

**Agendum  
Oakland University  
Board of Trustees Formal Session  
June 28, 2024**

**GENERAL FUND BUDGET AND TUITION RATES  
FOR FY2025**

**A Recommendation**

1. **Division and Department:** Finance and Administration, Budget and Financial Planning Office
2. **Introduction:** Board of Trustees (Board) approval is requested for the FY2025 General Fund Budget and Tuition Rates. Highlights and assumptions for this proposal are described below.

Attachment A is the Oakland University (University) FY2025 Proposed General Fund Budget which provides summarized budget information (including the School of Medicine) and a comparison to the FY2024 General Fund Budget.

Attachment B is the proposed Schedule of Tuition Rates Effective Fall Semester 2024.

**Preamble:**

University revenues continue to be adversely impacted by pandemic related decreases in domestic and international student enrollment and auxiliary activities. Enrollment declines experienced during the pandemic are recovering slowly and will impact the University for years to come.

**State Appropriations:**

The State of Michigan FY2025 budget has not yet been finalized. The University's proposed FY2025 budget is based upon the Executive and the Senate Subcommittee's higher education appropriation budget proposal, which are more conservative than the House subcommittee's proposal. It includes an operating increase of 1.5%, and is contingent upon complying with a 4.5% tuition restraint. This equates to \$73,327,600, 20.5% of the University's proposed total general fund revenue sources.

**Tuition:**

In order to carry out its Strategic Plan and make improvements in areas that have been identified as critical measures of success, the University requires additional resources. Tuition is the primary source of General Fund revenues, accounting for 76.5% of the proposed budget. The proposed FY2025, average tuition rate for a full-time resident freshman is \$15,862.50, an increase of 4.2%, or \$21.25 per credit hour. The proposed FY2025 full-time resident graduate tuition rate is \$21,960, a 5.0% increase. The proposed FY2025 full-time resident doctoral tuition rate is \$14,640, a 4.4% increase. (See Attachment B).

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The differential tuition rates for four of Oakland's Professional Schools (School of Business Administration, School of Engineering and Computer Science, School of Health Sciences, and School of Nursing) are proposed to increase an average of 4.6%.

The University's commitment to controlling the net cost of attendance continues. The institutional financial aid budget (excluding the School of Medicine), \$42.2 million, provides funds that, combined with Federal and State awards, reduce the cost of tuition for an average student by roughly 29%.

Highlights of the Proposed FY2025

Revenue budget changes primarily include:

1. Projected state appropriation funding increase of \$6,715,000
2. FYES enrollment of 13,424 (excluding the School of Medicine), down 1.6% as compared to the prior year budget (or down 1.5% as measured by student credit hours).
3. Average tuition of \$15,862.50 for a full-time resident freshman, an increase of \$21.25 per credit hour, 4.2%
4. Average Graduate in-state tuition of \$21,960 for full-time resident students, an increase of 5.0%
5. Average Doctoral in-state tuition of \$14,640 for full-time resident students, an increase of 4.4%
6. Annual School of Medicine rate of \$60,278, an increase of 2.0%

Expense Budget Changes Primarily Include:

1. Operating funds required for Board approved course offerings, utilities, insurance, debt service, IT upgrades, and other contractual obligations.
2. Continued focus on student financial aid funding including the student full aid guarantee, economic hardship fund, and need-based and competitive merit-based scholarship awards.
3. Graduate Assistant health insurance stipend
4. IT Security initiatives
5. Mental health initiatives for students and staff
6. Expanding the campus safety environment

**3. Previous Board Action:** On June 26, 2023 the Board approved the FY2024 General Fund Budget and Tuition Rates.

**4. Budget Implications:** Approval of the FY2025 Proposed General Fund Budget and the Schedule of Tuition Rates Effective Fall Semester 2024 provides the needed authorization for assessing students and expending University resources for instructional, programmatic and operating needs.

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5. **Educational Implications:** The proposed General Fund budget provides for academic programming.

6. **Personnel Implications:** The proposed General Fund budget provides for personnel.

7. **University Reviews/Approvals:** The budget development strategies and assumptions were discussed with the Senate Budget Review Committee, and Senate Planning Committee. The FY2025 Proposed General Fund Budget and the Schedule of Tuition Rates Effective Fall Semester 2024 were developed by the Budget and Financial Planning Office, with input from the Strategy Council, and was reviewed by the Vice President for Finance and Administration and President.

