



Wednesday, February 4, 2004

## OU to hold tuition increase to 2.4 percent

The **Oakland University Board of Trustees**, acting on a **recommendation** by OU President Gary Russi, approved a proposal to hold next year's tuition increase to no more than 2.4 percent. The announcement comes in response to Governor Jennifer Granholm's proposal to state universities to hold resident undergraduate tuition increases for the 2004-2005 academic year to the projected Detroit rate of inflation, or 2.4 percent.

Granholm has pledged a partial restoration of the cuts sustained by state universities last December. In addition, she has promised not to cut 2004-2005 state appropriations for higher education to those schools that have complied with her request.

"The past two years have been trying times for Oakland University and other public universities in Michigan as we all struggle with significant budget cuts," Russi said. "At OU, we cut more than \$10 million, eliminated some 45 positions, implemented a hiring freeze, and made cuts in dozens of program areas. Moreover, we will have to cut an additional \$2.5 million from the base budget in fiscal year 2005. Despite these economic challenges, Oakland University remains committed to sending our students into the workplace and society fully prepared to make a difference."

Under the budget restraint agreement, the state would restore three-fifths of the 5 percent budget cut made last December, and maintain current funding levels in 2004-05, to those universities whose tuition increase is at 2.4 percent or below.

If the state's commitment to the pledge changes for any reason, it would be unlikely that Oakland could limit future tuition increases to 2.4 percent, said Henry Baskin, chair of Oakland's board.

"This appears to be the best short-term fix for the situation, and it allows us, of course, to ease the financial burden on our students," Baskin said. "We understand that this by no means ends the financial crisis being felt by Oakland University and other state universities. We are committed to protecting the value of an Oakland degree and that, of course, is a costly proposition. There are likely to be further budget cuts in this fiscal year, and more tough decisions will have to be made. We are committed to our students, faculty and the citizens we serve to meet these future challenges in the most humane way possible."

### Other board action:

- The board approved naming the Education and Human Services Building the "Carlotta and Dennis Pawley Hall" in honor of the long-time benefactors and supporters. Trustee Pawley and his wife, Carlotta, recently gave Oakland University a **\$4 million gift** to name the building.
- The ancillary activities operating budget for Meadow Brook Hall for fiscal year ending June 30, 2004, was approved.
- The board approved the appointment of PricewaterhouseCoopers as the university's independent public accounting firm.

### Items that were approved in the consent agenda include:

- minutes of the formal meeting of December 3, 2003;
- university personnel actions;
- gifts to Oakland University and the Oakland University Foundation for the period of November 1 through December 31, 2003, and to accept grants and contracts to Oakland University for the period of November 1 through December 31, 2003;
- Meadow Brook Subdivision financing guarantees;
- board members for public school academies;
- honorary degree for Doris Eaton Travis.

The next board meeting, a working session, is scheduled for 2 p.m. Wednesday, March 3, in Elliott Hall Auditorium.

**SUMMARY**

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