



Thursday, May 8, 2003

## Board discusses budget, tables MBT decision

In a lengthy meeting dealing with several key issues, the Oakland University Board of Trustees on May 7 discussed the university's budget in light of significant reductions in state appropriations and debated a proposed tuition increase. The board also voted to table the decision regarding the proposed lease agreement for Meadow Brook Theatre and asked employees of the theatre to provide board members with a viable funding proposal for the board to consider so they can revisit the matter at the next board meeting June 4.

A significant portion of the meeting was taken up by presentations from vice presidents and deans about how they plan to reduce their Fiscal Year 2004 budgets, and the implications of those budget cuts. A detailed look at proposed departmental budget cuts can be found on the [Budget Development Process](#) Web site.

President Gary Russi prefaced the presentations with **comments** about the severity of the budget problem and his expectation that next year's state appropriation will also likely be reduced.

"Our per-student state appropriation has dropped from \$4,712 in 2001 to \$3,736 projected for 2004 – even while the costs of providing a top-quality college education have significantly increased over that period," Russi said. "State funding now represents only 36 percent of our general fund budget. In 1993, it was 56 percent."

The president assured trustees and staff and faculty that "first and foremost, the balanced budget we are presenting is directly tied to protecting, maintaining and, where possible, enhancing the educational product that we deliver to our students. I feel strongly that Oakland University has been on a steady path to distinction and an increasingly enhanced reputation in the region and beyond."

Russi highlighted some of the measures taken so far to help cover the anticipated \$12.9 million shortfall. These include:

- The elimination or reduction of hours in 60 positions, including 21 full-time faculty positions, which represents the equivalent of 45 full-time positions across the university.
- A hiring freeze, which has been in effect since March and remains in effect indefinitely.
- Executive officers and upper-level academic administrators' salaries have been frozen.

Vice President for Finance and Administration Lynne Schaefer then reported on proposed Fiscal Year 2004 cuts. **Schaefer's entire presentation** can be found online.

Schaefer emphasized that the budget development process involved widespread consultation with the entire campus community and that the guiding value of the process, approved by the University Senate, was protecting the academic core.

The board asked the university to further review the budget for additional cuts to reduce the expected tuition increase. The university will present a revised budget to the board at its June meeting. At that time, the board may vote and approve the proposed budget or may ask university leadership to conduct further reviews.

### Provost Appointment

During the special formal portion of the meeting, two items were discussed. The first concerned the **appointment of Virinder Moudgil** as permanent vice president for Academic Affairs and provost.

Last March, Russi enlisted the Senate Steering Committee to seek faculty reaction to Moudgil's performance since he assumed the position on an interim basis in July 2001. Faculty and academic leaders created and circulated a survey, the results of which overwhelmingly supported Moudgil.

"Throughout Dr. Moudgil's tenure to date, I have consistently received comments and messages from colleagues across the university, and from friends and partners off campus, about the kind of job he is doing and about the kind of leader he is," Russi said.

He then went on to describe Moudgil's considerable accomplishments and qualifications for the job. Russi credited Moudgil's contributions to stability on campus, the support he has from all quarters on campus, his crisis leadership abilities, his job

performance, his dedication to being a team player, and his leadership style as some of the attributes that made Moudgil the best person for the job.

"For all these reasons, and the fact that I personally hold Dr. Moudgil in the highest regard as a professional and as a person of great integrity, I would like to offer the board his name as my appointment to the position of vice president for Academic Affairs and provost, effective this date," Russi said. The board approved Russi's recommendation, and the audience in the auditorium gave Moudgil a lengthy ovation.

**Meadow Brook Theatre Proposal** The final item of business was the discussion of a proposed lease agreement for Meadow Brook Theatre. After hearing a recommendation by Russi and after hearing several employees and patrons of the theatre ask the board to reconsider leasing it, board chair Henry Baskin agreed to give the theatre one month to come up with a viable alternative funding source to keep the theatre operating as is. The charge to the group was to provide the proposal as soon as possible to the board, which will then consider it and vote on the matter at the June board meeting.

Several reports were given during the working session. Those included:

- The president's report, in which Russi introduced Jonathan Parks, the incoming Student Congress president; Kenton Lewis, incoming Student Congress vice president; and Lenwood Compton, the new student liaison to the Board of Trustees. Russi also announced that the one university employee – a faculty member – currently on military leave will have her benefits extended through the end of the academic year.
- Vice President Schaefer delivered the treasurer's report, in which she reported on the university's investments and general fund budget performance.
- David Jewell and Rhonda Hanna, this year's student liaisons to the board, gave their year-end reports.
- Brian Tomina, outgoing Student Congress president, delivered his year-end report.
- Sharon Abraham, director of the Public School Academy/Urban Partnership Office, gave a detailed report on how Oakland's charter schools are performing, and reported an increase in the number of students served and in fiscal growth.
- Pamela Heatlie of the Office of University Diversity and Compliance, provided their annual report, which showed Oakland's workforce is more diverse than it was last year, and even more so than five years ago.
- Rusty Postlewait, associate vice president for Facilities Management, presented the annual energy report, which detailed campus utility usage and expenditures, and estimated future usage and expenditures.

During the discussion of items that are to come before the board at the June meeting, the board considered the following:

- A resolution honoring David Jewell, outgoing student liaison to the board.
- A funding proposal for the Trustee Academic Success Fund for 2003-2004.
- Appointment of a new dean of the School of Nursing, Linda Thompson.
- A new Bachelor of Art in Studio Art degree.
- The approval of board members for Oakland's public school academies.
- Adoption of the 2004-2005 academic calendar.

The next meeting of the Oakland University Board of Trustees is Wednesday, June 4, at 2 p.m. in Elliott Hall Auditorium.

#### **SUMMARY**

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