

AGENDA
Oakland University
Board of Trustees
Finance, Audit and Investment Committee Meeting
April 19, 2011, 2:00 p.m.
Auditorium, Elliott Hall of Business & Information Technology
Presiding: Chair, Jacqueline S. Long

A. Call to Order – Chair, Jacqueline S. Long

B. Reports

Tab 1. Treasurer's Report
Presented by: John W. Beaghan

C. New Items for Consideration

Tab 2. Ancillary Activities Operating Budgets for the Fiscal Year Ending June 30, 2012
Presented by:

- Campus Recreation, Gregory Jordan
- Graham Health Center, Nancy Schmitz
- Intercollegiate Athletics, Tracy Huth
- Lowry Center for Early Childhood Education, Mary Stein/Julie Ricks-Doneen
- Meadow Brook Music Festival, Patricia Rottenberk Wells
- Meadow Brook Theatre, Patricia Rottenberk Wells
- Oakland Center, Richard Fekel
- University Housing, James Zentmeyer

Tab 3. Authorization for Tuition Rate for the Oakland University-Beaumont Nurse Anesthesia Program
Presented by: Darlene Schott-Baer

D. Adjournment



TREASURER'S REPORT

1. **Division and Department:** Finance and Administration, Budget and Financial Planning, Treasury Management, and Facilities Management
2. **General Fund Budget Performance:** Oakland University's (University) FY2011 actual enrollment is projected to meet and possibly exceed budget. As approved by the Board of Trustees (Board) within the FY2011 budget, one percent of net tuition revenues has been reserved to address a potential mid-year appropriation reduction and/or to help limit a FY2012 tuition increase. The University's FY2011 appropriation budget anticipated an appropriation reduction of 3.1%, however, the actual cut the University received was 2.8%. As approved by the Board, the \$177,600 difference has been reserved to address a potential mid-year appropriation reduction and/or to help limit a FY2012 tuition increase. A mid-year appropriation reduction is not anticipated. Overall General Fund expenditures are within budget with no deficits or major spending variances in any division or unit.

The Governor has proposed a FY2012 budget which includes a 22.6% (\$11.4 million) reduction in the University's appropriation. The proposed reduction can be limited to 15.0% (\$7.6 million) if the University limits its tuition increase to 7.1%. The Governor's proposed budget is now being considered by the Legislature. The House of Representatives has modified the Governor's proposed reduction to 14.5% (\$7.4 million) in their proposed budget, retaining the Governor's tuition restraint language.

The University's divisions, college and schools are developing potential budget reduction strategies with a target reduction of \$5.4 million to be considered in preparation of the FY2012 General Fund budget.

A monthly budget monitoring process managed by the Budget and Financial Planning Office helps ensure budget management accountability.

3. **Investment Performance:** A summary of the results of the University's pooled cash and endowment investment activities is presented in the *Cash and Investments Report, March 31, 2011 and 2010* (Attachment A).

Total portfolio investment returns from pooled cash met or exceeded the composite benchmarks for both the month and quarter ending March 31, 2011 and fiscal year to date. Equities underperformed their benchmarks for the quarter ending March 31, 2011, but exceeded their benchmark fiscal year to date. Benchmarks and detailed actual returns on the endowment investments are not yet available. The endowment has reached a record high value; exceeding \$57 million.

The liquidity of both pooled cash and endowment investments remains strong. The University's investments are being managed according to Board policies and approvals.

**Treasurer's Report
Oakland University
Board of Trustees
Finance, Audit and Investment Committee
April 19, 2011
Page 2**

4. **Debt Management:** The *Capital Debt Report, March 31, 2011* (Attachment B) shows the University's outstanding principal, rate of interest, weighted average cost of capital, type of debt, annual debt service, maturity, and purpose of each debt issuance, and a section with information about the University's two swap arrangements. The University's debt is being managed according to the Board's policies and approvals.
5. **Construction Projects Progress Report:** The *Construction Projects Progress Report, March 31, 2011* (Attachment C) includes budget information, source of funding, forecasted final costs and comments for all ongoing capital projects above \$500,000, as required by Board policy. All projects have been properly approved and are within budget.
6. **University Reviews/Approvals:** The reports were prepared by the Budget and Financial Planning, Treasury Management, and Facilities Management Departments, and reviewed by the Vice President for Finance and Administration and Treasurer to the Board of Trustees, and President.
7. **Attachments:**
- A. Cash and Investments Report, March 31, 2011 and 2010
 - B. Capital Debt Report, March 31, 2011
 - C. Construction Projects Progress Report, March 31, 2011

**Submitted to Vice President for Finance and Administration
and Treasurer John W. Beaghan:**


(Please Initial)

Reviewed by Secretary Victor A. Zambardi:


(Please Initial)

Reviewed by President Gary D. Russi:


(Please Initial)

**Oakland University
Cash and Investments Report
March 31, 2011 and 2010**

	Fair Market Value March 31, 2010	Fair Market Value March 31, 2011	Total Return Month Ending March 31, 2011	Benchmark Month Ending March 31, 2011	Total Return Qtr. Ending March 31, 2011	Benchmark Qtr. Ending March 31, 2011	Total Return Fiscal Yr. Ending March 31, 2011	Benchmark Fiscal Yr. Ending March 31, 2011
<u>Pooled Cash</u>								
JP Morgan Equity Funds	\$ 16,836,460	\$ 45,528,183	0.37%	-0.02%	4.82%	5.95%	30.45%	30.11%
Commonfund High Quality Bonds	70,592,140	49,940,901	-0.02%	0.06%	0.97%	0.42%	3.50%	1.57%
JP Morgan S-T Bond Fund		55,466,585	0.09%	-0.03%	0.47%	0.06%	0.88%	0.45%
Overnight Sweep - Money Market	54,385,306	14,031,098	0.00%	0.00%	0.01%	0.00%	0.07%	0.02%
Pooled Cash Summary	<u>\$ 141,813,906</u>	<u>\$ 164,966,767</u>	<u>0.13%</u>	<u>0.00%</u>	<u>1.78%</u>	<u>1.79%</u>	<u>9.77%</u>	<u>8.94%</u>

<u>Endowment</u>								
UBS:								
Equity Funds	\$ 33,310,212	\$ 34,679,926						
Fixed Income Funds	16,990,990	17,955,140						
Hedge Funds		2,092,251						
Commodity Funds		2,096,881						
Private Equity		184,304						
Cash	20	27						
Endowment Pool Summary	<u>\$ 50,301,223</u>	<u>\$ 57,008,530</u>			<u>3.44% *</u>	<u>TBD</u>	<u>19.19% *</u>	<u>TBD</u>

Comments:

The Pooled cash is greater than the previous year due primarily to investment returns.

The endowment pool balances are higher than the prior year due primarily to increases in market values.

Benchmarks for Investments are:

For Equities: Russell 1000 Value Index, Russell 1000 Growth, MSCI - EAFE International (Relative Weighted)

For Bonds: Barclays Capital Aggregate Bond Index, Barclays Capital 1-3 year US Gov/Credit Bond Index

For Overnight Sweep - Money Market Fund: Lipper Institutional Money Market Fund Index

For Endowment Equities: S & P 500

For Endowment Fixed Income: Barclays Capital U.S. Aggregate Bond Index

For Endowment Cash : City Group T-Bill (90 Day)

Benchmark Performance Comments:

Pooled cash and endowment investment funds are all managed funds (not index funds) and are expected to exceed their benchmarks over time.

They will not necessarily meet or exceed the benchmarks each month or each quarter.

* Returns for the endowment pool are estimated. Endowment benchmark data is not yet available.

**Oakland University
Capital Debt Report
March 31, 2011**

	<u>Principal Remaining</u>	<u>Rate of Interest</u>	<u>Interest Type</u>	<u>FY 11 Debt Service</u>	<u>Expires</u>	<u>Bond Rating</u>	<u>Purpose</u>
Bonded Indebtedness:							
General Revenue Bonds, Series 1997	\$ -	4.850%	Fixed	\$ 1,234,925	2011	Aaa	Elliott Hall, Admin Comp System, Parking
Variable Rate Demand Bonds, Series 1998	4,600,000	0.300%	Variable	15,180	2023	NR	Sharf Golf Course
General Revenue Refunding Bonds, Series 2004	26,925,000	5.100%	Fixed	2,493,488	2026	Aaa	Sports, Recreation and Athletics Center
General Revenue Refunding Bonds, Series 2008	53,280,000	3.373%	Variable/Hedged	1,797,134	2031	Aaa	USA, Pawley Hall, OC Expan, Elec Upgrade
General Revenue Bonds, Series 2009 - BABs	32,960,000	4.427%	Fixed	2,072,793	2039	A2	HHB, Infrastructure Projects
Other Capital Debt:							
2005 ESA II Loan	16,427,071	3.785%	Fixed	1,302,687	2027		Energy Services Agreement II
2006 Capital Lease	-	3.890%	Fixed	14,513	2010		Golf Mowers
	<u>\$ 134,192,071</u>	<u>3.923%</u>	Weighted Avg	<u>\$ 8,930,720</u>			

Debt covenant compliance:

The University has a general revenue covenant in many of its borrowing agreements including bonded debt and other capital debt.

This covenant is consistent in all University debt agreements and commits the University to maintain "General Revenues" to exceed the sum of twice annual debt service on senior debt and one times annual debt service on subordinate debt each fiscal year. At June 30, 2010, the University recorded \$194,782,000 in qualified General Revenues while the calculated debt service covenant requirement amounted to \$17,832,000. The University exceeds its debt covenant requirement by a multiple of 10.9.

	<u>Counterparty</u>	<u>Notional Amount</u>	<u>Termination Present Value</u>	<u>Counterparty Rating</u>	<u>Purpose/Comment</u>
Debt-Based Derivatives:					
Constant Maturity Swap (CMS)	JPMorgan Chase Bank	\$ 34,370,000	\$ 2,802,910	Aa1	Yield curve swap paying about \$70,000 per month.
Interest Rate Swap - Synthetically Fix 2008 Bonds	Dexia Credit Local	53,280,000	(4,768,006)	A1	Current low variable rates = High termination costs.

The CMS is performing as expected because the yield curve is relatively normal at this time.

The Interest Rate Swap is stabilizing total interest cost on the 2008 Bonds at less than 4%. Current extremely low variable interest rates (0.25% annualized) drive up present values to terminate.

The Termination Present Value is dynamic, changing daily depending on interest rates and eventually becoming zero at the end of the swap agreement.

This swap however does fix the interest rate paid on the bond issue at 3.373% for the life of the bond issue (and the swap agreement).

Oakland University's underlying credit rating, according to Moody's Investors Service's Global Rating Scale is A1 - Stable.

Oakland University
CONSTRUCTION PROJECTS PROGRESS REPORT
March 31, 2011

Projects in Progress - over \$500,000		JCOS Approval/ Notification		Original Budget	Revised Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
1 Human Health Building	Yes	11/12/2009		\$2,989,150	\$64,561,200	\$12,092,006	\$64,561,200	\$21,748,100 - 2009 General Revenue Bonds
Fund Number 70786, 70868, 32102 & 39576								\$40,000,000 Capital Outlay
Status: Construction 24%								\$ 2,738,100 DOE Grant
Board of Trustees Approved: February 4, 2009								\$ 75,000 Kresge Grant Green Building Initiative
Project Completion Date: December 2012								
2 2010 Infrastructure North Loop HTHW	Yes	2/4/2010		\$11,000,000	\$11,000,000	\$5,223,404	\$11,000,000	\$11,000,000 - 2009 General Revenue Bonds
Fund Number: 70849								
Status: Construction 99% of North Loop, landscaping to be completed in spring 2011; Construction 100% of UTS Addition; & Construction 0% for ODH Windows								
Board of Trustees Approved: July 2, 2009								
Projected Completion Date: October 2012								
3 Mt. Clemens Renovation	Yes	9/16/2010		\$2,087,750	\$2,087,750	\$366,713	\$2,087,750	\$ 504,000 - #14292 Strategic Fund
Fund Number: 70901 & 32891								\$1,583,750 - HUD Grant
Status: Construction 40%								
Board of Trustees Approved: September 2010								
Projected Completion Date: October 2011								
4 2010 Parking Projects	Yes	7/8/2010		\$107,800	\$1,915,540	\$1,781,987	\$1,915,540	\$1,915,540 - 24349 Parking Lot Reserve Fund
Fund Number 70854								
Status: Completed, waiting on final invoices								
Board of Trustees Approved: April 7, 2010								
Projected Completion Date: April 2011								
5 Campus Surveillance Cameras	No			\$980,000	\$980,000	\$34,454	\$980,000	\$980,000 - #24350 Capital Project Supplement
Fund Number: 70870								
Status: Bidding Phase								
Projected Completion Date: December 2011								
6 Elliott Hall Room 200 Renovation	No			\$221,890	\$872,500	\$821,162	\$872,500	\$221,890 - #38005 SBA Gift Fund
Fund Number: 70846								\$355,000 - #29912 Discretionary Account
Status: Completed, waiting on final invoices								\$ 52,000 - #11386 SBA Student Technology Support
Projected Completion Date: February 2011								\$180,000 - 27576 Discretionary Account
								\$ 63,610 - #38005 SBA Gift Fund

Oakland University
CONSTRUCTION PROJECTS PROGRESS REPORT
March 31, 2011

Projects in Progress - over \$500,000		JCOS Approval/ Notification	Original Budget	Revised Project Budget	Actual Expenditures to Date	Forecast of Final Cost	Source of Funding
7	NFH & ANI Renovation for Career Services Fund Number: 70740 Status: Completed, waiting on final invoices Board of Trustees Approved: May 2008 Projected Completion Date: August 2010	No	\$800,000	\$800,000	\$771,445	\$766,517	\$800,000 - #14488 Project Support - \$4.8M Fund
8	VBH Window Replacement Fund Number: 70859 Status: Completed, waiting one invoice Board of Trustees Approved: April 2009 Projected Completion Date: December 2010	No	\$1,007,300	\$777,500	\$732,824	\$777,500	\$740,000 - #45489 Residence Halls Rooms \$ 37,500 - #24810 Plant Renewal Supplement
9	HH Window Replacement Fund Number: 70903 Status: Bidding Phase Projected Completion Date: December 2011 Comment: Due to receiving low bids; we reduced funding in February	No	\$1,020,000	\$700,000	\$11,130	\$700,000	\$700,000 - #45489 Residence Hall
10	CERC Energy Upgrades Fund Number: 70909 & 32104 Status: Engineering Phase Projected Completion Date: June 2012	Yes Pending	\$500,000	\$1,000,000	\$10,721	\$1,000,000	\$500,000 - #24350 Capital Projects Supplement \$500,000 - #32104 DOE Grant Alternative Energy Education
TOTAL PROJECTS IN PROGRESS			\$20,713,890	\$84,694,490	\$21,845,847	\$84,661,007	

Notes:

1. Revised Project Budget equals the Original Budget plus all approved changes to the budget.
2. Projects are added to the report when a funding source has been identified and a plant fund is authorized for the project.
3. The project status will be reported as "Completed" when the "actual expenditures to date" equals the "forecast", TMA work order system lies to Banner, and no additional expenditures or work is anticipated on the project.
4. A project whose status has been reported as complete to the Board, will be removed from the report for the next Board meeting.

PROPOSED ANCILLARY ACTIVITIES OPERATING BUDGETS
FOR THE FISCAL YEAR ENDING
JUNE 30, 2012

1. **Division and Department:** Academic Affairs, Finance and Administration, and Student Affairs and Enrollment Management

2. **Introduction:** Projected budgets for the following eight ancillary activities are presented for approval for the fiscal year ending June 30, 2012:

Campus Recreation	Meadow Brook Music Festival
Graham Health Center	Meadow Brook Theatre
Intercollegiate Athletics	Oakland Center
Lowry Center for Early Childhood Education	University Housing

The ancillary activities presented here represent a broad range of operations connected with and in support of the educational mission of Oakland University. Each ancillary budget is presented in a similar format, using common terminology and revenue, expense and transfer categories. The "all funds" budget model has been used to construct the presentation of these budgets. The all funds model is intended to provide a comprehensive picture of the financial activities of each unit. This format depicts operating and capital transactions in the General Fund, Auxiliary Fund, Designated Fund, Expendable Restricted Fund and the Plant Fund. Gifts are included, but the fund balances in permanent endowments are not included as there is no discretion with regard to their use. Distributions from these endowments are income in the Expendable-Restricted Funds and are included.

3. **Previous Board Action:** The Board of Trustees (Board) approved the FY2011 ancillary budgets on April 7 and June 29, 2010.

4. **Budget Implications:** See individual ancillary program descriptions for budget implications.

5. **Educational Implications:** See individual ancillary program descriptions for educational implications.

6. **Personnel Implications:** See individual ancillary program budget assumptions for personnel implications.

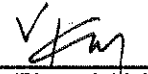
**Agendum
Oakland University
Board of Trustees
Finance, Audit and Investment Committee
April 19, 2011
Page 2**

7. **Board Action to be Requested:** At the April 28, 2011 Board of Trustees Formal Session, the Board will be asked to approve the budgets for Campus Recreation, Graham Health Center, Intercollegiate Athletics, Lowry Center for Early Childhood Education, Meadow Brook Music Festival, Meadow Brook Theatre, Oakland Center and University Housing for the year ending June 30, 2012, with expenditures and transfers not to exceed the expense total for each unit. All expenditures and transfers beyond the approved budget must have the prior approval of the President or his designee and these amounts will be reported on a periodic basis to the Board.

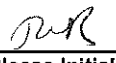
8. **Attachments:**

1. Description of Programs and Proposed Budgets, FY2012

**Submitted by Senior Vice President for Academic Affairs
and Provost Virinder K. Moudgil:**


(Please Initial)

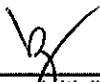
**Submitted by Vice President for Finance and Administration
and Treasurer John W. Beaghan:**


(Please Initial)

**Submitted by Vice President for Student Affairs and Enrollment
Management Mary Beth Snyder:**


(Please Initial)

Reviewed by Secretary Victor A. Zambardi:


(Please Initial)

Reviewed by President Gary D. Russi:


(Please Initial)

Department of Campus Recreation

Description of Program

The Department of Campus Recreation is responsible for recreational sports, the Recreation Center, Upper Pioneer Fields, including the Grizzly Oaks Disc Golf Course and running trails. Our mission is to enhance the quality of life in the University community through programs, services and facilities that support healthy lifestyle choices.

Program highlights from the current fiscal year include:

- Student usage of the Recreation Center up 11%
- Expansion of the Bike Share Program
- Record attendance at Rec Fest of over 1,000 students
- Heart screen day with Beaumont Hospital for over 800 local high school students
- Coordination of the 3rd Annual Brooksie Way Half Marathon for over 5,000 runners and spectators
- Employed 150 students

Key Performance Indicators

	<u>FY2009</u>	<u>FY2010</u>	<u>Projected FY2011</u>
Building entries	253,332	311,272	350,000
Days of operation	353	351	351
Non-student members	1,400	1,340	1,450
Paid guest visits	5,145	4,895	4,500

FY2011 Explanation of Major Changes

- Operating income variance due to increases in student enrollment and group rentals.
- Supplies and Services and Repairs expense variances due to increased costs and unexpected equipment repairs and replacements.
- Capital cost variance due to additional design and electrical work for gym curtains.

FY2012 Budget Assumptions

- Student Tuition Allocation reflects anticipated enrollment growth, including School of Medicine.
- Compensation includes a salary increase for staff and students, and students request for additional hours.
- Supplies and Services includes purchase of payment software and Aramark charges.

Department of Campus Recreation

FY2012 Budget Assumptions (cont.)

- Increase in Repairs and Maintenance to keep pace with preventative maintenance.
- Capital expense includes rebuilding the aquatic center boiler, replacing damaged Activity Center floor, meeting new ADA compliance standards for Aquatic Center chair lifts and replacing the patio safety railing system.

Oakland University
Ancillary Activities Operating Budget
Campus Recreation
Proposed Budget - All Funds
FY2012

	FY2011 BUDGET	FY2011 ESTIMATED ACTUAL	FY2012 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 506,000	\$ 514,000	\$ 514,000
Retail Sales	2,500	1,200	1,200
Student Tuition Allocation	3,619,403	3,647,243	3,695,889
Gifts and Grants	300	-	-
Investment Income	1,000	800	800
General Fund Support	-	-	-
Total Revenue	<u>\$ 4,129,203</u>	<u>\$ 4,163,243</u>	<u>\$ 4,211,889</u>
EXPENDITURES:			
Compensation	\$ 1,386,551	\$ 1,382,139	\$ 1,395,697
Supplies and Services	395,000	406,400	403,000
Repairs and Maintenance	208,294	218,294	231,619
Cost of Retail Sales	2,000	1,200	1,000
Equipment	50,000	70,000	60,000
Insurance	26,817	26,817	27,404
Utilities	470,000	468,000	491,000
Debt Service	1,506,780	1,506,780	1,506,573
University Overhead	35,264	35,264	59,460
Other Transfers	-	-	-
Total Expenditures	<u>\$ 4,080,706</u>	<u>\$ 4,114,894</u>	<u>\$ 4,175,753</u>
Net Revenue	<u>\$ 48,497</u>	<u>\$ 48,349</u>	<u>\$ 36,136</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	1,030,819	1,079,168	980,304
Less: Major Capital Expenditures	125,000	135,000	55,000
Total Fund Balance	<u>\$ 905,819</u>	<u>\$ 944,168</u>	<u>\$ 925,304</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

Oakland University
Campus Recreation
Proposed Major Capital Expenditures
FY2012

Item Description	Estimated Cost
Aquatic Center boiler rebuild	10,000
Activity Center floor replacement	20,000
Aquatic Center ADA lift chair compliance	10,000
Patio foundation and railing repair and replacement	15,000
FY2012 Total	\$ 55,000

Graham Health Center

Description of Program

The Graham Health Center provides acute care for Oakland University students and staff members. The primary users of the center are residence hall students, student health insurance participants and female students who utilize the center for their women's health care issues.

Service delivery at the Graham Health Center is a nurse practitioner/physician assistant model utilizing a consultative relationship with two area physicians. One physician is on site four hours each week and available by phone for consultation during the remainder of the hours that the health center is open. The physicians also provide delegated prescriptive authority to the nurse practitioner/physician assistants. In addition, a consulting psychiatrist is on site weekly to conduct student psychiatric evaluations and/or medication reviews.

Key Performance Indicators

	<u>FY2009</u>	<u>FY2010</u>	<u>Projected FY2011</u>
Patient Visits	3,719	4,080	4,162
Participants in Student Health Insurance Program	293	338	346 (as of 3/22/11)

Budget Assumptions

1. Operating Revenue is estimated to increase by 8.5% to reflect FY11 experience and increased student use.
2. Student Tuition Allocation reflects anticipated enrollment growth.
- 3 Compensation includes recommended salary increases for staff.

Oakland University
Ancillary Activities Operating Budget
Graham Health Center
Proposed Budget - All Funds
FY2012

	FY2011 BUDGET	FY2011 ESTIMATED ACTUAL	FY2012 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 195,384	\$ 210,000	\$ 212,100
Retail Sales	74,419	50,000	59,400
Student Tuition Allocation	347,787	347,787	354,743
Gifts and Grants	-	-	-
Investment Income	-	-	-
General Fund Support	-	-	-
Total Revenue	<u>\$ 617,590</u>	<u>\$ 607,787</u>	<u>\$ 626,243</u>
EXPENDITURES:			
Compensation	\$ 364,439	\$ 368,614	\$ 394,014
Supplies and Services	123,900	122,000	124,440
Repairs and Maintenance	11,404	11,404	13,500
Cost of Retail Sales	66,150	60,000	54,000
Equipment	5,000	5,000	2,500
Insurance	7,281	7,302	5,794
Utilities	5,500	5,500	5,500
Debt Service	-	-	-
University Overhead	23,525	23,525	25,129
Other Transfers	(7,500)	(7,500)	-
Total Expenditures	<u>\$ 599,699</u>	<u>\$ 595,845</u>	<u>\$ 624,877</u>
Net Revenue	<u>\$ 17,891</u>	<u>\$ 11,942</u>	<u>\$ 1,366</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	129,380	162,388	143,754
Less: Major Capital Expenditures	20,000	20,000	-
Total Fund Balance	<u>\$ 109,380</u>	<u>\$ 142,388</u>	<u>\$ 143,754</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

Department of Intercollegiate Athletics

Description of Program

The Oakland University (OU) Department of Intercollegiate Athletics has been fully participating in Division I athletics since 1999-2000. In twelve years the Golden Grizzlies have won 22 regular-season conference championships, 43 conference tournament titles and have had 30 NCAA tournament appearances.

Oakland University is a member of The Summit League. The Summit League is comprised of 10 institutions – Indiana University Purdue University – Fort Wayne, Indiana University Purdue University - Indianapolis, University of Missouri – Kansas City, North Dakota State, Oral Roberts, South Dakota State, South Dakota**, Southern Utah and Western Illinois.

OU has 18 varsity sports - baseball, men's basketball, women's basketball, men's cross country, women's cross country, men's golf, women's golf, men's soccer, women's soccer, softball, men's swimming & diving, women's swimming & diving, women's tennis, men's indoor & outdoor track, women's indoor & outdoor track and volleyball.

The Golden Grizzlies play their court sports (volleyball and men's and women's basketball) at the Athletics Center (O'rena) which has a capacity of 3,000, with baseball, softball and soccer games played at the OU Athletic Fields. OU swimming and diving competes in the OU Aquatics Center, which has a capacity of 1,000, and OU's Katke-Cousins golf course is the home course for the men's and women's golf teams. The cross country programs have a temporary on-campus facility, and our track & field and tennis programs do not have on-campus facilities.

<u>Key Performance Indicators</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>
RPI Tier 1 Athletic Teams			
Men's Basketball	122	53	53
Women's Basketball	65	195	158
Men's Soccer	30	93	129
Women's Soccer	199	236	107
Men's Swimming/Diving	4*	16*	7*/38#
Women's Swimming/Diving	16*	13*	10*

* Mid-Major Ranking

National Ranking

RPI (Ratings Percentage Index) is a rating system utilizing three factors: Division I winning percentage; schedule strength; and opponents' schedule strength.

Number of Student Athletes	366	376	361
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**Please note that beginning in the 2011/12 academic year The University of South Dakota will be a full participant and Centenary College will no longer be a member of The Summit League.

Department of Intercollegiate Athletics

<u>Key Performance Indicators</u> (continued)	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>
Graduation Rates-All Students/Student Athletes	44% / 70%	44% / 71%	44% / 63%
Graduation Success Rate – Student Athletes	60%	73%	82%

Freshman-Cohort 2000/2001, 2001/2002 & 2002/2003 Graduation Rates: These are the most recent graduating classes for which the required six years of information is available. "All Students" represents all undergraduate students who were enrolled in a full-time program of studies for a degree. "Student Athletes" represents those student athletes who received athletics aid from the university for any period of time during their entering year.

The main difference between the two rates is the Graduation Success Rate takes into account the successful completion of graduation requirements for transfer students.

FY2011 Explanation of Changes

Operating and Gift revenues are reflective of increased efforts to raise external funds, inclusive of men's basketball team guarantee revenue, outside support and revenues received from NCAA participation by men's basketball.

General fund support decreases are due to open positions.

Compensation increases are mainly due to a change in classification of hourly and casual employees.

Increases in supplies and services, and transfers are due to increases in team operations and travel expenses associated with Summit League travel, as well as non-league travel, student / grizz gang support, and general equipment repairs and replacement.

FY2012 Budget Assumptions

The Oakland University Department of Intercollegiate Athletics' budget reflects the revenues and expenditures of its continuing participation in the NCAA Division I and Summit League. Budget assumptions for Fiscal Year 2012 are as follows:

1. External revenues, inclusive of gifts, are expected to increase.
2. Student Tuition Allocation reflects anticipated enrollment growth.
3. General Fund budget support increases are due to a recommended adjustment in compensation and the change in status of the softball head coaching position from part-time to full-time.

Department of Intercollegiate Athletics

FY2012 Budget Assumptions (cont.)

4. Included in the compensation line is a recommended salary increase. Also included are changes in classification of hourly and casual employees, and the change from part-time to full-time in the softball head coaching position.
5. The major capital expenditure is the outdoor lower field's project.

Oakland University
Ancillary Activities Operating Budget
Department of Athletics
Proposed Budget - All Funds
FY2012

	FY2011 BUDGET	FY2011 ESTIMATED ACTUAL	FY2012 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 1,319,986	\$ 1,519,986	\$ 1,388,313
Retail Sales	22,000	25,000	27,000
Student Tuition Allocation	846,356	846,356	863,283
Gifts and Grants	350,000	500,000	600,000
Investment Income	2,000	-	2,000
General Fund Support	3,352,855	3,296,855	3,439,531
Total Revenue	\$ 5,893,197	\$ 6,188,197	\$ 6,320,127
EXPENDITURES:			
Compensation	\$ 3,407,436	\$ 3,629,000	\$ 3,669,057
Supplies and Services	2,396,678	2,808,340	2,344,256
Repairs and Maintenance	-	-	-
Cost of Retail Sales	17,000	15,000	17,000
Equipment	-	-	-
Insurance	69,405	69,405	73,550
Utilities	-	-	-
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	(113,340)	-
Total Expenditures	\$ 5,890,519	\$ 6,408,405	\$ 6,103,863
Net Revenue	\$ 2,678	\$ (220,208)	\$ 216,264
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ 350,000	\$ 519,962	\$ 300,000
Unrestricted Fund Balance	1,299,228	\$ 1,223,817	1,660,043
Less: Major Capital Expenditures	-	-	450,000
Total Fund Balance	\$ 1,649,228	\$ 1,743,779	\$ 1,510,043
Athletic Programs		\$ 312,989	
Endowments / Scholarships		42,109	
Facility Development		156,248	
Student Athlete Funds		8,616	
Restricted Fund Balance *		\$ 519,962	

Oakland University
Department of Athletics
Proposed Major Capital Expenditures
FY2012

Item Description	Estimated Cost
Lower Fields Project - soccer facility lighting and entry way enhancements	450,000
FY2012 Total	\$ 450,000

Lowry Center for Early Childhood Education

Description of Program

The vision of the Lowry Center for Early Childhood Education is to cultivate and maintain an environment where faculty, students, staff and parents collaborate to provide a model center which exhibits best practice in the field of early childhood education and development. It has three related components, described below, with purposes that are congruent with the goals of the School of Education and Human Services (SEHS) and the mission of Oakland University:

- To provide high quality, developmentally appropriate early childhood experiences for young children and families.
- To provide learning and teaching environments for students and practitioners in Education, Human Services and related fields.
- To expand knowledge in Education, Human Service and related fields through research and service.

These components are based on the belief that learners of all ages should have meaningful, interesting and challenging experiences. Child and adult development are fostered by active participation of the learner.

Developmentally Appropriate Practice. The Lowry Center offers an exemplary program for young children 18 months through 5 years of age, extended to 6 years of age in the summer camp program. The curriculum is based on sound child development theory and practice, incorporating a variety of approaches and techniques consistent with standards for developmentally appropriate practice provided by the National Association for the Education of Young Children (NAEYC) and the Division for Early Childhood (DEC) of the national Council for Exceptional Children (CEC). Key elements include a holistic approach to learning and development, learning through play and exploration, fostering independence and choice, and involvement of family members and community for all children, including those with disabilities. The daily routine structure is based on the High/Scope Curriculum model and consists of large group, small group, and individual activities incorporating content across curricular domains. Project-based learning and extensive documentation of children's work and progress allows children the opportunity to challenge their minds by exploring various

Lowry Center for Early Childhood Education

topics and questions. As children are involved in projects experiences, they become familiar with, and competent in the processes of planning, exploring, and expanding their interests. The program strives to provide an environment which develops strong self-esteem, provokes curiosity, and increases the desire to learn.

Learning and Teaching Environment. The Lowry Center provides an ideal setting for the professional development of students and practitioners in Education, Human Services, and related fields. Students learn about and practice teaching, curriculum development and program management. Lowry is a setting where faculty and Lowry staff can provide a “guided apprenticeship” to foster active roles in the education and care of young children. The Lowry Center is utilized for graduate Early Childhood Education courses, thus providing immediate and direct opportunities for observation and interaction with young children. Lowry serves as the placement site for the practicum required by the Michigan Department of Education for certified teachers seeking their Early Childhood Endorsement. Undergraduate classes in SEHS make frequent visits to the Lowry Center for observations, assessment and modeling. Several other academic departments, such as linguistics, music, communications and physical therapy, utilize the Lowry Center to meet their specific educational purposes. Many undergraduate students serve in classroom assistant roles throughout their time at Oakland University. In addition, students from area community colleges complete their practicum experiences at the Lowry center, and teachers and administrators from local early childhood programs observe at Lowry to learn about early childhood curriculum and program management practices.

A national emphasis on the inclusion of children with disabilities in general education programs has required that publically and privately funded early childhood programs strengthen their efforts to support all children with appropriate curricular modifications and accommodations. Approximately 10% of the children at the Lowry Center each year qualify for special education services. This percentage increases during our summer camps when school district services end and families seek enrichment and recreation opportunities for their children. Continuing to ensure that Lowry is an inclusive early childhood setting is important since the Michigan Standards for Early Childhood Endorsement now include a

Lowry Center for Early Childhood Education

significant focus on instruction of children with disabilities in inclusive general education settings. Students who are completing their Early Childhood Endorsement courses must complete their field placements in inclusive settings.

During the 2010-2011 academic year, Lowry served as the *demonstration site* for the Oakland County *Teacher Exchange Program (T.E.P.)*, a program sponsored by the Intermediate School District to provide 18 teachers with an opportunity to spend 2-5 days at Lowry observing and interacting with children and Lowry teachers.

Expanding knowledge through research and service. Faculty and students utilize the Lowry Center as a site for research in child development, early childhood curriculum areas, and teacher learning and practice. Participation in studies contributes to and shapes the ongoing development of teaching and learning practices at the Lowry Center.

During the 2010-2011 academic year, Lowry served as a pilot site for Great Start Collaborative -Oakland County's project to increase the number of children identified for early intervention services by providing on-line access to the Ages and Stages Questionnaire (ASQ) for parents and teachers. As a result of this pilot work, during the 2011-2012 school year, each child at Lowry will be assessed with the ASQ and referred for additional assessment and services as needed.

Through the Child Care Access Means Parents in School (CCAMPIS) federal grant funding, the Lowry center also strives to serve and support Oakland University student parents by providing a high quality program for their young children as they work to achieve educational goals.

Since 2005 the Lowry Center has been one of 57 competitive grantees to receive funding for the Great Start Readiness Program (GSRP) from the Michigan Department of Education. This program has allowed Lowry to offer a pre-kindergarten program for four days a week to children who have been identified with two or more risk factors contributing to academic challenges. This program enhances the diversity of the center and extends services to the community. The GSRP grant requires ongoing documentation of child and program outcomes, thereby strengthening the Lowry Center's efforts to provide a model program. The

Lowry Center for Early Childhood Education

GSRP funding has been tentative in the state budget for the past few years. The Lowry Center has been fortunate to continue receiving these funds through FY2011. Based on current discussion of significant cuts to the FY2012 state aid budget, it is not clear whether competitive GSRP grants will be available for FY2012; therefore GSRP monies are not included in the revenue projection.

Overview of Budget Considerations

The primary focus of the Lowry Center is to maintain a quality learning environment and lab experience for the enrolled children and Oakland University students. The Lowry Center strives to cover its operational costs, including utilities and cleaning, which are not allocated to other academic units or laboratories. The Center remains persistent in its effort to manage its operational costs by operating as lean and efficiently as possible. Efforts to explore and enhance opportunities to strengthen the Center's revenue are actively being pursued. For example, the demand for an afternoon (PM) preschool or pre-k classroom is being re-assessed. Also, Lowry has applied for a grant to the National Inclusion Project which would support the summer camp program by providing tuition stipends for families of children with disabilities, by involving young adults with disabilities who are in the OU transitions programs from local high schools, and by providing an early childhood special education coach to support teachers in implementing strategies so that all children can be fully included.

Key Performance Indicators

Overall Center Enrollment

March 30, 2008	March 30, 2009	March 30, 2010	March 30, 2011
66%	69%	55%	72%

Lowry Center for Early Childhood Education

Enrollment by Category

	Winter 2008 Participants	Winter 2009 Participants	Winter 2010 Participants	Winter 2011 Participants
Community	109	117	98	102
Students	38	21	28	27
Faculty & Staff	27	25	20	25

Daily Rates

Age Group	FY2009	FY2010	FY2011	FY2012
Toddlers and Young Preschool	\$55 9am-4pm \$45 9am-2pm \$26 2-4 pm \$31 9-12am \$38 12-4pm	\$55 9am-4pm \$45 9am-2pm \$26 2-4 pm \$31 9-12am \$38 12-4pm	\$55 9am-4pm \$45 9am-2pm \$31 9am-12pm	\$57.50 9am-4pm \$47.50 9am-4pm \$33.50 9am-12pm
Preschool	\$46 9am-4pm \$26 9am-12pm	\$46 9am-4pm \$26 9am-12pm	\$46 9am-4pm \$26 9am-12pm	\$48.50 9am-4pm \$28.50 9am-12pm
Pre-K	\$46 9am-4pm \$26 9am-12pm	\$46 9am-4pm \$26 9am-12pm	\$46 9am-4pm \$26 9am-12pm	\$48.50 9am-4pm \$28.50 9am-12pm
Before Care 7:30 -9:00 am	\$5.00 per ½ hour Community	\$5.00 per ½ hour Community	\$5.00 per ½ hour Community	\$5.00 per ½ hour Community
After Care 4:00-5:30 pm	\$3.00 per ½ hour OU	\$3.00 per ½ hour OU	\$3.00 per ½ hour OU	\$3.00 per ½ hour OU

Lowry Center for Early Childhood Education

- Registration/Deposits for community members will be \$200 per year; \$150 will be deducted from the final payment (\$50 non-refundable)
- Registration charges for OU affiliates will be \$75 per year, \$25 will be deducted from the final payment of the school year (\$50 non-refundable per school year)
- Schedule change charges of \$25.00 per occurrence will be applied to families with frequent schedule changes.
- A late charge of \$25.00 will be applied to families who have not paid their monthly tuition by the 10th of the month.

Explanation of Major Changes

In September, 2009, Dr. Julie Ricks-Doneen took over as the faculty director of Lowry Early Childhood Center, consistent with the goal of the SEHS to bring the Lowry Center into the Human Development and Child Studies department. Upcoming proposed additions to academic programming will require continued integration of the Lowry Center as a “lab school”. An education specialist program in Early Education and Intervention was approved by the Oakland University Board of Trustees, at their March 30, 2011 meeting. Program implementation is planned for Fall 2011. An undergraduate major in Teacher Development and Educational Studies (TDES) has been submitted to the Michigan Department of Education, and if accepted is proposed to begin in Fall 2012. Both of these programs would bring additional Oakland undergraduate and graduate students to Lowry for student teaching, internships and research. A portion of Ricks-Doneen’s salary (compared to the entire salary of the previous director) is being charged to the Lowry budget. The remainder is distributed to various Human Development and Child Studies (HDCS) funds.

Budget Assumptions

Revenue –

Operating Revenue

- Based on 72% enrollment which is the current enrollment at Lowry as of March 21, 2011 (see chart above). This is up from 55% in February 2010.

Lowry Center for Early Childhood Education

- Tuition will increase \$2.50 per day across the classrooms. Families will be offered a 5% discount on the oldest sibling when enrolling two or more children. This discount is common practice among preschools. The last time that tuition was increased at Lowry was in the 2007-2008 school year.

Gifts and Grants

- \$54,621 for CCAMPIS grant award for the period 10/1/11-9/30/12. This is the second year in a four-year cycle.
- \$2,400 in projected gifts and investment income from endowments

Expenditures-

Compensation – includes recommended salary increases for staff and student employees.

Repairs and Maintenance – cleaning services contract based on current trend

Utilities – based on current trend

Transfers –

General Fund Budget Support – Based on the estimated number of practicum students for Summer 2011

Net –

Lowry is projecting a fund balance increase of \$2,131 for FY2012. This is due in part to the increase in tuition and in part to a slow but steady growth in enrollment. This is a welcomed change from the slow but steady decrease in enrollment over the past few years due to the economic depression in the Metro Detroit area.

Oakland University
Ancillary Activities Operating Budget
Lowry Center for Early Childhood Education
Proposed Budget - All Funds
FY2012

	FY2011 BUDGET	FY2011 ESTIMATED ACTUAL	FY2012 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 677,880	\$ 645,811	\$ 663,557
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	67,702	110,521	54,621
Investment Income	-	-	2,400
General Fund Support	28,600	20,015	20,107
Total Revenue	<u>\$ 774,182</u>	<u>\$ 776,347</u>	<u>\$ 740,685</u>
EXPENDITURES:			
Compensation	\$ 730,804	\$ 697,964	\$ 672,494
Supplies and Services	36,000	36,000	35,000
Repairs and Maintenance	28,000	27,821	28,700
Cost of Retail Sales	-	-	-
Equipment	-	-	1,000
Insurance	-	-	-
Utilities	1,255	1,255	1,360
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	450	-
Total Expenditures	<u>\$ 796,059</u>	<u>\$ 763,490</u>	<u>\$ 738,554</u>
Net Revenue	<u>\$ (21,877)</u>	<u>\$ 12,857</u>	<u>\$ 2,131</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	103,421	158,858	160,989
Less: Major Capital Expenditures	-	-	-
Total Fund Balance	<u>\$ 103,421</u>	<u>\$ 158,858</u>	<u>\$ 160,989</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

Meadow Brook Music Festival

Description of Program

Oakland University's ten-year agreement with Palace Sports and Entertainment (PSE) to operate and manage the Meadow Brook Music Festival (Festival) ended following the 2006 season.

In November 2006, PSE exercised its option to extend the Agreement for five-years, through the 2011 season.

In September 2010, PSE exercised its option to extend the Agreement for an additional two-years through the 2013 season. PSE will have the option to extend the lease term for an additional one-year through the 2014 season by notifying OU in writing by July 1, 2013 of its exercise of the option. All terms and conditions of the Agreement will remain in full force and effect during the extended Agreement. The extension provides for an annual guaranteed payment of \$135,000, plus 6% of gross box office revenues over \$3.5 million.

The Festival's 2010 schedule included two weekend visits by the Detroit Symphony Orchestra, for a total of five performances. Besides classical offerings, the Festival's events included rock, jazz, country, comedy, adult contemporary and family entertainment.

Key Performance Indicators

	<u>FY 2009</u>	<u>FY 2010</u>	<u>Projected FY 2011</u>
Attendance	80,006	95,348	100,000
Gross Revenue	\$1,670,565	\$1,459,822	\$1,600,000
Number of Events	34	36	37

Budget Assumptions

The FY2012 budgeted revenue is consistent with the extended agreement and historical investment income. The budgeted expenses include insurance, supplies and services, and compensation.

Oakland University
Ancillary Activities Operating Budget
Meadow Brook Music Festival
Proposed Budget - All Funds
FY2012

	FY2011 BUDGET	FY2011 ESTIMATED ACTUAL	FY2012 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 135,000	\$ 135,000	\$ 135,000
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	-	-	-
Investment Income	7,500	7,500	7,500
General Fund Support	-	-	-
Total Revenue	<u>\$ 142,500</u>	<u>\$ 142,500</u>	<u>\$ 142,500</u>
EXPENDITURES:			
Compensation	\$ 7,225	\$ 7,225	\$ 7,350
Supplies and Services	2,500	2,500	2,500
Repairs and Maintenance	-	-	-
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	4,991	4,991	4,461
Utilities	-	-	-
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	-	-
Total Expenditures	<u>\$ 14,716</u>	<u>\$ 14,716</u>	<u>\$ 14,311</u>
Net Revenue	<u>\$ 127,784</u>	<u>\$ 127,784</u>	<u>\$ 128,189</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	767,533	771,221	899,410
Less: Major Capital Expenditures	-	-	-
Total Fund Balance	<u>\$ 767,533</u>	<u>\$ 771,221</u>	<u>\$ 899,410</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

Meadow Brook Theatre

Description of Program

Oakland University's (University) five-year Agreement with The Theatre Ensemble (Ensemble), a non-profit corporation, to lease Meadow Brook Theatre (MBT) facilities ended June 30, 2008, and since that time, has been extended on a month-to-month basis. All contractual payments from the Ensemble have been paid in a timely manner. Highlights of the Agreement include the following:

- Continued professional theatre productions and related events at Meadow Brook Theatre, including a full-season of plays.
- Guaranteed weekly fixed rent payments each production season, with a guaranteed number of weeks each year.
- Additional rent payments based on tickets sold.
- Increased opportunities for a strong relationship between the Ensemble and the University's students, particularly those in the academic theatre program.

The Ensemble is committed to presenting high quality productions, geared to inspire, educate and entertain a diverse audience base. This year, the 45th Anniversary Season, includes three musicals, traditional, new comedy and a comic thriller. The Ensemble continues to share its resources with the University's Department of Music, Theatre and Dance in professional and artistic avenues and a number of students are employed by the Ensemble in a variety of professional and operational positions.

Key Performance Indicators

	<u>FY2009</u>	<u>FY2010</u>	Projected <u>FY2011</u>
Total Attendance	62,155	63,345	65,000

Explanation of Major Changes

The Ensemble and Oakland University entered into a campaign to raise funds for repair and restoration of Theatre seats with a fund raising goal of \$100,000. The University has agreed to match donations made for this purpose, dollar-for-dollar up to \$50,000, funded from the existing Theatre fund balance.

Budget Assumptions

Due to economic considerations, the University waived the contractual requirement that increased the weekly fixed rent rate by 10% for FY2011 and FY2012, for those years only. Rent revenue covers expenses for repairs; maintenance; insurance and utilities to maintain the auxiliary operation and provides net revenue for major capital expenditures.

Oakland University
Ancillary Activities Operating Budget
Meadow Brook Theatre
Proposed Budget - All Funds
FY2012

	FY 2011 BUDGET	FY 2011 ESTIMATED ACTUAL	FY2012 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 81,500	\$ 87,000	\$ 90,000
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	-	-	-
Investment Income	-	-	-
General Fund Support	-	-	-
Total Revenue	<u>\$ 81,500</u>	<u>\$ 87,000</u>	<u>\$ 90,000</u>
EXPENDITURES:			
Compensation	\$ -	\$ -	\$ -
Supplies and Services	1,000	1,000	1,000
Repairs and Maintenance	2,500	2,500	2,500
Cost of Retail Sales	-	-	-
Equipment	-	-	-
Insurance	3,576	3,576	3,503
Utilities	48,000	48,000	48,000
Debt Service	-	-	-
University Overhead	-	-	-
Other Transfers	-	-	-
Total Expenditures	<u>\$ 55,076</u>	<u>\$ 55,076</u>	<u>\$ 55,003</u>
Net Revenue	<u>\$ 26,424</u>	<u>\$ 31,924</u>	<u>\$ 34,997</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	229,221	246,726	281,723
Less: Major Capital Expenditures	-	-	50,000
Total Fund Balance	<u>\$ 229,221</u>	<u>\$ 246,726</u>	<u>\$ 231,723</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

Oakland University
Meadow Brook Theatre
Proposed Major Capital Expenditures
FY2012

Item Description	Estimated Cost
Seat Renovation	\$ 50,000
FY2012 Total	<u><u>\$ 50,000</u></u>

Oakland Center

Description of Program

The Oakland Center serves as a community center for students, faculty, staff and university guests. It offers a wide-range of services and amenities such as: campus-wide food service, 24-hour computer lab access, university bookstore, credit union, meeting and conference room facilities, departmental and student organization offices. The Oakland Center continues to experience strong and growing student utilization and to attract a diversity of campus and community programs.

Key Performance Indicators

	<u>FY2009</u>	<u>FY2010</u>	<u>Projected FY2011</u>
Number of meeting room reservations	5,735	6,075	5,806
Number of meeting attendees	256,963	268,702	259,280

- A record 16,322 pedestrian entries were recorded on September 2, 2010 up from 12,303 in FY2010. 244,535 entries were recorded during September 2010 with a total of 1,172,293 entries from July 2010 through March 8, 2011 up 17 percent and 10 percent respectively.
- 265 Banquet Room events were held with 62,937 attendees.
- 345 days of operation.
- Completed food court Subway enhancements.
- Implemented bookstore textbook rental program.

Explanation of Major Changes

- Revenue projections reflect a decrease in annual bookstore commissions due to trend of declining textbook sales.
- Capital expenditures total \$175,000 for unexpected front entry and building repairs.

Budget Assumptions

1. Student Tuition allocation reflects anticipated enrollment growth.
2. FY2012 compensation expense includes recommended salary increases for staff and student employees.
3. Textbook commission decline offset by a proposed \$25,000 reduction in annual bookstore commission payment to the general fund and one-time \$50,000 Barnes & Noble contract extension payment.
4. Total transfer activity \$242,823 includes:
 - a. \$153,423 general fund portion of bookstore commission (in effect since 1993)
 - b. \$89,400 food service amortization

Oakland University
Ancillary Activities Operating Budget
Oakland Center
Proposed Budget - All Funds
FY2012

	FY2011 BUDGET	FY2011 ESTIMATED ACTUAL	FY2012 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 1,482,400	\$ 1,421,701	\$ 1,396,932
Retail Sales	-	-	-
Student Tuition Allocation	1,032,201	1,032,201	1,052,845
Gifts and Grants	-	235	
Investment Income	2,500	620	620
General Fund Support	-	-	-
Total Revenue	<u>\$ 2,517,101</u>	<u>\$ 2,454,757</u>	<u>\$ 2,450,397</u>
EXPENDITURES:			
Compensation	\$ 1,062,600	\$ 1,026,006	\$ 1,050,979
Supplies and Services	266,770	271,868	268,000
Repairs and Maintenance	276,040	243,536	231,639
Cost of Retail Sales	-	-	-
Equipment	30,000	39,358	39,753
Insurance	23,682	20,099	24,753
Utilities	472,500	442,100	463,200
Debt Service	80,866	80,866	80,866
University Overhead	55,811	55,811	46,182
Other Transfers	244,098	273,403	242,823
Total Expenditures	<u>\$ 2,512,367</u>	<u>\$ 2,453,047</u>	<u>\$ 2,448,195</u>
Net Revenue	<u>\$ 4,734</u>	<u>\$ 1,710</u>	<u>\$ 2,202</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	856,047	864,456	691,658
Less: Major Capital Expenditures	-	175,000	-
Total Fund Balance	<u>\$ 856,047</u>	<u>\$ 689,456</u>	<u>\$ 691,658</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

Department of University Housing

Description of Program

The Department of University Housing has administrative oversight for on-campus housing operations including budget, facility operations, maintenance, programming, support services and personnel. The department also has property management responsibilities for the Meadow Brook Subdivision.

Key Performance Indicators

	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>
Opening Occupancy	1,817	1,932	2,078
Renovation and Refurbishing Projects	\$890,593	\$1,638,142	\$2,019,000(est.)
Chartwell's Board Rate Increase	3.8%	4.5%	3.5%

The following capital projects were completed this year:

- Vandenberg Window Replacement
- Vandenberg Student Room Renovations due to Career Services Relocation
- Matthews Court Network Hardwiring

FY2011 Explanation of Major Changes

The increase in Operating Revenue over the Board approved FY2011 budget is due to higher than budgeted occupancy.

The increase in Supplies and Services expense is due to higher occupancy and food service charges.

The increase in major capital expenditures is due to needed repairs and infrastructure improvements including:

- Vandenberg Network Hardwiring
- Replacement of the 1989 Hill House Roof
- Pole Barn for required furniture and equipment storage
- Upgrade all residential wireless bandwidth

Department of University Housing

FY2012 Budget Assumptions

- 1). The **Residence Hall** budget reflects a 3.75 percent double room rate increase in room and board. The proposed room rates conservatively positions Oakland University Housing mid-range among other Michigan Universities. The recommended rates are as follows:

Year	FY2010	FY2011	FY2012
Academic Year Rate (double room)	\$7,350	\$7,680	\$7,968
Academic Year Rate (single room)	\$7,990	\$8,350	\$8,663
Summer Semester – Base Rate (double room)	\$2,300	\$2,400	\$2,505
Summer Semester – Base Rate (single room)	\$2,500	\$2,610	\$2,705
Percentage Increase (Acad. Yr – double)	3.5%	4.5%	3.75%

- 2). The **University Student Apartments** budget reflects a 3.75 percent rate increase. The recommended rates are as follows:

Year	FY2010	FY2011	FY2012
Academic Year Rate (3 and 4 Bedrooms)	\$5,825	\$6,090	\$6,318
Academic Year Rate (2 Bedrooms)	\$6,125	\$6,400	\$6,640
Summer Semester Rate (3 and 4 Bedrooms)	\$2,765	\$2,890	\$2,998
Summer Semester Rate (2 Bedrooms)	\$3,070	\$3,210	\$3,330
Percentage Increase (Acad. Yr– 3&4 BR)	3.0%	4.5%	3.75%

- 3). The **Matthews Court** budget reflects a 3.75 percent rate increase. The recommended rate is as follows:

Year	FY2010	FY2011	FY2012
Matthews Court - monthly rate	\$700	\$730	\$757
Matthews Court – single student annual rate	Not offered	\$6,400	\$6,640
Percentage Increase	2.2%	4.5%	3.75%

Department of University Housing

FY2012 Budget Assumptions (continued)

- 4). The increase in compensation includes recommended salary increases for staff and student employees, as well as expanded academic outreach and an increase in student employment hours.
- 5). The budget reflects \$2.0 million in Plant Renewal as outlined in the attachment.
- 6). The budget reflects a proposed 3.5 percent increase in Chartwells Food Service rates.

Oakland University
Ancillary Activities Operating Budget
University Housing
Proposed Budget - All Funds
FY2012

	FY2011 BUDGET	FY2011 ESTIMATED ACTUAL	FY2012 PROPOSED BUDGET
REVENUE:			
Operating Revenue	\$ 13,352,731	\$ 13,709,783	\$ 13,846,183
Retail Sales	-	-	-
Student Tuition Allocation	-	-	-
Gifts and Grants	-	-	-
Investment Income	7,500	7,500	7,500
General Fund Support	-	-	-
Total Revenue	<u>\$ 13,360,231</u>	<u>\$ 13,717,283</u>	<u>\$ 13,853,683</u>
EXPENDITURES:			
Compensation	\$ 2,901,008	\$ 2,901,008	\$ 3,007,494
Supplies and Services	3,889,017	3,959,069	3,958,298
Repairs and Maintenance	1,060,000	1,060,000	1,092,500
Cost of Retail Sales	-	-	-
Equipment	239,180	239,180	250,000
Insurance	99,600	99,600	102,348
Utilities	1,300,000	1,300,000	1,339,000
Debt Service	1,493,500	1,493,500	1,493,500
University Overhead	353,324	353,324	369,254
Other Transfers	66,450	66,450	66,450
Total Expenditures	<u>\$ 11,402,079</u>	<u>\$ 11,472,131</u>	<u>\$ 11,678,844</u>
Net Revenue	<u>\$ 1,958,152</u>	<u>\$ 2,245,152</u>	<u>\$ 2,174,839</u>
Ending Balances prior to Major Cap.Expenditures:			
Restricted Fund Balance *	\$ -	\$ -	\$ -
Unrestricted Fund Balance	2,901,800	3,674,740	3,830,579
Less: Major Capital Expenditures	1,700,000	2,019,000	2,148,000
Total Fund Balance	<u>\$ 1,201,800</u>	<u>\$ 1,655,740</u>	<u>\$ 1,682,579</u>
Restriction 1		\$ -	
Restriction 2		-	
Restriction 3		-	
Restricted Fund Balance *		<u>\$ -</u>	

Oakland University
University Housing
Proposed Major Capital Expenditures
FY2012

Item Description	Estimated Cost
Plant renewal upgrades based on priorities identified in the Harley, Ellis, Devereaux consultants report to include HVAC, plumbing and electrical improvements for Vandenburg Hall, Hamlin Hall and the Nicholson Student Apartments	\$ 2,000,000
Resurfacing Matthew Court Parking Lots	148,000
FY2012 Total	<u><u>\$ 2,148,000</u></u>

**AUTHORIZATION FOR TUITION RATE FOR THE
OAKLAND UNIVERSITY - BEAUMONT NURSE ANESTHESIA PROGRAM**

1. **Divisions and Departments:** Academic Affairs, School of Nursing.
2. **Introduction:** The Oakland University - Beaumont Nurse Anesthesia (Nurse Anesthesia) Program began in 1991 as a collaborative initiative between Oakland University's School of Nursing (SON) and Beaumont Hospitals. The Nurse Anesthesia Program was approved at Oakland University and the first students started coursework in 1991. The Nurse Anesthesia Program enjoys full accreditation by the *Council on Accreditation of Nurse Anesthesia Educational Programs* for the maximum number of years possible and the *Council on Collegiate Nursing Education*. Oakland University and Beaumont Hospitals operate the program with shared authority. The Nurse Anesthesia Program is twenty-eight months in duration, 55 credits and has graduated over 300 students. The Nurse Anesthesia Program boasts a national certification pass rate of 96% compared to a national pass rate of 89%. There are 110 graduate anesthesia programs in the US, and this program is ranked 11th in the nation in *US News and World Report's* special edition of America's Best Graduate Schools.

Students take foundational courses and specialty courses. The foundational courses are delivered by the SON faculty. The specialty courses and the clinical components are delivered by Beaumont Hospital.

The Nurse Anesthesia Program is an expensive program to deliver to students. Other universities are varied in the amount that they charge per student. Local Michigan universities charge from \$29,727 to \$43,750 for the program and ranked programs around the country charge from \$29,727 to \$89,889. The Nurse Anesthesia Program currently charges \$29,727, which is the lowest among the ranked and Michigan programs.

In order to maintain the high quality of the program OU and Beaumont are proposing a restructuring of the financial model to compensate for the loss of federal reimbursements from Medicare to support the program.

3. **Previous Board Action:** The Graduate major in Nurse Anesthesia was approved by the Board on January 9, 1991.

**Authorization for Tuition Rate for the
Oakland University - Beaumont Nurse Anesthesia Program
Oakland University
Board of Trustees
Finance, Audit and Investment Committee
April 19, 2011
Page 2**

4. **Budget Implications:** By increasing tuition to a flat rate of \$6,800 per student per semester, for seven semesters, the Nurse Anesthesia Program will generate enough revenue to cover the academic expenses of the program. This would include funding the Director and Assistant Director positions. Beaumont Hospitals will continue to collaborate with the SON and provide 1.9 FTE clinical support and space allocations.
5. **Educational Implications:** The additional revenue will allow the nationally ranked program to continue to be offered by Oakland University.
6. **Personnel Implications:** Oakland University would hire the Director and Assistant Director of the program.
7. **University Reviews/Approvals:** This proposal was developed by the SON and reviewed by the Senior Vice President for Academic Affairs and Provost, and the President.
8. **Board Action to be Requested:** The Finance, Audit and Investment Committee is asked to recommend approval of the Authorization for Tuition Rate for the Oakland University - Beaumont Nurse Anesthesia Program to the Board of Trustees at its April 28, 2011 Formal Session.
9. **Attachments:** Attachment A – Oakland University – Beaumont Nurse Anesthesia Program Restructuring Proposal

**Submitted by Senior Vice President for Academic Affairs
and Provost Virinder K. Moudgil:**

Reviewed by Secretary Victor A. Zambardi:

Reviewed by President Gary D. Russi:


(Please Initial)


(Please Initial)


(Please Initial)

Oakland University-Beaumont
Nurse Anesthesia Program
Restructuring Proposal

4/15/11

Table of Contents

Executive Summary	2
OU/Beaumont Nurse Anesthesia Program Quality	5
Governance Models of Anesthesia Schools	7
Comparison of Nurse Anesthesia Program (Michigan)	9
Comparison of Nurse Anesthesia Program (National)	10
Recommended Structure of New Model	11
Summary	17
Appendix A: Consultant's Report (Excerpts)	18
Appendix B: Letter from December 2010 Graduate to BOD and SON.....	24

EXECUTIVE SUMMARY

The purpose of this report is to present a new model for collaboration and delivery of the current Oakland University – Beaumont Nurse Anesthesia Program. This report begins with an exploration of the historical background of the delivery model of the program and concludes with a recommended model for the future.

The Oakland University - Beaumont Nurse Anesthesia program (NA) began in 1991 as a collaborative initiative between Oakland University School of Nursing and Beaumont Hospital. The program was approved at Oakland University and the first students started coursework in 1991. The NA program enjoys full accreditation by the *Council on Accreditation of Nurse Anesthesia Educational Programs* for the maximum number of years possible and the *Council on Collegiate Nursing Education*. Oakland University and Beaumont Hospital operate the program with shared authority. The program is twenty-eight months in duration, 55 credits and has graduated over 300 students. The program boasts a national certification pass rate of 96% compared to a national pass rate of 89%. There are 110 graduate anesthesia programs in the US, and this program is ranked 11th in the nation in *US News and World Report's* special edition of America's Best Graduate Schools.

Oakland University and Beaumont Hospitals entered into a formal agreement for this initiative for the purpose of providing a Master's of Science in Nursing degree program for nurse anesthesia students. Nurse anesthetists have been providing anesthesia care to patients in the United States for nearly 150 years. Certified Registered Nurse Anesthetists (CRNAs) are the primary providers of anesthesia care in rural America, enabling healthcare facilities in these medically underserved areas to offer obstetrical, surgical, and trauma stabilization services. In some states, CRNAs are the sole providers in rural hospitals. As advanced practice registered nurses, CRNAs practice with a high degree of autonomy and carry a heavy load of responsibility and are compensated accordingly. CRNAs practice in every setting in which anesthesia is delivered: traditional hospital surgical suites and obstetrical delivery rooms; critical access hospitals; ambulatory surgical centers; the offices of dentists, podiatrists, ophthalmologists, plastic surgeons, and pain management specialists; and U.S. military, Public Health Services, and Department of Veterans Affairs healthcare facilities. Nurse anesthetists have been the main providers of anesthesia care to U.S. military personnel on the front lines since WWI, including current conflicts in the Middle East. Managed care plans recognize CRNAs for providing high-quality anesthesia care with reduced expense to patients and insurance companies.

The initial 1991 agreement between OU and Beaumont states: Beaumont will provide release time for two Beaumont staff anesthetists (Director and Assistant Director), provide a Clinical Education Coordinator, provide administrative support (secretarial, public relations, space, library, etc), all aspects of patient care, and other duties (read agreement in its entirety). In addition, Oakland University will pay a stipend to Beaumont for Beaumont employees teaching in the program at OU's current part-time lecturer rate, a reimbursement for an Administrative fee that started out in 1991 as \$35K, is now 62K for fiscal year 2010, the increases are closely

aligned with OU's contract agreement for increases in salaries for Visiting faculty. Also, OU pays approximately \$7,000 accreditation fee for this program as part of the University's expectations for accreditation.

In 2003 Medicare reimbursements decreased, impacting Beaumont's support for the anesthesia program, and federal reimbursement dollars were eliminated in 2007. Beaumont and Oakland realized that a restructuring of the financial model was necessary.

The former Dean, Linda Thompson Adams decided to engage a consultant who could examine existing financial models for delivering an Anesthesia program. She engaged Christine Zambricki, CRNA for this task. Ms. Zambricki helped establish the program in 1991 and is an expert in matters related to nurse anesthesia programs. Ms. Zambricki did a stellar job in contacting other constituencies around the country to analyze alternative methods for program delivery. Excerpts from Ms. Zambricki's report are included in Appendix A.

Ms. Zambricki's report outlined the various models for governance of a nurse anesthesia program. Three models exist: shared authority, university-sole authority, and hospital-sole authority. The current structure of the NA program is shared authority, meaning OU and Beaumont share expenses and other aspects of program management (the distinctiveness of each of these governance models will be explained later in the report).

In addition, Ms. Zambricki relayed that there were differences in the costs, credits, and fees of programs across the United States. The Oakland University-Beaumont program is in fact one of the lowest costing programs and one with the fewest required credits, thus having potential for improving the model.

The commitment to the program from both the University and Beaumont is very strong. This issue is being given priority status for resolution by both parties. The goal is to complete the proposal by February, 2011 in order for the NA program to complete any transitions in an orderly manner by August, 2011. The program is up for reaccreditation by the Council on Accreditation with a site visit planned sometime in February of 2012.

This report is recommending several changes including: (1) change the current tuition assessment to a flat rate per student of \$6,800.00 per semester for the seven semesters of the program, (2) continue a shared authority model with the University having complete control of academic processes and an increase in the financial responsibility for the program with Beaumont Hospital continuing as the primary clinical site, (3) collaborate with Beaumont to provide the equivalent of 1.9 CRNA FTE positions in release time for the clinical coordinators, partial secretary, and space, equipment, and miscellaneous items for coordination of clinical experiences at Beaumont, incurring approximately \$250,000 annual in-kind expenses. In addition, it is recommended that the Director and Assistant Director be hired by Oakland University to direct the program to ensure the quality of the curriculum and student experiences remain at a high level. In the capacity of primary clinical site for the NA program Beaumont would continue to gain national recognition for its affiliation with a nationally recognized NA program and continue to have the opportunity to recruit high quality CRNA graduates from OU.

What we will demonstrate in this report is a thorough review of the current governance structure and financial allocations within the business model of the Oakland University-Beaumont Program of Nurse Anesthesia, historical perspective, and selection and implementation of the best contemporary model, culminating in a revised affiliation agreement.

OU/Beaumont Nurse Anesthesia Program Quality

The NA program is known for excellence in its educational design and the quality of its graduates. Students exceed the minimum requirement in clinical cases, number of clinical hours and other quality measures such as employer/employee survey results, certification exam pass rates and academic performance.

Oakland University continues to grow in size and prestige and the School of Nursing is recognized as a leader in innovation and growth. The School of Nursing is known for its extensive use of technology and on-line classes. The School was the first in the state to develop the post-masters DNP program. Growth and development are the hallmarks of Oakland University with the recent addition of a new School of Medicine and the construction of the new Human Health Building for the Schools of Nursing and Health Sciences on campus.

Similarly, the clinical component of the nurse anesthesia curriculum is outstanding. Beaumont Hospitals provide the primary clinical sites for NA students. Beaumont Hospital's anesthesia departments are known for the number and variety of cases, with over 150 Certified Registered Nurse Anesthetists, over 70 anesthesiologists and over 30 anesthesia technicians employed or contracted throughout the system.

Key stakeholders believe that the NA program is an excellent program of exceptional quality and express a strong sense of pride and ownership. At Oakland University this support extends from School of Nursing faculty to Academic Affairs to the President of the University. At Beaumont Hospitals the students, nurse anesthesia faculty, medical and nursing leaders along with department and hospital administration express strong support for the program.

The Mission, Vision and Values of the NA program are consistent with those of both Beaumont Hospitals and Oakland University, most clearly in the educational mission to deliver highly effective graduates who contribute directly to economic growth in the local community, region, state and nation. There is a commitment to multi-disciplinary education and with the development of the medical school the partnership between the two institutions has strengthened. The desire to be known as a premier educational site for all health professions is very strong.

Beaumont Hospital, Royal Oak is a state-of-the-art 1,060 bed-tertiary care hospital that offers all surgical specialties. Beaumont Hospital, Troy is a 296-bed community hospital with full inpatient and outpatient services. Beaumont Hospital, Grosse Pointe is a 289-bed community hospital that on several occasions has won the Governor's Award for quality.

In addition to the three core hospitals, the NA program boasts a total of over 25 clinical sites available for student rotations. These additional clinical sites offer unique practice experience for NA students in areas such as underserved *rural* settings, exposure to practice as a *sole provider* of anesthesia in underserved *urban* areas, and various specialized anesthesia techniques. Diversity of clinical sites is one of the most frequently cited sources of program excellence by students and national leaders.

There is a strong element of innovation and creativity that contributes greatly to the unique and exceptional nature of the program. One example is the use of the high fidelity simulator environment as part of the admission process in selection of students. Applicants are observed in a mock critical care environment specifically for team dynamics as well as basic critical care decision-making skills. Another unique aspect of the program is the emotional engagement of the students. Students express a strong connection with the program and its faculty and take great pride in graduating from this exceptional program. Individualized elements of the program that support this emotional engagement include: conducting a "Student Success Seminar" early in the program, providing a family support orientation for families of students in the program, and involvement of students in research, publication, *American Association of Nurse Anesthetists* national committees and international mission efforts. The program offers an award winning, innovative "leadership track" for students wishing to pursue an interest in education, research, administration or association involvement.

Historically, graduates from the nurse anesthesia program have a 100% job placement in the past and this is expected to continue. Applications to the program have totaled almost 800 in the past 5 years. Affiliations with hospitals in Kalamazoo and Marquette, Michigan and Toledo, Ohio are the result of recognition of the quality of Oakland-Beaumont's NA program. The job market for nurse anesthetists is changing in the immediate Detroit Metro area, and while not saturated, it is experiencing fewer open positions because of the recent downturn in the economy. Replacement staff will be needed since 21% of current CRNAs are expected to retire between 2018 and 2021. Starting salaries are leveling off at around \$160,000.00-\$200,000.00 depending on geographic area with a national mean of \$156,727. The job market is cyclical and will continue to have peaks and valleys every 8 – 10 years. As a result of using multiple facilities for clinical experiences students are exposed to employment opportunities both in the Detroit area and out-state. To date graduates have taken positions in Charlevoix, Kalamazoo, Petoskey, Cheboygan, Grand Rapids, Marshall, Detroit, Ann Arbor, Saginaw and more. Oakland graduates have taken positions in the Upper Peninsula in Marquette, Dickenson, and Portage, for example. Some graduates have accepted positions in Hawaii, Florida, North Carolina, California, Illinois, Ohio and Texas among others. The high ranking of the program has attracted applicants from other states: Utah, Florida, Kansas, Wisconsin, Minnesota, New York, Colorado, Ohio, and Hawaii. There have been 96 applications from states other than Michigan since 2007 and 38 in fall 2010. The out-of-state graduates generally return home after completing the program and we frequently see additional applicants from those geographic areas. Anesthesia faculty have been working with students on preparations for job placements by mentoring them on document preparation and networking efforts to identify the most appropriate and desirable employers for each graduate's talent and best fit.

Governance Models of Anesthesia Schools

The NA program operates as a shared authority program; that is, the program has identified to the *Council on Accreditation of Nurse Anesthesia Educational Programs* (COA) that it is jointly owned and operated by both Oakland University and Beaumont Hospitals. This governance structure has been in place since the inception of the program.

Currently in the United States there are 110 programs of nurse anesthesia, all offering graduate degrees. Programs may be designated as having either sole authority or shared authority. The trend has been toward sole authority models, with the majority of sole authority programs identified as university operated.

According to *Council on Accreditation* survey data, in 2009 83% (90 programs) of programs were designated as sole authority and 17% (18 programs) identified as shared authority. The COA Executive Director reports a movement toward sole proprietary programs over time as shared authority can prove problematic when the two parties do not agree on a number of issues, with funding being a key element of discord. Many programs have restructured as financial pressures increased. The COA grants accreditation to only one "owner" of a program, so in the event that a program changes from shared authority to sole authority, the parties involved have to decide who owns the program.

There are five programs of nurse anesthesia in Michigan (see Table 1): Oakland University-Beaumont, Michigan State University, Wayne State University, U of D/Mercy and University of Michigan-Flint. It is significant to note that the governance of three of these programs has changed significantly over the past 10 years. One program has migrated from a shared authority to a university sole authority model and two programs, while maintaining shared authority in name, have relinquished all or most expense allocation from the hospital and conduct the program as university based programs.

The history of the three longstanding Michigan programs and the details about their transitions are illuminating. The newest program in Michigan is Michigan State University Nurse Anesthesia Program. This program is recognized by the Council as a sole University authority.

While Wayne State University is recognized by the Council as a shared authority program in conjunction with Detroit Receiving Hospital, in the past two years all of the expenses have been transferred to the University including the salary of the Program Director.

The U of D/Mercy program experienced change when a new administrator came to St. Joseph Mercy Hospital in early 2003 and determined that the hospital could no longer afford the program. The hospital withdrew financial support and the program was transferred to a sole authority model within the U of D/Mercy academic framework. The University eliminated all indirect allocations to the program and the program is profitable. The Program Director reports to the Dean of Nursing and Allied Health. St. Joseph Mercy Hospital – Oakland continues to provide student loans based on staffing needs and currently 95% of the anesthesia staff consists of program graduates.

University of Michigan-Flint/Hurley Program of Nurse Anesthesia opened as a shared authority program between U of M Flint and Hurley Hospital. The University pays for the program director and program expenses and Hurley Hospital continues to support one salary in a role that contributes 90% to supporting the program and 10% to peer review and clinical practice. The University also pays 20% to support a portion of the university business manager salary as this individual assists with grants and business statements. The University contributes all remaining revenue after expenses to a "technology fund" for the program. In accordance with their contract, all revenue from tuition is returned to the program. Since a decision was made to eliminate indirect allocations to the program, tuition is able to cover all program expenses. Hurley Hospital is committed to cover any financial shortfall.

Beaumont Hospitals and Oakland University have been and continue to be ideal partners for the NA program. The Mission, Vision and Values of both organizations are closely aligned and there is a shared commitment to excellence in health care education to include both physician and non-physician educational programs. Leadership at both institutions is intensely committed to the NA program and takes great pride in the accomplishments of program administration, faculty and students.

There are two primary options for governance:

- Remain as a shared authority program between Oakland University School of Nursing and Beaumont Hospital. The responsibility for curriculum, admission of students, evaluation of student performance and all academic issues would be retained by OU and Beaumont would be the primary clinical site and provide support for student clinical experiences.
- Transition to a sole authority program with Oakland University School of Nursing as the sponsoring institution and retaining Beaumont Hospital as the primary clinical site.

Data for Table 2 was gathered from program websites that included cost of the program in the available information. The cost of programs ranked equal to Oakland or higher range from \$29,727.00 to \$89,889.00. One unranked program has a total cost of \$76,300. Given this range of cost to students there is opportunity to increase the cost while remaining competitive while moving to the flat rate per semester structure that is being proposed. The program is recognized nationally for excellence and any reductions particularly in faculty or staff will have to take into consideration the impact of those changes could have on quality and reputation. The new cost to students would total \$47,600.00 which is in the mid-range of ranked programs but still cost effective given starting salaries for the graduates, giving a good return on the students' investment in their education.

Table 1: Comparisons of Anesthesia Programs in Michigan

PROGRAM	TOTAL COST	TOTAL CREDITS	TUITION	ADDITIONAL FEES/COSTS	DEGREE GRANTED
University of Detroit	\$43,750.00	63	\$6,250.00/semester	None	MS
Michigan State University	\$43,520.00	80	\$544.00/cr	None	MSN
Wayne State University	\$42,371.35	71	\$21,091.65/yr I \$15,813.15/ yr II	9 cr pre-requisite \$5,466.55 total	MS
U of M Hurley	\$35,700.00	60	\$448.00/cr	\$72.00/cr <u>\$751.00 sem</u> \$4,506.00 total	MS
Oakland University	\$29,727.50	55	\$540.50/cr	None	MSN

Table 2: Comparison of Ranked and/or Highest Cost Nurse Anesthesia Programs

PROGRAM	TOTAL COST	NATIONAL RANK U.S. NEWS & WORLD	TOTAL CREDITS	TUITION	ADDITIONAL FEES	DEGREE GRANTED
Georgetown	\$89,889.00	6	45	\$37,848.00/12/cr	None	MSN
Oregon Health & Science	\$76,300.00	Not ranked	112	\$625.00/cr	\$6,300.00 total	MS
Rush	\$72,522.00	3	78	\$8,058.00/qu hr	None	MSN
Baylor	\$62,899.00	11	Unavailable	\$16,850.00/Yr I \$16,850.00/Yr II \$7,425.00/Yr III	\$6,593.00 Yr I \$5,687.00 Yr II \$3,231.00 Yr III \$15,511.00 total	MS
University of Pittsburgh	\$47,316.00	4	52	\$5833.00/sem	None	MSN
Albany	\$46,000.00	6	54	\$23,000.00/yr	None	MSN
Virginia Commonwealth	\$41,184.50	1	72	\$5833.00/sem	\$1,014.00 total	MS
Cleveland Clinic	\$39,528.00	1	40	unavailable	\$3,000.00 total	MSN
Wake Forrest	\$30,790.00	11	47	\$527.46/cr	\$3,000.00/yr \$6,000.00 total	MSN
Oakland University	\$29,727.00	11	55	\$540.50/cr	None	MSN

Recommended Structure of New Model

This section will review the current financial model and the proposed model that is being recommended for consideration.

Proposed Structure:

The current tuition structure is a barrier to the long term continued success of this NA program. From a financial standpoint, in order to continue offering a quality program with national ranking we are proposing a new model with budgetary projections that include the cost of hiring the Director and Assistant Director of the program as SON faculty, providing secretarial support, and use of simulation at Riverview.

The consultant stressed in her report the need to make changes in the structure of the program given that the program continues to be strongly supported by both parties. The recommendations include:

- 1) Oakland University and Beaumont continue to have shared authority for the NA program. The university will take on the majority of the expenses of the program and retain the responsibility for curriculum, admission of students, evaluation of student performance and all academic issues would be retained by OU and Beaumont would be the primary clinical site and provide support for student clinical experiences.
- 2) Change the current tuition model to one of a flat rate per semester. As indicated in the charts there are several anesthesia programs that either have a flat rate or differential tuition for students. Precedence has been set to establish a payment model for specific high quality but generally more expensive programs at Oakland University, (the Medical School and the Executive MBA program). We are proposing to charge each student \$6,800 per semester for an average of 51 students every semester. Table 3 reflects this new funding model.
- 3) Hire the Program Director and Assistant Director as faculty in SON to direct and teach in the program.
- 4) Create a new collaboration agreement with Beaumont that addresses clinical coordinators and other in-kind support at Beaumont.

A 5-year proforma of the current financial model past performance of the program is included in this proposal showing financial stability of the program but with Beaumont Hospital incurring the greater financial burden related to salaries of the Director and Assistant Director of the program. In addition, we have included a phase-in of the new payment structure indicating a deficit in the first year since students currently in the program would retain the tuition/credit payment system and new students admitted to the program paying the new flat rate per semester. After one year all students would be in the new payment model and the program becomes profitable.

Table 3: Recommended Tuition Structure for an Academic Year

Semester	Students	Set Semester Rate	Total
Fall 2011			
YR III cohort graduates in December	22	\$6,800.00	\$149,600
YRII cohort	22	\$6,800.00	\$149,600
YRI cohort	22	\$6,800.00	\$149,600
			Total=\$448,800
Winter 2012			
YRII cohort	22	\$6,800.00	\$149,600
YRI cohort	22	\$6,800.00	\$149,600
			Total=\$299,200
Summer 2012			
YRII cohort	22	\$6,800.00	\$149,600
YRI cohort	22	\$6,800.00	\$149,600
			Total=\$299,200
Average Number of Students per Year	51	Total	\$1,047,200

5-year Proforma for Current Financial Model:

Comparison of past and current Proforma reflect allocations to Beaumont in the amount of approximately \$147K annually, and includes in fiscal year 2011 the additional \$50,000 for clinical support of the students:

		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Variables:							
Headcount		67	75	66	68	70	73
Total Credit Hours							
Graduate		0	0	0	0	0	0
Tuition Rate Per Credit Hour							
Graduate		\$ 335.25	\$ 414.00	\$ 472.50	\$ 496.00	\$ 511.00	\$ 540.50
Tuition		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue		\$ 320,558.00	\$ 404,613.00	\$ 485,987.00	\$ 509,987.00	\$ 646,356.00	\$ 664,815.00
Expenses	Acct -						
<i>Salaries/Wages</i>							
¹ Faculty Salaries	6101	\$ -	\$ -	\$ 60,000	\$ 61,171	\$ 61,171	\$ 21,624
² Administrative Professionals	6201	\$ 26,000	\$ 39,752	\$ 29,980	\$ 9,599	\$ 9,598	\$ 10,537
Clerical Technical	6211	\$ 2,869	\$ 15,040	\$ 14,987	\$ -	\$ -	\$ -
³ Part-time Faculty (In/Out-load)	6301	\$ 39,368	\$ 23,352	\$ 45,491	\$ 44,909	\$ 31,602	\$ 35,000
Graduate Assistant	6311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wages	6401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Out of Classification	6401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overtime	6401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Student	6501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Salary Expenses		\$ 68,237	\$ 78,144	\$ 150,458	\$ 115,679	\$ 102,371	\$ 67,161
Fringe Benefits	6701	\$ 18,273	\$ 29,993	\$ 13,502	\$ 31,834	\$ 32,119	\$ 38,591
Total Salary and Fringe Benefits		\$ 86,510	\$ 108,137	\$ 163,960	\$ 147,513	\$ 134,490	\$ 105,752
Operating Expenses							
Graduate Assistant Tuition	7101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
⁴ Supplies and Services	7101	\$ 144,424	\$ 144,426	\$ 144,255	\$ 144,380	\$ 137,582	\$ 200,000
Repairs & Maintenance	7111	\$ -	\$ 1,090	\$ -	\$ -	\$ -	\$ -
E-Learning Support	7102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	7131	\$ 136	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	7201	\$ -	\$ 778	\$ 1,831	\$ 2,061	\$ 1,963	\$ 5,000
⁵ Telephone	7301	\$ 41	\$ 18,021	\$ 11,142	\$ 8,650	\$ 7,329	\$ 2,500
Library	7401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	7501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution Margin		\$ 105,784	\$ 133,522	\$ 160,376	\$ 168,296	\$ 213,297	\$ 219,389
Total Operating Expenses		\$ 250,385	\$ 297,837	\$ 317,604	\$ 323,387	\$ 360,171	\$ 426,889
Total Expenses		\$ 336,895	\$ 405,974	\$ 481,564	\$ 470,900	\$ 494,661	\$ 532,641
		\$					
Net Income/Loss		\$ (16,337)	\$ (1,361)	\$ 4,423	\$ 39,087	\$ 151,695	\$ 132,174

The Proforma Budget includes:

1. Non CRNA Faculty salaries include 1.0 FTE to .35 FTE in the program.
2. Administrative Professionals salaries include 0.5 FTE in FY07 and FY08 and 0.25 FTE in FY09, FY10 and FY11 for an academic advisor.
3. Part-time faculty includes costs to instruct foundation courses and replacement costs.
4. Supplies consist of invoiced costs by Beaumont Hospital for costs related to the program such as Administrative fee, teaching stipends, accreditation fees and clinical coordinator. Additional costs were added in FY11 for supplies and services for clinical support for students in the amount of \$50,000.
5. Telephone charges are the distance learning costs.

Oakland University/Beaumont Graduate Program of Nurse Anesthesia

FIVE YEAR PHASE-IN PLAN

		Year 1 2011-12	Year 2 2012-13	Year 3 2013-14	Year 4 2014-15	Year 5 2015-16
Revenue Variables:						
¹ Headcount		51	51	51	51	51
Tuition Rate Per Student						
\$6,800 per semester @ 3 semesters		\$ 448,800.00	\$ 897,600.00	\$ 1,047,200.00	\$ 1,047,200.00	\$ 1,047,200.00
Tuition		\$ 285,384.00	\$ 107,019.00	\$ -	\$ -	\$ -
Total Revenue		\$ 734,184.00	\$ 1,004,619.00	\$ 1,047,200.00	\$ 1,047,200.00	\$ 1,047,200.00
Expenses	ACCT					
<i>Salaries/Wages</i>						
² Faculty Salaries	6101	\$ 360,624	\$ 362,477	\$ 364,331	\$ 366,184	\$ 368,038
³ Administrative Professionals	6201	\$ 10,500	\$ 12,353	\$ 14,207	\$ 16,060	\$ 17,914
⁴ Clerical Technical	6211	\$ 17,500	\$ 19,353	\$ 21,207	\$ 23,060	\$ 24,914
⁵ Part-time Faculty (In/Outload)	6301	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000
Graduate Assistant	6311	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Wages	6401	\$ -	\$ -	\$ -	\$ -	\$ -
Out of Classification	6401	\$ -	\$ -	\$ -	\$ -	\$ -
Overtime	6401	\$ -	\$ -	\$ -	\$ -	\$ -
Student	6501	\$ -	\$ -	\$ -	\$ -	\$ -
Total Salary Expenses		\$ 448,624	\$ 454,184	\$ 459,745	\$ 465,305	\$ 470,866
Fringe Benefits	6701	\$ 160,785	\$ 163,255	\$ 165,725	\$ 168,196	\$ 170,666
Total Salary and Fringe Benefits		\$ 609,409	\$ 617,440	\$ 625,470	\$ 633,501	\$ 641,532
Operating Expenses						
Graduate Assistant Tuition	7101	\$ 4,320	\$ 4,320	\$ 4,320	\$ 4,320	\$ 4,320
⁶ Supplies and Services	7101	\$ 128,000	\$ 128,000	\$ 128,000	\$ 128,000	\$ 128,000
⁷ E-Learning Support	7102	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
⁸ Travel	7201	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Telephone	7301	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
⁹ Library	7401	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
¹⁰ Equipment/Facility Costs	7501	\$ 61,000	\$ 61,000	\$ 61,000	\$ 61,000	\$ 61,000
Total Operating Expenses		\$ 219,320	\$ 219,320	\$ 219,320	\$ 219,320	\$ 219,320
Total Expenses		\$ 828,729	\$ 836,760	\$ 844,790	\$ 852,821	\$ 860,852
Net Income/Loss		\$ (94,545)	\$ 167,859	\$ 202,410	\$ 194,379	\$ 186,348

The Proforma Budget includes:

1. Headcount for each year consists of an average of 3 cohorts of students, 22 students in Cohort 1 attending three semesters, 22 students in Cohort 2 attending three semesters also and 22 students in Cohort 3 attending one semester. Each cohort represents a year.
2. One (1) Visiting Faculty at 0.35 FTE, CRNA Faculty serving as Director at 1.0 FTE (175,000) and CRNA Assistant Director at 1.0 FTE (164,000).
3. Academic Advisor at 0.25% (\$10,500) to advise students of program requirements.
4. Clerical Technical is a part-time Secretary to support directors of CRNA program.
5. Part-time faculty includes costs to instruct foundation courses and actual costs of OU faculty to teach in program for Beaumont expert anesthetist preceptors.
6. Supplies, including scholarship recognition, accreditation fees, simulation costs, Typhon software and anesthesia machine.
7. E-Learning Support includes cost for distance learning.
8. Travel includes faculty mileage to clinical sites and conferences.
9. Library resources include additional library reference resources such as research databases, journals and other publications.
10. Computer and simulation equipment.

Summary

Oakland University and Beaumont are both aware that there must be changes to the program. From the consultant's report the governance and financial structure are areas that need to be addressed. The research and analysis conducted shows that these two areas have opportunities to be considered.

Going forward the affiliation agreement will need to be substantially revised to start fresh with a new collaboration between the two parties. If this proposal is approved, OU will hire the Director and Assistant Director as faculty to teach in and administer the anesthesia program. Our intention is to work with Beaumont as it continues to be the primary clinical site for a high quality nationally recognized NA program. In exchange Beaumont will provide in-kind support for 1.9 CRNA FTE as on site clinical support and partial support of a secretary, supplies, classroom, equipment, etc. which equates to approximately \$250,000.00 annually.

Appendix A - Consultants Report

Oakland University Beaumont Graduate Program of Nurse Anesthesia;

Consultative Assessment (Excerpts)

June 30, 2010

Christine S. Zambricki CRNA, MS, FAAN, Consultant

Introduction

In March 2010, at the request of Dr. Linda Thompson-Adams, Dean of Oakland University School of Nursing, Oakland University engaged Christine Zambricki CRNA, MS, FAAN as a professional consultant to conduct an assessment of the nurse anesthesia track. Dr. Adams initially envisioned such a study in late 2009 as a result of conversations with select University faculty who had expressed concern about changes they felt may be occurring in the program.

The consultant was selected due to her history as the founding director of the nurse anesthesia program and her continued involvement as a long standing member of the Oakland University School of Nursing Board of Visitors. The assessment was to include:

- Current state of students, faculty and administration with specific attention to issues of overall program quality
- Appropriateness of program governance and potential alternative partnerships
- Adequacy of financial business model and issues related to student financial support
- Potential impact of the pending anesthesiology residency program at the primary clinical site.

Subsequent to signing the consultative agreement, Dean Adams left the University and Dr. Diane Norris was appointed Acting Dean. On April 1, 2010, a meeting was held between Dr. Diane Norris, Acting Dean, Dr. Sherry Abernathy, Assistant Dean and Christine Zambricki in which the consultative agreement was reviewed and discussed. Dr. Norris and Dr. Abernathy were extremely supportive of the current partnership and felt that the University has enjoyed a very positive relationship with Beaumont Hospitals. Therefore, it was decided to continue with the consultative engagement but to remove the original component of reviewing alternative partnerships and focus on the existing partnership between Beaumont Hospitals and Oakland University School of Nursing. This alternative could be revisited in the event that the current partnership was deemed to be in jeopardy. Dr. Diane Norris has since been appointed Interim Dean.

During the time period from March 2010 through June 2010, the following activities occurred:

- Review of all pertinent documents including program self study, accreditation review, student and faculty evaluations, and relevant correspondence between Beaumont Hospitals and Oakland University
- Conduct of interviews relevant to the assessment (Attachment 1)
- Consultation with Council on Accreditation of Nurse Anesthesia Educational Programs staff
- Completion of departmental tours and evaluation of resources at this program and other programs in the community
- Establishment of a cohort of comparable graduate programs of nurse anesthesia with which to benchmark key indicators (Attachment 2)
- Completion of an executive report inclusive of assessment findings, organizational diagnosis and recommendations

The consultant wishes to thank all of the participants in the assessment for their cooperation, willingness to freely share information and their sincere interest in seeking the greatest good of the program. In particular, special recognition and thanks are due to Lisa Mileto, Program Director, and Anne Hranchook, Assistant Director, for their commitment to excellence and their tireless support in the efforts of this review.

Program Background

The Oakland University – Beaumont Graduate Program of Nurse Anesthesia (GPNA) began in 1991 as a collaborative initiative between Oakland University School of Nursing and William Beaumont Hospital. The program was approved at Oakland University in 1990 and the first students started coursework in 1991. The graduate program enjoys full accreditation by the Council on Accreditation of Nurse Anesthesia Educational programs for the maximum number of years possible. The program is recognized by the Council as jointly operated with shared authority between Oakland University and Beaumont Hospitals. Twenty-eight months in duration, the program has graduated over 250 students, boasts a national certification pass rate of 96% and is currently ranked 11th in the nation in US News and World Report's special edition of American's Best Graduate Schools.

Program quality

Assessment

The GPNA is known for excellence of its educational design and the quality of its graduates. Students exceed minimal standards in both clinical cases and number of clinical hours and quality measures such as employer/employee survey results, certification exam pass rate and academic performance are exemplary. According to Jim Grant, MD, Chairman of

Anesthesiology, "our students are the best graduates". This sentiment is echoed by hospital administration, "the PNA is a premier program that is of great benefit for Beaumont". Interviews were conducted with randomly selected students from both classes. Over 50% of those interviewed cited clinical rotations, excellent CRNA faculty and supportive program administration and faculty as key strengths of the program. Students felt that starting clinical first semester gave them an integrated approach to classroom learning and reduced their anxiety making them stronger clinicians.

One of the significant strengths of the program is program leadership. The Program Director, Lisa Mileto CRNA, MS and the Assistant Program Director, Anne Hranchook CRNA, MS enjoy a perfect partnership marked by hard work, thorough attention to details, true caring and compassion and a high level of creativity and innovation. Both leaders have shown professional courage in dealing with the many issues and challenges of guiding a premier program of nurse anesthesia. They are both recognized as experts in their field and the program reputation is based in no small way on their relationships both internal to the University and hospital system and external in the national realm. Program administration was one of the most frequently cited sources of program excellence by students.

The nurse anesthesia program consists of an integrated curriculum of didactic coursework and clinical training. Classes are taught by Oakland University School of Nursing faculty, GPNA faculty and contracted faculty. School of Nursing courses offer the opportunity for students to interact with students from the other graduate nursing tracks. The curriculum for the GPNA is a strength of the program as it incorporates both breadth and depth in the professional practice of nursing as well as the specialty of nurse anesthesia.

Oakland University continues to grow in size and prestige and the School of Nursing is recognized as a leader in innovation and growth. The School of Nursing is known for its extensive use of technology and on-line classes. The School is first in the state to develop the post-masters DNP program and has reached out to new communities through expanded campuses throughout Macomb and Wayne county. Growth and development are the hallmarks of Oakland University with the addition of a new School of Medicine in progress and the construction of a beautiful new Nursing and Allied Health facility on campus.

Similarly, the clinical component of the curriculum is viewed as outstanding. Beaumont Hospitals provide the primary clinical sites for GPNA student. Beaumont Hospital's anesthesia departments are significant, with over 200 Certified Registered Nurse Anesthetists, over 70 anesthesiologists and over 30 anesthesia technicians employed or contracted throughout the system.

Beaumont Hospital, Royal Oak is a state-of-the-art 1,060 bed-tertiary care hospital that offers all surgical specialties. The hospital is complete with inpatient and outpatient services and several other buildings including an imaging center, cancer center, renal center, vascular services center, research institute, heart center and medical office building. Beaumont Hospital, Royal Oak is designated as a Level 1 Trauma Center by the American College of Surgeons, the only Level 1 Trauma Center in Oakland and Macomb counties.

Beaumont Hospital, Troy is a 296-bed community hospital with full inpatient and outpatient services. Beaumont Hospital, Troy has just undergone a major expansion and clinical services include such specialties as obstetrics and open heart surgery.

Beaumont Hospital, Grosse Pointe is a 289-bed community hospital that has won the Governor's Award for quality several times. Although a small community hospital, several significant surgical specialties reside within, including neurosurgery, major general, thoracic and vascular surgery.

In addition to the three core hospitals, the GPNA boasts a total of over 25 clinical sites available for student rotations. These additional clinical sites offer unique practice experience for PGNA students in areas such as specific characteristics of practice in a rural setting, various regional techniques and practice as a sole anesthesia provider in urban underserved areas. Diversity of clinical sites was one of the most frequently cited sources of program excellence by students.

The clinical experience for students is very strong and clinical faculty are said to be have a high degree of anesthesia expertise and clinical excellence. The majority are great teachers and supportive of the students. There are some comments by students, physicians and CRNA leaders regarding the few CRNAs who either do not wish to work with students or the manner in which they work with students is controlling or demeaning. This is a challenging problem for programs of nurse anesthesia because the complexity of clinical scheduling mandates that all CRNAs work with students. In order to continue to advance the clinical excellence of the program, program leaders may consider placing some attention in this area, either developing a paradigm (as in the residency) where students remain at a clinical site for an extended period of time and only certain CRNAs work with students. This model is used at Troy when students come for 2 months early in the program and work with 3 instructors. An alternative approach is to develop all of the existing CRNAs to become the best clinical instructors. With such a large department, this is a difficult task.

There is a strong element of innovation and creativity that contributes greatly to the unique and exceptional nature of the program. One example is the use of the simulator environment as part of the admission process in selection of students. Applicants are observed in the mock operating room for team dynamics as well as basic critical care decision making skills. Another unique aspect of the program is the emotional engagement of the students. Students express a strong connection with the program and its faculty and take great pride in graduating from this particular program. Individualized elements of the program that support this emotional engagement include: conducting a "Student Success Seminar" early in the program, providing a family orientation to the program, and involvement of students in research, publication, AANA national committees and international mission efforts. The program offers an innovative "leadership track" for students wishing to pursue an interest in education, research, administration or association involvement.

While the quality of the program is recognized by both internal and external publics, there are some opportunities to further improve on the program excellence. Students interviewed expressed a remarkable sense of pride in the program and connectedness to both sponsoring institutions. This is a great strength of the program and reflects the work ethic and talent of

program leadership. As a result of this emotional engagement, students were comfortable enough to be honest when asked about their concerns. This honesty is viewed as a strength of the program. Student responses to the question “As a student in the program, what do you worry about?” were similar and present an opportunity to strengthen the program further. The three most frequently occurring concerns were:

- personal finances, specifically the elimination of the student loan program and the delay in receiving financial aid packages from Oakland University
- limited learning opportunities in regional anesthesia techniques and fear that they will not be skilled in these techniques upon graduation
- poor job market and limited employment opportunities

Student Financial Aid

Discussion of student financial aid is contained within the Finance section of this report.

Job market

The job market for nurse anesthetists is changing and the Detroit area, while not saturated, is experiencing less open positions and leveling off of starting salaries. The job market is cyclical and will continue to have peaks and valleys every 8 – 10 years. Similar to the active role that residency directors take in placing their graduates, anesthesia administration can become more actively involved in career planning, counseling, preparation and making connections for GPNA students. This could be a highly successful approach to placing graduates with attention to individual talent and fit.

Other items

The Royal Oak Beaumont campus is home to the Applebaum Surgical Learning Center, which includes two high-fidelity human patient simulators in a realistic immersion environment. The Surgical Learning Center was conceptualized as a state of the art resource for learners throughout Beaumont Hospitals; however, there are reports that barriers exist to GPNA use of the space and the program is looking outside Beaumont for simulator technology and support. Ideally, the Center will be available to all learners at Beaumont so that they can take advantage of leading edge environment for development of technical skills, clinical decision making and team training.

Both institutions support the program with classroom and office space. While the physical facilities overall at Beaumont and Oakland University are spectacular, the classroom space allocated to the GPNA at Beaumont is in disrepair – chipped paint, and distance learning equipment malfunctioning. This should be repaired and maintained by Beaumont as “in kind” support for the program.

Selected Recommendations

- Identify and resolve issues and overcome barriers to full use of the Surgical Learning Center and high fidelity simulation environment for perfecting clinical skills and developing team training
- Obtain funding to repair and upgrade anesthesia classroom [this was done]

Appendix B: Letter from December 2010 Graduate to BOD and SON

January 17, 2011

To: Oakland University Board of Directors and the School of Nursing

Hello my name is Howard Drews III and I am a recent graduate of the Oakland University-Beaumont Graduate Program of Nurse Anesthesia. I would first like to say that this program is excellent. I felt 100% prepared for boards and in my current practice as a CRNA.

I feel that an increase in student tuition would not discourage applicants from applying to this program. The anesthesia program at Oakland University has the reputation of being one of the best anesthesia programs in the country and students in this field want the best education possible, regardless of cost. This is due to the high rate of income return post graduation. As you are probably aware, the average CRNA in Michigan makes approximately \$170,000 per year, starting salary.

The proposed tuition increase is necessary in order to maintain this program and all it has to offer: distance education opportunities, rural independent rotations, and excellent educators in the classroom. The increase in student tuition, from my standpoint, would have no affect on potential candidates choice to continue to pursue this excellent program. From a personal stand point, I personally would have made Oakland my choice irrelevant of tuition costs. Thank you for taking the time to read my letter. If you have any questions or comments please feel free to contact me at 248-259-5570.

Howard Drews III, CRNA, MSN