OU Board approves 2017-18 budget

With the goal of protecting and strengthening Oakland University's already exemplary academic programs, as well as providing students with extensive financial and academic support services, the Oakland University Board of Trustees on Monday approved a $271.5 million budget for the 2017-18 fiscal year.

The board's decision maintains a sharp focus on the university's academic, research and community engagement mission. Trustees adopted the measure despite a projected 1 percent decline in student enrollment for the coming academic year.

"Regardless of the budget challenges we face, Oakland University is committed to improving opportunity for students to excel in their studies, launch successful careers and support the growth of a vibrant state economy," said the university's president, George W. Hynd.

"Obtaining a rigorous and empowering college education is critical to both individual and collective aspirations in Michigan, and we simply cannot afford to compromise the quality of academic programs we provide the next generation of workers, innovators and leaders."

Oakland administrators are pleased that Governor Rick Snyder and the Michigan Legislature are considering a minimum 2.5 percent increase in state appropriations to the university. This would amount to total support of just over $51 million, which includes an estimated $1.25 million in incentive funding based on metrics for critical skills degree completions, graduation rate and other performance goals, as well as for agreeing to limit any tuition increase to 3.8 percent or less.

The 2017-18 budget calls for an overall 3.74 percent increase in the university's resident undergraduate tuition rate, or $15 per credit hour. For the average, full-time resident freshman, this will amount to $12,420 for the year. In-state graduate students will see a 3.75 percent tuition increase.

Oakland is proud to maintain the state of Michigan's – and perhaps the nation's – only no-fee tuition pricing strategy. Adherence to this policy means that OU students do not see their anticipated tuition expenditures bumped up by unforeseen fees.

The university is also maintaining a strong and long-held commitment to widening access to a high-quality college education regardless of incoming and current students' financial means to pay for college. The new budget calls for more than $45 million in institutional financial aid allocations. Notably, this sum is approaching the total state appropriation Oakland is slated to receive over the coming year.

By returning nearly all of the state support dollars it receives back to students, as well as by assisting students in acquiring federal, state and philanthropic aid, the university will help reduce net average tuition costs by nearly one-third to $8,354 per year.

Oakland also continues to be one of the state's most efficient stewards of students' tuition dollars. It has achieved this status in part by implementing more than $50 million in permanent and one-time cuts to operational expenditures over the past 15 years.

Much of this belt tightening has taken place during a period in which state appropriations have remained flat from year to year, or declined fact, OU's 2017-18 state appropriation amounts to $1.3 million less than it received during the 2008-09 fiscal year. This funding now supp just 17 percent of the Oakland's total operating budget, which pales in comparison to support amounting to 71 percent in 1972.

Budget challenges are heightened by the fact that Oakland's current state funding level is the lowest in Michigan on a per-student basis. Administrators estimate that if OU received the average level of state funding among Michigan's 15 public universities, its operating budg would increase by $37.8 million.

Regarding the disparity in the level of state support that Michigan students receive based on the university they choose to attend. Oakland University Board of Trustees Chair Ric DeVore said that beneficial change will come only as a result of strong public support for equity in state's higher education funding formula.

"Until we see that kind of advocacy effect policy reform in Lansing, Oakland will continue to balance the need to support outstanding educational programs with the need to ensure that those programs are accessible to as many Michigan students as possible."