

Budget Development Process Update

March 10, 2010

Dear colleagues,

Last week, I sent an update on the state budget and how it might affect Oakland University. Today, I want to bring you up to date on our internal FY2011 general fund budget development process.

We typically begin in the summer and early fall when Provost Virinder Moudgil consults with the deans (who consult with department chairs and faculty) to prepare a list of faculty position needs. This is our first commitment in the budget development process, enabling academic units to begin planning for the following fall.

From December through mid-February, Vice President for Finance and Administration John Beaghan and Budget Director Tom Lemarbe meet with me to discuss initial budget planning assumptions. These include state appropriations, enrollment forecasts and non-discretionary cost increases such as utilities, compensation and other contractual obligations.

In a recent Executive Council meeting, I asked the vice presidents and deans to consult with department heads and directors to develop a prioritized list of critical budget needs for each division. In addition, to be prudent in this time of continued concern over state funding and competitive enrollment management, we have initiated planning for potential budget reductions. Each vice president and dean has been given a 5% budget reduction goal for initial planning. Once we receive these submissions, due in mid-April, we will measure the needs, priorities and proposed reductions against the projected available funding and Vision 2020 strategic goals, to further develop the FY2011 budget.

In the late spring, a more refined budget scenario will be developed and ultimately presented to the Finance, Audit and Investment Committee of the Board of Trustees. At this time, Vice President Beaghan and Vice President for Student Affairs and Enrollment Management Mary Beth Snyder will meet with Student Congress leadership and the student Board liaisons to keep them informed. In addition, Provost Moudgil and Vice President Beaghan will have a follow-up budget meeting with the Senate Budget Review Committee, to supplement their productive meeting of last week.

Finally, we will present a proposed general fund budget to the Board of Trustees, most likely in July. The timing of this will depend on the status of the state budget development process.

Please visit [The POINT](#) to see a [full list](#) of budget consultation meetings that have already been held and meetings yet to come.

Throughout numerous consultations during this detailed process, I and members of my

cabinet have gained valuable insights from deans, department chairs, program directors, other faculty members and staff. As we work to protect and enhance our academic programs in what looks to be another challenging fiscal year, I feel it is critically important that this consultation continue to occur across campus. With this in mind, I welcome your ongoing contributions.

Gary