

OU Budget (to students)

April 17, 2003

Oakland University Students,

As I am sure you have heard by now, Oakland University and all 15 of Michigan's public universities are facing serious cuts in state appropriation funding this fiscal year and next fiscal year. The cut for next fiscal year, which for us begins July 1, 2003, will help the State of Michigan to balance some \$1.7 billion in revenue shortfalls. It is important for you to know that in the face of these economically challenging times, Oakland's first priority is on its core mission: educating students.

You can find details of our budget-cutting challenges on OU's Budget Development Process Web page by clicking the Administration button from anywhere on OU's website, then selecting [Budget Development Process](#) under the Finance and Administration heading.

For our current fiscal year, ending this June 30, faculty and staff members suggested areas to trim to balance our 3.5 percent cut in state appropriations. The more than \$2 million in cuts we announced March 18 affect virtually all areas of the university. You can view those cuts through links off the Budget Web page. Many of these decisions were extremely difficult, but they met our goals of balancing the budget while preserving our core mission.

Our challenge for next fiscal year is even greater, as we are faced with a proposed net 10-percent cut in state appropriations. Once again, university leadership is turning to each administrative and academic unit to recommend cuts, even while focusing on maintaining and improving the student experience at Oakland University. These recommendations, due to the university's Budget Office this past Monday, will be used to develop the university's budget for next fiscal year.

Lynne Schaefer, vice president for finance and administration, expects to present the proposed budget to the Board of Trustees at its May 7 working session. The board must review and approve the budget, which typically takes place at the Board's June voting meeting.

One likely effect of reduced state appropriation funding next fiscal year will be increased tuition. Each of Michigan's 15 public universities is anticipating some type of increase next fall. The historical pattern is clear: As the percentage of state funding support decreases, tuition rates need to increase to maintain quality. In Oakland's case, since we are a growing institution, our budget development challenges are compounded. More and more students are choosing Oakland University for a high-quality, affordable education, and student interest and demand for campus services continues to increase.

We are, however, committed to providing you - our students - with the best educational opportunities possible. With that in mind, we continue to work diligently in three areas: cutting expenses through our ongoing cost-containment measures, increasing revenue through fund raising and pursuing strategic partnerships with business, industry and the public sector.

The effect of the country's and state's economic problems on higher education in general, and OU, its students and families in particular, will be painful and long lasting. Please be assured that we take seriously the charge to safeguard the investment the state, each of you, and your families and loved ones make as you pursue your degree. We are dedicated to protecting the Oakland University educational experience while holding down increases as much as possible to ensure that one of the country's finest universities remains an affordable option to our students.

To keep current on Oakland's budget situation for next fiscal year, I encourage you to periodically check The News @ OU (by clicking on the News button from anywhere on OU's website) and the Budget Development website.

I would welcome any thoughts or suggestions you may have.

Sincerely,

Gary Russi