Total Budget Changes</u>

Finance & Administration

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	0	0	0	0
All Other Staff	11,154,330	0	120,000	11,274,330
Operating Budget	3,977,959	(498,960)	307,768	3,786,767
Fringe Benefits	5,061,664	0	0	5,061,664
Total	20,193,953	(498,960)	427,768	20,122,761

Explanation of Major Changes:

3,762	Aramark Contract Increase
300,000	Plant Renewal
120,000	Project Manager Human Health Building
4,006	Support Allocation - Roads, Walks and Lots
427,768	Total Budget Changes

Student Affairs

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	3,500	0	0	3,500
All Other Staff	5,279,326	0	0	5,279,326
Operating Budget	7,569,088	(197,379)	82,819	7,454,528
Fringe Benefits	2,261,063	0	0	2,261,063
Total	15,112,977	(197,379)	82,819	14,998,417

Explanation of Major Changes:

53,374	Support Allocation - Campus Recreation
3,312	Support Allocation - Graham Health Center
10,019	Support Allocation - Oakland Center
16,114	Support Allocation - Student Government / Programs
82,819	Total Budget Changes

University Relations

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	0	0	0	0
All Other Staff	1,890,333	0	0	1,890,333
Operating Budget	337,883	(61,200)	4,769	281,452
Fringe Benefits	865,630	0	0	865,630
Total	3,093,846	(61,200)	4,769	3,037,415

Explanation of Major Changes:

4,769	University Relations Operating Support
4,769	Total Budget Changes

President

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	0	0	0	0
All Other Staff	5,365,238	0	246,807	5,612,045
Operating Budget	2,689,980	(567,800)	1,689,806	3,811,986
Fringe Benefits	2,378,934	0	86,839	2,465,773
Total	10,434,152	(567,800)	2,023,452	11,889,804

Explanation of Major Changes:

98,536	Communications and Marketing Reorganization
235,110	Macomb / Outreach Operations
1,684,274	Strategic and Retention Initiatives
5,532	Support Allocation - Athletics
<u>2,023,452</u>	<u>Total Budget Changes</u>

General

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	0	0	0	0
All Other Staff	(882,000)	0	1,516,417	634,417
Operating Budget	19,239,105	0	292,729	19,531,834
Fringe Benefits	0	0	1,242,743	1,242,743
Total	18,357,105	0	3,051,889	21,408,994

Explanation of Major Changes:

(7,874)	Administrative Charges
7,092	Bank Card Service Fee
(144,654)	Debt Service
2,759,160	Fringe Benefit Composite Rate Adjustment
75,000	Insurance
51,340	Japan Center Michigan Universities
212,229	Purchased Utilities - Net
14,593	Support Allocation - Parking Reserve
756	Support Allocation - Reserve
84,247	University Software Licenses
<u>3,051,889</u>	<u>Total Budget Changes</u>

AA - Financial Aid

Budget Line Items	FY 2009 Budget	FY 2009 Enc. / Carryforward	FY 2010 Budget Changes	FY 2010 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	0	0	0	0
All Other Staff	0	0	0	0
Operating Budget	14,910,233	0	4,516,421	19,426,654
Fringe Benefits	0	0	0	0
Total	14,910,233	0	4,516,421	19,426,654

Explanation of Major Changes:

4,516,421	Financial Aid Strategy
4,516,421	Total Budget Changes

**Oakland University
Schedule of Tuition Rates
Effective Fall Semester 2009**

Tuition Rate Per Credit Hour	Current Rate 2009	Proposed Rate 2010
Resident UG Lower	268.50	298.00
Resident UG Upper	293.25	325.50
Resident Grad	496.00	511.00
Resident Doctoral	496.00	511.00
Non Resident UG Lower	626.75	695.75
Non Resident UG Upper	672.00	746.00
Non Resident Grad	855.75	881.50
Non Resident Doctoral	855.75	881.50
Competency	34.00	50.00

Summary comparison of tuition rates:

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

1) Lower Division Tuition	8,055.00	8,940.00	
2) Upper Division Tuition	8,797.50	9,765.00	
Residential Undergraduate Average	8,426.25	9,352.50	11.0%

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

Graduate Tuition	11,904.00	12,264.00	3.0%
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FY2010 Budget Assumptions and Alternatives

Key Budget Assumptions:

	<u>Revenue</u>	<u>Expense</u>
Salary Freeze (0% vs 3%, all employees)		-\$3,743,852
Healthy Choice Benefit Savings		-940,000
Financial Aid Strategy		4,516,421
Base Appropriation Reduction (per Governor's proposal)	-\$1,242,200	

Net Revenue from 1% of Tuition: \$891,841

Net Student Price from 1% of Tuition: \$84

Budget Reduction Alternatives:

Furlough/Staff Reductions (~ eleven positions)		\$880,000
Plant Renewal (deferred maintenance)		300,000
Discontinue Credit Card Acceptance for Tuition/Room & Board		654,000
Resulting Bad Debt and Collections Expense		-125,000
Operating Support (library collections, wireless upgrades, etc.)		75,000