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The University of Michigan

Ann Arbor • Dearborn • Flint

The Regents of the University of Michigan

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Mary Sue Coleman (*ex officio*)

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Juan E. Mestas, Chancellor, University of Michigan-Flint

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Academic Affairs

Robert P. Kelch, Executive Vice President for Medical Affairs

Timothy P. Slottow, Executive Vice President and Chief Financial Officer

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Michigan-Flint

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Planning and Administration

Margaret E. Norgren, Associate Vice President for Finance

Glenna L. Schweitzer, Assistant Provost and Director of the Office of
Budget and Planning

THE UNIVERSITY OF MICHIGAN
REGENTS' COMMUNICATION

Action Item

Subject: FY 2006-2007 Budgets

Action

Requested: Approval of Revenue and Expenditure Operating Budgets for FY 2006-2007

Background and Summary:

The three campuses of the University of Michigan have developed budgets for the 2006-2007 fiscal year. At this time, we are presenting summary revenue and expenditure budgets for the General Fund, Designated Fund, Auxiliary Activities, and Expendable Restricted Fund. These budgets conform to all University policies.

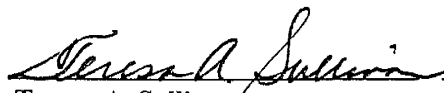
We recommend that the following summary revenue and expenditure budgets be approved effective July 1, 2006 for the period July 1, 2006 through June 30, 2007.

<u>Revenue Budget:</u>	Ann Arbor	Dearborn	Flint	Total
General Fund	1,295,048	89,948	64,213	1,449,209
Designated Fund	119,750	975	1,275	122,000
Auxiliary Activities	2,392,303	2,552	2,341	2,397,196
Expendable Restricted	881,390	10,900	13,450	905,740
Totals	4,688,491	104,376	81,279	4,874,146

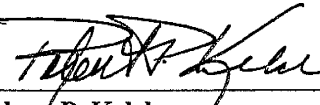
<u>Expenditure Budget:</u>	Ann Arbor	Dearborn	Flint	Total
General Fund	1,295,048	89,948	64,213	1,449,209
Designated Fund	119,750	975	1,275	122,000
Auxiliary Activities	2,335,475	2,552	2,341	2,340,368
Expendable Restricted	881,390	10,900	13,450	905,740
Totals	4,631,663	104,376	81,279	4,817,318

Note: Budget amounts are shown in thousands. Detail may not add exactly to totals due to rounding.

Respectfully Submitted,



Teresa A. Sullivan
Provost and Executive Vice President for
Academic Affairs

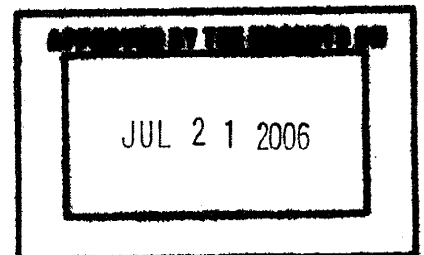


Robert P. Kelch
Executive Vice President for Medical
Affairs



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

July 2006



All Campuses Summary Budgeted Revenues and Expenditures by Campus

	2006-2007			2005-2006			FY97- FY07			
	Ann Arbor	Dearborn	Flint	Total	Ann Arbor	Dearborn	Flint	Total	% Chg	CGR
Revenues:										
General Fund	\$ 1,295,048,483	\$ 89,948,400	\$ 64,213,000	\$ 1,449,209,883	\$ 1,220,485,312	\$ 84,667,800	\$ 60,386,000	\$ 1,365,539,112	6.1%	5.0%
Designated Fund	119,750,000	975,000	1,275,000	122,000,000	112,625,000	775,000	1,100,000	114,500,000	6.6%	2.9%
Auxiliary Activities	2,392,303,076	2,552,400	2,341,000	2,397,196,476	2,260,687,483	2,572,400	2,425,000	2,265,684,883	5.8%	6.3%
Expendable Restricted Fund	881,389,579	10,900,000	13,450,000	905,739,579	845,416,037	10,750,000	10,910,000	867,076,037	4.5%	7.0%
Total Revenues	\$ 4,688,491,118	\$ 104,375,800	\$ 81,279,000	\$ 4,874,145,918	\$ 4,439,213,832	\$ 98,765,200	\$ 74,821,000	\$ 4,612,800,032	5.7%	6.0%
Expenditures:										
General Fund	\$ 1,295,048,483	\$ 89,948,400	\$ 64,213,000	\$ 1,449,209,883	\$ 1,220,485,312	\$ 84,667,800	\$ 60,386,000	\$ 1,365,539,112	6.1%	5.0%
Designated Fund	119,750,000	975,000	1,275,000	122,000,000	112,625,000	775,000	1,100,000	114,500,000	6.6%	2.9%
Auxiliary Activities	2,335,474,802	2,552,400	2,341,000	2,340,368,202	2,217,387,813	2,572,400	2,425,000	2,222,385,213	5.3%	7.1%
Expendable Restricted Fund	881,389,579	10,900,000	13,450,000	905,739,579	845,416,037	10,750,000	10,910,000	867,076,037	4.5%	7.0%
Total Expenditures	\$ 4,631,662,844	\$ 104,375,800	\$ 81,279,000	\$ 4,817,317,644	\$ 4,395,914,162	\$ 98,765,200	\$ 74,821,000	\$ 4,569,500,362	5.4%	6.3%
Forecast Margin	\$ 56,828,274	\$ -	\$ -	\$ 56,828,274	\$ 43,299,670	\$ -	\$ -	\$ 43,299,670		

This schedule summarizes the total revenue and expenditure budgets for the University of Michigan's three campuses. The budgets for each campus are summarized by current operating funds: General Fund, Designated Fund, Auxiliary Activities, and Expendable Restricted Fund.

The total revenue budget has increased \$261,345,886 or approximately 5.7% over the Fiscal Year 2006 budget. The compound growth rate from Fiscal Year 1997 is approximately 6.0%. After adjusting for inflation, this compound growth rate equates to 3.3%.

The total expenditure budget has increased \$251,594,759 or approximately 5.5% over the Fiscal Year 2006 budget. The compound growth rate from Fiscal Year 1997 is approximately 6.3%. After adjusting for inflation, this compound growth rate equates to 3.7%.

Schedule A

All Campuses

Summary of Budgeted Revenues and Expenditures by Fund

	2006-2007				2005-2006		
	General	Designated	Auxiliary Activities	Expendable Restricted	Total	Total	\$ Change
Revenues:							
State Appropriations	\$ 372,773,200	\$ -	\$ -	\$ -	\$ 372,773,200	\$ 359,694,500	\$ 13,078,700
Student Tuition & Fees	880,360,342	-	-	-	880,360,342	821,366,749	58,993,593
Government Sponsored Programs:							
Federal	900,000	-	-	720,000,000	720,900,000	707,900,000	13,000,000
Non-Federal	-	-	-	10,000,000	10,000,000	11,000,000	(1,000,000)
Private Gifts & Sponsored Programs	-	1,000,000	-	205,000,000	206,000,000	196,500,000	9,500,000
Indirect Cost Recovery	171,260,421	-	-	-	171,260,421	165,923,963	5,336,458
Indirect Cost Recovery Alloc to Gen Op	-	-	-	(171,260,421)	(171,260,421)	(165,923,963)	(5,336,458)
Income from Investments:							
Endowment and Other Invested Funds	-	15,000,000	-	118,000,000	133,000,000	117,000,000	16,000,000
Other	14,337,000	11,000,000	-	21,000,000	46,337,000	30,155,000	16,182,000
Auxiliary Activities:							
UM Health System	-	-	2,189,176,423	-	2,189,176,423	2,062,568,028	126,608,395
Other Auxiliary Units	-	-	208,020,053	-	208,020,053	203,116,855	4,903,198
Departmental Activities	9,578,900	95,000,000	-	3,000,000	107,578,900	103,498,900	4,080,000
Total Revenues	\$ 1,449,209,863	\$ 122,000,000	\$ 2,397,196,476	\$ 905,739,579	\$ 4,874,145,918	\$ 4,612,800,032	\$ 261,345,886
Total Expenditures	\$ 1,449,209,863	\$ 122,000,000	\$ 2,340,368,202	\$ 905,739,579	\$ 4,817,317,644	\$ 4,569,500,362	\$ 247,817,282
Forecast Margin	\$ -	\$ -	\$ 56,828,274	\$ -	\$ 56,828,274	\$ 43,299,670	

Schedule B General Fund - All Campuses Summary of Budgeted Revenues and Expenditures

	2006-2007			2005-2006		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
Revenues:						
State Appropriations	\$ 325,796,300	\$ 25,456,600	\$ 21,520,300	\$ 372,773,200	\$ 359,694,500	\$ 13,078,700
Student Tuition & Fees	777,366,742	60,970,900	42,022,700	880,360,342	821,366,749	58,993,593
Government Sponsored Programs:						
Federal	900,000	-	-	900,000	900,000	-
Indirect Cost Recovery	170,560,421	500,000	200,000	171,260,421	165,923,963	5,336,458
Income from Investments - Other	14,000,000	137,000	200,000	14,337,000	7,155,000	7,182,000
Departmental Activities	6,425,000	2,883,900	270,000	9,578,900	10,498,900	(920,000)
Total Revenues	\$1,295,048,463	\$ 89,948,400	\$ 64,213,000	\$1,449,209,863	\$1,365,539,112	\$ 83,670,751
Total Expenditures	\$1,295,048,463	\$ 89,948,400	\$ 64,213,000	\$1,449,209,863	\$1,365,539,112	\$ 83,670,751
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule C Designated Fund - All Campuses Summary of Budgeted Revenues and Expenditures

	2006-2007			2005-2006		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
Revenues:						
Private Gifts & Sponsored Programs	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,500,000	\$ (500,000)
Income from Investments:						
Endowment and Other Invested Funds	15,000,000	-	-	15,000,000	12,000,000	3,000,000
Other	10,125,000	425,000	450,000	11,000,000	11,000,000	-
Departmental Activities	93,625,000	550,000	825,000	95,000,000	90,000,000	5,000,000
Total Revenues	\$ 119,750,000	\$ 975,000	\$ 1,275,000	\$ 122,000,000	\$ 114,500,000	\$ 7,500,000
Total Expenditures	\$ 119,750,000	\$ 975,000	\$ 1,275,000	\$ 122,000,000	\$ 114,500,000	\$ 7,500,000
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule D

Auxiliary Activities - All Campuses

Summary of Budgeted Revenues and Expenditures

	2006-2007			2005-2006		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
BUDGETED REVENUES						
UM Health System:						
Hospitals and Health Centers	\$ 1,593,917,553	\$ -	\$ -	\$ 1,593,917,553	1,463,808,000	\$ 130,109,553
Michigan Health Corporation	22,675,116	-	-	22,675,116	20,540,770	2,134,346
M-Care	565,689,262	-	-	565,689,262	573,105,522	(7,416,260)
Medical School - Clinical Activity	450,678,641	-	-	450,678,641	420,044,048	30,634,593
Executive Vice President for Medical Affairs - Program Support	50,000	-	-	50,000	100,000	(50,000)
Subtotal	\$ 2,633,010,572	\$ -	\$ -	\$ 2,633,010,572	\$ 2,477,598,340	\$ 155,412,232
Less Rebillings Credits	(443,834,149)	-	-	(443,834,149)	(415,030,312)	(28,803,837)
Total - UM Health System	\$ 2,189,176,423	\$ -	\$ -	\$ 2,189,176,423	\$ 2,062,568,028	\$ 126,608,395
Other Auxiliary Units:						
Plant Operations	\$ 123,348,064	\$ -	\$ -	\$ 123,348,064	\$ 109,911,018	\$ 13,437,046
Utilities	206,276,142	-	-	206,276,142	156,700,754	49,575,388
ITD Telecomm and Technology Services	29,169,368	-	-	29,169,368	27,246,156	1,923,212
University Housing	101,916,000	-	-	101,916,000	100,125,000	1,791,000
Strategic Procurement	101,584,931	-	-	101,584,931	119,420,248	(17,835,317)
Intercollegiate Athletics	61,915,000	-	-	61,915,000	58,528,000	3,387,000
Risk Management & Veritas Insurance Co	27,321,294	-	-	27,321,294	42,633,530	(15,312,236)
Staff Benefits Rebillings	49,294,269	-	-	49,294,269	46,444,106	2,850,163
Health Service	16,387,900	-	-	16,387,900	15,722,411	665,489
Parking Operations	18,062,283	-	-	18,062,283	18,045,983	16,300
Other Publications	9,468,116	-	-	9,468,116	10,270,626	(802,510)
League, Union, and Commons	16,529,541	-	-	16,529,541	14,076,304	2,453,237
Other Auxiliary Units	62,308,087	3,805,000	2,975,000	69,088,087	67,274,503	1,813,584
Subtotal - Other Auxiliary Units	\$ 823,580,995	\$ 3,805,000	\$ 2,975,000	\$ 830,360,995	\$ 786,398,639	\$ 43,962,356
Less Rebillings Credits	(607,173,167)	(980,000)	(300,000)	(608,463,167)	(570,119,202)	(38,333,965)
Less Student Fee Allocations Budgeted in General Fund	(13,281,175)	(272,600)	(334,000)	(13,887,775)	(13,162,582)	(725,193)
Total - Other Auxiliary Units	\$ 203,126,653	\$ 2,552,400	\$ 2,341,000	\$ 208,020,053	\$ 203,116,855	\$ 4,903,198
Grand Total - Revenue	\$ 2,392,303,076	\$ 2,552,400	\$ 2,341,000	\$ 2,397,196,476	\$ 2,265,684,883	\$ 131,511,593

Schedule D - Continued Auxiliary Activities - All Campuses Summary of Budgeted Revenues and Expenditures

	2006-2007			2005-2006		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
BUDGETED EXPENDITURES						
UM Health System:						
Hospitals and Health Centers	\$ 1,550,922,613	\$ -	\$ -	\$ 1,550,922,613	\$ 1,423,183,140	\$ 127,739,473
Michigan Health Corporation	21,982,650	-	-	21,982,650	19,715,113	2,267,537
M-Care	558,358,711	-	-	558,358,711	566,434,670	(8,075,959)
Medical School - Clinical Activity	448,857,149	-	-	448,857,149	419,660,078	29,197,071
Executive Vice President for Medical Affairs - Program Support	2,286,599	-	-	2,286,599	3,173,070	(886,471)
Subtotal	<u>\$ 2,582,407,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,582,407,722</u>	<u>\$ 2,432,166,071</u>	<u>\$ 150,241,651</u>
Less Rebillings Credits	(443,834,149)	-	-	(443,834,149)	(415,030,312)	(28,803,837)
Total - UM Health System	<u>\$ 2,138,573,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,138,573,573</u>	<u>\$ 2,017,135,759</u>	<u>\$ 121,437,814</u>
Other Auxiliary Units:						
Plant Operations	123,181,025	-	-	\$ 123,181,025	\$ 109,005,714	\$ 14,175,311
Utilities	204,502,677	-	-	204,502,677	156,353,263	48,149,414
ITD Telecomm and Technology Services	32,076,826	-	-	32,076,826	28,837,314	3,239,512
University Housing	101,916,000	-	-	101,916,000	100,125,000	1,791,000
Strategic Procurement	103,859,330	-	-	103,859,330	118,874,060	(15,014,730)
Intercollegiate Athletics	55,044,000	-	-	55,044,000	61,063,000	(6,019,000)
Risk Management & Veritas Insurance Co	27,321,294	-	-	27,321,294	42,633,530	(15,312,236)
Staff Benefits Rebillings	47,655,950	-	-	47,655,950	46,877,891	778,059
Health Service	16,387,900	-	-	16,387,900	15,721,274	666,626
Parking Operations	17,802,912	-	-	17,802,912	17,644,496	158,416
Other Publications	9,323,061	-	-	9,323,061	10,349,323	(1,026,262)
League, Union, and Commons	16,529,541	-	-	16,529,541	14,076,304	2,453,237
Other Auxiliary Units	61,755,055	3,805,000	-	68,535,055	66,970,069	1,564,986
Subtotal - Other Auxiliary Units	<u>\$ 817,355,571</u>	<u>\$ 3,805,000</u>	<u>\$ 2,975,000</u>	<u>\$ 824,135,571</u>	<u>\$ 788,531,238</u>	<u>\$ 35,604,333</u>
Less Rebillings Credits	(607,173,167)	(980,000)	(300,000)	(608,453,167)	(570,119,202)	(38,333,965)
Less Student Fee Allocations Budgeted in General Fund	(13,281,175)	(272,600)	(334,000)	(13,887,775)	(13,162,582)	(725,193)
Total - Other Auxiliary Units	<u>\$ 196,901,229</u>	<u>\$ 2,552,400</u>	<u>\$ 2,341,000</u>	<u>\$ 201,794,629</u>	<u>\$ 205,249,454</u>	<u>\$ (3,454,825)</u>
Grand Total - Expenditures	<u>\$ 2,335,474,802</u>	<u>\$ 2,552,400</u>	<u>\$ 2,341,000</u>	<u>\$ 2,340,368,202</u>	<u>\$ 2,222,385,213</u>	<u>\$ 117,982,989</u>
Forecast Margin	<u>\$ 56,828,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,828,274</u>	<u>\$ 43,299,670</u>	<u>\$ 13,528,604</u>

Schedule E

Expendable Restricted Funds - All Campuses

Summary of Budgeted Revenues and Expenditures

	2006-2007			2005-2006		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
Revenues:						
Government Sponsored Programs:						
Federal	\$ 704,800,000	\$ 7,100,000	\$ 8,100,000	\$ 720,000,000	\$ 707,000,000	\$ 13,000,000
Non-Federal	7,100,000	900,000	2,000,000	10,000,000	11,000,000	(1,000,000)
Private Gifts & Sponsored Programs	201,800,000	2,500,000	700,000	205,000,000	195,000,000	10,000,000
Indirect Cost Recoveries Allocated to General Oper.	(170,560,421)	(500,000)	(200,000)	(171,260,421)	(165,923,963)	(5,336,458)
Income from Investments:						
Endowment and Other Invested Funds	114,250,000	900,000	2,850,000	118,000,000	105,000,000	13,000,000
Other	21,000,000	-	-	21,000,000	12,000,000	9,000,000
Departmental Activities	3,000,000	-	-	3,000,000	3,000,000	-
Total Revenues	\$ 881,389,579	\$ 10,900,000	\$ 13,450,000	\$ 905,739,579	\$ 867,076,037	\$ 38,663,542
Total Expenditures	\$ 881,389,579	\$ 10,900,000	\$ 13,450,000	\$ 905,739,579	\$ 867,076,037	\$ 38,663,542
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -