

**Agendum  
Oakland University  
Board of Trustees Special Formal Session  
July 1, 2022**

**GENERAL FUND BUDGET AND TUITION RATES  
FOR FY2023**

**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 FY2023 General Fund Budget and Tuition Rates. Highlights and assumptions for this proposal are described below.

Attachment A is the Oakland University (University) FY2023 Proposed General Fund Budget which provides summarized budget information (including the School of Medicine) and a comparison to the FY2022 General Fund Budget.

Attachment B is the proposed Schedule of Tuition Rates Effective Fall Semester 2022.

**Preamble:**

The COVID-19 pandemic has imposed financial constraints on governments, businesses, organizations, and families across the globe; Oakland University is no exception. University revenues have been adversely impacted by decreases in domestic and international student enrollment, state support and auxiliary activities. Enrollment declines experienced during the pandemic will impact the University for years to come.

**State Appropriations:**

The University's proposed FY2023 budget for state appropriations is based upon the joint Conference Report for higher education that was approved by both the house and senate and expected to be signed by the Governor, with a 12.5% increase. The increase is contingent upon complying with a 5.0% tuition restraint. This equates to \$60,761,900, 20.8% 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 needs additional resources. Tuition is the primary source of General Fund revenues, accounting for over 75% of the proposed budget. The proposed FY2023, average tuition rate for a full-time resident freshman is \$14,572.50, an increase of 3.9%, or \$18.25 per credit hour. The proposed FY2023 full-time resident graduate tuition rate is \$20,016, a 3.9% increase. The proposed FY2023 full-time resident doctoral tuition rate is \$13,424, a 3.9% increase. (See Attachment B).

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On June 13th, the Board approved the FY2023 Housing budget which included a 2% increase in room and board rates.

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 4.0%.

The University's commitment to controlling the net cost of attendance continues. The institutional financial aid budget (excluding the School of Medicine), \$44 million, provides funds that reduce the cost of tuition for an average student by roughly 30%.

Highlights of the Proposed FY2023 General Fund Budget:

Revenue budget changes primarily include:

1. State appropriation funding increase of \$6,300,000.
2. FYES enrollment of 13,650 (excluding the School of Medicine), down 14% as compared to the prior year budget (or down 14.7% as measured by student credit hours).
3. Average tuition of \$14,572.50 for a full-time resident freshman, an increase of \$18.25 per credit hour, 3.9%.
4. Average Graduate in-state tuition of \$20,016 for full-time resident students, an increase of 3.9%
5. Average Doctoral in-state tuition of \$13,424 for full-time resident students, an increase of 3.9%

Expense budget changes primarily include:

1. Operating funds required for Board approved course offerings, utilities, insurance, debt service, IT upgrades, recruiting initiatives, and other contractual obligations.
2. Operational expense reductions of \$9,000,000
3. Use of \$5,000,000 of the Pandemic Reserves which were provided by the Federal HEERF grant.
4. One-time use of \$9,600,000 of non-general fund reserves to balance the budget
5. 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. Previous Board Action:** On June 21, 2021 the Board approved the FY2022 General Fund Budget and Tuition Rates.

**4. Budget Implications:** Approval of the FY2023 Proposed General Fund Budget and the Schedule of Tuition Rates Effective Fall Semester 2022 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 FY2023 Proposed General Fund Budget and the Schedule of Tuition Rates Effective Fall Semester 2022 were developed by the Budget and Financial Planning Office, with input from the Strategy Council, and was reviewed by the Interim Vice President for Finance and Administration and President.

**8. Recommendation:**

WHEREAS, the FY2023 Proposed General Fund Budget and Schedule of Tuition Rates Effective Fall Semester 2022 require Board of Trustees approval; now, therefore, be it

RESOLVED, that the Board of Trustees approves the FY2023 General Fund Budget at an expenditure level of \$273,520,130 (see Attachment A) and approve encumbrances and carry-forwards from the June 30, 2022 fund balance; and, be it further

RESOLVED, that the Board of Trustees approves the Schedule of Tuition Rates Effective Fall Semester 2022 (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:**

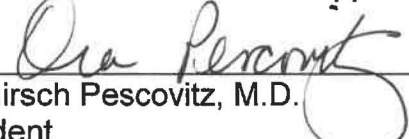
- A. FY2023 Proposed General Fund Budget
- B. Schedule of Tuition Rates Effective Fall Semester 2022

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Submitted to the President  
on 7-1, 2022 by

  
James L. Hargett, CPA  
Interim Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

Recommended on 7/1, 2022  
to the Board of Trustees for approval by

  
Ora Hirsch Pescovitz, M.D.  
President

Reviewed by:

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

**Oakland University  
Fiscal Year 2023  
Proposed General Fund Budget**

Category	FY 2022 Budget	FY 2023 Projected Budget	Amount Change	% Change
State Appropriation - Base	\$ 54,476,400	\$ 60,761,900	\$ 6,285,500	11.54%
State Appropriation - One Time	0	0	0	
Student Tuition	283,084,440	255,233,805	(27,850,635)	-9.84%
Financial Aid Offset	(61,067,582)	(53,186,575)	7,881,007	-12.91% (1)
<b>Net Tuition Revenue</b>	<b>\$ 222,016,858</b>	<b>\$ 202,047,230</b>	<b>(\$ 19,969,628)</b>	<b>-8.99%</b>
Indirect Cost Recovery	2,000,000	2,000,000	0	0.00%
Miscellaneous Income	8,112,711	8,711,000	598,289	7.37%
Encumbrances	15,390,474	0	(15,390,474)	-100.00% (2)
Total Funding Sources	\$ 301,996,443	\$ 273,520,130	(\$ 28,476,313)	-9.43%
Less: Budgeted Expenditures	\$ 301,996,442	\$ 273,520,130	(\$ 28,476,312)	-9.43%
Revenues Over (Under) Expenditures	\$ 1	\$ 0	(\$ 1)	
<b>FYES Enrollment</b>	<b>16,374</b>	<b>14,146</b>	<b>(2,228)</b>	<b>-13.61%</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.

2) The projected budget does not include any encumbrances and carryforwards. Encumbrances and carryforwards as of June 30 will be added to the budgeted expenditure base for the following fiscal year as a one time allocation.

3) Report totals include Oakland general fund of \$248,276,252 and School of Medicine general fund of \$25,243,878

Friday, July 1, 2022 12:31:26 AM

**Oakland University  
Schedule of Tuition Rates  
Effective Fall Semester 2022**

Tuition Rate Per Credit Hour	Current Rate 2022	Proposed Rate 2023
Resident UG Lower	467.50	485.75
Resident UG Upper	541.50	562.50
SBA 001-299 courses	487.50	506.50
SBA 300+ courses	573.25	595.50
SECS 001-299 courses	497.50	517.00
SECS 300+ courses	585.50	608.25
SHS 001-299 courses	477.50	499.50
SHS 300+ courses	562.00	584.00
SON 001-299 courses	492.50	511.75
SON 300+ courses	578.00	600.50
Resident Grad	802.75	834.00
Resident Doctoral	807.50	839.00
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
Competency	55.00	55.00
School of Medicine	57,936.00	57,936.00

**Summary comparison of tuition rates:**

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

1) Lower Division Tuition	14,025.00	14,572.50	
2) Upper Division Tuition	16,245.00	16,875.00	
<b>CAS Residential Undergraduate Average</b>	<b>15,135.00</b>	<b>15,723.75</b>	<b>3.9%</b>

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

Graduate Tuition	19,266.00	20,016.00	3.9%
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C) Doctoral Michigan resident student taking a full 8 credit hour load for two semesters (16 total credit hours):

Doctoral Tuition	12,920.00	13,424.00	3.9%
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**Lower / Upper division undergraduate students 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 undergraduate credits, and all students with post bachelor admission status

The School of Medicine tuition rate is annual.