University Budget Book

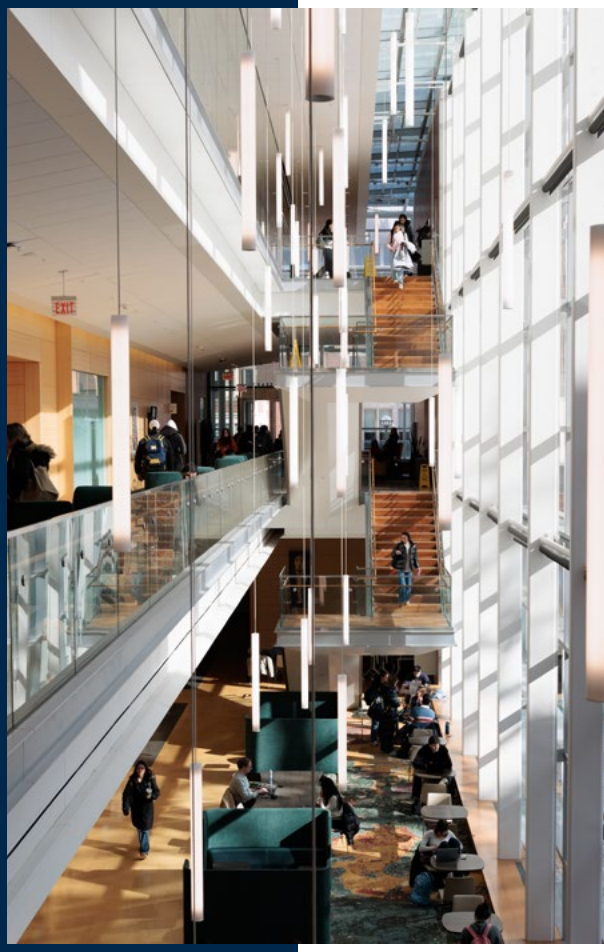
UNIVERSITY OF MICHIGAN

Fiscal Year 2027

FY 2027

Supporting Our Mission

The University of Michigan's (U–M) FY 2027 operating budget totals $16.8 billion, reflecting the scale, complexity, and breadth of the university's academic, research, clinical, and public service missions. The University Budget Book provides a transparent overview of operating revenues and expenses across the enterprise and demonstrates how financial resources are aligned with U–M's strategic priorities, core missions, and long–term commitment to serving the people of Michigan and the world.



$16.8B FY 2027 Operating Budget

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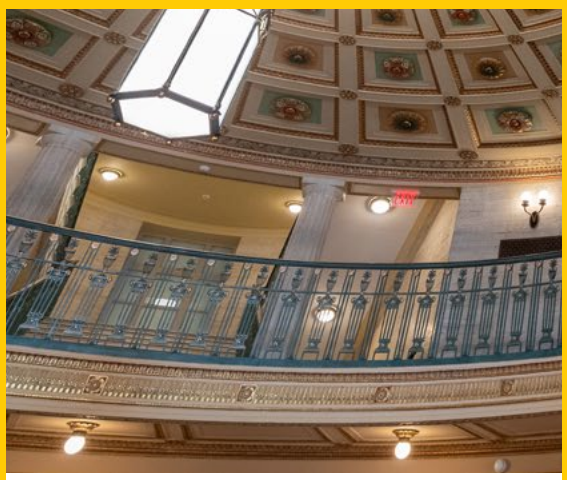
Enterprise Executive Summary



Robert A. Hewlett III
Executive Vice President
and Chief Financial Officer

Laurie K. McCauley
Provost and Executive Vice
President for Academic Affairs

David C. Miller
Executive Vice President
for Medical Affairs and Chief
Executive Officer, Michigan
Medicine

A Leading Public University

The University of Michigan (U–M) is one of the nation's leading public research universities, with more than 68,600 students, approximately 9,000 faculty members, and a nationally recognized academic medical center. The Ann Arbor campus offers more than 280 degree programs, while the Dearborn and Flint campuses each offer more than 100 degree programs. Across its three campuses and Michigan Medicine, U–M advances education, research, patient care, and public service. Through its "Look to Michigan" vision, the university is advancing knowledge in service to humanity, the planet, and the public good while leveraging its strengths in education, research, healthcare, and innovation to create lasting impact across Michigan.

U–M remains committed to maintaining a strong financial foundation that supports

In the coming weeks, we will launch a national search for our next EVPMA and CEO of Michigan Medicine. Dr. David Miller will remain with Michigan Medicine through Oct. 2 to help ensure a smooth leadership transition.

Thank you for your continued partnership and support of Michigan Medicine.

Sincerely,
Domenico Grasso, PhD
President

its core missions of education, research, and healthcare. Through responsible resource management and targeted long-term investments, the university is positioned to continue delivering exceptional outcomes for students, patients, and the broader community.

For FY 2027, U-M has budgeted total operating revenue of $16.8 billion. Guided by strategic priorities focused on student success, research, patient care, and innovation, this budget advances excellence in education and healthcare while investing in strategic initiatives and maintaining a strong focus on student affordability and access.

Like many higher education institutions, U-M enters FY 2027 facing a range of economic, policy, and regulatory challenges. Key areas of uncertainty include federal research funding, indirect cost recovery, healthcare reimbursement, enrollment trends, state funding, inflationary pressures, labor market conditions, cybersecurity risks, and financial market volatility. The FY 2027 budget is designed to maintain flexibility and support the university's mission while adapting to changing circumstances.

FY 2027 Enterprise Budget

U-M's mission-focused operating budget supports education, research, patient care, and public service while maintaining financial flexibility amid economic, policy, and regulatory uncertainty. Diverse revenue streams—including patient care, tuition and fees, research grants, philanthropy, endowment distributions, and state appropriations—continue to support the university's financial strength. The university is one of only seven public universities nationwide to hold the highest credit ratings from both S&P Global Ratings (AAA) and Moody's Investors Service (Aaa).

Total enterprise operating revenues of $16.8 billion reflect year-over-year growth of approximately $1.2 billion.

- Patient care revenues are budgeted at $10.01 billion, an increase of $974.2 million driven by continued growth in clinical activity.
- Tuition and fees are budgeted at $2.68 billion, an increase of $89.2 million due to enrollment growth and restrained fee increases.
- State appropriations of $421.2 million are crucial, supporting student success, accessibility, and affordability.
- Endowment distributions and other investment income of $752.8 million provides significant operating support for U-M.

Total operating expenditures of $16.6 billion, increasing by approximately $1.2 billion year-over-year, reflect costs associated with patient care growth, financial aid, faculty and staff support, infrastructure investments, and inflationary pressures. Colleges, schools, and administrative units continue to identify efficiencies, pursue cost containment measures, and reallocate resources to support long-term financial sustainability.

The FY 2027 operating budget, approved by the U-M Board of Regents on June 25, 2026, covers all three U-M campuses: Ann Arbor, Dearborn, and Flint. The fiscal year runs from July 1, 2026 through June 30, 2027, with financial data presented by campus, funding source, and major revenue and expense categories.

Ann Arbor

The university operating budget includes estimates of anticipated changes in operating revenue and expense line items for FY 2027. These changes reflect ongoing uncertainty in federal research funding, rising mandatory costs, and the university's continued commitment to academic excellence, affordability, and strategic investment. Some budget highlights include:

- Tuition and fee increases of 3.0% for resident undergraduate students and 4.9% for non-resident undergraduate and most graduate students. Resident undergraduate students with demonstrated financial need will continue to see their additional tuition costs offset through financial aid.
- State appropriations are budgeted to remain flat.
- Federal research activity is expected to remain under pressure, with long-term projections indicating a potential 20–30% reduction through FY 2029. The university continues to invest in research support, including grant-bridging programs and research infrastructure.
- The budget includes a $12.3 million (3.8%) increase in undergraduate financial aid and sustains the Go Blue Guarantee for resident students from families with incomes and assets below $125,000.

Photo by Holly Burkhart / *The Michigan Daily*

- Strategic investments support the university's "Look to Michigan" vision and priorities, including initiatives focused on education, human health and well-being, democracy, sustainability, and technology.

- Schools, colleges, and administrative units identified more than $38 million in cost savings and reallocations to help offset rising mandatory costs and preserve affordability while continuing strategic investments.

Michigan Medicine

Michigan Medicine is the healthcare system operated by the University of Michigan. Michigan Medicine includes the Medical School, U-M Health (including UM Health-West and UM Health-Sparrow), Michigan Health Corporation, and the Office of the Executive Vice President for Medical Affairs. Michigan Medicine includes 12 hospitals and a statewide network of outpatient facilities and clinical programs. Operating highlights for FY 2027 include:

- Michigan Medicine continues to invest in initiatives that strengthen patient access, quality of care, operational performance, and the overall experience of patients, learners, faculty, and staff.

- Strategic capital investments support expanded clinical capacity, increased access to specialty services, and continued growth across Michigan, helping meet the healthcare needs of communities throughout the state.

- Michigan Medicine continues to strengthen its statewide presence through collaborations, affiliations, and integrated care models that support high-quality patient care, medical education, and research.

- Investments in facilities and infrastructure support long-term growth, operational efficiency, and sustainability while advancing Michigan Medicine's clinical, educational, and research missions.

UM–Dearborn

UM–Dearborn presents a balanced FY 2027 budget that supports student affordability and strategic investments in campus priorities. Budget highlights include:

- The budget assumes a 3.9% average tuition rate increase and a state appropriation of approximately $31.7 million.
- UM–Dearborn continues to support affordability through merit– and need–based financial aid programs, including the Go Blue Guarantee.
- The budget includes investments to support academic programs, campus services, and future enrollment goals.

UM–Flint

The FY 2027 general fund budget reflects continued investment in student success while maintaining a commitment to affordability and accessibility. Budget highlights include:

- The budget assumes a state appropriation of approximately $27.0 million and a 4.1% undergraduate tuition rate increase.
- Additional resources support strategic investments in academic programs, student support, and employee compensation.
- UM–Flint remains focused on providing an affordable, accessible, and high–quality educational experience.

#1 **U.S. Public University**
World's Top Universities, *Time* (2026)

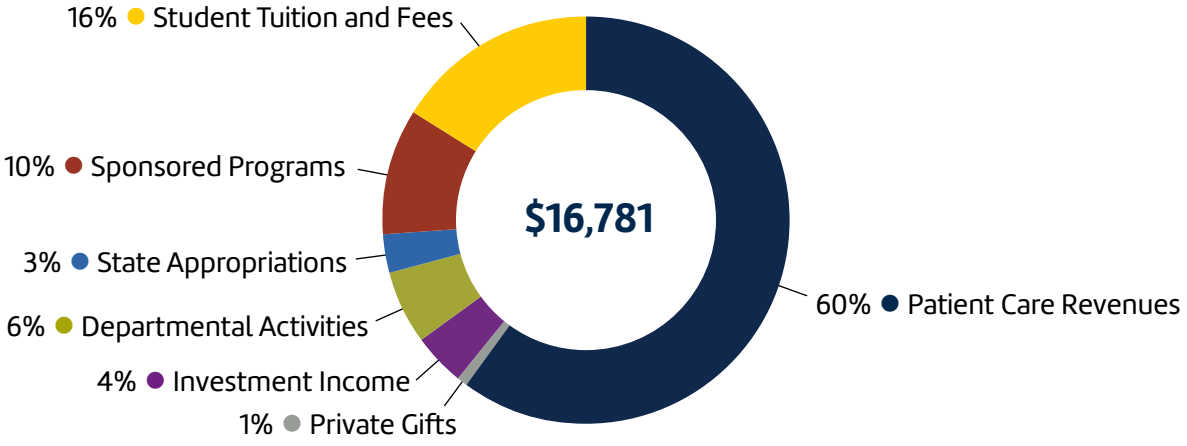
#2 **U–M Academic R&D Expenditures**
U.S. Public Research University
National Science Foundation (FY 2024)

FY 2027 Budget by Fund

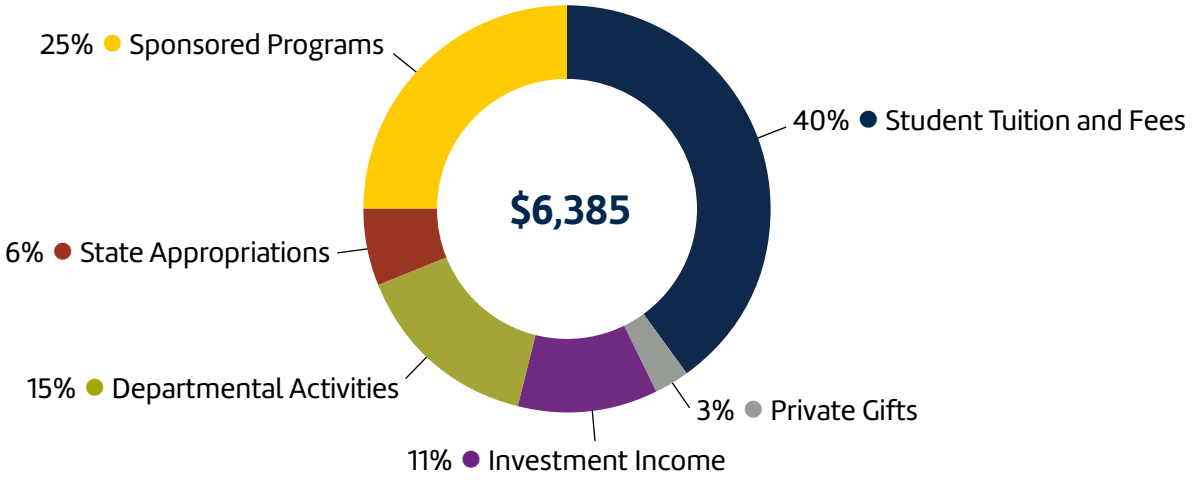
	FY 2027 CONSOLIDATED OPERATING BUDGET						
in millions	General	Designated	Auxiliary	Expendable Restricted	Total	Total FY 2026	FY 2027 Variance to FY 2026
REVENUE:							
State Appropriations	$ 421	$ –	$ –	$ –	$ 421	$ 424	$ (3)
Student Tuition and Fees	2,681	–	–	–	2,681	2,592	89
Sponsored Programs							
Federal	–	–	–	1,381	1,381	1,272	109
State/Local	–	–	–	24	24	16	8
Non-Governmental	–	–	–	295	295	320	(25)
Indirect Cost Recovery	319	38	–	–	358	344	14
Indirect Cost Recovery Allocated to General Operating	–	–	–	(358)	(358)	(344)	(14)
Private Gifts	–	2	–	215	217	227	(10)
Investment Income							
Endowment Income	–	84	106	434	624	594	30
Other	–	77	21	30	128	106	22
Patient Care Revenue	–	12	9,998	–	10,010	9,036	974
Departmental Activities	15	172	3,513	1	3,701	3,253	448
Total Revenue:	**$ 3,437**	**$ 386**	**$ 13,639**	**$ 2,021**	**$ 19,483**	**$ 17,840**	**$ 1,643**
Less Rebilling Credits[1]	–	(10)	(967)	–	(977)	(737)	(240)
Less Inter-Unit Transfers[2]	–	–	(1,725)	–	(1,725)	(1,467)	(259)
Net Revenue:	**$ 3,437**	**$ 376**	**$ 10,946**	**$ 2,021**	**$ 16,781**	**$ 15,637**	**$ 1,144**
EXPENDITURES:							
Compensation and Benefits	$ 2,039	$ 236	$ 6,696	$ 1,013	$ 9,984	$ 9,220	$ 764
Financial Aid	654	9	30	339	1,032	1,003	29
Supplies, Services and Other	499	96	6,289	581	7,466	6,486	980
Plant Improvement	245	33	496	18	792	829	(37)
Total Expenditures:	**$ 3,437**	**$ 374**	**$ 13,512**	**$ 1,951**	**$ 19,274**	**$ 17,538**	**$ 1,736**
Less Rebilling Credits[1]	–	(10)	(967)	–	(977)	(737)	(240)
Less Inter-Unit Transfers[2]	–	–	(1,725)	–	(1,725)	(1,467)	(259)
Net Expenditures:	**$ 3,437**	**$ 364**	**$ 10,819**	**$ 1,951**	**$ 16,571**	**$ 15,334**	**$ 1,237**
Margin	**$ –**	**$ 12**	**$ 127**	**$ 70**	**$ 209**	**$ 302**	**$ (93)**

[1] Rebilling credits include recharge revenue and inter-unit billing.
[2] Offset for inter-unit transfers included with UMH-Ann Arbor.

FY 2027 Budgeted Revenues
(including Michigan Medicine)
in millions



FY 2027 Budgeted Revenues
(excluding Michigan Medicine)
in millions



#3 **National Undergraduate Public Universities**
***U.S. News & World Report* (2026)**

#3 **U.S. Public University**
***QS World University Rankings* (2027)**

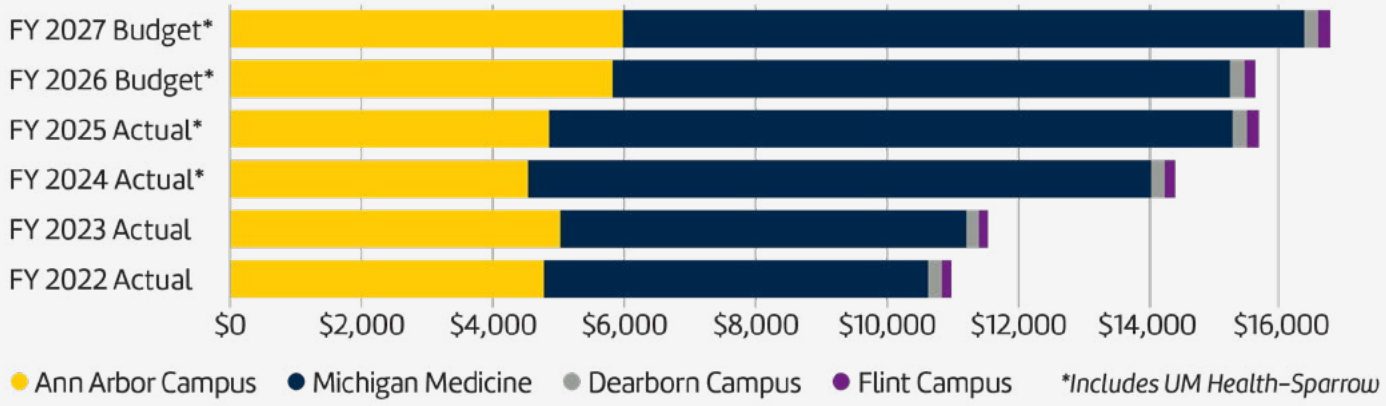
University Operating Trends Including Michigan Medicine

in millions	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual*	FY 2025 Actual	FY 2026 Budget**	FY 2027 Budget**
REVENUE:						
State Appropriations	$ 392	$ 392	$ 420	$ 494	$ 424	$ 421
Student Tuition and Fees	2,085	2,187	2,308	2,443	2,592	2,681
Sponsored Programs	1,237	1,218	1,298	1,392	1,264	1,342
Indirect Cost Recovery from Sponsored Programs	330	351	399	413	344	358
Private Gifts	195	156	226	260	227	217
Endowment & Investment Distributions	491	610	699	790	700	753
Net Patient Revenues	5,520	5,988	8,034	8,790	9,036	10,010
Departmental Activities	756	655	1,026	1,107	3,253	3,701
Total Revenue:	**$ 11,004**	**$ 11,558**	**$ 14,410**	**$ 15,689**	**$ 17,840**	**$ 19,483**
Less Rebilling Credits[1]					(737)	(977)
Less Inter-Unit Transfers[2]					(1,467)	(1,725)
Net Revenue:	**$ 11,004**	**$ 11,558**	**$ 14,410**	**$ 15,689**	**$ 15,637**	**$ 16,781**
EXPENDITURES:						
Compensation and Benefits	$ 6,257	$ 6,851	$ 8,184	$ 8,810	$ 9,220	$ 9,984
Financial Aid	844	880	995	1,075	1,003	1,032
Supplies, Services and Other	2,716	2,845	4,185	4,733	6,486	7,466
Plant Improvement	704	676	964	1,294	829	792
Total Expenditures:	**$ 10,521**	**$ 11,252**	**$ 14,328**	**$ 15,912**	**$ 17,538**	**$ 19,274**
Less Rebilling Credits[1]					(737)	(977)
Less Inter-Unit Transfers[2]					(1,467)	(1,725)
Net Expenditures:	**$ 10,521**	**$ 11,252**	**$ 14,328**	**$ 15,912**	**$ 15,344**	**$ 16,571**
Operating Fund Margin	**$ 483**	**$ 306**	**$ 82**	**$ (223)**	**$ 302**	**$ 209**

** FY 2024 – FY 2027 Includes UM Health-Sparrow.*
*** FY 2026 – FY 2027 Splitting out intercompany activity to increase budget transparency.*

[1] Rebilling credits include recharge revenue and inter-unit billings.
[2] Offset for inter-unit transfers included with UMH-Ann Arbor.

Total Operating Revenue Trends *(in millions)*

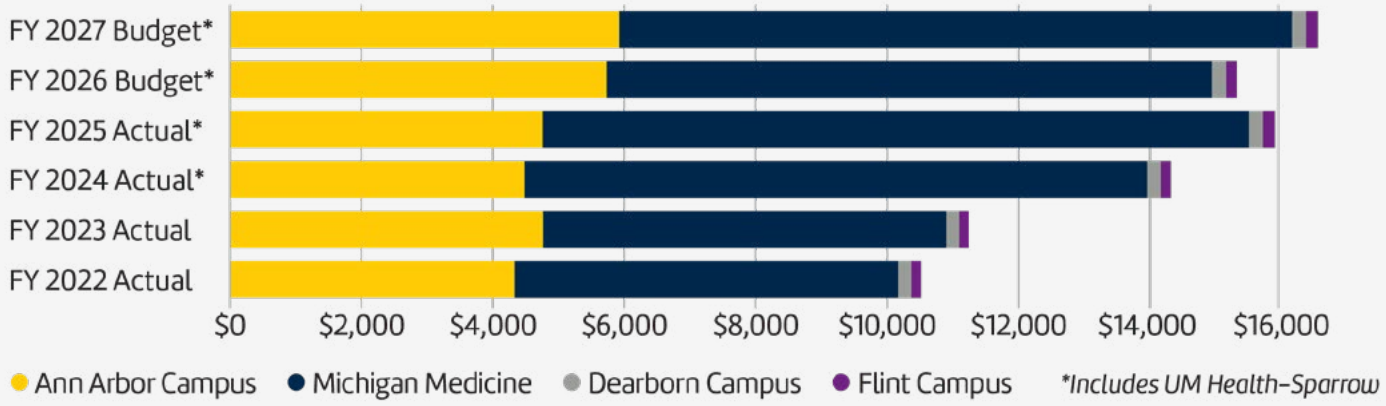


Campus Level Budget & Trends

in millions	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual*	FY 2025 Actual*	FY 2026 Budget*	FY 2027 Budget*
REVENUE:						
Ann Arbor Campus	$ 4,784	$ 5,033	$ 4,542	$ 4,860	$ 5,831	$ 5,986
Michigan Medicine	5,858	6,188	9,508	10,432	9,421	10,396
Dearborn Campus	209	195	207	222	216	212
Flint Campus	153	142	153	174	168	187
Total Revenue:	**$ 11,004**	**$ 11,558**	**$ 14,410**	**$ 15,689**	**$ 15,637**	**$ 16,781**
EXPENDITURES:						
Ann Arbor Campus	$ 4,324	$ 4,759	$ 4,478	$ 4,754	$ 5,732	$ 5,915
Michigan Medicine	5,842	6,143	9,489	10,766	9,218	10,257
Dearborn Campus	204	198	205	216	216	212
Flint Campus	152	152	156	176	168	187
Total Expenditures:	**$ 10,521**	**$ 11,252**	**$ 14,328**	**$ 15,912**	**$ 15,334**	**$ 16,571**
OPERATING FUND MARGIN:						
Ann Arbor Campus	$ 460	$ 274	$ 64	$ 107	$ 99	$ 71
Michigan Medicine	16	45	19	(334)	203	139
Dearborn Campus	5	(3)	2	6	–	–
Flint Campus	2	(10)	(3)	(2)	–	–
Operating Fund Margin:	**$ 483**	**$ 306**	**$ 82**	**$ (223)**	**$ 302**	**$ 209**

**Includes UM Health–Sparrow*

Total Operating Expenditure Trends *(in millions)*



FY 2027

Budget Priorities

The FY 2027 budget reflects the University of Michigan–Ann Arbor's continued commitment to two foundational priorities: academic excellence and affordability. This balanced budget prioritizes our people—faculty, staff, and students—while responding to significant fiscal constraints and funding uncertainties. This budget directs strategic investments to support our "Look to Michigan" impact areas and strengthen the Michigan experience for students. It also reaffirms our commitment to Michigan families by sustaining the nation–leading Go Blue Guarantee and increasing undergraduate financial aid to offset tuition increases for resident students with need. We are able to attain our budget goals while increasing resident undergraduate tuition and fees at rates no higher than inflation. By combining rigorous cost containment with targeted investment, this budget ensures that the University of Michigan remains a premier public institution providing an exceptional education and meaningful returns for students, families, and the broader public.

Advancing Academic Excellence and Supporting Look to Michigan

Our dedication to academic excellence guides us as we navigate uncertain times. The FY 2027 budget reflects our commitment to all five strategic impact areas of the "Look to Michigan" campaign, advancing essential work in education, community vitality, democracy, sustainability, and technology. Our budget narrative reflects a particular emphasis on the FY 2027 theme year of Human Health and Well–Being, leveraging the university's position at the forefront of global research and discovery.

The AI–Enabled Drug Discovery Initiative is a strategic investment designed to unify the university's world–class, distributed assets in generative AI and pharmacology into a cohesive, high–impact ecosystem. By delivering AI–enhanced infrastructure to research labs across all campuses, including Flint and Dearborn, this initiative ensures that the University of Michigan maintains its national leadership as drug development reaches a critical technological inflection point.

As the university navigates shifting external funding cycles, flexibility in grant proposal submission has become increasingly important. To help maintain research stability, the budget includes funding for essential research grant–bridging programs at the central and unit levels. These initiatives enable scholars to continue their work during interruptions in external funding and support efforts to retool or redirect research programs toward new extramural funding sources. The university is also investing in additional biological safety resources to enhance oversight of biological materials used in research, coordinate regulatory compliance, and commission a new Biosafety Level 3 facility.

Enriching the Student Experience and Success

We continue to invest in the success, well–being, and engagement of our students, reflecting our belief that students are best positioned to succeed when they are both academically challenged and well supported. As part of our commitment to holistic student support, a university–wide project is replacing aging systems with the Student Success & Advising Technology (SS&AT) platform. The new platform will provide a consistent, intuitive interface for students and their advisors to track students' academic performance, progress, and cross–campus communications.

Our investments also expand mental health resources through a pilot to significantly increase online mental health services, offering students better access to teletherapy and wellness assistance regardless of location, including for those studying abroad. Schools and colleges are contributing as well, including a Wellness Suite at the Ross School of Business and expanded mental health programming within the Medical School.

At the same time, curricular innovation continues through the College of Literature, Science, and the Arts' launch of the Grand Challenges Curriculum, a

GO BLUE GUARANTEE

- Provides free tuition to over 6,375 students annually
- Helps make U-M the most affordable option in Michigan for many families
- Setting the standard with $125,000 income eligibility and Cost of Attendance expansion

problem-based pathway that equips students to tackle real-world challenges no single discipline can solve alone, and reinforces the enduring value of a liberal arts and sciences education for the common good. We are also strengthening global engagement by expanding accessibility through more faculty-led international trips, increasing support for traveler safety, and building on strategic initiatives that helped the university achieve a #1 national ranking among public institutions for study abroad.

In addition, investments in preclinical training include a high-priority renovation of the School of Dentistry Simulation Lab, replacing outdated equipment with modern, digitally enabled stations to improve student competency. Together, these investments support a student experience that promotes academic success, well-being, engagement, and preparation for meaningful contributions beyond the university.

Student Access and Affordability

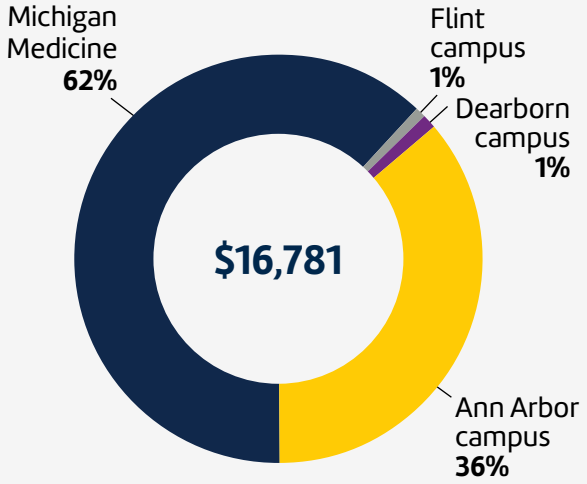
The university's commitment to making a world-class education accessible to all Michigan students regardless of financial means remains a cornerstone of our budget. The FY 2027 budget includes a $12.3 million (3.8%) increase in undergraduate financial aid. This increase is specifically designed to offset the tuition and fee increase for resident undergraduates with financial need, resulting in no net tuition cost increase for these students. This budget enables us to uphold the Go Blue Guarantee, our public university gold-standard promise of free tuition for resident students from families with incomes and assets below $125,000. The program also covers the full cost of attendance for qualifying students in high-need fields like teacher preparation and nursing. The long-term impact of our commitment to affordability is reflected in sustained growth in undergraduate financial aid. Since FY 2016, our undergraduate financial aid budget has increased by more than $191 million, with an average annual growth rate of 7.6%. Today, 34% of resident undergraduates pay no tuition after grants and scholarships are applied, and the inflation-adjusted net price for families with incomes up to $120,000 is lower than it was a decade ago. Through these investments, we continue our commitment to affordability while ensuring that financial circumstances do not limit access to a University of Michigan education.

FY 2027 All Operating Funds Budget by Fund & Campus

in millions	General	Designated	Auxiliary Funds	Expendable Restricted	Total
REVENUE BUDGET:					
Michigan Medicine	$ –	$ 13	$ 10,342	$ 41	$ 10,396
Ann Arbor Campus	3,105	358	597	1,925	5,986
Dearborn Campus	180	1	2	28	212
Flint Campus	152	3	5	27	187
Total Revenue:	**$ 3,437**	**$ 376**	**$ 10,946**	**$ 2,021**	**$ 16,781**
EXPENDITURE BUDGET:					
Michigan Medicine	$ –	$ 10	$ 10,217	$ 31	$ 10,257
Ann Arbor Campus	3,105	350	595	1,865	5,915
Dearborn Campus	180	1	2	28	212
Flint Campus	152	3	5	27	187
Total Expenditures:	**$ 3,437**	**$ 364**	**$ 10,819**	**$ 1,951**	**$ 16,571**

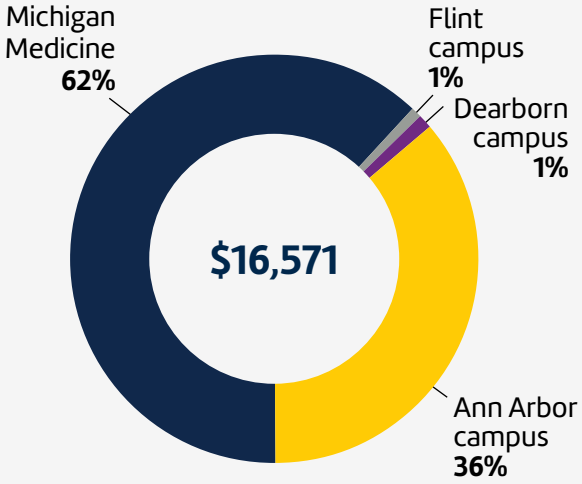
Operating Revenues

in millions



Operating Expenses

in millions



- Revenues budgeted at $16.8B
- Revenues include $1.8B from UMH–Sparrow, integrated with Michigan Medicine in FY 2023
- Powered by the Ann Arbor campus, academic revenues remain strong and growing

- Operating expenses are balanced with operating revenues; modest margin driven designated, expendable restricted, and auxiliary funds; general fund is margin neutral

FY 2027

Strategic Context

The general fund is crucial to the university's academic mission, and the FY 2027 budget reflects our key priorities, shaped by several important factors.

Unprecedented Challenges

The University of Michigan is navigating a challenging environment marked by volatility in key revenue streams and rising mandatory costs. After budgeting for a significant 15% reduction in revenue from research grant overhead in FY 2026, we have forecast a modest increase over last year's budget. However, our long-term outlook remains cautious, with a projected 20–30% reduction in federal research activity through FY 2029. Additionally, we are conservatively budgeting for a flat state appropriation, which, for a growing university facing inflationary pressures, effectively functions as a budget cut. The university also faces a 7.2% increase in mandatory costs, including insurance and utilities, and a similar 7.2% increase in healthcare benefits–more than double projected inflation. Together, these factors create significant financial pressures that require disciplined fiscal stewardship while continuing to support the university's academic, research, and public service missions.

State Appropriation

As a public university with a strong commitment to our partnership with the citizens of Michigan, we remain dedicated to advancing educational and economic outcomes that strengthen our state. We encourage the state to continue prioritizing investment and providing predictable annual increases in funding and financial aid, which are critical to addressing rising costs and preserving affordability. The return on the state's investment in U–M is significant. State support helps advance our shared goals of educating our students, developing new talent, creating jobs and growth, and opening new opportunities.

Research

The University of Michigan has been a leader in research across nearly every discipline, excelling at promoting interdisciplinary collaboration in areas such as healthcare policy, engineering, the arts, and beyond. Our commitment to innovative research has consistently earned us a high national ranking for research activity, reflecting both our dedication and achievements. However, navigating the evolving landscape of research funding presents significant challenges. We will continue to advocate with our federal partners for the lasting value and impact of research at U–M. We will also engage with state partners and industry leaders to identify collaborative opportunities that support and strengthen our research mission. By maintaining strong partnerships and encouraging investment in research, we aim to continue advancing discoveries that benefit both Michigan and the broader global community. Our proactive approach will help ensure that the University of Michigan remains at the forefront of academic excellence and research innovation.

Tuition and Fees

To maintain fiscal stability while preserving our academic mission, the budget includes the lowest possible tuition increases necessary to meet our priorities. Resident undergraduate tuition and fees will increase by 3.0%. Notably, the tuition component of this increase (2.9%) is lower than projected Consumer Price Index (CPI) inflation. Out-of-state undergraduate tuition and tuition for most graduate programs will increase by 4.9%, keeping the university competitive with peer institutions. Strategic fee adjustments include modest increases to the Health Service Fee ($6.80) to maintain wellness services, an increase to Student Legal Services fee ($1.40) to support student consultations or legal representation, and the first increase since FY 2000 for the School & College Student Government fee ($4.30) to facilitate greater student impact and engagement.

Cost Containment

In response to these pressures, the university continues its practice of disciplined fiscal stewardship. For FY 2027, schools, colleges, and units across campus have identified over $38 million in cost savings and reallocations. These efforts include several units enacting across-the-board reductions in non-salary areas, and the realignment of priorities in many other units. We continue to allocate gift funds, wherever appropriate, to alleviate general fund costs. All of these efforts increase efficiency and reduce pressure on tuition and fees. Such disciplined stewardship efforts also ensure that we can continue to support the comprehensive goals of the "Look to Michigan" campaign. This disciplined financial stewardship reflects our commitment to affordability and accessibility for our students while strengthening our ability to invest in essential academic programs and infrastructure. By prioritizing efficiency and strategic savings, we ensure that our institution remains financially sustainable and capable of continuing its mission to provide a world-class education, impactful research, and dedicated public service.

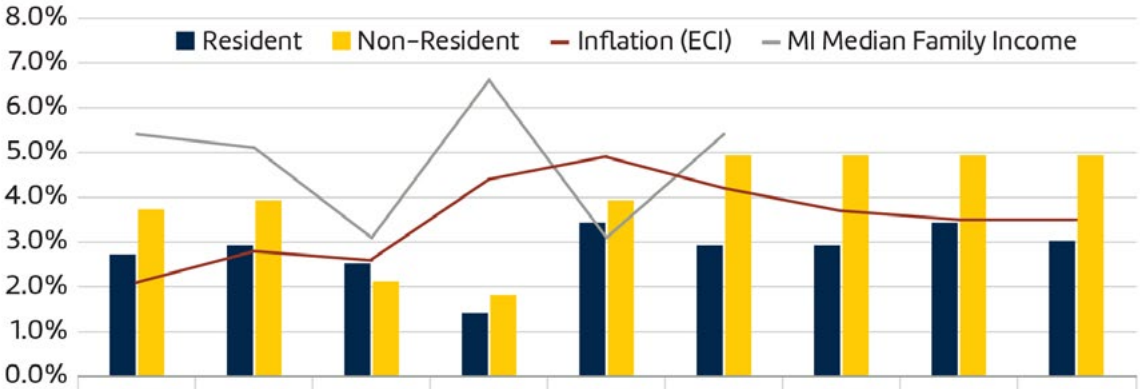
Philanthropic Giving

Our donors play an essential role in offsetting general fund expenses and supporting our key priorities, helping ensure that we can continue to provide exceptional education and research opportunities. We are deeply grateful for their important contributions, which enable us to expand our impact and reach. In support of this commitment, the University of Michigan has launched the ambitious "Look to Michigan" campaign, a $7 billion initiative designed to advance our mission in education, research, and public service. This campaign aims to enhance scholarships and fellowships, strengthen groundbreaking research, improve facilities, and support a broad range of programs that enrich the student experience. By investing in the future of Michigan, our generous donors help us propel innovation, cultivate leadership, and foster a culture of excellence that benefits not only our campus but the world at large.

A Key Goal: Tuition Increases that Are Modest and Predictable for U-M Families

Recent History of Undergraduate Tuition Increases, Inflation, & MI Family Income

Resident tuition has increased at rates below inflation (red) and family income (grey) since 2019-20.



	2015-16	2018-19	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Resident	2.7%	2.9%	2.5%	1.4%	3.4%	2.9%	2.9%	3.4%	3.0%
Non-Resident	3.7%	3.9%	2.1%	1.8%	3.9%	4.9%	4.9%	4.9%	4.9%
Inflation (ECI)	2.1%	2.8%	2.6%	4.4%	4.9%	4.2%	3.7%	3.5%	3.5%
MI Median Family Income	5.4%	5.1%	3.1%	6.6%	3.1%	5.4%			

Note: 2025 Michigan median family income data had not been released at the time of publication and are therefore not shown.

Ann Arbor Campus

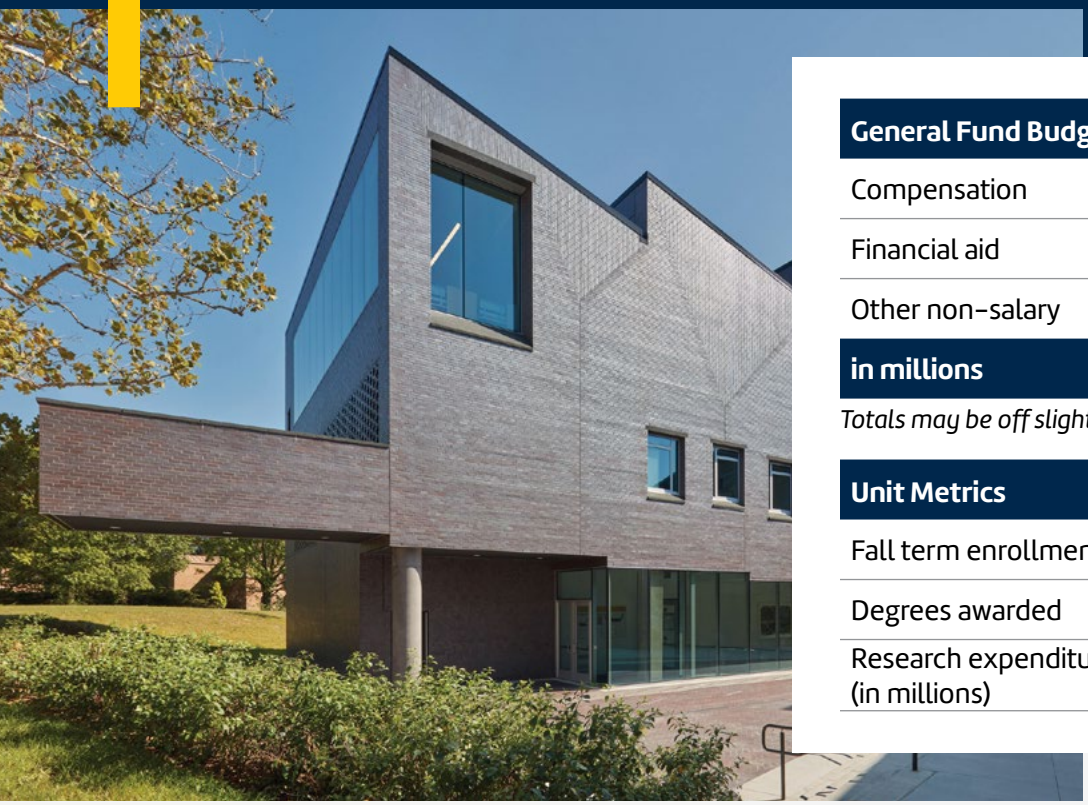
2027 Ann Arbor Campus Operating Budget

in millions	General	Designated	Auxiliary	Expendable Restricted	Total	Total FY 2026	FY 2027 Variance to FY 2026
REVENUE:							
State Appropriations	$ 363	$ –	$ –	$ –	$ 363	$ 365	$ (3)
Student Tuition and Fees	2,412	–	–	–	2,412	2,332	79
Sponsored Programs							
Federal	–	–	–	1,321	1,321	1,217	104
State/Local	–	–	–	12	12	7	5
Non-Governmental	–	–	–	294	294	317	(24)
Indirect Cost Recovery	317	38	–	–	355	341	14
Indirect Cost Recovery Allocated to General Operating	–	–	–	(355)	(355)	(341)	(14)
Private Gifts	–	2	–	201	203	192	10
Investment Income							
Endowment Income	–	82	–	422	504	462	42
Other	–	75	20	30	125	104	21
Patient Care Revenue	–	–	16	–	16	19	(3)
Departmental Activities	14	161	561	1	737	816	(78)
Total Revenue:	**$ 3,105**	**$ 358**	**$ 597**	**$ 1,925**	**$ 5,986**	**$ 5,831**	**$ 155**
Less Rebilling Credits[1]	–	(10)	(835)	–	(845)	(632)	(213)
Net Revenue:	**$ 3,105**	**$ 348**	**$ (238)**	**$ 1,925**	**$ 5,140**	**$ 5,199**	**$ (59)**
EXPENDITURES:							
Compensation and Benefits	$ 1,813	$ 226	$ 659	$ 979	$ 3,677	$ 3,374	$ 303
Financial Aid	610	1	30	298	938	921	18
Supplies, Services and Other	448	91	(248)	572	862	938	(76)
Plant Improvement	235	32	154	16	437	499	(62)
Total Expenditures:	**$ 3,105**	**$ 350**	**$ 595**	**$ 1,865**	**$ 5,915**	**$ 5,732**	**$ 183**
Less Rebilling Credits[1]	–	(10)	(835)	–	(845)	(632)	(213)
Net Expenditures:	**$ 3,105**	**$ 340**	**$ (240)**	**$ 1,865**	**$ 5,070**	**$ 5,100**	**$ (30)**
Margin	**$ –**	**$ 9**	**$ 2**	**$ 60**	**$ 71**	**$ 99**	**$ (28)**

[1] *Rebilling credits include recharge revenue and inter-unit billing.*

A. Alfred Taubman College of Architecture & Urban Planning

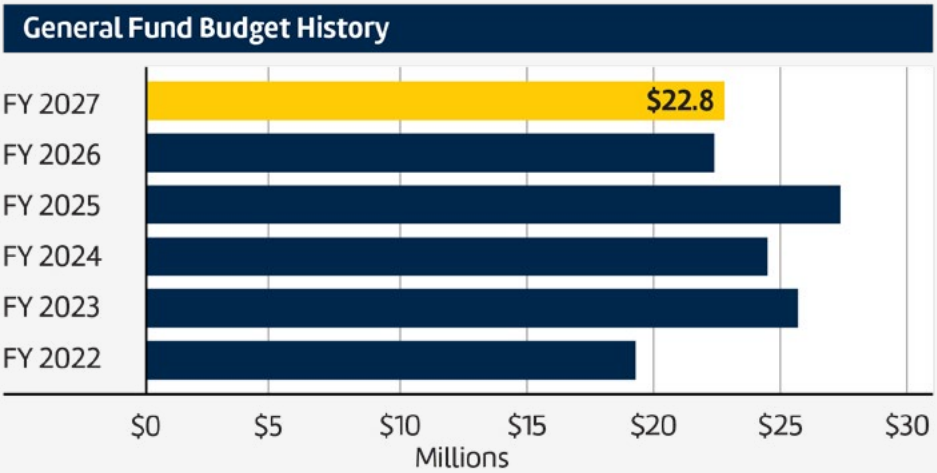
taubmancollege.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	16.3	17.0	0.7
Financial aid	2.5	2.2	(0.4)
Other non-salary	3.6	3.7	0.0
in millions	**$ 22.4**	**$ 22.8**	**$ 0.4**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	686	737	742
Degrees awarded	285	263	277
Research expenditures (in millions)	$ 1.6	$ 2.1	$ 1.8

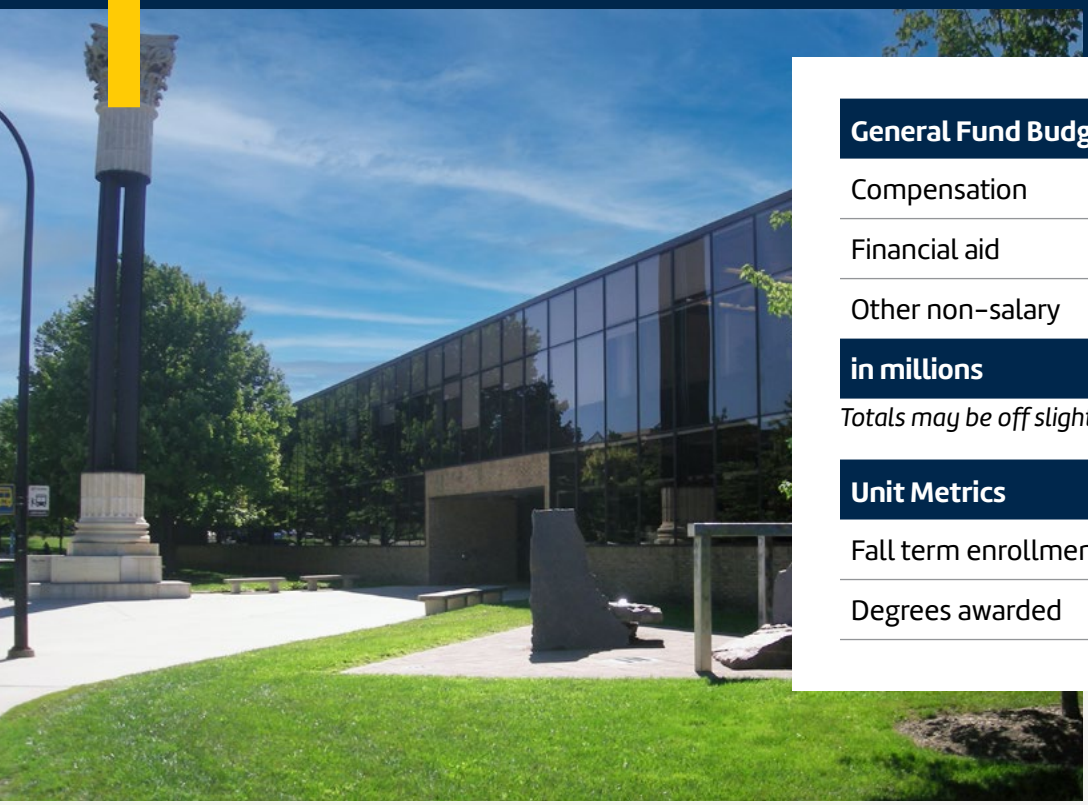


Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

Penny W. Stamps School of Art & Design

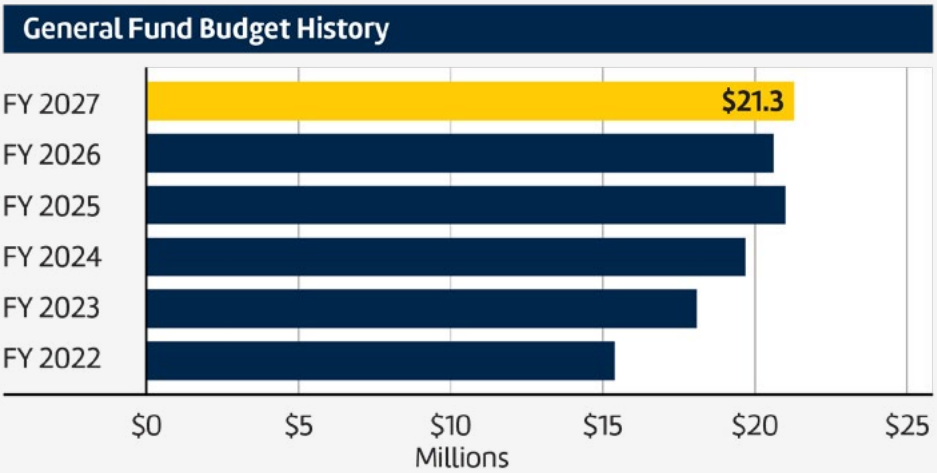
stamps.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	18.3	18.3	0.0
Financial aid	0.6	0.6	0.0
Other non-salary	1.7	2.4	0.7
in millions	**$ 20.6**	**$ 21.3**	**$ 0.7**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	713	756	754
Degrees awarded	157	149	198



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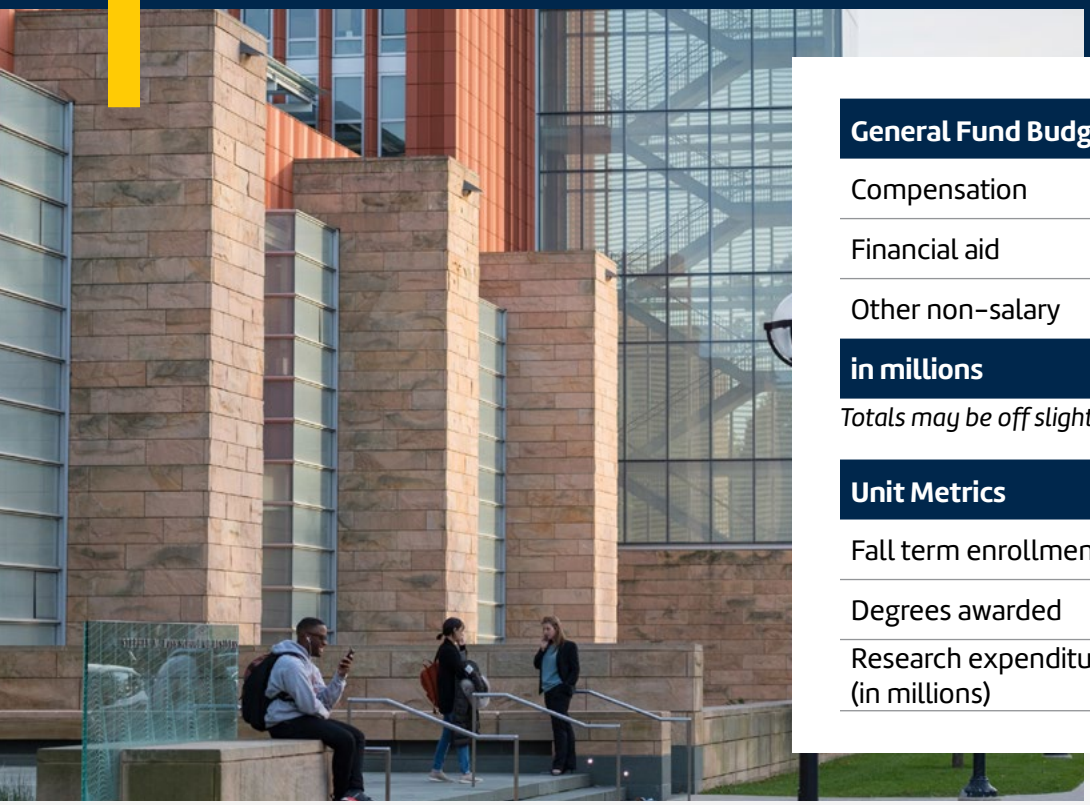
Stephen M. Ross School of Business

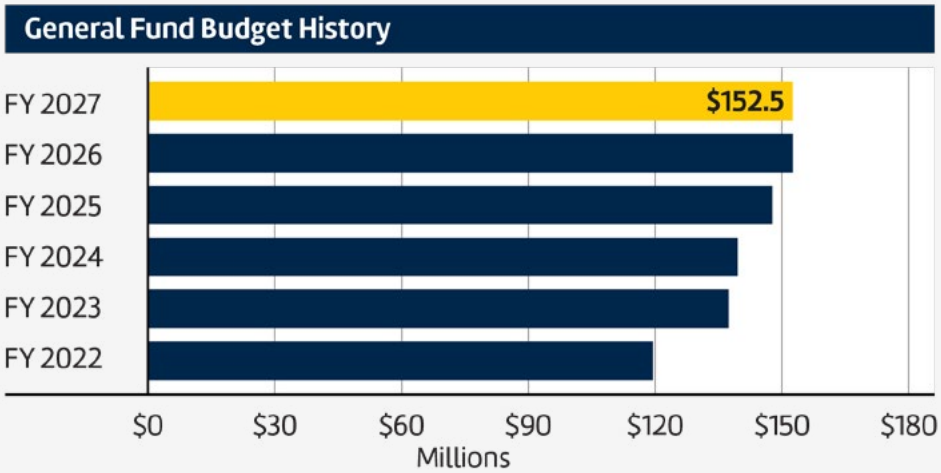
michiganross.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	106.0	104.3	(1.7)
Financial aid	19.7	22.8	3.1
Other non-salary	26.8	25.3	(1.5)
in millions	**$ 152.5**	**$ 152.5**	**$ (0.1)**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	4,362	4,433	4,498
Degrees awarded	1,719	1,664	1,682
Research expenditures (in millions)	$ 17.4	$ 16.9	$ 17.6



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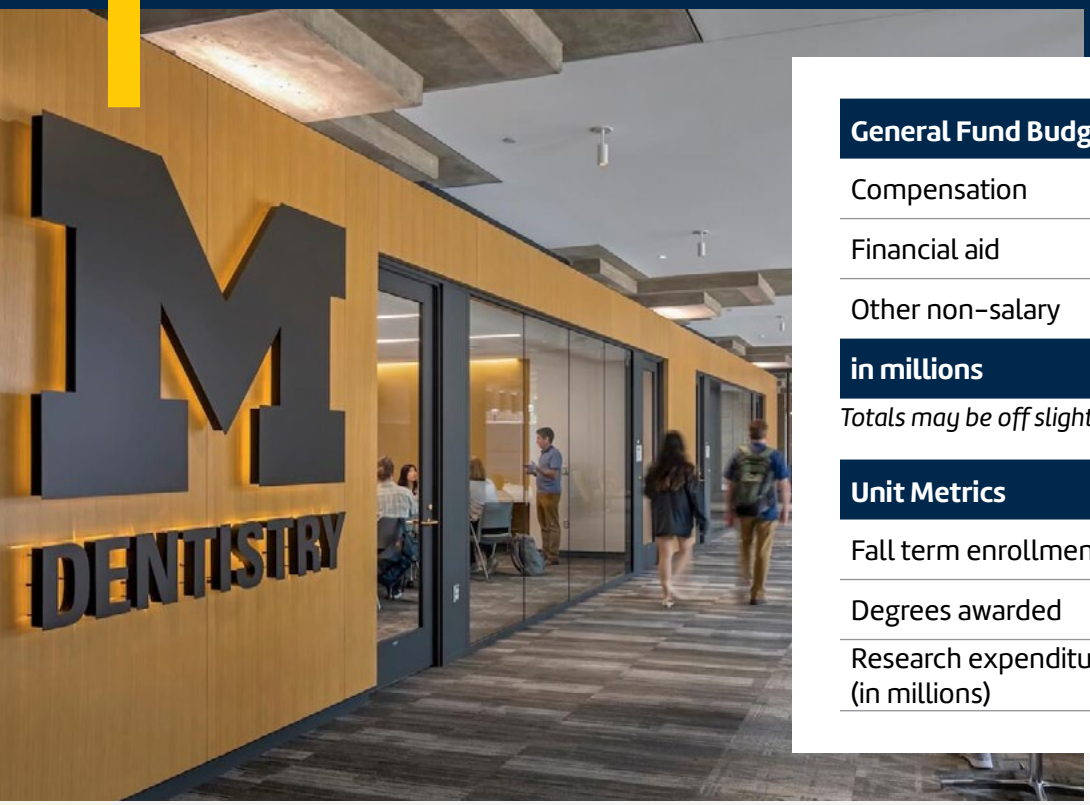
School of Dentistry

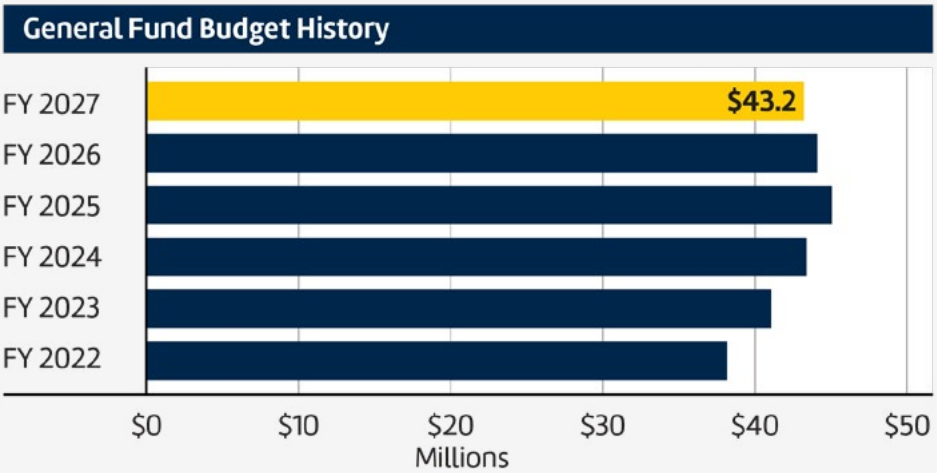
dent.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	34.3	35.2	0.9
Financial aid	1.2	1.2	0.1
Other non-salary	8.6	6.7	(1.9)
in millions	**$ 44.1**	**$ 43.2**	**$ (0.9)**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	665	670	667
Degrees awarded	199	222	216
Research expenditures (in millions)	$ 24.9	$ 26.0	$ 24.1

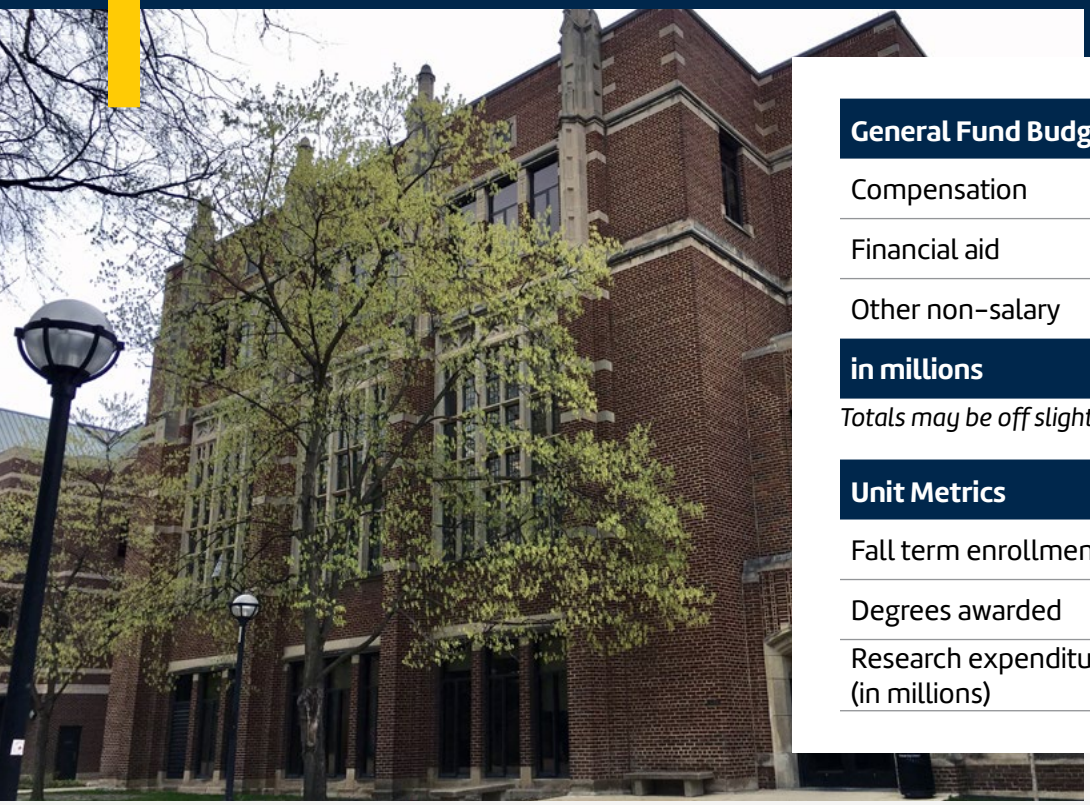


Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

Marsal Family School of Education

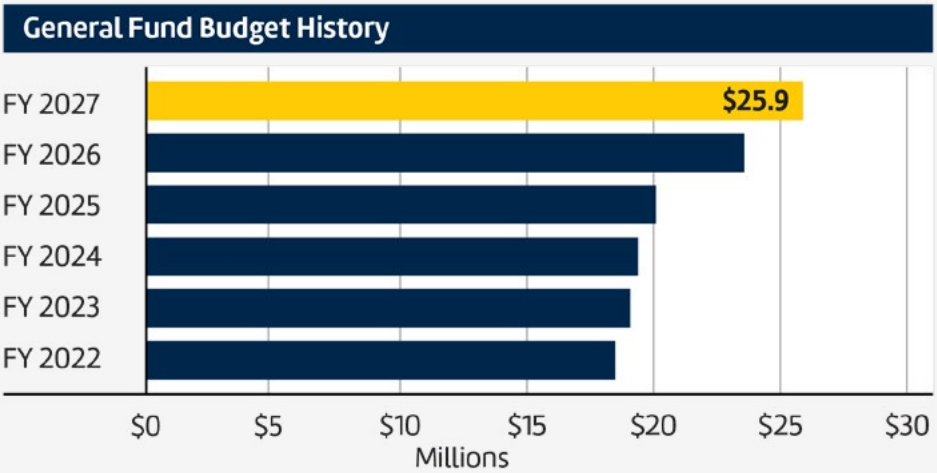
soe.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	18.8	19.8	1.0
Financial aid	3.4	3.2	(0.2)
Other non-salary	1.4	2.9	1.5
in millions	**$ 23.6**	**$ 25.9**	**$ 2.3**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	388	371	409
Degrees awarded	266	196	196
Research expenditures (in millions)	$ 11.7	$ 10.7	$ 11.2



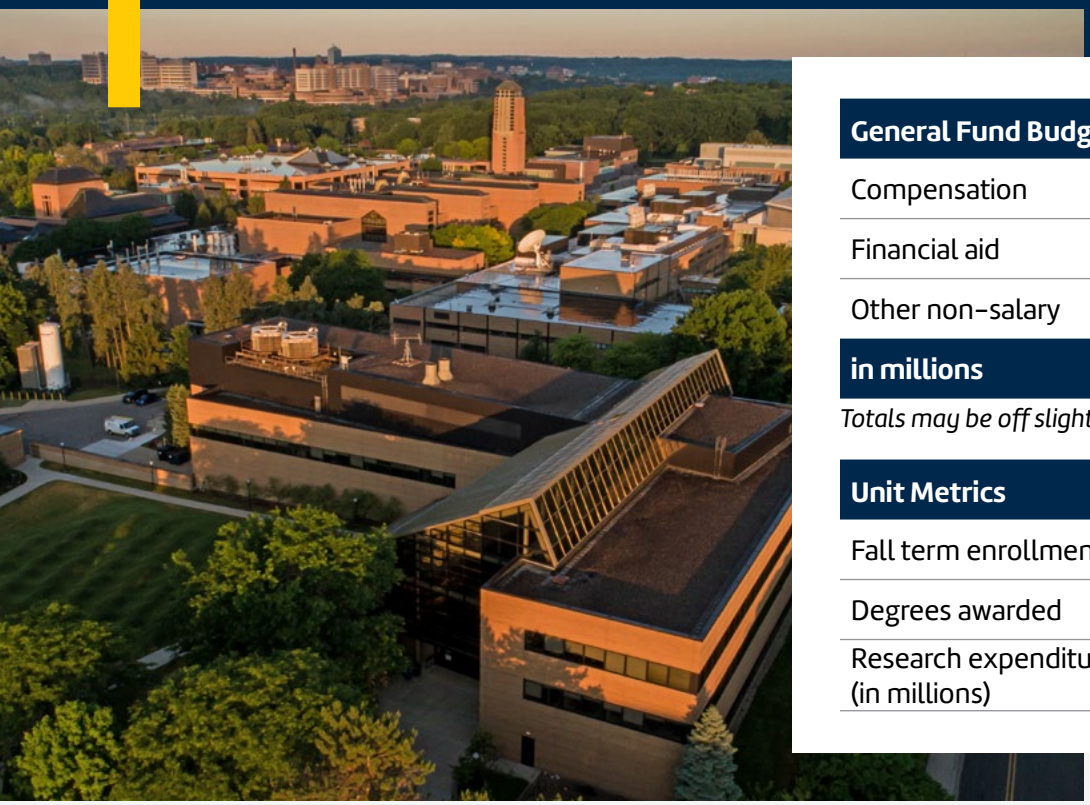
Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

FY 2026 – 2027: Enrollment growth primarily due to the recently established online Master of Arts program and continued expansion of the Marygrove–LEAPS undergraduate program.

College of Engineering

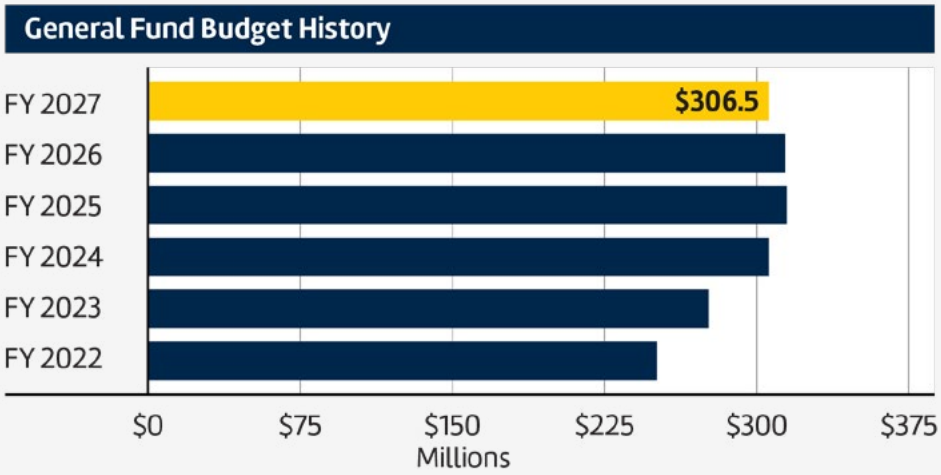
engin.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	201.7	222.8	21.1
Financial aid	44.1	18.0	(26.1)
Other non-salary	68.8	65.8	(3.1)
in millions	**$ 314.6**	**$ 306.5**	**$ (8.1)**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	11,051	11,113	11,302
Degrees awarded	3,578	3,617	3,671
Research expenditures (in millions)	$ 310.7	$ 349.0	$ 369.0



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FY 2023: Mcity was transferred to the College of Engineering from the Vice President for Research.

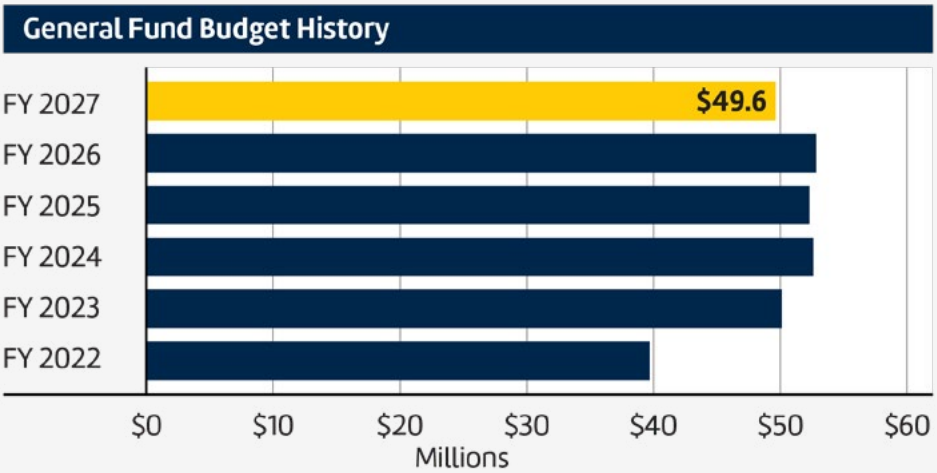
School of Information

si.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	38.1	39.8	1.7
Financial aid	9.4	5.9	(3.5)
Other non-salary	5.4	3.9	(1.5)
in millions	**$ 52.8**	**$ 49.6**	**$ (3.2)**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	1,803	1,848	1,825
Degrees awarded	764	775	805
Research expenditures (in millions)	$ 11.0	$ 13.8	$ 13.3



Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

FY 2022 – FY 2024: Enrollment growth due to the online Master of Applied Data Science program.

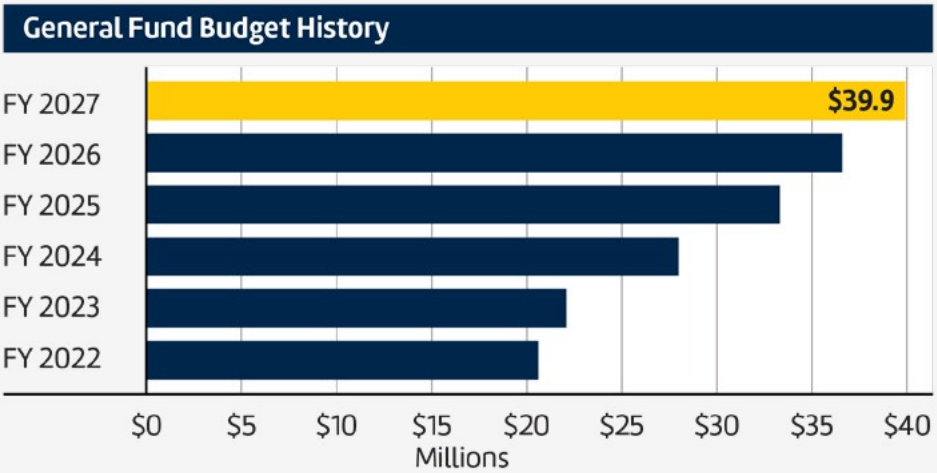
School of Kinesiology

kines.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	29.3	31.1	1.8
Financial aid	0.1	0.4	0.3
Other non-salary	7.2	8.5	1.3
in millions	**$ 36.6**	**$ 39.9**	**$ 3.3**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	1,228	1,312	1,402
Degrees awarded	357	385	425
Research expenditures (in millions)	$ 8.5	$ 9.1	$ 12.8



Notable budgetary actions over the last five years:

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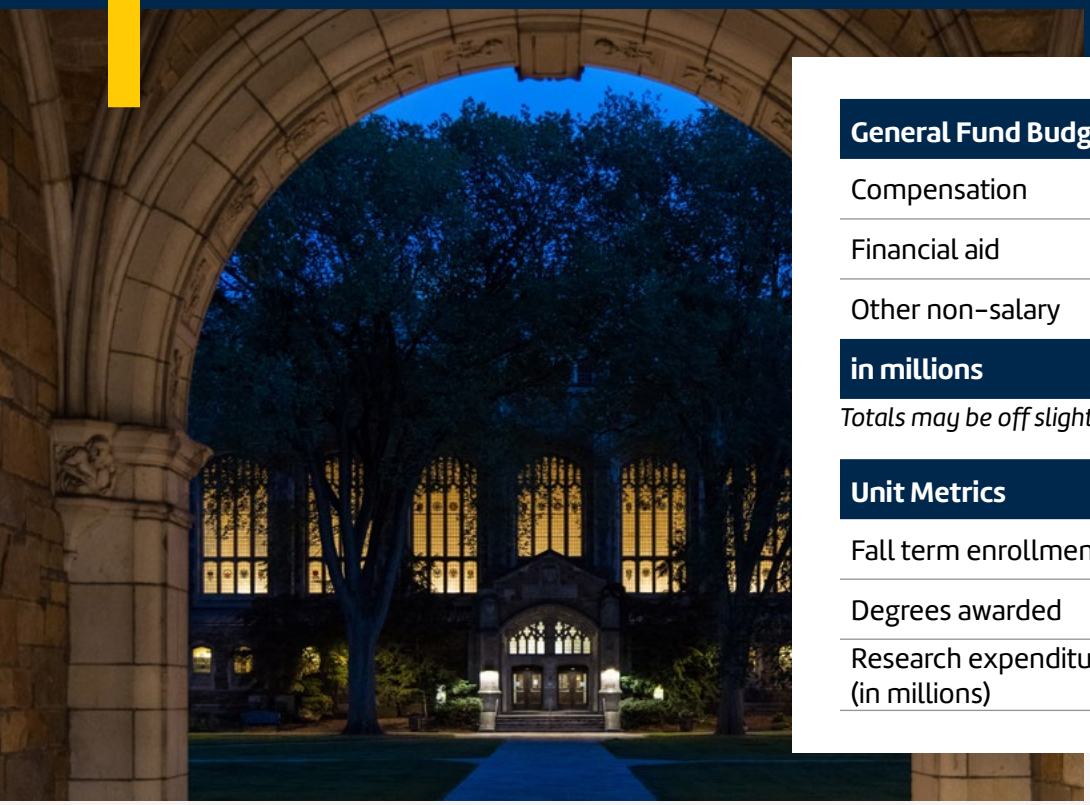
FY 2023: Exercise & Sport Science Initiative (ESSI) was transferred to the School of Kinesiology from the Vice President for Research.

Law School

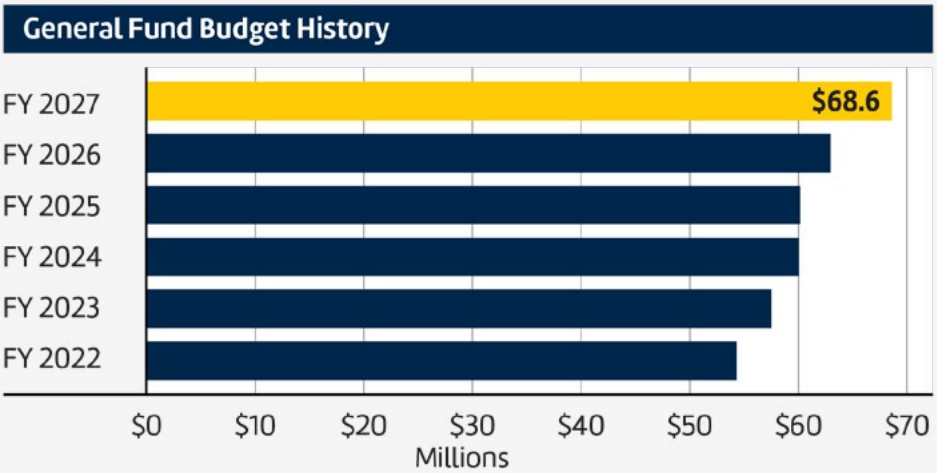
michigan.law.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	38.7	44.3	5.6
Financial aid	18.4	18.7	0.3
Other non-salary	5.9	5.6	(0.3)
in millions	**$ 63.0**	**$ 68.6**	**$ 5.6**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	1,007	1,017	1,023
Degrees awarded	333	358	369
Research expenditures (in millions)	$ 8.9	$ 9.0	$ 8.1



Notable budgetary actions over the last five years:

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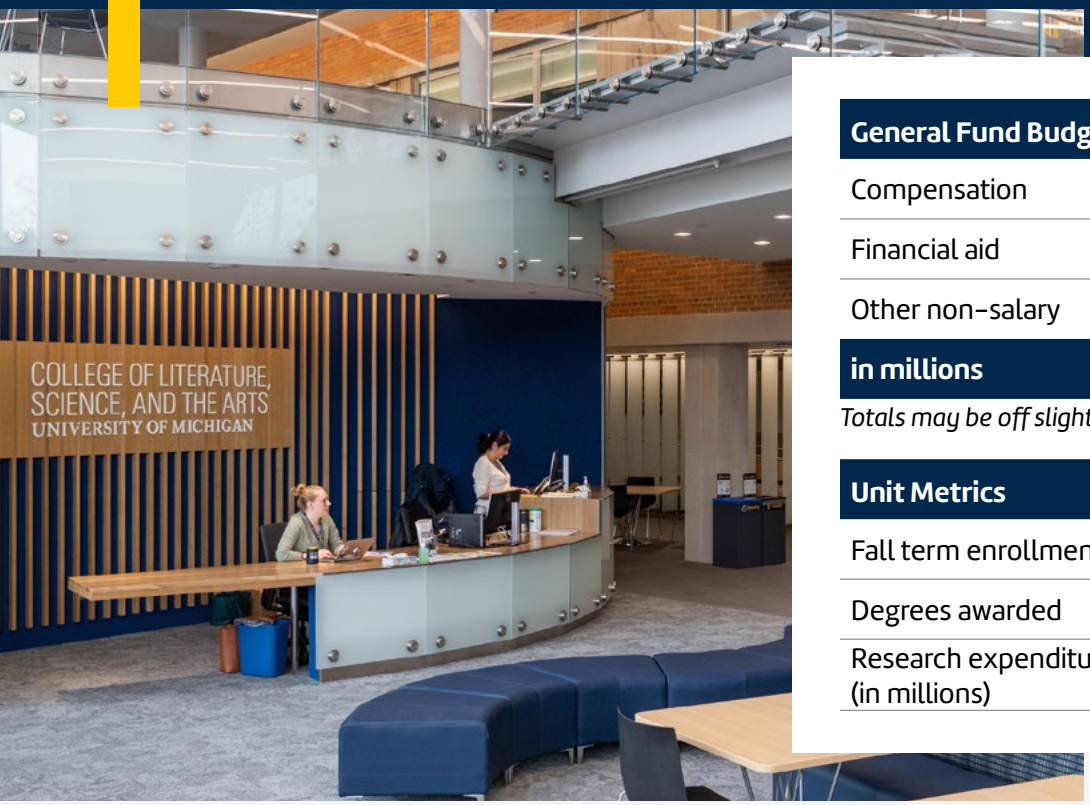
College of Literature, Science, and the Arts

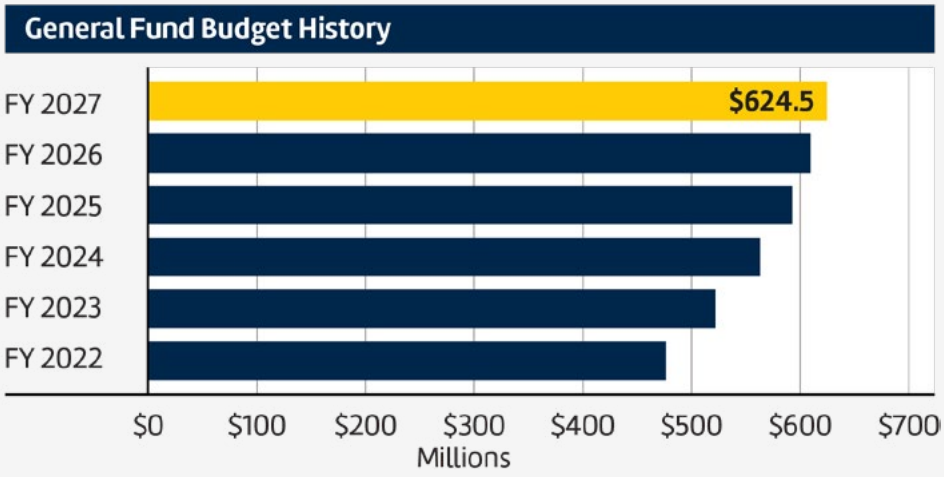
lsa.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	396.7	414.4	17.7
Financial aid	74.8	77.7	2.9
Other non-salary	138.0	132.5	(5.5)
in millions	**$ 609.5**	**$ 624.5**	**$ 15.0**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	21,384	21,973	22,198
Degrees awarded	5,276	5,444	5,775
Research expenditures (in millions)	$ 229.5	$ 244.8	$ 243.9



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FY 2026: National Center for Institutional Diversity was transferred to the College of Literature, Science, and the Arts from the Office of the Provost.

FY 2024: National Center for Institutional Diversity was transferred to the Office of the Provost from College of Literature, Science, and the Arts.

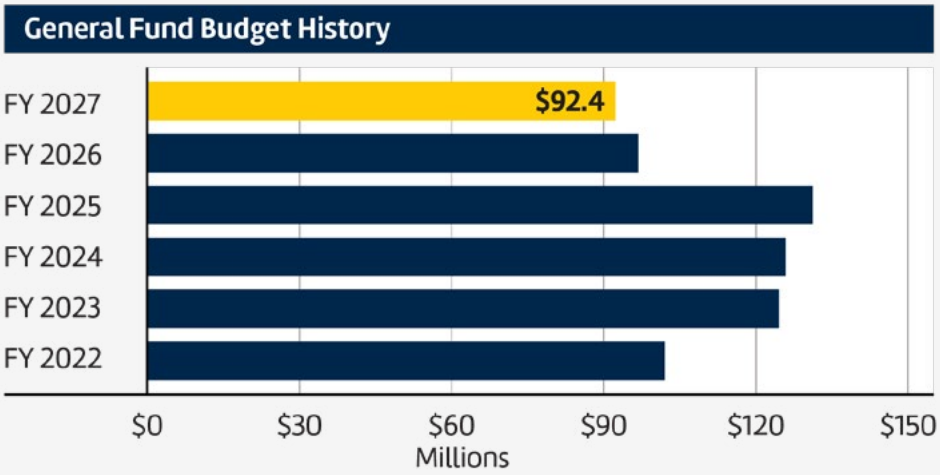
Medical School

medicine.umich.edu/medschool/home

General Fund Budget	FY 2026	FY 2027	Change
Compensation	88.4	84.2	(4.2)
Financial aid	1.0	0.0	(1.0)
Other non-salary	7.5	8.2	0.7
in millions	**$ 96.9**	**$ 92.4**	**$ (4.5)**

Totals may be off slightly due to rounding.
No clinical activity is included in the general fund budget.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	1,612	1,677	1,741
Degrees awarded	416	405	448
Research expenditures (in millions)	$ 806.8	$ 890.3	$ 946.4



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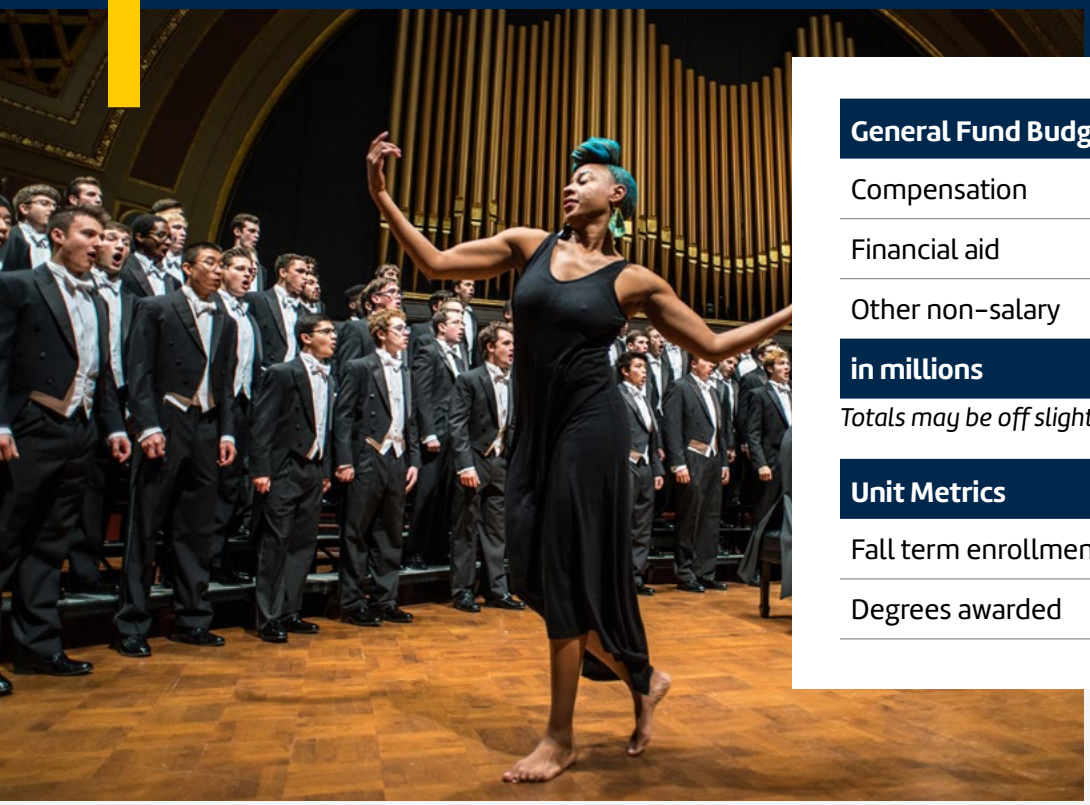
FY 2022 – FY 2027: The Medical School general fund budget includes costs for the North Campus Research Complex (shown on page 57).

FY 2024: The Functional MRI Laboratory was transferred to the Medical School from the Vice President for Research.

School of Music, Theatre & Dance

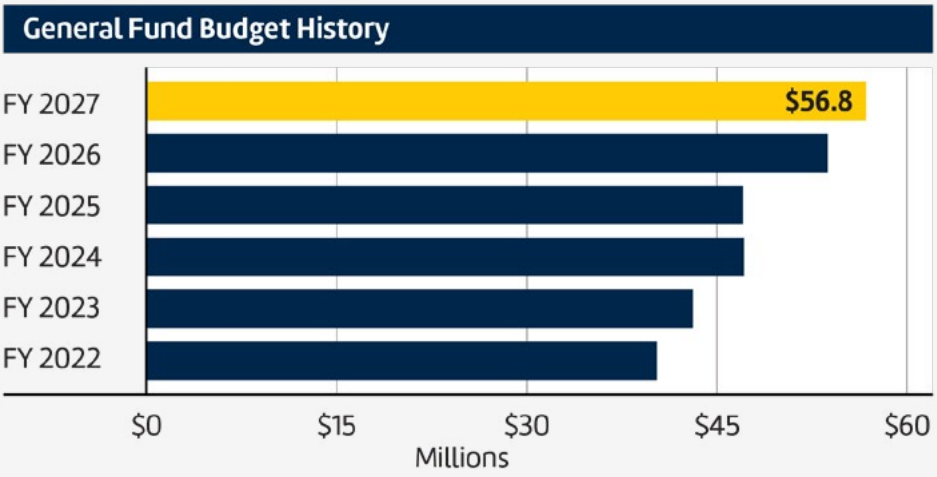
smtd.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	38.8	39.0	0.2
Financial aid	14.0	15.9	1.8
Other non-salary	1.0	1.9	0.9
in millions	**$ 53.8**	**$ 56.8**	**$ 3.0**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	1,157	1,150	1,151
Degrees awarded	350	316	345



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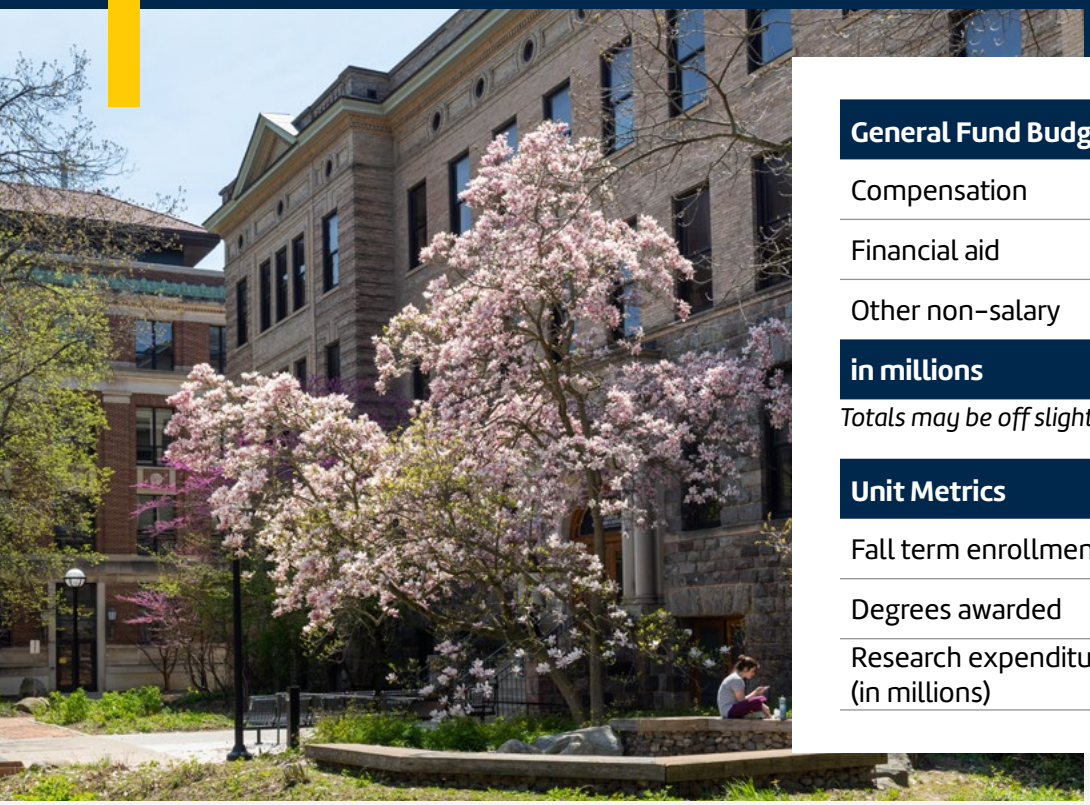
School for Environment and Sustainability

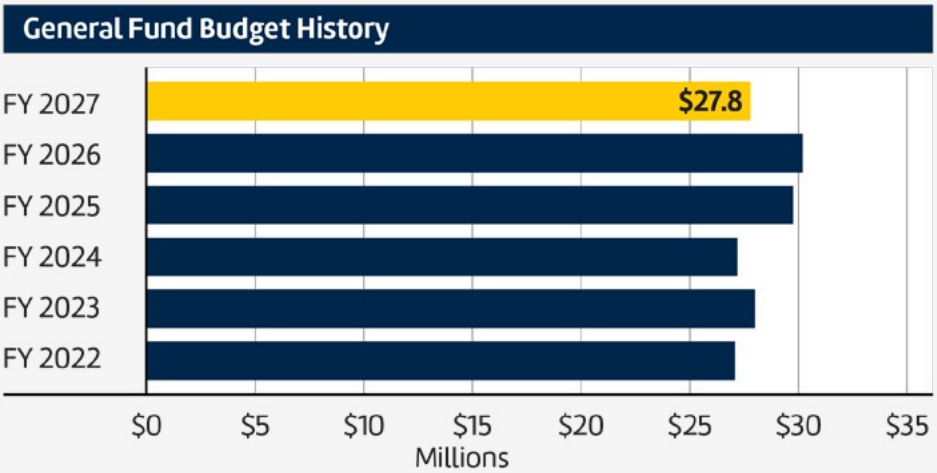
seas.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	19.2	16.5	(2.7)
Financial aid	6.5	6.8	0.3
Other non-salary	4.6	4.6	0.1
in millions	**$ 30.2**	**$ 27.8**	**$ (2.4)**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	553	516	548
Degrees awarded	273	243	255
Research expenditures (in millions)	$ 26.2	$ 30.6	$ 33.4

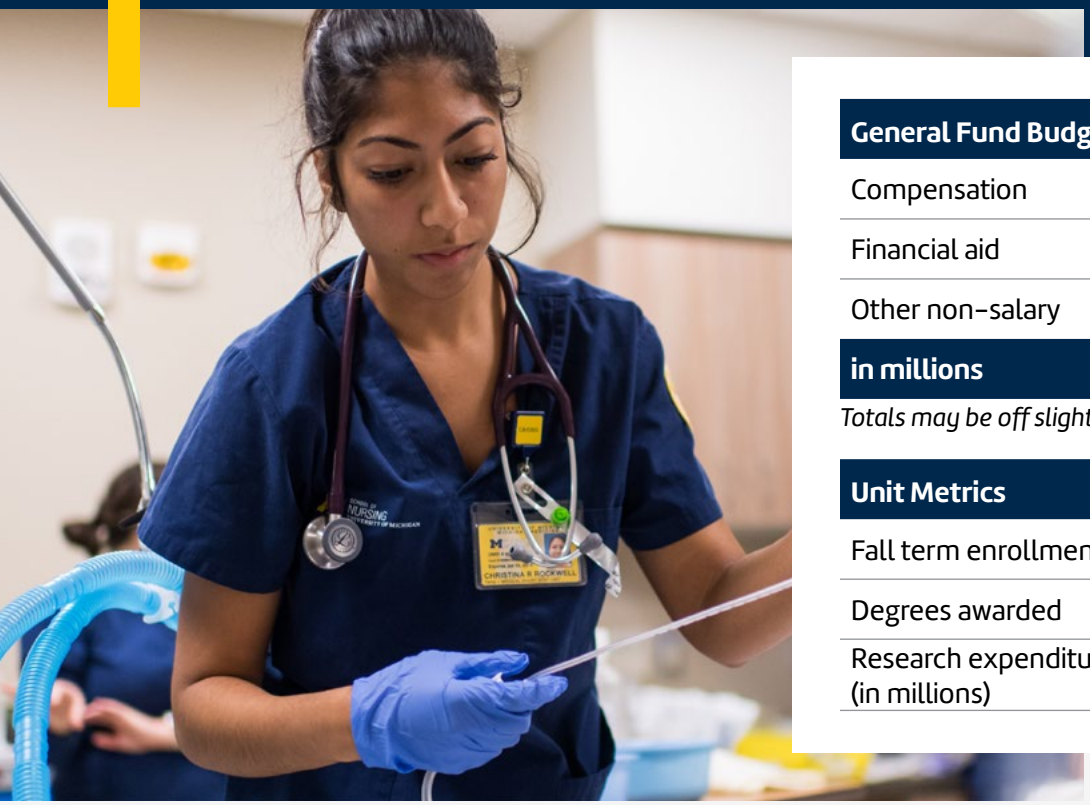


Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

School of Nursing

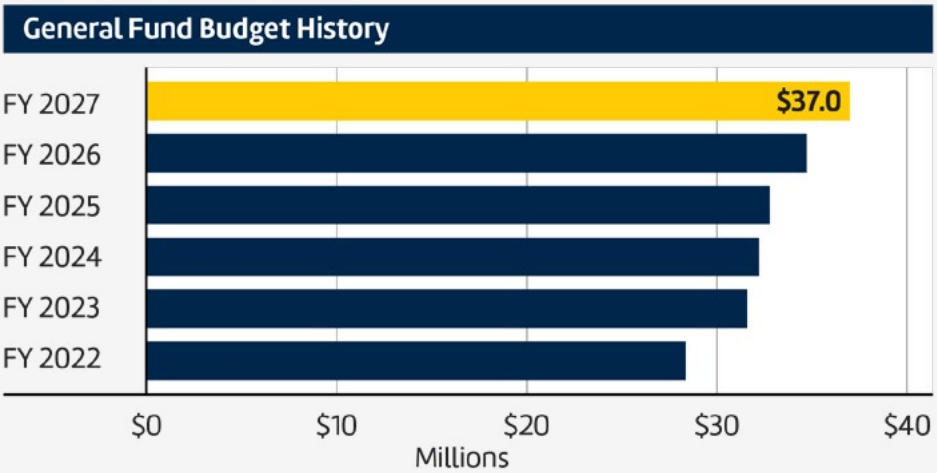
nursing.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	27.5	29.3	1.8
Financial aid	4.4	4.9	0.5
Other non-salary	2.8	2.8	0.0
in millions	**$ 34.7**	**$ 37.0**	**$ 2.3**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	1,189	1,183	1,228
Degrees awarded	342	350	315
Research expenditures (in millions)	$ 11.7	$ 14.2	$ 14.4

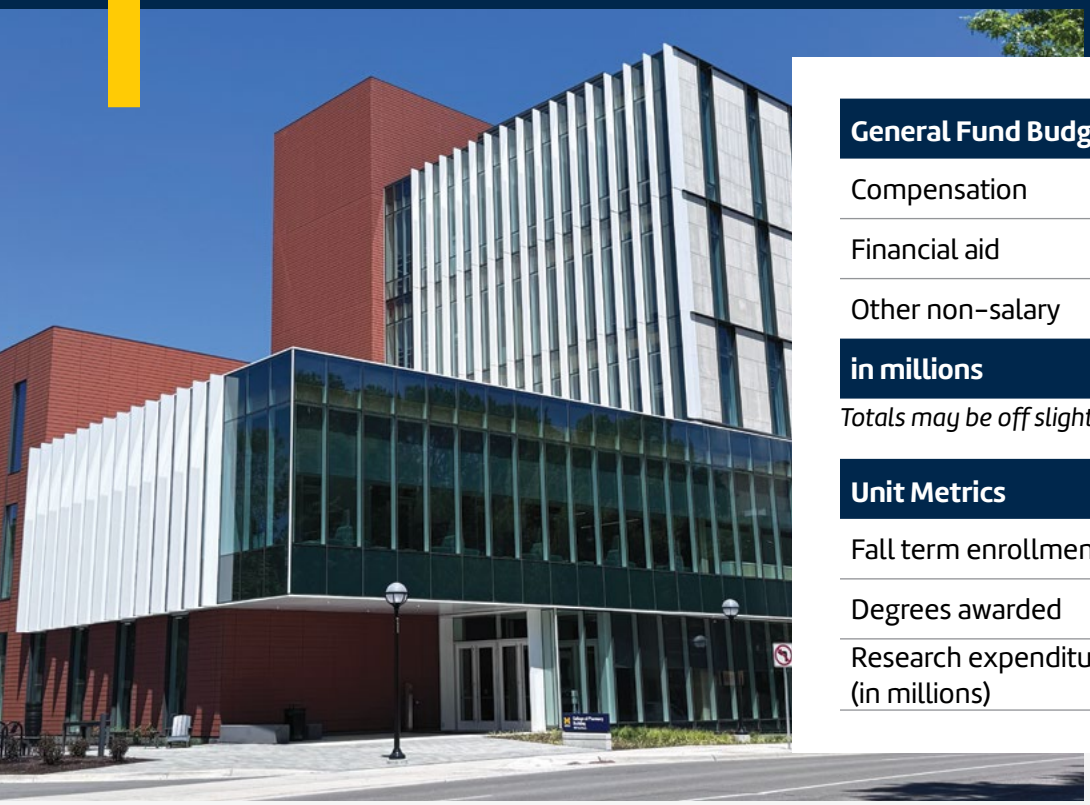


Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

College of Pharmacy

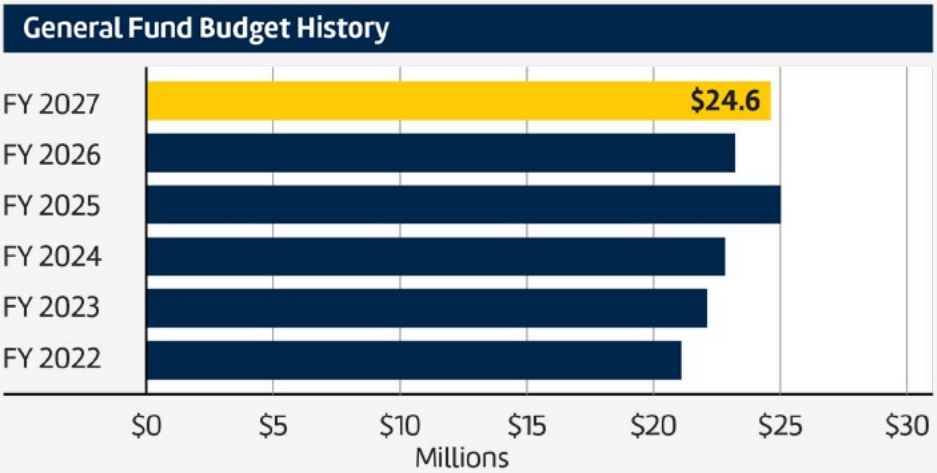
pharmacy.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	17.1	18.5	1.4
Financial aid	2.2	1.7	(0.6)
Other non-salary	3.8	4.4	0.6
in millions	**$ 23.2**	**$ 24.6**	**$ 1.4**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	548	561	588
Degrees awarded	158	157	144
Research expenditures (in millions)	$ 22.5	$ 27.9	$ 28.3

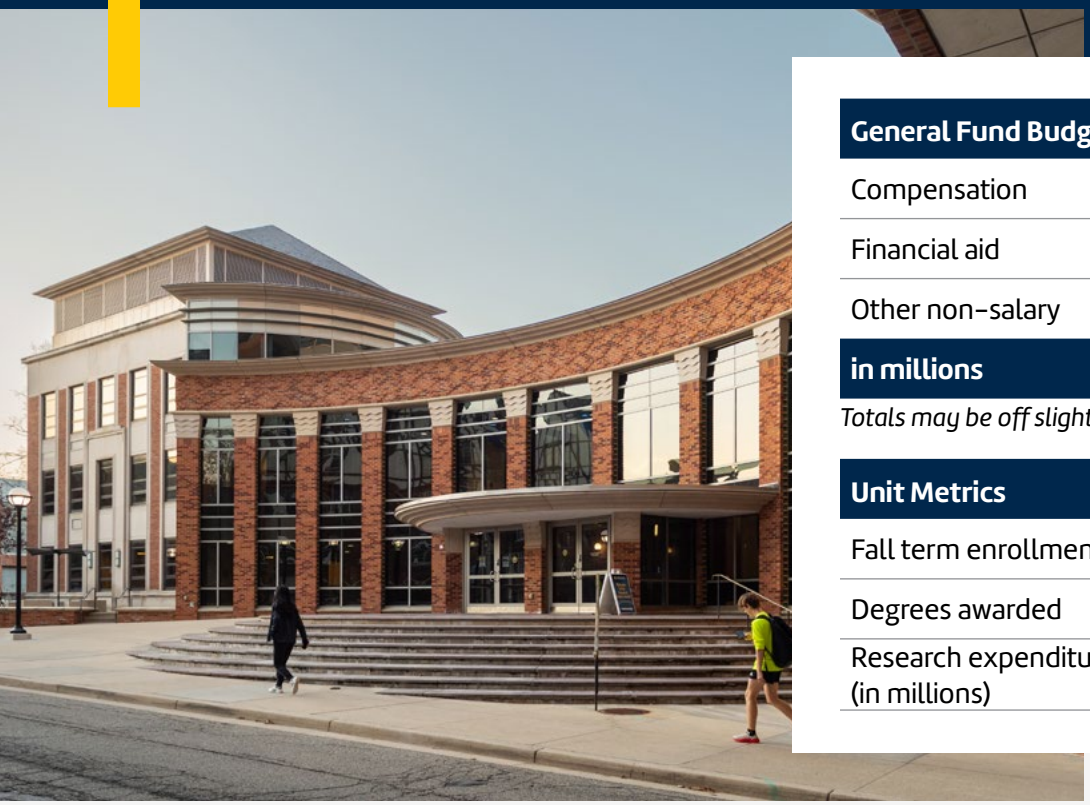


Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

School of Public Health

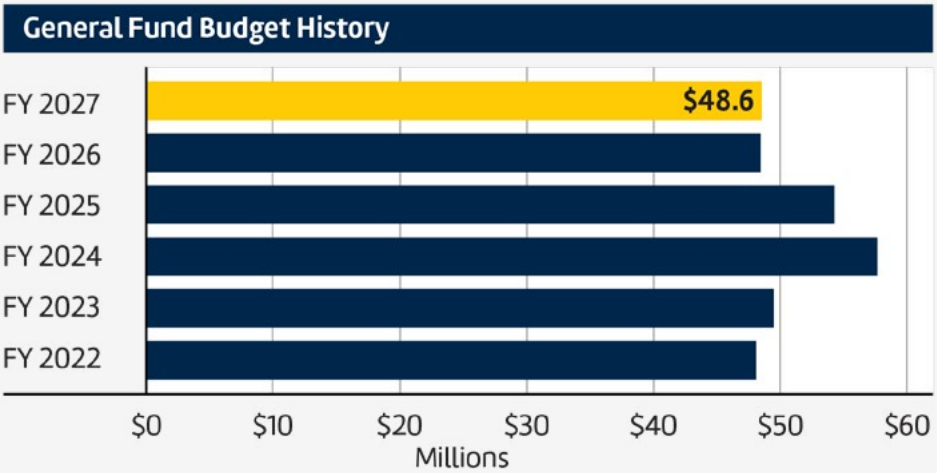
sph.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	37.0	36.2	(0.8)
Financial aid	5.6	7.0	1.4
Other non-salary	5.9	5.4	(0.5)
in millions	**$ 48.5**	**$ 48.6**	**$ 0.1**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	1,356	1,250	1,305
Degrees awarded	634	535	526
Research expenditures (in millions)	$ 98.3	$ 102.2	$ 107.8

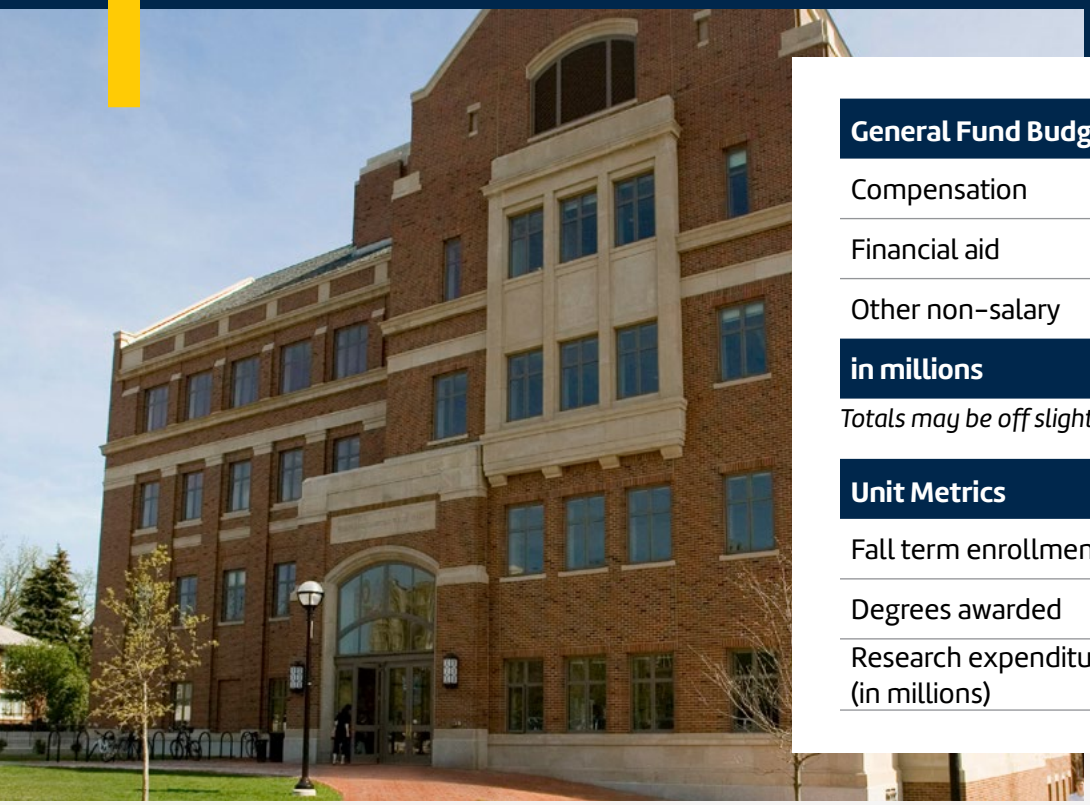


Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

Gerald R. Ford School of Public Policy

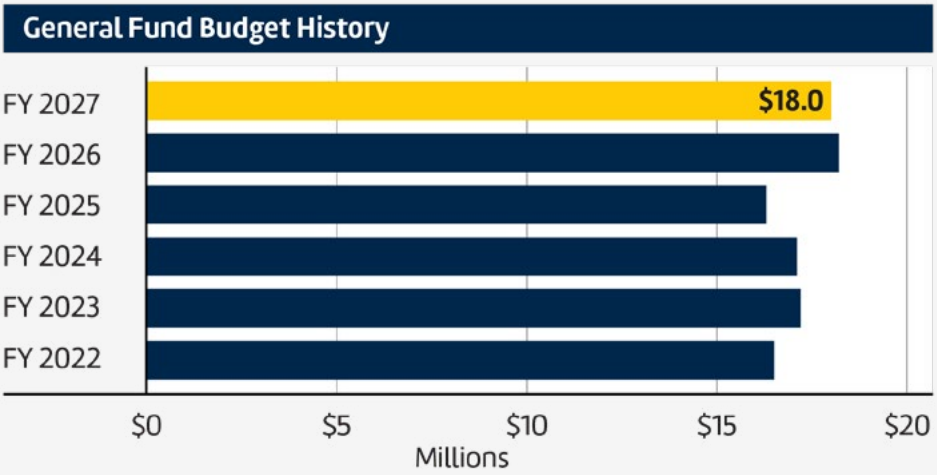
fordschool.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	14.7	14.7	(0.0)
Financial aid	1.9	2.0	0.1
Other non-salary	1.6	1.3	(0.3)
in millions	**$ 18.2**	**$ 18.0**	**$ (0.1)**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	392	362	344
Degrees awarded	194	200	180
Research expenditures (in millions)	$ 4.6	$ 4.8	$ 4.4



Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

FY 2026: Enrollment growth primarily due to the online Master of Public Affairs program.

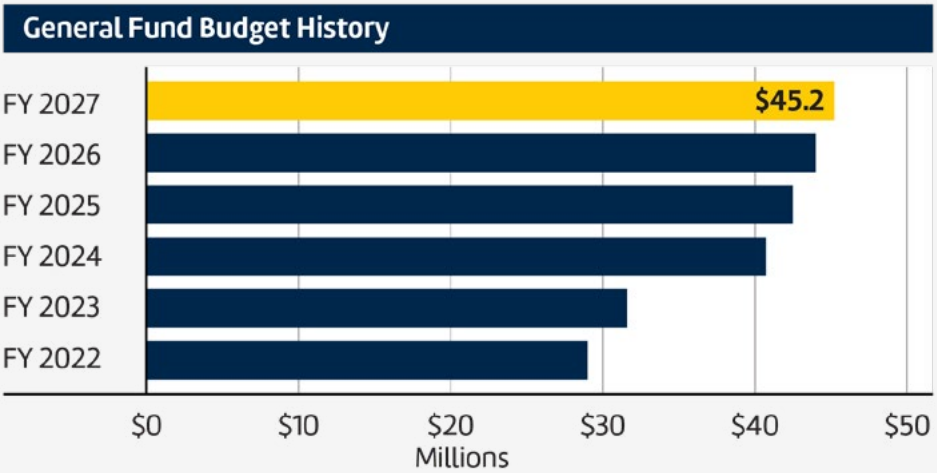
School of Social Work

ssw.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	24.8	24.2	(0.6)
Financial aid	16.7	18.6	1.9
Other non-salary	2.5	2.5	(0.1)
in millions	**$ 44.0**	**$ 45.2**	**$ 1.2**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Fall term enrollment	892	940	950
Degrees awarded	415	452	544
Research expenditures (in millions)	$ 8.9	$ 9.8	$ 13.3



Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

FY 2022 – FY 2024: Enrollment growth primarily due to the online Master of Social Work program.

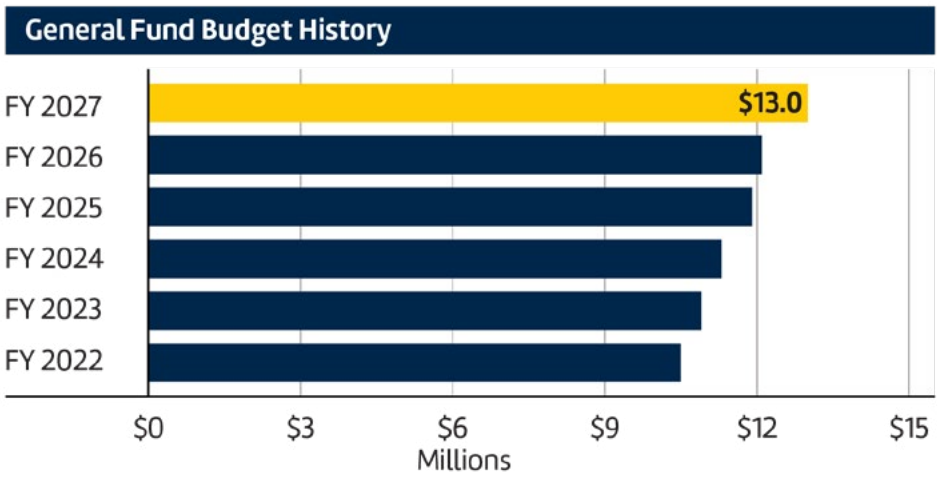
Horace H. Rackham School of Graduate Studies

rackham.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	11.7	11.9	0.2
Other non-salary	0.4	1.1	0.7
in millions	**$ 12.1**	**$ 13.0**	**$ 0.9**

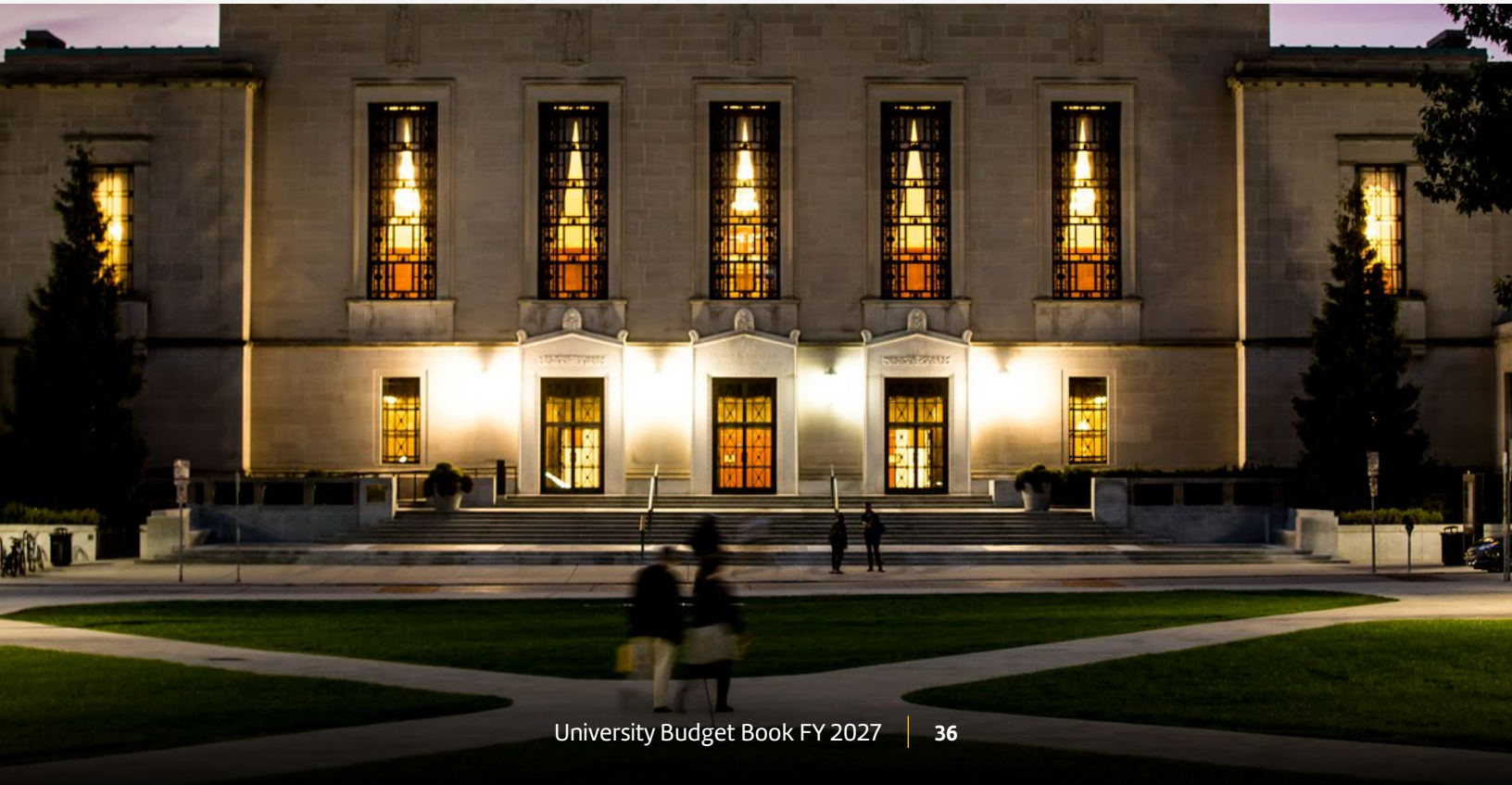
Totals may be off slightly due to rounding.

The Horace H. Rackham School of Graduate Studies works together with faculty in the schools and colleges of the university to administer a multitude of graduate degree programs. Rackham Financial Aid is shown on page 53.



Notable budgetary actions over the last five years include:

No significant items.

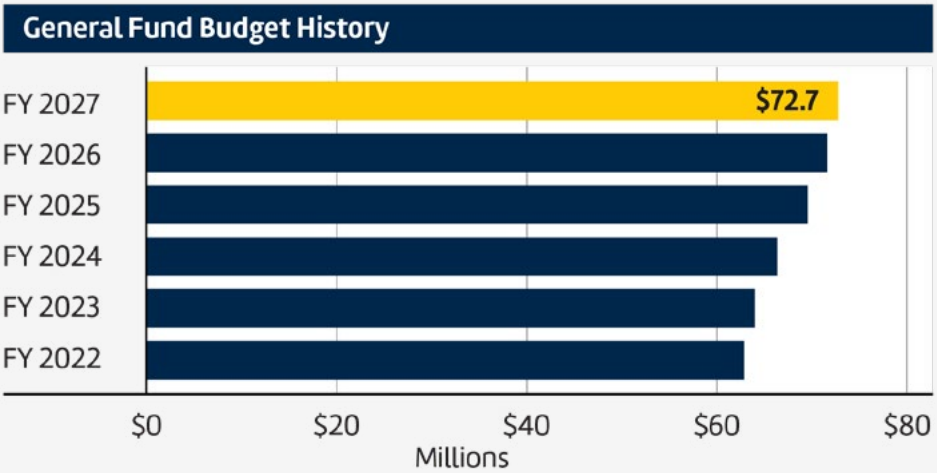


University Library

lib.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	41.4	43.0	1.6
Other non-salary	30.2	29.6	(0.5)
in millions	**$ 71.6**	**$ 72.7**	**$ 1.1**

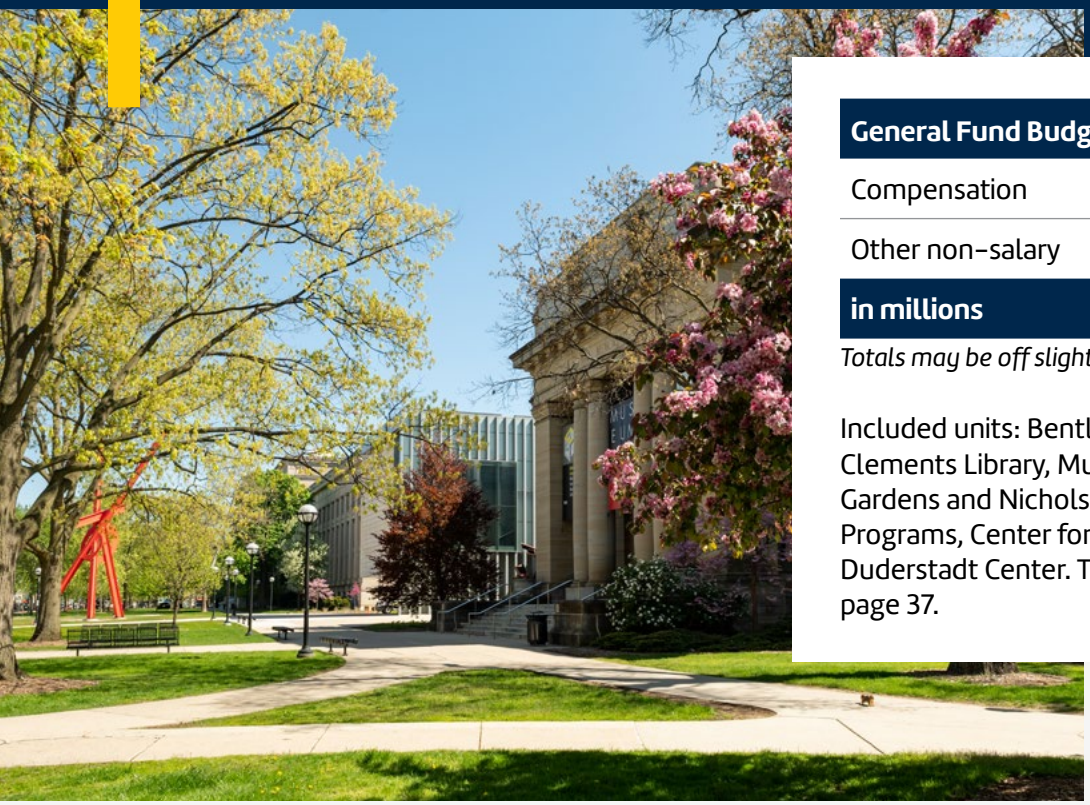
Totals may be off slightly due to rounding.



Notable budgetary actions over the last five years:

FY 2022 – FY 2027: The University Library's acquisitions budget has been increased annually with an allotment intended to cover the inflationary costs associated with scholarly books, journals, and other electronic media in order to maintain the library's purchasing power.

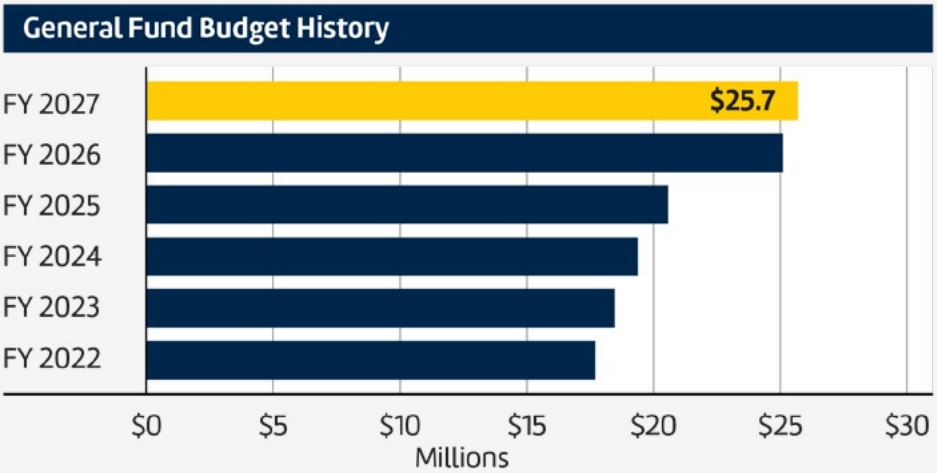
University Academic Units



General Fund Budget	FY 2026	FY 2027	Change
Compensation	22.7	24.2	1.5
Other non-salary	2.4	1.5	(0.8)
in millions	**$ 25.1**	**$ 25.7**	**$ 0.6**

Totals may be off slightly due to rounding.

Included units: Bentley Historical Library, William L. Clements Library, Museum of Art, Matthaei Botanical Gardens and Nichols Arboretum, Officer Education Programs, Center for Academic Innovation, and the Duderstadt Center. The University Library is shown on page 37.



Notable budgetary actions over the last five years:

FY 2026: Existing funds were transferred to University Academic Units to recognize ongoing operational support for the Center for Academic Innovation.

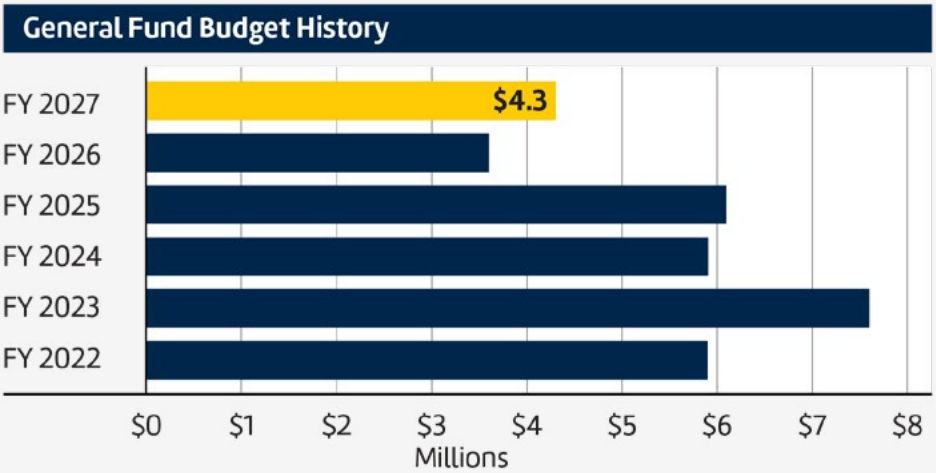
Research Units

General Fund Budget	FY 2026	FY 2027	Change
Compensation	7.0	7.1	0.1
Other non–salary	(3.4)	(2.8)	0.6
in millions	**$ 3.6**	**$ 4.3**	**$ 0.6**

Totals may be off slightly due to rounding.

Unit Metrics	FY 2023	FY 2024	FY 2025
Research expenditures (in millions)	$ 202.9	$ 222.8	$ 237.3

Included units: Institute for Social Research, Life Sciences Institute, and Institute for Research on Women and Gender.



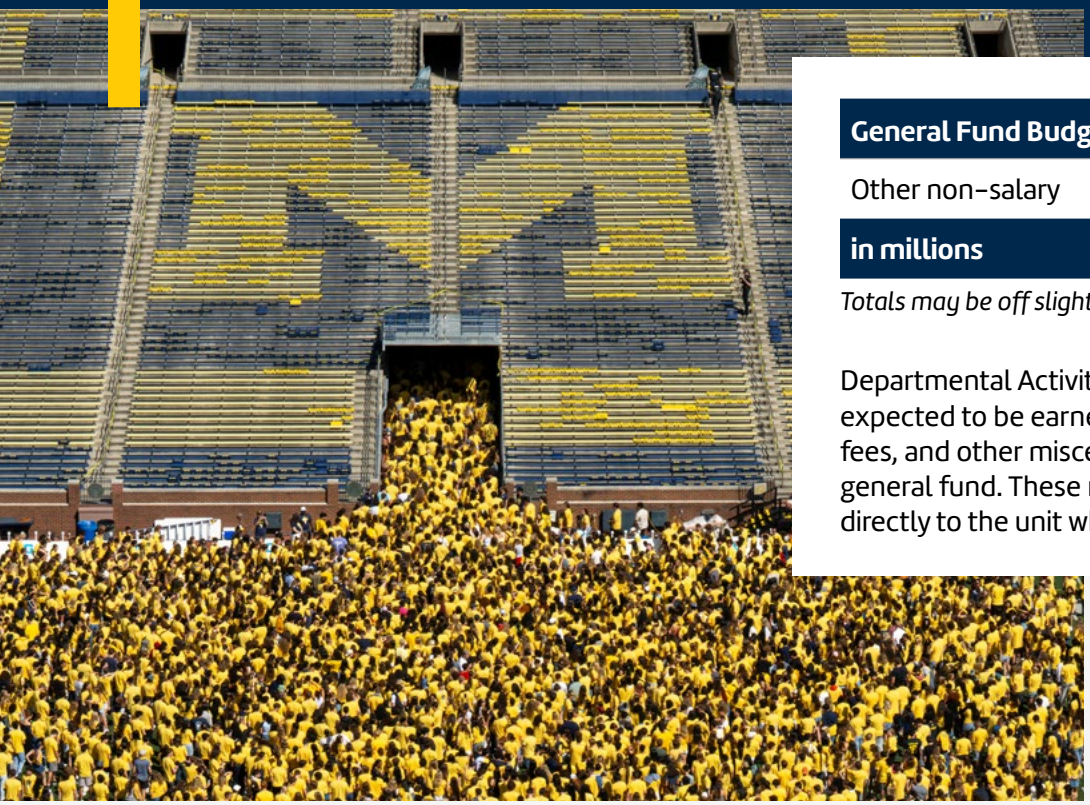
Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Significant changes to a research unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

FY 2024: The Functional MRI Laboratory was transferred to the Medical School from the Research Units.

FY 2023: Institute for Social Research experienced an increase in enrollment in Michigan Program in Survey and Data Science.

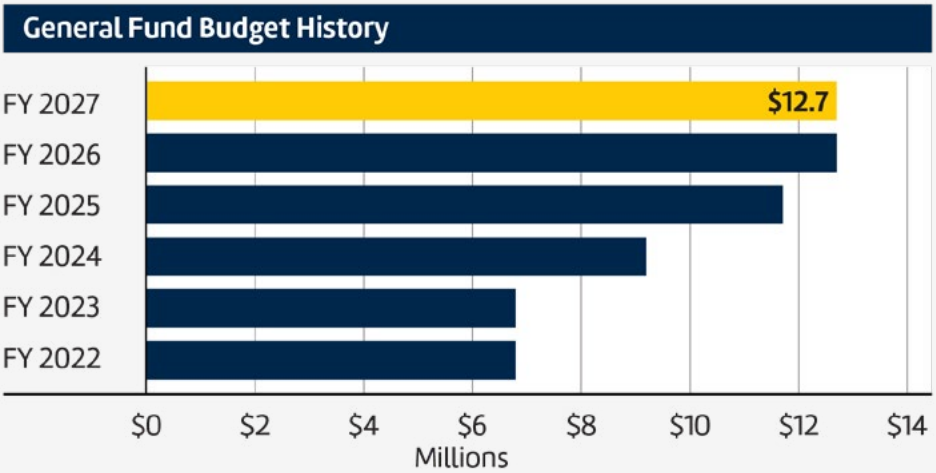
Departmental Activities



General Fund Budget	FY 2026	FY 2027	Change
Other non-salary	12.7	12.7	0.0
in millions	**$ 12.7**	**$ 12.7**	**$ 0.0**

Totals may be off slightly due to rounding.

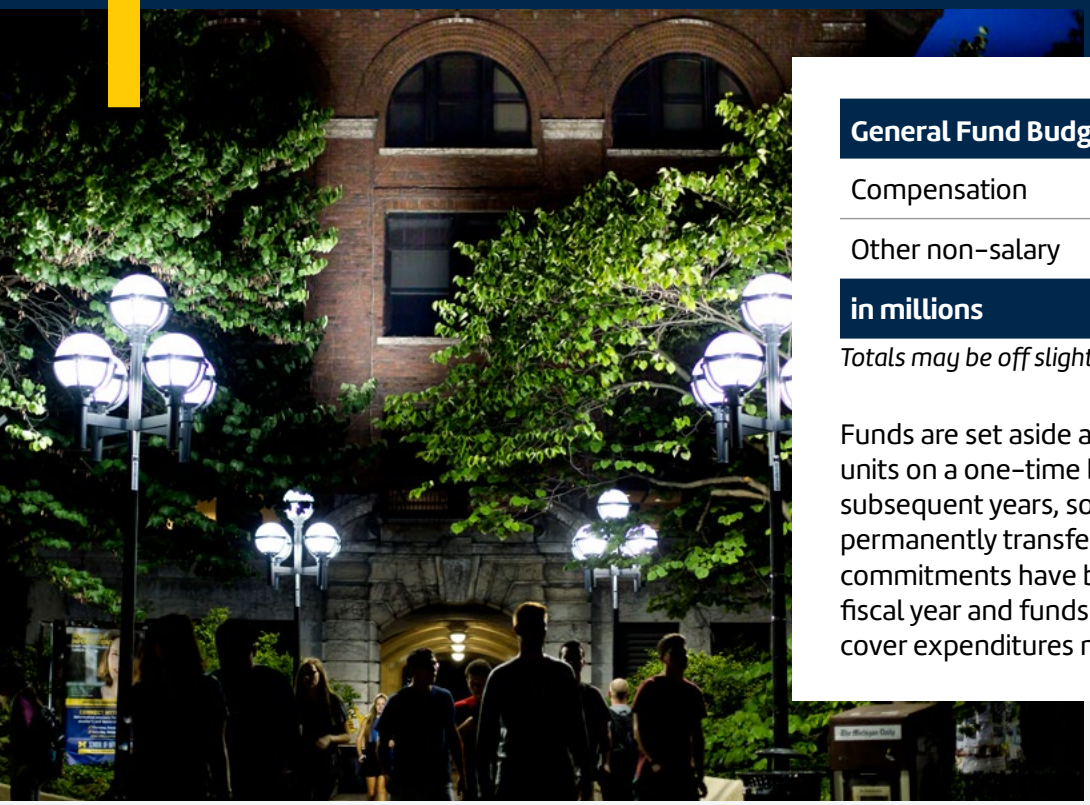
Departmental Activities represent the total revenue expected to be earned from course fees, study abroad fees, and other miscellaneous activities within the general fund. These revenues, when realized, flow directly to the unit where the activity occurred.



Notable budgetary actions over the last five years:

FY 2024 – FY 2026: Budget was increased to reflect study abroad and course fee revenues returning to pre-pandemic levels.

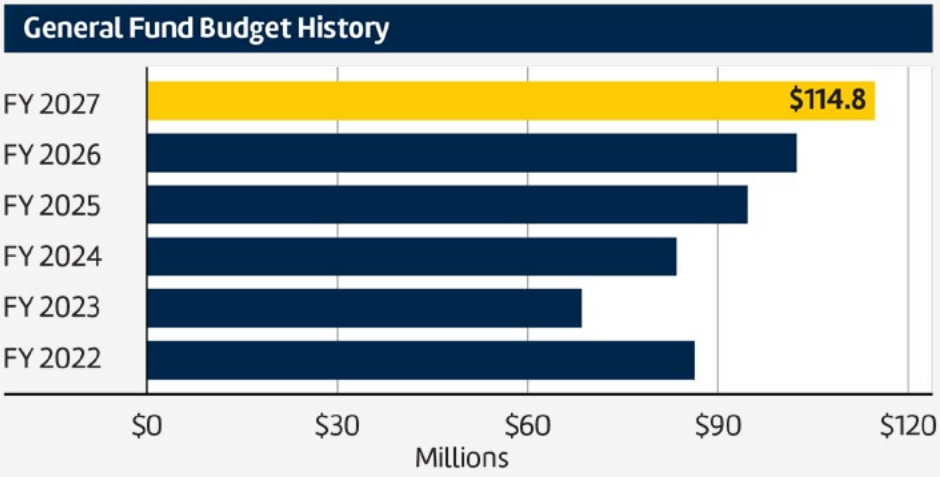
Academic Program Support



General Fund Budget	FY 2026	FY 2027	Change
Compensation	51.4	54.2	2.8
Other non-salary	51.1	60.6	9.4
in millions	**$ 102.5**	**$ 114.8**	**$ 12.2**

Totals may be off slightly due to rounding.

Funds are set aside annually to provide support for units on a one-time basis for specific programs. In subsequent years, some of these commitments are permanently transferred to the units. The majority of commitments have been made by the beginning of the fiscal year and funds are transferred during the year to cover expenditures made in the units.

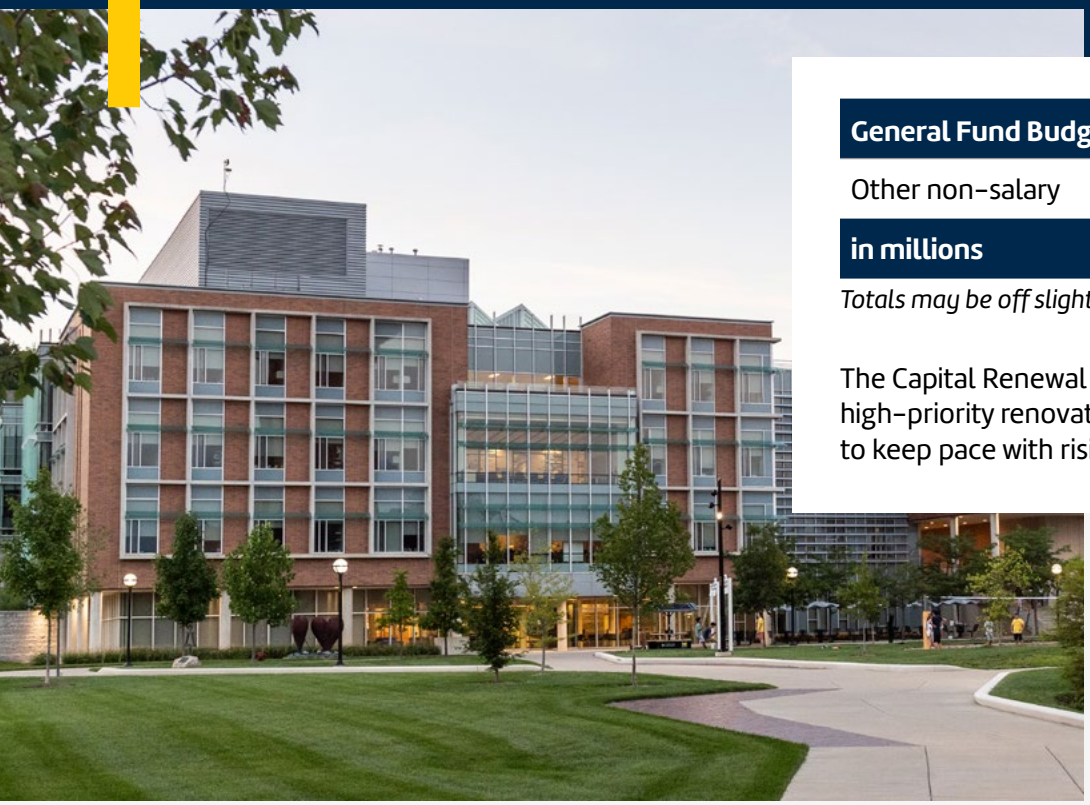


Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Academic Program Support currently holds $22.7M for faculty initiatives, expansion, recruitment, and retention and $18.3M in contingency reserves.

FY 2023: Increased use of Academic Program Support monies to fund major initiatives and campus budget requests in lieu of other available resources.

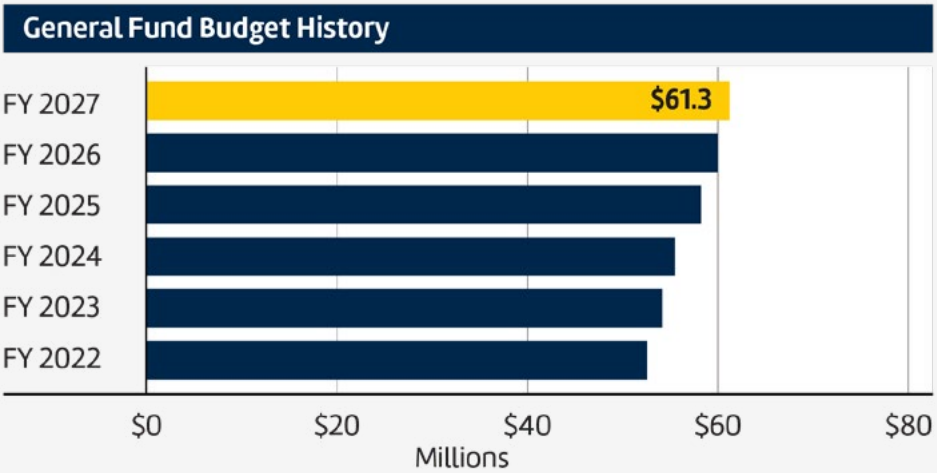
Capital Renewal Fund



General Fund Budget	FY 2026	FY 2027	Change
Other non-salary	60.0	61.3	1.3
in millions	**$ 60.0**	**$ 61.3**	**$ 1.3**

Totals may be off slightly due to rounding.

The Capital Renewal Fund provides a source of funds for high-priority renovations and is incremented annually to keep pace with rising construction costs.

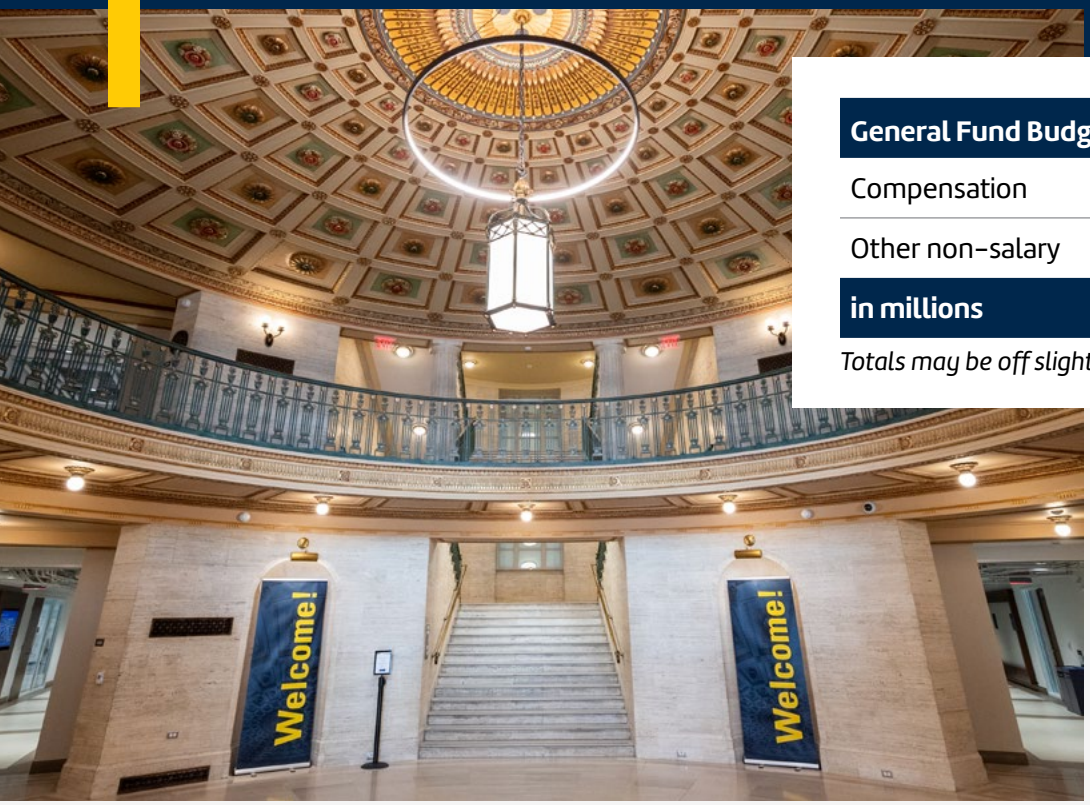


Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Major projects supported by the Capital Renewal Fund include the Leinweber Building, Dentistry Building, the College of Pharmacy Building, and the ITS Strategic Transformation Plan.

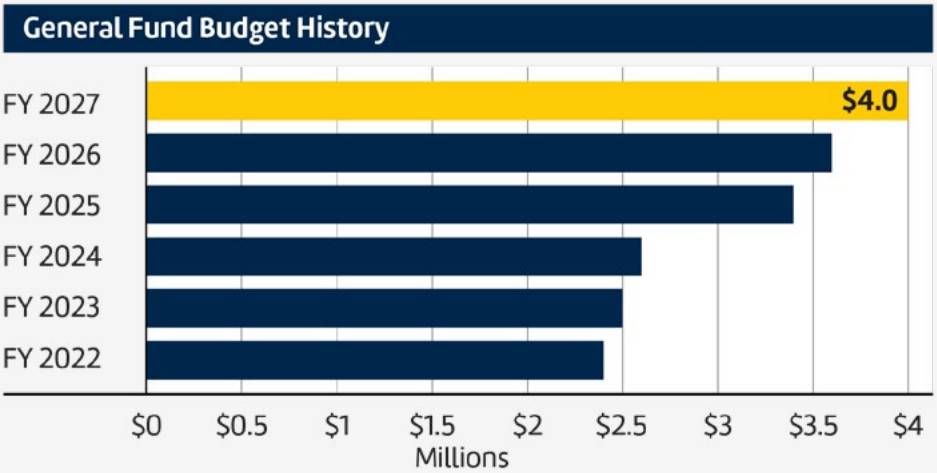
Office of the President

president.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	3.5	3.8	0.3
Other non-salary	0.0	0.2	0.2
in millions	**$ 3.6**	**$ 4.0**	**$ 0.4**

Totals may be off slightly due to rounding.



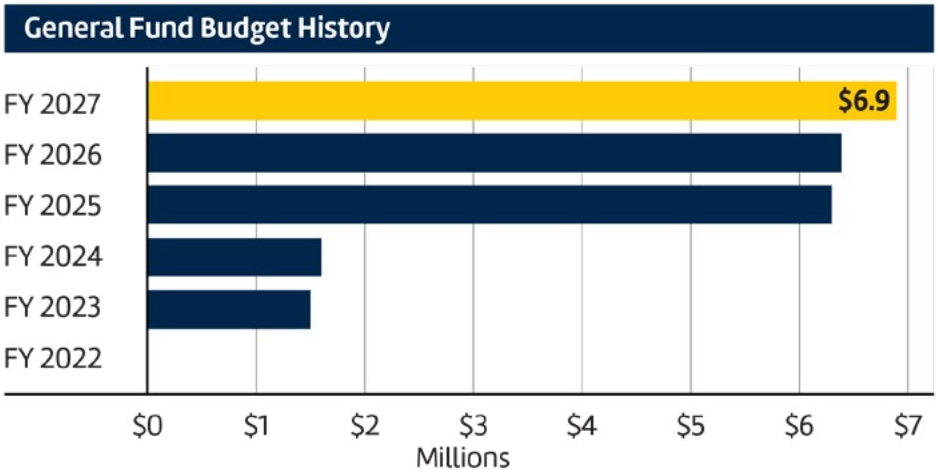
Notable budgetary actions over the last five years:

FY 2025: Increased operational costs to support the President's vision for the campus.

Equity, Civil Rights & Title IX Office ecrt.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	6.4	6.9	0.5
Other non-salary	0.0	0.0	0.0
in millions	$ 6.4	$ 6.9	$ 0.5

Totals may be off slightly due to rounding.



Notable budgetary actions over the last five years:

FY 2023 – FY 2027: Significant increase in funding since 2023 to expand support, resources, and education to promote a safe and non-discriminatory learning, living, and working environment for all members of the university community.

FY 2023: The Office for Institutional Equity was renamed the Equity, Civil Rights & Title IX Office and was made a standalone unit reporting to the President.

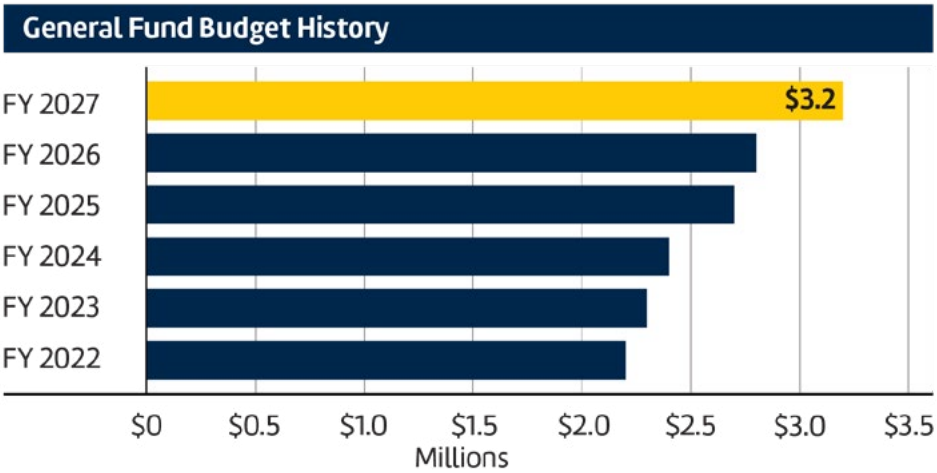
Audit Services audits.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	2.6	3.1	0.4
Other non-salary	0.1	0.1	(0.0)
in millions	$ 2.8	$ 3.2	$ 0.4

Totals may be off slightly due to rounding.

Audit Services provides assurance and consulting that helps advance the reputation, growth, impact, and success of all three University of Michigan campuses and Michigan Medicine.

The executive director of Audit Services reports directly to the President of the university and the Finance, Audit, and Investment Committee of the Board of Regents.



Notable budgetary actions over the last five years:

No significant items.

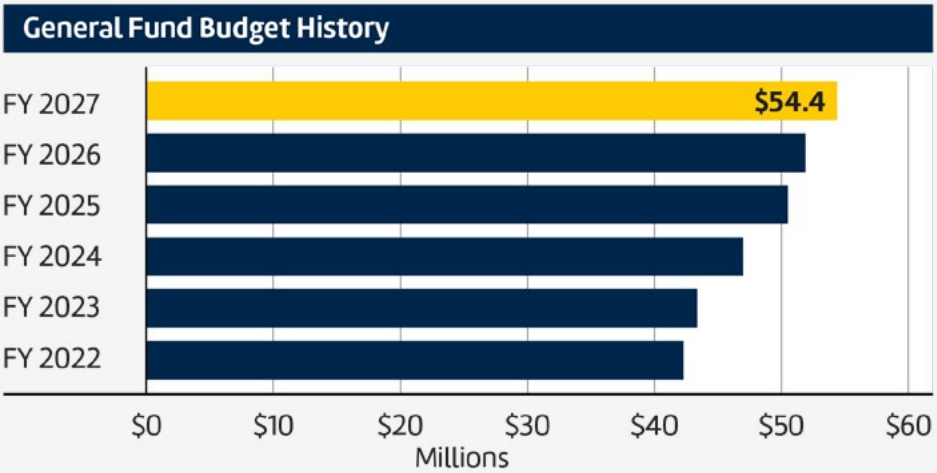
Provost & Executive Vice President for Academic Affairs

provost.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	46.1	47.9	1.8
Financial Aid	0.4	0.4	0.0
Other non-salary	5.4	6.1	0.7
in millions	**$ 51.9**	**$ 54.4**	**$ 2.5**

Totals may be off slightly due to rounding.

Included units: ADVANCE, Center for Research on Learning and Teaching, Center for the Education of Women+, Detroit Center, Office of Budget and Planning, Office of the Provost and Executive Vice President for Academic Affairs, Office of Enrollment Management, Senate Advisory Committee on University Affairs, Access and Opportunity, and Women in Science and Engineering.



Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Provost funding initiatives include support for global engagement and international safety.

FY 2026: National Center for Institutional Diversity was transferred to the College of Literature, Science, and the Arts from the Office of the Provost.

FY 2024: National Center for Institutional Diversity was transferred to the Provost from College of Literature, Science, and the Arts.

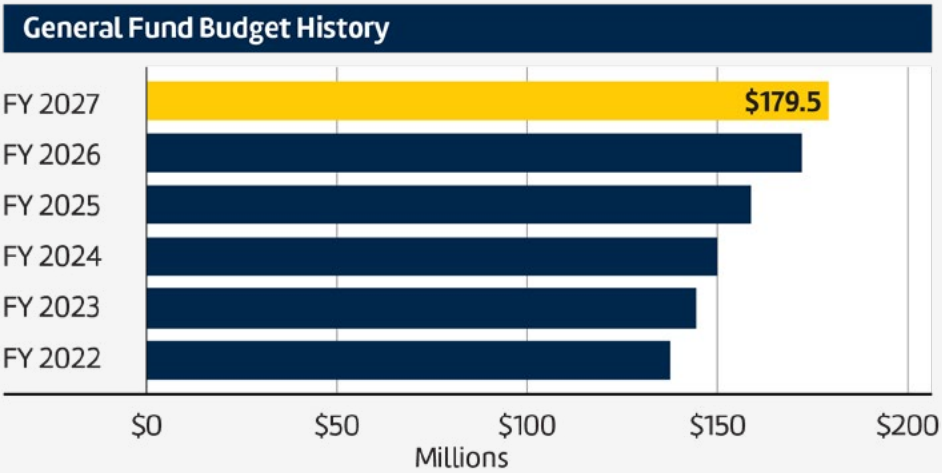
FY 2023: The Office for Institutional Equity was renamed the Equity, Civil Rights and Title IX Office and was made a standalone unit reporting to the President.

Executive Vice President & Chief Financial Officer

bf.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	130.8	136.9	6.2
Other non-salary	41.6	42.5	0.9
in millions	**$ 172.4**	**$ 179.5**	**$ 7.0**

Totals may be off slightly due to rounding.



Notable budgetary actions over the last five years:

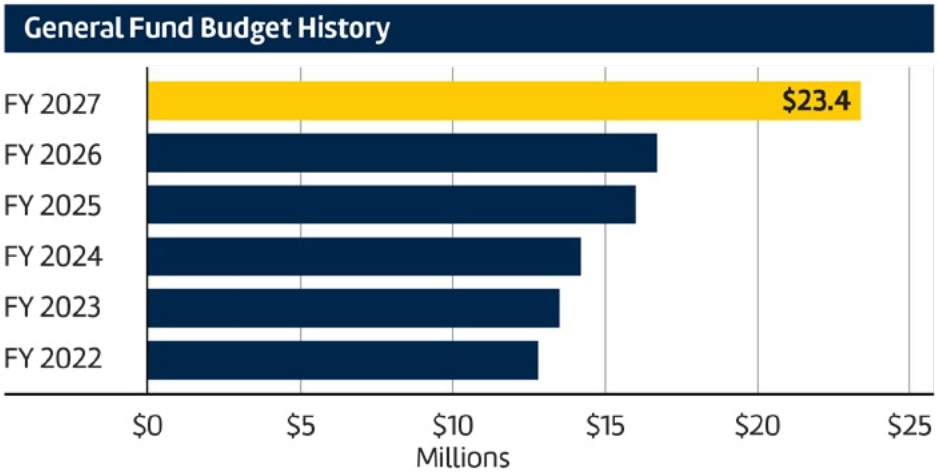
FY 2022 – FY 2027: EVPCFO funding initiatives include expanded capacity for sustainability, Enterprise Financial Planning and Analysis, research administration, student safety and disability transport, and increased support for the U-M Children's Centers.

Division of Public Safety & Security dpss.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	16.2	22.7	6.5
Other non-salary	0.5	0.7	0.2
in millions	**$ 16.7**	**$ 23.4**	**$ 6.7**

Totals may be off slightly due to rounding.

The Division of Public Safety & Security was created by order of the Regents of the University of Michigan and encompasses all security functions across the university, including University Housing and Michigan Medicine. The general fund supplies a portion of its total budget.



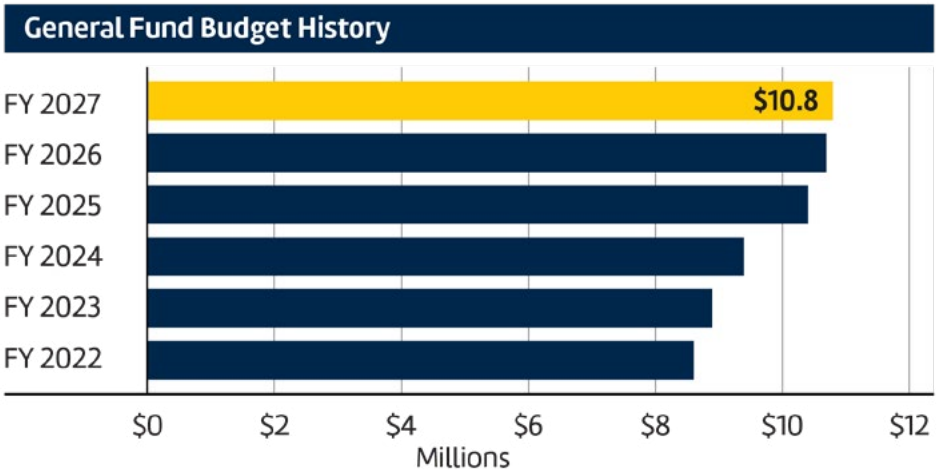
Notable budgetary actions over the last five years:

FY 2025 – FY2027: Increased support for campus safety and security.

Vice President for Communications vpcomm.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	8.8	8.4	(0.4)
Other non-salary	1.8	2.4	0.6
in millions	**$ 10.7**	**$ 10.8**	**$ 0.2**

Totals may be off slightly due to rounding.



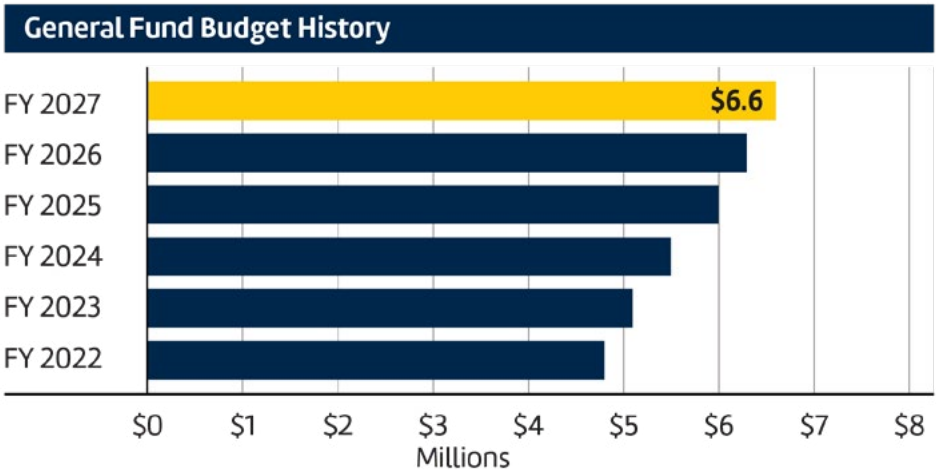
Notable budgetary actions over the last five years:

No significant items.

Vice President & General Counsel ogc.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	5.9	6.0	0.1
Other non-salary	0.4	0.7	0.2
in millions	**$ 6.3**	**$ 6.6**	**$ 0.3**

Totals may be off slightly due to rounding.



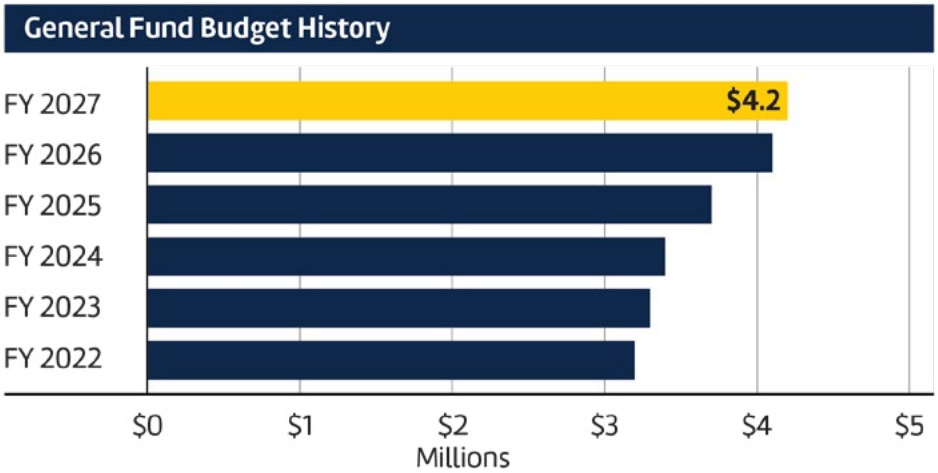
Notable budgetary actions over the last five years:

No significant items.

Vice President for Government Relations govrel.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	3.6	3.9	0.3
Other non-salary	0.5	0.3	(0.1)
in millions	**$ 4.1**	**$ 4.2**	**$ 0.1**

Totals may be off slightly due to rounding.

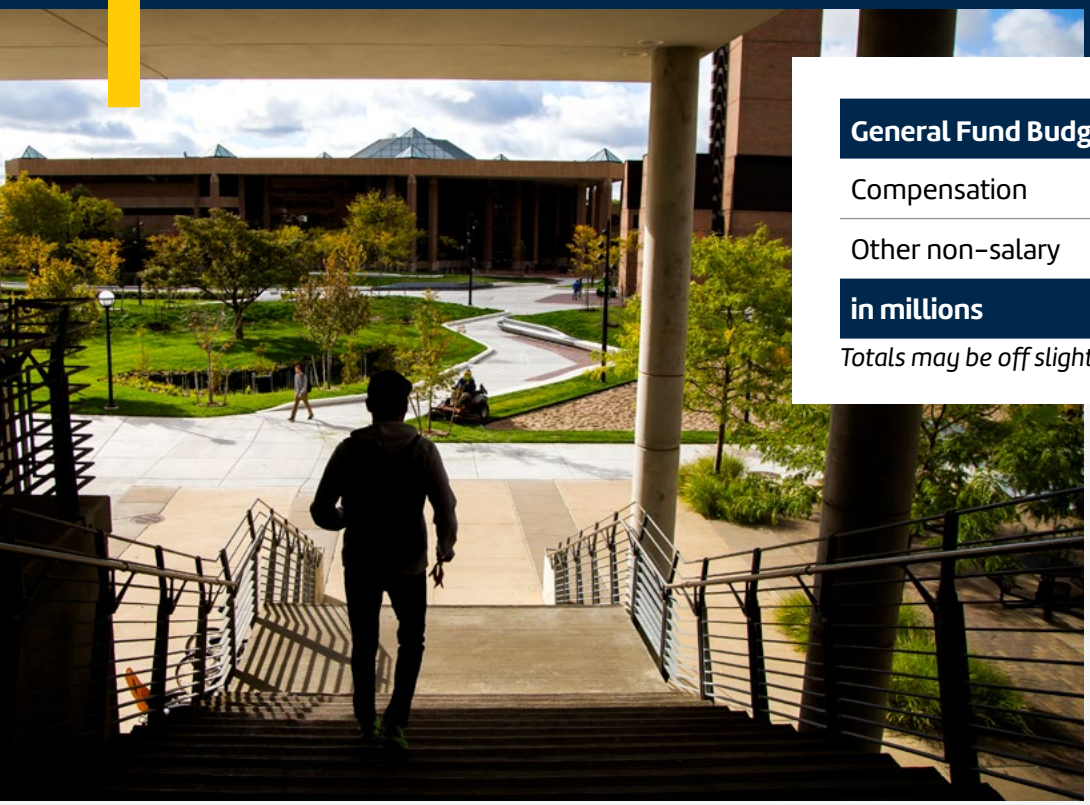


Notable budgetary actions over the last five years:

No significant items.

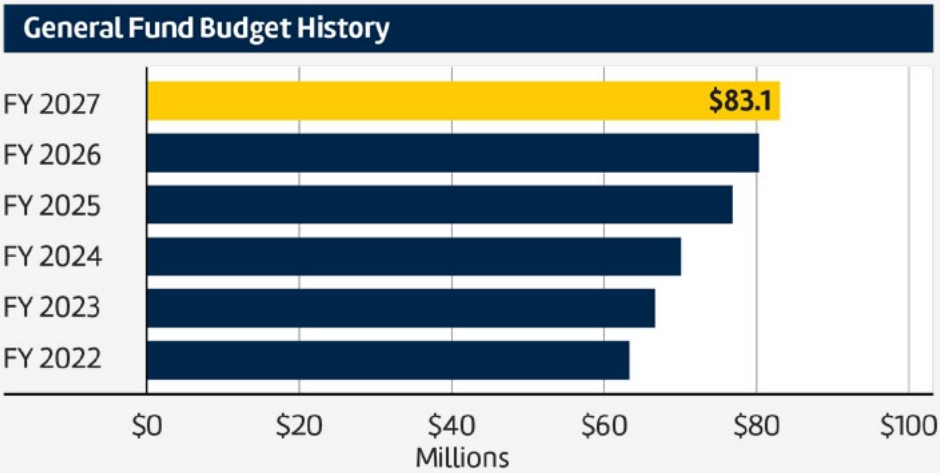
Vice President for Information Technology & Chief Information Officer

it.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	50.5	49.0	(1.6)
Other non-salary	29.8	34.1	4.4
in millions	**$ 80.3**	**$ 83.1**	**$ 2.8**

Totals may be off slightly due to rounding.



Notable budgetary actions over the last five years:

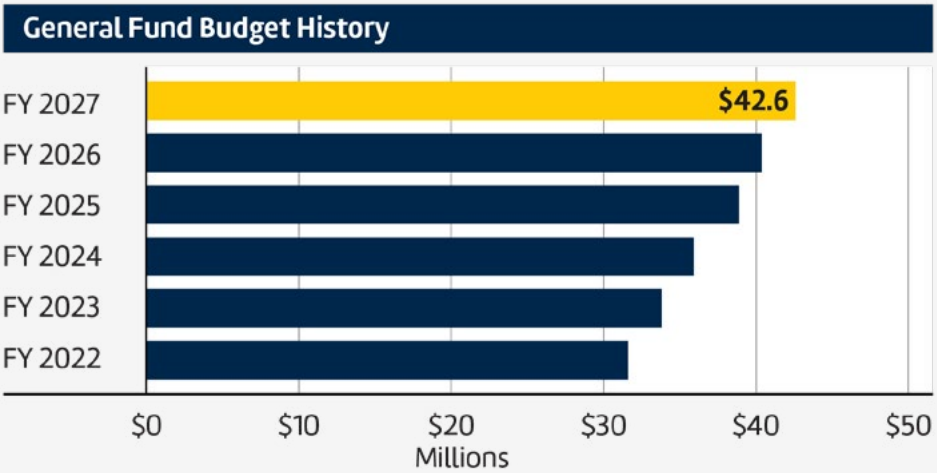
FY 2022 – FY 2027: Chief Information Officer (CIO) funding initiatives include enhanced enterprise IT security, increased support for data visualization software, and stronger IT support for the research enterprise.

Vice President for Research – Support Units

General Fund Budget	FY 2026	FY 2027	Change
Compensation	33.6	35.3	1.7
Other non-salary	6.8	7.4	0.6
in millions	**$ 40.4**	**$ 42.6**	**$ 2.2**

Totals may be off slightly due to rounding.

Included units: Animal Care and Use Office, Biosafety and Controlled Substances, Center for Statistical Consultation and Research, Corporate Research Alliance, Human Subjects, Innovation Partnerships, Integrity and Compliance, Office of Research and Sponsored Projects, and Office of VP for Research.



Notable budgetary actions over the last five years:

FY 2023: Mcity was transferred to the College of Engineering and Exercise & Sport Science Initiative (ESSI) was transferred to the School of Kinesiology from the Vice President for Research.

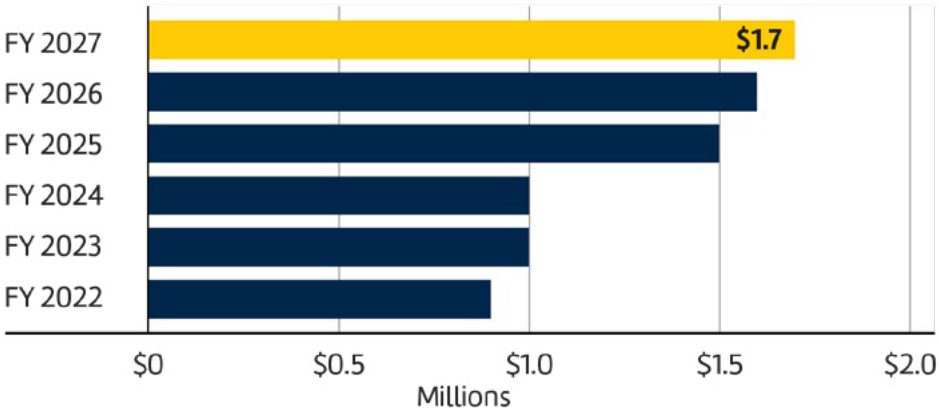
Vice President & Secretary of the University

General Fund Budget	FY 2026	FY 2027	Change
Compensation	1.6	1.6	0.0
Other non-salary	0.0	0.1	0.0
in millions	**$ 1.6**	**$ 1.7**	**$ 0.1**

Totals may be off slightly due to rounding.

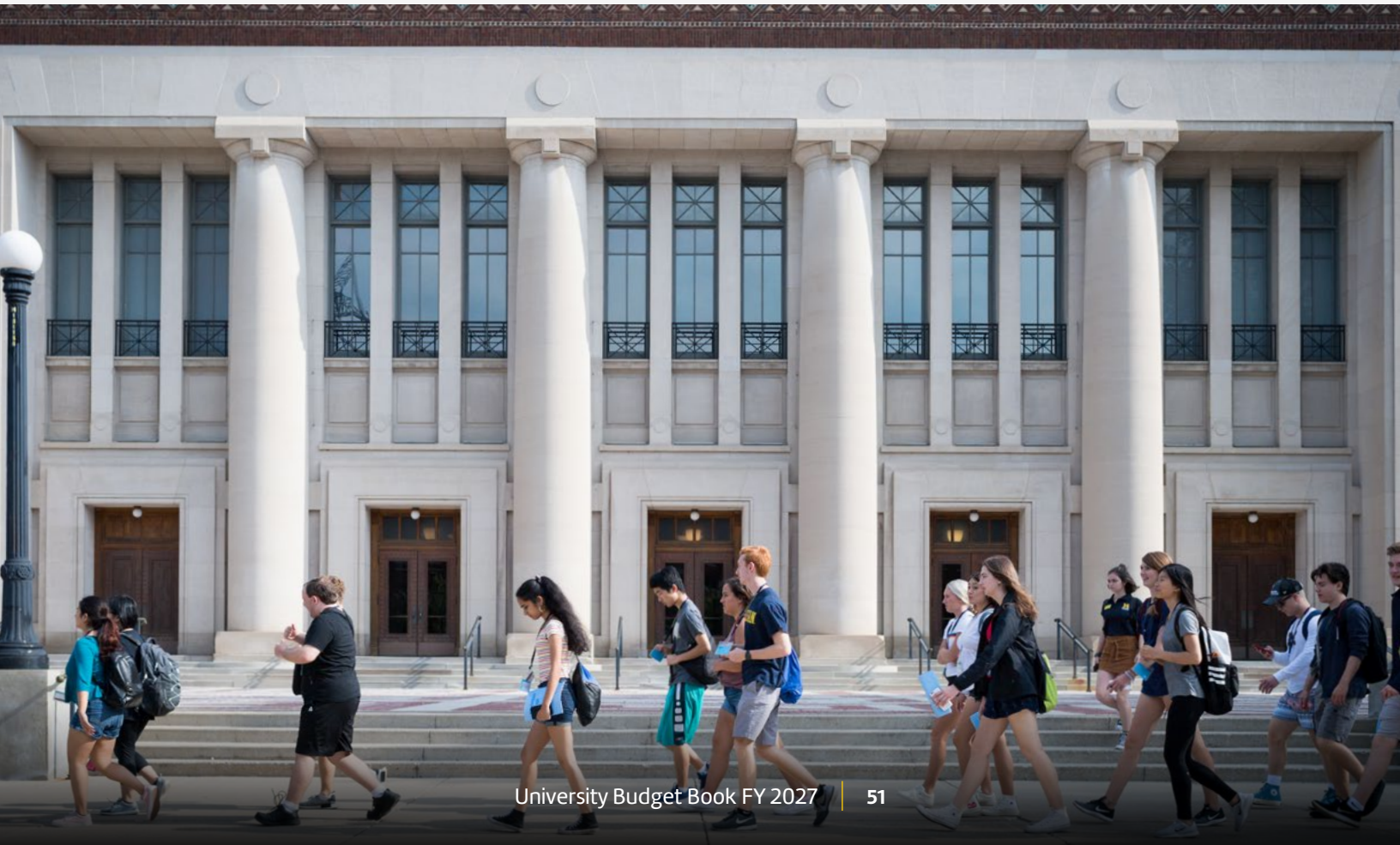
Under the direction of the President, the Vice President and Secretary of the University coordinates the business affairs of the Board of Regents and facilitates effective communication between the members of the Board and the university's executive officers.

General Fund Budget History



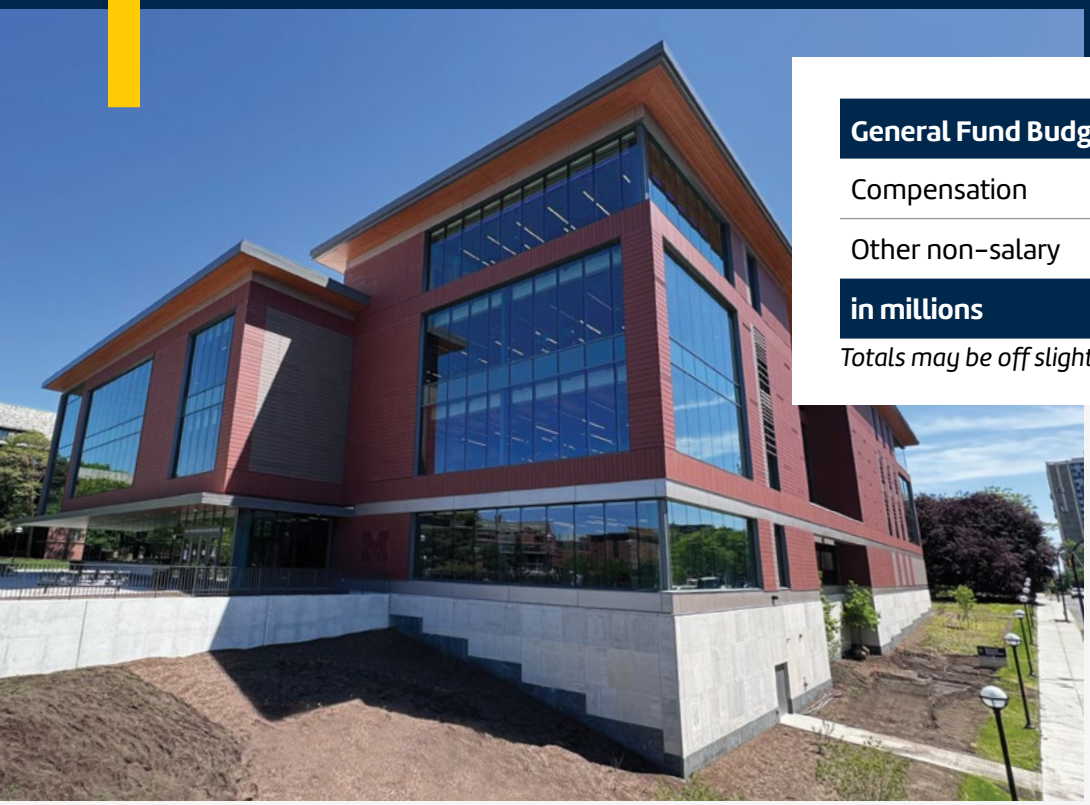
Notable budgetary actions over the last five years:

No significant items.



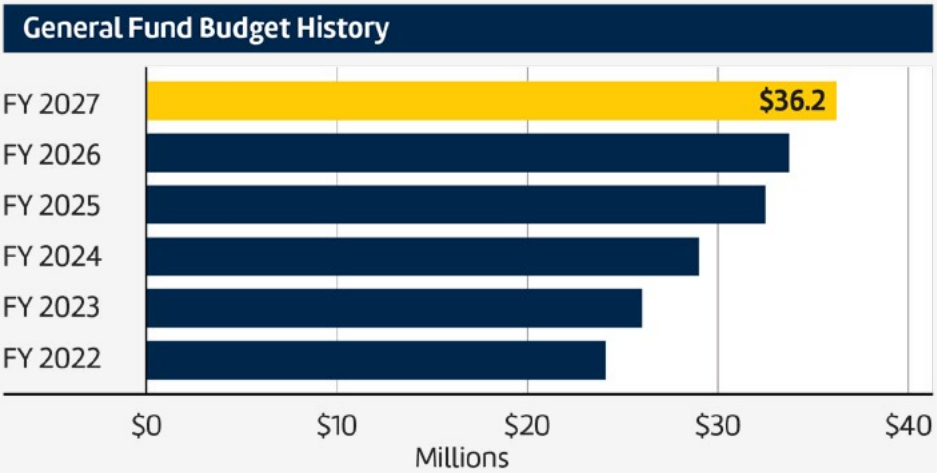
Vice President for Student Life

studentlife.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Compensation	28.1	29.0	0.9
Other non-salary	5.6	7.2	1.6
in millions	**$ 33.7**	**$ 36.2**	**$ 2.5**

Totals may be off slightly due to rounding.

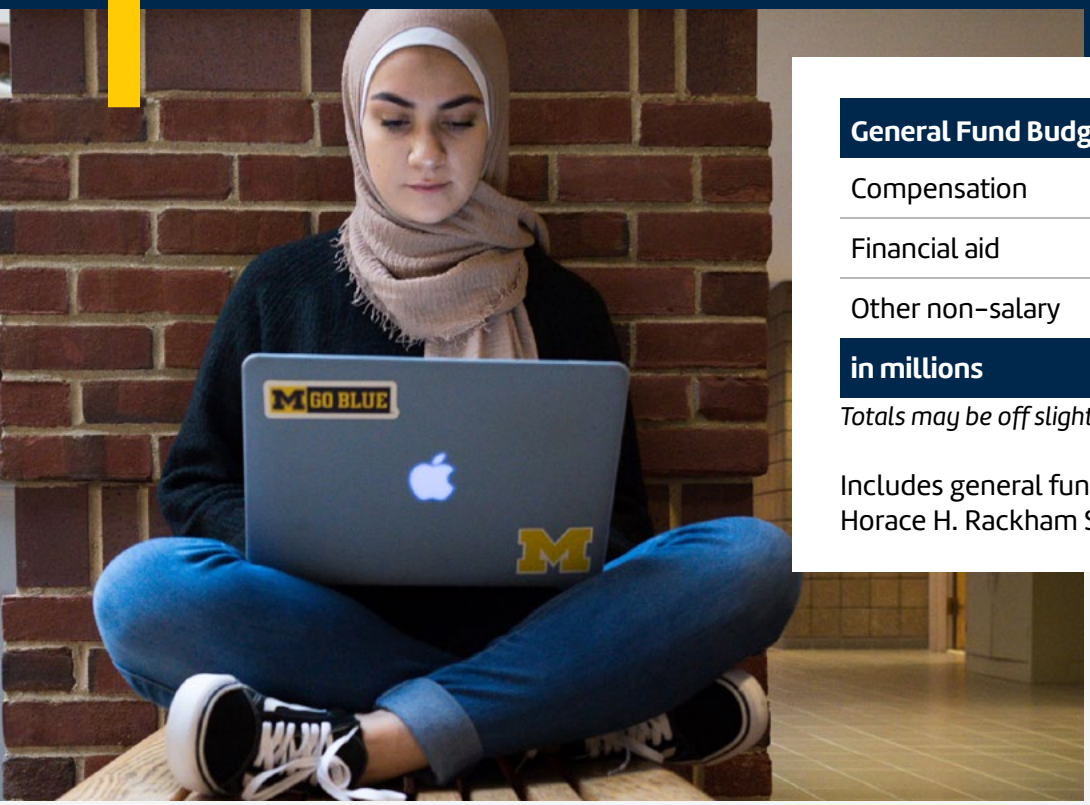


Notable budgetary actions over the last five years:

FY 2022 – FY 2027: Vice President for Student Life funding initiatives include expanded resources for student success and wellness.

FY 2027: Infectious Disease and Epidemiology transferred to Vice President for Student Life from Academic Program Support.

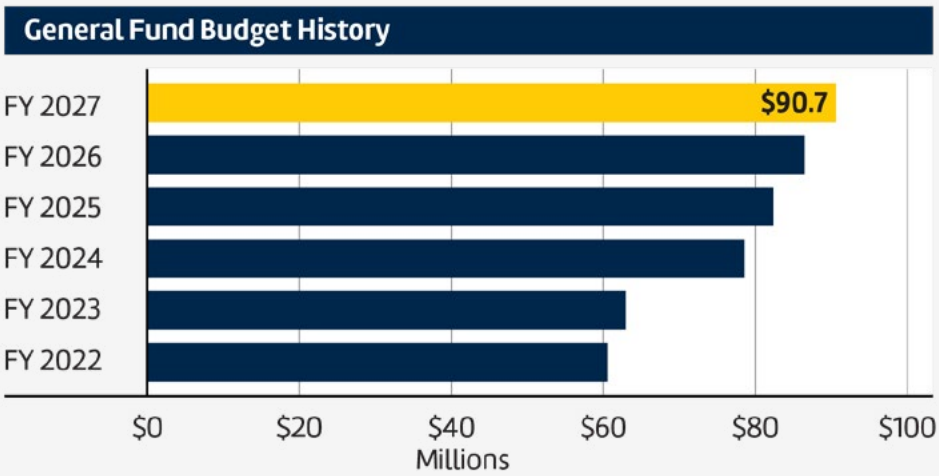
Rackham Financial Aid



General Fund Budget	FY 2026	FY 2027	Change
Compensation	0.4	0.5	0.0
Financial aid	84.4	88.4	4.1
Other non-salary	1.6	1.8	0.1
in millions	**$ 86.5**	**$ 90.7**	**$ 4.2**

Totals may be off slightly due to rounding.

Includes general fund financial aid administered by the Horace H. Rackham School of Graduate Studies.

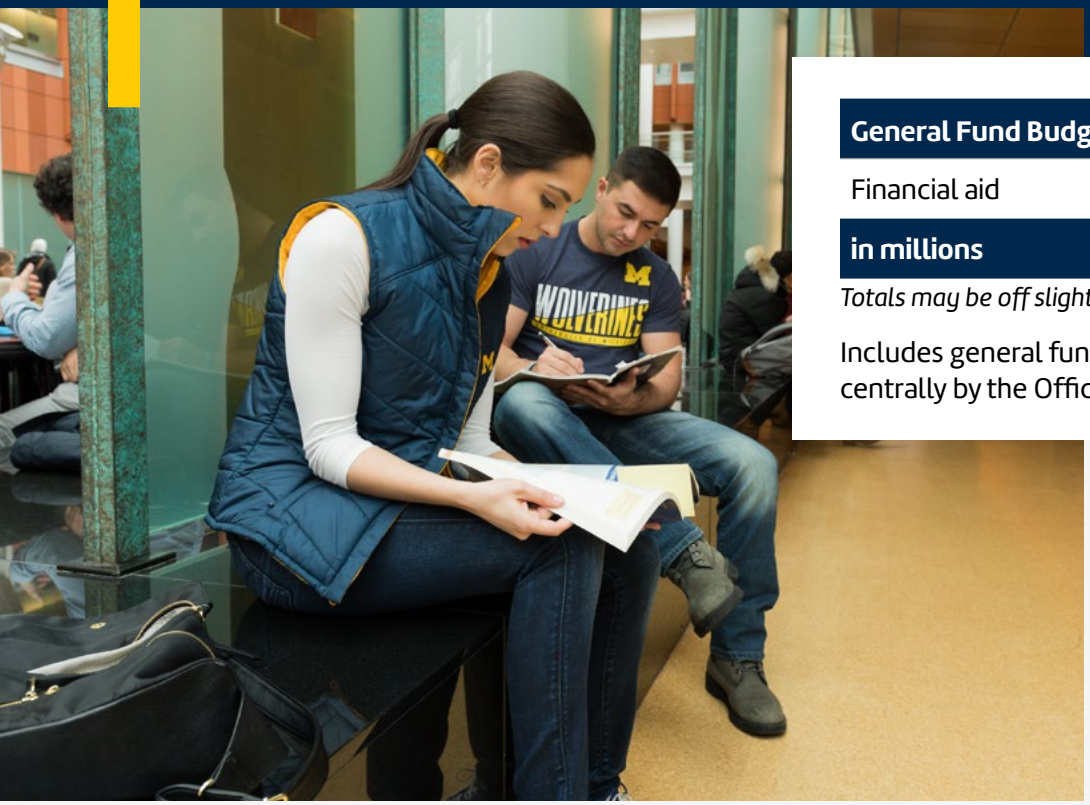


Notable budgetary actions over the last five years:

FY 2022 – FY 2027: The Rackham Financial Aid budget represents a significant investment in students, sustaining the university's unwavering commitment to assuring a U-M education is accessible regardless of financial means.

FY 2024: Budget makes a landmark investment in U-M's doctoral students, providing approximately $12.5M to support summer funding.

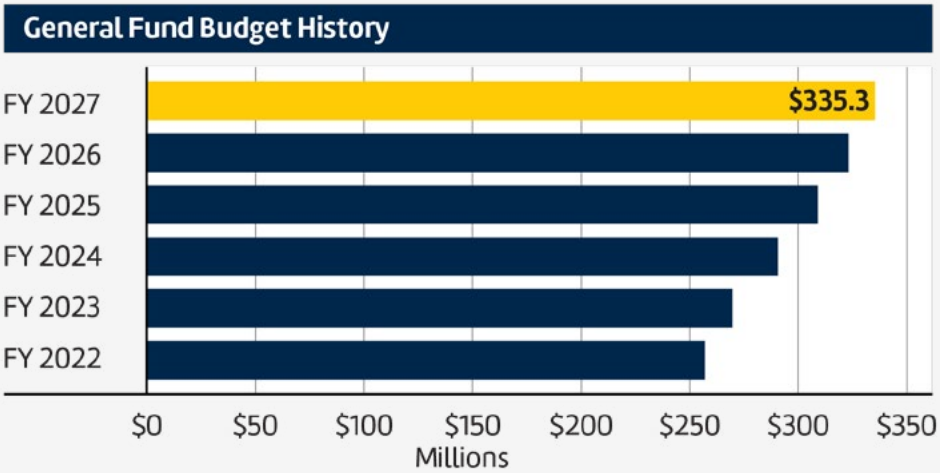
Undergraduate Financial Aid



General Fund Budget	FY 2026	FY 2027	Change
Financial aid	323.0	335.3	12.3
in millions	**$ 323.0**	**$ 335.3**	**$ 12.3**

Totals may be off slightly due to rounding.

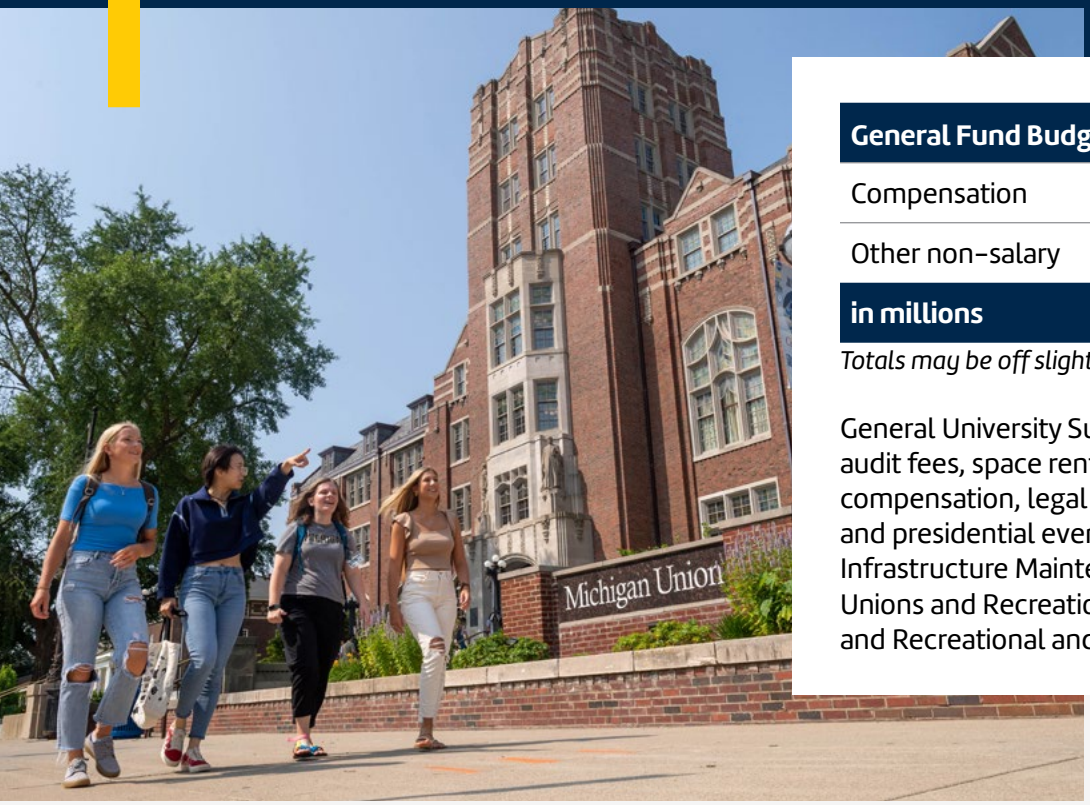
Includes general fund financial aid administered centrally by the Office of Financial Aid.



Notable budgetary actions over the last five years:

FY 2022 – FY 2027: The Undergraduate Financial Aid budget represents a significant investment in students, sustaining the university's unwavering commitment to assuring a U-M education is accessible regardless of financial means. This includes funds for the Go Blue Guarantee, originally established in 2018 to cover resident undergraduate students from families with incomes of less than $65,000 and family assets of less than $50,000. The Go Blue Guarantee expanded in 2024 to cover resident undergraduate students from family incomes of $75,000 or less and assets below $75,000 and again in 2026 to families with incomes $125,000 or less and assets below $125,000.

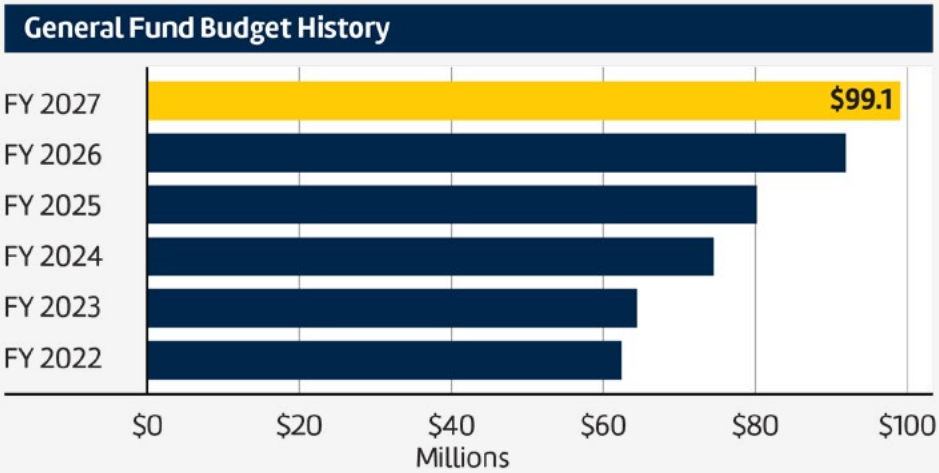
General University Support



General Fund Budget	FY 2026	FY 2027	Change
Compensation	1.0	2.0	1.0
Other non-salary	91.0	97.1	6.1
in millions	**$ 92.0**	**$ 99.1**	**$ 6.1**

Totals may be off slightly due to rounding.

General University Support includes items for external audit fees, space rental, insurance, unemployment compensation, legal and professional fees, ceremonial and presidential events, and revenues from the Infrastructure Maintenance, Health Service, University Unions and Recreational Sports Facility Improvement, and Recreational and Wellness fees.



Notable budgetary actions over the last five years:

FY 2027: Budget now includes unemployment compensation, previously reported separately as Staff Benefits Pool.

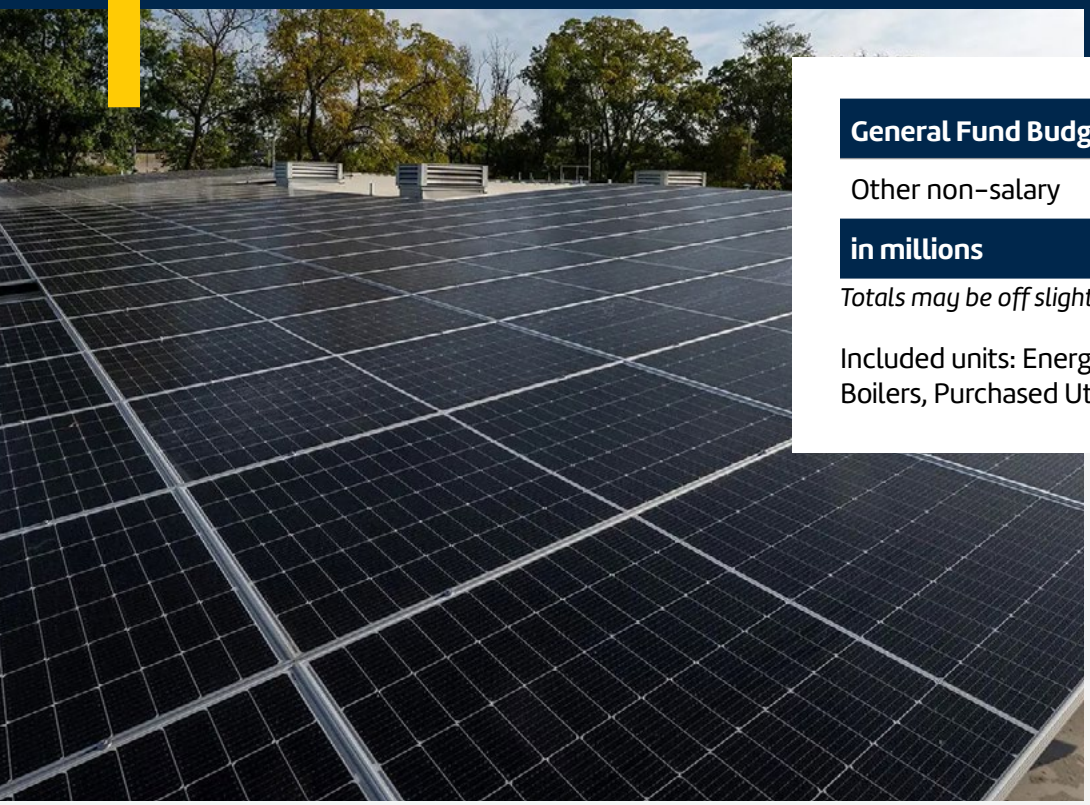
FY 2026: Budget increase includes the implementation of the new Recreation & Wellness Fee.

FY 2025: Budget incorporates increases in insurance premiums.

FY 2024: Budget incorporates increases in insurance premiums and increased space rental costs for the Center for Academic Innovation's new facility.

Utilities

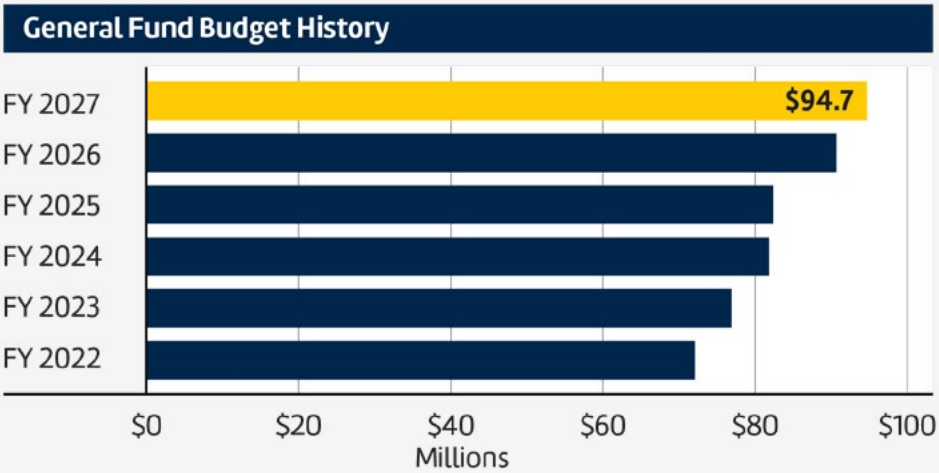
utilities.fo.umich.edu



General Fund Budget	FY 2026	FY 2027	Change
Other non-salary	90.7	94.7	4.0
in millions	**$ 90.7**	**$ 94.7**	**$ 4.0**

Totals may be off slightly due to rounding.

Included units: Energy Management Office, Outlying Boilers, Purchased Utilities, and Utility Distribution Systems.



Notable budgetary actions over the last five years:

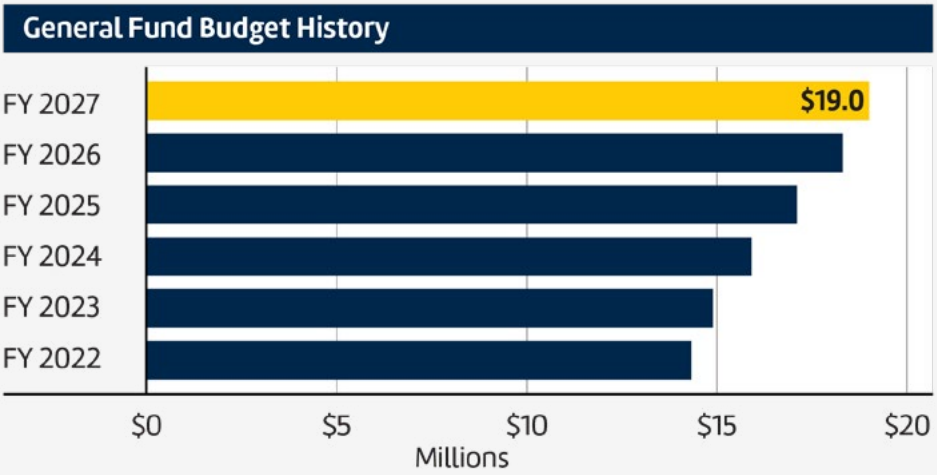
FY 2026 – FY 2027: Budget increases to fund various sustainability and infrastructure initiatives.

North Campus Research Complex

ncrc.umich.edu

General Fund Budget	FY 2026	FY 2027	Change
Compensation	2.5	2.6	0.1
Other non-salary	15.7	16.4	0.6
in millions	**$ 18.3**	**$ 19.0**	**$ 0.7**

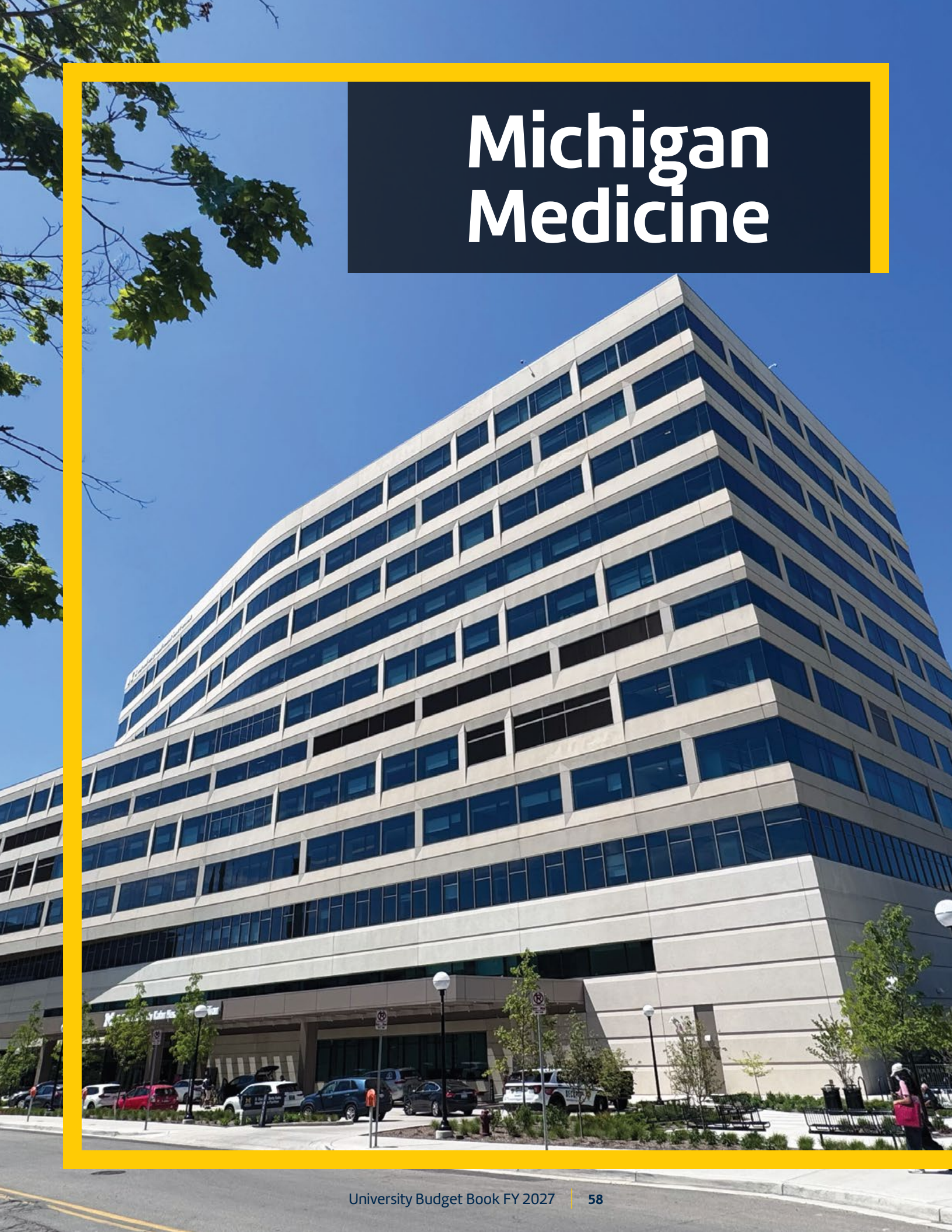
Totals may be off slightly due to rounding.



Notable budgetary actions over the last five years:

FY 2022 – FY 2027: The annual North Campus Research Complex budget includes costs for utilities, facilities maintenance, and insurance. These costs are assigned to the Medical School each year.

Michigan Medicine



Michigan Medicine

uofmhealth.org

OUR MISSION

We advance health to serve Michigan and the world.

By the Numbers

While true growth can only be seen in the lives of our patients, learners, and community members, numbers tell part of our story.

THE MICHIGAN DIFFERENCE

3.1M
Patient Clinic Visits

118K+
Emergency Visits

56K+
Patient Admissions

100+
Operating Residency & Fellowship Programs

Activity shown is for AMC only.

University of Michigan Health (UMH) is a part of the University of Michigan and primarily comprises the clinical entities within Michigan Medicine, including the Academic Medical Center (AMC) and Regional Health Network (consisting of UM Health–Sparrow and UM Health–West). Along with UMH, Michigan Medicine includes the University of Michigan Medical School (Medical School) and Michigan Health Corporation (a wholly owned corporation created for joint venture and managed care initiatives). Michigan Medicine maintains a tradition of excellence in teaching, advancement of medical science, and patient care, and consistently ranks among the best healthcare systems in the nation. The leadership and management of Michigan Medicine are provided by the university's Executive Vice President for Medical Affairs.

Michigan Medicine entities have a tripartite mission focusing on clinical, research, and medical and biomedical educational activities. As part of the clinical mission, UMH operates 12 acute–care hospitals with 2,259 licensed beds, several ambulatory care centers, and various other healthcare programs across Michigan. The AMC serves as the principal teaching facility for the Medical School. Substantially all physician services to UMH patients are provided by the University of Michigan Medical Group (UMMG) and U–M Health Partners. The UMMG and U–M Health Partners are included within UMH in order to comprehensively present activity related to the clinical mission of Michigan Medicine. The AMC also provides educational and clinical opportunities to students of the university's schools of Nursing, Dentistry, Social Work, and Public Health, as well as the College of Pharmacy.

Michigan Medicine is strengthening current operations through its BASE priorities: Belonging, Access, Safety & Quality, and Experience. At the same time, Michigan Medicine maintains a forward–looking vision, by continuing to strengthen its statewide network of care.

A Strong BASE. A Bold Future.

Building the foundation that empowers our teams to deliver exceptional care, drive discovery, educate the next generation, and expand our impact across Michigan and beyond.

In keeping with efforts to enhance a growing statewide network of care, the Board of Regents approved the purchase of vacant land in Oakland County, Michigan where UMH plans to build a multi-specialty facility to expand specialty clinical services and increase patient access to the Oakland County region. The Frances and Kenneth Eisenberg Troy Center for Specialty Care is expected to open in spring 2027 and will focus on advanced specialty and diagnostic services, allowing Michigan residents the ability to receive world-class care close to home. In alignment with Michigan Medicine's commitment to sustainability, the building will follow university guidelines to minimize negative environmental impacts.

Furthering the growth of a statewide network of care and increasing access and convenience for patients, the Board of Regents approved plans for the construction of two additional, interconnected facilities in Oakland County, Michigan, creating a specialty care campus. The Samuel and Jean Frankel Cardiovascular Center and Sidney and Madeline Forbes Advanced Imaging Center will be constructed on approximately five acres of land near the Frances and Kenneth Eisenberg Troy Center for Specialty Care. These facilities are expected to open in fall 2027.

In support of Michigan Medicine's tripartite mission, the Board of Regents approved plans in 2019 for the construction of the D. Dan and Betty Kahn Health Care Pavilion, a 690,000-square-foot clinical inpatient tower with an estimated cost of $920 million. The facility opened for patient care in November 2025 and accommodates an inpatient care program with 264 single-occupancy patient rooms and 23 surgical and interventional radiology suites. This patient care expansion supports the clinical strategy of Michigan Medicine, increasing capacity to accommodate tertiary and quaternary care needs. Relocation of existing clinical services from University Hospital will also allow for future redesign and growth for patient programs remaining in that facility. The design emphasizes sustainability achieving Leadership in Energy and Environmental Design (LEED) Platinum certification, exceeding current energy efficiency standards. The design and construction were officially recognized with the prestigious designation, making it the largest LEED version 4 platinum-certified healthcare building in the world.

In support of the Regional Health Network and the strategy of providing the right care at the right time in the right place, the Board of Regents approved plans to construct a new 45,000-square-foot healthcare center near Grand Ledge, Michigan, with an estimated cost of $32 million. The facility is expected to open in winter 2027 and will include urgent care, laboratory and retail pharmacy, primary care, specialty care, and advanced imaging services. The facility design will emphasize environmental sustainability principles with an expectation of reaching LEED certification.

Furthering the mission of the Regional Health Network, the Board of Regents approved two projects during 2026 that will improve access to much-needed mental health resources and create a lower-cost setting for certain surgical procedures in mid-Michigan. UM Health-Sparrow is building a behavioral health hospital and an ambulatory surgery center in Lansing. The 64-bed, $83 million state-of-the-art behavioral health hospital will serve adult, geriatric, child, and adolescent patients. The $60 million UM Health-Sparrow Lansing Ambulatory Surgery Center will be located west of the Lansing hospital and will feature four operating rooms initially, with options to expand in the future.

Michigan Medicine continued to foster other existing affiliations with area hospitals and networks to enhance patient care, clinical research, physician recruitment, and support services. Michigan Medicine collaborated with affiliated partners, UM Health-West, UM Health-Sparrow, and others, to continue to provide accessible, quality patient care. These clinical affiliation agreements and population management programs are designed to expand community access and improve patient, family, and provider experiences across the continuum of care.

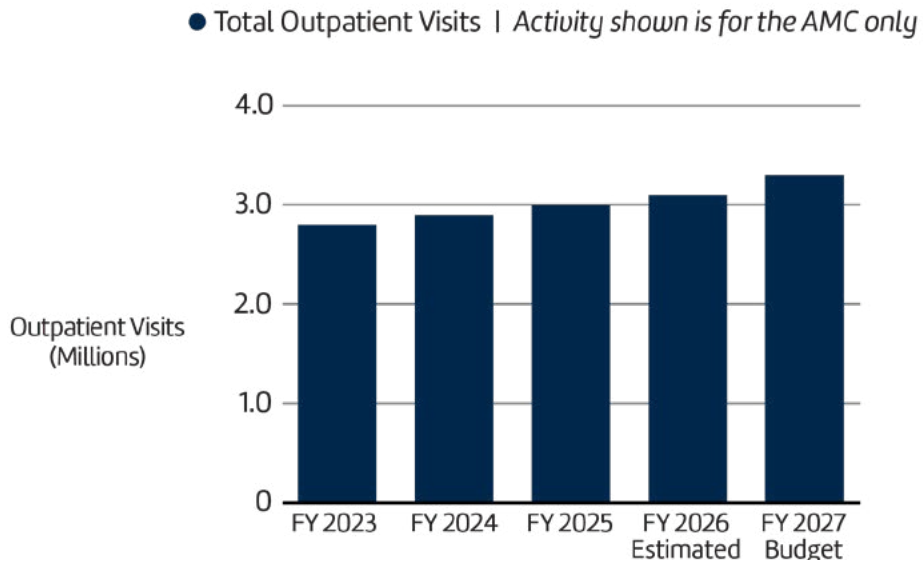
Michigan Medicine FY 2027 Operating Fund Budget

in millions	UMH–Ann Arbor	Michigan Health Corp.	UMH–West	UMH–Sparrow	Medical School (Clinical Activity)	EVPMA	Total
REVENUE:							
Sponsored Programs	$ 27	$ –	$ –	$ –	$ –	$ –	$ 27
Indirect Cost Recovery	–	–	–	–	–	–	–
Indirect Cost Recovery Allocated to General Operating	–	–	–	–	–	–	–
Private Gifts	11	–	–	–	–	–	11
Investment Income							
Endowment Income	70	–	–	–	39	2	111
Other	–	1	–	–	–	–	1
Patient Care Revenue	7,384	28	724	1,787	65	6	9,994
Departmental Activities	36	–	–	–	1,447	627	2,110
Total Revenue:	**$ 7,527**	**$ 29**	**$ 724**	**$ 1,787**	**$ 1,550**	**$ 635**	**$ 12,253**
Less Rebilling Credits[1]	(33)	–	–	–	(98)	–	(131)
Less Inter-Unit Transfers[2]	–	–	–	–	(1,100)	(626)	(1,725)
Net Revenue:	**$ 7,493**	**$ 29**	**$ 724**	**$ 1,787**	**$ 352**	**$ 10**	**$ 10,396**
EXPENDITURES:							
Compensation and Benefits	$ 3,049	$ 12	$ 358	$ 1,013	$ 1,288	$ 343	$ 6,064
Financial Aid	–	–	–	–	–	–	–
Supplies, Services and Other	4,314	18	329	658	211	179	5,709
Plant Improvement	214	–	–	–	19	108	341
Total Expenditures:	**$ 7,576**	**$ 30**	**$ 688**	**$ 1,671**	**$ 1,518**	**$ 631**	**$ 12,114**
Less Rebilling Credits[1]	(33)	–	–	–	(98)	–	(131)
Less Inter-Unit Transfers[2]	–	–	–	–	(1,100)	(626)	(1,725)
Net Expenditures:	**$ 7,543**	**$ 30**	**$ 688**	**$ 1,671**	**$ 320**	**$ 5**	**$ 10,257**
Margin	**$ (50)**	**$ (1)**	**$ 37**	**$ 116**	**$ 32**	**$ 5**	**$ 139**

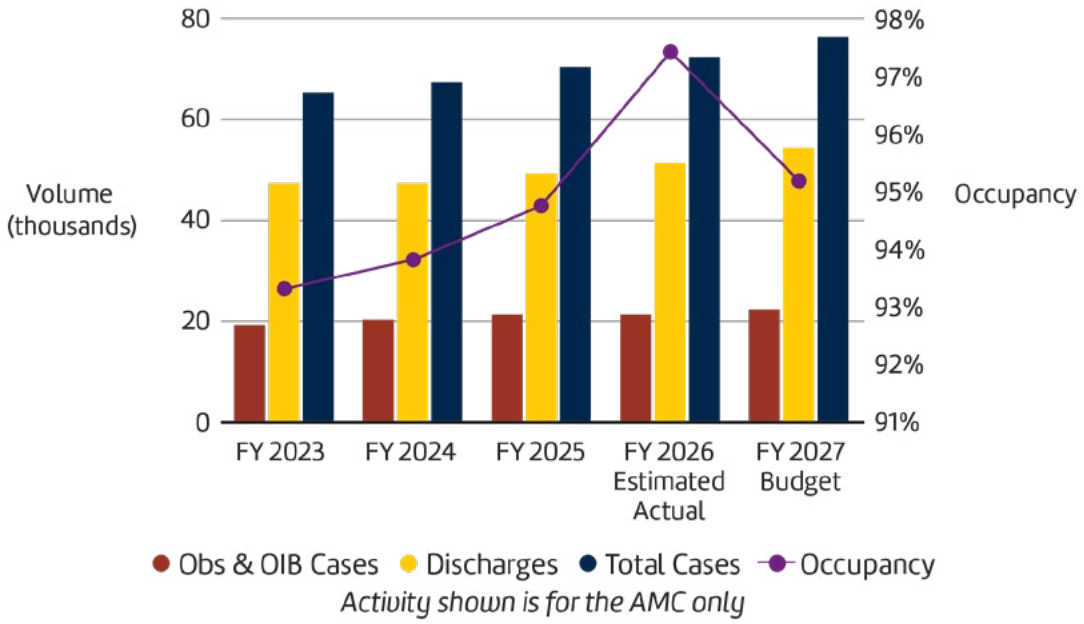
[1] *Rebilling credits include recharge revenue and inter-unit billings.*

[2] *Offset for inter-unit transfers is included with UMH–Ann Arbor. Totals may be off slightly due to rounding.*

Ambulatory Care Visits



Total Discharges, Observation, and Outpatient-in-a-Bed Cases



FY 2027 Budget Risks

Regulatory & Policy Uncertainty: Proposed changes to federal healthcare and research funding policies, including reductions in reimbursement, present material risks to both clinical and academic operations.

Expense Pressures: As cost pressures from inflation and global supply chain issues continue, achieving sustained financial performance will depend on expense management and operational efficiency.

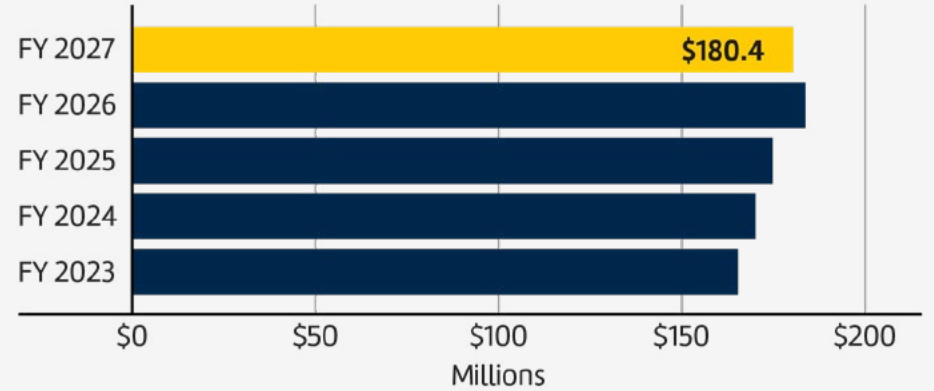
Labor Market Challenges: Heightened difficulty recruiting and retaining critical staff, particularly as facility expansions increase demand, while rising wages contribute to cost pressures.

UM–Dearborn Campus

umdearborn.edu

Total General Fund Budget	FY 2026	FY 2027	Change
in thousands			
State Appropriation	$ 31,722	$ 31,708	$ (14)
Student Tuition & Fees	149,156	146,085	(3,071)
Indirect Cost Recovery	2,500	2,300	(200)
Investment Income	–	–	–
Departmental Activities	305	305	–
Total – Revenue	**$ 183,683**	**$ 180,398**	**$ (3,285)**

Total General Fund Budget History



The University of Michigan–Dearborn presents a balanced FY 2027 operating budget of $180.4 million. The budget assumes a $31.7 million appropriation from the State of Michigan and incorporates an average tuition rate increase of 3.9%. Enrollment is anticipated to decrease overall by 3.1%, largely due to ongoing softness in the international student market.

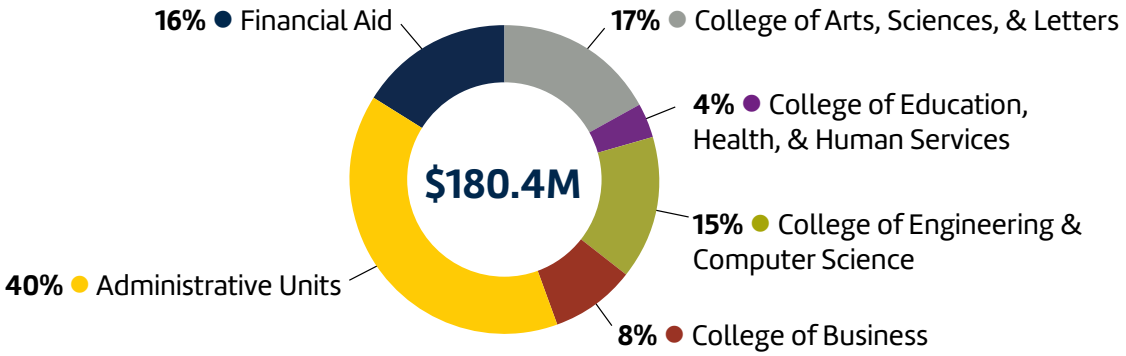
UM–Dearborn continues to prioritize student affordability through merit– and need–based financial aid, including its continued participation in the Go Blue Guarantee program. The campus is also investing strategically in marketing, academic programs, and facilities to enhance its programs and services and provide support for its vibrant campus community.

UM–Dearborn Campus FY 2027 Budget by Fund

	FY 2027 CONSOLIDATED OPERATING BUDGET						
in thousands	General	Designated	Auxiliary	Expendable Restricted	Total	Total FY 2026	FY 2027 Variance to FY 2026
REVENUE:							
State Appropriations	$ 31,708	$ –	$ –	$ –	$ 31,708	$ 31,722	$ (14)
Student Tuition and Fees	146,085	–	–	–	146,085	149,156	(3,071)
Sponsored Programs							
Federal	–	–	–	23,500	23,500	23,000	500
State/Local	–	–	–	1,000	1,000	1,000	–
Non–Governmental	–	–	–	1,500	1,500	2,750	(1,250)
Indirect Cost Recovery	2,300	–	–	–	2,300	2,500	(200)
Indirect Cost Recovery Allocated to General Operating	–	–	–	(2,300)	(2,300)	(2,500)	200
Private Gifts	–	–	–	2,000	2,000	2,000	–
Investment Income							
Endowment Income	–	–	100	2,500	2,600	3,000	(400)
Other	–	800	–	–	800	875	(75)
Patient Care Revenue	–	–	–	–	–	–	–
Departmental Activities	305	400	1,850	–	2,555	2,530	25
Total Revenue:	**$ 180,398**	**$ 1,200**	**$ 1,950**	**$ 28,200**	**$ 211,748**	**$ 216,033**	**$ (4,285)**
EXPENDITURES:							
Compensation and Benefits	$ 123,250	$ 450	$ 1,450	$ 4,500	$ 129,650	$ 127,533	$ 2,117
Financial Aid	28,500	–	–	22,000	50,500	50,200	300
Supplies, Services and Other	19,770	750	500	1,700	22,720	31,597	(8,877)
Plant Improvement	8,878	–	–	–	8,878	6,703	2,175
Total Expenditures:	**$ 180,398**	**$ 1,200**	**$ 1,950**	**$ 28,200**	**$ 211,748**	**$ 216,033**	**$ (4,285)**
Margin	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**

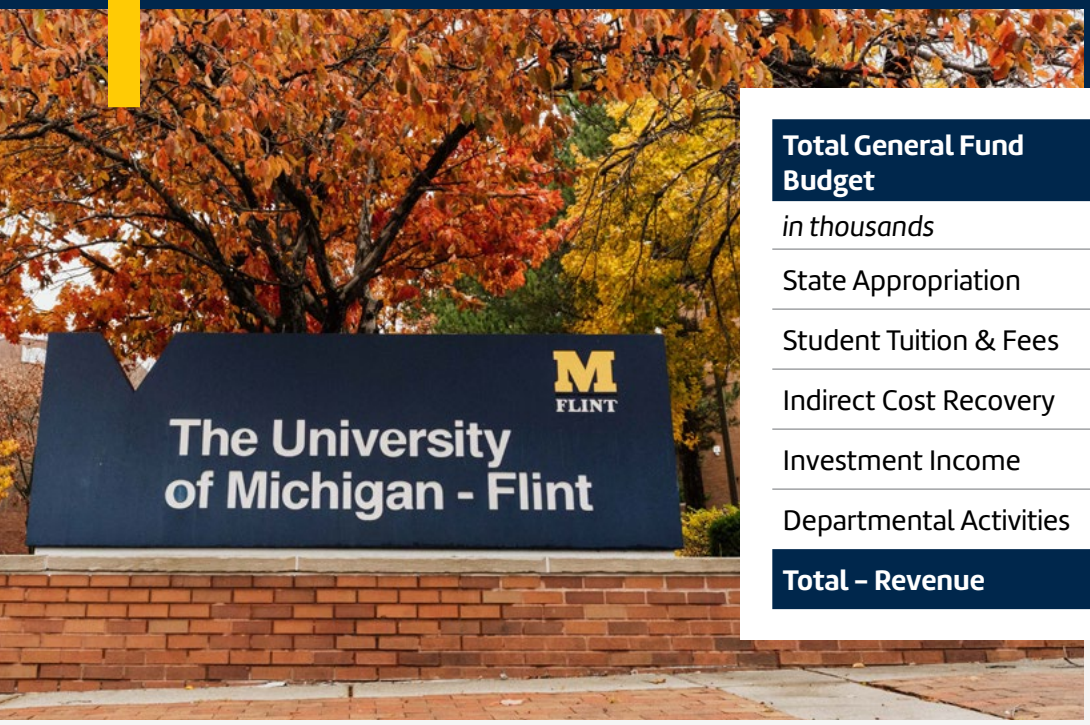
UM–Dearborn Campus General Fund Budget

FY 2027 Expenditures *(in millions)*



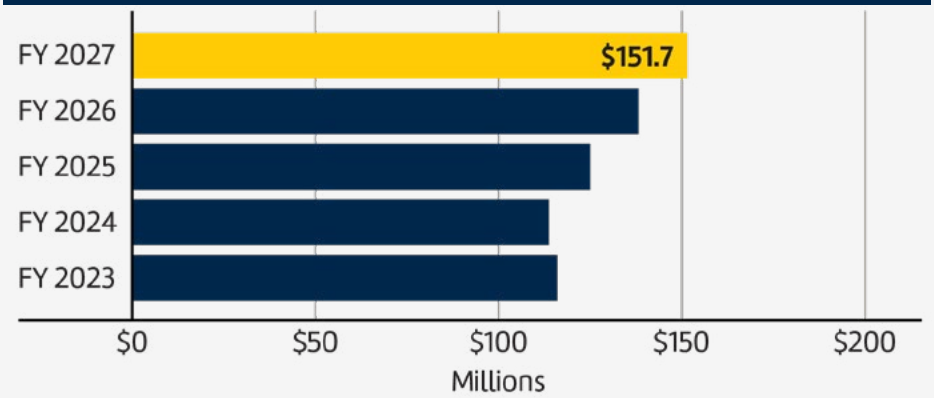
UM–Flint Campus

umflint.edu



Total General Fund Budget	FY 2026	FY 2027	Change
in thousands			
State Appropriation	$ 26,956	$ 26,956	$ –
Student Tuition & Fees	110,616	123,529	12,913
Indirect Cost Recovery	150	500	350
Investment Income	370	370	–
Departmental Activities	300	300	–
Total – Revenue	**$ 138,392**	**$ 151,655**	**$ 13,263**

Total General Fund Budget History



The University of Michigan–Flint is budgeting a 9.6% (or $13.3 million) increase to the general fund in FY 2027. This increase is driven by stronger than anticipated undergraduate enrollment growth in FY 2026, plus additional moderate enrollment growth expected in FY 2027.

The state appropriation is budgeted at $27.0 million, unchanged from FY 2026. The undergraduate tuition rate will increase by 4.1%, remaining below the state cap. Housing and meal plan rates will increase by 5%.

Increased budget resources will allow for investment in a salary program for faculty and staff, and additional funding for new and growing academic programs, while reserving significant funding for future student aid needs.

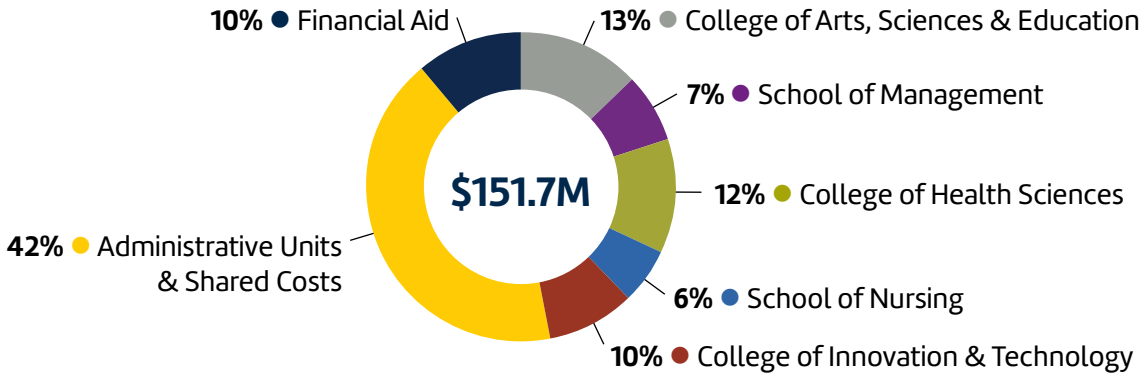
UM–Flint's tuition is the fourth lowest—and its housing rates are the lowest—among the 15 public universities in the State of Michigan. The institution is committed to supporting the success of students, faculty, and staff while prioritizing affordability and accessibility.

UM–Flint Campus FY 2027 Budget by Fund

	FY 2027 CONSOLIDATED OPERATING BUDGET						
in thousands	General	Designated	Auxiliary	Expendable Restricted	Total	Total FY 2026	FY 2027 Variance to FY 2026
REVENUE:							
State Appropriations	$ 26,956	$ –	$ –	$ –	$ 26,956	$ 26,956	$ –
Student Tuition and Fees	123,529	–	–	–	123,529	110,616	12,913
Sponsored Programs							
Federal	–	–	–	18,000	18,000	13,000	5,000
State/Local	–	–	–	2,000	2,000	2,500	(500)
Non–Governmental	–	–	–	–	–	–	–
Indirect Cost Recovery	500	–	–	–	500	150	350
Indirect Cost Recovery Allocated to General Operating	–	–	–	(500)	(500)	(150)	(350)
Private Gifts	–	–	–	1,800	1,800	1,800	–
Investment Income							
Endowment Income	–	600	–	6,000	6,600	6,000	600
Other	370	1,800	–	–	2,170	870	1,300
Patient Care Revenue	–	–	–	–	–	–	–
Departmental Activities	300	700	5,420	–	6,420	6,360	60
Total Revenue:	**$ 151,655**	**$ 3,100**	**$ 5,420**	**$ 27,300**	**$ 187,475**	**$ 168,102**	**$ 19,373**
EXPENDITURES:							
Compensation and Benefits	$ 102,676	$ 3,000	$ 2,545	$ 4,900	$ 113,121	$ 102,971	$ 10,150
Financial Aid	16,337	8,000	300	18,250	42,887	31,757	11,130
Supplies, Services and Other	31,132	(8,500)	1,325	2,650	26,607	29,194	(2,587)
Plant Improvement	1,510	600	1,250	1,500	4,860	4,180	680
Total Expenditures:	**$ 151,655**	**$ 3,100**	**$ 5,420**	**$ 27,300**	**$ 187,475**	**$ 168,102**	**$ 19,373**
Margin	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**	**$ –**

UM–Flint Campus General Fund Budget

FY 2027 Expenditures *(in millions)*



Auxiliary Activities

Auxiliary unit revenues and expenditures are presented in the table below, which delineates the auxiliary activity by major unit. Smaller units are grouped under "Other Internal Services."

Total Auxiliary Budgeted Revenues & Expenditures

	FY 2027 Budget			FY 2026 Budget		
in millions	Revenues	Expenditures	Margin	Revenues	Expenditures	Margin
Michigan Medicine*	**$ 12,199**	**$ 12,074**	**$ 125**	**$ 10,920**	**$ 10,749**	**$ 172**
Less Recharge Credits[1]	(1,857)	(1,857)	–	(1,571)	(1,571)	–
Net Michigan Medicine Total	**$ 10,342**	**$ 10,217**	**$ 125**	**$ 9,349**	**$ 9,177**	**$ 172**
All Other Auxiliary Units:						
Intercollegiate Athletics	$ 275	$ 275	$ –	$ 248	$ 248	$ –
University Housing	236	236	–	200	200	–
Utilities	220	220	1	212	208	4
Risk Management & Veritas Insurance Co.	157	158	(1)	161	161	–
Staff Benefits Recharge	116	124	(8)	108	114	(6)
Information & Technology Services	85	87	(2)	79	80	(1)
Division of Public Safety & Security	70	76	(6)	30	30	–
AEC & Construction Services	52	52	–	58	60	(2)
Parking Operations	37	39	(2)	35	40	(4)
Plant Operations	32	32	–	30	30	–
Health Service	31	31	–	30	30	–
League, Union, and Commons	29	29	–	28	28	–
Transportation Services	22	22	1	20	20	–
Publications & Communications	13	14	–	14	14	–
Associate VP for Human Resources	12	12	–	10	10	–
Dental Faculty Associates	10	10	–	10	10	–
Dearborn	2	2	–	2	2	–
Flint	5	5	–	5	5	–
Subtotal – Other Auxiliary Units	**$ 1,447**	**$ 1,464**	**$ (17)**	**$ 1,321**	**$ 1,328**	**$ (8)**
Less Recharge Credits[1]	(835)	(835)	–	(622)	(622)	–
Less Student Fee Allocations Budgeted in General Fund	(26)	(26)	–	(25)	(25)	–
Plus Investment Income	19	–	19	15	–	15
Total – Other Auxiliary Units	**$ 604**	**$ 602**	**$ 2**	**$ 689**	**$ 681**	**$ 8**
Total	**$ 10,946**	**$ 10,819**	**$ 127**	**$ 10,038**	**$ 9,858**	**$ 179**

** Includes UMH–Ann Arbor, Michigan Health Corporation, UMH–West, UMH–Sparrow, Medical School (Clinical Enterprise), and EVPMA.*
[1] Recharge credits include recharge revenue and inter-unit billings.
Totals may be off slightly due to rounding.

Appendix

Glossary

AEC – Architecture, Engineering and Construction. A division within Facilities and Operations that is responsible for the planning, design, and construction of the University of Michigan's physical campus.

Appropriation – Funding set aside for a specific purpose within a fiscal year.

Departmental Activities – Revenues and expenses attributed to supporting the academic mission of the university (e.g., faculty salary and benefits, classroom supplies, etc.). Includes inter-unit and external unit revenue.

Endowment – Money given by a donor that is to be invested in perpetuity, with the distributions available to spend on activities consistent with donor intent. There are two types of endowments: true endowment and quasi-endowment.

> True endowments cannot be spent but are invested in perpetuity with the distributions transferred out for spending.
>
> Quasi-endowment funds are funds functioning as an endowment that are typically established by the institution from either donor or institutional funds, and will be retained and invested rather than expended. The quasi-endowment must retain the purpose and intent as specified by the donor or source of the original funds, and earnings may be expended only for those purposes. Since quasi-endowments are generally established by the institution rather than by an external source, the principal may be expended as stipulated by the donor provided the quasi-fund was not created as a permanent match.

FY (Fiscal Year) – The university budget year, which runs from July 1st through June 30th. For example, FY 2027 is July 1, 2026 through June 30, 2027.

Indirect Cost Recovery (ICR) – A part of the negotiations for sponsored research contracts and grants is the determination of whether the sponsor will pay an amount to cover some portion of the estimated indirect costs imposed by the grant activity in addition to the direct expenditures of the grant itself. These indirect cost recoveries represent a revenue source to the general fund. If a grant carries such recovery, then this ICR is attributed to the unit where the grant's direct expenditures occur. A system of subaccounts permits both direct costs and ICR to be shared among any number of units.

Leadership in Energy and Environmental Design (LEED) – The world's most widely used green building rating system which provides a framework for healthy, efficient, and cost-saving green buildings.

Learning, Equity, and Problem Solving for the Public Good (LEAPS) – A bachelor's degree available through the Marsal Family School of Education that prepares graduates for a wide range of professions and career paths including education, policy, community development, STEM, health sciences, and business.

Margin – The difference of revenues minus expenditures. A negative margin indicates that expenses are higher than revenue.

Net Patient Revenues – The aggregate money generated from patient services collected from payors, including copays and self-payments, private insurance, Medicaid, and Medicare.

Observation Case (Obs) – This is a type of patient status indicating the patient is outpatient.

Outpatient-in-a-Bed (OIB) – A patient with OIB status is technically outpatient but may spend multiple days and nights in a hospital and may even utilize the same type of hospital bed as an inpatient/observation case patient.

Private Gifts – Gifts to the University of Michigan are classified as either endowed or expendable. An endowed gift is money given by a donor that is to be invested in perpetuity, with the distributions available to spend on activities consistent with donor intent. An expendable gift is money given by a donor that is to be entirely spent on activities consistent with donor intent.

Recharge Credit – Generated from billings that occur between service units.

Sponsored Programs – Funding provided to U–M by either a federal, state, or local government or a foundation or corporation to support a specific scope of work, program, or offering.

Veritas Insurance Company – A wholly owned subsidiary of the U–M responsible for the underwriting of the Medical Professional Liability insurance for U–M. Veritas also provides coverage for other risks like property damage, general liability, cyber liability, educators legal liability, auto liability, and workers compensation liability.

Fund Structure

FY 2027

The University of Michigan prepares budgets using the principles of fund accounting, allowing clear financial traceability and ensuring compliance with restrictions that apply to certain funds. Below are brief descriptions of the fund types that are used in the budget process:

General Fund

The general fund contains revenues and expenditures for operating purposes in the following activities: primary instruction, research, public service, academic support, student services, institutional support, plant operations and maintenance, and scholarships and fellowships. These activities are generally funded by state appropriations, student tuition and fees, indirect cost reimbursement from research contracts, and departmental revenues related to student lab and course fees.

Designated Fund

The designated fund consists of funds that are internally designated by the Board of Regents or university administration, but are otherwise unrestricted. Revenue sources include departmental revenue from organized activities such as conferences and seminars, investment income, royalty income, and endowment distributions.

Auxiliary Fund

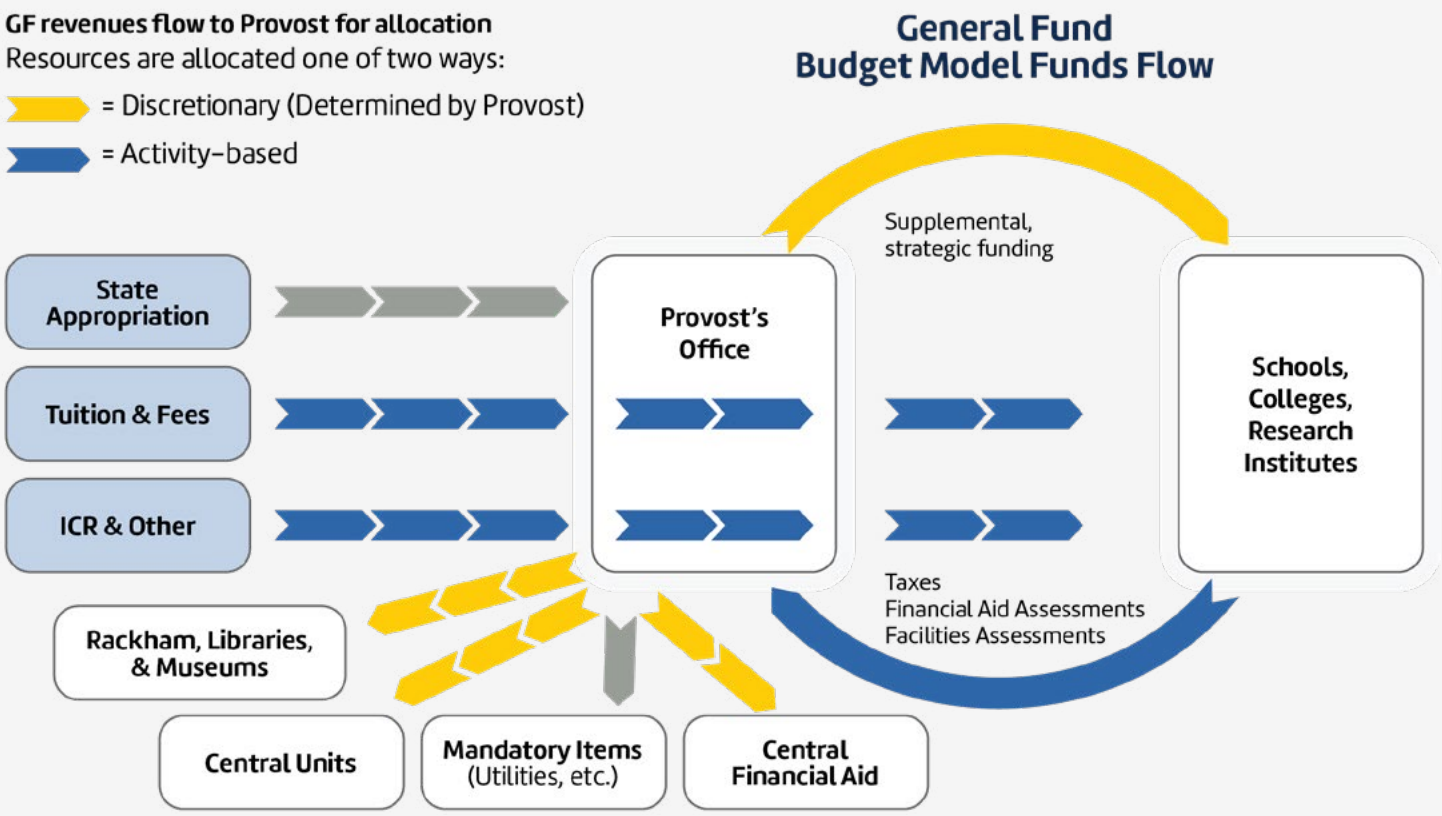
The auxiliary fund contains activities that are supported with revenue from their own operations. Auxiliary units include University of Michigan Health (UMH), units providing other medical and dental services, and units providing special services to students, faculty, and staff. Examples of revenue sources include room and board for student housing, usage fees for student centers and recreation buildings, sale of university publications, and ticket sales for athletic events.

Expendable Restricted Fund

The expendable restricted fund contains activities related to the pursuit and completion of specific projects, programs, or research funded by a donor or grantor. Examples include federal, state, and local contracts for research.

General Fund Budget Model

The Ann Arbor campus general fund budget model functions as a hybrid system of activity–based, incremental, and centralized initiative funding. This combination allows for fiscal transparency into the activities of the schools, colleges, and major research institutes (the primary revenue generators) and provides a mechanism for funding the administrative units, while still affording university leadership substantial flexibility to assess strategic priorities and adjust quickly to changing environmental factors. The model was introduced for the 1999 fiscal year and is continuously evaluated to ensure relevance.



The model attributes revenues and costs as follows for each activity-based unit based on a set of defined rules:

Tuition flows to the schools and colleges according to each student's academic program and the unit's instructional activity.

Indirect cost recovery (ICR) is generally allocated to the unit responsible for the associated direct research expenditures.

Central financial aid resources that support both undergraduate and Rackham graduate students are paid for by assessments to the revenue-generating schools and colleges.

Facilities and other internal assessments are charged to units and flow back to the Provost for targeted allocation.

The Role of the Provost

The provost has several sources of allocable revenue, including increases in the state appropriation and internal assessments. As Executive Vice President for Academic Affairs, the provost ensures these inflows are used to support new initiatives and honor prior obligations, cover increases in mandatory costs, and provide for inflationary allowances in the model.

Funding decisions must consider the entire range of university needs and explicitly weigh the trade-offs between academic and supporting priorities. Major considerations for new funding items include:

- Strategic alignment with unit-specific or university-wide priorities
- Enhancement of academic excellence and student success
- Promotion of cross-unit collaboration
- Compliance, safety, or risk mitigation support
- Potential for leveraging additional resources
- Fostering of efficiencies within and between units

Approved by the Board of Regents on June 25, 2026

The University of Michigan Regents Communication

Subject: FY 2026-2027 Budgets

Action Requested: Approval of Revenue and Expenditure Operating Budgets for FY 2026-2027

Background and Summary:

The three campuses of the University of Michigan have developed budgets for the 2026-2027 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.

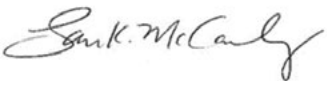
We recommend that the following summary revenue and expenditure budgets be approved effective July 1, 2026 for the period July 1, 2026 through June 30, 2027

In thousands	Ann Arbor	Dearborn	Flint	Total
Revenue Budget				
General Fund	$ 3,105,219	$ 180,398	$ 151,655	$ 3,437,272
Designated Fund	371,484	1,200	3,100	375,784
Auxiliary Activities	10,939,012	1,950	5,420	10,946,382
Expendable Restricted	1,965,836	28,200	27,300	2,021,336
Totals	**$ 16,381,551**	**$ 211,748**	**$ 187,475**	**$ 16,780,774**
Expenditure Budget				
General Fund	$ 3,105,219	$ 180,398	$ 151,655	$ 3,437,272
Designated Fund	359,348	1,200	3,100	363,648
Auxiliary Activities	10,812,009	1,950	5,420	10,819,379
Expendable Restricted	1,895,600	28,200	27,300	1,951,100
Totals	**$ 16,172,176**	**$ 211,748**	**$ 187,475**	**$ 16,571,398**
Budgeted Margin	**$ 209,375**	**$ -**	**$ -**	**$ 209,375**

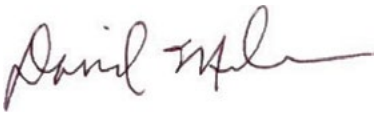
Note: Budget amounts are shown in thousands. Detail may not add exactly to totals due to rounding.

Respectfully submitted,

Robert A. Hewlett III
Interim Executive Vice President and Chief Financial Officer



Laurie K. McCauley
Provost and Executive Vice President for Academic Affairs



David C. Miller, M.D., M.P.H.
Executive Vice President for Medical Affairs and CEO, Michigan Medicine

June 2026

The University of Michigan

Ann Arbor | Dearborn | Flint

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