

Michigan Economic Condition

June 21, 2009

Dear colleagues,

As you all know, the economic climate in the state is worse than it's been at any time in recent memory. The unemployment rate has reached new heights, forcing families throughout Michigan to make difficult choices as they try to manage their finances.

Oakland University also is affected by the economic crisis, and is contending with the same difficult decisions. We are in a situation that will require every one of us to make sacrifices.

In light of this serious situation, the university will institute a salary freeze for all executives, administrators, administrative professionals, excluded CTs, coaches and individual contract employees, effective July 1. This is a step that will help address the budget challenge. It will not, by any means, solve the budget problem.

This action is necessary as we move forward into very unsettled economic conditions. Our priority is to minimize tuition increases so we can continue to make an Oakland University education affordable and accessible to all students. Moreover, we must preserve the quality of the education we offer. Current economic realities also make a salary freeze a necessary step to preserve jobs.

We continue to look at ways in which we can save money and be better prepared for additional state appropriation cuts to come next year and again in 2011. In this spirit, we have contracted with Priority Health to offer a new lower-cost HMO to our employees. I will keep you apprised of all cost-cutting and revenue-generating initiatives we put into place in the coming months.

In the meantime, I appreciate your patience and understanding. Working together, we will come through these challenging times and continue to focus on our overall mission: delivering a high-quality education to our students.

Gary