

**Agendum
Oakland University
Board of Trustees Special Formal Meeting
July 24, 2006**

**APPROVAL OF THE OAKLAND UNIVERSITY GENERAL FUND BUDGET
AND TUITION AND FEE RATES FOR FISCAL YEAR 2007**

A Recommendation

Introduction:

Approval by the Board of Trustees is requested for the FY 2007 proposed General Fund budget and tuition and fee rates. Highlights and assumptions for this budget proposal are described below.

Attachment A is a FY 2007 Budget Preparation Briefing.

The FY 2007 Proposed General Fund Budget is detailed in Attachment B. The document provides an overview of the FY 2007 Proposed General Fund Budget, compared to the final FY 2006 budget approved by the Board on November 2, 2005, with the addition of FY 2005 year-end encumbrance and carryforward amounts. Attachment B provides detailed budget information for each major academic and operating unit of Oakland University (University or Oakland).

Attachment C is the proposed Schedule of Tuition and Fee Rates, Effective Fall Semester 2006.

Economic Considerations:

The higher education funding situation in Michigan experienced another year of uncertainty as it relates to appropriation levels. This was evidenced by the relatively late approval of the FY 2006 State of Michigan budget, including the Higher Education Appropriation bill, and the yet to be finalized FY 2007 budget and bill. The University planned for a flat appropriation in its initial FY 2006 operating budget and later revised that budget due to a welcomed and much needed mid-year appropriation adjustment of \$2.6 million as part of the State of Michigan's final FY 2006 appropriation budget for higher education. This appropriation increase made it possible to fund critical needs that could not be funded in the initial FY 2006 General Fund budget.

The University's FY 2007 proposed General Fund Budget includes a projected appropriation increase of 3.4% based on the SB 1088 Conference Report due to be finalized in late July. This increase is a result of the continued movement by the State to recognize floor funding per Fiscal Year Equated Student (FYES) as part of the funding strategy for public universities. Oakland's projected increase compares favorably to the overall appropriation increase of 3% for all fifteen public universities.

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Historically, the University has been under-funded by the State on a per FYES basis as compared to the other fourteen four-year public universities in Michigan. In FY 2006, the University received per FYES appropriations of \$3,713 as compared to the state average of \$5,135. Only one university, Grand Valley State University, received lower per FYES state funding than Oakland University.

Similarly, the University undergraduate resident tuition and required fee rates have been comparatively low. Lower division rates are fourth lowest at \$6,056 per FYES. Upper and lower division combined rates are sixth lowest at \$6,361 per FYES. The University's increases over the past ten years (FY 1996 – FY 2006) have been the third lowest in the state.

The University's combined cost of educating a student, appropriation per FYES plus tuition and fees per FYES, is fourth lowest in the state.

Highlights of the FY 2007 Proposed General Fund Budget:

Revenue:

1. Projected State appropriation increase of 3.4%.
2. Increase in tuition revenue, offset by a reduction in fee revenue resulting from the completion of the mandatory fee elimination initiated mid-year FY 2006.
3. FYES enrollment of 14,657, a 4.16% projected increase.
4. Average undergraduate resident tuition increase of 7.97%.
5. Increases to student financial aid funding of \$1,190,259 or 13.06%.

Expense:

1. Contractual and/or projected total compensation costs are budgeted to increase \$4.2 million. This figure includes both salary and fringe benefit expenses, including a 10% projected increase in the University's health care costs.
2. Purchased utilities increase of \$636,988 or 21.2%, driven primarily by increased electric, oil and natural gas prices.
3. Operating budget funding required to support continued growth in on-campus activities, an expanded presence at the Macomb University Center campus and funding for the Writing Center.

Recommendation:

WHEREAS, with the close of FY 2006, the new General Fund Budget and Tuition and Fee Rates for FY 2007 require Board of Trustees approval; now, therefore, be it

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RESOLVED, that the Board of Trustees approve the FY 2007 General Fund Budget at an expenditure level of \$156,306,908 (see Attachment B for detail) and approved encumbrances and carryforwards from the June 30, 2006 fund balance; and, be it further

RESOLVED, that the Board of Trustees approve the Schedule of Tuition and Fee Rates, effective Fall Semester 2006 attached hereto as Attachment C; and, be it further

RESOLVED, that the Board of Trustees approve the spending of general fund revenues generated from any enrollment in excess of that budgeted to adequately cover the instructional, programmatic and operating expenditures necessary to support higher than budgeted enrollment levels.

Attachments:

- A. Fiscal Year 2007 Budget Preparation Briefing
- B. Fiscal Year 2007 Proposed General Fund Budget
- C. Schedule of Tuition and Fee Rates (effective Fall Semester 2006)

Budgetary Implications:

Approval of the General Fund Budget for FY 2007 will align an approved expenditure level with anticipated revenues.

Submitted to the President
on _____, 2006, by

John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on _____, 2006
to the Board of Trustees for Approval

Gary D. Russi
President



**Fiscal Year 2007
Budget Preparation Briefing
Board of Trustees
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Base State Appropriations FY 1996 - 2006

| <u>Fiscal Year</u> | <u>Appropriation</u> |
|--------------------|--------------------------------|
| 1996 | 38,967,000 |
| 1997 | 40,186,000 |
| 1998 | 42,461,000 |
| 1999 | 44,321,000 |
| 2000 | 48,083,000 |
| 2001 | 52,950,476 |
| 2002 | 52,384,700 |
| 2003 | 50,551,147 |
| 2004 | 46,633,500 |
| 2005 | 47,261,300 (After E.O. 2005-7) |
| 2006 | 50,685,700 |

