



Friday, February 20, 2004

## OU managers briefed on budget

In a budget briefing Feb. 17 to Oakland University's key management team members, OU President Gary Russi, along with Vice President for Academic Affairs and Provost Virinder Moudgil, Vice President for Finance and Administration Lynne Schaefer, Vice President for Student Affairs Mary Beth Snyder, Vice President for University Relations Sue Goepf, and Director of Government Relations Rochelle Black, shared the latest budget information and addressed the challenges faced by the university and what is being done to meet those challenges.

"Our purpose today is to answer what I think should be your basic question – 'As a manager, what do I want and need to know about the budget situation so I can better lead the department or program for which I am responsible?'" Russi said to those who attended the meeting, which included about 200 faculty chairs, front-line managers, members of the Senate Planning and Budget Review Committees and critical administrators.

Currently, the university is projecting a deficit of about \$2.5 million for 2004-05. OU's Board of Trustees also recently agreed to hold next year's tuition increase to no more than 2.4 percent in response to a proposal made by Governor Jennifer Granholm. Under that proposal, the state would restore three-fifths of the 5 percent budget cut made last December. The governor further proposes to maintain current funding levels in 2004-05 for those universities whose tuition increase is at 2.4 percent or below.

"Even if passed by the Legislature, the pledge we have adopted will, after the indiscretionary cost increase we must cover, still leave Oakland University with a budget shortfall of nearly \$2.5 million for fiscal year 2004-2005," Russi said. "This picture would have been far worse had we had to absorb the full impact of the latest 5 percent base appropriations cut."

Russi presented nine different strategies to help the university meet this challenge and continue to move it down the road of quality and prosperity:

- talented faculty and staff;
- OU's representation in Lansing to maximize state appropriations;
- emphasis on enrollment management, specifically student recruitment and retention;
- focus on extramural funding, including generating grants and contracts;
- fund-raising efforts'
- continue to streamline operations;
- aggressively pursuing partnerships and strategic alliances as a source of support;
- capitalizing on OU's prime location in Oakland County and Southeastern Michigan;
- OU's history of success and the remarkable ability to succeed in challenging times.

In keeping with OU's commitment to protect its academic core mission, Russi announced that 28 faculty positions have been released from the hiring freeze for this fall. He also said the university plans to hold new freshman enrollment to the fall 2003 level, where freshmen enrollment was at 2,101.

"Student enrollment cannot outstrip our ability to deliver quality education and support services. Therefore, it is important to add as much resources as possible to critical areas to preserve quality in times of budget stress. That is why the provost, vice presidents and I have released 28 faculty positions for hiring for fall 04," Russi said.

“Furthermore, with agreement of the provost and VPs, for fall 2004, I have asked to slow the rate of growth at OU. I have asked that we hold new freshman enrollment at the same level as fall 2003. Once the class reaches the 2003 level, admitted applicants will be placed on a waiting list. This has been shared with admitted students and their parents, who have been encouraged to sign up for orientation, and high school counselors and principals.

“I want to emphasize that this is intended to slow the rate of growth, and that the university will continue to grow overall. We will assess the success of this tactic on a year-to-year basis.”

The vice presidents’ suggestions for fiscal year 2004-05 base budget cuts are now being analyzed.

“Our actions will likely include reorganizations, program and personnel cuts, and service reductions. We also will be looking for any other means to cut while protecting our core mission,” Russi said. “I cannot emphasize enough that these cuts will be difficult and critical to staying on course for a stable, yet vibrant institution in the coming years.”

Russi and the vice presidents plan to hold similar budget briefings periodically to discuss institutional issues and improve communication.

“Communication is vital if we are going to effectively manage our resources and achieve our goals,” Russi said. “Thank you for your efforts over the past two years. We have more challenges to come, but I am confident we will weather them. In fact, with your commitment and energy, we will continue to defy the odds and move our initiatives forward with creativity and purpose – and come out in a stronger position than when this all started.”

A new Employee Suggestion Program was announced, seeking suggestions from faculty, staff and student employees on how to reduce costs, increase revenue, or improve efficiency or service. If a new idea or process is adopted, the first employee who submitted the idea will receive an implementation award based on actual savings or increased revenue. For more information on the program, visit the [Employee Suggestion Program](#) Web site.

For more information on OU’s budget planning, including the full text of [Russi’s Budget Briefing speech](#), visit the [Budget Development Process](#) Web site.

#### SUMMARY

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