

The University of Michigan



2010-2011 Budget

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The University of Michigan - All Campuses

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The University of Michigan

Ann Arbor • Dearborn • Flint

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Mary Sue Coleman (*ex officio*)

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S. Martin Taylor

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Stephen R. Forrest, Vice President for Research

Philip J. Hanlon, Provost and Executive Vice President for Academic Affairs (from July 1, 2010)

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Jerry A. May, Vice President for Development

Ruth J. Person, Chancellor, University of Michigan-Flint

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 (through June 30, 2010)

Cynthia H. Wilbanks, Vice President for Government Relations

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 Vice Provost for Academic and Budgetary Affairs

Antony E. Burger, Director of Financial Analysis

Rowan A. Miranda, Associate Vice President for Finance

Martha E. Pollack, Vice Provost for Academic and Budgetary Affairs

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

Approved by the Regents
June 17, 2010

Action Item

Subject: FY 2010-2011 Budgets

Action

Requested: Approval of Revenue and Expenditure Operating Budgets for FY 2010-2011

Background and Summary:

The three campuses of the University of Michigan have developed budgets for the 2010-2011 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.

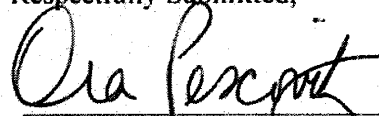
We recommend that the following summary revenue and expenditure budgets be approved effective July 1, 2010 for the period July 1, 2010 through June 30, 2011.

<u>Revenue Budget:</u>	<u>Ann Arbor</u>	<u>Dearborn</u>	<u>Flint</u>	<u>Total</u>
General Fund	\$ 1,553,245	\$ 107,964	\$ 88,983	\$ 1,750,192
Designated Fund	136,270	950	1,280	138,500
Auxiliary Activities	2,838,824	1,837	6,555	2,847,216
Expendable Restricted	1,053,733	16,060	18,650	1,088,443
Totals	\$ 5,582,073	\$ 126,811	\$ 115,468	\$ 5,824,352

<u>Expenditure Budget:</u>	<u>Ann Arbor</u>	<u>Dearborn</u>	<u>Flint</u>	<u>Total</u>
General Fund	\$ 1,553,245	\$ 107,964	\$ 88,983	\$ 1,750,192
Designated Fund	136,270	950	1,280	138,500
Auxiliary Activities	2,773,513	1,837	6,555	2,781,905
Expendable Restricted	1,053,733	16,060	18,650	1,088,443
Totals	\$ 5,516,761	\$ 126,811	\$ 115,468	\$ 5,759,040

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 17, 2010



University of Michigan All Campuses

- **Summary of Budget
Revenues and Expenditures**

All Campuses Summary

Budgeted Revenues and Expenditures by Campus

	2010-2011				2009-2010				% Chg	FY01- FY11 CGR
	Ann Arbor	Dearborn	Flint	Total	Ann Arbor	Dearborn	Flint	Total		
Revenues:										
General Fund	\$1,553,245,285	\$ 107,964,000	\$ 88,983,000	\$1,750,192,285	\$ 1,455,009,741	\$104,531,100	\$ 82,105,700	\$ 1,641,646,541	6.6%	4.8%
Designated Fund	136,270,000	950,000	1,280,000	138,500,000	134,770,000	1,050,000	1,180,000	137,000,000	1.1%	3.2%
Auxiliary Activities	2,838,824,316	1,837,400	6,555,000	2,847,216,716	2,646,667,876	2,712,400	5,769,000	2,655,149,276	7.2%	5.1%
Expendable Restricted Fund	1,053,732,959	16,060,000	18,650,000	1,088,442,959	969,708,544	15,350,000	15,250,000	1,000,308,544	8.8%	5.9%
Total Revenues	\$5,582,072,560	\$ 126,811,400	\$ 115,468,000	\$5,824,351,960	\$ 5,206,156,161	\$123,643,500	\$104,304,700	\$ 5,434,104,361	7.2%	5.1%
Expenditures:										
General Fund	\$1,553,245,285	\$ 107,964,000	\$ 88,983,000	\$1,750,192,285	\$ 1,455,009,741	\$104,531,100	\$ 82,105,700	\$ 1,641,646,541	6.6%	4.8%
Designated Fund	136,270,000	950,000	1,280,000	138,500,000	134,770,000	1,050,000	1,180,000	137,000,000	1.1%	3.2%
Auxiliary Activities	2,773,512,649	1,837,400	6,555,000	2,781,905,049	2,641,129,865	2,712,400	5,769,000	2,649,611,265	5.0%	4.9%
Expendable Restricted Fund	1,053,732,959	16,060,000	18,650,000	1,088,442,959	969,708,544	15,350,000	15,250,000	1,000,308,544	8.8%	5.9%
Total Expenditures	\$5,516,760,893	\$ 126,811,400	\$ 115,468,000	\$5,759,040,293	\$ 5,200,618,150	\$123,643,500	\$104,304,700	\$ 5,428,566,350	6.1%	5.0%
Forecast Margin	\$ 65,311,667	\$ -	\$ -	\$ 65,311,667	\$ 5,538,011	\$ -	\$ -	\$ 5,538,011		