**8. Recommendation:**

WHEREAS, the FY2025 Proposed General Fund Budget and Schedule of Tuition Rates Effective Fall Semester 2024 require Board of Trustees approval; now, therefore, be it

RESOLVED, that the Board of Trustees approves the FY2025 General Fund Budget at an expenditure level of \$304,776,589 (see Attachment A) and approve encumbrances and carry-forwards from the June 30, 2024 fund balance; and, be it further

RESOLVED, that the Board of Trustees approves the Schedule of Tuition Rates Effective Fall Semester 2024 (see Attachment B for details); and, be it further

RESOLVED, that the Board of Trustees approves the spending of revenues generated in excess of budget to adequately cover the instructional, programmatic, and operating expenditures necessary to support the strategic plan.

**9. Attachments:**

- A. FY2025 Proposed General Fund Budget
- B. Schedule of Tuition Rates Effective Fall Semester 2024

Submitted to the President  
on \_\_\_\_\_, 2024 by

\_\_\_\_\_  
Stephen W. Mackey  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

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Recommended on \_\_\_\_\_, 2024  
to the Board of Trustees for approval by

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Ora Hirsch Pescovitz, M.D.  
President

Reviewed by:

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Joshua D. Merchant, Ph.D  
Chief of Staff and  
Secretary to the Board of Trustees

Attachment A



Proposed General Fund Budget

Current Budget Year  
**FY24**

Proposed Budget Year  
**FY25**

	Current Year Budget	Proposed Budget	Amount Change	% Change
State Appropriation - Base	66,612,600	73,327,600	6,715,000	10.08%
State Appropriation - One Time	-	-	-	-
Student Tuition	268,055,556	274,131,775	6,076,219	2.27%
Financial Aid Offset	(54,479,101)	(52,589,787)	1,889,314	(3.47%)
Indirect Cost Recovery	2,500,000	2,800,000	300,000	12.00%
Miscellaneous Income	6,499,000	7,107,000	608,000	9.36%
Encumbrances	-	-	-	-
<b>Total Funding Sources</b>	<b>289,188,055</b>	<b>304,776,589</b>	<b>15,588,534</b>	<b>5.39%</b>
Less: Budgeted Expenditures	(289,188,055)	(304,776,589)	(15,588,534)	5.39%
<b>Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Total FYES**

	Current Year FYES	Proposed Year FYES	Amount Change	% Change
SOM FYES	506	511	5	0.99%
Non-SOM FYES	13,649	13,424	(225)	(1.65%)
<b>Total FYES</b>	<b>14,155</b>	<b>13,935</b>	<b>(220)</b>	<b>(1.55%)</b>

Notes:  
1) The university has adopted financial statement presentation changes as recommended by GASB 34 and 35 and NACUBO principles for financial statement presentation. As a result, institutional financial aid is shown as an offset to revenues.



# Schedule of Tuition Rates Effective Fall Semester 2024

Tuition Current Year:  
**FY24**

Tuition Proposed Year:  
**FY25**

	Current Rates	Proposed Rates
Resident UG Lower	507.50	528.75
Resident UG Upper	587.75	615.75
Resident Grad	871.50	915.00
Resident Doctoral	876.75	915.00
Non Resident UG Lower	795.75	795.75
Non Resident UG Upper	853.25	853.25
Non Resident Grad	1,027.00	1,027.00
Non Resident Doctoral	1,027.00	1,027.00
SBA 001-299 courses	529.25	553.50
SBA 300+ courses	622.25	651.00
SECS 001-299 courses	540.25	565.00
SECS 300+ courses	635.75	665.00
SHS 001-299 courses	522.00	546.00
SHS 300+ courses	610.25	638.25
SON 001-299 courses	534.75	559.25
SON 300+ courses	627.50	656.25
Competency	55.00	55.00
<b>SOM</b>	<b>57,936.00</b>	<b>60,278.00</b>

## Summary Comparison of Tuition Rates

	Current Rate	Proposed Rate	Credit Hour Assumption	Tuition Amount - Current	Tuition Amount - Proposed	% Change
Lower Division Tuition	507.50	528.75	30	15,225.00	15,862.50	-
Upper Division Tuition	587.75	615.75	30	17,632.50	18,472.50	-
CAS Residential Average	-	-	-	16,428.75	17,167.50	4.50%
Graduate Tuition	871.50	915.00	24	20,916.00	21,960.00	4.99%
Doctoral Tuition	876.75	915.00	16	14,028.00	14,640.00	4.36%

**Lower / Upper Division Undergraduates Defined:**

Lower Division - All non-matriculating (non-degree seeking) students, all O.U. freshman and sophomores with less than 56 credits.

Upper Division - Guest students from other colleges, all O.U. undergraduate students who have earned undergraduate degrees and who have been admitted to a second O.U. undergraduate degree program, all O.U. undergraduates with 56 or more credits, and all students with post bachelor admission status.

The School of Medicine tuition rate is annual.