

The University of Michigan



2009-2010 Budget

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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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Denise Ilitch
Olivia P. Maynard
Mary Sue Coleman (*ex officio*)

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Jerry A. May, Vice President for Development
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Ora Hirsch Pescovitz, Executive Vice President for Medical Affairs
Suelyn Scarnecchia, Vice President and General Counsel
Timothy P. Slottow, Executive Vice President and Chief Financial Officer
Teresa A. Sullivan, Provost and Executive Vice President for Academic Affairs
Cynthia H. Wilbanks, Vice President for Government Relations

Budget Staff

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Robert G. Behrens, Vice Chancellor of Business Affairs, University of Michigan-Dearborn
Anne Berens, Assistant Vice Provost for Academic and Budgetary Affairs
Antony E. Burger, Director of Financial Analysis
Philip J. Hanlon, Vice Provost for Academic and Budgetary Affairs
Rowan A. Miranda, Associate Vice President for Finance
Glenna L. Schweitzer, Associate Vice Provost for Academic and Budgetary Affairs and Executive Director of the Office of Budget and Planning

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Action Item

Approved by the Regents

June 18, 2009

Subject: FY 2009-2010 Budgets

Action

Requested: Approval of Revenue and Expenditure Operating Budgets for FY 2009-2010

Background and Summary:

The three campuses of the University of Michigan have developed budgets for the 2009-2010 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.

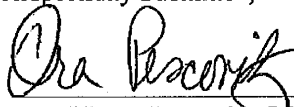
We recommend that the following summary revenue and expenditure budgets be approved effective July 1, 2009 for the period July 1, 2009 through June 30, 2010.

<u>Revenue Budget:</u>	Ann Arbor	Dearborn	Flint	Total
General Fund	\$ 1,455,010	\$ 104,531	\$ 82,106	\$ 1,641,647
Designated Fund	134,770	1,050	1,180	137,000
Auxiliary Activities	2,646,668	2,712	5,769	2,655,149
Expendable Restricted	969,709	15,350	15,250	1,000,309
Totals	\$ 5,206,156	\$ 123,644	\$ 104,305	\$ 5,434,105

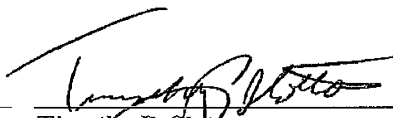
<u>Expenditure Budget:</u>	Ann Arbor	Dearborn	Flint	Total
General Fund	\$ 1,455,010	\$ 104,531	\$ 82,106	\$ 1,641,647
Designated Fund	134,770	1,050	1,180	137,000
Auxiliary Activities	2,641,130	2,712	5,769	2,649,611
Expendable Restricted	969,709	15,350	15,250	1,000,309
Totals	\$ 5,200,618	\$ 123,644	\$ 104,305	\$ 5,428,567

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

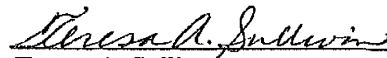
Respectfully Submitted,



Ora Hirsch Pescovitz, M.D.
Executive Vice President for
Medical Affairs



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer



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

June 2009



University of Michigan All Campuses

- **Summary of Budget
Revenues and Expenditures**

All Campuses Summary Budgeted Revenues and Expenditures by Campus

	2009-2010				2008-2009				FY00-
	Ann Arbor	Dearborn	Flint	Total	Ann Arbor	Dearborn	Flint	Total	FY10 CGR
Revenues:									
General Fund	\$1,455,009,741	\$ 104,531,100	\$ 82,105,700	\$1,641,646,541	\$ 1,408,793,640	\$101,282,900	\$ 75,813,500	\$ 1,585,890,040	3.5%
Designated Fund	134,770,000	1,050,000	1,180,000	137,000,000	143,420,000	1,160,000	1,420,000	146,000,000	4.4%
Auxiliary Activities	2,646,667,876	2,712,400	5,769,000	2,655,149,276	2,617,270,181	2,597,400	5,696,000	2,625,563,581	4.7%
Expendable Restricted Fund	969,708,544	15,350,000	15,250,000	1,000,308,544	898,480,865	13,820,000	13,250,000	925,550,865	6.8%
Total Revenues	\$5,206,156,161	\$ 123,643,500	\$ 104,304,700	\$5,434,104,361	\$ 5,067,964,686	\$118,860,300	\$ 96,179,500	\$ 5,283,004,486	5.0%
Expenditures:									
General Fund	\$1,455,009,741	\$ 104,531,100	\$ 82,105,700	\$1,641,646,541	\$ 1,408,793,640	\$101,282,900	\$ 75,813,500	\$ 1,585,890,040	4.8%
Designated Fund	134,770,000	1,050,000	1,180,000	137,000,000	143,420,000	1,160,000	1,420,000	146,000,000	4.4%
Auxiliary Activities	2,641,129,865	2,712,400	5,769,000	2,649,611,265	2,581,992,912	2,597,400	5,696,000	2,590,286,312	5.0%
Expendable Restricted Fund	969,708,544	15,350,000	15,250,000	1,000,308,544	898,480,865	13,820,000	13,250,000	925,550,865	6.8%
Total Expenditures	\$5,200,618,150	\$ 123,643,500	\$ 104,304,700	\$5,428,566,350	\$ 5,032,687,417	\$118,860,300	\$ 96,179,500	\$ 5,247,727,217	3.4%
Forecast Margin	\$ 5,538,011	\$ -	\$ -	\$ 5,538,011	\$ 35,277,269	\$ -	\$ -	\$ 35,277,269	5.2%