Data per Audited Financial Statements and revised FY06 Budget



FY 2006 Base Appropriations per FYES Resident Undergraduate Students

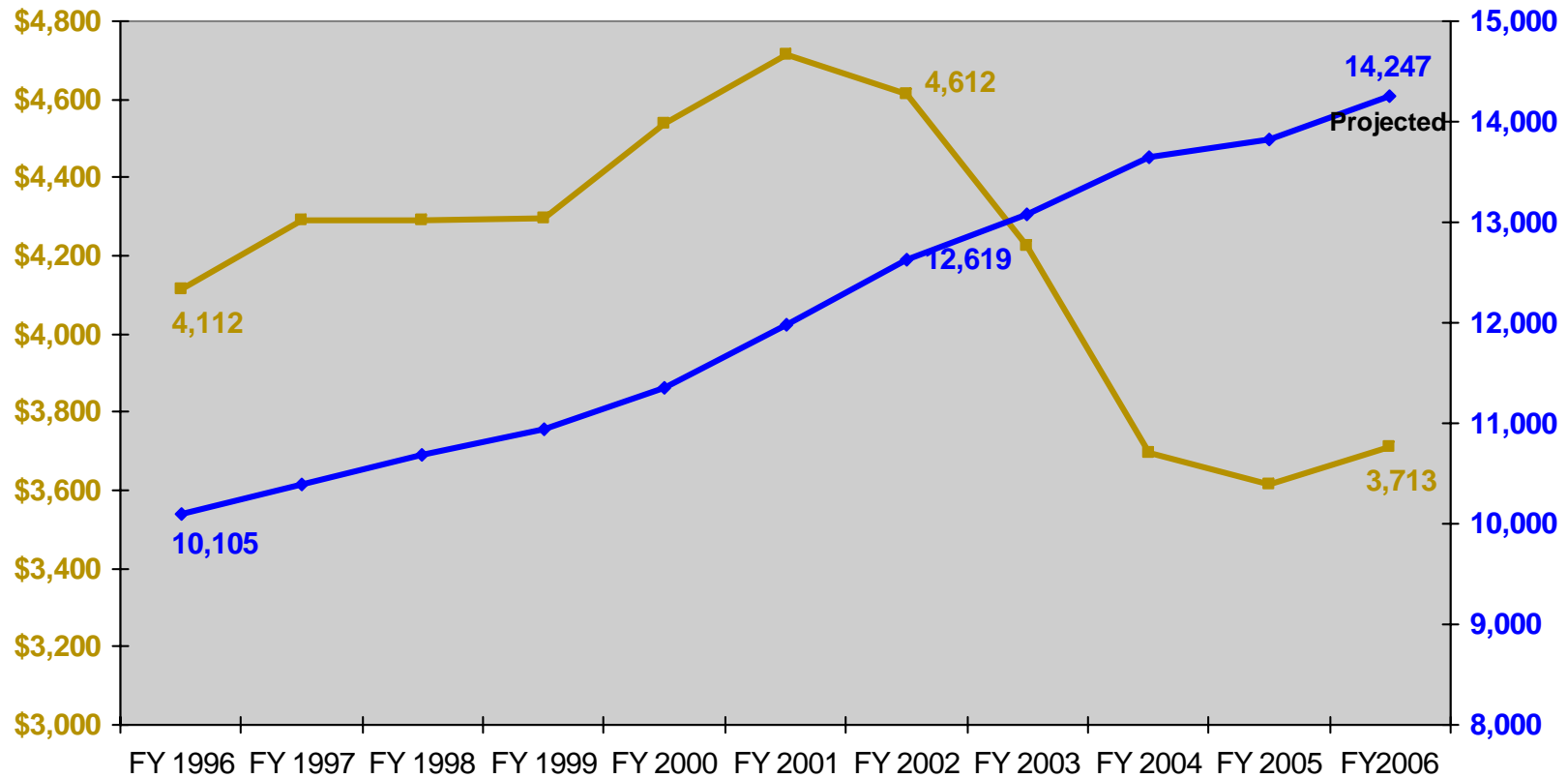
| | |
|------------------------------------|--------------|
| Wayne State University | \$ 8,681 |
| University of Michigan - Ann Arbor | 8,139 |
| Michigan Technological University | 7,943 |
| Michigan State University | 6,832 |
| Northern Michigan University | 5,425 |
| Ferris State University | 4,704 |
| Lake Superior State University | 4,463 |
| Western Michigan University | 4,381 |
| University of Michigan - Flint | 4,273 |
| Eastern Michigan University | 3,889 |
| University of Michigan - Dearborn | 3,828 |
| Central Michigan University | 3,733 |
| Saginaw Valley State University | 3,713 |
| Oakland University | 3,713 |
| Grand Valley State University | 3,302 |



FYES Enrollment and Base Appropriation per FYES

Approp. Per FYES

FYES





FY 2006 Tuition and Required Fees Resident Students – per FYES

(State Reported Undergraduate Rates)

| | |
|------------------------------------|--------------|
| University of Michigan - Ann Arbor | 9,798 |
| Michigan State University | 8,685 |
| Michigan Technological University | 8,194 |
| University of Michigan - Dearborn | 6,957 |
| Wayne State University | 6,948 |
| Western Michigan University | 6,784 |
| Ferris State University | 6,740 |
| Eastern Michigan University | 6,541 |
| University of Michigan - Flint | 6,441 |
| Oakland University | 6,361 |
| Grand Valley State University | 6,334 |
| Lake Superior State University | 6,306 |
| Central Michigan University | 5,868 |
| Northern Michigan University | 5,858 |
| Saginaw Valley State University | 5,282 |



FY 2006 Tuition and Required Fees Resident Students – per FYES

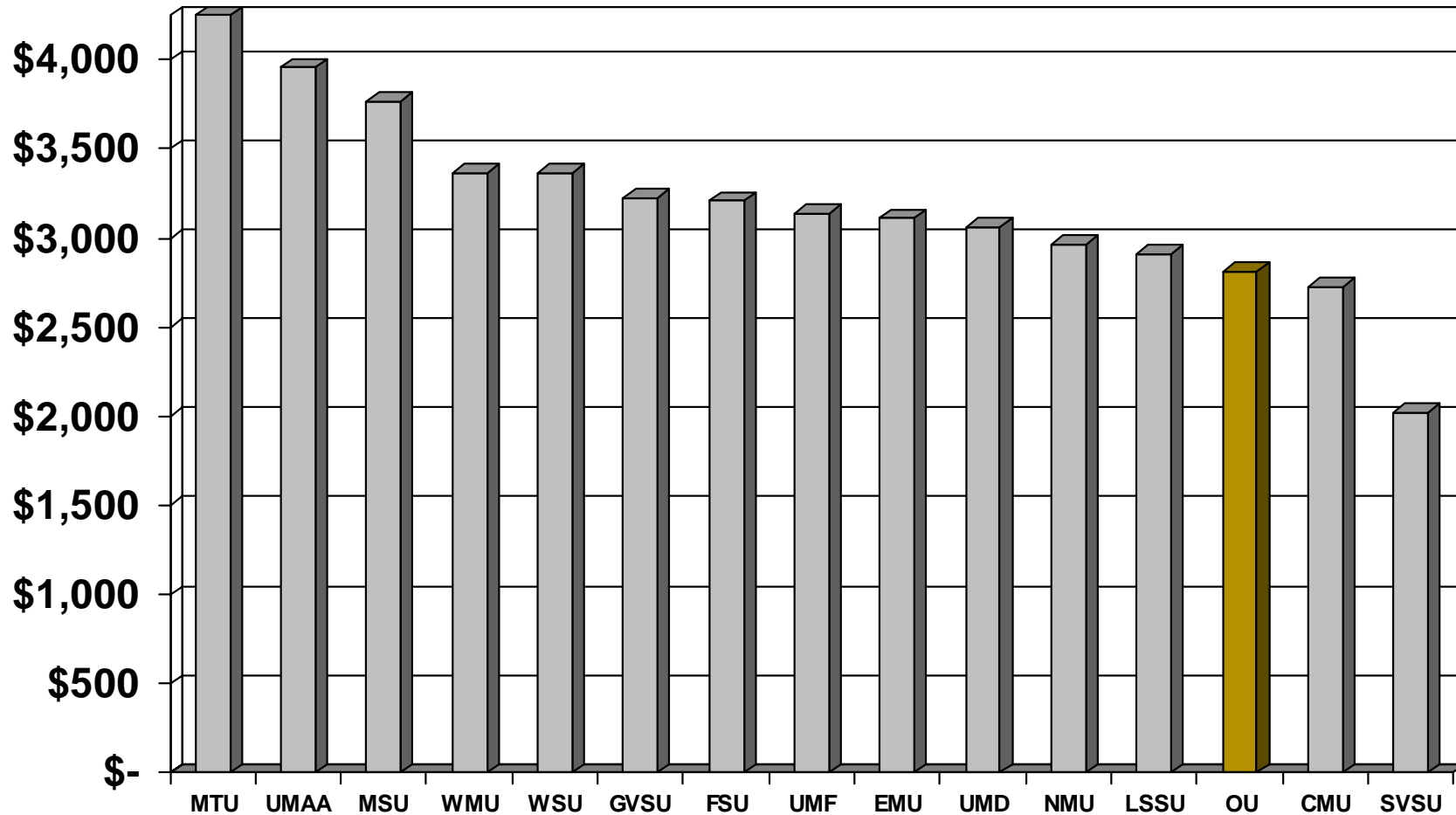
(Lower Division Undergraduate Rates)

