Approved by the Regents
June 16, 2011

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Proposed Ann Arbor FY 2011-2012 General Fund Operating Budget

Action Requested: Approval

Background:

The attached document provides a description of the changes in revenue and expenditures in the General Fund Operating Budget for FY 2011-2012

It is recommended that the Board of Regents approve this General Fund operating budget effective July 1, 2011for the period July 1, 2011-June 30, 2012.

Respectfully submitted,

Philip J. Hanlon
Provost and Executive Vice President
for Academic Affairs

June 16, 2011
Attachments

The University of Michigan – Ann Arbor
FY2011-12 General Fund Operating Budget

Introduction

The FY2012 General Fund budget plan seeks to maintain the excellence of the University of Michigan – Ann Arbor during a period of unprecedented financial stress. The proposed budget incorporates a significant level of cost reductions and reallocation to keep tuition rate increases moderate and to advance our continued commitment to student access through investments in financial aid. The proposed budget reallocates resources to our highest priorities so that the student experience can be advanced and the quality of the academic enterprise protected, despite a historic reduction in our state appropriation.

The FY2012 General Fund budget proposal incorporates a $47.5 million reduction in our state appropriation, the largest cut in the history of the University. This reduction puts the Ann Arbor campus' appropriation at $268.8 million, slightly more than the amount received in FY1991 and over $90 million lower than the amount that was appropriated in FY2002, in nominal dollars (over $165 million lower in inflation-adjusted dollars). While the University has been planning for a reduction given the state's budget situation, the magnitude of the pending reduction requires difficult tradeoffs and aggressive cost containment in order to fund cost increases, invest in financial aid and protect the academic quality of the institution.

The budget recommendation includes a tuition rate increase of $797[1] (6.7%) for resident undergraduates and $1,781[1] (4.9%) for non-resident undergraduates. Most graduate and professional rates are increasing by 4.9%, and a limited number of differentials are also recommended for specific programs.

At the same time, we are recommending a double-digit percentage increase in need-based financial aid for undergraduates. Even with a 15% reduction in state support, the University's commitment to our students and their families takes top priority in this budget, similar to prior years. We understand that many of our students and their families have experienced deteriorating economic circumstances, and the University has again made it a top priority to ensure access to the institution for admitted resident students from all socioeconomic backgrounds by investing heavily in need-based financial aid.

In addition, our unwavering commitment to improving the quality of the academic experience will not be compromised, and the proposed budget gives top priority to the University's essential missions in education, research and public service by enabling critical investments through the reallocation of resources from lower priority activities.

Despite the challenges of the current economy, the University of Michigan – Ann Arbor remains on a stable financial path largely because of our disciplined approach to financial management that emphasizes multi-year budget planning, on-going cost containment and continual reallocation of resources toward our highest priorities. The investments in financial aid and academic initiatives

[1] Figures are per academic year for the most common undergraduate lower division rate

included in this budget are only possible because of prudent financial planning and aggressive cost containment efforts across the entire campus. The recommended budget includes nearly $44 million in reductions for FY2012 that will be reallocated to assist with the budget challenge and to fund new initiatives and increase support for research and entrepreneurial programs.

Financial Aid

The ability of admitted students to attend the University without regard to family financial circumstances remains a top objective of the University of Michigan, and the longstanding policy of the Ann Arbor campus to meet the full demonstrated financial need of all of its Michigan resident undergraduate students will continue even in these times of radically constrained resources.

The FY2012 budget recommendation includes an increased General Fund allocation of $8.2 million in centrally awarded financial aid and an additional increase of over $3 million from other sources, for a total increase of $11.2 million. The majority of this funding ($9.2 million) is for need-based aid for undergraduate students, an 11% increase in that budget. In fact, improvements in operating efficiency have enabled the University to achieve double-digit percentage increases in the central undergraduate financial aid budget in six of the last seven years, even while support from the state has been deteriorating. This year's financial aid investment is sufficient to cover the full increase in the cost of attendance (tuition and fees, housing) with grant aid for undergraduate students with financial need, resulting in no increase in packaged loan burden for those students, a significant accomplishment given the magnitude of the reduction in our state appropriation.

