

The University of Michigan
Regents Communication

Approved by the Regents

July 21, 2006

ACTION REQUEST

Subject: 2006-2007 University Health Service Fee

Action Requested: Authorization of 5.5% Increase in UHS Fee

Background:

We are requesting a fee increase of 5.5% for FY2006-07. This represents an \$8.11 increase to \$155.65 per student per term. The proposed fee will fund medical cost inflation, additional increases in utility costs and enhancements to our Alcohol and Other Drugs Program. This budget also reflects 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 additional utilities costs and the Alcohol and Other drugs Program enhancements 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 5.5% increase in the UHS fee for FY2006-07.

Respectfully submitted,



E. Royster Harper
Vice President for Student Affairs

TABLE 1

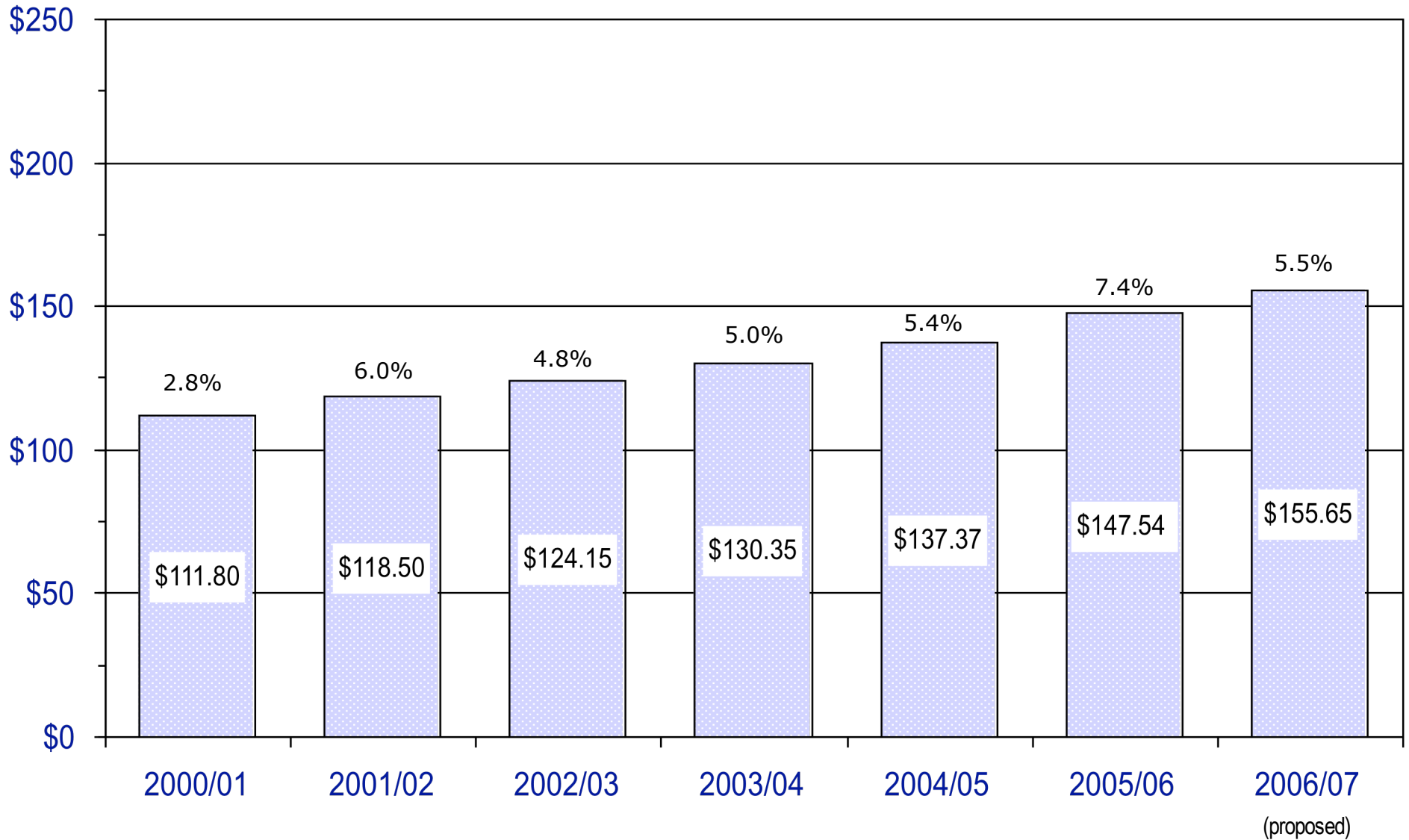
UNIVERSITY OF MICHIGAN
UNIVERSITY HEALTH SERVICE BUDGET

	FY 2005/2006 BUDGET	PROPOSED FY 2006/2007 BUDGET	VARIANCE AMOUNT	%
INCOME:				
Clinical & Other Revenue	\$ 4,583,141	\$ 4,613,725	\$ 30,584	0.7%
*Student Fee	11,139,270	11,751,575	612,305	5.5%
TOTAL INCOME	\$ 15,722,411	\$ 16,365,300	\$ 642,889	4.1%
EXPENSE:				
Salaries	\$ 8,588,462	\$ 8,955,373	\$ 366,911	4.3%
Fringe Benefits	2,533,597	2,659,744	126,147	5.0%
Non-Salary Expenses	4,215,965	4,256,586	40,621	1.0%
Building/Equipment Fund	130,000	130,000	-	0.0%
Utilities	253,250	363,547	110,297	43.6%
TOTAL EXPENSE	\$ 15,721,274	\$ 16,365,250	\$ 643,976	4.1%
NET INCOME (LOSS)	\$ 1,137	\$ 50		
Total UHS Student Fee Per Student Per Semester	\$ 147.54	\$ 155.65	\$ 8.11	5.5%

*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. 2000/01 to 2006/07



UHS Fee Increase Compared to Medical Care Cost Indices Calendar Year of 2005