| | |
|------------------------------------|--------------|
| University of Michigan - Ann Arbor | 9,213 |
| Michigan Technological University | 8,194 |
| Michigan State University | 7,761 |
| Ferris State University | 6,740 |
| University of Michigan - Dearborn | 6,718 |
| Eastern Michigan University | 6,541 |
| Western Michigan University | 6,478 |
| Wayne State University | 6,439 |
| University of Michigan - Flint | 6,398 |
| Lake Superior State University | 6,306 |
| Grand Valley State University | 6,220 |
| Oakland University | 6,056 |
| Central Michigan University | 5,868 |
| Northern Michigan University | 5,858 |
| Saginaw Valley State University | 5,282 |



Michigan Universities

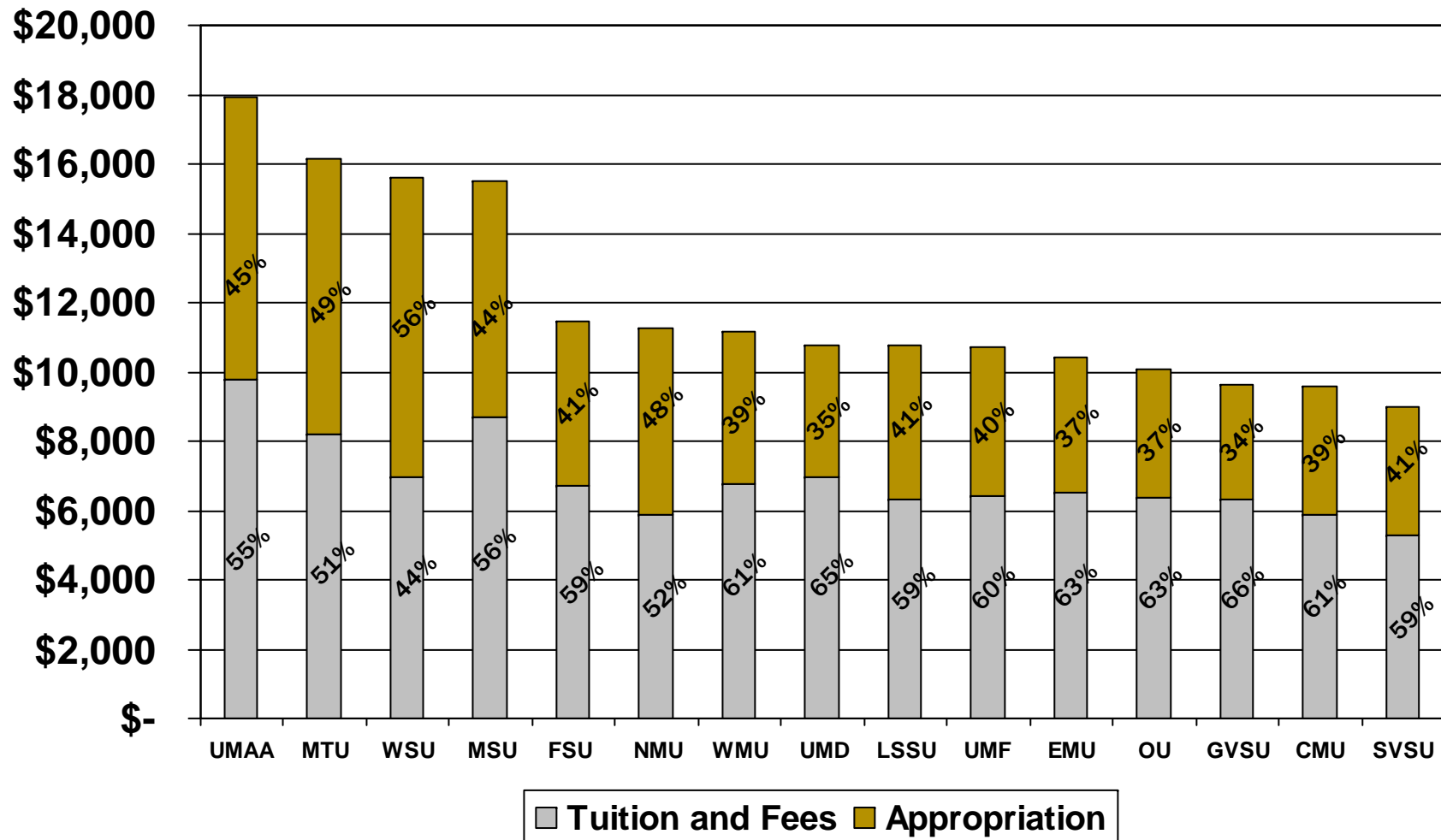
10-Year Change (FY 1996 – FY 2006) in Resident Student Tuition and Required Fees





Michigan Universities

FY 2006 Total Tuition and Required Fees and State Appropriation per FYES





Financial Stewardship

Budget Reductions and Cost Containment

Cumulative FY 2003 – 2006

| Category | Base | One-Time |
|------------------------------|----------------------|---------------------|
| Budget Reductions | \$ 6,412,400 | \$ 5,626,000 |
| Cost Containment | 7,083,949 | 2,893,051 |
| Total Reductions/Containment | <u>\$ 13,496,349</u> | <u>\$ 8,519,051</u> |

