

**OAKLAND CENTER OPERATING BUDGET FOR THE
FISCAL YEAR ENDING JUNE 30, 2027**

A Recommendation

1. **Division and Department:** Student Affairs and Oakland Center
2. **Introduction:** The proposed budget for the Oakland Center is presented for approval for the fiscal year ending June 30, 2027.

The ancillary activity presented represents an operation 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 proposed budget. The all-funds model provides 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 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 endowments are included.

3. **Previous Board Action:** On April 11, 2025, the Board of Trustees (Board) approved the FY2026 Oakland Center budget.
4. **Budget Implications:** See the program description for budget implications.
5. **Educational Implications:** See the program description for educational implications.
6. **Personnel Implications:** See the program description for personnel implications.
7. **University Reviews/Approvals:** The Oakland Center budget was developed by the Director of the Oakland Center, reviewed by the Financial Performance Review Committee, Budget and Financial Planning office, Interim Vice President for Student Affairs, Vice President for Finance and Administration, and President.
8. **Recommendation:**

RESOLVED, that the Board of Trustees approve the FY2027 Budget for the Oakland Center, with expenditures and transfers not to exceed the total as reflected in the attached budget, except as set forth; and, be it further

**Oakland Center Operating Budget
For The Fiscal Year Ending June 30, 2026
Oakland University
Board of Trustees Formal Session
June 26, 2026
Page 2**

RESOLVED, that any expenditure level in excess of the approved amount that is not funded by a direct revenue increase must have the prior approval of the President or his/her designee and those amounts shall be reported on a periodic basis to the Board of Trustees; and, be it further


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 Oakland Center Budget Notes & Assumptions
- B. Oakland Center Proposed Budget – FY2027

Submitted to the President
on Jun 17, 2026, 2026 by



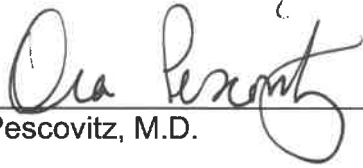
Michael Wadsworth
Interim Vice President for Student Affairs



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

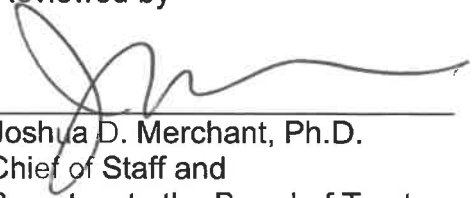
**Oakland Center Operating Budget
For The Fiscal Year Ending June 30, 2026
Oakland University
Board of Trustees Formal Session
June 26, 2026
Page 3**

Recommended on 6/18, 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

Oakland Center

Description of Program

The Oakland Center advances a sense of community, unifying the university by embracing the diversity of students, faculty, staff, alumni, and guests. The center houses informal gathering space, event and meeting spaces, retail dining, the university campus store, the university affiliated credit union, an eSports lounge, and office space for a variety of student facing university departments and student organizations.

Key Performance Indicators

Fiscal Year	FY24	FY25	FY26*
Online Meeting/Event/Table Requests	1,812	1,871	2,003
<i>Internal</i>	1,721	1,735	1,885
<i>External</i>	91	136	118
Meeting/Event Rooms Used	4,344	3,567	3,584
<i>Internal</i>	4,109	3,308	3,356
<i>External</i>	235	259	228
Grizz Den eSports – PC Logins	589	824	648
Grizz Den eSports – Hours Played	5,799	9,610	6,250
Grizz Den – Equipment Rentals	3,860	9,607	6,543

*FY26 numbers are estimates based on current year trends; Oakland Center, along with OU's campus, was shut down for most services due to the High Temp Hot Water disruption in November/December 2025.

Major Accomplishments

- Moved event scheduling to a new web-based solution, Coursedog, that is going to be used campus-wide for event scheduling, along with academic scheduling, the course catalog, and course demand analytics. This move is streamlining how reservation requests are received and approved, saving labor hours for our staff while improving the response time for the campus community when space requests are made.
- Moved the OU Gear Shop from the lower level of the Oakland Center to the main level, near the west entrance doors. This increased visibility of the OU Gear Shop, improving both foot traffic and sales for the store.

FY2026 Explanation of Major Changes

- Bookstore commissions continue to decrease due to lower faculty adoptions and an increase in digital sales.
- Conference revenue is projected to exceed budget by 5.2%, driven by targeted efforts to increase external group facility usage. Compared to FY2025, revenue is expected to decline 14.6% due to nonrecurrence of conferences not returning in FY2026.
- On October 3, 2023 OU entered into an amendment to the food service contract with an effective date of July 1, 2023. Under this cost model agreement, the Oakland Center receives all of the catering revenue provided by foodservice activity. All expenses related to foodservice catering revenue, as well as 50% of overhead costs of the vendor are paid by the Oakland Center. FY2026 Catering revenue is estimated to exceed budget by 7%.
- Compensation expenses are expected to be slightly lower than budget due to an open custodial position not filled until late October. In an effort to reduce costs, building hours and operations were reduced resulting in a reduction in student employment hours.
- Supplies and services are expected to exceed budget due to food services expenses related to conference events.
- Repair and maintenance costs increased due to aging food service equipment repairs and increased facilities maintenance charges. Also included are expenses totaling \$107,016 for repairs to the lower level due to flooding. This amount was reimbursed as University Support.
- Cost of Retail Sales are expected to exceed budget by 29.3%, due to anticipated foodservice cost savings that were not realized in FY2026.
- It is estimated that a \$1.8M internal loan for operating losses and \$515,000 for Major Capital Expenditures will be necessary to balance FY2026. The total loan will result in an interest payment of \$112,119.
- FY2026 Major Capital Expenditure projects reflect three major investments totaling \$515,000 that were not included in the FY2026 budget. These include a Floor Project Repair, estimated to be \$77,000, OSI Office Renovations, estimated to be \$400,000, and relocating the Coffee Shop, estimated to be \$38,000.

FY2027 Budget Assumptions

- An increase in conference revenue is projected for FY2027 as efforts to expand use of campus facilities by external organizations continue.
- A new foodservice contract is currently being negotiated. At this time, it is anticipated that the OC will continue to operate under the current cost model agreement.
- Compensation expense reflects anticipated moderate increases in wage and benefit costs.

- Student Allocation funding that was decreased by 35% in prior years has been restored to its original allocation of \$1.1M for FY2027.
- Debt restructure and renegotiation of the foodservice contract eliminated unamortized expense from other transfers.
- An additional loan of \$1.8M for the FY2027 is expected to cover the projected operating loss and Major Capital Investments of \$71,275.
- FY2027 Major Capital Expenditures include the Market Food Concept Upgrade for \$16,000 and the OC SW Main Door Entrance Repair for \$55,275, estimated at \$71,275 in total for both projects.

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

	FY2025 ACTUAL	FY2026 BUDGET	FY2026 ESTIMATED ACTUAL	FY2027 PROPOSED BUDGET
Revenue:				
Operating Revenue				
Bookstore Contract	\$ 201,131	\$ 175,000	\$ 161,175	\$ 159,613
Conference/Camps	597,225	485,000	510,000	523,600
Other	4,791	-	2,650	2,650
Retail Sales Chartwells Catering	1,775,503	1,669,852	1,787,511	1,841,136
OU Purchased Services	271,044	276,904	276,904	285,721
Gifts and Grants	520	-	160	-
Investment Income	61,622	-	-	-
Total Revenue	<u>\$ 2,911,836</u>	<u>\$ 2,606,756</u>	<u>\$ 2,738,400</u>	<u>\$ 2,812,720</u>
Expenditures:				
Compensation	\$ 1,212,154	\$ 1,285,511	\$ 1,240,300	\$ 1,324,076
Supplies and Services	490,522	370,989	412,060	424,422
Repairs and Maintenance	210,558	247,380	378,785	280,000
Cost of Retail Sales Chartwells Expenses	2,062,916	1,669,852	2,158,357	2,223,108
Equipment	51,573	24,400	25,539	27,000
Insurance	75,217	89,229	91,746	110,258
Utilities	570,030	644,096	620,000	651,011
Debt Service	80,866	80,866	80,866	80,866
Short-Term Loan Interest	6,734	102,526	112,119	204,593
Loan Payment				
Overhead charged by OU	321,903	269,897	269,897	284,056
Other Transfers	85,446	100,000	100,000	
Total Expenditures	<u>\$ 5,167,919</u>	<u>\$ 4,884,746</u>	<u>\$ 5,489,669</u>	<u>\$ 5,609,390</u>
Net Income	<u>\$ (2,256,083)</u>	<u>\$ (2,277,990)</u>	<u>\$ (2,751,269)</u>	<u>\$ (2,796,670)</u>
University Support:				
Student Tuition Allocation	\$ 842,862	\$ 842,862	\$ 842,862	\$ 1,134,159
Short-Term Internal Loan	\$ 323,651	\$ 1,435,128	\$ 2,316,551	\$ 1,733,786
Lower Level Flood Reimbursement	\$ -	\$ -	\$ 107,016	\$ -
Total University Support	<u>\$ 1,166,513</u>	<u>\$ 2,277,990</u>	<u>\$ 3,266,429</u>	<u>\$ 2,867,945</u>
Net Income with University Support	<u>\$ (1,089,570)</u>	<u>\$ -</u>	<u>\$ 515,160</u>	<u>\$ 71,275</u>
Ending Balances prior to Major Cap. Expenditures:				
Restricted Fund Balance *	\$ -	\$ -	\$ -	\$ -
Unrestricted Fund Balance	1,126,317	36,747	551,907	108,182
Less: Major Capital Expenditures	-	-	515,000	71,275
Total Ending Fund Balance	<u>\$ 36,747</u>	<u>\$ 36,747</u>	<u>\$ 36,907</u>	<u>\$ 36,907</u>