



Tuesday, March 18, 2003

## Oakland announces FY03 budget cuts

Oakland University – and all 15 of Michigan’s public universities – are working to balance budgets to account for a 3.5-percent reduction in state appropriations for fiscal year 2003 and the equivalent of a 10-percent reduction for fiscal year 2004.

Oakland is handling the 3.5-percent reduction in state appropriations for fiscal year 2003 primarily through one-time funding cuts. Gary Russi, OU president, announced the specific cuts in an e-mail letter to OU faculty and staff on March 18. The cuts were based on input from across the university. The deans and vice presidents considered all suggestions and turned in recommendations for their areas earlier this month.

While I know many of these decisions were extremely difficult, I feel they meet our goals of balancing the budget and preserving our core mission of educating and serving students,” he said.

The university cut more than \$2.4 million from nearly all areas of the university. The **detailed list** is available on Oakland’s **budget development** Web page.

“I truly believe we have minimized the negative impact of this fiscal year’s 3.5 percent in cuts because so many faculty and staff came up with both creative and practical ideas,” Russi said in the letter. “I am confident that together we are prepared to make the hard decisions to keep focused on our core mission of educating students, and our key strategies that will make Oakland University a university of distinction by 2010.”

The letter to the community also outlined the fiscal year 2004 budget development process and timetable. Consultations within each unit will begin the week of March 17 and continue through April 7, when proposals are due to each vice president. The vice presidents must present their division recommendations to the Budget Office by Monday, April 14. Lynne Schaefer, vice president of finance and administration, expects to present the university’s final budget to the Board of Trustees at its May 7 working session.

“The budget will almost assuredly include a proposal to increase tuition, effective fall 2003,” Russi said. “The historical pattern is clear: As the percentage of state funding support decreases in all public universities, tuition rates need to increase to maintain quality. We will, of course, work diligently to minimize any increase by continuing to find ways to **contain costs**.”

Governor Jennifer Granholm’s proposed balanced budget for fiscal year 2003-04 protects K-12 funding but significantly cuts higher education and other areas like arts and life-sciences funding. Granholm’s proposal included cutting state higher education appropriations to each of Michigan’s 15 public universities by 6.5 percent for the upcoming fiscal year on top of the 3.5-percent cut from this fiscal year. That equals a 10-percent cut, or a loss of roughly \$5.3 million to OU for the budget year beginning July 1, 2003.

When non-discretionary cost increases are added in, the total deficit OU faces is more than \$12 million for fiscal year 2003-04.

### SUMMARY

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