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 \$151,099,875 or approximately 2.9% over the Fiscal Year 2009 budget. The compound growth rate from Fiscal Year 2000 is approximately 5.0%. After adjusting for inflation, this compound growth rate equates to 2.6%.

The total expenditure budget has increased \$180,839,133 or approximately 3.4% over the Fiscal Year 2009 budget. The compound growth rate from Fiscal Year 2000 is approximately 5.2%. After adjusting for inflation, this compound growth rate equates to 2.7%.

Schedule A

All Campuses

Summary of Budgeted Revenues and Expenditures by Fund

	2009-2010				2008-2009		
	General	Designated	Auxiliary Activities	Expendable Restricted	Total	Total	\$ Change
Revenues:							
State Appropriations	\$ 362,947,300	\$ -	\$ -	\$ -	\$ 362,947,300	\$ 377,516,400	\$ (14,569,100)
Student Tuition & Fees	1,084,076,885	-	-	-	1,084,076,885	1,019,323,605	64,753,280
Government Sponsored Programs:							
Federal	700,000	-	-	800,000,000	800,700,000	727,900,000	72,800,000
Non-Federal	-	-	-	7,000,000	7,000,000	9,000,000	(2,000,000)
Private Gifts & Sponsored Programs	-	1,000,000	-	225,000,000	226,000,000	211,000,000	15,000,000
Indirect Cost Recovery	181,191,456	-	-	-	181,191,456	172,449,135	8,742,321
Indirect Cost Recovery Alloc to Gen Op	-	-	-	(181,191,456)	(181,191,456)	(172,449,135)	(8,742,321)
Income from Investments:							
Endowment and Other Invested Funds	-	30,000,000	-	145,000,000	175,000,000	173,000,000	2,000,000
Other	2,212,000	1,000,000	-	2,500,000	5,712,000	12,192,000	(6,480,000)
Auxiliary Activities:							
UM Health System	-	-	2,403,285,914	-	2,403,285,914	2,389,346,486	13,939,428
Other Auxiliary Units	-	-	251,863,362	-	251,863,362	236,217,095	15,646,267
Departmental Activities	10,518,900	105,000,000	-	2,000,000	117,518,900	127,508,900	(9,990,000)
Total Revenues	\$1,641,646,541	\$137,000,000	\$2,655,149,276	\$1,000,308,544	\$5,434,104,361	\$5,283,004,486	\$151,099,875
Total Expenditures	\$1,641,646,541	\$137,000,000	\$2,649,611,265	\$1,000,308,544	\$5,428,566,350	\$5,247,727,217	\$180,839,133
Forecast Margin	\$ -	\$ -	\$ 5,538,011	\$ -	\$ 5,538,011	\$ 35,277,269	

Schedule B

General Fund - All Campuses

Summary of Budgeted Revenues and Expenditures

	2009-2010			2008-2009		\$ Change
	Ann Arbor	Dearborn	Flint	Total		
Revenues:						
State Appropriations	\$ 316,572,000	\$ 24,781,600	\$ 21,593,700	\$ 362,947,300	\$ 377,516,400	\$ (14,569,100)
Student Tuition & Fees	948,461,285	75,653,600	59,962,000	1,084,076,885	1,019,323,605	64,753,280
Government Sponsored Programs:						
Federal	700,000	-	-	700,000	900,000	(200,000)
Indirect Cost Recovery	180,191,456	950,000	50,000	181,191,456	172,449,135	8,742,321
Income from Investments - Other	1,745,000	237,000	230,000	2,212,000	5,192,000	(2,980,000)
Departmental Activities	7,340,000	2,908,900	270,000	10,518,900	10,508,900	10,000
Total Revenues	<u>\$1,455,009,741</u>	<u>\$104,531,100</u>	<u>\$ 82,105,700</u>	<u>\$1,641,646,541</u>	<u>\$1,585,890,040</u>	<u>\$ 55,756,501</u>
Total Expenditures	<u>\$1,455,009,741</u>	<u>\$104,531,100</u>	<u>\$ 82,105,700</u>	<u>\$1,641,646,541</u>	<u>\$1,585,890,040</u>	<u>\$ 55,756,501</u>
Forecast Margin	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule C

Designated Fund - All Campuses

Summary of Budgeted Revenues and Expenditures

	2009-2010			2008-2009		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
Revenues:						
Private Gifts & Sponsored Programs	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Income from Investments:						
Endowment and Other Invested Funds	30,000,000	-	-	30,000,000	28,000,000	2,000,000
Other	620,000	200,000	180,000	1,000,000	2,000,000	(1,000,000)
Departmental Activities	103,150,000	850,000	1,000,000	105,000,000	115,000,000	(10,000,000)
Total Revenues	\$ 134,770,000	\$ 1,050,000	\$ 1,180,000	\$ 137,000,000	\$ 146,000,000	\$ (9,000,000)
Total Expenditures	\$ 134,770,000	\$ 1,050,000	\$ 1,180,000	\$ 137,000,000	\$ 146,000,000	\$ (9,000,000)
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule D

Auxiliary Activities - All Campuses

Summary of Budgeted Revenues and Expenditures

	2009-2010			2008-2009		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
BUDGETED REVENUES						
UM Health System:						
Hospitals and Health Centers	\$ 1,965,197,000	\$ -	\$ -	\$ 1,965,197,000	1,935,908,660	\$ 29,288,340
Michigan Health Corporation	9,132,117	-	-	9,132,117	9,393,355	(261,238)
Medical School - Clinical Activity	542,919,394	-	-	542,919,394	552,580,334	(9,660,940)
Executive Vice President for Medical Affairs - Program Support	2,496,572	-	-	2,496,572	2,996,106	(499,534)
Subtotal	\$ 2,519,745,083	\$ -	\$ -	\$ 2,519,745,083	\$ 2,500,878,455	\$ 18,866,628
Less Recharge Credits	(116,459,169)	-	-	(116,459,169)	(111,531,969)	(4,927,200)
Total - UM Health System	\$ 2,403,285,914	\$ -	\$ -	\$ 2,403,285,914	\$ 2,389,346,486	\$ 13,939,428
Other Auxiliary Units:						
Plant Operations	\$ 123,805,765	\$ -	\$ -	\$ 123,805,765	\$ 123,880,503	\$ (74,738)
Utilities	207,228,475	-	-	207,228,475	208,825,044	(1,596,569)
Information & Technology Services	50,812,232	-	-	50,812,232	27,389,634	23,422,598
University Housing	113,410,000	-	-	113,410,000	108,518,000	4,892,000
Strategic Procurement	52,128,612	-	-	52,128,612	123,393,242	(71,264,630)
Intercollegiate Athletics	80,079,000	-	-	80,079,000	75,702,000	4,377,000
Risk Management & Veritas Insurance Co	38,483,263	-	-	38,483,263	30,897,291	7,585,972
Staff Benefits Rebillings	50,117,395	-	-	50,117,395	47,921,248	2,196,147
Health Service	18,261,700	-	-	18,261,700	18,224,968	36,732
Parking Operations	22,185,126	-	-	22,185,126	21,725,300	459,826
Other Publications	10,851,314	-	-	10,851,314	11,327,707	(476,393)
League, Union, and Commons	18,394,295	-	-	18,394,295	18,067,899	326,396
Other Internal Services	61,088,803	3,650,000	6,611,000	71,349,803	68,953,255	2,396,548
Subtotal - Other Auxiliary Units	\$ 846,845,980	\$ 3,650,000	\$ 6,611,000	\$ 857,106,980	\$ 884,826,091	\$ (27,719,111)
Less Recharge Credits	(588,301,674)	(665,000)	(380,000)	(1,583,366,674)	(632,940,372)	43,593,698
Less Student Fee Allocations Budgeted in General Fund	(15,162,344)	(272,600)	(462,000)	(15,896,944)	(15,668,624)	(228,320)
Total - Other Auxiliary Units	\$ 243,381,962	\$ 2,712,400	\$ 5,769,000	\$ 251,863,362	\$ 236,217,095	\$ 15,646,267
Grand Total - Revenue	\$ 2,646,667,876	\$ 2,712,400	\$ 5,769,000	\$ 2,655,149,276	\$ 2,625,563,581	\$ 29,585,695

Schedule D - Continued

Auxiliary Activities - All Campuses

Summary of Budgeted Revenues and Expenditures

	2009-2010			2008-2009		
	Ann Arbor	Dearborn	Flint	Total	Total	\$ Change
BUDGETED EXPENDITURES						
UM Health System:						
Hospitals and Health Centers	\$ 1,962,217,000	\$ -	\$ -	\$ 1,962,217,000	\$ 1,901,674,124	\$ 60,542,876
Michigan Health Corporation	7,085,642			7,085,642	6,346,769	738,873
Medical School - Clinical Activity	542,810,905			542,810,905	550,184,641	(7,373,736)
Executive Vice President for Medical Affairs - Program Support	1,336,168			1,336,168	3,860,941	(2,524,673)
Subtotal	<u>\$ 2,513,449,715</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,513,449,715</u>	<u>\$ 2,462,066,375</u>	<u>\$ 51,383,340</u>
Less Rebillings Credits	(116,459,169)			(116,459,169)	(111,531,969)	(4,927,200)
Total - UM Health System	<u>\$ 2,396,990,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,396,990,546</u>	<u>\$ 2,350,534,406</u>	<u>\$ 46,456,140</u>
Other Auxiliary Units:						
Plant Operations	123,183,153	\$ -	\$ -	\$ 123,183,153	\$ 123,738,454	\$ (555,301)
Utilities	205,170,915			205,170,915	209,836,799	(4,665,884)
Information & Technology Services	55,910,787			55,910,787	30,914,814	24,995,973
University Housing	113,410,000			113,410,000	108,518,000	4,892,000
Strategic Procurement	52,114,813			52,114,813	123,710,961	(71,596,148)
Intercollegiate Athletics	73,530,000			73,530,000	73,132,000	398,000
Risk Management & Veritas Insurance Co	38,483,263			38,483,263	30,897,291	7,585,972
Staff Benefits Rebillings	52,892,012			52,892,012	50,491,237	2,400,775
Health Service	18,261,700			18,261,700	18,190,919	70,781
Parking Operations	23,568,616			23,568,616	20,981,002	2,587,614
Other Publications	10,719,406			10,719,406	11,056,547	(337,141)
League, Union, and Commons	18,394,267			18,394,267	18,041,194	353,073
Other Internal Services	61,964,405	3,650,000	6,611,000	72,225,405	68,851,684	3,373,721
Subtotal - Other Auxiliary Units	<u>\$ 847,603,337</u>	<u>\$ 3,650,000</u>	<u>\$ 6,611,000</u>	<u>\$ 857,864,337</u>	<u>\$ 888,360,902</u>	<u>\$ (30,496,565)</u>
Less Rebillings Credits	(588,301,674)	(665,000)	(380,000)	(588,301,674)	(632,940,372)	43,593,698
Less Student Fee Allocations Budgeted in General Fund	(15,162,344)	(272,600)	(462,000)	(15,896,944)	(15,668,624)	(228,320)
Total - Other Auxiliary Units	<u>\$ 244,139,319</u>	<u>\$ 2,712,400</u>	<u>\$ 5,769,000</u>	<u>\$ 252,620,719</u>	<u>\$ 239,751,906</u>	<u>\$ 12,868,813</u>
Grand Total - Expenditures	<u>\$ 2,641,129,865</u>	<u>\$ 2,712,400</u>	<u>\$ 5,769,000</u>	<u>\$ 2,649,611,265</u>	<u>\$ 2,590,286,312</u>	<u>\$ 59,324,953</u>
Forecast Margin	<u>\$ 5,538,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,538,011</u>	<u>\$ 35,277,269</u>	<u>\$ (29,739,258)</u>

Schedule E

Expendable Restricted Funds - All Campuses

Summary of Budgeted Revenues and Expenditures

	2009-2010			2008-2009	
	Ann Arbor	Dearborn	Flint	Total	\$ Change
Revenues:					
Government Sponsored Programs:					
Federal	\$ 778,000,000	\$ 12,500,000	\$ 9,500,000	\$ 800,000,000	\$ 73,000,000
Non-Federal	4,300,000	700,000	2,000,000	7,000,000	(2,000,000)
Private Gifts & Sponsored Programs	222,700,000	2,000,000	300,000	225,000,000	15,000,000
Indirect Cost Recoveries Allocated to General Oper.	(180,191,456)	(950,000)	(50,000)	(181,191,456)	(8,742,321)
Income from Investments:					
Endowment and Other Invested Funds	140,400,000	1,100,000	3,500,000	145,000,000	-
Other	2,500,000	-	-	2,500,000	(2,500,000)
Departmental Activities	2,000,000	-	-	2,000,000	-
Total Revenues	\$ 969,708,544	\$ 15,350,000	\$ 15,250,000	\$ 1,000,308,544	\$ 74,757,679
Total Expenditures	\$ 969,708,544	\$ 15,350,000	\$ 15,250,000	\$ 1,000,308,544	\$ 74,757,679
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -