FY2012 General Fund Budget Approval

June 8, 2011

Colleagues,

I'd like to share highlights of the university's FY2012 General Fund budget as it was approved by the Board of Trustees this afternoon.

As you know, we're facing the largest single-year reduction in state funding that we've seen in more than three decades. A 15 percent cut equates to $7.6 million, and this does not take into account the additional challenge of rising operating costs.

As part of our ongoing commitment to keep all-in, resident undergraduate tuition below the state average, we've identified $42 million in annual and one-time cost savings in recent years. In addition, we've limited next year's increase in budget expenditures to 3.8 percent, excluding financial aid programs. The latter will benefit from a 7 percent increase in institutional aid, which amounts to $1.7 million that will help maintain the Student Full Aid Guarantee, Economic Hardship Fund, Merit Scholarships and Summer Campus Corps.

Additional expenditure increases are tied to program improvements, compensation and other measures geared toward maintaining and enhancing the quality of our programs. As a result of our campus-wide budget reduction exercise, $3.3 million has been trimmed from the budget. Fortunately, we were able to hold the budgets of the College, schools and library harmless in the process.

In order to support our overall budget strategy, the board has approved undergraduate and graduate tuition increases of 7 percent for FY2012. This falls within the governor's threshold for the state's Tuition Restraint Incentive.

Despite tremendous revenue challenges, I am pleased that this budget moves Oakland University forward. There is no question that our continued success will rely heavily on your valued commitment and contributions. I thank you for all of your good work and look forward to maintaining our momentum in the coming year.

Sincerely,
Gary