



Monday, May 6, 2002

BOT presented proposed FY 2003 budget

By **Jeff Samoray**, OU Web Writer

Oakland University President Gary Russi, Interim Provost and Vice President for Academic Affairs Virinder Moudgil and Vice President for Finance and Administration Lynne Schaefer presented the **OU Board of Trustees** at its working session May 1 with the proposed fiscal year 2003 budget, which Russi says supports plans to create a visionary undergraduate experience and benefits OU students.

In his **introduction to the budget preparation process**, Russi highlighted strategic priorities used to build the budget, including improving/maintaining quality by funding faculty and staff positions, academic programs and student support services; expanding the number of police officers and keeping pace with fire-safety codes; building a successful capital campaign; improving campus teaching and learning facilities; and considering strategic initiatives to enrich the undergraduate experience consistent with vision 2010.

Russi cited several challenges that were confronted during the preparation of the budget proposal, one of which is that the state Legislature has held higher education appropriations to fiscal year 2002 levels.

"We are pleased that the governor and legislators have agreed not to cut funding to higher education institutions, but instead to fund with a flat budget," Russi said. "However, please recall that part of the flat-funding legislation states that the total tuition and fee increase for fiscal year 2003 should not exceed 8.5 percent, or \$425, whichever is higher. For OU, the \$425 maximum equates to nearly 9.2 percent.

"We remain sensitive to holding the cost of education as low as possible while delivering the highest quality programs. Therefore, the budget we bring to the board today has a tuition and fee increase proposal for the average residential undergraduate student at 8.47 percent. (With the increase, undergraduate tuition for Michigan residents would be \$5,031 for 30 credit hours, or \$392.75 more than a student paid last year.)"

Another challenge Russi noted is that fixed costs – including contractual compensation, operating costs, utilities, health care, insurance, debt service, etc. – continue to increase. In addition, priority budget requests from all levels of the university far exceed the ability to fund them, Russi said.

"Despite the funding challenges facing us this year, we are presenting to the Board today a budget that will directly support our plans to create a visionary undergraduate experience – and directly benefit our students," Russi said.

Russi spoke of measures the university has taken to contain costs, and that over time a reduction in fixed costs has resulted. He also said a task force has been initiated to document more areas in which the university can streamline its operations.

Concurrent with the budget challenges is the growth the university has experienced. Russi noted that though growth can contribute to increased budget demands, it has provided a key source of funds to sustain operating elements and the quality programming OU offers.

"Without the enrollment growth of the past several years, and as projected for fall 2003, significant personnel and program cuts would be necessary," Russi said.

The board will vote on the budget at its June 5 meeting. Details of the proposal can be found on the **Board of Trustees** Web site.

Other items presented to the board:

- A proposal to contract for pre-construction services and approve a schematic design for an expansion of the Oakland Center. See the **OC expansion/campus food service story** for more information.
- A proposal for a five-year contract with the Chartwells food service management firm to provide residential and retail food services on campus. See the **OC expansion/campus food service story** for more information.

- A proposal to allow the **School of Business Administration** to offer a Bachelor of Science in financial information systems, which will integrate information technology and financial information in the development of business information systems.
- A proposal to allow the **School of Health Sciences** to offer a Bachelor of Science in wellness, health promotion and injury prevention. The proposed program would allow students to choose a specialization in one of six areas: general health enhancement, interventions in wellness, complementary medicine, injury prevention, exercise science and pre-professional studies.
- A proposal to approve expending funds from the Oakland University Trustee Academic Success Fund to support new and continued student diversity initiatives for the 2002-2003 academic year. All the proposed programs are designed to meet the Fund goal of increasing recruitment and retention of a diverse student body and prepare them for a challenging world.
- Proposals to grant former Michigan Governor William G. Milliken and Chairman and Chief Executive Officer of Comerica Bank Eugene A. Miller with honorary degrees at OU's Dec. 21, 2002, commencement ceremony.
- A proposal to approve an amendment to the Personnel Policy Manual to reflect changes to the Administrative Professional/Individual Contract employment structure. All AP and IC employees would be combined into a single employee group.
- Proposals to approve resolutions honoring 2001-2002 BOT Student Liaisons Kim Langley and Adam Kochenderfer.
- A proposal to contract for replacement of the heating, ventilation and air conditioning system in the north section of Wilson Hall, and repair of deteriorated pavement on campus, including the Oakland Center service area, Wilson Boulevard, Meadow Brook Drive/Sunset Lane, Sunset Terrace Drive and Mansion Drive/Sunset Lane.
- A proposal to contract for repairs to the pedestrian bridge over the lake and repair the lake's inlets, outlets and landscaping.
- Proposals to award a solid waste disposal contract with the lowest responsible bidder and to modify the Viron Energy Services Agreement, allowing for their energy saving measures.

In addition, the Student Liaisons' Report, Treasurer's Report and Report on Purchasing Efficiencies also were heard.

The full meeting agenda, and most supporting materials, are available online at the **Board of Trustees** Web site.

All board meeting materials are available for review in the Oakland University Board Office, 203 Wilson Hall. For more information contact Rhonda Saunders at (248) 370-3112 or saunders@oakland.edu.

SUMMARY

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Created by CareTech Administrator (webservices@caretechsolutions.com) on Monday, May 6, 2002
Modified by CareTech Administrator (webservices@caretechsolutions.com) on Monday, May 6, 2002
Article Start Date: Wednesday, November 5, 2003