

Budget Update
October 14, 2010

Dear colleagues,

I want to bring you up to date on the state budget situation and how it affects Oakland University.

As you probably know, the Legislature recently approved a budget bill that calls for a 2.8 percent, across-the-board cut for state universities. Governor Granholm subsequently signed it into law.

The cut is slightly lower than the 3.1 percent decrease we predicted in planning the university's budget, which means we will receive approximately \$157,000 more in state appropriations than we anticipated. At its July 20 meeting, the Board of Trustees approved a resolution that reserves any such funds as a hedge against a potential mid-year appropriations reduction, or to help mitigate a fiscal year 2012 tuition increase.

How this will play out remains to be seen. Although some recent indications suggest the state's economic health is slowly rebounding, a significant state budget shortfall still exists. As long as the state budget situation remains so precarious, there is always the risk of a mid-year cut.

Adding to this ongoing uncertainty is a changing political landscape in Lansing. As you know, we will go to the polls in a few short weeks to vote for a new governor, and both houses of the Legislature will see significant change. The new governor and state lawmakers will inherit a difficult budget situation, and I expect few will be surprised if they institute a program of drastic cuts. We are monitoring this situation closely. I will certainly keep you apprised as new budget developments occur.

Despite these challenges, we're continuing our efforts to protect the university's academic mission by supporting our outstanding programs with all the resources we have to bear. As part of this process, I am meeting regularly with faculty, students and staff to listen to concerns and gather ideas. I'd like to express my appreciation to all who've contributed their time and commitment.

I'd also like to congratulate and thank the faculty and staff who continue to build on Oakland's reputation of excellence. Dr. Moudgil has recently shared just a few examples of this work in e-mail messages regarding our new Center for Excellence in Teaching and Learning, Institute for Stem Cell and Regenerative Medicine and faculty research awards.

Again, I'd like to thank you for your abiding commitment to Oakland University. Although our challenges ahead are significant, I'm confident that by working together, we will overcome them and maintain Oakland University's status as one of the finest universities in the state and region.

Gary