

The University of Michigan
Regents Communication

EXH	MOTION Deitch
	SECONDED White
	ACTION APPROVED BY THE REGENTS
NOTE:	JUL 21 2005

ACTION REQUEST

Subject: 2005-2006 University Health Service Fee

Action Requested: Authorization of 7.4% Increase in UHS Fee

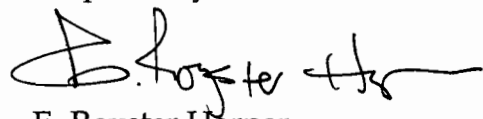
Background:

We are requesting a fee increase of 7.4% for FY2005-06. This represents a \$10.17 increase to \$147.54 per student per term. The proposed fee will fund medical cost inflation, increased psychiatric services for students and will help offset reductions in other revenue streams which previously allowed us to minimize increases to the student fee. This budget also contains cost containment efforts totaling \$50,000. A summary of the Health Service Budget and requested fee increase is attached (Table 1).

The UHS Student Fee History chart (Chart 1) shows UHS fees over the past six years. For comparison we present the U.S. City Medical Care Cost Index and the Detroit Area Medical Care Cost Index (Chart 2). The requested fee includes an inflation increase equal to the Detroit Area Medical Cost Index in addition to the amount needed to fund the increased psychiatric services and the reduction in other revenues as noted above. We believe this budget demonstrates our commitment to containing costs while continuing to provide the full expanse of services to students.

We recommend that the Regents approve a 7.4% increase in the UHS fee for FY2005-2006.

Respectfully submitted,



E. Royster Harper
Vice President for Student Affairs

July 2005

TABLE 1

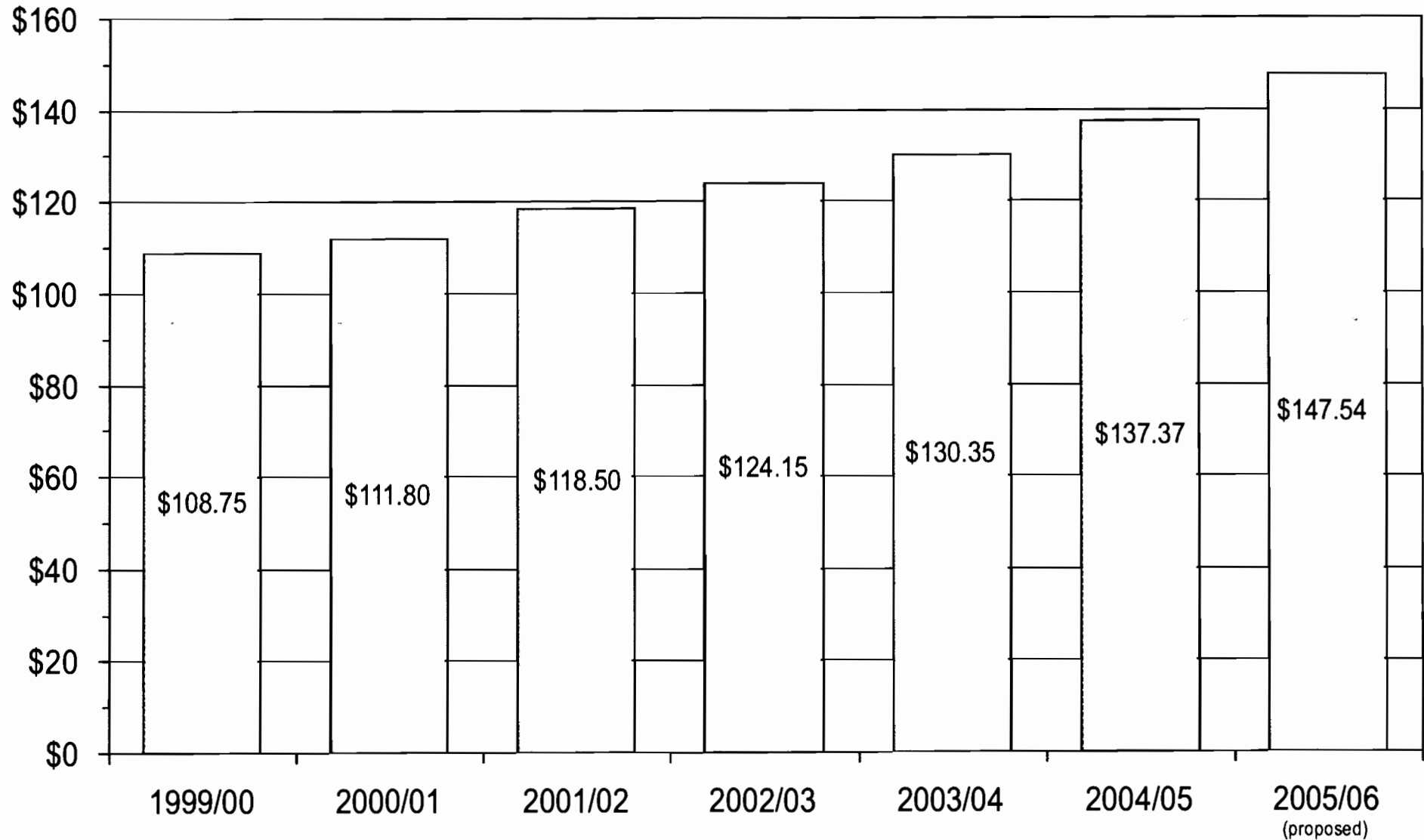
UNIVERSITY OF MICHIGAN
UNIVERSITY HEALTH SERVICE BUDGET

	FY 2004/2005 BUDGET	PROPOSED FY 2005/2006 BUDGET	VARIANCE AMOUNT	%
INCOME:				
Clinical & Other Revenue	\$ 4,594,490	\$ 4,583,141	\$ (11,349)	-0.2%
*Student Fee	10,371,435	11,139,270	767,835	7.4%
TOTAL INCOME	\$ 14,965,925	\$ 15,722,411	\$ 756,486	5.1%
EXPENSE:				
Salaries	\$ 8,245,800	\$ 8,588,462	\$ 342,662	4.2%
Fringe Benefits	2,350,053	2,533,597	183,544	7.8%
Non-Salary Expenses	4,025,630	4,215,965	190,335	4.7%
Building/Equipment Fund	130,000	130,000	-	0.0%
Utilities	214,200	253,250	39,050	18.2%
TOTAL EXPENSE	\$ 14,965,683	\$ 15,721,274	\$ 755,591	5.0%
NET INCOME (LOSS)	\$ 242	\$ 1,137		
Total UHS Student Fee Per Student Per Semester	\$ 137.37	\$ 147.54	\$ 10.17	7.4%

*Note: The student fee increase is based on 75,500 semester fees, which has been adjusted for recent experience.

UHS Student Fee History

F.Y. 1999/2000 to 2005/06



UHS Fee Increase Growth Compared to Medical Care Indices Calendar Year of 2004

Chart 2