Budget Reduction Position Eliminations

56 FTE



FY 2007 General Fund Budget Summary

| | |
|--|-------------|
| Appropriation Increase | 3.4% |
| Projected Enrollment Growth | 4.16% |
| Tuition Increase (Resident UG Average) | 7.97% |
| Financial Aid Increase | \$1,190,259 |



FY 2007 General Fund Base Budget Changes

Revenues:

| | |
|--------------------------|---------------|
| Appropriation | \$1,723,314 |
| Tuition, Fees, Other | 14,998,160 |
| Financial Aid | (1,190,259) |
| Less: FY 06 Encumbrances | (3,107,777) |
| | <hr/> |
| | \$ 12,423,438 |

Expenditures:

| | |
|---|---------------|
| Fee Elimination Funding | 4,253,566 |
| Compensation (contractual) | 4,224,565 |
| Academic Programs and Macomb Initiatives: | |
| Faculty Positions | 2,885,596 |
| Graduate Assistants | 358,050 |
| Administrative Staff/Other | 637,476 |
| Reorganizations (AA, UR, F&A, Athletics) | 1,409,137 |
| Faculty Research and Travel | 19,999 |
| Writing Center | 58,461 |
| Software Licensing | 210,000 |
| Utilities | 636,988 |
| Deferred Maintenance | 300,000 |
| Minimum Wage and Postage | 174,928 |
| Other (banking fees, debt, idc, etc.) | 363,025 |
| Less: FY 06 Encumbrances | (3,107,777) |
| | <hr/> |
| | \$ 12,424,014 |

| | |
|--------------------------------------|---------|
| Revenues Over / (Under) Expenditures | <hr/> |
| | (\$576) |

**Oakland University
Fiscal Year 2007
Proposed General Fund Budget**

| Category | FY 2006 Budget | FY 2007 Projected Budget | Amount Change | % Change |
|---------------------------------------|----------------------|--------------------------------|----------------------|---------------|
| State Appropriation - Base | \$ 50,685,700 | \$ 52,409,014 | \$ 1,723,314 | 3.40% |
| Student Tuition | 93,403,145 | 111,176,061 | 17,772,916 | 19.03% |
| Student Fees | 3,047,107 | 185,775 | (2,861,332) | -93.90% |
| Financial Aid Offset | (9,115,149) | (10,305,408) | (1,190,259) | 13.06% (1) |
| Net Tuition & Fees Revenue | \$ 87,335,103 | \$ 101,056,428 | \$ 13,721,325 | 15.71% |
| Indirect Cost Recovery | 1,600,000 | 1,750,400 | 150,400 | 9.40% |
| Miscellaneous Income | 1,155,180 | 1,091,356 | (63,824) | -5.53% |
| Encumbrances | 3,107,777 | 0 | (3,107,777) | -100.00% (2) |
| Total Funding Sources: | \$ 143,883,760 | \$ 156,307,198 | \$ 12,423,438 | 8.63% |
| Less: Budgeted Expenditures | \$ 143,882,894 | \$ 156,306,908 | \$ 12,424,014 | 8.63% |
| Revenues Over (Under) Expenditures | \$ 866 | \$ 290 | (\$ 576) | |
| FYES Enrollment | 14,072 | 14,657 | 585 | 4.16% |

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 2007 do not include any encumbrances and carryforwards. Encumbrances and carryforwards as of June 30, 2006 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 2006 - 2007

| | FY 2006 Adjusted Total Budget | Eliminate FY 2006 One-Time | FY 2006 Adjusted Base Budget | FY 2007 Budget Changes | FY 2007 Budget |
|--|--|---|---|---------------------------------------|---------------------------|
| College of Arts & Sciences | \$ 27,412,864 | \$ (33,393) | \$ 27,379,471 | \$ (1,064,462) | \$ 26,315,009 |
| School of Business Administration | 10,214,618 | (44,916) | 10,169,702 | 230,835 | 10,400,537 |
| School of Education and Human Services | 7,504,799 | (46,003) | 7,458,796 | 569,317 | 8,028,113 |
| School of Engineering and Computer Science | 7,296,607 | (15,639) | 7,280,968 | 108,201 | 7,389,169 |
| School of Health Sciences | 2,521,571 | 0 | 2,521,571 | 270,409 | 2,791,980 |
| School of Nursing | 3,229,423 | (20,162) | 3,209,261 | 357,167 | 3,566,428 |
| Kresge Library | 4,084,458 | (2,432) | 4,082,026 | 78,077 | 4,160,103 |
| Instructional and Information Technology | 6,185,225 | (291,806) | 5,893,419 | 5,512 | 5,898,931 |
| Academic Affairs - Other | 23,603,389 | (548,584) | 23,054,805 | 3,781,805 | 26,836,610 |
| Finance & Administration | 18,039,323 | (520,444) | 17,518,879 | 842,172 | 18,361,051 |
| Student Affairs | 11,057,359 | (137,119) | 10,920,240 | 3,321,053 | 14,241,293 |
| University Relations | 1,822,058 | (5,598) | 1,816,460 | 630,900 | 2,447,360 |
| President | 6,845,344 | (640,959) | 6,204,385 | 784,461 | 6,988,846 |
| General | 14,065,856 | (800,722) | 13,265,134 | 5,616,344 | 18,881,478 |
| Total | \$ 143,882,894 | (\$ 3,107,777) | \$ 140,775,117 | \$ 15,531,791 | \$ 156,306,908 |

College of Arts & Sciences

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 0 | 0 | (1,135,980) | (1,135,980) |
| Part-Time Faculty | 0 | 0 | 0 | 0 |
| All Other Staff | 0 | 0 | 0 | 0 |
| Operating Budget | 27,412,864 | (33,393) | 71,518 | 27,450,989 |
| Fringe Benefits | 0 | 0 | 0 | 0 |
| Total | 27,412,864 | (33,393) | (1,064,462) | 26,315,009 |

Explanation of Major Changes:

| | |
|-------------|------------------------------------|
| 1,407,211 | Faculty Reallocation - In |
| 70,924 | Minimum Wage Adjustment (students) |
| 594 | Postage Base Adjustment |
| (2,543,191) | Faculty Reallocation - Out |
| (1,064,462) | Total Budget Changes |

Key Performance Measures:

| | Fall 2000 | Fall 2001 | Fall 2002 | Fall 2003 | Fall 2004 | Fall 2005 | Projected Fall 2006 | 6 Yr Change | 2003 Nat'I Ratio Comp | 2003 Nat'I Ratio Doc II |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|----------------|-----------------------------|-------------------------------|
| Fall Credit Hours | 91,537 | 97,278 | 101,246 | 105,911 | 107,543 | 111,172 | 113,754 | | | |
| Fall Credit Hours % Change | 5.35% | 6.91% | 3.46% | 4.61% | 1.5% | 3.4% | 2.3% | 24.3% | | |
| Research Grants (\$) | 1,811,100 | 2,307,700 | 1,603,900 | 2,863,418 | 2,019,324 | 3,207,346 | 1,636,850 | | | |
| Publications / Presentations - Faculty | 851 | 1,105 | 1,187 | 1,200 | 1,236 | 1,230 | 1,293 | | | |
| Ratio FTE Std/FTE Fac (Teaching) | 19.6 | 20.2 | 19.7 | 20.4 | 21 | 21 | | | 9-21 | 9-24 |

Estimated Budgeted Tuition Revenue:

| | Competency | Lower UnderGrad | Upper UnderGrad | Graduate I | Graduate II | Total | % of Total |
|----------------------------------|------------|--------------------|--------------------|------------|-------------|------------|---------------|
| College of Arts & Sciences Total | 0 | 27,751,010 | 28,031,755 | 2,090,863 | 455,949 | 58,329,577 | 52.4% |

School of Business Administration

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 52,179 | 0 | 387,576 | 439,755 |
| Part-Time Faculty | 38,750 | 0 | 12,250 | 51,000 |
| All Other Staff | 86,460 | 0 | (74,543) | 11,917 |
| Operating Budget | 9,983,558 | (44,916) | (49,605) | 9,889,037 |
| Fringe Benefits | 53,671 | 0 | (44,843) | 8,828 |
| Total | 10,214,618 | (44,916) | 230,835 | 10,400,537 |

Explanation of Major Changes:

| | |
|-----------|------------------------------------|
| 711,000 | Faculty Reallocation - In |
| 6,528 | Minimum Wage Adjustment (students) |
| 868 | Postage Base Adjustment |
| (208,816) | SBA-Exec MBA Health Care Mgmt Prog |
| (278,745) | Faculty Reallocation - Out |
| 230,835 | Total Budget Changes |

Key Performance Measures:

| | Fall 2000 | Fall 2001 | Fall 2002 | Fall 2003 | Fall 2004 | Fall 2005 | Projected Fall 2006 | 6 Yr Change | 2003 Nat'I Ratio Comp | 2003 Nat'I Ratio Doc II |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|----------------|-----------------------------|-------------------------------|
| Fall Credit Hours | 18,112 | 19,197 | 19,811 | 20,711 | 21,061 | 21,948 | 22,234 | | | |
| Fall Credit Hours % Change | 8.30% | 6.00% | 3.20% | 4.54% | 1.7% | 4.2% | 1.3% | 22.8% | | |
| Research Grants (\$) | 0 | 74,600 | 46,000 | 79,795 | 101,033 | 138,353 | 89,161 | | | |
| Publications / Presentations - Faculty | 117 | 121 | 135 | 122 | 75 | 86 | 51 | | | |
| Ratio FTE Std/FTE Fac (Teaching) | 22.2 | 22.5 | 23.3 | 22.6 | 23 | 22 | | | 17-23 | 19-22 |

Estimated Budgeted Tuition Revenue:

| | Competency | Lower UnderGrad | Upper UnderGrad | Graduate I | Graduate II | Total | % of Total |
|---|------------|--------------------|--------------------|------------|-------------|------------|---------------|
| School of Business Administration Total | 0 | 2,211,056 | 8,270,334 | 3,952,747 | 0 | 14,434,137 | 13.0% |

School of Education and Human Services

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 87,424 | 0 | 563,112 | 650,536 |
| Part-Time Faculty | 94,500 | 0 | 0 | 94,500 |
| All Other Staff | 35,312 | 0 | 0 | 35,312 |
| Operating Budget | 7,237,085 | (46,003) | 6,205 | 7,197,287 |
| Fringe Benefits | 50,478 | 0 | 0 | 50,478 |
| Total | 7,504,799 | (46,003) | 569,317 | 8,028,113 |

Explanation of Major Changes:

| | |
|----------------|------------------------------------|
| 563,112 | Faculty Reallocation - In |
| 5,950 | Minimum Wage Adjustment (students) |
| 255 | Postage Base Adjustment |
| 569,317 | Total Budget Changes |

Key Performance Measures:

| | Fall 2000 | Fall 2001 | Fall 2002 | Fall 2003 | Fall 2004 | Fall 2005 | Projected Fall 2006 | 6 Yr Change | 2003 Nat'I Ratio Comp | 2003 Nat'I Ratio Doc II |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|----------------|-----------------------------|-------------------------------|
| Fall Credit Hours | 23,282 | 24,118 | 23,415 | 24,151 | 24,380 | 24,721 | 25,219 | | | |
| Fall Credit Hours % Change | 5.26% | 3.59% | -2.91% | 3.14% | 0.9% | 1.4% | 2.0% | 8.3% | | |
| Research Grants (\$) | 605,600 | 1,002,300 | 593,100 | 85,356 | 252,822 | 45,356 | 61,756 | | | |
| Publications / Presentations - Faculty | 241 | 273 | 289 | 264 | 220 | 288 | 261 | | | |
| Ratio FTE Std/FTE Fac (Teaching) | 18.1 | 17.9 | 18.2 | 18.4 | 18 | 18 | | | 14-16 | 12-16 |

Estimated Budgeted Tuition Revenue:

| | Competency | Lower UnderGrad | Upper UnderGrad | Graduate I | Graduate II | Total | % of Total |
|--|------------|--------------------|--------------------|------------|-------------|------------|---------------|
| School of Education and Human Services Total | 0 | 540,337 | 8,566,637 | 11,512,551 | 1,693,331 | 22,312,856 | 20.0% |

School of Engineering and Computer Science

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 0 | 0 | 106,650 | 106,650 |
| Part-Time Faculty | 0 | 0 | 0 | 0 |
| All Other Staff | 3,065 | 0 | 0 | 3,065 |
| Operating Budget | 7,292,179 | (15,639) | 1,551 | 7,278,091 |
| Fringe Benefits | 1,363 | 0 | 0 | 1,363 |
| Total | 7,296,607 | (15,639) | 108,201 | 7,389,169 |

Explanation of Major Changes:

| | |
|----------------|------------------------------------|
| 106,650 | Faculty Reallocation - In |
| 1,224 | Minimum Wage Adjustment (students) |
| 327 | Postage Base Adjustment |
| 108,201 | Total Budget Changes |

