

OU Board of Trustees approves 2020-21 budget, fall tuition freeze



June 16, 2020

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On June 15, the Oakland University Board of Trustees approved a \$270,013,650 general fund budget, which includes a zero percent tuition increase for the fall 2020 semester.

Although the State of Michigan's FY2021 budget has not been finalized, the university's FY2021 budget is based on the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which allows states to fund universities at a rate equal to the average of the three previous fiscal years. For Oakland, this translates to an anticipated state appropriation of \$52,495,867, a decrease of \$1.3 million from the prior fiscal year.

Despite the anticipated decline in state funding, Oakland is committed to ensuring that high-quality education remains accessible to students. To that end, Oakland's Board of Trustees approved a zero percent tuition increase for the fall semester. This follows the recommendation by OU President Ora Hirsch Pescovitz, who proposed a tuition freeze in light of the challenges posed by the coronavirus pandemic.

"We know that every Michigan family has suffered economic hardship during the coronavirus crisis; and, we know that by freezing tuition, new and returning students and families can plan their budgets accordingly," said Pescovitz. "In addition, we are actively working with students and their families to identify financial aid packages to ensure that an Oakland University education is affordable for every qualified student."

Along with controlling base tuition rates, OU maintains a no-fee policy and devotes substantial resources to financial aid. For FY2019, the average aid for a full-time resident undergraduate student was \$4,608, reducing the net average cost to attend Oakland by nearly one-third. For FY2021, Oakland's institutional financial aid budget is \$51.3 million, which amounts to nearly 98 percent of its anticipated state appropriation. In essence, the university is awarding nearly all of its state funding to students to reduce their net cost of attendance.

Through the CARES Act, the university received \$6.9 million to be awarded directly to students to offset costs related to the coronavirus pandemic. Students not eligible for CARES Act funding were encouraged to apply for assistance from other institutional emergency funds, such as the [OU COVID-19 Special Relief Fund](#).

Oakland also strives to maximize efficiency and contain costs. Among the state's 15 public universities, Oakland currently has the fourth-lowest total operating revenue per undergraduate student, the second-lowest instructional utility costs per square foot, and the lowest building square footage per student. Since 2003, the university has saved nearly \$69 million dollars through cost containment and budget reductions. Base budget reductions for FY2021 amount to \$7.5 million.

With tuition rates frozen for fall 2020, full-time undergraduate resident tuition remains \$13,452 and full-time graduate resident tuition remains \$18,492. The differential tuition rates for Oakland's School of Business Administration, School of Nursing, School of Health Sciences, and School of Engineering and Computer Science also remain unchanged.

While Oakland remains the state's lowest-funded public university on a per-student basis, it ranks in the middle for the cost students pay for their education and is among the lowest-cost universities for entering freshmen.

"In the face of widespread economic and social challenges, student success remains the university's top priority," said W. David Tull, chair of OU's Board of Trustees. "OU's FY2021 budget reflects its ongoing efforts to maximize resources, contain costs and ensure that students have access to top-notch programs that prepare them to contribute at the local, regional and global level."