

**OAKLAND UNIVERSITY
BOARD OF TRUSTEES
WORKING SESSION AGENDUM ITEM
May 5, 2003**

**PROPOSED OAKLAND UNIVERSITY GENERAL FUND BUDGET AND TUITION
AND FEE RATE INCREASE FOR FY 2005**

Division/Department: Finance and Administration

Summary:

As the University nears the end of FY 2004, a budget for the coming fiscal year needs to be adopted. In addition, Board approval is required for the proposed schedule of tuition and fee rates for the coming fall semester.

Action to be Requested at Next Formal Board Meeting:

Approve the FY 2005 General Fund Budget at an expenditure level of \$127,630,766 and to approve the use of encumbrances and carry forwards from the June 30, 2004 fund balance.

Approve the schedule of Recommended Tuition and Fee Rates for FY 2005 presented in Attachment B.

Budgetary Implications:

Approval of the General Fund Budget for FY 2005 will align an approved expenditure level with anticipated revenues.

Attachments:

- A. FY 2005 Proposed General Fund Budget
- B. Schedule of Tuition and Fee Rates, Effective Fall Term 2004
- C. FY 2005 General Fund Budget Presentation

Reviewed by Secretary Victor A. Zambardi:

(Please Initial)

Reviewed by President Gary D. Russi:

(Please Initial)

**APPROVAL OF OAKLAND UNIVERSITY
PROPOSED GENERAL FUND BUDGET AND TUITION AND FEE RATE
INCREASE FOR FISCAL YEAR 2005**

Recommendation

Introduction

This agendum item requests Board of Trustees approval of the FY 2005 General Fund Budget. Highlights and assumptions for this budget proposal are described below.

The proposed FY 2005 General Fund budget is detailed in Attachment A. The document provides an overview of the proposed FY 2005 General Fund budget, compared to the final FY 2004 budget approved by the Board last September, with the addition of FY 2003 year-end encumbrance and carryforward amounts. It also provides detailed budget information for each major academic and operating unit of the University, showing the FY 2004 adjusted budget, the elimination of one-time funds awarded in FY 2004, major proposed changes for FY 2005 with explanations, and the proposed FY 2005 budget.

Attachment B is the proposed Schedule of Tuition and Fee Rates for FY 2005, explained in further detail below.

Economic Assumptions

FY 2004 was another difficult and challenging year for Oakland University, primarily due to economic factors continuing to affect the State of Michigan. The beginning budget for FY 2004 was based on an anticipated \$5.2 million reduction in the University's state appropriation. An agreement in the state legislature to create a funding floor of \$3,890 per FYES resulted in the state restoring \$1.9 million of the planned reduction. A portion of this funding was used to roll back tuition by 1.4% effective winter semester 2004. The remaining funds were allocated directly to support a quality academic experience for our students. This included restoring critical faculty lines, supporting undergraduate programs and supplementing financial aid programs.

The economic environment continued to falter, and in December 2003, the Governor issued an executive order to reduce appropriations to Michigan's public universities by an additional 5%. In her annual budget message, Governor Granholm made a proposal to restore 3% of this 5% reduction with a commitment of no additional appropriation reductions to those universities that do not increase tuition and fees mid-year in FY 2004 and that pledge to hold FY 2005 tuition and required fees for resident undergraduate students to the Detroit CPI of 2.4%. In February 2004, the OU Board of Trustees formally took this pledge. The proposal is now under consideration by the

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state legislature. If it is not approved, it is anticipated that the tuition and fee rate increases will need to be reconsidered.

The FY 2005 general fund budget has been constructed under the assumption the Governor's proposal is adopted by the legislature. If passed, that proposal still leaves Oakland University with a significant budget shortfall. The University's proposed budget includes plans for each major unit to reduce their respective operating budgets in order to offset the budget shortage. Anticipated enrollment growth, proposed tuition and fee increases, and other revenue enhancements provide the necessary funding to bring the University budget into balance.

FY 2005 Non-Discretionary Cost Increases

Anticipated or previously negotiated increases in employee fringe benefits costs and salaries require an increase of \$2,970,000 in the FY 2005 budget. Increasing health care costs, projected at 15% for the coming year, continue to present significant challenges for the budget. Efforts continue by the University, working with its employee groups, to find ways to contain these costs in the future.

The University expects to continue to realize savings in energy costs from ongoing energy metering initiatives, energy conservation projects and open-market purchase contracts. Unfortunately, new buildings, utility demands associated with the growing student population, and rising natural gas prices have overshadowed these savings. This year, the University is also projecting a significant cost increase related to the recent interim ruling by the Michigan Public Service Commission (MPSC) to award stranded costs to Detroit Edison (investments in generation assets/power plants). The net effect of this increase and the utility cost saving measures results in an increase in the utility budget of \$223,000 for FY 2005.

Other non-discretionary cost increases include funding for the addition of the Detroit Academy of Arts and Sciences to the University's charter schools, an increase in bank card fees, and an increase in the allocation of course fee revenue to Academic Affairs.

Budget Reductions

The FY 2005 general fund budget includes a base budget reduction target of \$2.0 million. The proposed budget reductions will place significant pressure on all divisions to manage their operations without jeopardizing quality, stifling innovation or lowering employee morale. It is important to remember that since FY 2003, the University has experienced base and one-time budget reductions totaling \$12 million, the equivalent of 10% of the operating budget, when enrollment has grown by 8% over that same period.

As was the case with the FY 2004 reductions, a decentralized approach to reducing base budgets was employed by the University in order to meet the FY 2005 reduction targets. In doing so, the University has continued to place a high priority on maintaining

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academic quality, supporting faculty and continuing to provide a distinctive undergraduate experience. This is evident in the fact that each division was asked to reduce its FY 2005 base budget by 2.6%, but the Academic Affairs' reduction was limited to 0.5% for direct instruction and 2.1% for all other academic areas.

Budget Priorities – Students and Academics

Oakland University's Board of Trustees has long followed a practice of increasing student financial aid programs to reflect higher tuition and fee rates and enrollment growth. A financial aid increase of \$377,722 corresponds with projected tuition and fee rate increases and support for research assistants needed for new grant activity.

This budget includes additional academic funding to support enrollment growth. Spring and summer course offerings, new programs and an additional faculty position in the School of Business Administration account for approximately \$675,000 of new funding to Academic Affairs. The FY 2005 budget also reallocates roughly \$3.2 million for new faculty positions related to continuing enrollment growth for on-campus courses, as well as replacements for some vacant faculty positions.

Off-campus programs, including an expansion initiative at the Macomb University Center, are projected to continue to grow, as on-campus space utilization remains high and demand for programs and courses continues to be strong. The estimated FY 2005 operating level and revenue sharing funding for these programs require \$1.6 million in added expenses.

Additional budget increases are included for the implementation of Admin 701, an admissions application management solution, and improvements in the student orientation programs.

Fiscal Year 2005 Budget Summary

In summary, this is the FY 2005 budget picture, before accounting for proposed and anticipated revenue increases.

	Amount (\$ in 000's)
State Appropriation Reduction (2%)	(\$ 982)
Non-Discretionary Cost Increases	(3,880)
Budget Priorities	<u>(2,941)</u>
Total Shortfall	(7,803)
Less University Budget Reductions	<u>2,033</u>
Remaining Budget Shortfall	(\$ 5,770)

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Proposed Revenue Enhancements

Fiscal Year Equated Students (FYES) for FY 2005 are projected to reach 13,709, a .6% increase over the estimated actual 13,626 FYES in FY 2004, and a 3% increase over the FY 2004 budget target.

Per the Board approved pledge noted above, this budget proposes an average tuition and fee rate increase of 2.4% for resident undergraduate students and 3.4% for resident graduate students. The proposed new resident undergraduate average tuition and fee rate at 30 credit hours is \$5,589.75, an increase of about \$130 per academic year over the current average. The FYES enrollment growth is projected to bring in an additional \$2.5 million, while the tuition and fee rate increases are estimated to bring in about \$2.3 million.

The budget includes an increase in the general service fee of \$2 and corresponding decrease in the recreation center fee of \$2, to facilitate capturing Series 1995 debt refinancing savings in the general fund. Other fee changes include an increase to the course fee of \$2 and increases of \$20 and \$10 to the orientation fee for FTIAC and transfer students respectively.

Increases in revenue are also projected at \$150,000 in Indirect Cost Recovery from external grants and contracts, and \$456,000 in charter school revenue associated with the Detroit Academy of Arts and Sciences.

Revenue Enhancement Summary

	Amount (\$ in 000's)
Remaining Budget Shortfall	(\$ 5,770)
Enrollment Growth	2,500
Tuition and Fee Rate Increase (2.4%/3.4%)	2,300
Charter Schools	456
Application and Orientation fees	365
Indirect Cost Recovery	150

Recommendation

WHEREAS, with the close of the FY 2004, the new General Fund Budget and Tuition and Fee Rates for FY 2005 require Board of Trustees approval; now, therefore, be it

RESOLVED, that the Board of Trustees approve the FY 2005 General Fund Budget at an expenditure level of \$127,630,766 and approved encumbrances and carry forwards from the June 30, 2004 fund balance. See Attachment A for detail; and, be it further

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RESOLVED, that the Board of Trustees approve the attached schedule, Attachment B, of Recommended Tuition and Fee Rates for fiscal year 2005; and, be it further

RESOLVED, that the Board of Trustees approve spending 50% of the general fund tuition and fee revenue that is generated in excess of the associated approved general fund budget. This practice is necessary to cover the instructional and program expenditures necessary to support higher enrollment levels. If it is necessary to spend more than 50% of the additional revenue, the administration will seek separate Board approval for that authority beforehand; and, be it further

RESOLVED, that the tuition and fee rate increases approved in this agenda item are contingent upon the State of Michigan restoring 3% of Oakland University's appropriation in 2003-04, and imposing no further cuts in Oakland University's state appropriation for 2004-05. The Board will reconsider the 2004-2005 tuition and fee rates if these contingencies do not occur.