Key Performance Measures:

| | Fall 2000 | Fall 2001 | Fall 2002 | Fall 2003 | Fall 2004 | Fall 2005 | Projected Fall 2006 | 6 Yr Change | 2003 Nat'I Ratio Comp | 2003 Nat'I Ratio Doc II |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|----------------|-----------------------------|-------------------------------|
| Fall Credit Hours | 11,096 | 11,332 | 11,508 | 11,389 | 10,464 | 9,011 | 8,994 | | | |
| Fall Credit Hours % Change | 11.27% | 2.13% | 1.55% | -1.03% | -8.1% | -13.9% | -0.2% | -18.9% | | |
| Research Grants (\$) | 4,270,530 | 2,696,400 | 3,425,700 | 3,889,320 | 4,039,620 | 3,802,222 | 2,068,469 | | | |
| Publications / Presentations - Faculty | 232 | 180 | 236 | 376 | 249 | NA | NA | | | |
| Ratio FTE Std/FTE Fac (Teaching) | 19.0 | 19.6 | 17.9 | 15.8 | 16 | 13 | | | 9, 10, 14 | 11, 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 | 943,802 | 3,419,299 | 2,514,711 | 582,874 | 7,460,686 | 6.7% |

School of Health Sciences

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 47,449 | 0 | 270,159 | 317,608 |
| Part-Time Faculty | 0 | 0 | 0 | 0 |
| All Other Staff | 0 | 0 | 0 | 0 |
| Operating Budget | 2,455,540 | 0 | 250 | 2,455,790 |
| Fringe Benefits | 18,582 | 0 | 0 | 18,582 |
| Total | 2,521,571 | 0 | 270,409 | 2,791,980 |

Explanation of Major Changes:

| | |
|----------------|-----------------------------|
| 341,280 | Faculty Reallocation - In |
| 250 | Postage Base Adjustment |
| (71,121) | Faculty Reallocation - Out |
| 270,409 | Total Budget Changes |

Key Performance Measures:

| | Fall 2000 | Fall 2001 | Fall 2002 | Fall 2003 | Fall 2004 | Fall 2005 | Projected Fall 2006 | 6 Yr Change | 2003 Nat'I Ratio Comp | 2003 Nat'I Ratio Doc II |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|----------------|-----------------------------|-------------------------------|
| Fall Credit Hours | 4,599 | 4,961 | 5,347 | 5,917 | 6,550 | 7,685 | 7,778 | | | |
| Fall Credit Hours % Change | 4.52% | 7.87% | 7.78% | 10.66% | 10.7% | 17.3% | 1.2% | 69.1% | | |
| Research Grants (\$) | 21,000 | 0 | 0 | 0 | 453 | 0 | 49,884 | | | |
| Publications / Presentations - Faculty | 62 | 17 | 52 | 49 | 40 | 35 | 42 | | | |
| Ratio FTE Std/FTE Fac (Teaching) | 16.0 | 18.1 | 18.8 | 21.7 | 23 | 21 | | | 11, 15 | 13, 15 |

Estimated Budgeted Tuition Revenue:

| | Competency | Lower UnderGrad | Upper UnderGrad | Graduate I | Graduate II | Total | % of Total |
|---------------------------------|------------|--------------------|--------------------|------------|-------------|-----------|---------------|
| School of Health Sciences Total | 0 | 1,021,236 | 1,651,353 | 705,102 | 1,497,732 | 4,875,423 | 4.4% |

School of Nursing

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 0 | 0 | 356,289 | 356,289 |
| Part-Time Faculty | 0 | 0 | 0 | 0 |
| All Other Staff | 0 | 0 | 0 | 0 |
| Operating Budget | 3,229,423 | (20,162) | 878 | 3,210,139 |
| Fringe Benefits | 0 | 0 | 0 | 0 |
| Total | 3,229,423 | (20,162) | 357,167 | 3,566,428 |

Explanation of Major Changes:

| | |
|-----------|------------------------------------|
| 861,846 | Faculty Reallocation - In |
| 442 | Minimum Wage Adjustment (students) |
| 436 | Postage Base Adjustment |
| (505,557) | Faculty Reallocation - Out |
| 357,167 | Total Budget Changes |

Key Performance Measures:

| | Fall 2000 | Fall 2001 | Fall 2002 | Fall 2003 | Fall 2004 | Fall 2005 | Projected Fall 2006 | 6 Yr Change | 2003 Nat'I Ratio Comp | 2003 Nat'I Ratio Doc II |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|----------------|-----------------------------|-------------------------------|
| Fall Credit Hours | 3,607 | 4,210 | 4,359 | 4,924 | 4,944 | 7,715 | 7,353 | | | |
| Fall Credit Hours % Change | -24.32% | 16.72% | 3.54% | 12.96% | 0.4% | 45.1% | 2.5% | 103.8% | | |
| Research Grants (\$) | 66,600 | 419,400 | 39,600 | 170,024 | 51,249 | 111,900 | 1,777,153 | | | |
| Publications / Presentations - Faculty | 17 | 40 | 37 | 40 | 31 | 44 | 48 | | | |
| Ratio FTE Std/FTE Fac (Teaching) | 10.9 | 12.6 | 14.3 | 16.3 | 18 | 19 | | | 9 | 11 |

Estimated Budgeted Tuition Revenue:

| | Competency | Lower UnderGrad | Upper UnderGrad | Graduate I | Graduate II | Total | % of Total |
|-------------------------|------------|--------------------|--------------------|------------|-------------|-----------|---------------|
| School of Nursing Total | 0 | 275,293 | 2,684,510 | 1,078,011 | 0 | 4,037,814 | 3.6% |

Kresge Library

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 0 | 0 | 63,990 | 63,990 |
| Part-Time Faculty | 0 | 0 | 0 | 0 |
| All Other Staff | 0 | 0 | 0 | 0 |
| Operating Budget | 4,084,458 | (2,432) | 14,087 | 4,096,113 |
| Fringe Benefits | 0 | 0 | 0 | 0 |
| Total | 4,084,458 | (2,432) | 78,077 | 4,160,103 |

Explanation of Major Changes:

| | |
|---------------|------------------------------------|
| 63,990 | Faculty Reallocation - In |
| 13,192 | Minimum Wage Adjustment (students) |
| 895 | Postage Base Adjustment |
| 78,077 | Total Budget Changes |

Instructional and Information Technology

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 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 | 6,185,225 | (291,806) | 5,512 | 5,898,931 |
| Fringe Benefits | 0 | 0 | 0 | 0 |
| Total | 6,185,225 | (291,806) | 5,512 | 5,898,931 |

Explanation of Major Changes:

| | |
|-------|------------------------------------|
| 5,270 | Minimum Wage Adjustment (students) |
| 242 | Postage Base Adjustment |
| 5,512 | Total Budget Changes |

Academic Affairs - Other

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 767,494 | 0 | 232,305 | 999,799 |
| Part-Time Faculty | 917,728 | 0 | 29,500 | 947,228 |
| All Other Staff | 382,125 | 0 | 325,534 | 707,659 |
| Operating Budget | 21,065,501 | (548,584) | 3,071,363 | 23,588,280 |
| Fringe Benefits | 470,541 | 0 | 123,103 | 593,644 |
| Total | 23,603,389 | (548,584) | 3,781,805 | 26,836,610 |

