



Friday, May 9, 2003

BOT discusses university budget

The Oakland University **Board of Trustees** on May 7 discussed the university's budget in light of significant reductions in state appropriations and debated a proposed tuition increase. Vice presidents and deans presented plans to reduce their Fiscal Year 2004 budgets and the implications of those budget cuts. A detailed look at proposed departmental budget cuts can be found on the **Budget Development Process** Web site.

President Gary Russi prefaced the presentations with **comments** about the severity of the budget problem and his expectation that next year's state appropriation will also likely be reduced.

"Our per-student state appropriation has dropped from \$4,712 in 2001 to \$3,736 projected for 2004 – even while the costs of providing a top-quality college education have significantly increased over that period," Russi said. "State funding now represents only 36 percent of our general fund budget. In 1993, it was 56 percent."

The president assured trustees and staff and faculty that "first and foremost, the balanced budget we are presenting is directly tied to protecting, maintaining and, where possible, enhancing the educational product that we deliver to our students. I feel strongly that Oakland University has been on a steady path to distinction and an increasingly enhanced reputation in the region and beyond."

"And, we have accomplished this with resources lower than most, if not all, our sister and peer institutions. Over the past several years alone, we have saved some \$3.6 million through cost-containment measures. As an administration, as faculty and staff, we are extremely proud of this record.

"And, we fully intend to improve the reach and quality of an Oakland education through:

- state support, however diminished;
- an equitable share of expenses with the beneficiaries of our service – our students;
- ongoing fund-raising efforts
- and through the continued creativity and exceedingly hard work of our employees."

Russi highlighted some of the measures taken so far to help cover the anticipated \$12.9 million shortfall. These include:

- The elimination or reduction of hours in 60 positions, including 21 full-time faculty positions, which represents the equivalent of 45 full-time positions across the university.
- A hiring freeze, which has been in effect since March and remains in effect indefinitely.
- Executive officers and upper-level academic administrators' salaries have been frozen.

Vice President for Finance and Administration Lynne Schaefer then reported on proposed Fiscal Year 2004 cuts. **Schaefer's entire presentation** can be found online.

Schaefer emphasized that the budget development process involved widespread consultation with the entire campus community and that the guiding value of the process, approved by the University Senate, was protecting the academic core.

The board asked the university to further review the budget for additional cuts to reduce the expected tuition increase. The university will present a revised budget to the board at its June meeting. At that time, the board may vote and approve the proposed budget or may ask university leadership to conduct further reviews.

For more information on proposed budget reductions and their impact on OU employees, see the **FY04 Budget Q&A** on the University Human Resources Web site.

SUMMARY

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