We continue to look for non-General Fund sources of revenue to enhance our financial aid programs. The President's Donor Challenge and the accompanying matching program raised over $72 million in endowment for need-based undergraduate financial aid, adding significant resources to this priority starting several years ago. The academic units also provide significant funding from multiple sources for undergraduate scholarships and graduate student support, the former reducing dollar-for-dollar the loan amounts for our students. In fact, the average annual merit award for graduating resident undergraduate students is over $2,000 for students with financial need.

Faculty

The quality of our faculty is one of the most important factors contributing to the success of our academic enterprise. Even though some of the institutions that we compete with for faculty have experienced financial difficulties, we continue to face recruitment and retention challenges. The institutions we compete with most often for faculty include Harvard, Stanford, Yale, Berkeley, and Duke, to name a few.

The recruitment and retention environment remains highly competitive. The University of Michigan – Ann Arbor has one of the nation's most outstanding faculties, and over the past six years there have been more than 680 documented cases in which another university has made an offer to a University of Michigan faculty member. We have won nearly 60% of these retention battles. In addition, the University has recruited over 500 faculty members away from other leading universities during that same six-year timeframe.

This budget provides the necessary resources to support a modest salary program for faculty and enhances our faculty recruitment and retention program in order to maintain our competitive position among our peer group. In addition, several years ago we began our initiative to hire 100 new faculty members in a deliberate attempt to reduce our student/faculty ratio over the next several years and to ensure our competitiveness by fostering key interdisciplinary areas of education. Last year, that investment was expanded to include an additional 50 faculty positions; enhancement of undergraduate teaching has been a key criterion used in allocating these 50 positions. These investments are protected in this budget and will also enable us to further enhance the students' academic experience through a reduced student/faculty ratio and smaller class sizes that are closer to those of other top universities.

Academic Program Initiatives

Providing Michigan students with new venues, new perspectives and new opportunities to learn and engage is the essence of our work as a university. Innovation in teaching and research are critical elements of a top university, and no university can keep up with the rapidly evolving needs of our students and society without new and innovative academic initiatives. Given the financial constraints that we are facing, all new initiatives included in this budget will again be funded through internal reallocation of existing resources. Some examples follow:

This budget recommendation includes incremental programmatic support for the Life Sciences Institute (LSI). At the 8-year mark, the LSI is a scientific powerhouse with a unique multi-disciplinary and collaborative culture. Since inception the faculty at the LSI have received more than 56 awards, published more than 840 articles, received more than $90 million in sponsored research and have disclosed more than 45 technologies. The LSI is focused on training the next generation of scientists in a new model of doing research; LSI currently has more than 145 undergraduate and graduate students working in its laboratories, and since inception, 35 students have earned their PhDs with LSI faculty. In addition, the LSI has become a hub for collaboration on the Ann Arbor campus, attracting other University faculty with its cutting-edge centers and facilities, including the Center for Chemical Genomics, the only high throughput screening facility on campus, and the Center for Structural Biology, which currently supports over 80 users (60 outside of LSI) with advanced technologies for exploring the structure/function relationship of molecules. Recently, the LSI added a laboratory in cryo-electron microscopy, one of only a handful of such facilities in the country.

The Business School is making a focused investment in its global initiatives for both undergraduate and graduate students. This investment in the international aspects of the school's curriculum, programs and action-based learning is critical for the school to continue to adapt to the increasingly global nature of the business world. This effort is intended to better prepare students and enhance their overall competitiveness in the job market. In addition, increased investment will strengthen the school's research and knowledge generation in this growing and important area.

The Library is one of the University's most distinguished and valuable resources. The University Library has a nationally prominent collection that serves as an invaluable resource to University of Michigan faculty and students as well as to the public in the State of Michigan and to other universities. This year we are investing in the Library's collections budget to insure that the collection maintains its current value and distinction.

Cutting edge technology and facilities support our academic programs. We recognize the importance of developing and incubating new learning technologies for campus, and are providing resources to the Digital Media Commons (DMC) to do so. This budget also includes support to update the 10-year old video classroom at the School of Art and Design where the technology has changed rapidly and the equipment is obsolete. And, we will be investing in the upgrade of the audio-visual capabilities in the language instruction classrooms at the College of Literature, Science, and the Arts in order to take advantage of recent advances in language instruction pedagogy.

The University is investing further in the Michigan Memorial Phoenix Energy Institute (MMPEI), which played a pivotal role over the past year in a successful research proposal in the area of nuclear engineering and led the effort to locate the Department of Energy's Clean Energy Research Center – Clean Vehicle Collaboration at the University of Michigan. This investment will enhance the multi-disciplinary efforts of faculty at the University in areas of energy research and education.

The budget recommendation also includes support for several academic multicultural initiatives, including Leaders & Best; the Michigan – Pursuing Our Dreams program (M-PODS); and It's Great to Be a Girl. The Leaders & Best program was created by the state to assist incoming first and second year students in making a successful transition from high school to college and includes mentoring and workshops on academic success. Pursuing Our Dreams provides advising services to students that intend to transfer to the University of Michigan from Washtenaw Community College, and like Leaders & Best, it is jointly funded by the state and UM. It's Great to Be a Girl is a mentoring program that matches undergraduate women with middle school girls in a weekly discussion, aiming to create a supportive environment in which girls and mentors can talk about and strategize around issues that affect their self-esteem.

Economic Development and Innovation
The University of Michigan is committed to playing a leading role in catalyzing the economic transformation of the state and the nation. The University has developed a rich variety of programs and partnerships aimed specifically at building working relationships among academia, industry, and government and fostering an environment of creative innovation. Economic development is a high priority within the University's public mission, and sustaining these efforts is one of the important outcomes of maintaining a high quality academic enterprise. Through business engagement, technology transfer, industry partnerships, student internships, entrepreneurship and community assistance, to the extent possible, the University is continuing to put resources toward addressing our region's economic challenges. "Great ideas change everything" is the theme of the University of Michigan's Innovation website, innovate.umich.edu, where these efforts are featured.

During the last year, the University has been engaged in a number of activities that have created opportunities for economic growth of the state. In its fourth year, the University's Business Engagement Center is on pace to develop new relationships with nearly 200 businesses and entrepreneurs in FY2011, complementing the ongoing efforts to manage existing relationships with more than 1,200 companies, large and small. The Center's focus is to advance partnerships between the University and industry through connections for sponsored research, student hiring, technology licensing, usage of equipment or facilities, executive education, and engagement on University committees and boards.

The University is also creating opportunities to assist existing businesses, launch new start-ups, create high-growth jobs and improve the quality of life for the residents of Michigan through commercialization of University research. Last year, U-M Tech Transfer received 290 new inventions and created 97 new agreements with industry, including 10 new start-up ventures. A one-stop hub for start-up venture opportunities is provided by the Venture Center, established by U-M Tech Transfer in 2009. Since 2001, 93 high growth start-ups have been launched, the majority of which are in Michigan, a record among the best of all universities in the country, and many have received venture funding at launch. In late 2010, the Venture Center opened an Accelerator co-located on the North Campus Research Center (NCRC) campus, to provide emerging University of Michigan start-ups with world-class lab and office space along with Venture Center services; the Accelerator is designed to both enhance the quantity and quality of new ventures, rapidly growing jobs and opportunity for our region.

Student interest in entrepreneurship is enormous, and we have been expanding our efforts to develop the next generation of entrepreneurs for the state of Michigan. We have invested in the Center for Entrepreneurship at the College of Engineering and continue to provide numerous educational opportunities for student-entrepreneurs. TechArb, a student business accelerator launched by the University of Michigan and RPM ventures in downtown Ann Arbor in 2009, recently held a student start up showcase featuring 40 ventures. Many of the eight first generation ventures have enjoyed success. DoGood, an iPhone app developed by several students, was recently acquired by a national media company. Another company, Mobiata is expected to reach over $2 million in revenues this year. June Energy, a clean energy venture that is designing a portable solar powered light and energy source for developing countries, recently secured more than $500,000 in venture funding and shipped its first 40 domestic orders. The TechArb will have 18 companies for the summer 2011.

Support for research that yields innovation leading to economic development is also prominent on campus. For example, the Center for Wireless Integrated MicroSystems (WIMS) has developed leading-edge research in vital sectors such as health, national security and environmental monitoring. Established in 2000 by a 10-year grant from the National Science Foundation (NSF), the Center has had an estimated $400 million economic impact on the state of Michigan. Technology developed through WIMS has spawned 11 start-up companies that have created 130 jobs. And enhancing products at established firms has led to an additional 1,500 jobs, according to the Center's final report to NSF. In addition, the Robert H. Lurie Nanofabrication Facility has contributed an estimated $500 million to the state's economy.

Partnering with other universities, industries, governments and foundations is another way that U-M is leveraging its efforts in economic development. University of Michigan administers and leads the fundraising for a state-wide consortium of public universities to promote regional economic development and entrepreneurism, called the Michigan Initiative for Innovation and Entrepreneurship (MIIE). It was established with a $2 million planning grant from the Mott Foundation and continued with a $1.5 million grant from the New Economy Initiative and a $1 million grant from the Dow Foundation. MIIE has distributed $3.4 million since 2008. The University also administers MIIE's predecessor program MUCI (Michigan Universities Commercialization Initiative), which continues with limited funds realized from returns on previous investments. MUCI has distributed a total of $8.1 million in grants for technology commercialization projects.

The Scope of the Budget Challenge

It is important to note that the cost of doing business at a university follows a higher trajectory than it does in the rest of the economy, as our costs are subject to increases beyond the normal forces of inflation. This is largely because teaching and research are more labor-intensive than most activities in the economy, and it is generally the case that the costs of labor rise faster than other prices. In addition, universities make substantial investments in a broad range of new technologies and facilities to conduct leading-edge research and prepare students adequately for careers in a broad spectrum of fields. These are expensive investments that are central to our mission but typically do not increase revenues or create efficiencies. At the same time, the volume of activity (both instruction and research) continues to rise, further driving up costs.

Despite this, our strategic, long-term cost containment efforts in the areas of health benefits, energy usage and space utilization have contributed to relatively low fixed cost increases again for FY2012, and we are further aided this coming year by low inflationary expectations. But while our cost picture is advantageous, our revenue situation has become incredibly challenging. The loss of nearly $48 million from the state, coupled with an uncertain future environment regarding research funding and low interest rates, requires a careful balance between fiscal discipline and the need to invest in the academic enterprise for both current and future students.

It should be noted that revenue to the General Fund comes from three main sources: state appropriation, tuition and indirect cost recovery. Indirect cost recovery pays specifically for the indirect costs of research, and hence this funding is not available for allocation on a discretionary basis. This leaves tuition dollars and the state appropriation as the primary General Fund revenue sources that can be flexibly allocated.

In our FY2012 budget proposal, we are assuming a state appropriation of $268.8 million, slightly more than the amount received in FY1991. This reflects a historic $47.5 million reduction from the amount we received in FY2011 ($46.3 million from the amount we budgeted).

In addition to fixed cost increases and significant revenue constraints, our budget challenge is heightened by our commitments to financial aid and to the quality of the student experience, as previously described. Overall, the University faces a total General Fund budget challenge for FY2012 of $96 million to cover increased costs and revenue shortfalls.

Cost Containment Efforts

The FY2012 budget includes aggressive cost-cutting measures, amounting to nearly $44 million in reductions and reallocation to assist with the budget challenge and to fund new initiatives. This represents 2.5% of the FY2011 General Fund budget plus an additional $5 million from structural changes.

Some of these savings are coming from the greater sharing of health benefits costs with employees, the implementation of a waiting period for our retirement savings plan, procurement initiatives, and expanded energy conservation efforts. Other administrative savings areas include operational reorganizations in facilities maintenance and building services. Additional savings will result from a combination of activities throughout the campus including reorganizations, the shift of expenditures to other revenue sources (gifts and endowment streams), reduced equipment expenditures (primarily through extending replacement cycles and/or reducing new equipment purchases), reductions in the level of facilities support, and improved purchasing practices.

However, given the magnitude of the reductions required in this year's budget, we needed to look deeper into the academic enterprise for efficiency opportunities. For example, efforts are under way to examine our investments in centers and institutes, taking a hard look at their value, and scaling back or even closing them where appropriate. Our centers and institutes are extremely important in enabling cross-disciplinary work in cutting edge areas, and they add great value to our institution. Nevertheless, when they are successful at achieving their goal of creating a cross-disciplinary community of students and faculty, it may be possible for work to continue without full-scale, dedicated center resources. We are reducing center and institute funding by nearly $2 million in this budget and will need to carefully monitor the impact this has on our interdisciplinary activities across campus. We also are taking action and reducing costs in academic administrative units; one example is the Office of Examinations and Evaluations, whose essential functions will be absorbed by the Registrar's Office.

Additional efforts will be taken to reduce costs and improve efficiency in the academic units, including reduced travel budgets, retirement buyouts and not replacing departing staff. Some reductions may directly impact students. For example, several academic units will be offering lower enrollment courses less frequently, and some units will suspend planned investments in their programs. As much as we seek to protect the academic enterprise, tough decisions must be made. At the same time, we need to be careful that we do not jeopardize the quality of the academic experience, and so we are making these decisions only after very careful analysis.

The cost reductions in FY2012 are on top of our on-going cost containment efforts. A summary of these efforts and our future plans follows; please see http://www.vpcomm.umich.edu/pa/key/budget/ for additional details. In seeking efficiencies from our units, we have adopted the following principles:

- Protect and invest in our core educational and research missions
- Remain competitive for the best faculty/staff/students
- Leverage our size and scale
- Maintain high quality essential services
- Eliminate duplicate and lower priority activities
- Shift costs from the General Fund to other funding sources, where appropriate
- Avoid short-term reductions that will raise costs or undercut quality in the long-term
- Introduce centralization and greater sharing of resources in cases where this will result in higher quality services and/or more effective use of high quality facilities
- Consider insourcing and outsourcing, when that leads to improvements in service at the same or lower costs
- Take advantage of advanced technologies to achieve efficiency of operations

These principles have directed us to pursue a broad range of strategies to achieve cost reductions and long-term efficiencies in our operational areas.

Our General Fund cost containment efforts have continued unabated since FY2004, and we have reduced (or avoided) recurring General Fund expenditures by over $135 million from the start of that effort through FY2009. This equates to an average of over $22 million per year for each of the six years. We have historically focused our cost containment efforts in seven key areas, including purchasing, energy efficiency, health benefits strategies, leveraging information technology, other revenue sources, greater productivity of staff and more efficient utilization of space and facilities.

Several years ago, we announced a goal of achieving an additional $100 million in General Fund reductions and reallocations by the end of FY2012. This equates to an average of over $33 million per year in each of the three years, significantly more than the prior six years due to the anticipation of the large reduction in the University's state appropriation. Through disciplined management and effort across the campus by faculty, staff and administrators at all levels of the organization, we are on our way toward meeting that challenge and will achieve this goal by the end of FY2012.

With a primary focus on lowering operational costs, changes have involved a deeper effort in the seven areas listed above and have included further health care cost containment, energy purchasing strategies, reduced energy usage across campus, consolidation of our central IT units, facilities maintenance restructuring, travel and hosting reform, and updating procurement processes. As noted above, this year we need to look deeper in the academic enterprise for cost savings and can no longer primarily rely on administrative units. We must take these steps carefully so that we can continue to protect the excellence of the academic enterprise, invest in our highest priorities and ensure accessibility for our students.

Between FY2013 and the end of FY2017, we plan to achieve additional General Fund reductions and reallocations of $120 million. This equates to an average of $24 million per year in each of the five years.

We are in the process of planning longer-term efforts that will contribute to this goal by enhancing revenue and achieving additional operational efficiencies. Suggestions from the Prudence Panel, convened in March 2009 by the Provost's Office, resulted in the creation of five task forces on Best Practices for Centers and Institutes, Creative Staffing and Shared Services, Expansion of Spring/Summer Instruction, Marketing U-M to Non-Resident Undergraduate Applicants and Non-Traditional Educational Programs at U-M. The recommendations of these task forces have helped shape specific cost reduction and revenue enhancement plans for the long term.

Additionally, efforts at IT rationalization across the Ann Arbor campus that began early in 2010 will contribute to future-year efficiencies and strategic technology investments. And, a benchmarking study was completed in late 2009 to begin identifying areas in our human resources, procurement, information technology and finance operations that have the potential for increased efficiency and cost savings. As a result, an Administrative Services Transformation effort has been launched in order to better understand the way forward in this area.

Working to achieve this level of cost containment has been both difficult and disruptive, but necessary. We plan to continue to find ways to be more efficient in order to manage fixed cost increases and enable investments in financial aid, faculty recruitment and retention, and academic programs. But, consistently cutting and reallocating at a level higher than our rate of new investment will ultimately have a negative impact on the quality of the institution. With continued reduction in the level of state support, it will become extraordinarily difficult to continue to provide the same level of financial aid to our students, to keep world-class faculty on the Ann Arbor campus, and to provide the range of innovative educational programs we do today.

The General Fund Budget Recommendation

The attached Table 1 summarizes the General Fund budget recommendation for FY2012. As mentioned previously, the proposed budget reflects the assumption that the State appropriation will be $268.8 million.

The revenue lines on Table 1 require some explanation. Overall, tuition revenue is budgeted to increase by 7.3%. This is due to increased enrollment relative to budget, along with rate increases. Proposed rate increases are 6.7% for resident undergraduates, 4.9% for non-resident undergraduates and 4.9% for most graduate programs. The increase in Indirect Cost Recovery is due to growth in research. This revenue is used to offset the indirect costs associated with the increase in research volume.

The overall budget is increasing by nearly 2.2%, with Academic Units' budgets increasing by nearly 1.8%. The latter is lower in large part due to a reduction in Academic Program Support to help absorb the loss of the state appropriation. And increased operating costs associated with the North Campus Research Complex (NCRC) resulted in a reduction in the Medical School's budget and an increase in the budget of the Executive Vice President and Chief Financial Officer.

The academic units' budget changes result from tuition rate increases, changes in numbers of students, the volume of indirect cost recovery from sponsored research, and investments in academic initiatives (all of which result from reallocation of funds from other activities, and thus are balanced by reductions elsewhere). As a result, the net increase/decrease varies from unit to unit depending on activity. Most administrative units will receive more modest budget increases than the academic units. The increase in the Communications area is due to campus-wide marketing efforts.

Overall, there is positive growth in the University Items category. The primary driver of this increase is our additional investment in centrally awarded financial aid; this $8.2 million is enhanced by another $3 million in other sources (and so is not depicted on Table 1). Successful energy conservation efforts have led to a modest increase in utilities costs. The increase in the Staff Benefits Pool is related to unemployment compensation.

Conclusion

The FY2012 General Fund budget proposal for the University of Michigan – Ann Arbor is the result of many years of financial planning and incorporates difficult tradeoffs. Even with the largest reduction ever in our state appropriation, we are able to enhance our commitment to students and their families by investing heavily in financial aid and ensuring a high quality student experience. This is possible because of our aggressive, long-term cost containment efforts and multi-year financial planning. The budget ensures that the University maintains its excellence, both in and out of the classroom, and remains a strong and vibrant contributor to the state, the region, and the nation despite a period of difficult budgetary challenges.

We acknowledge the difficult fiscal circumstances of the state and understand the need to make difficult choices, including their level of support for higher education. We will continue to stand firm in our mission "to serve the people of Michigan and the world through preeminence in creating, communicating, preserving and applying knowledge, art, and academic values, and in developing leaders and citizens who will challenge the present and enrich the future." Nevertheless, we must be exceptionally prudent in our planning and financial management in order to protect the quality of the University of Michigan. Maintaining our position as one of the best educational and research institutions in the world is one of our top goals, and it is critical to our ability to continue supporting the state's economic transformation and recovery.

Table I

The University of Michigan - Ann Arbor
Proposed General Fund Budget
Fiscal Year 2011-12

	FY 2011 Adjusted Budget*	Recommended Change	Proposed FY 2012 Budget	% Change	Average Annualized Three-Year % Change
Revenue Budgets					
State appropriation	315,147,800	(46,344,500)	268,803,300	-14.71%	-6.60%
Tuition and Fees	1,015,952,444	74,387,572	1,090,340,016	7.32%	6.82%
Indirect Cost Recovery	212,467,041	5,824,094	218,291,135	2.74%	8.36%
Other Revenue	9,678,000	(75,000)	9,603,000	-0.77%	-9.21%
Total Revenues	1,553,245,285	33,792,166	1,587,037,451	2.18%	4.05%
Expenditure Budgets by Unit					
A. Alfred Taubman College of Architecture & Urban Planning	14,442,729	434,652	14,877,381	3.01%	5.64%
School of Art & Design	9,501,157	13,978	9,515,135	0.15%	2.58%
Stephen M. Ross School of Business	74,768,189	2,334,241	77,102,430	3.12%	3.07%
School of Dentistry	30,191,734	(234,688)	29,957,046	-0.78%	2.70%
School of Education	17,345,577	(366,052)	16,979,525	-2.11%	1.90%
College of Engineering	151,552,960	4,071,861	155,624,821	2.69%	6.94%
School of Information	13,487,251	633,115	14,120,366	4.69%	8.19%
School of Kinesiology	10,286,868	1,038,745	11,325,613	10.10%	5.37%
Law School	42,157,221	926,053	43,083,274	2.20%	1.43%
College of Literature, Science and the Arts	309,194,192	14,937,295	324,131,487	4.83%	3.66%
Medical School	89,252,020	(11,155,935)	78,096,085	-12.50%	-1.91%
School of Music, Theatre & Dance	27,418,471	1,568,865	28,987,336	5.72%	3.92%
School of Natural Resources & Environment	8,168,987	1,246,979	9,415,966	15.26%	13.22%
School of Nursing	14,265,442	1,024,704	15,290,146	7.18%	4.37%
College of Pharmacy	11,346,208	640,375	11,986,583	5.64%	3.43%
School of Public Health	30,975,114	2,730,362	33,705,476	8.81%	6.74%
Gerald R. Ford School of Public Policy	9,631,470	(760,734)	8,870,736	-7.90%	1.56%
School of Social Work	18,257,697	488,964	18,746,661	2.68%	3.13%
Horace H. Rackham School of Graduate Studies	8,617,360	962	8,618,322	0.01%	1.02%
University Academic Units	59,543,316	924,862	60,468,178	1.55%	2.10%
Research Units	4,314,464	654,726	4,969,190	15.18%	6.43%
Academic Program Support	84,366,721	(2,920,883)	81,445,838	-3.46%	15.91%
TOTAL ACADEMIC	1,039,085,148	18,232,447	1,057,317,595	1.75%	4.46%
President	1,794,644	37,477	1,832,121	2.09%	1.59%
Provost & Executive Vice President for Academic Affairs	29,528,862	50,265	29,579,127	0.17%	2.56%
Executive Vice President & Chief Financial Officer	164,732,448	4,124,707	168,857,155	2.50%	1.20%
Vice President for Communications	5,283,304	281,488	5,564,792	5.33%	2.73%
Vice President for Development	833,873	7,256	841,129	0.87%	1.50%
Vice President & General Counsel	3,054,037	18,812	3,072,849	0.62%	1.26%
Vice President for Government Relations	1,809,518	11,198	1,820,716	0.62%	1.15%
Vice President for Research- Support Units	23,477,918	350,536	23,828,454	1.49%	2.39%
Vice President & Secretary of the University	722,795	21,127	743,922	2.92%	2.48%
Vice President for Student Affairs	15,091,771	66,868	15,158,639	0.44%	1.85%
TOTAL EXECUTIVE OFFICER AND SERVICE UNITS	246,329,170	4,969,734	251,298,904	2.02%	1.53%
General University Support	36,778,415	650,891	37,429,306	1.77%	0.91%
Centrally Awarded Financial Aid	126,055,933	8,199,075	134,255,008	6.50%	7.99%
Utilities	88,412,821	1,283,100	89,695,921	1.45%	2.49%
Insurance	8,477,433	36,954	8,514,387	0.44%	5.25%
Legal and Professional Fees	369,031	0	369,031	0.00%	0.00%
Ceremonial and Presidential Events	737,334	19,965	757,299	2.71%	5.44%
Departmental Income	6,000,000	0	6,000,000	0.00%	0.00%
Staff Benefits Pool	1,000,000	400,000	1,400,000	40.00%	19.52%
UNIVERSITY ITEMS	267,830,967	10,589,985	278,420,952	3.95%	4.86%
Total Expenditures	1,553,245,285	33,792,166	1,587,037,451	2.18%	4.05%

* Transfers between units are incorporated in the FY 2011 Adjusted Budget