Explanation of Major Changes:

| | |
|------------------|--|
| 2,539,023 | CE and Incentive program increases to reflect growth |
| 696,780 | Faculty positions |
| 369,758 | Macomb University Center |
| 363,764 | General Education Support |
| 228,384 | Advising positions (4) |
| 58,461 | VPAA Writing Center |
| 53,200 | Course Fee (FY 2005 Actual Calculation) |
| 47,150 | Position 989341 Grant Officer - Grants Office |
| 27,760 | Indirect Cost Recovery |
| 21,878 | Position 989341 Grant Officer - Grants Office FB |
| 10,000 | Faculty Research |
| 9,999 | Faculty Travel |
| 6,475 | Operating Base - new positions |
| 4,692 | Minimum Wage Adjustment (students) |
| 956 | Postage Base Adjustment |
| (656,475) | Faculty Reallocation - Out |
| 3,781,805 | Total Budget Changes |

Key Performance Measures:

| | Fall 2000 | Fall 2001 | Fall 2002 | Fall 2003 | Fall 2004 | Fall 2005 | Projected Fall 2006 | 6 Yr Change |
|--|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|----------------|
| Fall Credit Hours | 512 | 580 | 462 | 408 | 436 | 485 | 485 | |
| Fall Credit Hours % Change | 21.90% | 13.28% | -20.34% | -11.69% | 6.9% | 11.2% | 0.0% | -5.3% |
| Research Grants (\$) | 1,515,770 | 1,875,200 | 1,867,500 | 2,835,867 | 2,483,021 | 1,426,807 | 1,161,171 | |
| Publications / Presentations - Faculty | | | | | | 31 | 31 | |

Finance & Administration

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 0 | 0 | 0 | 0 |
| Part-Time Faculty | 0 | 0 | 0 | 0 |
| All Other Staff | 0 | 0 | 233,493 | 233,493 |
| Operating Budget | 18,039,323 | (520,444) | 499,947 | 18,018,826 |
| Fringe Benefits | 0 | 0 | 108,732 | 108,732 |
| Total | 18,039,323 | (520,444) | 842,172 | 18,361,051 |

Explanation of Major Changes:

| | |
|----------------|---|
| 342,225 | Finance and Administration Reorganization |
| 300,000 | Deferred Maintenance |
| 189,843 | Fee Replacement Support Allocation - Road, Walks and Lots |
| 4,625 | Operating base - new positions |
| 2,788 | Minimum Wage Adjustment (students) |
| 2,691 | Postage Base Adjustment |
| 842,172 | Total Budget Changes |

Key Performance Measures:

| | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|-------------------------------------|---------|---------|---------|---------|---------|---------|-------------|
| Total Staff Headcount | 1,380 | 1,505 | 1,479 | 1,292 | 1,271 | 1,257 | 1,262 est. |
| Total Building Square Feet | 2.30M | 2.39M | 2.88M | 2.88M | 2.92M | 2.92M | 2.92M |
| Campus Crime Statistics | | | | | | | |
| Part I Crimes | 126 | 105 | 103 | 102 | 130 | 100 | 125 est. |
| Part II Crimes | 89 | 116 | 126 | 128 | 172 | 264 | 108 est. |
| Total Purchase Order Transactions | 5,066 | 5,058 | 4,919 | 3,761 | 2,876 | 2,945 | 2,917 est. |
| Total Small Order Purchase Orders | 2,525 | 4,375 | 2,825 | 1,999 | 2,474 | 2,206 | 2,705 est. |
| Total Procurement Card Transactions | 4,476 | 6,178 | 7,636 | 8,736 | 7,485 | 7,717 | 7,800 est. |
| Total Checks Issued | | | | | | | |
| Payroll | 32,034 | 32,018 | 34,090 | 33,843 | 29,533 | 27,700 | 26,805 est. |
| Accounts Payable | 38,894 | 37,502 | 36,385 | 38,645 | 35,962 | 37,849 | 39,350 est. |

Student Affairs

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 0 | 0 | 0 | 0 |
| Part-Time Faculty | 3,500 | 0 | 105 | 3,605 |
| All Other Staff | 76,055 | 0 | 2,282 | 78,337 |
| Operating Budget | 10,958,900 | (137,119) | 3,317,445 | 14,139,226 |
| Fringe Benefits | 18,904 | 0 | 1,221 | 20,125 |
| Total | 11,057,359 | (137,119) | 3,321,053 | 14,241,293 |

Explanation of Major Changes:

| | |
|------------------|---|
| 1,982,820 | Fee Replacement Support Allocation - Rec. Center |
| 652,732 | Fee Replacement Support Allocation - Student Activities |
| 474,792 | Fee Replacement Support Allocation - Oakland Center |
| 154,632 | Fee Replacement Support Allocation - Graham Health Center |
| 32,742 | Minimum Wage Adjustment (students) |
| 15,000 | Admissions Advisor travel |
| 4,727 | Postage Base Adjustment |
| 3,608 | King/Parks Day |
| 3,321,053 | Total Budget Changes |

Key Performance Measures:

| | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| OU Grads Employment Rate | 96% | 95% | 90% | 92% | 92% | 89% |
| Student Contacts with Employers | 6,802 | 7,518 | 7,190 | 7,132 | 7,338 | 8515 |
| Career Res. Ctr. Student Use | | | 2,250 | | | |
| Orientation Program Attended | 3,250 | 3,593 | 3,770 | 3,658 | 4,019 | 4216 |
| Retention vs. Non Participants | | | | | | |
| COM 101 - 1 Yr. | 82-74 | 75-74 | 76-72 | 74-73 | 75-71 | 76-69 |
| COM 101 - 2 Yr. | 66-62 | 65-62 | 66-63 | 61-60 | 62-57 | |
| COM 101 - 3 Yr. | 59-58 | 61-58 | 64-59 | 58-55 | | |
| Connections - 1 Yr. | 76-75 | 75-74 | 74-72 | 74-73 | 75-71 | 76-70 |
| Connections - 2 Yr. | 62-63 | 59-62 | 63-63 | 60-61 | 64-57 | |
| Connections - 3 Yr. | 58-58 | 56-58 | 59-59 | 54-55 | | |
| Average Grade in Tutored Crse. | 2.47 | 2.95 | 2.69 | 2.85 | 2.70 | 2.78 |
| ARC/CMI Retention Rates | | | | | | |
| Undecided Majors | 73% | 73% | 70% | 77% | 71% | 69% |
| OUTAS | 97% | 97% | 90% | 96% | 87% | 88% |

University Relations

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 Budget |
|-------------------|-------------------|----------------------------------|------------------------------|-------------------|
| Salaries: | | | | |
| Full-Time Faculty | 0 | 0 | 0 | 0 |
| Part-Time Faculty | 0 | 0 | 0 | 0 |
| All Other Staff | 0 | 0 | 402,539 | 402,539 |
| Operating Budget | 1,822,058 | (5,598) | 69,891 | 1,886,351 |
| Fringe Benefits | 0 | 0 | 158,470 | 158,470 |
| Total | 1,822,058 | (5,598) | 630,900 | 2,447,360 |

Explanation of Major Changes:

| | |
|----------------|--|
| 500,000 | University Relations / Foundation Development Reorganization |
| 61,009 | Alumni Relations Comm. Membership Specialist |
| 25,000 | OUF Operating |
| 16,000 | Consultative/Visionary dinners |
| 15,000 | President's Campaign Counsel |
| 6,500 | All University Fund Drive |
| 4,058 | Annual maintenance - File imaging systems |
| 2,500 | Lost Alumni address search |
| 833 | Postage Base Adjustment |
| 630,900 | Total Budget Changes |

Key Performance Measures:

| | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-------------|---------------|
| Gift Assets Received | 8,009,200 | 7,950,000 | 5,693,300 | 5,668,700 | 5,944,146 | 6,565,005 * | 6,000,000 est |
| % Change From Prior Year - Gifts | 15.04% | -0.74% | -28.39% | -.9% | 4.86% | 10.44% | -8.61% |
| % Change From Prior Year | | | | | | | |
| Number of Donors | 6,558 | 6,000 | 5,687 | 4,970 | 5,325 | 5,212 | |
| % Change From Prior Year - Donors | 7.65% | -8.51% | -5.22% | -12.6% | 7.14% | -2.12% | -4.07% |
| % Change From Prior Year | | | | | | | |
| Cost to Raise \$1 in Gifts | \$0.23 | \$0.24 | \$0.40 | \$0.31 | \$0.13 | \$0.27 | |

* \$27.9 million including in-kind gifts

President

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 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 | 6,845,344 | (640,959) | 784,461 | 6,988,846 |
| Fringe Benefits | 0 | 0 | 0 | 0 |
| Total | 6,845,344 | (640,959) | 784,461 | 6,988,846 |

Explanation of Major Changes:

| | |
|----------------|---|
| 269,500 | Athletics Support per Recruiting Incentive |
| 262,122 | Fee Replacement Support Allocation - Athletics |
| 100,000 | Federal Lobbyist |
| 71,937 | Fee Replacement Support Allocation - Reserve (former GSF) |
| 55,000 | Music Theatre and Dance Student Support |
| 15,810 | Minimum Wage Adjustment (students) |
| 6,000 | University Years-of-Service Event |
| 2,292 | Postage Base Adjustment |
| 1,800 | University Employee of the Month Program |
| <u>784,461</u> | <u>Total Budget Changes</u> |

Key Performance Measures:

| | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 |
|------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Government Relations | | | | | | | |
| OU Increase in State Appropriation | 8.6% | 9.2% | 1.65% | -3.5% | -7.9% | -1.76% | 7.2% |
| Average Increase Higher Education | 5.4% | 6.5% | 1.5% | -3.5% | -11.3% | -1.76% | 1.2% |

General

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 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 | 14,065,856 | (800,722) | 5,616,344 | 18,881,478 |
| Fringe Benefits | 0 | 0 | 0 | 0 |
| Total | 14,065,856 | (800,722) | 5,616,344 | 18,881,478 |

Explanation of Major Changes:

| | |
|------------------|--|
| 4,224,565 | Increase Compensation Budget |
| 636,988 | Purchased Utilities - Net |
| 464,688 | Fee Replacement Support Allocation - Parking Reserve |
| 120,000 | University Calandar System (Mirapoint) Contract Cost |
| 90,380 | Change in Admin. Allocation |
| 90,000 | Banner/Oracle/IBM Licensing |
| 24,963 | Bank Card Service Fee |
| (35,240) | Debt Service |
| <u>5,616,344</u> | <u>Total Budget Changes</u> |

AA - Financial Aid

| Budget Line Items | FY 2006 Budget | Eliminate FY 2006 One-Time | FY 2007 Budget Changes | FY 2007 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 | 9,115,149 | 0 | 1,190,259 | 10,305,408 |
| Fringe Benefits | 0 | 0 | 0 | 0 |
| Total | 9,115,149 | 0 | 1,190,259 | 10,305,408 |

Explanation of Major Changes:

| | |
|------------------|--|
| 1,190,259 | Financial Aid increase due to change in tuition rate and enrollment growth |
| <u>1,190,259</u> | <u>Total Budget Changes</u> |

Oakland University
Schedule of Tuition and Fee Rates
Effective Fall Semester 2006

| Tuition Rate Per Credit Hour or Fee Rate | Current Rate 2006 | Proposed Rate 2007 | Percent Change |
|--|-------------------------|--------------------------|-------------------|
| Resident UG Lower | 204.75 | 221.25 | 8.06% |
| Resident UG Upper | 224.75 | 242.50 | 7.90% |
| Resident Grad | 383.00 | 414.00 | 8.09% |
| Resident Doctoral | 383.00 | 414.00 | 8.09% |
| Non Resident UG Lower | 478.50 | 515.75 | 7.78% |
| Non Resident UG Upper | 512.75 | 552.75 | 7.80% |
| Non Resident Grad | 666.25 | 716.75 | 7.58% |
| Non Resident Doctoral | 666.25 | 716.75 | 7.58% |
| Competency | 34.00 | 34.00 | 0.00% |
| MPT Course Fee/Cr Hr | 30.00 | 30.00 | 0.00% |
| Orientation Fee FTIAC | 100.00 | 100.00 | 0.00% |
| Orientation Fee Transfer | 65.00 | 65.00 | 0.00% |
| 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 for two semesters (30 total credit hours):

1) Lower Division:

| | | | |
|---------------|-----------------|-----------------|--------------|
| Tuition | 6,142.50 | 6,637.50 | 8.06% |
| Required Fees | 0.00 | 0.00 | 0.00% |
| Total | 6,142.50 | 6,637.50 | 8.06% |

2) Upper Division:

| | | | |
|---------------|-----------------|-----------------|--------------|
| Tuition | 6,742.50 | 7,275.00 | 7.90% |
| Required Fees | 0.00 | 0.00 | 0.00% |
| Total | 6,742.50 | 7,275.00 | 7.90% |

Residential Undergraduate Average

6,442.50 6,956.25 7.97%

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

| | | | |
|---------------|-----------------|-----------------|--------------|
| Tuition | 9,192.00 | 9,936.00 | 8.09% |
| Required Fees | 0.00 | 0.00 | 0.00% |
| Total | 9,192.00 | 9,936.00 | 8.09% |

Oakland University
Footnotes Regarding Proposed Schedule of Tuition and Fee Rates
Effective Fall Semester 2006

Tuition rates are per credit hour and do not vary between semesters.

Special course fees apply to applied music instruction courses, selected courses in the School of Education and Human Services and Masters/Doctoral courses in Physical Therapy.

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