

**Agendum  
Oakland University  
Board of Trustees Formal Session  
April 12, 2021**

**UNIVERSITY HOUSING OPERATING BUDGET FOR THE  
FISCAL YEAR ENDING JUNE 30, 2022**

**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, 2022.

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 FY2021 University Housing budget on April 6, 2020.
- 4. Budget Implications:** See 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, Senior Vice President for Student Affairs and Chief Diversity Officer, Vice President for Finance and Administration, and President.
- 8. Recommendation:**

RESOLVED, that the Board of Trustees approves the FY2022 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

University Housing Operating Budget for the  
Fiscal Year Ending June 30, 2022  
Oakland University  
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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.

9. **Attachments:**

A. Description of Programs and Proposed Budget, FY2022

Submitted to the President  
on 4/7/21, 2021 by

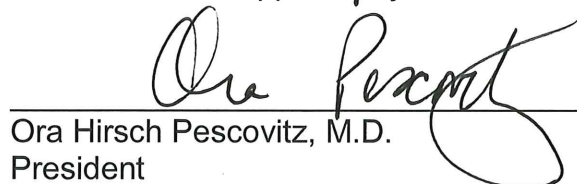


Glenn McIntosh  
Senior Vice President for Student Affairs and  
Chief Diversity Officer



John W. Beaghan  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees

Recommended on 4/7, 2021  
to the Board for approval by



Ora Hirsch Pescovitz, M.D.  
President

## 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>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
Opening Occupancy	3,017	3,004	1,754
Renovation and Refurbishing Projects	\$2,906,035	\$855,000	\$779,000
Chartwell Board Rate Increase	3.0%	4.0%	1.5%

### FY2021 Explanation of Major Changes

1. Decrease in room and board operating revenue is due to a lower than budgeted student occupancy. The continuation of the pandemic and related restrictions through FY2021 had a negative effect on housing contracts.
2. Reduction in compensation, supplies and services, student programming & retention, travel, and repairs and maintenance. These reductions were a combination of intentional expenditure containment measures and savings as the result of mandatory COVID restrictions.
3. Decrease in food service is due to contract renegotiations which temporarily introduced a cost reimbursement method during this pandemic year.
4. Increase in equipment is due to the installation of swipe access to increase security within the resident halls.
5. Decrease in other transfers is due to cost savings on capital projects.
6. Increase in University support and major capital expenditures is due to CARES / HEERF relief funding due to COVID.

## Department of University Housing

### FY2022 Budget Assumptions

1. The **Standard Residence Hall** budget reflects a 0.0 percent double room rate increase in room and board. The recommended rates are as follows:

<b>Year</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
Academic Year Rate (double room)	\$10,430	\$10,639	\$10,639
Academic Year Rate (single room)	\$11,350	N/A	N/A
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 (Acad. Yr – double)	2%	2%	0%

2. The **Oak View Hall** budget reflects a 0.0 percent room rate increase in room and board. The recommended rates are as follows:

<b>Year</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
Academic Year Rate (freshmen double room)	\$10,970	\$11,190	\$11,190
Academic Year Rate (upper class single room suite)	\$11,515	\$11,746	\$11,746
Summer Semester Rate (freshmen double room)	\$3,845	\$3,922	\$3,922
Summer Semester Rate (upper class single room suite)	\$4,025	\$4,106	\$4,106
Percentage Increase (freshmen & upper class)	2%	2%	0%

FY2022 Budget Assumptions

3. The **Ann V. Nicholson Apartments** budget reflects a 0.0 percent rate increase. The recommended rates are as follows:

<b>Year</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
Academic Year Rate (3 and 4 Bedrooms)	\$8,690	\$8,864	\$8,864
Academic Year Rate (2 Bedrooms)	\$9,140	\$9,323	\$9,323
Summer Semester Rate (3 and 4 Bedrooms)	\$4,120	\$4,203	\$4,203
Summer Semester Rate (2 Bedroom)	\$4,580	\$4,672	\$4,672
Percentage Increase (3&4 BR & 2BR)	2%	2%	0%

4. The **George T. Matthews Apartments** budget reflects a 0.0 percent room rate increase. The recommended rates are as follows:

<b>Year</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
Academic Year Rate	\$8,976	\$9,156	\$9,156
Summer Semester Rate	\$4,545	\$4,636	\$4,636
Percentage Increase (Acad. Yr – double)	2%	2%	0%

5. The **Hillcrest Hall** budget reflects a 0.0 percent room rate increase in room and board. The recommended rates are as follows:

<b>Year</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
Academic Year Rate	\$11,515	\$11,746	\$11,746
Summer Semester Rate	N/A	N/A	N/A
Percentage Increase	2%	2%	0%

## Department of University Housing

### FY2022 Budget Assumptions

1. FY2022 operating revenue is calculated on 0% room and board increase and 80% occupancy. This estimate is due to the ongoing pandemic. Occupancy to rebound with widespread vaccine distribution.
2. Increase in compensation is due to expected salary increases.
3. Reduction in supplies and services, student programming & retention, and repairs and maintenance are intentional expenditure containment as a precautionary measure until occupancy rebounds.
4. Increase in food service is due to a 1.5% increase as stipulated by contract.
5. Increase in insurance was determined by Risk Management.
6. Increase in University support is due to CARES / HEERF relief funding due to COVID.
7. Major capital expenditures are for the George T. Matthews Apartment fire panel replacement.

**Ancillary Activities Operating Budget**  
**University Housing**  
**Proposed Budget - All Funds**  
**FY2022**

	FY2020 YEAR-END ACTUAL	FY2021 BUDGET	FY2021 ESTIMATED ACTUAL	FY2022 PROPOSED BUDGET
<b>Revenue:</b>				
Operating Revenue	\$ -	\$ -	\$ -	\$ -
Room & Board	24,840,731	29,439,009	14,981,796	25,609,236
Conferences	203,122	110,000	45,000	100,000
Other	295,900	471,780	15,000	239,143
Retail Sales	-	-	-	-
OU Purchased Services	127,041	120,556	120,556	102,140
Gifts and Grants	-	-	-	-
Investment Income	90,186	48,707	4,586	-
Total Revenue	<u>\$ 25,556,980</u>	<u>\$ 30,190,052</u>	<u>\$ 15,166,938</u>	<u>\$ 26,050,519</u>
<b>Expenditures:</b>				
Compensation	\$ 5,861,047	\$ 6,756,242	\$ 5,359,200	\$ 5,559,488
Supplies and Services	781,717	621,745	615,945	445,825
Student Programming & Retention	263,015	470,040	189,590	203,360
Food Services	5,638,049	6,440,530	5,035,867	5,949,411
Travel	28,227	20,000	-	16,000
Repairs and Maintenance	1,472,948	2,163,888	1,356,076	1,300,000
Cost of Retail Sales	-	-	-	-
Equipment	69,436	11,000	49,574	50,000
Insurance	147,370	188,808	156,716	199,294
Utilities	1,771,553	1,882,437	1,882,437	1,814,072
Debt Service	8,363,120	8,361,435	8,361,436	8,357,170
Overhead charged by OU	778,649	1,000,180	1,000,180	1,006,401
Other Transfers	(948,758)	50,000	(46,890)	50,000
Total Expenditures	<u>\$ 24,226,373</u>	<u>\$ 27,966,305</u>	<u>\$ 23,960,131</u>	<u>\$ 24,951,021</u>
<b>Net Income</b>	<u>\$ 1,330,607</u>	<u>\$ 2,223,747</u>	<u>\$ (8,793,193)</u>	<u>\$ 1,099,498</u>
<b>University Support:</b>				
CARES / HEERF Relief Funding	\$ -	\$ -	\$ 3,801,833	\$ -
CARES / HEERF Relief Funding - Pending Further Review	-	-	4,974,407	610,502
Scholarship Support	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Total University Support	<u>\$ (1,500,000)</u>	<u>\$ (1,500,000)</u>	<u>\$ 7,276,240</u>	<u>\$ (889,498)</u>
<b>Net Income with University Support</b>	<u>\$ (169,393)</u>	<u>\$ 723,747</u>	<u>\$ (1,516,953)</u>	<u>\$ 210,000</u>
<b>Ending Balances prior to Major Cap. Expenditures:</b>				
Restricted Fund Balance *	\$ -	\$ -	\$ -	\$ -
Unrestricted Fund Balance	5,150,953	5,019,700	2,779,000	2,210,000
Less: Major Capital Expenditures	855,000	475,000	779,000	210,000
<b>Total Ending Fund Balance</b>	<u>\$ 4,295,953</u>	<u>\$ 4,544,700</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Restriction 1			\$ -	
Restriction 2			-	
Restriction 3			-	
Restricted Fund Balance *			<u>\$ -</u>	

**Oakland University  
University Housing  
Proposed Major Capital Expenditures  
FY2022**

<b>Item Description</b>	<b>Estimated Cost</b>
George T. Matthews Apartment fire panel replacement	\$ 210,000
<b>FY2022 Total</b>	<u><u>\$ 210,000</u></u>