Attachments

- A. FY 2005 Proposed General Fund Budget
- B. Schedule of Tuition and Fee Rates, Effective Fall Term 2004

Submitted to the President
on _____, 2004, by

Lynne C. Schaefer
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on _____, 2004
to the Board of Trustees for Approval

Gary D. Russi
President

**Oakland University
Fiscal Year 2005
Proposed General Fund Budget**

Category	FY 2004 Budget	FY 2005 Projected Budget	Amount Change	% Change
State Appropriation - Base	49,087,858	48,106,101	(981,757)	-2.00%
Student Tuition	72,629,870	77,122,706	4,492,836	6.19%
Student Fees	5,693,538	5,990,790	297,252	5.22%
Financial Aid Offset	(7,101,931)	(7,479,653)	(377,722)	5.32% (1)
Net Tuition & Fees Revenue	71,221,477	75,633,843	4,412,366	6.20%
Indirect Cost Recovery	1,200,000	1,350,000	150,000	12.50%
Miscellaneous Income	1,710,000	2,541,180	831,180	48.61%
Encumbrances	1,680,948	0	(1,680,948)	-100.00% (2)
Total Funding Sources:	124,900,283	127,631,124	2,730,841	2.19%
Less: Budgeted Expenditures	124,899,303	127,630,766	2,731,463	2.19%
Revenues Over (Under) Expenditures	980	358	(622)	
FYES Enrollment	13,305	13,709	404	3.04%
Per FYES Comparisons:				
Base Appropriation	3,689	3,509	(180)	-4.88%
Tuition and Fees	5,887	6,063	176	3.00%
Total Budgeted Expenditures	9,261	9,310	49	0.53%

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.

2) The amounts for Budgeted Expenditures for FY 2005 do not include any encumbrances and carryforwards. Encumbrances and carryforwards as of June 30, 2004 will be added to the budgeted expenditure base for the following fiscal year as a one time allocation.

Oakland University
General Fund Budgeted Expenditures
Fiscal Year 2004 - 2005

	FY 2004 Adjusted Total Budget	Eliminate FY 2004 One-Time	FY 2004 Adjusted Base Budget	FY 2005 Budget Changes	FY 2005 Budget
College of Arts & Sciences	25,216,640	(17,257)	25,199,383	(636,802)	24,562,581
School of Business Administration	8,666,797	(27,416)	8,639,381	329,610	8,968,991
School of Education and Human Services	7,810,173	(96,051)	7,714,122	632,241	8,346,363
School of Engineering and Computer Science	6,921,491	(16,102)	6,905,389	201,318	7,106,707
School of Health Sciences	2,463,621	(14,395)	2,449,226	22,492	2,471,718
School of Nursing	2,817,090	(3,778)	2,813,312	161,155	2,974,467
Kresge Library	4,002,011	0	4,002,011	50,968	4,052,979
Instructional and Information Technology	5,168,197	(85,813)	5,082,384	(163,731)	4,918,653
Academic Affairs - Other	20,682,856	(354,251)	20,328,605	1,534,569	21,863,174
Finance & Administration	16,479,995	(354,678)	16,125,317	(244,387)	15,880,930
Student Affairs	5,110,540	(22,760)	5,087,780	(77,918)	5,009,862
University Relations	1,667,556	0	1,667,556	(43,160)	1,624,396
President	5,692,613	(492,746)	5,199,867	(134,629)	5,065,238
General	12,199,723	(195,701)	12,004,022	2,780,685	14,784,707
Total	124,899,303	(1,680,948)	123,218,355	4,412,411	127,630,766

College of Arts & Sciences

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	12,846,438	0	(353,880)	12,492,558
Part-Time Faculty	2,478,314	0	0	2,478,314
All Other Staff	2,526,319	0	(102,221)	2,424,098
Operating Budget	1,195,195	(17,257)	0	1,177,938
Fringe Benefits	6,170,374	0	(180,701)	5,989,673
Total	25,216,640	(17,257)	(636,802)	24,562,581

Explanation of Major Changes:

1,077,814 Full time faculty position reallocation - In
 (53,988) Budget Reduction - Faculty Salaries
 (59,605) Budget Reduction - Fringe Benefits
 (102,221) Budget Reduction - Non-Faculty Salaries
 (1,498,802) Full time faculty position reallocation - Out

 (636,802) Total Budget Changes

Key Performance Measures:

	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Projected Fall 2004	6 Yr Change	2001 Nat'l Ratio Comp	2001 Nat'l Ratio Doc II
Fall Credit Hours	82,247	86,892	91,537	97,278	101,246	105,911	107,062			
Fall Credit Hours % Change	-0.77%	5.65%	5.35%	6.91%	3.46%	4.61%	1.09%	30.17%		
Research Grants (\$)	1,410,200	2,408,000	1,811,100	2,307,700	1,603,900	2,863,418	2,083,304			
Publications / Presentations - Faculty		802	851	1,105	1,187	1,200				
Ratio FTE Std/FTE Fac (Teaching)	19.4	19.6	19.6	20.2	19.7	20.4			13-21	13-21

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
College of Arts & Sciences Total	0	19,825,655	19,297,296	1,275,036	248,292	40,646,279	53.1%

School of Business Administration

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	4,721,302	0	281,672	5,002,974
Part-Time Faculty	224,420	0	(22,400)	202,020
All Other Staff	958,587	0	(24,225)	934,362
Operating Budget	541,956	(27,416)	(6,832)	507,708
Fringe Benefits	2,220,532	0	101,395	2,321,927
Total	8,666,797	(27,416)	329,610	8,968,991

Explanation of Major Changes:

722,255	Full time faculty position reallocation - In
87,457	Assistant Professor, Economics
13,500	B.S. Financial Information Systems
(7,652)	Budget Reduction - Travel
(12,344)	Budget Reduction - Fringe Benefits
(12,680)	Budget Reduction - Supplies and Services
(22,400)	Budget Reduction - Faculty Salaries
(24,225)	Budget Reduction - Non-Faculty Salaries
(414,301)	Full time faculty position reallocation - Out
329,610	Total Budget Changes

Key Performance Measures:

	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Projected Fall 2004	6 Yr Change	2001 Nat'l Ratio Comp	2001 Nat'l Ratio Doc II
Fall Credit Hours	15,803	16,724	18,112	19,197	19,811	20,711	20,855			
Fall Credit Hours % Change	-1.94%	5.83%	8.30%	6.00%	3.20%	4.54%	.70%	31.97%		
Research Grants (\$)	162,870	0	0	74,600	46,000	79,795	36,399			
Publications / Presentations - Faculty		75	117	121	135	122				
Ratio FTE Std/FTE Fac (Teaching)	20.4	21.6	22.2	22.5	23.3	22.6			18-21	21-23

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
School of Business Administration Total	0	1,546,628	5,764,197	2,763,402	0	10,074,227	13.1%

School of Education and Human Services

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	3,271,587	0	313,624	3,585,211
Part-Time Faculty	489,201	0	(18,249)	470,952
All Other Staff	1,294,451	0	(12,350)	1,282,101
Operating Budget	950,325	(96,051)	197,944	1,052,218
Fringe Benefits	1,804,609	0	151,272	1,955,881
Total	7,810,173	(96,051)	632,241	8,346,363

Explanation of Major Changes:

680,843	Full time faculty position reallocation - In
348,126	Charter Schools base budget increase to recognize full year of DAAS
(1,579)	Budget Reduction - Fringe Benefits
(13,407)	Budget Reduction - Travel
(18,249)	Budget Reduction - Faculty Salaries
(58,596)	Budget Reduction - Supplies and Services
(304,897)	Full time faculty position reallocation - Out
632,241	Total Budget Changes

Key Performance Measures:

	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Projected Fall 2004	6 Yr Change	2001 Nat'l Ratio Comp	2001 Nat'l Ratio Doc II
Fall Credit Hours	21,226	22,118	23,282	24,118	23,415	24,151	24,887			
Fall Credit Hours % Change	9.88%	4.20%	5.26%	3.59%	-2.91%	3.14%	3.05%	17.25%		
Research Grants (\$)	284,300	106,100	605,600	1,002,300	593,100	85,356	87,917			
Publications / Presentations - Faculty		218	241	273	289	264				
Ratio FTE Std/FTE Fac (Teaching)	17.8	18.0	18.1	17.9	18.2	18.4			14-15	13-N/A

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
School of Education and Human Services Total	0	340,797	6,471,117	7,475,997	745,453	15,033,364	19.6%

