

Tuesday, Jun 05, 2018

Board of Trustees approves 2018-19 budget

The Oakland University Board of Trustees on Monday approved a \$275 million FY2019 general fund budget that focuses on offering outstanding academic programs, improving student services, and minimizing the net cost students pay for their college education.

Importantly, the approval incorporates a net increase in operating expenditures of less than 1.3 percent over the year prior.

"While we strive to be exemplary stewards of state funding support and student tuition dollars in every budget decision we make, our overriding concern is always to ensure that Oakland University students receive a college education that will empower them to find success in their careers and enrich their overall quality of life," said President Ora Hirsch Pescovitz.

"With the adoption of this budget, we are confident that we will continue to empower students despite many challenges that higher education faces."



Oakland keeps costs low and quality high despite the fact that it receives the lowest state funding on a per-student basis among the state's public universities. The University also generates the fourth lowest level of total operating revenue per student, has the lowest utility costs per square foot, and has the lowest building square footage per student.

This year, OU anticipates receiving a 3.1 percent increase in state funding support as proposed by Governor Rick Snyder. If adopted by state legislators, this would help restore the state funding allocation that OU receives to a level roughly equal to its historical peak of \$52.5 million in 2009.

The FY2019 budget plan incorporates a 3.8 percent increase in tuition for resident undergraduates, or \$15.75 per credit hour. This complies with the state's likely tuition restraint for annual tuition increases. It also maintains a firm commitment to the University's unique, no-fees pricing strategy, which ensures that students are not surprised with added costs after estimating what they will need to invest in their college education.

All told, OU remains in the middle of the pack when it comes to the costs Michigan students pay for a public college education and among the lowest-cost universities for entering freshmen.

In addition to controlling base tuition rates, the University looks to support students by allocating substantial resources to financial aid. In the coming year, for example, Oakland will set aside \$49 million for financial assistance awards that students are not required to pay back. This represents a \$3.6 million increase over the previous year's allocation. In essence, about 93 percent of OU's anticipated state funding allocation goes directly back to students in the form of financial aid.

These and other impactful efforts to lower the cost of education and improve the quality of academic programs are made possible as a result of a number of factors, including the fact that Oakland manages one of the leanest operating budgets among public universities, evidenced by the implementation of more than \$57 million in annual and one-time cost-containment measures over the last 15 years.

"Oakland University is and will continue to be a tremendous contributor to the economic strength and overall quality of life in the state," said Board Chair Ric DeVore. "Among many other indicators, this is well illustrated by the fact that 97 percent of our recent graduates who have found jobs are working right here in Michigan."