

Update on State Budget Testimony

March 3, 2011

Colleagues,

Yesterday I testified in Lansing before both the House and Senate Appropriations Subcommittees on Higher Education. Although presidents from each of the state's 15 public universities testify during each state budget cycle, I don't recall the stakes ever being higher than they are right now.

As you know, Governor Snyder's proposed budget, if passed by the Legislature, would cut our appropriation by 22.6 percent – easily the largest reduction in our history. The cut could be reduced to 15 percent if we agree to tuition restraint criteria, but even that prospect would present significant fiscal challenges.

For Oakland, a 22.6 percent appropriation reduction represents an \$11.4 million loss and is estimated to reduce the university's state funding from a little less than a quarter of our general fund budget to only 17 percent. A 15 percent reduction represents a \$7.6 million loss and is estimated to reduce state funding to a slightly less ominous 19 percent of our budget. State funding cuts of this magnitude, combined with planned program improvements, contractual obligations, financial aid commitments and inflationary pressures will make balancing the budget even more difficult than it has been in recent years.

As I always do, I made the case that Oakland University takes its responsibility as stewards of public dollars very seriously. I demonstrated this by providing details about how we are doing more with fewer resources, and still preserving the quality of our academic programs. I also answered a series of specific questions posed by the subcommittees. You can view my entire testimony by clicking [here](#).

I deeply appreciate the time and consideration you've put into thinking about how we can restructure or reorganize this university to be more efficient and better prepared to respond to the drastic cut being proposed. Please remember to send me any suggestions you have by Monday, March 7. The university leadership will review every suggestion and implement those that make the most strategic sense. Again, thank you for participating in this critical university initiative.

As we look to manage these financial challenges over the next few months, I will communicate frequently to keep you apprised of new developments as they arise. As always, I appreciate your commitment to Oakland University.

Sincerely,

Gary