School of Engineering and Computer Science

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	3,559,619	0	195,000	3,754,619
Part-Time Faculty	192,932	0	(20,607)	172,325
All Other Staff	1,002,295	0	(11,849)	990,446
Operating Budget	425,231	(16,102)	(37,240)	371,889
Fringe Benefits	1,741,414	0	76,014	1,817,428
Total	6,921,491	(16,102)	201,318	7,106,707

Explanation of Major Changes:

273,741	Full time faculty position reallocation - In
(2,727)	Budget Reduction - Fringe Benefits
(3,000)	Budget Reduction - Equipment
(5,000)	Budget Reduction - Travel
(11,849)	Budget Reduction - Non-Faculty Salaries
(20,607)	Budget Reduction - Faculty Salaries
(29,240)	Budget Reduction - Supplies and Services
201,318	Total Budget Changes

Key Performance Measures:

	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Projected Fall 2004	6 Yr Change	2001 Nat'l Ratio Comp	2001 Nat'l Ratio Doc II
Fall Credit Hours	9,480	9,972	11,096	11,332	11,508	11,389	11,662			
Fall Credit Hours % Change	2.54%	5.19%	11.27%	2.13%	1.55%	-1.03%	2.4%	23.02%		
Research Grants (\$)	1,901,020	1,616,620	4,270,530	2,696,400	3,425,700	3,889,320	4,004,893			
Publications / Presentations - Faculty		204	232	180	236	376				
Ratio FTE Std/FTE Fac (Teaching)	19.0	16.2	19.0	19.6	17.9	15.8			10, 16	10, 18

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
School of Engineering and Computer Science Total	0	829,815	2,536,576	2,040,649	339,662	5,746,702	7.5%

School of Health Sciences

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	1,142,252	0	(12,371)	1,129,881
Part-Time Faculty	144,023	0	11,615	155,638
All Other Staff	373,862	0	(10,034)	363,828
Operating Budget	228,150	(14,395)	39,500	253,255
Fringe Benefits	575,334	0	(6,218)	569,116
Total	2,463,621	(14,395)	22,492	2,471,718

Explanation of Major Changes:

164,647	B.S. Wellness, Health and Injury Prevention
63,171	Full time faculty position reallocation - In
(8,109)	Budget Reduction - Fringe Benefits
(23,525)	Budget Reduction - Non-Faculty Salaries
(173,692)	Full time faculty position reallocation - Out
<u>22,492</u>	<u>Total Budget Changes</u>

Key Performance Measures:

	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Projected Fall 2004	6 Yr Change	2001 Nat'l Ratio Comp	2001 Nat'l Ratio Doc II
Fall Credit Hours	4,216	4,400	4,599	4,961	5,347	5,917	6,055			
Fall Credit Hours % Change	0.17%	4.36%	4.52%	7.87%	7.78%	10.66%	2.33%	43.62%		
Research Grants (\$)	19,700	20,300	21,000	0	0	0	8,000			
Publications / Presentations - Faculty		41	62	17	52	49				
Ratio FTE Std/FTE Fac (Teaching)	15.5	16.9	16.0	18.1	18.8	21.7			10, 14	N/A, 15

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
School of Health Sciences Total	0	640,846	1,289,765	1,055,156	125,316	3,111,083	4.1%

School of Nursing

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	1,105,246	0	140,000	1,245,246
Part-Time Faculty	210,549	0	0	210,549
All Other Staff	611,856	0	(9,507)	602,349
Operating Budget	190,623	(3,778)	(22,868)	163,977
Fringe Benefits	698,816	0	53,530	752,346
Total	2,817,090	(3,778)	161,155	2,974,467

Explanation of Major Changes:

196,532 Full time faculty position reallocation - In
 (2,000) Budget Reduction - Travel
 (2,000) Budget Reduction - Equipment
 (3,002) Budget Reduction - Fringe Benefits
 (9,507) Budget Reduction - Non-Faculty Salaries
 (18,868) Budget Reduction - Supplies and Services

 161,155 Total Budget Changes

Key Performance Measures:

	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Projected Fall 2004	6 Yr Change	2001 Nat'l Ratio Comp	2001 Nat'l Ratio Doc II
Fall Credit Hours	4,564	4,766	3,607	4,210	4,359	4,924	4,648			
Fall Credit Hours % Change	0.95%	4.43%	-24.32%	16.72%	3.54%	12.96%	-5.61%	1.84%		
Research Grants (\$)	125,700	82,800	66,600	419,400	39,600	170,024	175,125			
Publications / Presentations - Faculty		24	17	40	37	40				
Ratio FTE Std/FTE Fac (Teaching)	14.2	12.1	10.9	12.6	14.3	16.3			8.0	9.0

Estimated Budgeted Tuition Revenue:

	Competency	Lower UnderGrad	Upper UnderGrad	Graduate I	Graduate II	Total	% of Total
School of Nursing Total	0	163,474	1,279,362	587,806	0	2,030,642	2.6%

Kresge Library

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	639,412	0	88,777	728,189
Part-Time Faculty	62,086	0	(7,179)	54,907
All Other Staff	1,116,255	0	(42,765)	1,073,490
Operating Budget	1,517,440	0	(5,806)	1,511,634
Fringe Benefits	666,818	0	17,941	684,759
Total	4,002,011	0	50,968	4,052,979

Explanation of Major Changes:

185,634 Full time faculty position reallocation - In
 (1,406) Budget Reduction - Supplies and Services
 (4,400) Budget Reduction - Travel
 (7,179) Budget Reduction - Faculty Salaries
 (17,907) Budget Reduction - Fringe Benefits
 (42,765) Budget Reduction - Non-Faculty Salaries
 (61,009) Full time faculty position reallocation - Out

 50,968 Total Budget Changes

Instructional and Information Technology

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	30,000	0	0	30,000
All Other Staff	2,605,931	0	(107,712)	2,498,219
Operating Budget	1,502,996	(85,813)	(4,067)	1,413,116
Fringe Benefits	1,029,270	0	(51,952)	977,318
Total	5,168,197	(85,813)	(163,731)	4,918,653

Explanation of Major Changes:

(4,067) Budget Reduction - Supplies and Services

(51,952) Budget Reduction - Fringe Benefits

(107,712) Budget Reduction - Non-Faculty Salaries

(163,731) Total Budget Changes

Academic Affairs - Other

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	1,977,350	0	(532,333)	1,445,017
Part-Time Faculty	3,419,175	0	0	3,419,175
All Other Staff	5,817,069	0	(26,345)	5,790,724
Operating Budget	6,329,518	(354,251)	2,313,107	8,288,374
Fringe Benefits	3,139,744	0	(219,860)	2,919,884
Total	20,682,856	(354,251)	1,534,569	21,863,174

Explanation of Major Changes:

1,134,575	CE and Incentive program increases to reflect growth
433,950	Macomb University Center Program Expansion
409,266	Spring/Summer budget increase to reflect growth
340,128	ADMIN 701 System
78,400	Increase course fee allocation to Academic Affairs per agreement
52,000	Embark licensing and application reprinting
45,624	Full time faculty position reallocation - In
10,000	Faculty contract travel
8,000	Faculty contract research
(273)	Budget Reduction - Equipment
(550)	Budget Reduction - Telephone
(4,904)	Budget Reduction - Fringe Benefits
(26,345)	Budget Reduction - Non-Faculty Salaries
(152,389)	Budget Reduction - Supplies and Services
(792,913)	Full time faculty position reallocation - Out
1,534,569	Total Budget Changes

Key Performance Measures:

	Fall 1998	Fall 1999	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Projected Fall 2004	6 Yr Change
Fall Credit Hours	336	420	512	580	462	408	480	
Fall Credit Hours % Change	31.25%	25.00%	21.90%	13.28%	-20.34%	-11.69%	17.65%	42.86%
Research Grants (\$)	2,604,090	1,862,770	1,515,770	1,875,200	1,867,500	2,835,867	2,766,433	

Finance & Administration

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	0	0	0	0
All Other Staff	9,366,108	0	(280,328)	9,085,780
Operating Budget	3,153,106	(354,678)	126,255	2,924,683
Fringe Benefits	3,960,781	0	(90,314)	3,870,467
Total	16,479,995	(354,678)	(244,387)	15,880,930

Explanation of Major Changes:

170,866	Bank Card Service Fee increase due to increased use of credit card payment
(2,000)	Budget Reduction - Telephone
(7,353)	Budget Reduction - Travel
(9,662)	Budget Reduction - Equipment
(25,596)	Budget Reduction - Supplies and Services
(90,314)	Budget Reduction - Fringe Benefits
(280,328)	Budget Reduction - Non-Faculty Salaries
<u>(244,387)</u>	<u>Total Budget Changes</u>

Key Performance Measures:

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Total Staff Headcount	1,327	1,364	1,380	1,505	1,479	1,292	1,271 est.
Total Building Square Feet	2.10M	2.28M	2.30M	2.39M	2.88M	2.88M	2.92M
Campus Crime Statistics							
Part I Crimes	93	84	126	105	103	102	130 est.
Part II Crimes	85	113	89	116	126	128	172 est.
Total Purchase Order Transactions	na	3,961	5,066	5,058	4,919	3,761	3,103 est.
Total Small Order Purchase Orders	na	2,125	2,525	4,375	2,825	1,999	2,631 est.
Total Procurement Card Transactions	na	na	4,476	6,178	7,636	8,736	7,080 est.
Total Checks Issued							
Payroll	29,269	34,282	32,034	32,018	34,090	33,843	32,900 est.
Accounts Payable	37,335	36,467	38,894	37,502	36,385	38,645	36,200 est.

Student Affairs

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	3,500	0	91	3,591
All Other Staff	2,782,323	0	(73,484)	2,708,839
Operating Budget	1,251,440	(22,760)	23,397	1,252,077
Fringe Benefits	1,073,277	0	(27,922)	1,045,355
Total	5,110,540	(22,760)	(77,918)	5,009,862

Explanation of Major Changes:

13,000	Goal Quest/Communications program
10,000	Increase OGL and OA stipends (16 OGL & 4 OA by \$500)
10,000	Food Service (reinstate food service cuts and cover increased costs)
6,600	Housing (increased cost and allow OA Housing for July/Aug orientations)
6,000	Postage/phone/paper/publications
5,000	COM 101 and Connections (stipend and supplies cost for expansion)
3,308	King Chavez Parks
(27,203)	Budget Reduction - Supplies and Services
(29,176)	Budget Reduction - Fringe Benefits
(75,447)	Budget Reduction - Non-Faculty Salaries
<u>(77,918)</u>	<u>Total Budget Changes</u>

Key Performance Measures:

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
OU Grads Employment Rate	97%	95%	96%	95%	90%	92%
Student Contacts with Employers		5,790	6,802	7,518	7,190	7,132
Career Res. Ctr. Student Use		796	1,783	1,947	2,250	
Orientation Program Attended	3,027	2,916	3,250	3,593	3,770	3,658
Retention vs. Non Participants						
COM 101 - 1 Yr.	79-75	82-74	75-74	76-73	74-73	76-73
COM 101 - 2 Yr.	67-63	66-62	65-62	66-63		
COM 101 - 3 Yr.	64-58	59-58	61-58			
Connections - 1 Yr.	78-75	76-75	75-74	74-72	74-73	74-73
Connections - 2 Yr.	73-63	62-63	59-62	63-63		
Connections - 3 Yr.	66-59	58-58	56-58			
Average Grade in Tutored Crse.	2.30	2.38	2.47	2.95	2.69	2.85
ARC/OE Retention Rates						
Undecided Majors		73%	73%	70%	77%	
OUTAS	86%	86%	88%	86%	93%	91%

University Relations

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	0	0	0	0
All Other Staff	1,040,912	0	(31,013)	1,009,899
Operating Budget	227,748	0	0	227,748
Fringe Benefits	398,896	0	(12,147)	386,749
Total	1,667,556	0	(43,160)	1,624,396

Explanation of Major Changes:

(12,147) Budget Reduction - Fringe Benefits
 (31,013) Budget Reduction - Non-Faculty Salaries
 (43,160) Total Budget Changes

Key Performance Measures:

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Gift Assets Received	6,573,200	6,961,900	8,009,200	7,950,000	5,693,300	5,668,700	5,933,100 est.
% Change From Prior Year	19.11%	5.91%	15.04%	-0.74%	-28.39%	-.9%	4.7%
Number of Donors	6,100	6,092	6,558	6,000	5,687	4,970	5,430 est.
% Change From Prior Year	-7.39%	-0.13%	7.65%	-8.51%	-5.22%	-12.6%	9.3%
Cost to Raise \$1 in Gifts	\$0.22	\$0.22	\$0.23	\$0.24	\$0.40	\$0.31	\$0.21 est.

President

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	0	0	0	0
All Other Staff	3,128,016	0	(14,785)	3,113,231
Operating Budget	1,383,394	(492,746)	(113,492)	777,156
Fringe Benefits	1,181,203	0	(6,352)	1,174,851
Total	5,692,613	(492,746)	(134,629)	5,065,238

Explanation of Major Changes:

(6,352) Budget Reduction - Fringe Benefits

(14,785) Budget Reduction - Non-Faculty Salaries

(113,492) Budget Reduction - Supplies and Services

(134,629) Total Budget Changes

Key Performance Measures:

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Government Relations							
OU Increase in State Appropriation	5.0%	3.0%	8.6%	9.2%	1.65%	-3.5%	-7.9%
Average Increase Higher Education	4.4%	3.0%	5.4%	6.5%	1.5%	-3.5%	-11.3%
University Diversity and Compliance							
% Minority Faculty	21.5%	21.6%	21.0%	21.8%	22.0%	22.8%	23.2%
% Female Faculty	32.1%	34.1%	35.7%	36.8%	40.0%	39.6%	40.0%
% Minority Staff	19.1%	20.2%	19.6%	20.9%	21.0%	21.2%	21.9%
% Female Staff	64.6%	65.6%	66.0%	65.7%	64.0%	65.0%	65.2%

General

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	0	0	809,428	809,428
Part-Time Faculty	0	0	177,212	177,212
All Other Staff	(882,000)	0	7,634	(874,366)
Operating Budget	13,081,723	(195,701)	(188,838)	12,697,184
Fringe Benefits	0	0	1,975,249	1,975,249
Total	12,199,723	(195,701)	2,780,685	14,784,707

Explanation of Major Changes:

2,969,523	Increase Compensation Budget
223,238	Purchased Utilities - Net increase due to Michigan Public Service Commission Ruling
70,850	Debt service increase per amortization schedule
(50,000)	Increase bookstore commission to general fund
(60,000)	General fund savings related to Series 1995 debt refinancing
(72,926)	Change in administrative overhead allocation
(300,000)	Budget Reduction - Contingency/Strategic Plan/Technology Funds
<u>2,780,685</u>	<u>Total Budget Changes</u>

AA - Financial Aid

Budget Line Items	FY 2004 Budget	Eliminate FY 2004 One-Time	FY 2005 Budget Changes	FY 2005 Budget
Salaries:				
Full-Time Faculty	0	0	0	0
Part-Time Faculty	0	0	0	0
All Other Staff	0	0	0	0
Operating Budget	7,101,931	0	377,722	7,479,653
Fringe Benefits	0	0	0	0
Total	7,101,931	0	377,722	7,479,653

Explanation of Major Changes:

215,468 Financial Aid increase due to change in tuition rate and enrollment growth

162,254 Research Assistant funding

377,722 Total Budget Changes

Oakland University
Schedule of Tuition and Fee Rates
Effective Fall Semester 2004

Tuition Rate Per Credit Hour or Fee Rate	Current Rate 2004	Proposed Rate 2005	Percent Change
Resident UG Lower	158.00	162.25	2.69%
Resident UG Upper	173.50	178.00	2.59%
Resident Grad	293.00	303.75	3.67%
Resident Doctoral	293.00	303.75	3.67%
Non Resident UG Lower	382.25	382.25	0.00%
Non Resident UG Upper	411.50	411.50	0.00%
Non Resident Grad	533.50	533.50	0.00%
Non Resident Doctoral	533.50	533.50	0.00%
Competency	34.00	34.00	0.00%
General Service Fee	145.00	147.00	1.38%
Student Activity Fee - Fall & Winter	21.00	21.00	0.00%
Student Activity Fee - Spring & Summer	10.50	10.50	0.00%
Course Fee	52.00	54.00	3.85%
MPT Course Fee/Cr Hr	42.50	43.50	2.35%
Rec Center - Fall & Winter	77.00	75.00	-2.60%
Rec Center - Spring & Summer	49.50	47.50	-4.04%
Orientation Fee FTIAC	80.00	100.00	25.00%
Orientation Fee Transfer	55.00	65.00	18.18%
Applied Music	85.00	85.00	0.00%
Teacher Ed	35.00	35.00	0.00%

Summary comparison of tuition and required fees (exclusive of special course fees)

A) Undergraduate Michigan resident student taking a full 15 credit hour load over two semesters (30 total credit hours):

1) Lower Division:

Tuition	4,740.00	4,867.50	2.69%
Required Fees	486.00	486.00	0.00%
Total	5,226.00	5,353.50	2.44%

2) Upper Division:

Tuition	5,205.00	5,340.00	2.59%
Required Fees	486.00	486.00	0.00%
Total	5,691.00	5,826.00	2.37%

Residential Undergraduate Average

5,458.50 5,589.75 2.40%

B) Graduate Michigan resident student taking a full 12 credit hour load over two semesters (24 total credit hours):

Tuition	7,032.00	7,290.00	3.67%
Required Fees	486.00	486.00	0.00%
Total	7,518.00	7,776.00	3.43%

**Oakland University
Footnotes Regarding Proposed Schedule of Tuition and Fee Rates
Effective Fall Semester 2004**

Tuition rates are per credit hour and do not vary between fall and winter semesters and spring and summer sessions. The General Service Fee is assessed each fall and winter term and each spring and summer session. The Recreation Center Fees and Student Activity Fees are assessed each term, however, the spring and summer sessions are assessed at a reduced rate from fall and winter. The Recreation Center Student Fee was assessed for the first time effective Fall 1998.

Course Fees are assessed for all courses in business, engineering, computer science, mathematics, chemistry, physics, biology, nursing and health sciences. In addition, several individual courses in the School of Education and Human Services and the College of Arts and Sciences are subject to the course fee. The Course Fee is for a standard 4 credit hour course. Courses greater than or less than 4 credit hours will be assessed proportionately. The Course Fee for the masters and doctoral programs in physical therapy is greater by \$30 per credit hour. This differential is used to assist in funding the high cost of this academic program.

Competency rates per credit hour do not vary by level nor by residency status.