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 \$390,247,599 or approximately 7.2% over the Fiscal Year 2010 budget. The compound growth rate from Fiscal Year 2001 is approximately 5.1%. After adjusting for inflation, this compound growth rate equates to 2.9%.

The total expenditure budget has increased \$330,473,943 or approximately 6.1% over the Fiscal Year 2010 budget. The compound growth rate from Fiscal Year 2001 is approximately 5.0%. After adjusting for inflation, this compound growth rate equates to 2.8%.

Schedule A

All Campuses

Summary of Budgeted Revenues and Expenditures by Fund

	2010-2011				Total	2009-2010	\$ Change
	General	Designated	Auxiliary Activities	Expendable Restricted		Total	
Revenues:							
State Appropriations	\$ 360,612,500	\$ -	\$ -	\$ -	\$ 360,612,500	\$ 362,947,300	\$ (2,334,800)
Student Tuition & Fees	1,162,966,844	-	-	-	1,162,966,844	1,084,076,885	78,889,959
Government Sponsored Programs:							
Federal	700,000	-	-	905,000,000	905,700,000	800,700,000	105,000,000
Non-Federal	-	-	-	5,000,000	5,000,000	7,000,000	(2,000,000)
Non-Government Sponsored Programs	-	-	-	148,000,000	148,000,000	141,000,000	7,000,000
Indirect Cost Recovery	213,557,041	-	-	-	213,557,041	181,191,456	32,365,585
Indirect Cost Recovery Alloc to Gen Oper	-	-	-	(213,557,041)	(213,557,041)	(181,191,456)	(32,365,585)
Private Gifts	-	1,000,000	1,000,000	85,000,000	87,000,000	87,000,000	-
Income from Investments:							
Endowment and Other Invested Funds	-	32,000,000	71,000,000	155,000,000	258,000,000	248,000,000	10,000,000
Other	2,305,000	500,000	-	2,000,000	4,805,000	5,712,000	(907,000)
Auxiliary Activities:							
UM Health System	-	-	2,507,877,478	-	2,507,877,478	2,328,285,914	179,591,564
Other Auxiliary Units	-	-	267,339,238	-	267,339,238	251,863,362	15,475,876
Departmental Activities	10,050,900	105,000,000	-	2,000,000	117,050,900	117,518,900	(468,000)
Total Revenues	\$ 1,750,192,285	\$ 138,500,000	\$2,847,216,716	\$1,088,442,959	\$ 5,824,351,960	\$ 5,434,104,361	\$ 390,247,599
Total Expenditures	\$ 1,750,192,285	\$ 138,500,000	\$2,781,905,049	\$1,088,442,959	\$ 5,759,040,293	\$ 5,428,566,350	\$ 330,473,943
Forecast Margin	\$ -	\$ -	\$ 65,311,667	\$ -	\$ 65,311,667	\$ 5,538,011	

Schedule B

General Fund - All Campuses

Summary of Budgeted Revenues and Expenditures

	2010-2011				2009-2010	\$ Change
	Ann Arbor	Dearborn	Flint	Total	Total	
Revenues:						
State Appropriations	\$ 315,147,800	\$ 24,639,700	\$ 20,825,000	\$ 360,612,500	\$ 362,947,300	\$ (2,334,800)
Student Tuition & Fees	1,015,952,444	79,406,400	67,608,000	1,162,966,844	1,084,076,885	78,889,959
Government Sponsored Programs:						
Federal	700,000	-	-	700,000	700,000	-
Indirect Cost Recovery	212,467,041	1,040,000	50,000	213,557,041	181,191,456	32,365,585
Income from Investments - Other	1,938,000	137,000	230,000	2,305,000	2,212,000	93,000
Departmental Activities	7,040,000	2,740,900	270,000	10,050,900	10,518,900	(468,000)
Total Revenues	\$1,553,245,285	\$107,964,000	\$ 88,983,000	\$1,750,192,285	\$1,641,646,541	\$ 108,545,744
Total Expenditures	\$1,553,245,285	\$107,964,000	\$ 88,983,000	\$1,750,192,285	\$1,641,646,541	\$ 108,545,744
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -	

Schedule C

Designated Fund - All Campuses

Summary of Budgeted Revenues and Expenditures

	2010-2011				2009-2010	\$ Change
	Ann Arbor	Dearborn	Flint	Total	Total	
Revenues:						
Private Gifts	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Income from Investments:						
Endowment and Other Invested Funds	32,000,000	-	-	32,000,000	30,000,000	2,000,000
Other	170,000	150,000	180,000	500,000	1,000,000	(500,000)
Departmental Activities	103,100,000	800,000	1,100,000	105,000,000	105,000,000	-
Total Revenues	\$ 136,270,000	\$ 950,000	\$ 1,280,000	\$ 138,500,000	\$ 137,000,000	\$ 1,500,000
Total Expenditures	\$ 136,270,000	\$ 950,000	\$ 1,280,000	\$ 138,500,000	\$ 137,000,000	\$ 1,500,000
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -	

Schedule D

Auxiliary Activities - All Campuses

Summary of Budgeted Revenues and Expenditures

BUDGETED REVENUES	2010-2011				Total	2009-2010 Total	\$ Change
	Ann Arbor	Dearborn	Flint	Total			
UM Health System:							
Hospitals and Health Centers	\$ 2,138,581,000	\$ -	\$ -	\$ 2,138,581,000	1,965,197,000	\$ 173,384,000	
Michigan Health Corporation	9,785,811			9,785,811	9,132,117	653,694	
Medical School - Clinical Activity	554,039,849			554,039,849	542,919,394	11,120,455	
Executive Vice President for Medical Affairs - Program Support	2,494,140			2,494,140	2,496,572	(2,432)	
Subtotal	\$ 2,704,900,800	\$ -	\$ -	2,704,900,800	\$ 2,519,745,083	\$ 185,155,717	
Less Recharge Credits	(125,023,322)			(125,023,322)	(116,459,169)	(8,564,153)	
Total - UM Health System	\$ 2,579,877,478	\$ -	\$ -	\$ 2,579,877,478	\$ 2,403,285,914	\$ 176,591,564	
Other Auxiliary Units:							
Plant Operations	\$ 123,237,781	\$ -	\$ -	\$ 123,237,781	\$ 123,805,765	\$ (567,984)	
Utilities	186,387,410			186,387,410	207,228,475	(20,841,065)	
Information & Technology Services	48,186,389			48,186,389	50,812,232	(2,625,843)	
University Housing	117,070,000			117,070,000	113,410,000	3,660,000	
Strategic Procurement	52,186,359			52,186,359	52,128,612	57,747	
Intercollegiate Athletics	84,915,600			84,915,600	80,079,000	4,836,600	
Risk Management & Veritas Insurance Co	34,484,790			34,484,790	38,483,263	(3,998,473)	
Staff Benefits Rebillings	53,111,768			53,111,768	50,117,395	2,994,373	
Health Service	18,769,810			18,769,810	18,261,700	508,110	
Parking Operations	22,911,954			22,911,954	22,185,126	726,828	
Other Publications	10,252,583			10,252,583	10,851,314	(598,731)	
League, Union, and Commons	18,804,358			18,804,358	18,394,295	410,063	
Other Internal Services	69,546,520	2,785,000	7,220,000	79,551,520	71,349,803	8,201,717	
Subtotal - Other Auxiliary Units	\$ 839,865,322	\$ 2,785,000	\$ 7,220,000	\$ 849,870,322	\$ 857,106,980	\$ (7,236,658)	
Less Recharge Credits	(565,060,419)	(675,000)	(165,000)	(565,900,419)	(589,346,674)	23,446,255	
Less Student Fee Allocations Budgeted in General Fund	(15,858,065)	(272,600)	(500,000)	(16,630,665)	(15,896,944)	(733,721)	
Total - Other Auxiliary Units	\$ 258,946,838	\$ 1,837,400	\$ 6,555,000	\$ 267,339,238	\$ 251,863,362	\$ 15,475,876	
Grand Total - Revenue	\$ 2,838,824,316	\$ 1,837,400	\$ 6,555,000	\$ 2,847,216,716	\$ 2,655,149,276	\$ 192,067,440	

Schedule D - Continued

Auxiliary Activities - All Campuses

Summary of Budgeted Revenues and Expenditures

BUDGETED EXPENDITURES	2010-2011			Total	2009-2010	\$ Change
	Ann Arbor	Dearborn	Flint		Total	
UM Health System:						
Hospitals and Health Centers	\$ 2,082,222,283	\$ -	\$ -	\$ 2,082,222,283	\$ 1,962,217,000	\$ 120,005,283
Michigan Health Corporation	6,949,617			6,949,617	7,085,642	(136,025)
Medical School - Clinical Activity	553,906,854			553,906,854	542,810,905	11,095,949
Executive Vice President for Medical Affairs - Program Support	723,568			723,568	1,336,168	(612,600)
Subtotal	\$ 2,643,802,322	\$ -	\$ -	\$ 2,643,802,322	\$ 2,513,449,715	\$ 130,352,607
Less Rebilling Credits	(125,023,322)			(125,023,322)	(116,459,169)	(8,564,153)
Total - UM Health System	\$ 2,518,779,000	\$ -	\$ -	\$ 2,518,779,000	\$ 2,396,990,546	\$ 121,788,454
Other Auxiliary Units:						
Plant Operations	124,168,896	\$ -	\$ -	\$ 124,168,896	\$ 123,183,153	\$ 985,743
Utilities	181,484,292			181,484,292	205,170,915	(23,686,623)
Information & Technology Services	48,435,318			48,435,318	55,910,787	(7,475,469)
University Housing	117,070,000			117,070,000	113,410,000	3,660,000
Strategic Procurement	52,177,131			52,177,131	52,114,813	62,318
Intercollegiate Athletics	82,585,000			82,585,000	73,530,000	9,055,000
Risk Management & Veritas Insurance Co	34,484,790			34,484,790	38,483,263	(3,998,473)
Staff Benefits Rebillings	54,164,418			54,164,418	52,892,012	1,272,406
Health Service	18,769,810			18,769,810	18,261,700	508,110
Parking Operations	22,925,606			22,925,606	23,568,616	(643,010)
Other Publications	10,156,246			10,156,246	10,719,406	(563,160)
League, Union, and Commons	18,801,282			18,801,282	18,394,267	407,015
Other Internal Services	70,429,344	2,785,000	7,220,000	80,434,344	72,225,405	8,208,939
Subtotal - Other Auxiliary Units	\$ 835,652,133	\$ 2,785,000	\$ 7,220,000	\$ 845,657,133	\$ 857,864,337	\$ (12,207,204)
Less Rebilling Credits	(565,060,419)	(675,000)	(165,000)	(565,900,419)	(589,346,674)	23,446,255
Less Student Fee Allocations Budgeted in General Fund	(15,858,065)	(272,600)	(500,000)	(16,630,665)	(15,896,944)	(733,721)
Total - Other Auxiliary Units	\$ 254,733,649	\$ 1,837,400	\$ 6,555,000	\$ 263,126,049	\$ 252,620,719	\$ 10,505,330
Grand Total - Expenditures	\$ 2,773,512,649	\$ 1,837,400	\$ 6,555,000	\$ 2,781,905,049	\$ 2,649,611,265	\$ 132,293,784
Forecast Margin	\$ 65,311,667	\$ -	\$ -	\$ 65,311,667	\$ 5,538,011	\$ 59,773,656

Schedule E

Expendable Restricted Funds - All Campuses

Summary of Budgeted Revenues and Expenditures

	2010-2011			Total	2009-2010	\$ Change
	Ann Arbor	Dearborn	Flint		Total	
Revenues:						
Government Sponsored Programs:						
Federal	\$ 877,600,000	\$ 13,500,000	\$ 13,900,000	\$ 905,000,000	\$ 800,000,000	\$ 105,000,000
Non-Federal	2,900,000	1,100,000	1,000,000	5,000,000	7,000,000	(2,000,000)
Non-Government Sponsored Programs	148,000,000	-	-	148,000,000	140,000,000	8,000,000
Indirect Cost Recoveries Alloc to General Oper	(212,467,041)	(1,040,000)	(50,000)	(213,557,041)	(181,191,456)	(32,365,585)
Private Gifts	83,300,000	1,400,000	300,000	85,000,000	85,000,000	-
Income from Investments:						
Endowment and Other Invested Funds	150,400,000	1,100,000	3,500,000	155,000,000	145,000,000	10,000,000
Other	2,000,000	-	-	2,000,000	2,500,000	(500,000)
Departmental Activities	2,000,000	-	-	2,000,000	2,000,000	-
Total Revenues	\$ 1,053,732,959	\$ 16,060,000	\$ 18,650,000	\$ 1,088,442,959	\$ 1,000,308,544	\$ 88,134,415
Total Expenditures	\$ 1,053,732,959	\$ 16,060,000	\$ 18,650,000	\$ 1,088,442,959	\$ 1,000,308,544	\$ 88,134,415
Forecast Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -