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The University of Michigan - All Campuses

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The University of Michigan

Ann Arbor • Dearborn • Flint

The Regents of the University of Michigan

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Laurence B. Deitch
Olivia P. Maynard
Rebecca McGowan

Andrea Fischer Newman
Andrew C. Richner
S. Martin Taylor
Katherine E. White

Mary Sue Coleman (*ex officio*)

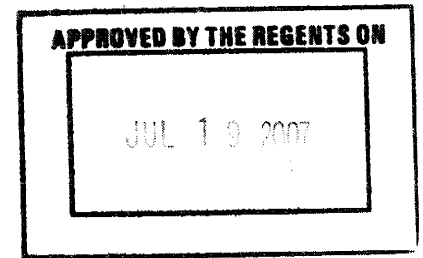
Executive Officers

Mary Sue Coleman, President
Daniel E. Little, Chancellor, University of Michigan-Dearborn
Jack Kay, Acting Chancellor, University of Michigan-Flint
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
Sally J. Churchill, Vice President and Secretary of the University
Stephen R. Forrest, Vice President for Research
Gloria A. Hage, Interim Vice President and General Counsel
E. Royster Harper, Vice President for Student Affairs
Jerry A. May, Vice President for Development
Cynthia H. Wilbanks, Vice President for Government Relations &
Interim Vice President for Communications (to Sept. 6, 2007)
David Lampe, Vice President for Communications (from Sept. 7, 2007)

Budget Staff

David W. Barthelmes, Vice Chancellor for Administration, University of
Michigan-Flint
Robert G. Behrens, Vice Chancellor of Business Affairs, University of
Michigan-Dearborn
Anne Berens, Assistant Associate Provost, Office of the Provost &
Executive Vice President of Academic Affairs
Antony E. Burger, Director, Office of Financial Analysis
Philip J. Hanlon, Associate Provost, Office of the Provost & Executive
Vice President of Academic Affairs
Margaret E. Norgren, Associate Vice President for Finance, Office of the
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 2007-2008 Budgets

Action

Requested: Approval of Revenue and Expenditure Operating Budgets for FY 2007-2008

Background and Summary:

The three campuses of the University of Michigan have developed budgets for the 2007-2008 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.

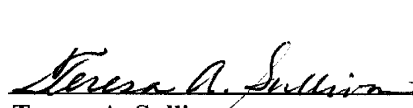
We recommend that the following summary revenue and expenditure budgets be approved effective July 1, 2007 for the period July 1, 2007 through June 30, 2008.

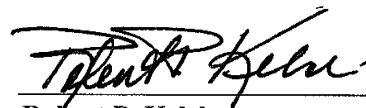
Revenue Budget:	Ann Arbor	Dearborn	Flint	Total
General Fund	1,347,661	95,108	68,906	1,511,675
Designated Fund	140,075	1,100	1,325	142,500
Auxiliary Activities	2,415,498	2,667	2,665	2,420,830
Expendable Restricted	879,590	12,450	12,470	904,510
Totals	4,782,824	111,325	85,366	4,979,515

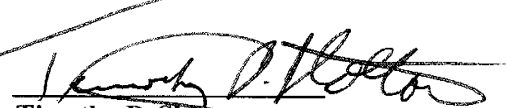
Expenditure Budget:	Ann Arbor	Dearborn	Flint	Total
General Fund	1,347,661	95,108	68,906	1,511,675
Designated Fund	140,075	1,100	1,325	142,500
Auxiliary Activities	2,359,287	2,667	2,665	2,364,619
Expendable Restricted	879,590	12,450	12,470	904,510
Totals	4,726,614	111,325	85,366	4,923,305

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 2007

All Campuses Summary Budgeted Revenues and Expenditures by Campus

	2007-2008				2006-2007				FY98- FY08
	Ann Arbor	Dearborn	Flint	Total	Ann Arbor	Dearborn	Flint	Total	% Chg CGR
Revenues:									
General Fund	\$ 1,347,661,268	\$ 95,107,600	\$ 68,906,300	\$ 1,511,675,168	\$ 1,295,048,463	\$ 89,948,400	\$ 64,213,000	\$ 1,449,209,863	4.3%
Designated Fund	140,075,000	1,100,000	1,325,000	142,500,000	119,750,000	975,000	1,275,000	122,000,000	16.8%
Auxiliary Activities	2,415,497,565	2,667,400	2,665,000	2,420,829,965	2,392,303,076	2,552,400	2,341,000	2,397,196,476	1.0%
Expendable Restricted Fund	879,590,261	12,450,000	12,470,000	904,510,261	881,389,579	10,900,000	13,450,000	905,739,579	-0.1%
Total Revenues	\$ 4,782,824,094	\$ 111,325,000	\$ 85,366,300	\$ 4,979,515,394	\$ 4,688,491,118	\$ 104,375,800	\$ 81,279,000	\$ 4,874,145,918	2.2%
Expenditures:									
General Fund	\$ 1,347,661,268	\$ 95,107,600	\$ 68,906,300	\$ 1,511,675,168	\$ 1,295,048,463	\$ 89,948,400	\$ 64,213,000	\$ 1,449,209,863	4.3%
Designated Fund	140,075,000	1,100,000	1,325,000	142,500,000	119,750,000	975,000	1,275,000	122,000,000	16.8%
Auxiliary Activities	2,359,287,060	2,667,400	2,665,000	2,364,619,460	2,335,474,802	2,552,400	2,341,000	2,340,368,202	1.0%
Expendable Restricted Fund	879,590,261	12,450,000	12,470,000	904,510,261	881,389,579	10,900,000	13,450,000	905,739,579	-0.1%
Total Expenditures	\$ 4,726,613,589	\$ 111,325,000	\$ 85,366,300	\$ 4,923,304,889	\$ 4,631,662,844	\$ 104,375,800	\$ 81,279,000	\$ 4,817,317,644	2.2%
Forecast Margin	\$ 56,210,505	\$ -	\$ -	\$ 56,210,505	\$ 56,828,274	\$ -	\$ -	\$ 56,828,274	6.5%

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 \$105,369,476 or approximately 2.2% over the Fiscal Year 2007 budget. The compound growth rate from Fiscal Year 1998 is approximately 6.2%. After adjusting for inflation, this compound growth rate equates to 3.5%.

The total expenditure budget has increased \$105,987,245 or approximately 2.2% over the Fiscal Year 2007 budget. The compound growth rate from Fiscal Year 1998 is approximately 6.5%. After adjusting for inflation, this compound growth rate equates to 3.8%.

Schedule A

All Campuses

Summary of Budgeted Revenues and Expenditures by Fund

	2007-2008				2006-2007		\$ Change
	General	Designated	Auxiliary Activities	Expendable Restricted	Total	Total	
Revenues:							
State Appropriations	\$ 366,324,900	\$ -	\$ -	\$ -	\$ 366,324,900	\$ 372,773,200	\$ (6,448,300)
Student Tuition & Fees	954,009,629	-	-	-	954,009,629	880,360,342	73,649,287
Government Sponsored Programs:							
Federal	900,000	-	-	702,000,000	702,900,000	720,900,000	(18,000,000)
Non-Federal	-	-	-	12,000,000	12,000,000	10,000,000	2,000,000
Private Gifts & Sponsored Programs	-	1,000,000	-	205,000,000	206,000,000	206,000,000	-
Indirect Cost Recovery	165,489,739	-	-	(165,489,739)	165,489,739	171,260,421	(5,770,682)
Indirect Cost Recovery Alloc to Gen Op	-	-	-	-	(165,489,739)	(171,260,421)	5,770,682
Income from Investments:							
Endowment and Other Invested Funds	-	25,500,000	-	125,000,000	150,500,000	133,000,000	17,500,000
Other	15,367,000	11,000,000	-	23,000,000	49,367,000	46,337,000	3,030,000
Auxiliary Activities:							
UM Health System	-	-	2,198,276,659	-	2,198,276,659	2,189,176,423	9,100,236
Other Auxiliary Units	-	-	222,553,306	-	222,553,306	208,020,053	14,533,253
Departmental Activities	9,583,900	105,000,000	-	3,000,000	117,583,900	107,578,900	10,005,000
Total Revenues	\$ 1,511,675,168	\$ 142,500,000	\$ 2,420,829,965	\$ 904,510,261	\$ 4,979,515,394	\$ 4,874,145,918	\$ 105,369,476
Total Expenditures	\$ 1,511,675,168	\$ 142,500,000	\$ 2,364,619,460	\$ 904,510,261	\$ 4,923,304,889	\$ 4,817,317,644	\$ 105,987,245
Forecast Margin	\$ -	\$ -	\$ 56,210,505	\$ -	\$ 56,210,505	\$ 56,828,274	\$ 666,769

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

	2007-2008			2006-2007	
	Ann Arbor	Dearborn	Flint	Total	\$ Change
Revenues:					
State Appropriations	\$ 320,156,000	\$ 25,017,600	\$ 21,151,300	\$ 372,773,200	\$ (6,448,300)
Student Tuition & Fees	840,565,529	66,319,100	47,125,000	880,360,342	73,649,287
Government Sponsored Programs:					
Federal	900,000	-	-	900,000	-
Indirect Cost Recovery	164,709,739	650,000	130,000	171,260,421	(5,770,682)
Income from Investments - Other	14,900,000	237,000	230,000	14,337,000	1,030,000
Departmental Activities	6,430,000	2,883,900	270,000	9,578,900	5,000
Total Revenues	\$1,347,661,268	\$ 95,107,600	\$ 68,906,300	\$1,449,209,863	\$ 62,465,305
Total Expenditures	\$1,347,661,268	\$ 95,107,600	\$ 68,906,300	\$1,449,209,863	\$ 62,465,305
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule C

Designated Fund - All Campuses

Summary of Budgeted Revenues and Expenditures

	2007-2008			2006-2007	
	Ann Arbor	Dearborn	Flint	Total	\$ Change
Revenues:					
Private Gifts & Sponsored Programs	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -
Income from Investments:					
Endowment and Other Invested Funds	25,500,000	-	-	25,500,000	10,500,000
Other	10,075,000	450,000	475,000	11,000,000	-
Departmental Activities	103,500,000	650,000	850,000	105,000,000	10,000,000
Total Revenues	\$ 140,075,000	\$ 1,100,000	\$ 1,325,000	\$ 142,500,000	\$ 20,500,000
Total Expenditures	\$ 140,075,000	\$ 1,100,000	\$ 1,325,000	\$ 142,500,000	\$ 20,500,000
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule D

Auxiliary Activities - All Campuses

Summary of Budgeted Revenues and Expenditures

	2007-2008			2006-2007		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
BUDGETED REVENUES						
UM Health System:						
Hospitals and Health Centers	\$ 1,780,621,608	\$ -	\$ -	\$ 1,780,621,608	1,593,917,553	\$ 186,704,055
Michigan Health Corporation	9,037,553	-	-	9,037,553	22,675,116	(13,637,563)
M-CARE	-	-	-	-	565,689,262	(565,689,262)
Medical School - Clinical Activity	509,105,248	-	-	509,105,248	450,678,641	58,426,607
Executive Vice President for Medical Affairs - Program Support	7,653,600	-	-	7,653,600	50,000	7,603,600
Subtotal	\$ 2,306,418,009	\$ -	\$ -	2,306,418,009	\$ 2,633,010,572	\$ (326,592,563)
Less Rebillings Credits	(108,141,350)	-	-	(108,141,350)	(443,834,149)	335,692,799
Total - UM Health System	\$ 2,198,276,659	\$ -	\$ -	\$ 2,198,276,659	\$ 2,189,176,423	\$ 9,100,236
Other Auxiliary Units:						
Plant Operations	\$ 126,020,597	\$ -	\$ -	\$ 126,020,597	\$ 123,348,064	\$ 2,672,533
Utilities	204,813,482	-	-	204,813,482	206,276,142	(1,462,660)
ITD Telecomm and Technology Services	28,192,806	-	-	28,192,806	29,169,368	(976,562)
University Housing	103,361,000	-	-	103,361,000	101,916,000	1,445,000
Strategic Procurement	110,191,099	-	-	110,191,099	101,584,931	8,606,168
Intercollegiate Athletics	72,844,000	-	-	72,844,000	61,915,000	10,929,000
Risk Management & Veritas Insurance Co	32,086,380	-	-	32,086,380	27,321,294	4,765,086
Staff Benefits Rebillings	45,977,023	-	-	45,977,023	49,294,269	(3,317,246)
Health Service	17,001,470	-	-	17,001,470	16,387,900	613,570
Parking Operations	19,480,565	-	-	19,480,565	18,062,283	1,418,282
Other Publications	11,753,378	-	-	11,753,378	14,238,210	(2,484,832)
League, Union, and Commons	17,829,080	-	-	17,829,080	16,529,541	1,299,539
Other Auxiliary Units	58,799,756	3,540,000	3,430,000	65,769,756	64,317,993	1,451,763
Subtotal - Other Auxiliary Units	\$ 848,350,636	\$ 3,540,000	\$ 3,430,000	\$ 855,320,636	\$ 830,360,995	\$ 24,959,641
Less Rebillings Credits	(617,073,273)	(600,000)	(375,000)	(618,048,273)	(608,453,167)	(9,595,106)
Less Student Fee Allocations Budgeted in General Fund	(14,056,457)	(272,600)	(390,000)	(14,719,057)	(13,887,775)	(831,282)
Total - Other Auxiliary Units	\$ 217,220,906	\$ 2,667,400	\$ 2,665,000	\$ 222,553,306	\$ 208,020,053	\$ 14,533,253
Grand Total - Revenue	\$ 2,415,497,565	\$ 2,667,400	\$ 2,665,000	\$ 2,420,829,965	\$ 2,397,196,476	\$ 23,633,489

Notes:
 Due to the sale of the University's M-CARE health plan to Blue Cross Blue Shield of Michigan effective December 31, 2006, it is no longer part of the UM Health System's overall budget.
 Whereas Other Auxiliary Units include capital transfers in their budgets, the forecast margin for the Hospitals and Health Centers includes depreciation and excludes capital transfers.

Schedule D - Continued

Auxiliary Activities - All Campuses

Summary of Budgeted Revenues and Expenditures

	2007-2008			2006-2007		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
BUDGETED EXPENDITURES						
UM Health System:						
Hospitals and Health Centers	\$ 1,737,351,865	\$ -	\$ -	\$ 1,737,351,865	\$ 1,550,922,613	\$ 186,429,252
Michigan Health Corporation	8,127,105	-	-	8,127,105	21,982,650	(13,855,545)
M-CARE	-	-	-	-	558,358,711	(558,358,711)
Medical School - Clinical Activity	508,388,164	-	-	508,388,164	448,857,149	59,531,015
Executive Vice President for Medical Affairs - Program Support	2,210,800	-	-	2,210,800	2,286,599	(75,799)
Subtotal	\$ 2,256,077,934	\$ -	\$ -	\$ 2,256,077,934	\$ 2,582,407,722	\$ (326,329,788)
Less Rebillings Credits	(108,141,350)	-	-	(108,141,350)	(443,834,149)	335,692,799
Total - UM Health System	\$ 2,147,936,584	\$ -	\$ -	\$ 2,147,936,584	\$ 2,138,573,573	\$ 9,363,011
Other Auxiliary Units:						
Plant Operations	126,159,666	-	-	\$ 126,159,666	\$ 123,181,025	\$ 2,978,641
Utilities	204,813,482	-	-	204,813,482	204,502,677	310,805
ITD Telecomm and Technology Services	31,696,081	-	-	31,696,081	32,076,826	(380,745)
University Housing	103,361,000	-	-	103,361,000	101,916,000	1,445,000
Strategic Procurement	110,057,040	-	-	110,057,040	103,859,330	6,197,710
Intercollegiate Athletics	62,908,000	-	-	62,908,000	55,044,000	7,864,000
Risk Management & Veritas Insurance Co	32,086,380	-	-	32,086,380	27,321,294	4,765,086
Staff Benefits Rebillings	48,560,220	-	-	48,560,220	47,655,950	904,270
Health Service	17,001,470	-	-	17,001,470	16,387,900	613,570
Parking Operations	18,868,891	-	-	18,868,891	17,802,912	1,065,979
Other Publications	11,667,433	-	-	11,667,433	14,019,676	(2,352,243)
League, Union, and Commons	17,829,080	-	-	17,829,080	16,529,541	1,299,539
Other Auxiliary Units	57,471,463	3,540,000	-	64,441,463	63,838,440	603,023
Subtotal - Other Auxiliary Units	\$ 842,480,206	\$ 3,540,000	\$ 3,430,000	\$ 849,450,206	\$ 824,135,571	\$ 25,314,635
Less Rebillings Credits	(617,073,273)	(600,000)	(375,000)	(618,048,273)	(608,453,167)	(9,595,106)
Less Student Fee Allocations Budgeted in General Fund	(14,056,457)	(272,600)	(390,000)	(14,719,057)	(13,887,775)	(831,282)
Total - Other Auxiliary Units	\$ 211,350,476	\$ 2,667,400	\$ 2,665,000	\$ 216,682,876	\$ 201,794,629	\$ 14,888,247
Grand Total - Expenditures	\$ 2,359,287,060	\$ 2,667,400	\$ 2,665,000	\$ 2,364,619,460	\$ 2,340,368,202	\$ 24,251,258
Forecast Margin	\$ 56,210,505	\$ -	\$ -	\$ 56,210,505	\$ 56,828,274	\$ (617,769)

Notes:
 Due to the sale of the University's M-CARE health plan to Blue Cross Blue Shield of Michigan effective December 31, 2006, it is no longer part of the UM Health System's overall budget. Whereas Other Auxiliary Units include capital transfers in their budgets, the forecast margin for the Hospitals and Health Centers includes depreciation and excludes capital transfers.

Schedule E

Expendable Restricted Funds - All Campuses

Summary of Budgeted Revenues and Expenditures

	2007-2008			2006-2007		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
Revenues:						
Government Sponsored Programs:						
Federal	\$ 686,300,000	\$ 8,700,000	\$ 7,000,000	\$ 702,000,000	\$ 720,000,000	\$ (18,000,000)
Non-Federal	8,800,000	1,200,000	2,000,000	12,000,000	10,000,000	2,000,000
Private Gifts & Sponsored Programs	202,100,000	2,200,000	700,000	205,000,000	205,000,000	-
Indirect Cost Recoveries Allocated to General Oper.	(164,709,739)	(650,000)	(130,000)	(165,489,739)	(171,260,421)	5,770,682
Income from Investments:						
Endowment and Other Invested Funds	121,100,000	1,000,000	2,900,000	125,000,000	118,000,000	7,000,000
Other	23,000,000	-	-	23,000,000	21,000,000	2,000,000
Departmental Activities	3,000,000	-	-	3,000,000	3,000,000	-
Total Revenues	\$ 879,590,261	\$ 12,450,000	\$ 12,470,000	\$ 904,510,261	\$ 905,739,579	\$ (1,229,318)
Total Expenditures	\$ 879,590,261	\$ 12,450,000	\$ 12,470,000	\$ 904,510,261	\$ 905,739,579	\$ (1,229,318)
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -