

**UNIVERSITY HOUSING OPERATING BUDGET FOR THE
FISCAL YEAR ENDING JUNE 30, 2027**

A Recommendation

1. **Division and Department:** Student Affairs and Diversity, Finance and Administration, and University Housing.
2. **Introduction:** The proposed budget for University Housing is presented for approval for the fiscal year ending June 30, 2027.

University Housing is an ancillary activity connected with and in support of the educational mission of Oakland University (University). Each ancillary budget is presented in a similar format, using common terminology and revenue, expense and University Support categories. The “all funds” budget model is used to construct the budget presentation. The all funds model provides a comprehensive picture of the financial activities of the unit. This format depicts operating and capital transactions in the General Fund, Auxiliary Fund, Designated Fund, Expendable Restricted Fund, and 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 FY2026 University Housing budget on April 11, 2025.
4. **Budget Implications:** See the program description for budget implications.
5. **Educational Implications:** See program description for educational implications.
6. **Personnel Implications:** See program description for personnel implications.
7. **University Reviews/Approvals:** The University Housing operating budget was prepared by the ancillary unit, reviewed by the Financial Performance Review Committee, Budget and Financial Planning Office, Interim Vice President for Student Affairs, Senior Vice President for Finance and Administration, Chief of Staff and President.
8. **Recommendation:**

RESOLVED, that the Board of Trustees approves the FY2027 budget for University Housing, with expenditures and transfers not to exceed the expense total as reflected in the attached budget, except as set forth; and, be it further

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RESOLVED, that all expenditures and transfers beyond the approved expense total must have the prior approval of the President or his/her designee and these amounts will be reported on a periodic basis to the Board of Trustees.

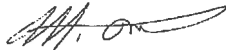
RESOLVED, that subject to satisfaction of the requirements set forth in all applicable Board of Trustees policies, the Board of Trustees authorizes the President, the Vice Presidents, and their respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are necessary, expedient and proper in connection with the FY2027 budget and the ongoing administration of the FY2027 budget; and, be it further

RESOLVED, that any and all such contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of the Vice President for Legal Affairs and General Counsel.

9. Attachments:

- A. Description of University Housing Budget Notes and Assumptions
- B. University Housing Proposed Budget

Submitted to the President
on Apr 10, 2026, 2026 by



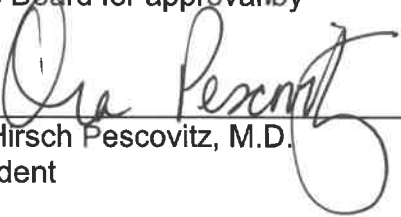
Michael W. Wadsworth
Interim Vice President for Student Affairs



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


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Recommended on 4/13, 2026
to the Board for approval by



Ora Hirsch Pescovitz, M.D.
President

Reviewed by:



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

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.

Key Performance Indicators

	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
Opening Occupancy	2,139	2,238	2,316
Occupancy Percentage of Max Capacity	62.5%	65.4%	67.6%
Renovation and Refurbishing Projects	\$0	\$0	\$2.5M

FY2026 Explanation of Major Changes

1. Fall semester occupancy exceeded budgeted expectations. Housing budgeted for 2,238 residents but opened the academic year with 2,316 students, representing a 4% increase over the prior year and 78 additional students above budget. Increased demand also resulted in 2,015 meal plans compared to the budgeted 1,800 plans. With an average meal plan cost of approximately \$4,300, the additional plans generated approximately \$925,000 in additional board revenue.
2. Part of the increased revenues were driven by increased utilization in residence halls, particularly Oak View Residence Hall, which exceeded budgeted occupancy by 66 students, which is a \$1,200 premium over standard hall rates.
3. During Winter FY2026, Housing assumed full oversight of the Oakland Community College (OCC) housing program from the Oakland Center, including billing and payment monitoring functions that are more naturally administered within Housing's operational processes. Payment compliance increased from approximately 60% in the prior year to nearly 100%.
4. A major hot water infrastructure failure required the temporary relocation of 685 students for six weeks. Students were reimbursed approximately \$875,000 for housing and related expenses. This expense was fully reimbursed back to Housing through central University funding. The disruption contributed to higher-than-normal attrition between semesters, increasing from the typical 3–4% range to 8.66%, resulting in approximately \$500,000 more than average melt. The University also provided \$30,000 in support for free meals offered during finals week and \$25,000 in one time funding for large-scale programming for the Housing Residential Life team.

5. For FY26 compensation is projected to exceed budgeted expectations primarily driven by the hourly and overtime absorbed through the hot water repair process and the emergencies this year with major floods occurring over the holiday break in Hamlin Hall and Ann V. Nicholson Apartments. This projection includes all stand by pay, call in pay, and overtime for all skill trades and custodian team.
6. Supplies and services expenses are pacing ahead of budget primarily due to expanded food service operations and enhancements. These include the opening of two café locations, planned relocation of the Oakland Center coffee shop, and implementation of a new pizza concept within the Oakland Center, all of which have increased operating costs beyond original projections.
7. Repairs and maintenance expenses are expected to exceed budget due to a combination of increased general maintenance costs, specifically more than normal repairs on kitchen equipment, and unplanned facility repairs. These include costs associated with two significant flood-related incidents as well as ongoing maintenance needs to keep any and all rooms online and available across all housing facilities.
8. A \$2.5M loan was initiated in FY2026 to fund the refurbishment of Hamlin Hall North Tower during the upcoming summer recess. Repayment will consist of interest-only payments in FY2027 and FY2028, followed by principal and interest payments over the next five years, for a total seven-year term.
9. The remaining \$2.6M amortization balance from the prior food service contract will be settled in FY26 through a negotiated buyout with the vendor, under which 50% of the outstanding balance will be paid by central University funding and the remainder forgiven. This transaction removes the liability from Housing and is reflected in both the Other Transfers and University Support lines, resulting in a net zero impact.

FY2027 Room and Board Rates

1. The **Standard Residence Hall** budget reflects a 3.0 percent increase in room and board rate for double-style rooms; single room rates will be offered in Van Wagoner Hall during FY2027. The recommended rates are as follows:

Year	FY2025	FY2026	FY2027
Academic Year Rate (double room)	\$10,662	\$11,621	\$11,970
Academic Year Rate (single room)	\$12,875	\$14,033	\$14,455

Summer Semester – Base Rate (double room)	N/A	N/A	N/A
Summer Semester – Base Rate (single room)	N/A	N/A	N/A
Percentage Increase (Academic year – double)	3%	9%	3%

2. The **Oak View Hall** budget reflects a 3.0 percent increase in room and board rates. The recommended rates are as follows:

Year	FY2025	FY2026	FY2027
Academic Year Rate (Freshman double room)	\$11,756	\$12,814	\$13,198
Academic Year Rate (Upperclassman single-room suite)	\$12,341	\$13,451	\$13,855
Summer Semester Rate (Freshman double room)	\$4,121	\$4,492	\$4,627
Summer Semester Rate (Upperclassman single-room suite)	\$4,314	\$4,702	\$4,843
Percentage Increase (Freshman and upperclassman)	3%	9%	3%

3. The **Ann V. Nicholson Apartments** budget reflects a 5.0 percent increase in room rates. The recommended rates are as follows:

Year	FY2025	FY2026	FY2027
Academic Year Rate (3 and 4 Bedroom)	\$9,313	\$10,152	\$10,659
Academic Year Rate (2 Bedroom)	\$9,795	\$10,677	\$11,211

Summer Semester Rate (3 and 4 Bedroom)	\$4,416	\$4,813	\$5,054
Summer Semester Rate (2 Bedroom)	\$4,908	\$5,350	\$5,618
Percentage Increase (3 & 4 bedroom and 2 bedroom)	3%	9%	5%

4. The **George T. Matthews Apartments** budget reflects a 5.0 percent increase in room rates. The recommended rates are as follows:

Year	FY2025	FY2026	FY2027
Academic Year Rate	\$9,620	\$10,486	\$11,011
Summer Semester Rate	\$4,870	\$5,308	\$5,573
Percentage Increase	3%	9%	5%

5. The **Hillcrest Hall** budget reflects a 3.0 percent increase in room and board rates. The recommended rates are as follows:

Year	FY2025	FY2026	FY2027
Academic Year Rate	\$12,341	\$13,451	\$13,855
Summer Semester Rate	N/A	N/A	N/A
Percentage Increase	3%	9%	3%

FY2027 Budget Assumptions

1. Revenue is projected to increase in FY2027 based on proposed housing and dining rate adjustments while occupancy is assumed to remain flat. The budget assumes a proposed 3% increase for standard residence halls and a 5% increase for apartment-style housing, along with increased voluntary meal plans with pricing increase of 3%.
2. Compensation expenses are projected to increase due to the filling of the Housing Director position and the expansion of operational staffing, as well as planned merit-based salary adjustments across the department. Additional approved positions include an Academic Coordinator, Assignments Coordinator, and Program Coordinator. Staffing adjustments also include expanded desk coverage, increased undergraduate marketing support, and additional Housing Ambassadors to support the summer recruitment programs.
3. Supplies and services expenses are projected to increase due to planned technology improvements, including the beginning phases of Wi-Fi infrastructure upgrades within housing facilities. Food service enhancements will continue in FY2027 to expand the footprint of food service operations, which will increase costs.
4. Student programming and retention expenses are projected to increase as Housing has incorporated funding into the FY2027 operating budget that was previously supported through one-time contributions from central University funding and the OU Credit Union. This adjustment ensures consistent funding for student engagement initiatives moving forward.
5. Equipment expenses are projected to increase due to planned capital replacements and upgrades, including replacement of the dishwasher in Vandenberg Dining Hall and replacements to kitchen equipment.
6. Insurance and utility expenses are projected to increase based on estimates provided by the Risk Management and Facilities Office.
7. Debt service expenses are projected to decrease in FY2027 due to the refinancing of the Series 2016 bond. An estimated savings of \$1.2M has been projected for FY2027.
8. Short-term interest expenses have been budgeted to support repayment of the \$2.5M Hamlin Refresh loan, with the first-year interest-only payment estimated at approximately \$106,250.

Oakland University
Ancillary Activities Operating Budget
University Housing
Proposed Budget - All Funds
FY2027

	FY2025 YEAR-END ACTUAL	FY2026 BUDGET	FY2026 ESTIMATED ACTUAL	FY2027 PROPOSED BUDGET
Revenue:				
Operating Revenue				
Room & Board	\$ 25,072,814	\$ 24,743,973	\$ 24,957,986	\$ 26,844,286
Conferences	-	350,000	375,000	375,000
Other	-	-	-	-
Retail Sales	-	-	-	-
OU Purchased Services	109,515	110,485	110,485	96,329
Gifts and Grants	-	-	-	-
Investment Income	-	-	-	-
Total Revenue	<u>\$ 25,182,329</u>	<u>\$ 25,204,458</u>	<u>\$ 25,443,471</u>	<u>\$ 27,315,615</u>
Expenditures:				
Compensation	\$ 4,297,176	\$ 4,998,659	\$ 5,150,911	\$ 5,385,783
Supplies and Services	336,123	460,459	505,988	636,750
Student Programming & Retention	54,805	110,500	115,255	158,000
Food Services	4,829,786	5,605,976	5,968,167	6,278,693
Travel	-	5,000	1,500	10,000
Chartwells Unamortized Investment	-	-	-	-
Repairs and Maintenance	1,044,429	1,244,755	1,626,406	1,629,611
Equipment	14,566	50,000	50,000	250,000
Insurance	335,937	418,731	418,731	519,098
Utilities	1,677,146	1,705,668	1,705,668	1,823,181
Debt Service	9,430,693	8,273,925	8,273,925	6,988,732
Short-Term Internal Loan Interest	54,460	54,460	-	106,250
Repayment of Short-Term Loan	-	683,608	-	-
Housing Scholarships	3,571,397	3,807,000	3,807,000	3,582,466
Overhead charged by OU	772,392	542,717	542,717	514,941
Other Transfers	50,000	50,000	2,600,000	-
Total Expenditures	<u>\$ 26,468,910</u>	<u>\$ 28,011,458</u>	<u>\$ 30,766,268</u>	<u>\$ 27,883,505</u>
Net Income	<u>\$ (1,286,581)</u>	<u>\$ (2,807,000)</u>	<u>\$ (5,322,797)</u>	<u>\$ (567,890)</u>
University Support:				
Short-Term Internal Loan	-	-	2,500,000	-
Food Service Amortization Buyout			2,600,000	
Hot Water System Failure			931,108	
Scholarship Support	2,071,397	2,807,000	2,807,000	2,582,466
Total University Support	<u>\$ 2,071,397</u>	<u>\$ 2,807,000</u>	<u>\$ 8,838,108</u>	<u>\$ 2,582,466</u>
Net Income with University Support	<u>\$ 784,816</u>	<u>\$ -</u>	<u>\$ 3,515,311</u>	<u>\$ 2,014,576</u>
Ending Balances prior to Major Cap. Expenditures:				
Restricted Fund Balance	\$ -	\$ -	\$ -	\$ -
Unrestricted Fund Balance	784,816	784,816	4,300,127	3,814,703
Less: Major Capital Expenditures	-	-	2,500,000	-
Total Ending Fund Balance	<u>\$ 784,816</u>	<u>\$ 784,816</u>	<u>\$ 1,800,127</u>	<u>\$ 3,814,703</u>









FY27_Housing_Budget_Full

Final Audit Report

2026-04-10

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