

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

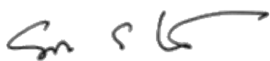
ITEM FOR INFORMATION

Subject: FY 2026 University Budget Book

Background:

The University Budget Book for fiscal year 2026 sets forth the budget approved by the Board of Regents at the June 2025 meeting. An electronic version is available on the Board of Regents website.

Respectfully submitted,



Geoffrey S. Chatas
*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 Dean of the
Medical School*

October 2025

University Budget Book



Fiscal Year 2026



Supporting Our Mission

The University of Michigan (U-M) FY 2026 operating budget totals \$15.6 billion and reflects the complexity of the institution's funding and missions. The University Budget Book provides an overview of operating revenues and expenses for the institution and highlights the alignment of our budget to our strategic priorities and missions.



\$15.6B

**FY 2026
Operating Budget**

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Enterprise Executive Summary

A Leading Public University

The University of Michigan (U-M) is a leader in higher education due to the exceptional quality of its schools and colleges, internationally recognized faculty and departments, dedicated staff, and impactful research. With over 67,000 students and approximately 9,000 faculty members, U-M supports more than 260 degree programs, of which more than 100 are top 10 graduate programs (*U.S. News & World Report*). The university's academic medical center, Michigan Medicine, along with its regional hospitals, exemplifies this excellence through cutting-edge patient care, groundbreaking medical research, and comprehensive education and training programs for future healthcare professionals.

U-M is committed to maintaining a strong foundation, ensuring it remains well positioned to deliver excellent education to students, conduct societally beneficial research, and provide

Geoffrey S. Chatas

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for Medical Affairs and CEO,
Michigan Medicine



Effective July 1, 2025, David C. Miller succeeded Marshall S. Runge as EVP for Medical Affairs and CEO of Michigan Medicine.

outstanding healthcare services. This commitment to financial sustainability involves responsible resource management and strategic investments for long-term benefits.

The university is well prepared for the future, and is one of only seven public universities nationwide to earn the highest credit ratings from S&P Global (AAA) and Moody's (Aaa). For fiscal year 2026, U-M has budgeted total operating revenue of \$15.6 billion. This budget supports both academic and healthcare excellence, allows for future investments, and maintains a commitment to student affordability and access.

U-M's budget is guided by strategic plans and priorities, focusing on academic excellence, patient care, and investment in research and innovation. Research and public service underpin our mission and greatly influence our impact on local, regional, and global communities.

The University of Michigan, like all higher education institutions, is facing economic uncertainties which shaped its planning for FY 2026. These challenges include potential decreases in research funding, caps on indirect cost reimbursements, uncertainty regarding international student enrollment, endowment taxes, and new tariffs on goods, construction supplies, and research equipment. Additionally, persistent economic pressures such as declining state funding, demographic shifts, and rising costs continue to affect the university. The FY 2026 budget is designed to address these uncertainties and will be adjusted as needed throughout the upcoming fiscal year.

FY 2026 Enterprise Budget

U-M's mission-focused operating budget prioritizes affordability, access, student success, and academic excellence through investments in faculty, staff, and critical infrastructure. Diverse revenue streams—patient care, tuition and fees, sponsored programs, philanthropy, investments, and state appropriations—contribute to U-M's fiscal health. Total enterprise operating revenues of \$15.6 billion reflect a year-over-year growth of \$7.7 million.

- Patient care revenues increased by \$590 million, driven by activity growth and payer rate changes.
- Tuition and fees are budgeted to grow by \$145 million year-over-year.

- State appropriations of \$424.5 million are crucial, supporting student success, accessibility, and affordability, and accounting for 2.9% of operating revenues.
- Investment income of \$700 million provides stable support for U-M.

Total operating expenditures of \$15.3 billion, rising by \$1.0 billion year-over-year, reflect costs supporting revenue growth, investments in financial aid (e.g., the Go Blue Guarantee), and inflationary increases. The university is committed to maintaining affordability, ensuring all Michigan students have access to a U-M education. Colleges, schools, and units continue to optimize financial resources, implementing cost containment measures to promote efficiency and mitigate inflationary pressures.

The FY 2026 operating budget, approved by the U-M Board of Regents on June 12, 2025, covers all three U-M campuses: Ann Arbor, Dearborn, and Flint. The fiscal year runs from July 1, 2025 to June 30, 2026, 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 2026. These changes stem from current economic uncertainties, including expected reductions in federal research revenue and indirect cost recovery. Some budget highlights include:

- Tuition and fee increase of 3.4% for resident students and 4.9% for non-resident and graduate students. There is no change in out-of-pocket tuition and fees for resident undergraduate students with need.
- State appropriations are projected to remain flat.
- Research expenditures funded by federal agencies and related indirect cost recovery are projected to decline from FY 2025 levels.
- The budget expands the Go Blue Guarantee to \$125,000 in family income and assets for resident students and makes critical investments in key impact areas.



- The financial outlook for Athletics is highly dependent on the number of home football games. Athletics will receive \$15 million in non-general fund support from the university to balance its budget, in part due to the fact that there are only six home football games this fall.
- Starting in FY 2026, Athletics plans to add approximately \$26.7 million in new expenses related to student-athlete revenue sharing and new scholarships.
- University Health & Counseling includes a 3.9% fee increase.
- Housing rates include a planned increase of 6.0% to support hiring for the Central Campus Residential Development Phase I opening in fall 2026 and to address current and future housing maintenance needs.
- The FY 2026 budget introduces a new Student Recreation and Wellness Fee of \$75 per term. This fee aims to improve access to current operations, enhance program offerings, and support the new Hadley Family Recreation & Well-Being Center that will open in fall 2025.

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 EVPMA. Michigan Medicine includes 11 hospitals and statewide outpatient health centers and clinics. UM Health-Sparrow serves the greater Lansing region as well as much of mid-Michigan, while UM Health-West serves the greater Grand Rapids area and surrounding communities across West Michigan. Operating highlights for FY 2026 include:

- Michigan Medicine's FY 2026 operating and capital budgets reflect a realistic outlook regarding potential economic challenges to health care originating from the state and Washington, DC, but retains steady commitments to long-term strategic investments, including increased funds flow to the Medical School in support of biomedical and health science research and education. Accompanying the budget are contingency plans that can preserve cash, lower cost structures, and shift focus to high margin services, thus creating flexibility amid uncertainty.

- Michigan Medicine is expanding in Ann Arbor and across Michigan, with strategic investments like the Kahn Pavilion and new facilities in Lansing, Grand Rapids, and Troy. These projects aim to expand access, modernize care delivery, and support the clinical and academic missions while maintaining careful financial stewardship to handle associated start-up and operational costs.
- Michigan Medicine faces several external financial risks in FY 2026, such as federal policy changes with Medicare, Medicaid, and pharmaceutical discount programs, inflationary pressures regarding organized labor and tariffs on supplies and materials, and challenges with commercial payers. To address these risks, the system is implementing enterprise-wide cost containment measures, prioritizing capital investments strategically, and enhancing productivity to maintain financial flexibility.

UM–Dearborn

UM–Dearborn, building off tripled external research funding and reaching R2 status in FY 2025, presented a balanced budget for FY 2026. Budget highlights include:

- The \$183.7 million general fund budget includes mixed changes to student enrollment and reflects a 3.9% undergraduate resident tuition rate increase.
- The base budget for state appropriations revenue is anticipated to remain steady at \$31.7 million.
- UM–Dearborn is committed to student affordability and continues to provide merit and need-based financial

aid, including continued support of student accessibility through the Go Blue Guarantee student aid program.

- The UM–Dearborn budget continues to be impacted by changing demographics of college-bound students and a broad range of economic issues facing the national economy. UM–Dearborn is committed to providing new resources to fund wage adjustments for all of its regular campus employees.

UM–Flint

The FY 2026 General Fund budget for UM–Flint assumes no additional state funding from FY 2024–2025. The proposed budget assumes a 4.9%, or \$732, per year increase in combined tuition and fees for undergraduate students, and a 3.5%, or \$666, per year increase in combined tuition and fees for most graduate students for the 2025–2026 academic year.

The FY 2026 budget assumes:

- Undergraduate enrollment increase of 2.0%, graduate enrollment increase of 5.5%
- \$2.0M increase to institutional financial aid
- A state appropriation of approximately \$27.0 million

UM–Flint maintains the third lowest tuition and the second lowest housing rates among Michigan’s 15 public universities. It is committed to fostering student, faculty, and staff success while maintaining a focus on affordability and accessibility.



FY 2026 Budget by Fund

FY 2026 CONSOLIDATED OPERATING BUDGET							
<i>in millions</i>	General	Designated	Auxiliary	Expendable Restricted	Total	Total FY 2025	FY 2026 Variance to FY 2025
REVENUE:							
State Appropriations	\$ 424	\$ –	\$ –	\$ –	\$ 424	\$ 425	\$ (0)
Student Tuition and Fees	2,592	–	–	–	2,592	2,447	145
Sponsored Programs							
Federal	–	–	–	1,272	1,272	1,435	(163)
State/Local	–	–	–	16	16	77	(61)
Non-Governmental	–	–	–	320	320	293	27
Indirect Cost Recovery	309	35	–	–	344	398	(55)
Indirect Cost Recovery Allocated to General Operating	–	–	–	(344)	(344)	(398)	55
Private Gifts	–	2	–	225	227	177	50
Investment Income							
Endowment Income	–	75	119	400	594	434	160
Other	–	61	17	28	106	350	(243)
Patient Care Revenue	–	12	9,023	–	9,036	8,446	590
Departmental Activities	15	165	3,072	1	3,253	3,009	244
Total Revenue:	\$ 3,340	\$ 350	\$ 12,231	\$ 1,918	\$ 17,840	\$ 17,092	\$ 748
Less Rebilling Credits ¹	–	(10)	(727)	–	(737)	(849)	112
Less Inter-Unit Transfers ²	–	–	(1,467)	–	(1,467)	(1,379)	(87)
Net Revenue:	\$ 3,340	\$ 340	\$ 10,038	\$ 1,918	\$ 15,637	\$ 14,864	\$ 773
EXPENDITURES:							
Compensation and Benefits	\$ 1,908	\$ 207	\$ 6,146	\$ 960	\$ 9,220	\$ 8,674	\$ 546
Financial Aid	646	6	30	321	1,003	961	41
Supplies, Services and Other	488	58	5,390	551	6,486	6,176	310
Plant Improvement	299	27	486	17	829	715	114
Total Expenditures:	\$ 3,340	\$ 298	\$ 12,052	\$ 1,848	\$ 17,538	\$ 16,526	\$ 1,012
Less Rebilling Credits ¹	–	(10)	(727)	–	(737)	(849)	112
Less Inter-Unit Transfers ²	–	–	(1,467)	–	(1,467)	(1,379)	(87)
Net Expenditures:	\$ 3,340	\$ 288	\$ 9,858	\$ 1,848	\$ 15,334	\$ 14,298	\$ 1,036
Margin	\$ –	\$ 52	\$ 179	\$ 70	\$ 302	\$ 566	\$ (264)

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

² Offset for inter-unit transfers included with UMH-Ann Arbor.

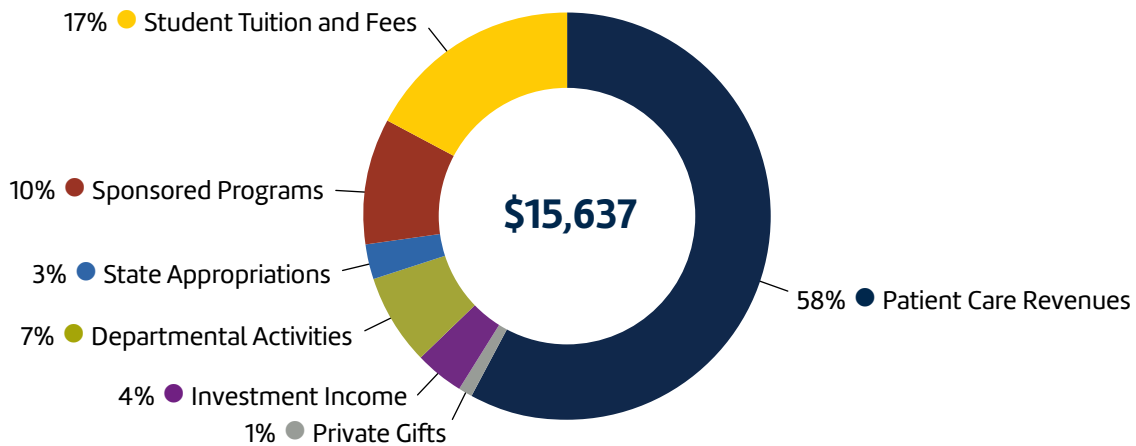
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U.S. Public University
QS World University Rankings (2026)

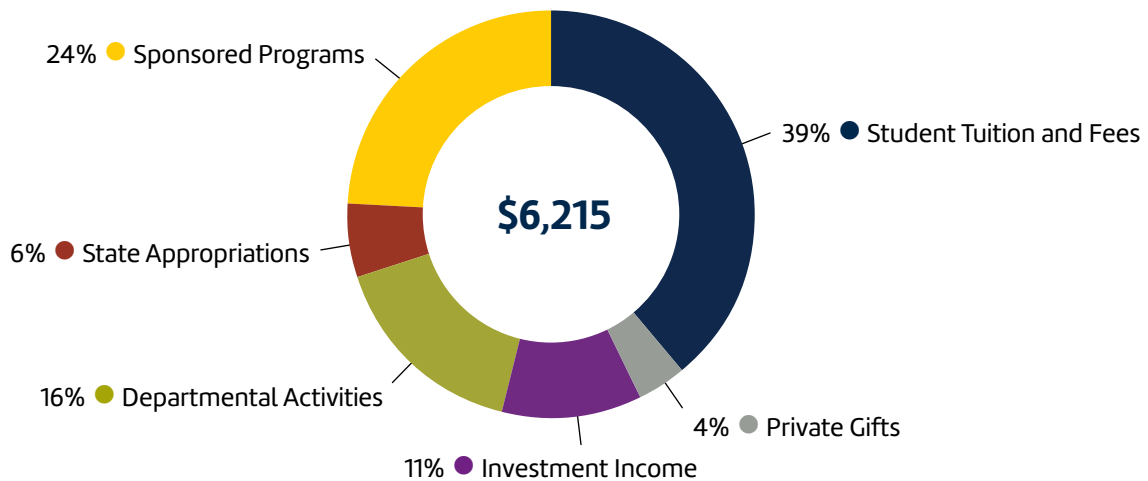
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U-M Academic R&D Expenditures
U.S. Public Research
University
NSF (National Science Foundation, FY 2022)

FY 2026 Budgeted Revenues (including Michigan Medicine) *in millions*



FY 2026 Budgeted Revenues (excluding Michigan Medicine) *in millions*



#3

**National
Undergraduate Public
Universities**
U.S. News & World Report (2025)

#18

**World Reputation
Rankings**
Times Higher Ed (2025)

University Operating Trends Including Michigan Medicine

<i>in millions</i>	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual*	FY 2025 Budget**	FY 2026 Budget**
REVENUE:							
State Appropriations	\$ 331	\$ 373	\$ 392	\$ 392	\$ 420	\$ 425	\$ 424
Student Tuition and Fees	1,944	1,978	2,085	2,187	2,308	2,447	2,592
Sponsored Programs	1,153	1,268	1,237	1,218	1,298	1,407	1,264
Indirect Cost Recovery from Sponsored Programs	304	306	330	351	399	398	344
Private Gifts	160	163	195	156	226	177	227
Endowment & Investment Distributions	471	456	491	610	699	784	700
Net Patient Revenues	4,682	5,249	5,520	5,988	8,034	8,446	9,036
Departmental Activities	808	648	756	655	1,026	3,009	3,253
Total Revenue:	\$ 9,854	\$ 10,440	\$ 11,004	\$ 11,558	\$ 14,410	\$ 17,092	\$ 17,840
Less Rebilling Credits ¹						(849)	(737)
Less Inter-Unit Transfers ²						(1,379)	(1,467)
Net Revenue:	\$ 9,854	\$ 10,440	\$ 11,004	\$ 11,558	\$ 14,410	\$ 14,864	\$ 15,637
EXPENDITURES:							
Compensation and Benefits	\$ 5,912	\$ 5,883	\$ 6,257	\$ 6,851	\$ 8,184	\$ 8,674	\$ 9,220
Financial Aid	774	794	844	880	995	961	1,003
Supplies, Services and Other	2,562	2,549	2,716	2,845	4,185	6,176	6,486
Plant Improvement	571	563	704	676	964	715	829
Total Expenditures:	\$ 9,818	\$ 9,789	\$ 10,521	\$ 11,252	\$ 14,328	\$ 16,526	\$ 17,538
Less Rebilling Credits ¹						(849)	(737)
Less Inter-Unit Transfers ²						(1,379)	(1,467)
Net Revenue:	\$ 9,818	\$ 9,789	\$ 10,521	\$ 11,252	\$ 14,328	\$ 14,298	\$ 15,344
Operating Fund Margin	\$ 35	\$ 652	\$ 483	\$ 306	\$ 82	\$ 566	\$ 302

* FY 2024 Forward – Includes UM Health–Sparrow.

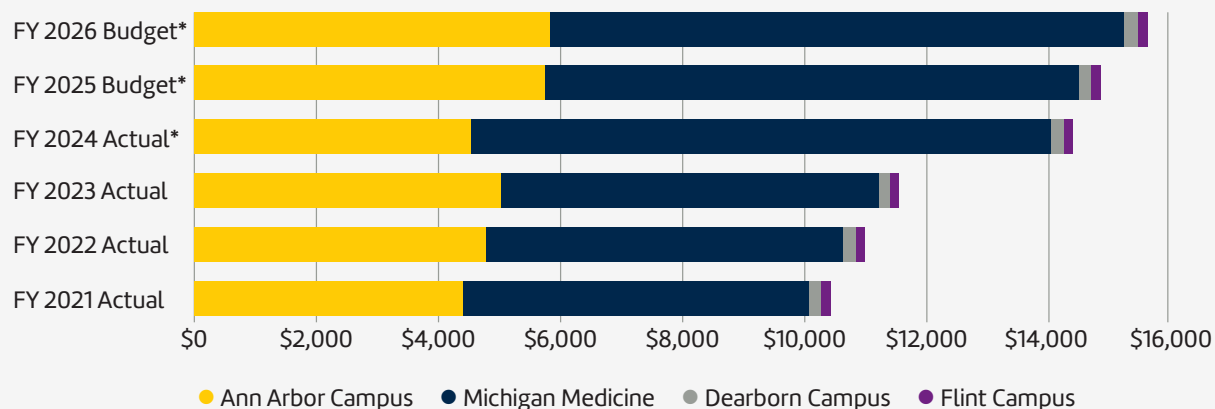
** FY 2025 – FY 2026 Splitting out intercompany activity to increase budget transparency.

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



*Includes UM Health–Sparrow

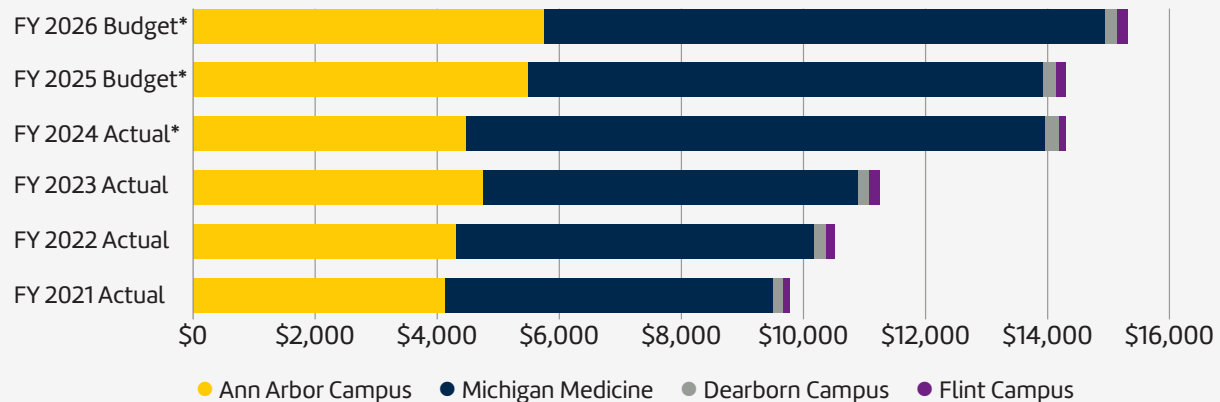
Campus Level Budget & Trends

<i>in millions</i>	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual*	FY 2025 Budget*	FY 2026 Budget*
REVENUE:						
Ann Arbor Campus	\$ 4,399	\$ 4,784	\$ 5,033	\$ 4,542	\$ 5,752	\$ 5,831
Michigan Medicine	5,683	5,858	6,188	9,508	8,752	9,421
Dearborn Campus	197	209	195	207	207	216
Flint Campus	161	153	142	153	154	168
Total Revenue:	\$ 10,440	\$ 11,004	\$ 11,558	\$ 14,410	\$ 14,864	\$ 15,637
EXPENDITURES:						
Ann Arbor Campus	\$ 4,135	\$ 4,324	\$ 4,759	\$ 4,478	\$ 5,490	\$ 5,732
Michigan Medicine	5,358	5,842	6,143	9,489	8,447	9,218
Dearborn Campus	174	204	198	205	207	216
Flint Campus	122	152	152	156	154	168
Total Expenditures:	\$ 9,789	\$ 10,521	\$ 11,252	\$ 14,328	\$ 14,298	\$ 15,334
OPERATING FUND MARGIN:						
Ann Arbor Campus	\$ 264	\$ 460	\$ 274	\$ 64	\$ 261	\$ 99
Michigan Medicine	325	16	45	19	305	203
Dearborn Campus	24	5	(3)	2	-	-
Flint Campus	40	2	(10)	(3)	-	-
Operating Fund Margin:	\$ 652	\$ 483	\$ 306	\$ 82	\$ 566	\$ 302

*Includes UM Health-Sparrow

Total Operating Expenditure Trends

in millions



*Includes UM Health-Sparrow

FY 2026

Budget Priorities

The University of Michigan–Ann Arbor is committed to advancing its key priorities for the FY 2026 general fund budget, focusing on our mission, sustaining our vision, and ensuring access and opportunity for all. This budget carefully balances financial challenges with the need for sustained growth and innovation, securing the resources essential for a vibrant future.

Renowned for its excellence and return on investment, U–M steadfastly upholds its reputation by funding initiatives that promote innovation and academic success. Despite financial constraints, we remain committed to thoughtful investment, rigorously prioritizing and strategically managing resources to maintain our standing and fulfill our commitments.

In FY 2026, we centered our investments on four pivotal areas: providing life–changing education; enhancing human health and well–being; fostering democracy, civic, and global engagement; and advancing climate action, sustainability, and environmental justice. Looking ahead, we have added a fifth pillar—developing advanced technology—to guide and expand our future investments. Through these efforts, we strive to make a meaningful impact on the world.

Life–Changing Education

We are continually enhancing our prestigious educational offerings, which are acknowledged both nationally and internationally. Investments in FY 2026 include numerous student–focused services, the dual undergraduate degree option in Engineering and the Stephen M. Ross School of Business, the addition of several new online graduate programs, and expanding initiatives at the University of Michigan Center for Innovation. We are providing high–value degree options, boosting student success, and extending our academic reach.

Human Health & Well–Being

This year’s budget strengthens our commitment by enhancing services and public safety. Our investments aim to improve the well–being of students, faculty, and staff. Funding for disability navigators, renewed research equipment for the Biointerfaces Institute, access to adaptive sports, and growth in the School of Nursing enrollment are among the investments that further our mission in this area.

Democracy and Civic Global Engagement

Our focus on democracy and civic and global engagement continues. FY 2026 funding supports Elevating Detroit through the Ross Business + Impact initiative, investment in

the Raoul Wallenberg Institute, continuation of the UMICH Votes Coalition, and enhancements to public engagement at the Bentley Historical Library. Our goal is to encourage learning, dialogue, and community participation in creating a just and peaceful society.

Climate Action, Sustainability, and Environmental Justice

The FY 2026 budget includes investments to support sustainability in operations, in education, and in research. Support for electric buses, investments in sustainability curriculum and programming, and our partnership with the State of Michigan at our Electric Vehicle Center all contribute to driving climate action and resilience.

Advanced Technology

With the establishment of advanced technology as a new pillar of our vision, we are strengthening our role as stewards of responsible innovation across disciplines. As we look to the future, we see opportunities to invest in this area. Guided by transparency and public input, our efforts ensure that technological breakthroughs serve the common good, improve the human condition, and position the university as a leader in shaping the future.



GO BLUE GUARANTEE

- Free tuition for eligible in-state undergraduate students
- Eligibility at UM-AA extended to students with family income of \$125,000 and under & assets below \$125,000

Student Access and Affordability

We remain committed to affordability, with many in-state undergraduates seeing lower net tuition costs than they did a decade ago, even after accounting for inflation. In FY 2025, 33% of in-state undergraduates paid no tuition after financial aid, and 59% paid less than the listed price, due in large part to the Go Blue Guarantee (GBG). The FY 2026 budget strengthens our commitment by increasing undergraduate aid by 4.5%, and we anticipate no change in out-of-pocket tuition and fees for in-state undergraduates with financial need. In FY 2026, the University of Michigan–Ann Arbor will expand the GBG programs by increasing eligibility to families making up to \$125,000, and providing aid to cover the full cost of attendance for eligible students in key teacher preparation, social work, and nursing programs. The budget also provides additional support to expand Wolverine Pathways to more students within our state.

Academic Excellence

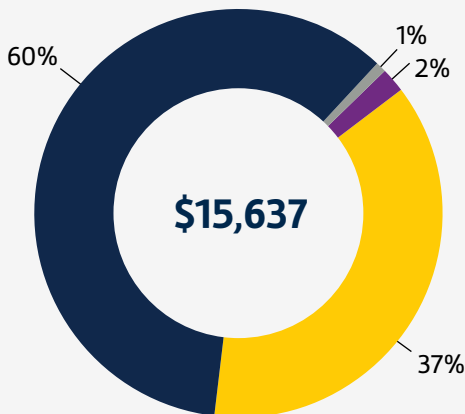
Our dedication to academic excellence guides us as we navigate uncertain times. Our FY 2026 investments deepen the strengths that allow U–M to weather challenging periods. A key focus is empowering students, faculty, and staff to achieve long-term societal impact through education, research, and service. We draw strength from our distinguished faculty and support from dedicated staff to fulfill our mission.

FY 2026 All Operating Funds Budget by Fund & Campus

<i>in millions</i>	General	Designated	Auxiliary Funds	Expendable Restricted	Total
REVENUE BUDGET:					
Michigan Medicine	\$ -	\$ 14	\$ 9,349	\$ 59	\$ 9,421
Ann Arbor Campus	3,018	324	682	1,807	5,831
Dearborn Campus	184	1	2	29	216
Flint Campus	138	1	5	23	168
Total Revenue:	\$ 3,340	\$ 340	\$ 10,038	\$ 1,918	\$ 15,637
EXPENDITURE BUDGET:					
Michigan Medicine	\$ -	\$ 12	\$ 9,177	\$ 29	\$ 9,218
Ann Arbor Campus	3,018	273	674	1,766	5,732
Dearborn Campus	184	1	2	29	216
Flint Campus	138	1	5	23	168
Total Expenditures:	\$ 3,340	\$ 288	\$ 9,858	\$ 1,848	\$ 15,334

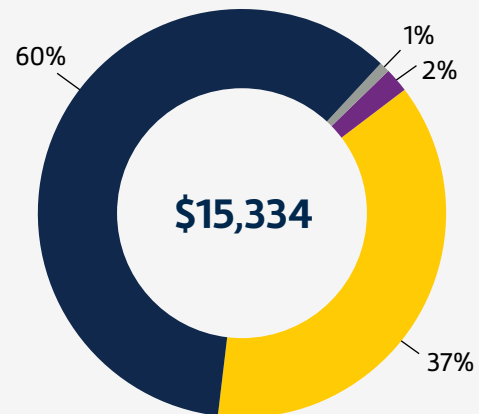
Operating Revenues

in millions



Operating Expenses

in millions



● Ann Arbor Campus ● Michigan Medicine ● Flint Campus ● Dearborn Campus

- Revenues budgeted at \$15.6B
- Revenues include \$1.7B 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 2026

Strategic Context

The general fund is crucial for the university's academic mission, and the FY 2026 budget reflects our key priorities, shaped by several important factors.

FY 2026

New initiatives supporting U-M's world-class educational, research, and service missions are funded through state support, indirect cost recovery from research, and tuition and fees from our student body.

Unprecedented Challenges

The University of Michigan is navigating challenging times due to changes in key revenue streams that impact the institution's financial resources. Notably, there have been cuts to research funding and associated indirect cost revenues, which are crucial for supporting our extensive research enterprise. We also face possible changes to federal aid programs for our students or other revenue constraints due to executive orders. Additionally, a projected flat state appropriation means that U-M will not realize the necessary increases in state support to match inflationary costs. Compounding these issues, a projected decline in international enrollment will also impact tuition and fee revenues across campus.

State Appropriation

As a public university deeply committed to our partnership with the citizens of Michigan, we are dedicated to achieving educational and developmental goals that benefit our state. We strongly encourage the state to prioritize investment and ensure predictable annual increases in funding and financial

aid, which are essential for covering our costs and maintaining accessibility. The return on the state's investment in U-M is substantial. State funding advances 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 fostering interdisciplinary collaboration in diverse areas such as healthcare policy, engineering, the arts, and beyond. Our commitment to groundbreaking research has consistently earned us a high national ranking for research activity, reflecting both our dedication and our success.

However, navigating the shifting landscape of research funding presents unprecedented challenges. We will continue to advocate to our federal partners for the enduring value and impact of research at U-M. We will further engage with state partners and industry leaders to explore collaborative opportunities that support and enhance our research mission. By maintaining strong alliances and encouraging investment in research, we aim to continue driving influential discoveries that benefit both Michigan and the broader global community. Our proactive approach will ensure that the University of Michigan remains at the forefront of academic excellence and research innovation.

Tuition and Fees

Tuition and fee increases are carefully assessed and coincide with significant increases in financial aid. The FY 2026 budget includes a 3.4% increase in in-state undergraduate tuition and fees, consistent with inflation, and a 4.9% increase for out-of-state students, which aligns with rates at peer institutions. Reflected within this year's increase includes a new Recreation & Wellness Fee to support the operations of the Hadley Family Recreation & Wellness Center, opening in fall 2025, and ongoing support for student recreation. Additionally, there is a modest increase in the Health Service fee to help fund student physical and mental health services.

Indirect Cost Recovery

In our FY 2026 general fund budget, we anticipate a decrease in indirect cost recoveries from federally sponsored programs. We continue to champion U-M's role with our federal agency partners, sharing as evidence our long and successful track record of making groundbreaking discoveries that impact humanity's most significant challenges. In FY 2026, we strategically allocate resources and seek new avenues of research support to sustain our high standards for scholarship and discovery.

Cost Containment

The budget planning process at the University of Michigan begins with a rigorous exploration of cost-saving measures that have once again demonstrated their effectiveness by reducing spending by over \$33 million for FY 2026. These diligent efforts

enable us to implement only a modest tuition increase, keeping it significantly lower than it might otherwise have been. Since 2005, our comprehensive cost containment strategies have yielded over \$600 million in savings, representing a substantial portion of our general fund budget. This disciplined financial stewardship not only reflects our commitment to affordability and accessibility for our students but also strengthens 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 high-quality education and resources to our community.

Philanthropic Giving

Our donors play an indispensable role in offsetting general fund expenses and supporting our key priorities, ensuring that we can continue to provide exceptional education and research opportunities. We are profoundly grateful for their critical contributions, which empower us to expand our impact and reach. In line with this commitment, the University of Michigan has launched the ambitious "Look to Michigan" campaign, a \$7 billion initiative designed to advance our mission across education, research, and public service. This campaign seeks to enhance scholarships and fellowships, bolster groundbreaking research, upgrade facilities, and support a wide array 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 community of excellence that benefits not only our campus but the world at large.

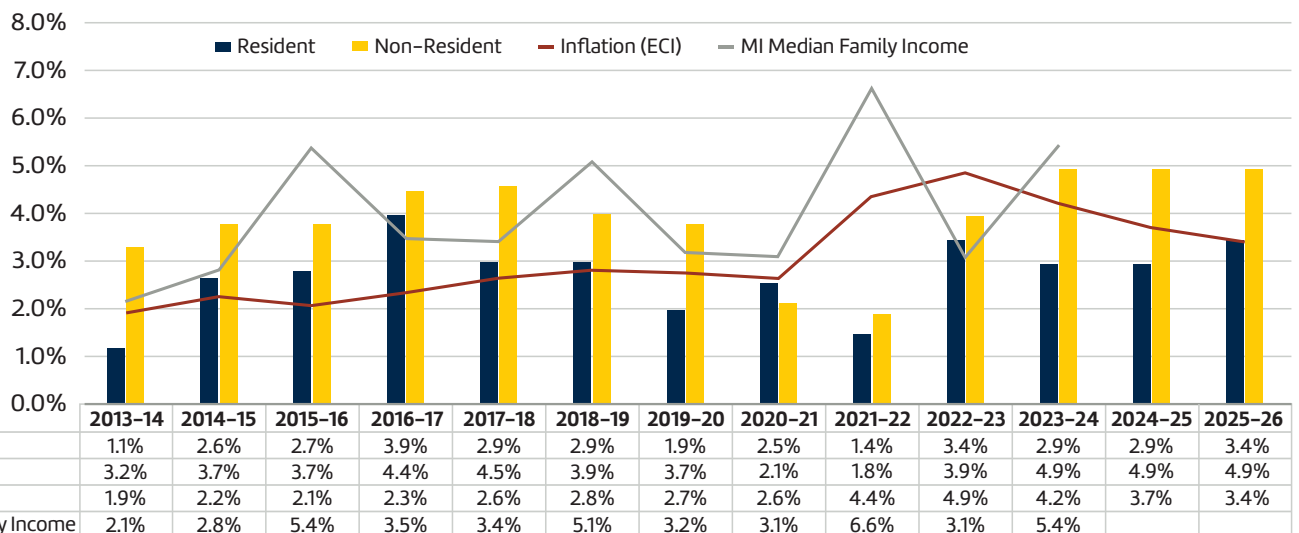




A Key Goal: Tuition Increases that Are Modest and Predictable for U-M Families

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.



Ann Arbor Campus



2026 Ann Arbor Campus Operating Budget

<i>in millions</i>	General	Designated	Auxiliary	Expendable Restricted	Total	Total FY 2025	FY 2026 Variance to FY 2025
REVENUE:							
State Appropriations	\$ 365	\$ –	\$ –	\$ –	\$ 365	\$ 365	\$ –
Student Tuition and Fees	2,332	–	–	–	2,332	2,209	123
Sponsored Programs							
Federal	–	–	–	1,217	1,217	1,385	(168)
State/Local	–	–	–	7	7	70	(64)
Non-Governmental	–	–	–	317	317	289	29
Indirect Cost Recovery	306	35	–	–	341	396	(55)
Indirect Cost Recovery Allocated to General Operating	–	–	–	(341)	(341)	(396)	55
Private Gifts	–	2	–	190	192	170	22
Investment Income							
Endowment Income	–	74	–	388	462	426	36
Other	–	59	17	28	104	226	(122)
Patient Care Revenue	–	–	19	–	19	19	(0)
Departmental Activities	14	164	1,268	1	1,448	1,348	100
Total Revenue:	\$ 3,018	\$ 334	\$ 1,304	\$ 1,807	\$ 6,463	\$ 6,507	\$ (43)
Less Rebilling Credits ¹	–	(10)	(622)	–	(632)	(755)	123
Net Revenue:	\$ 3,018	\$ 324	\$ 682	\$ 1,807	\$ 5,831	\$ 5,752	\$ 79
EXPENDITURES:							
Compensation and Benefits	\$ 1,691	\$ 200	\$ 556	\$ 927	\$ 3,374	\$ 3,319	\$ 55
Financial Aid	600	6	30	285	921	883	38
Supplies, Services and Other	436	50	544	540	1,570	1,609	(39)
Plant Improvement	291	27	166	15	499	435	65
Total Expenditures:	\$ 3,018	\$ 283	\$ 1,296	\$ 1,766	\$ 6,364	\$ 6,245	\$ 119
Less Rebilling Credits ¹	–	(10)	(622)	–	(632)	(755)	123
Net Expenditures:	\$ 3,018	\$ 273	\$ 674	\$ 1,766	\$ 5,732	\$ 5,490	\$ 242
Margin	\$ –	\$ 51	\$ 8	\$ 41	\$ 99	\$ 261	\$ (162)

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



A. Alfred Taubman College of Architecture & Urban Planning

taubmancollege.umich.edu

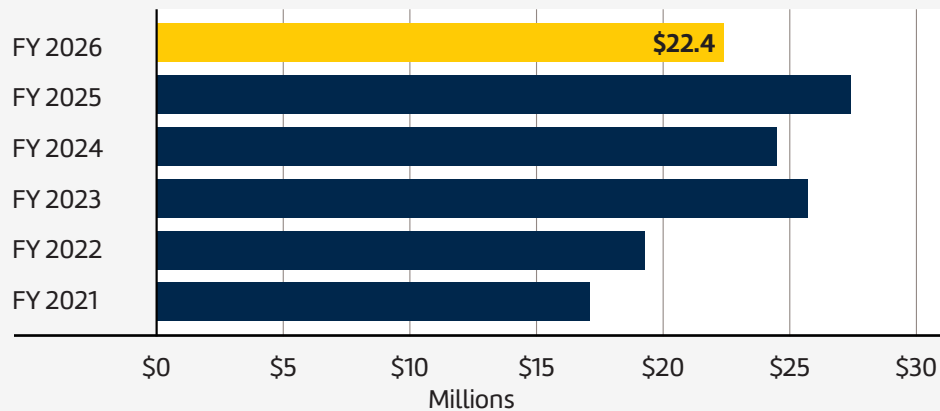


General Fund Budget	FY 2025	FY 2026	Change
Compensation	20.3	16.3	(4.0)
Financial aid	3.0	2.5	(0.5)
Other non-salary	4.1	3.6	(0.5)
in millions	\$ 27.4	\$ 22.4	\$ (5.0)

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	644	686	737
Degrees awarded	224	285	263
Research expenditures (in millions)	\$ 1.7	\$ 1.6	\$ 2.1

General Fund Budget History



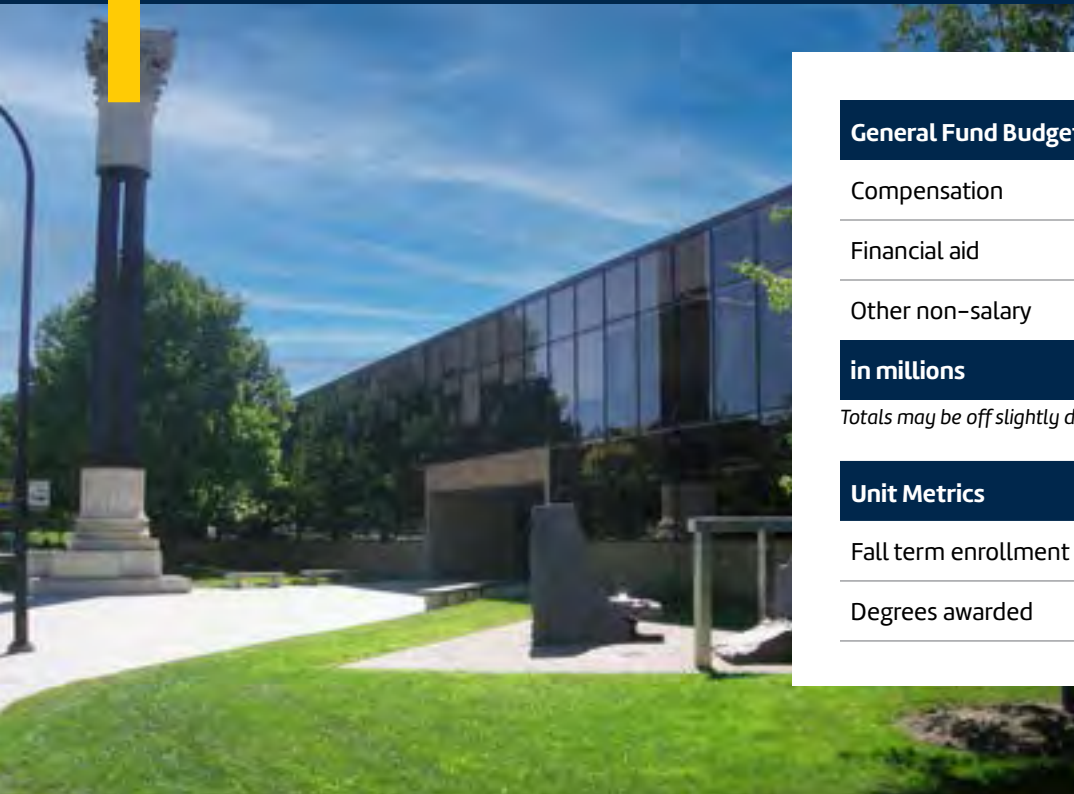
Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

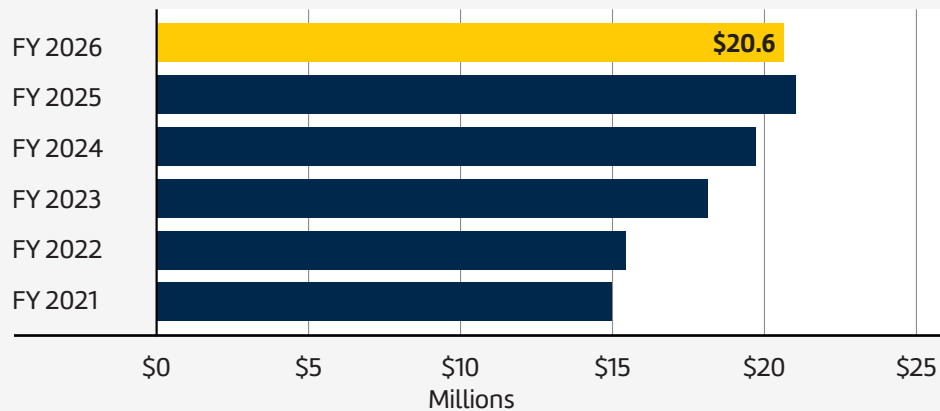


General Fund Budget	FY 2025	FY 2026	Change
Compensation	18.1	18.3	0.2
Financial aid	0.6	0.6	0.0
Other non-salary	2.3	1.7	(0.6)
in millions	\$ 21.0	\$ 20.6	\$ (0.4)

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	724	713	756
Degrees awarded	143	157	149

General Fund Budget History



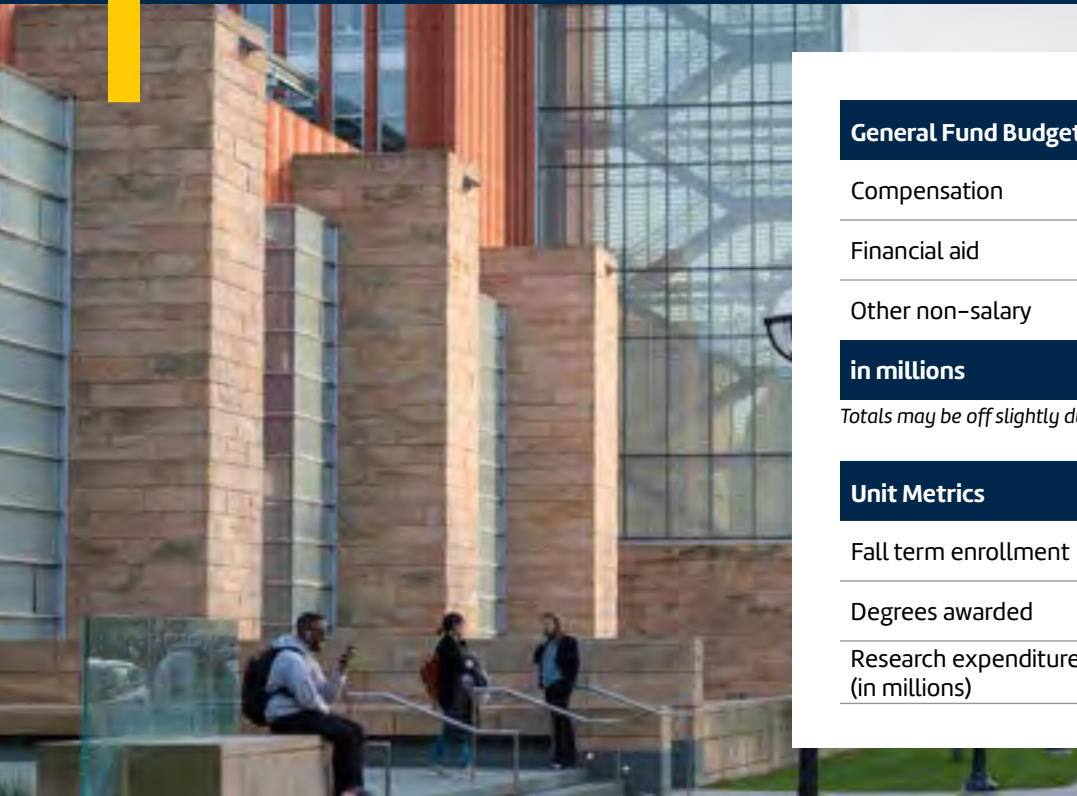
Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

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Stephen M. Ross School of Business

michiganross.umich.edu

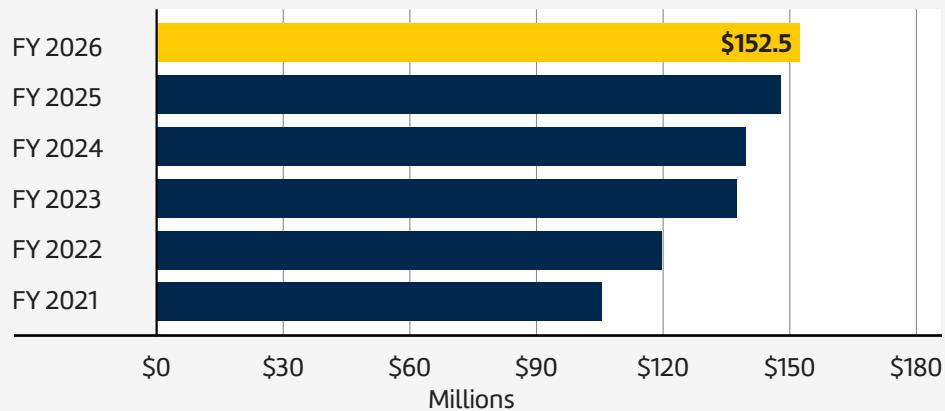


General Fund Budget	FY 2025	FY 2026	Change
Compensation	99.4	106.0	6.6
Financial aid	19.1	19.7	0.6
Other non-salary	29.5	26.8	(2.7)
in millions	\$ 147.9	\$ 152.5	\$ 4.6

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	4,326	4,362	4,433
Degrees awarded	1,520	1,719	1,664
Research expenditures (in millions)	\$ 15.1	\$ 17.4	\$ 16.9

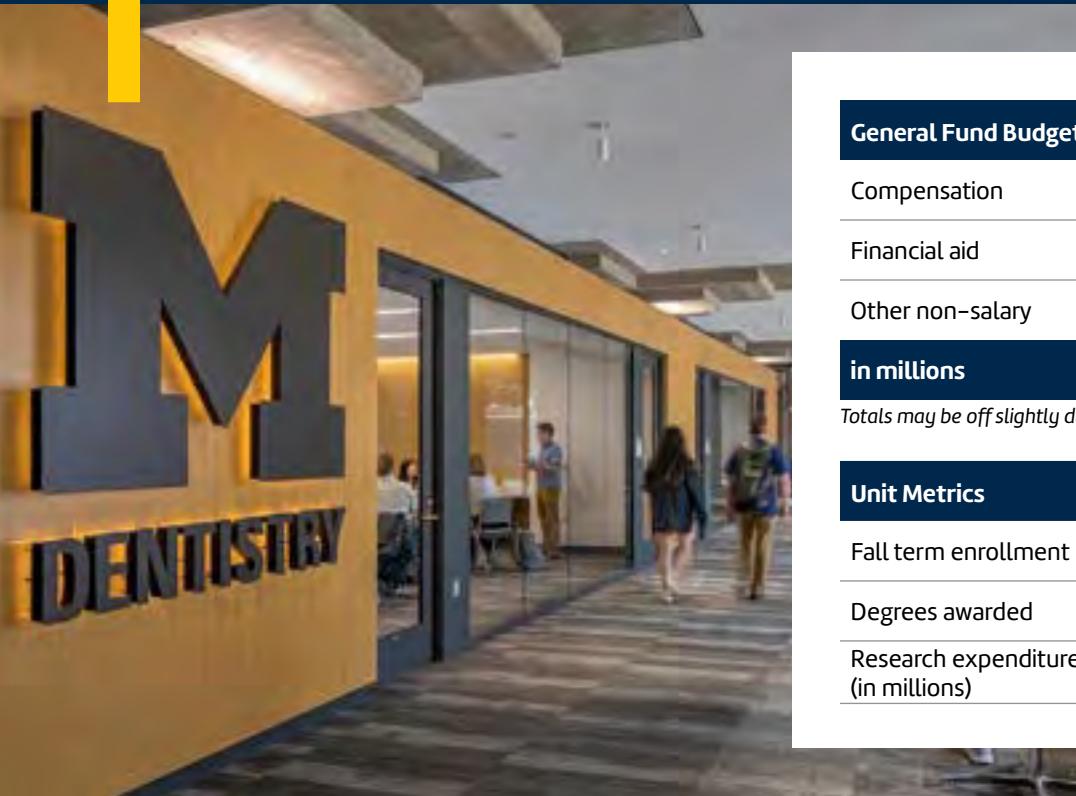
General Fund Budget History



Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

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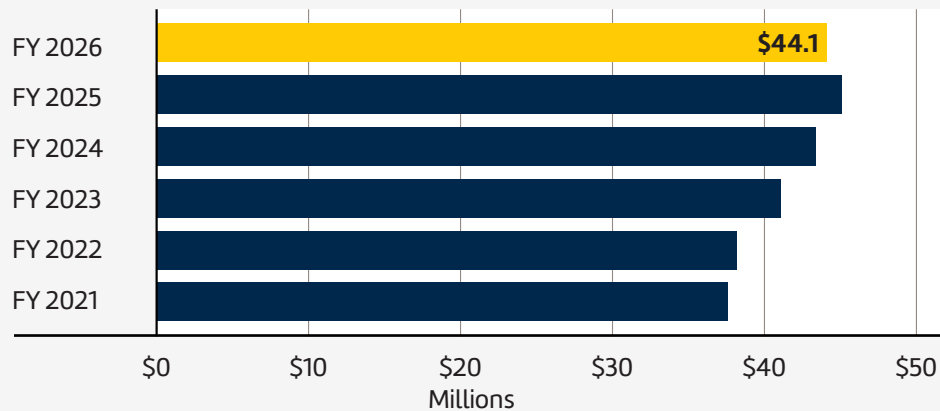


General Fund Budget	FY 2025	FY 2026	Change
Compensation	33.8	34.3	0.5
Financial aid	1.1	1.2	0.0
Other non-salary	10.2	8.6	(1.5)
in millions	\$ 45.1	\$ 44.1	\$ (1.0)

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	656	665	670
Degrees awarded	207	199	222
Research expenditures (in millions)	\$ 25.4	\$ 24.9	\$ 26.0

General Fund Budget History



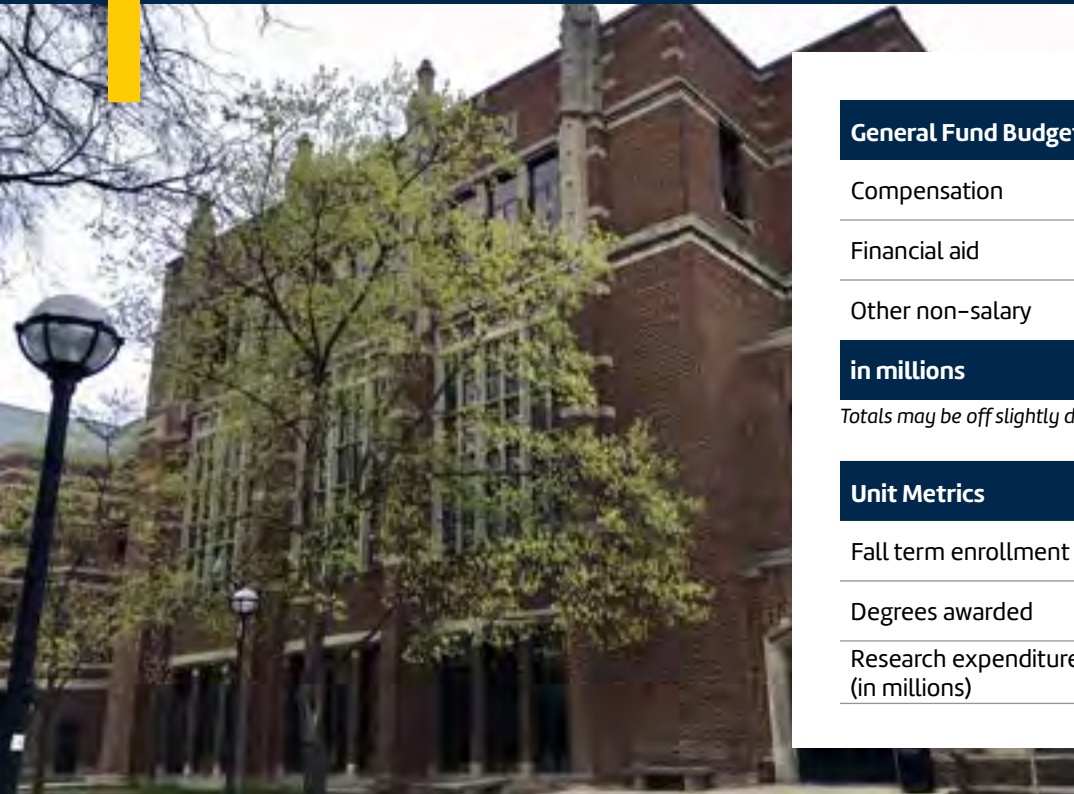
Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

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Marsal Family School of Education

soe.umich.edu

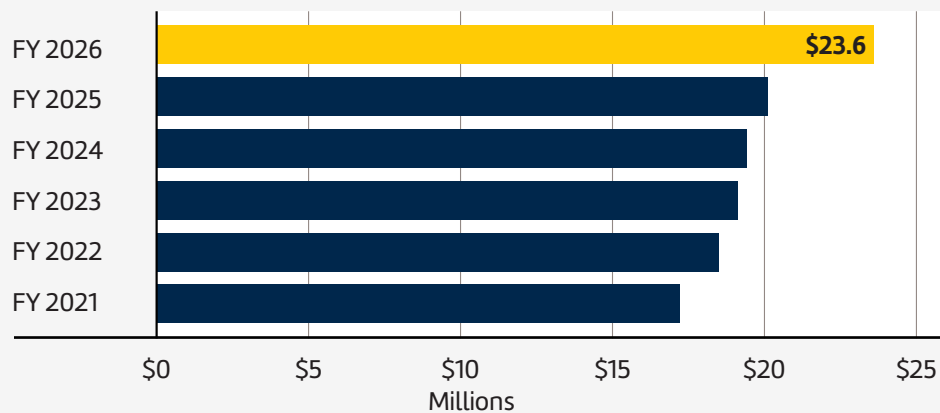


General Fund Budget	FY 2025	FY 2026	Change
Compensation	17.5	18.8	1.3
Financial aid	1.5	3.4	1.9
Other non-salary	1.1	1.4	0.3
in millions	\$ 20.1	\$ 23.6	\$ 3.5

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	491	388	371
Degrees awarded	261	266	196
Research expenditures (in millions)	\$ 11.5	\$ 11.7	\$ 10.7

General Fund Budget History



Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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 new online Master of Arts program and continued expansion of the Marygrove-LEAPS undergraduate program.

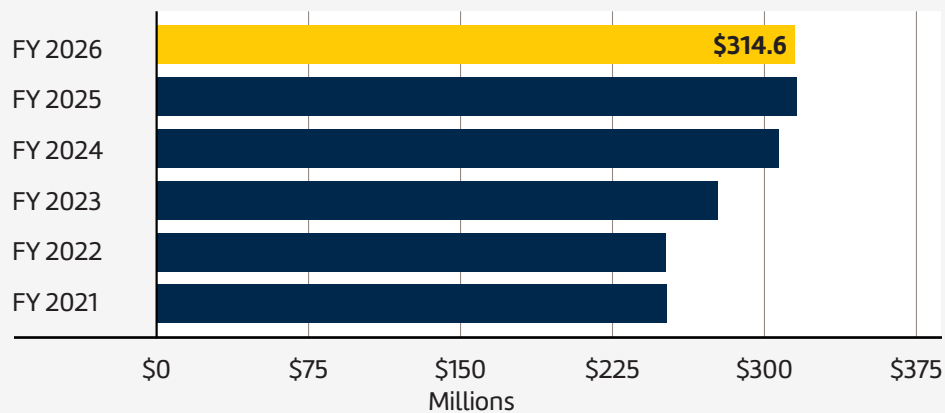


General Fund Budget	FY 2025	FY 2026	Change
Compensation	197.5	201.7	4.2
Financial aid	41.4	44.1	2.8
Other non-salary	76.7	68.8	(7.8)
in millions	\$ 315.5	\$ 314.6	\$ (0.9)

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	10,655	11,051	11,113
Degrees awarded	3,252	3,578	3,617
Research expenditures (in millions)	\$ 282.1	\$ 310.7	\$ 349.0

General Fund Budget History

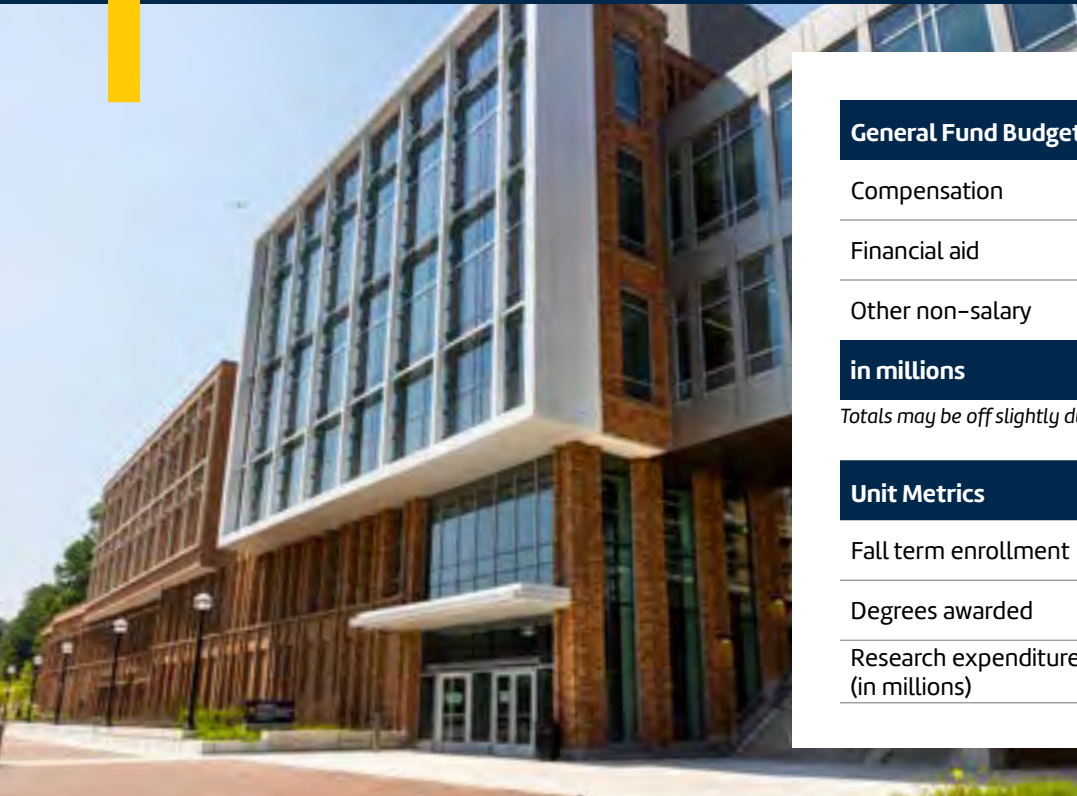


Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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 2023: Mcity was transferred to the College of Engineering from the Vice President for Research.

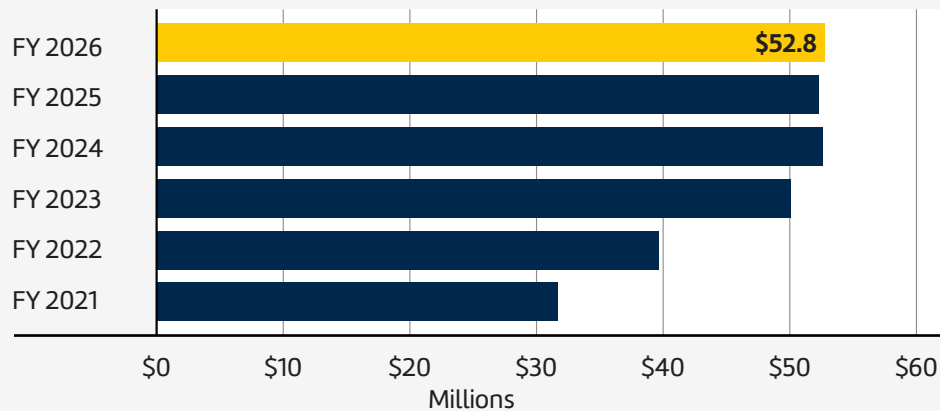


General Fund Budget	FY 2025	FY 2026	Change
Compensation	37.3	38.1	0.8
Financial aid	8.2	9.4	1.2
Other non-salary	6.8	5.4	(1.4)
in millions	\$ 52.3	\$ 52.8	\$ 0.5

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	1,691	1,803	1,848
Degrees awarded	599	764	775
Research expenditures (in millions)	\$ 9.4	\$ 11.0	\$ 13.8

General Fund Budget History



Notable budgetary actions over the last five years:

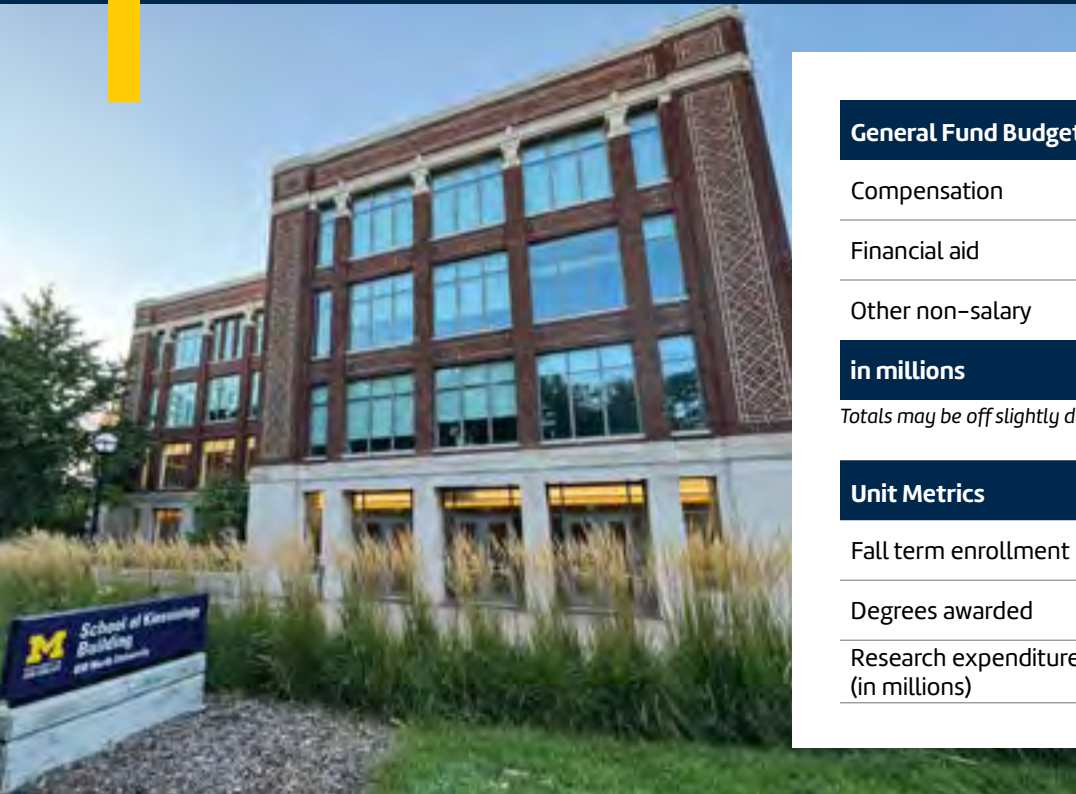
FY 2021 – FY 2026: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges,

and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

FY 2021 – FY 2024: Enrollment growth due to the online Master of Applied Data Science program.

School of Kinesiology

kines.umich.edu

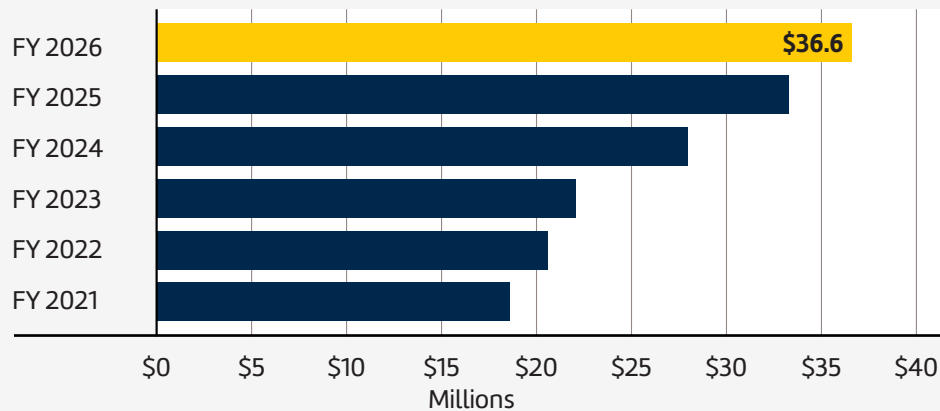


General Fund Budget	FY 2025	FY 2026	Change
Compensation	24.6	29.3	4.6
Financial aid	1.2	0.1	(1.1)
Other non-salary	7.5	7.2	(0.3)
in millions	\$ 33.3	\$ 36.6	\$ 3.3

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	1,186	1,228	1,312
Degrees awarded	323	357	385
Research expenditures (in millions)	\$ 7.3	\$ 8.5	\$ 9.1

General Fund Budget History

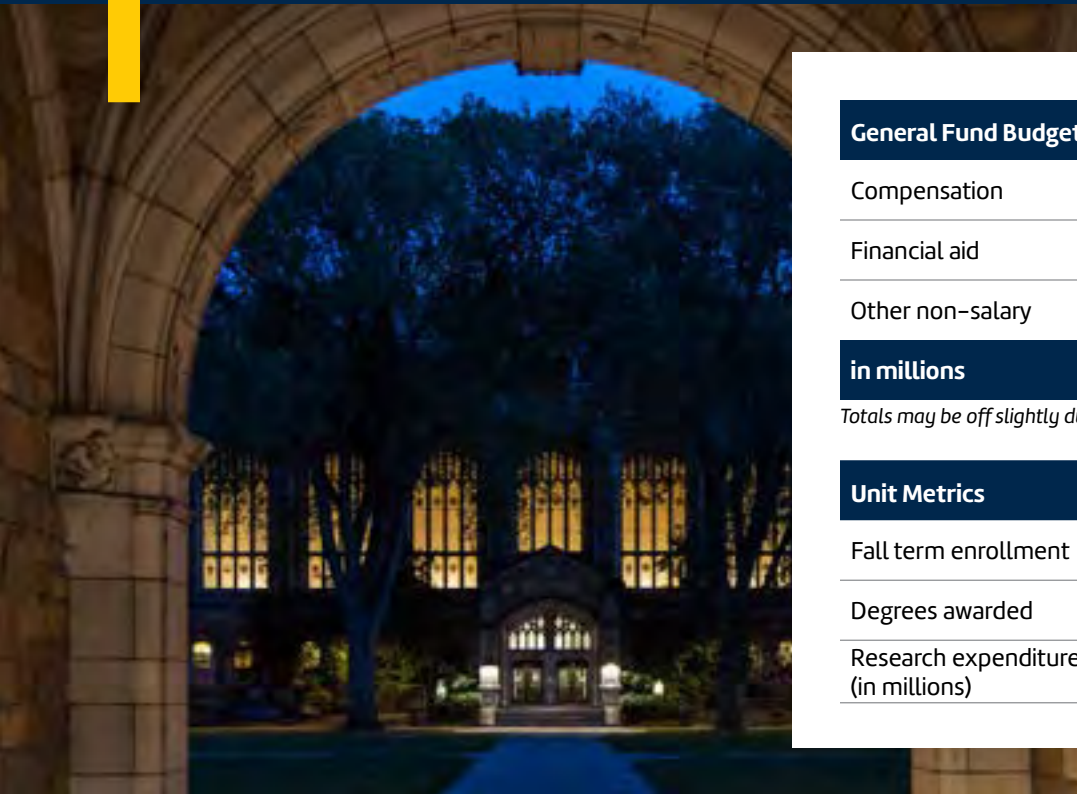


Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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 2023: Exercise & Sport Science Initiative (ESSI) was transferred to the School of Kinesiology from the Vice President for Research.

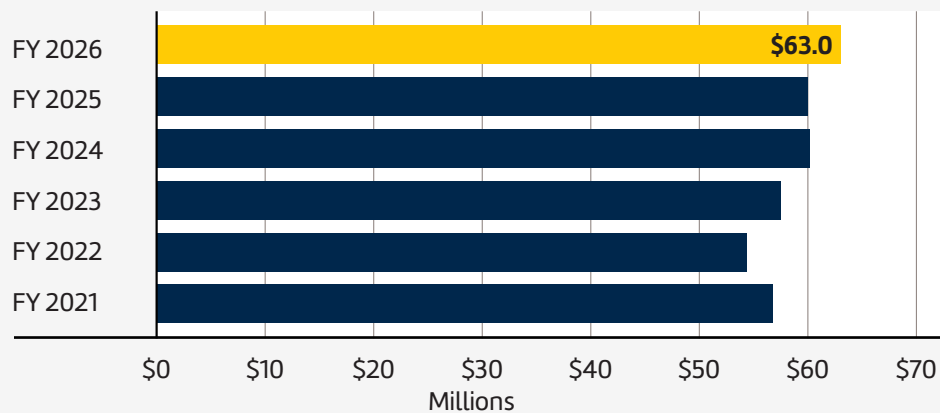


General Fund Budget	FY 2025	FY 2026	Change
Compensation	35.5	38.7	3.2
Financial aid	18.6	18.4	(0.2)
Other non-salary	5.9	5.9	(0.0)
in millions	\$ 60.0	\$ 63.0	\$ 3.0

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	998	1,007	1,017
Degrees awarded	363	333	358
Research expenditures (in millions)	\$ 6.2	\$ 8.9	\$ 9.0

General Fund Budget History



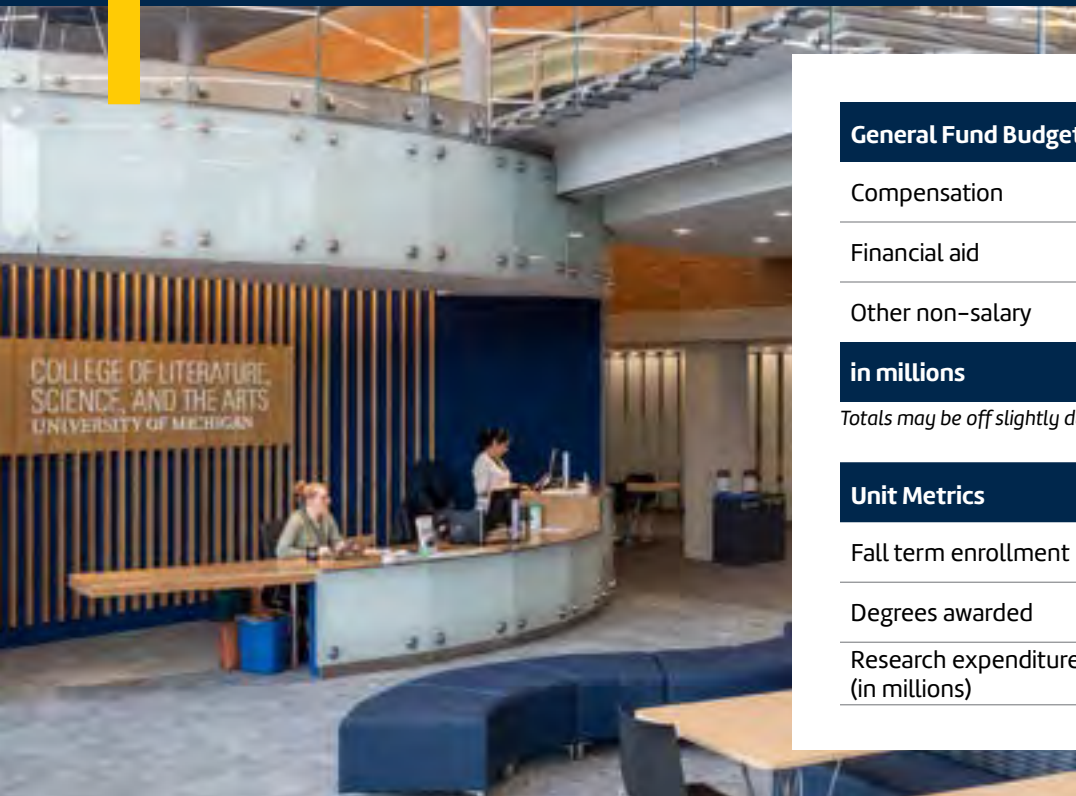
Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

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College of Literature, Science, and the Arts

lsa.umich.edu

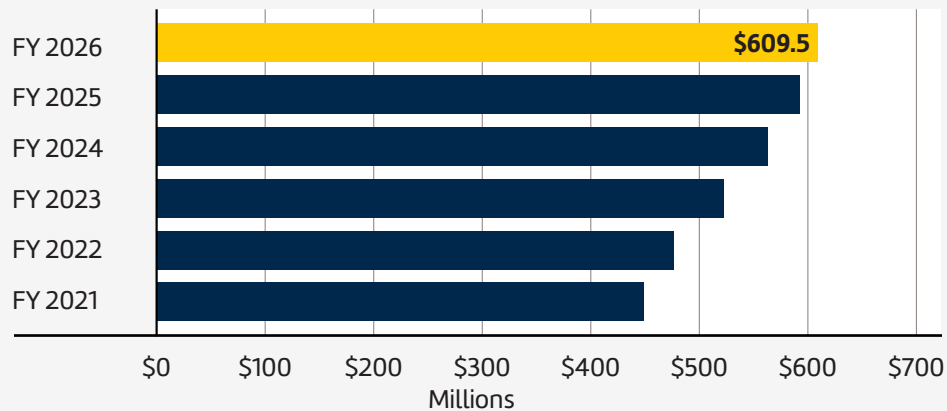


General Fund Budget	FY 2025	FY 2026	Change
Compensation	370.9	396.7	25.7
Financial aid	76.8	74.8	(2.0)
Other non-salary	145.2	138.0	(7.2)
in millions	\$ 593.0	\$ 609.5	\$ 16.5

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	21,019	21,384	21,973
Degrees awarded	4,960	5,276	5,444
Research expenditures (in millions)	\$ 211.7	\$ 229.1	\$ 244.4

General Fund Budget History



Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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.

Medical School

medicine.umich.edu/medschool/home

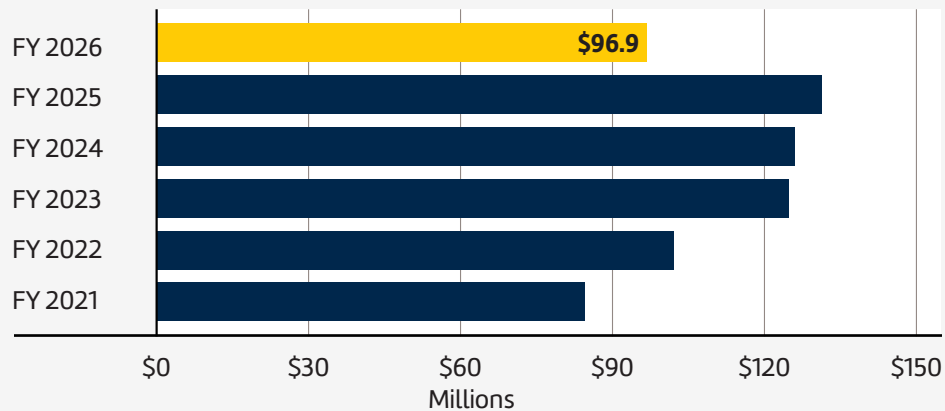


General Fund Budget	FY 2025	FY 2026	Change
Compensation	114.0	88.4	(25.6)
Financial aid	3.2	1.0	(2.2)
Other non-salary	14.1	7.5	(6.6)
in millions	\$ 131.3	\$ 96.9	\$ (34.4)

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

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	1,637	1,612	1,677
Degrees awarded	370	416	405
Research expenditures (in millions)	\$ 754.8	\$ 806.8	\$ 890.3

General Fund Budget History



Notable budgetary actions over the last five years:

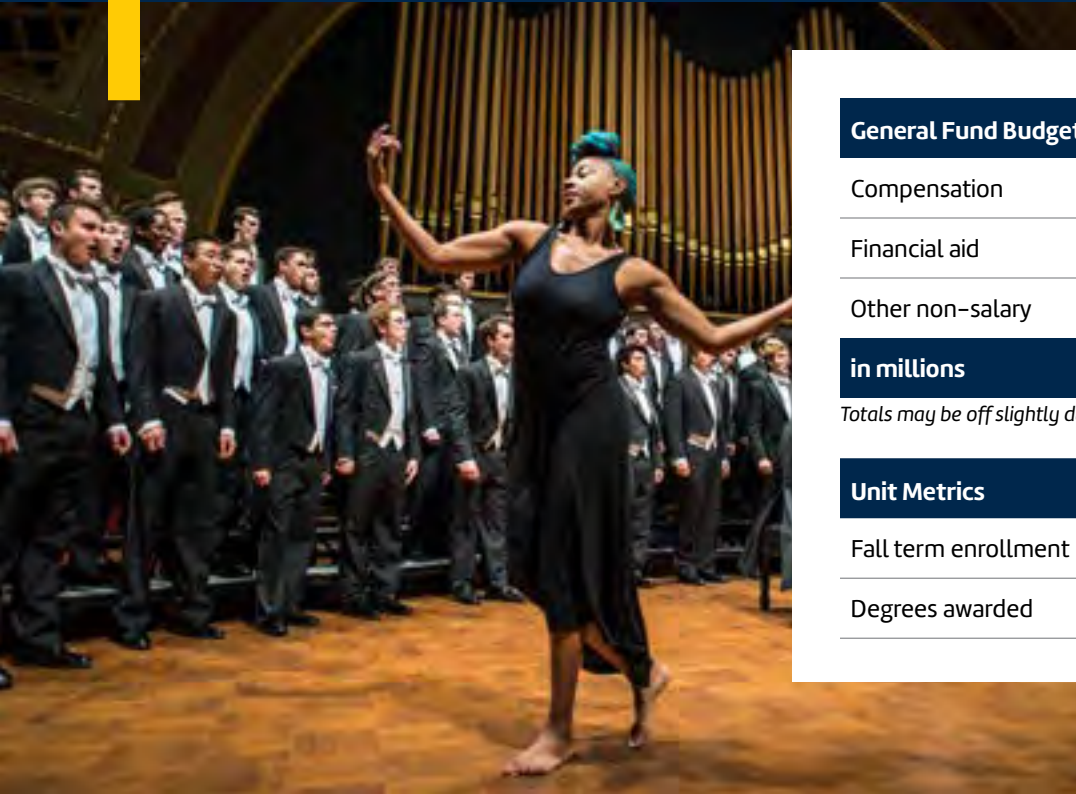
FY 2021 – FY 2026: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges, and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

FY 2021 – FY 2026: The Medical School general fund budget includes costs for the North Campus Research Complex (shown on page 56).

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

School of Music, Theatre & Dance

smt.d.umich.edu

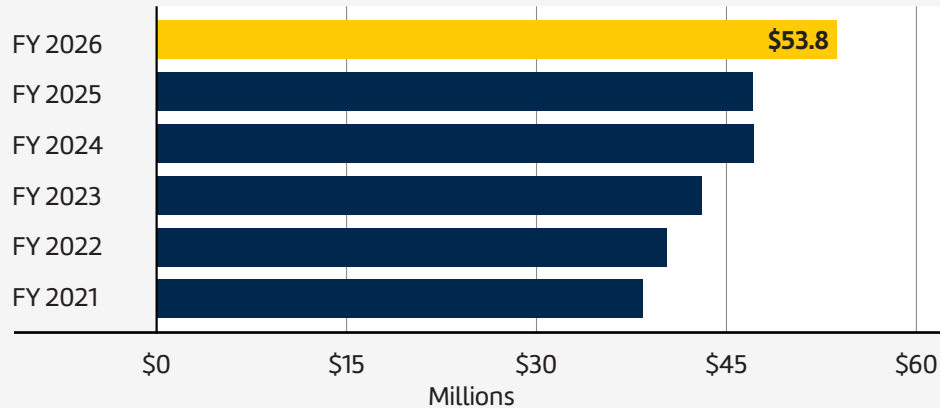


General Fund Budget	FY 2025	FY 2026	Change
Compensation	34.5	38.8	4.2
Financial aid	11.2	14.0	2.8
Other non-salary	1.4	1.0	(0.4)
in millions	\$ 47.1	\$ 53.8	\$ 6.7

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	1,177	1,157	1,150
Degrees awarded	308	350	316

General Fund Budget History



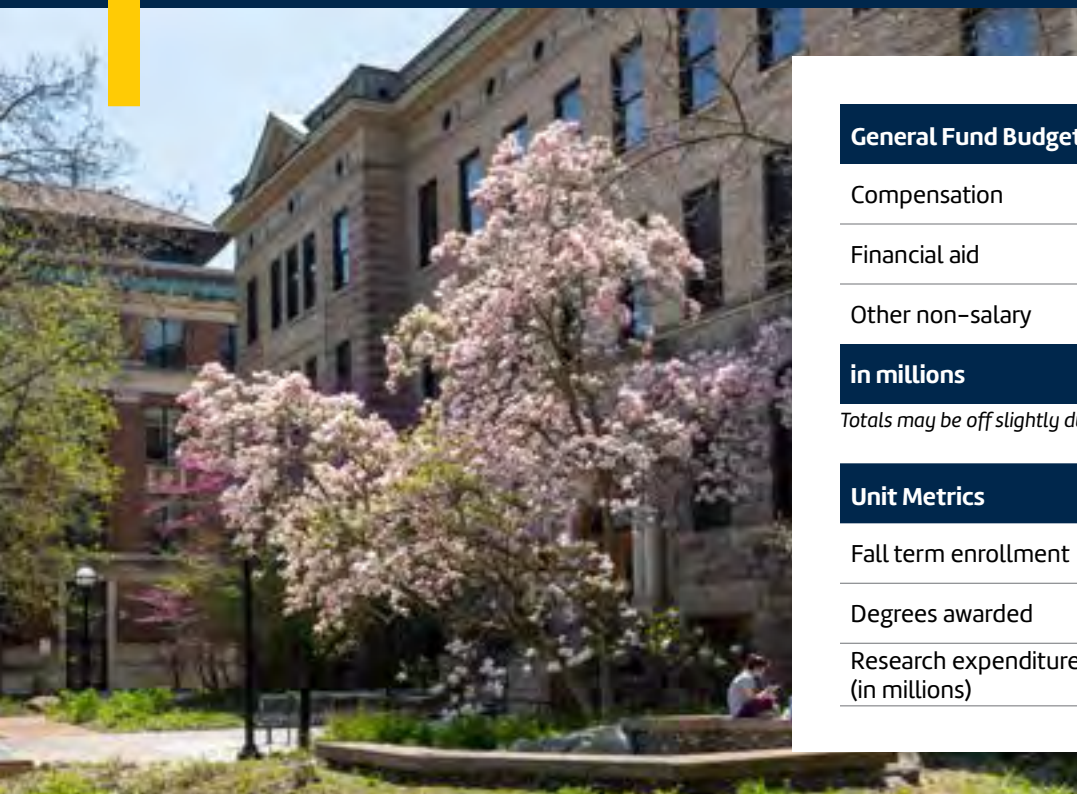
Notable budgetary actions over the last five years:

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School for Environment and Sustainability

seas.umich.edu

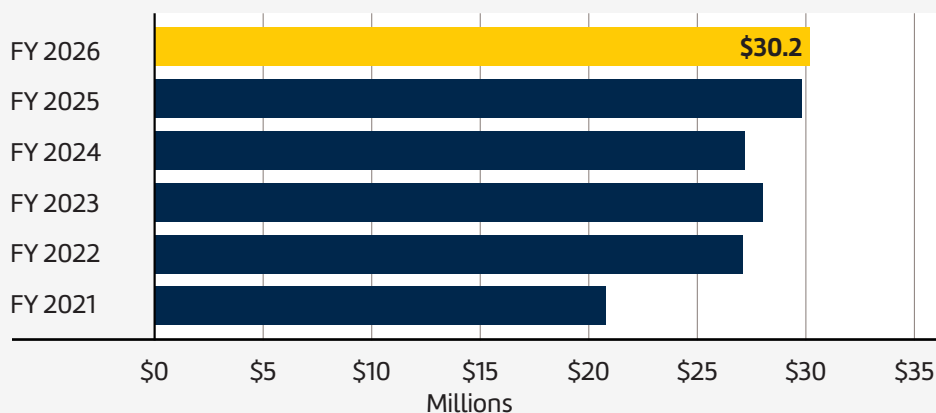


General Fund Budget	FY 2025	FY 2026	Change
Compensation	18.7	19.2	0.5
Financial aid	5.7	6.5	0.8
Other non-salary	5.4	4.6	(0.9)
in millions	\$ 29.8	\$ 30.2	\$ 0.4

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	551	553	516
Degrees awarded	248	273	243
Research expenditures (in millions)	\$ 23.0	\$ 26.2	\$ 30.6

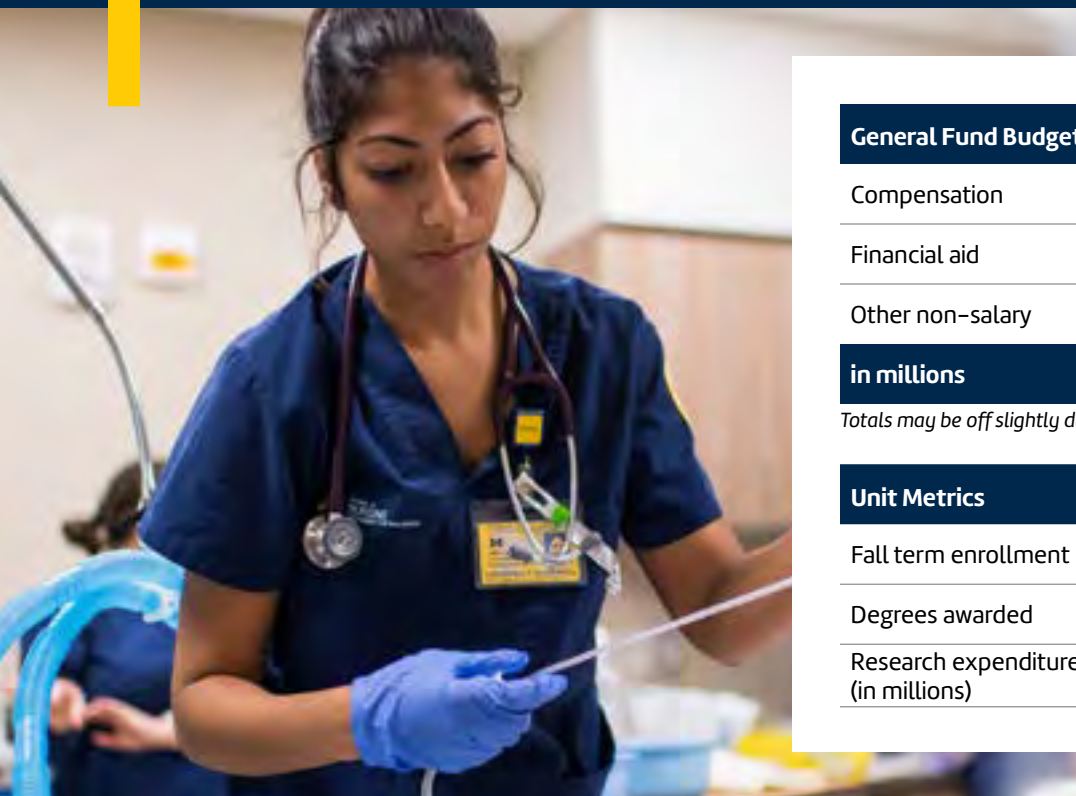
General Fund Budget History



Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

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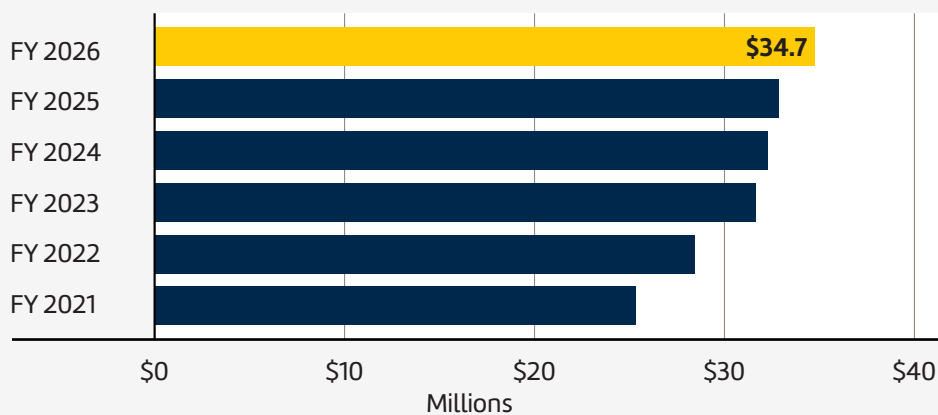


General Fund Budget	FY 2025	FY 2026	Change
Compensation	24.4	27.5	3.1
Financial aid	3.0	4.4	1.4
Other non-salary	5.4	2.8	(2.6)
in millions	\$ 32.8	\$ 34.7	\$ 2.0

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	1,218	1,189	1,183
Degrees awarded	331	342	350
Research expenditures (in millions)	\$ 9.9	\$ 11.7	\$ 14.2

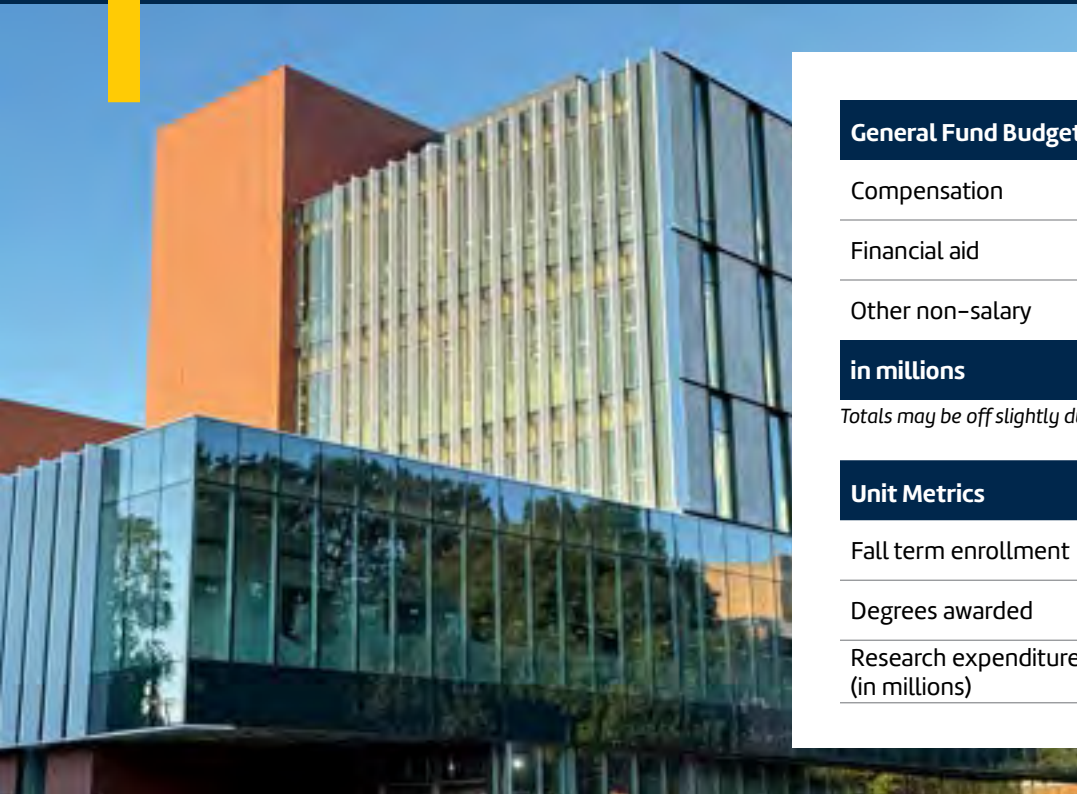
General Fund Budget History



Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

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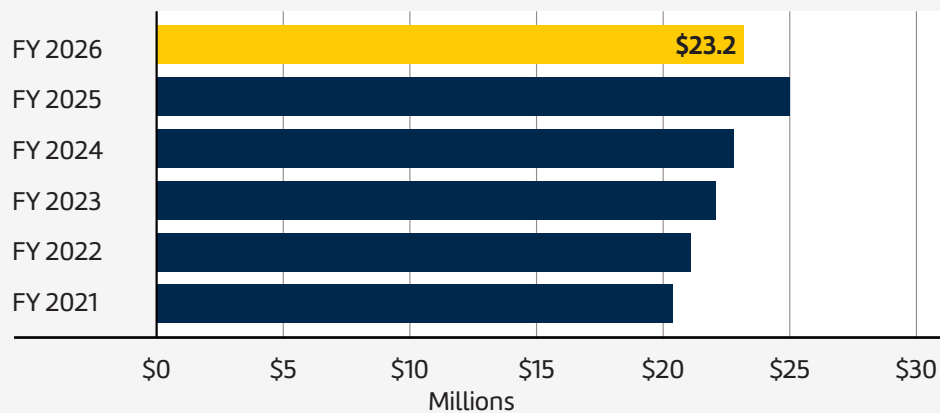


General Fund Budget	FY 2025	FY 2026	Change
Compensation	16.1	17.1	1.0
Financial aid	2.6	2.2	(0.3)
Other non-salary	6.4	3.8	(2.6)
in millions	\$ 25.0	\$ 23.2	\$ (1.9)

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	546	548	561
Degrees awarded	135	158	157
Research expenditures (in millions)	\$ 18.8	\$ 22.5	\$ 27.9

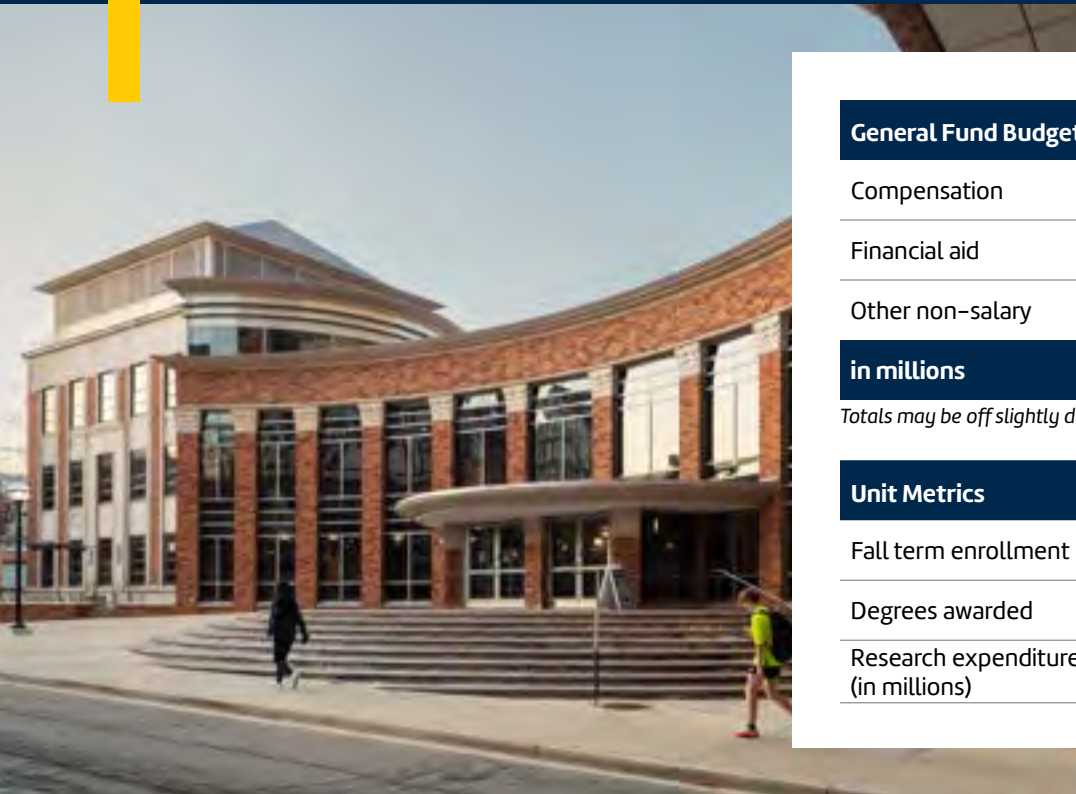
General Fund Budget History



Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

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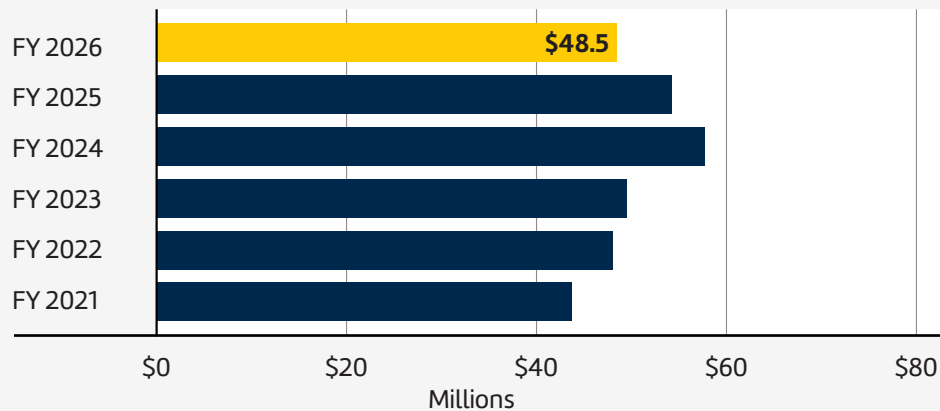


General Fund Budget	FY 2025	FY 2026	Change
Compensation	39.3	37.0	(2.3)
Financial aid	6.2	5.6	(0.6)
Other non-salary	8.8	5.9	(2.9)
in millions	\$ 54.3	\$ 48.5	\$ (5.8)

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	1,354	1,356	1,250
Degrees awarded	526	634	535
Research expenditures (in millions)	\$ 92.2	\$ 98.3	\$ 102.2

General Fund Budget History



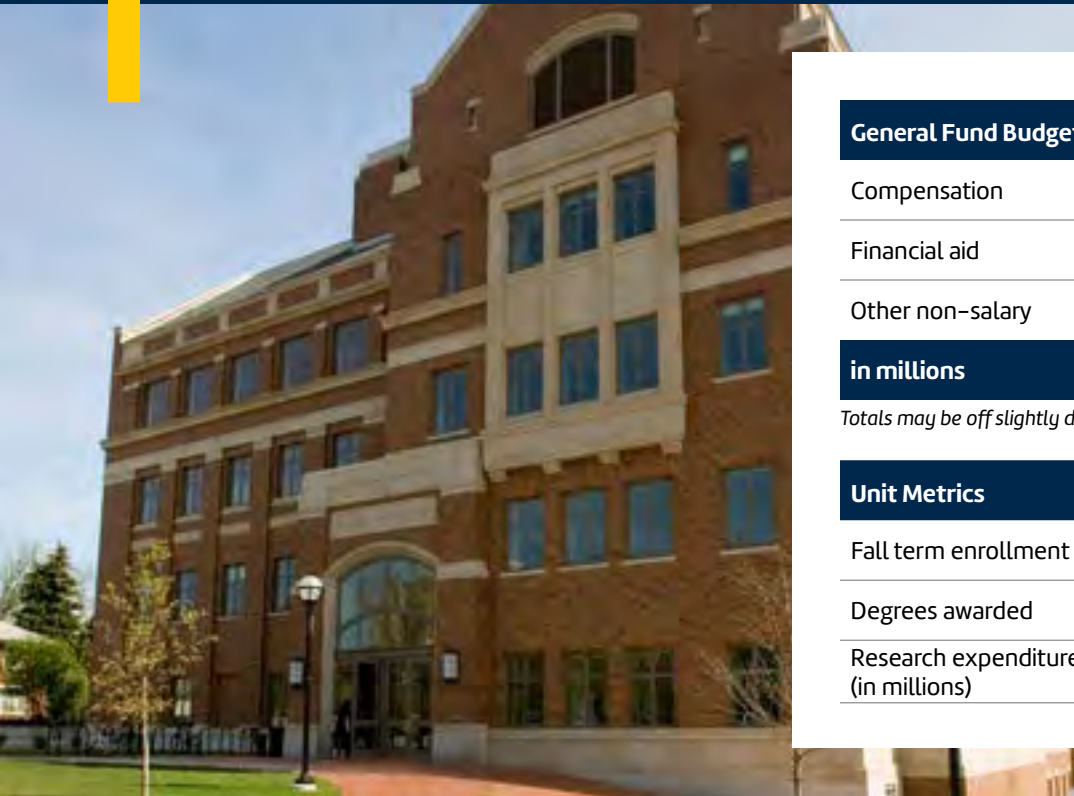
Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

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Gerald R. Ford School of Public Policy

fordschool.umich.edu

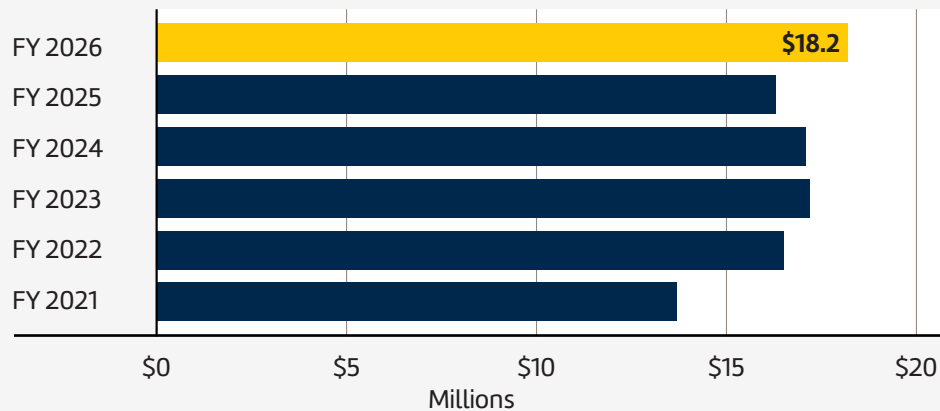


General Fund Budget	FY 2025	FY 2026	Change
Compensation	13.0	14.7	1.7
Financial aid	1.9	1.9	(0.0)
Other non-salary	1.4	1.6	0.2
in millions	\$ 16.3	\$ 18.2	\$ 1.8

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	383	392	362
Degrees awarded	183	194	200
Research expenditures (in millions)	\$ 4.3	\$ 4.6	\$ 4.8

General Fund Budget History



Notable budgetary actions over the last five years include:

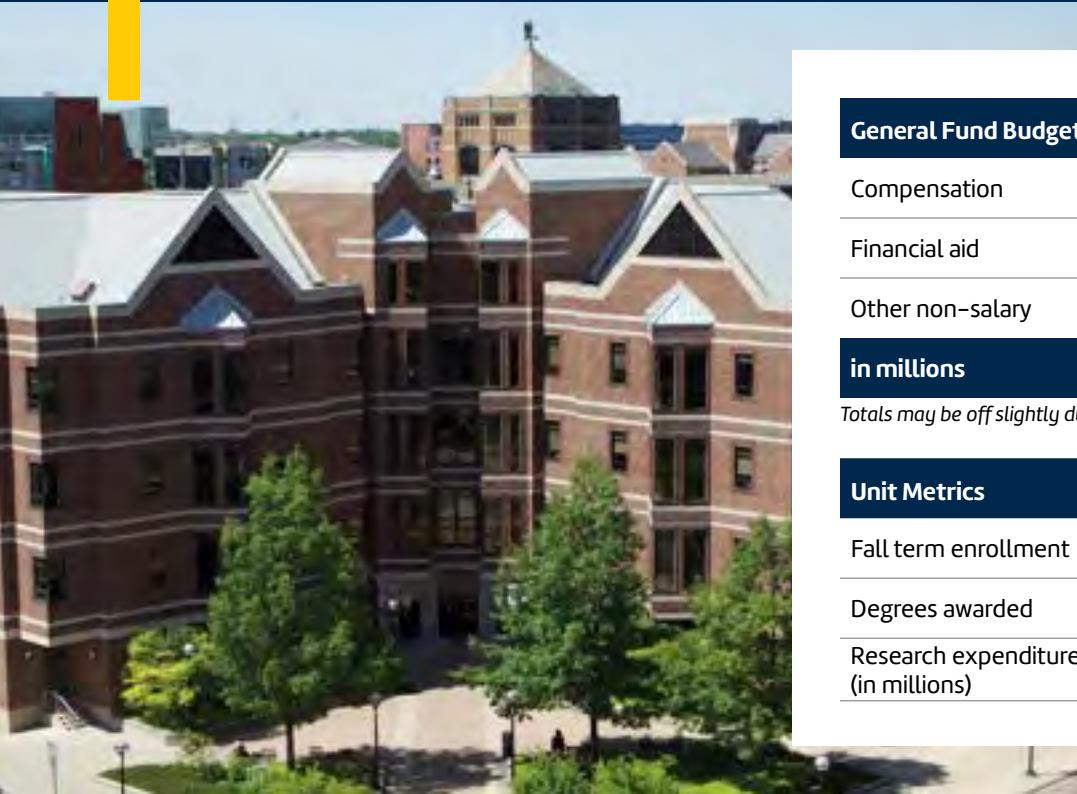
FY 2021 – FY 2026: Significant changes to an academic unit's general fund budget are typically driven by variations in its instructional or research activity, which are directly allocated as part of the university's budget model. Schools, colleges,

and major research institutes' general fund budgets are shown net of facilities costs and other assessments.

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

School of Social Work

ssw.umich.edu

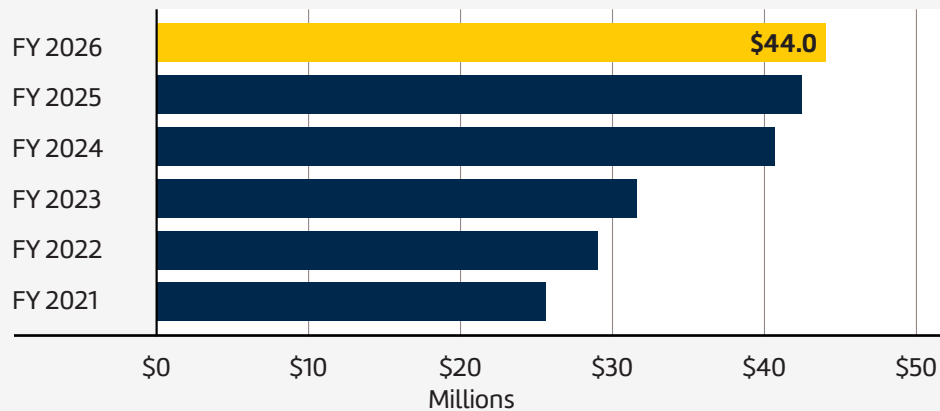


General Fund Budget	FY 2025	FY 2026	Change
Compensation	24.1	24.8	0.7
Financial aid	16.0	16.7	0.7
Other non-salary	2.3	2.5	0.2
in millions	\$ 42.5	\$ 44.0	\$ 1.6

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Fall term enrollment	783	892	940
Degrees awarded	411	415	452
Research expenditures (in millions)	\$ 7.0	\$ 8.9	\$ 9.8

General Fund Budget History



Notable budgetary actions over the last five years include:

FY 2021 – FY 2026: 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

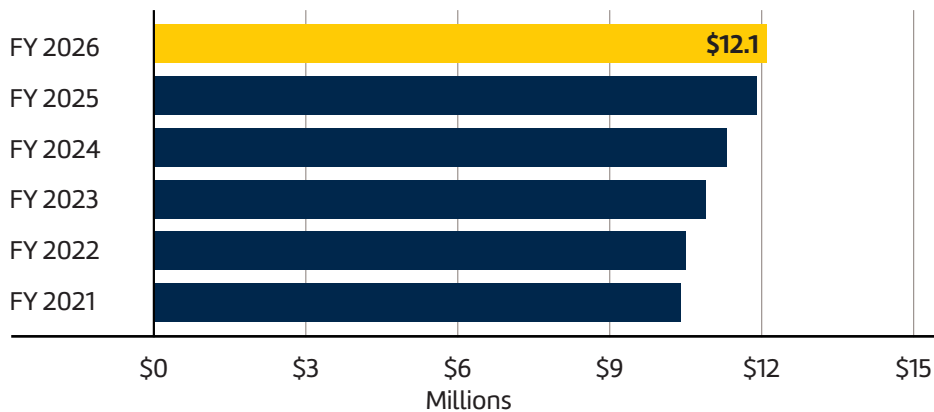
rackham.umich.edu

General Fund Budget	FY 2025	FY 2026	Change
Compensation	11.0	11.7	0.7
Other non-salary	0.9	0.4	(0.5)
in millions	\$ 11.9	\$ 12.1	\$ 0.1

Totals may be off slightly due to rounding.

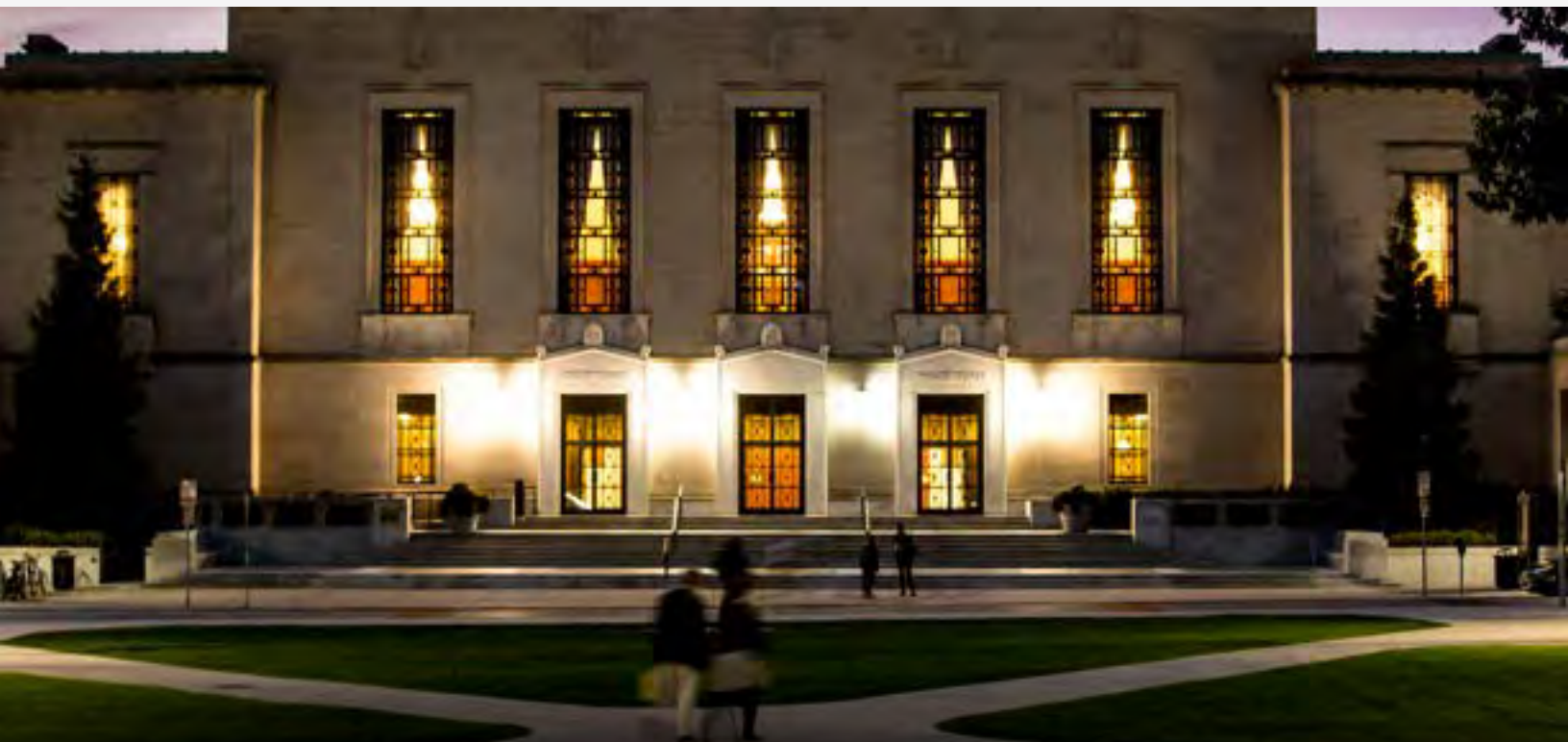
The Horace H. Rackham School of Graduate Studies works together with faculty in the schools and colleges of the university to administer a multitude of graduate degree programs. Rackham Financial Aid is shown on page 52.

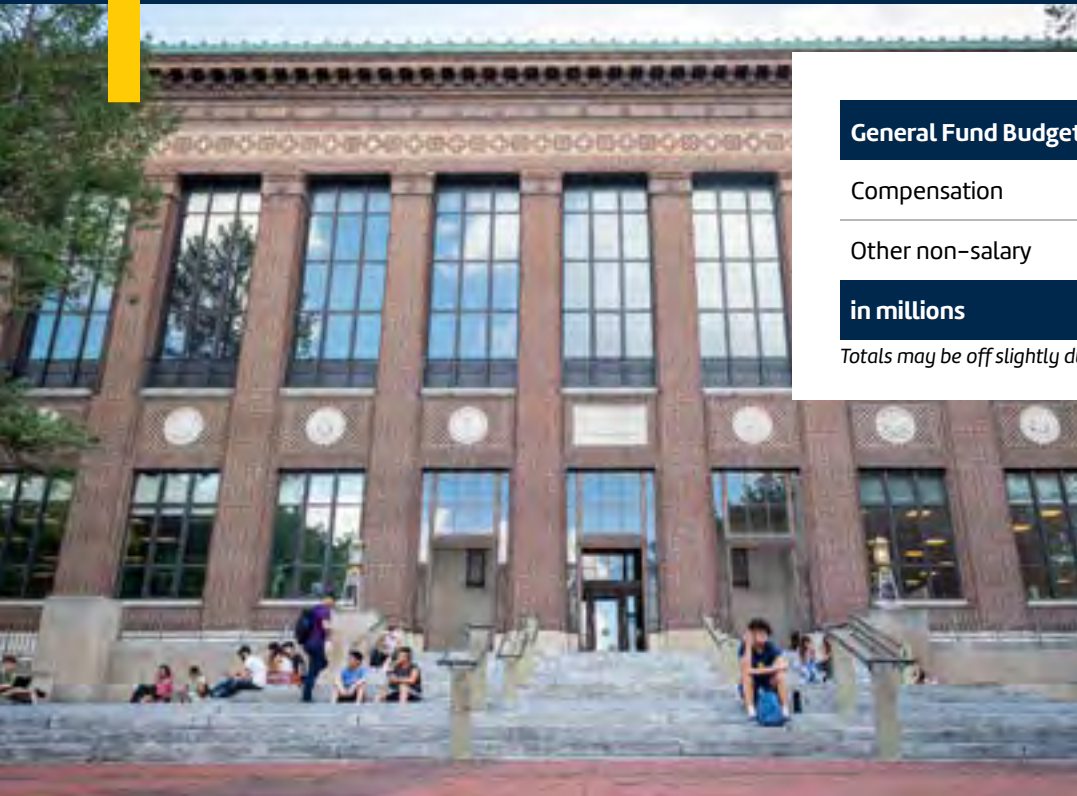
General Fund Budget History



Notable budgetary actions over the last five years include:

No significant items.

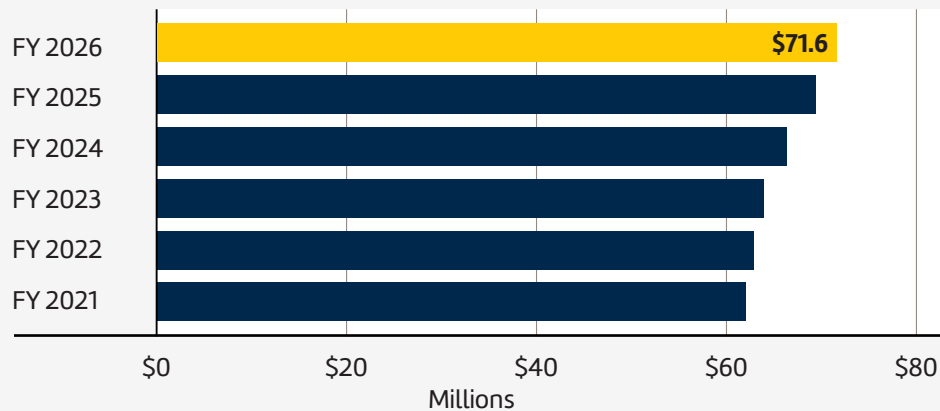




General Fund Budget	FY 2025	FY 2026	Change
Compensation	39.1	41.4	2.3
Other non-salary	30.3	30.2	(0.2)
in millions	\$ 69.5	\$ 71.6	\$ 2.1

Totals may be off slightly due to rounding.

General Fund Budget History

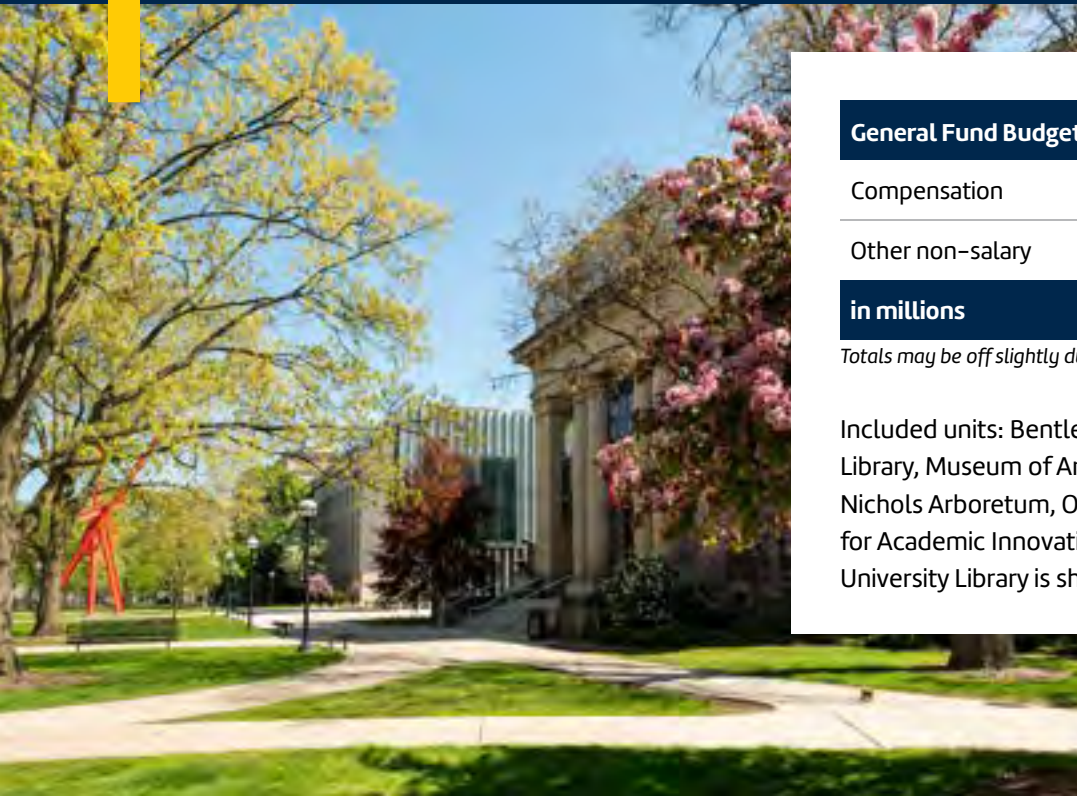


Notable budgetary actions over the last five years include:

FY 2021 – FY 2026: 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.

FY 2021: Funding was transferred to University Academic Units to establish the Duderstadt Center as a standalone unit.

University Academic Units

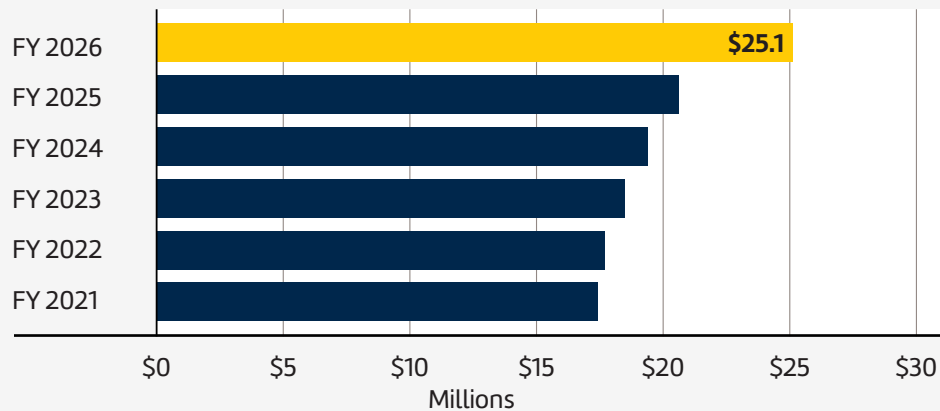


General Fund Budget	FY 2025	FY 2026	Change
Compensation	19.1	22.7	3.7
Other non-salary	1.5	2.4	0.9
in millions	\$ 20.6	\$ 25.1	\$ 4.5

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.

General Fund Budget History



Notable budgetary actions over the last five years include:

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

FY 2021: The Duderstadt Center was established as a standalone unit within the University Academic Units.

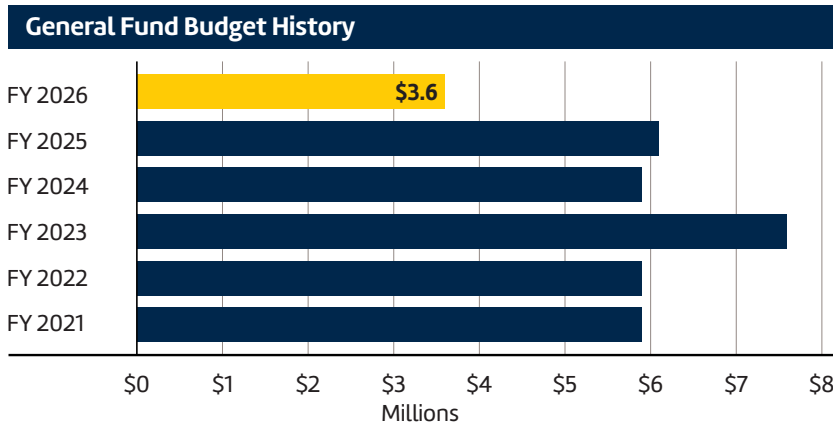
Research Units

General Fund Budget	FY 2025	FY 2026	Change
Compensation	7.2	7.0	(0.2)
Other non-salary	(1.1)	(3.4)	(2.2)
in millions	\$ 6.1	\$ 3.6	\$ (2.4)

Totals may be off slightly due to rounding.

Unit Metrics	FY 2022	FY 2023	FY 2024
Research expenditures (in millions)	\$ 178.0	\$ 202.9	\$ 222.8

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 2021 – FY 2026: 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 transferred to the Medical School from the Research Units.

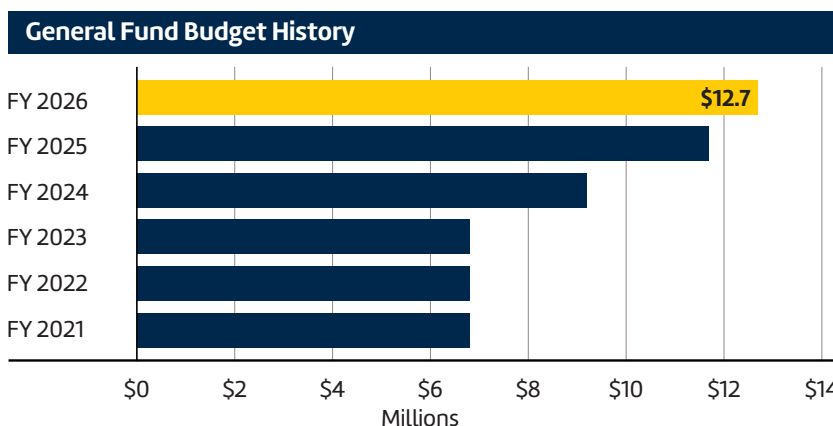
FY 2023: Institute for Social Research experienced an increase in enrollment.

Departmental Activities

General Fund Budget	FY 2025	FY 2026	Change
Other non-salary	11.7	12.7	1.0
in millions	\$ 11.7	\$ 12.7	\$ 1.0

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.

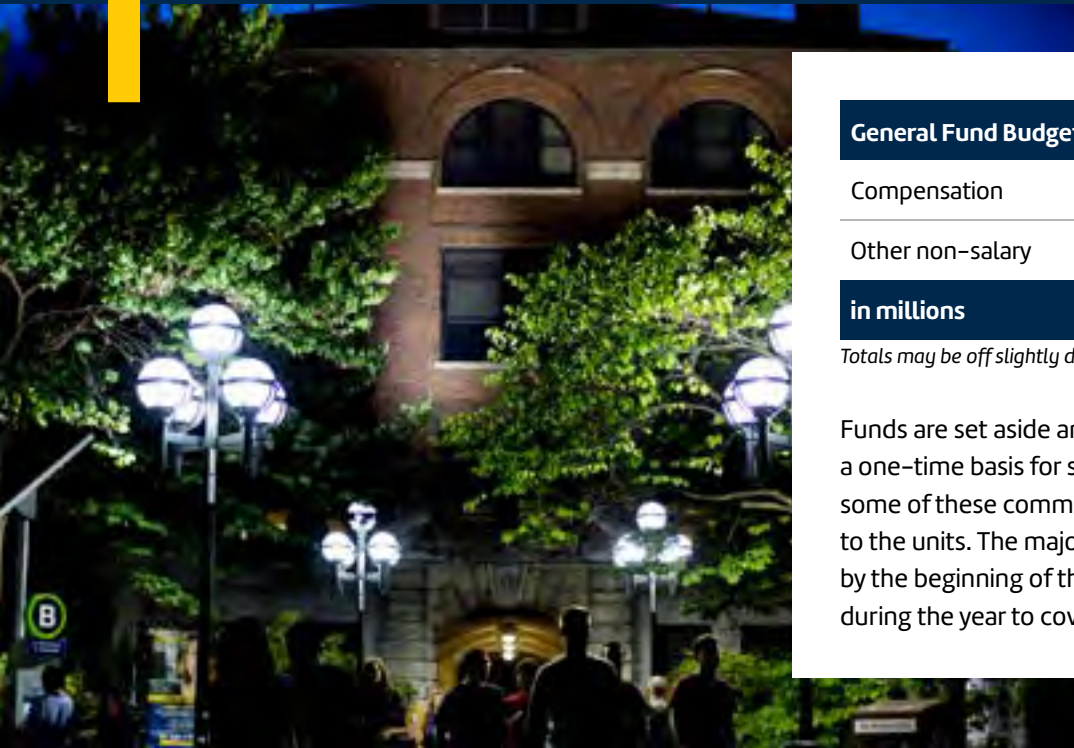


Notable budgetary actions over the last five years:

FY 2024 – FY 2025: Budget was increased to reflect study abroad and course fee revenues returning to pre-pandemic levels.

FY 2021: Budget was lowered due to the effects of the COVID-19 pandemic on course and study abroad fees.

Academic Program Support

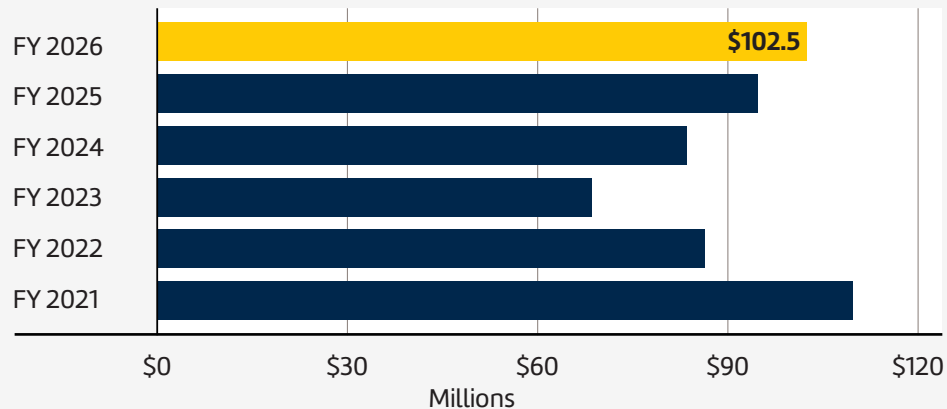


General Fund Budget	FY 2025	FY 2026	Change
Compensation	50.4	51.4	0.9
Other non-salary	44.4	51.1	6.7
in millions	\$ 94.8	\$ 102.5	\$ 7.7

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.

General Fund Budget History



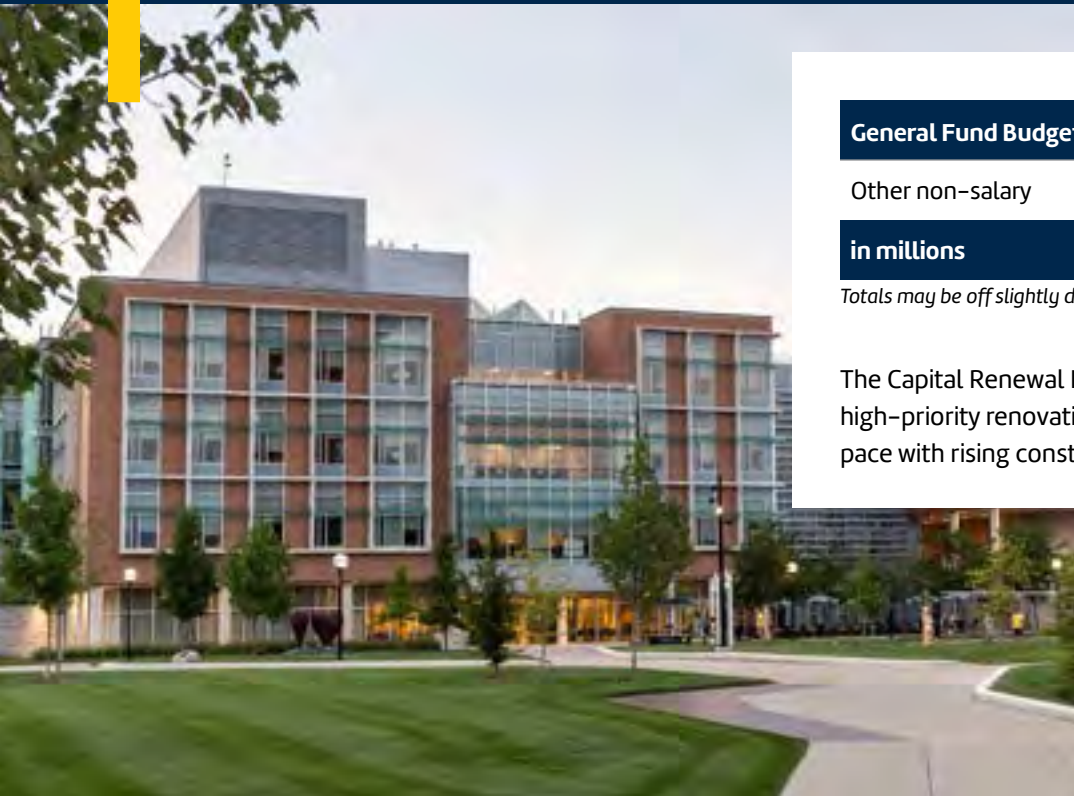
Notable budgetary actions over the last five years:

FY 2021 – FY 2026: Academic Program Support currently holds \$21.7M 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.

FY 2021: Funds were held in reserve given the uncertainty in state funding and unit-level needs caused by the COVID-19 pandemic.

Capital Renewal Fund

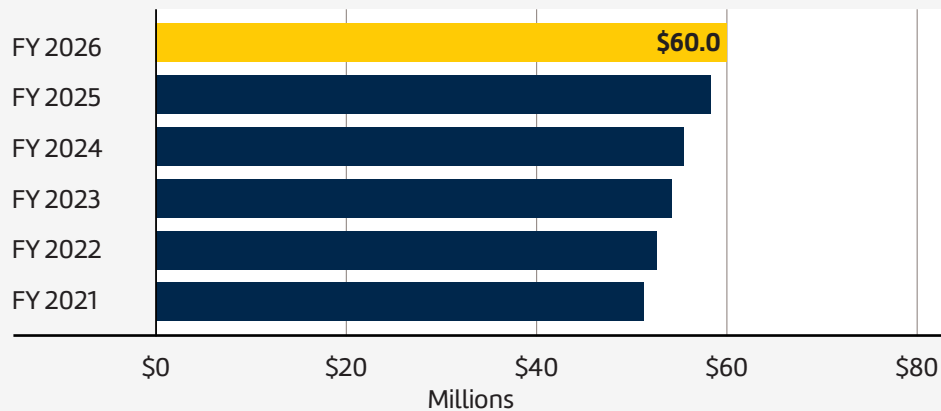


General Fund Budget	FY 2025	FY 2026	Change
Other non-salary	58.3	60.0	1.7
in millions	\$ 58.3	\$ 60.0	\$ 1.7

Totals may be off slightly due to rounding.

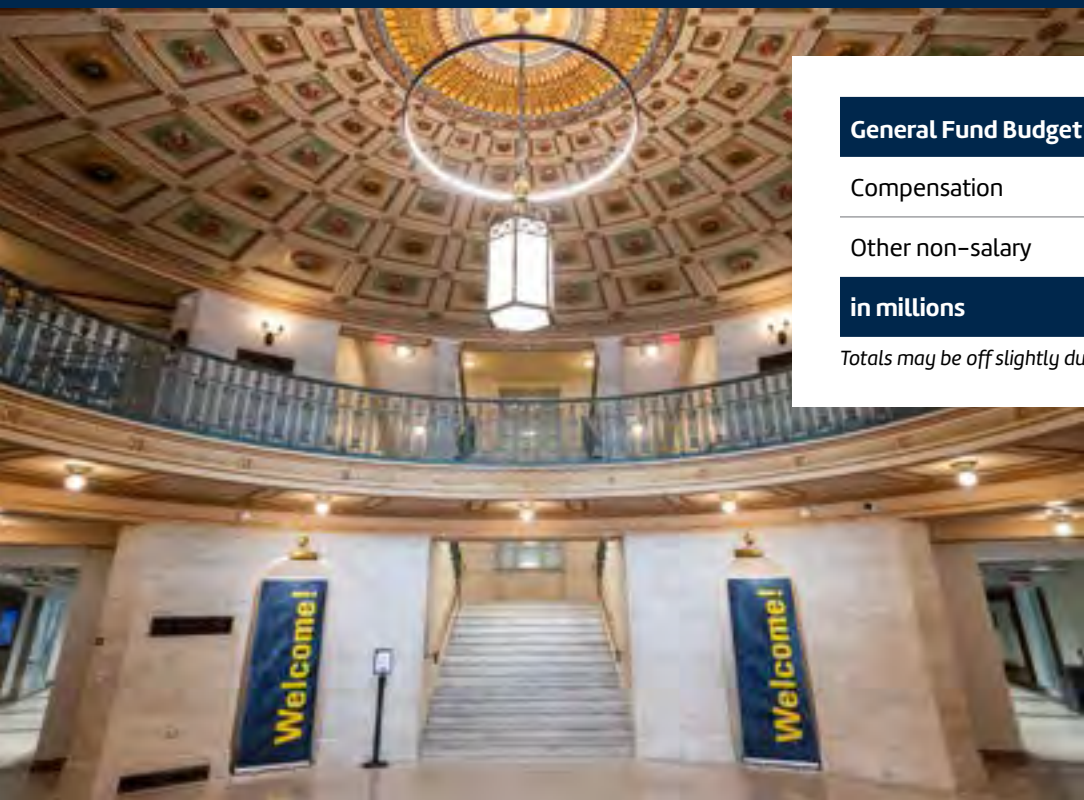
The Capital Renewal Fund provides a source of funds for high-priority renovations and is incremented annually to keep pace with rising construction costs.

General Fund Budget History



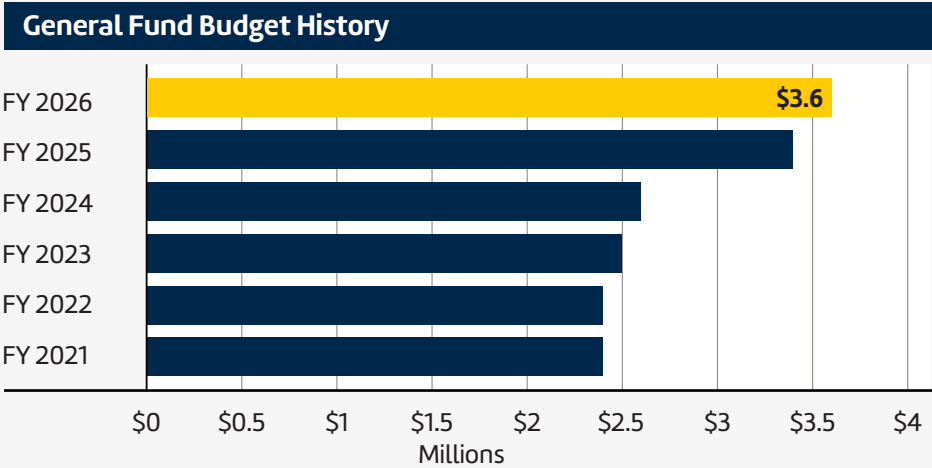
Notable budgetary actions over the last five years:

FY 2021 – FY 2026: Major projects supported by the Capital Renewal Fund include the Leinweber Building, Dentistry Building, and the new College of Pharmacy Building.



General Fund Budget	FY 2025	FY 2026	Change
Compensation	3.2	3.5	0.3
Other non-salary	0.2	0.0	(0.1)
in millions	\$ 3.4	\$ 3.6	\$ 0.1

Totals may be off slightly due to rounding.



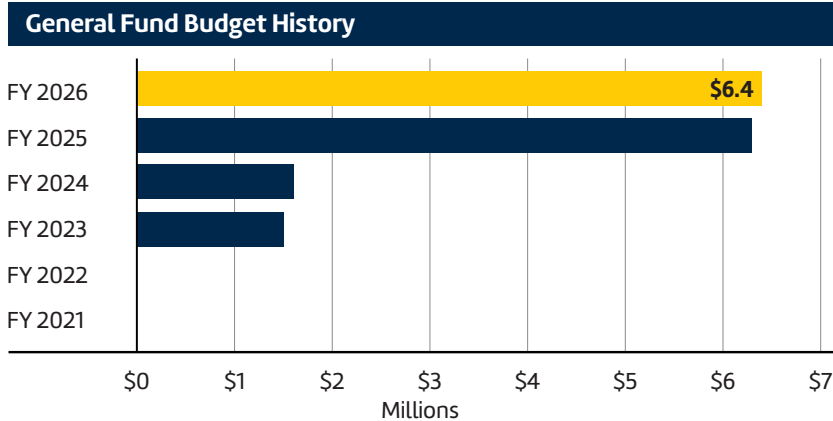
Notable budgetary actions over the last five years:

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 2025	FY 2026	Change
Compensation	6.3	6.4	0.1
Other non-salary	0.0	-	(0.0)
in millions	\$ 6.3	\$ 6.4	\$ 0.1

Totals may be off slightly due to rounding.



Notable budgetary actions over the last five years:

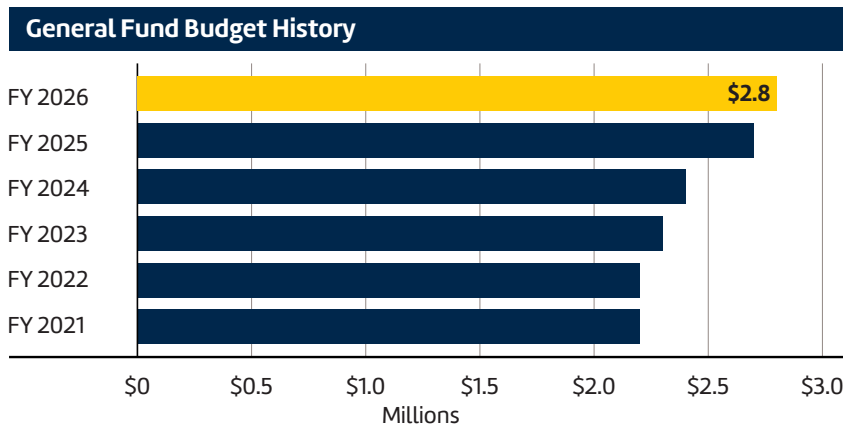
FY 2023 – FY 2026: Significant increase in funding since 2023 to expand support, resources, and education to promote a safe and non-discriminatory learning, living, and working environment for all members of the university community.

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 2025	FY 2026	Change
Compensation	2.6	2.6	0.1
Other non-salary	0.1	0.1	0.0
in millions	\$ 2.7	\$ 2.8	\$ 0.1

Totals may be off slightly due to rounding.



Notable budgetary actions over the last five years:

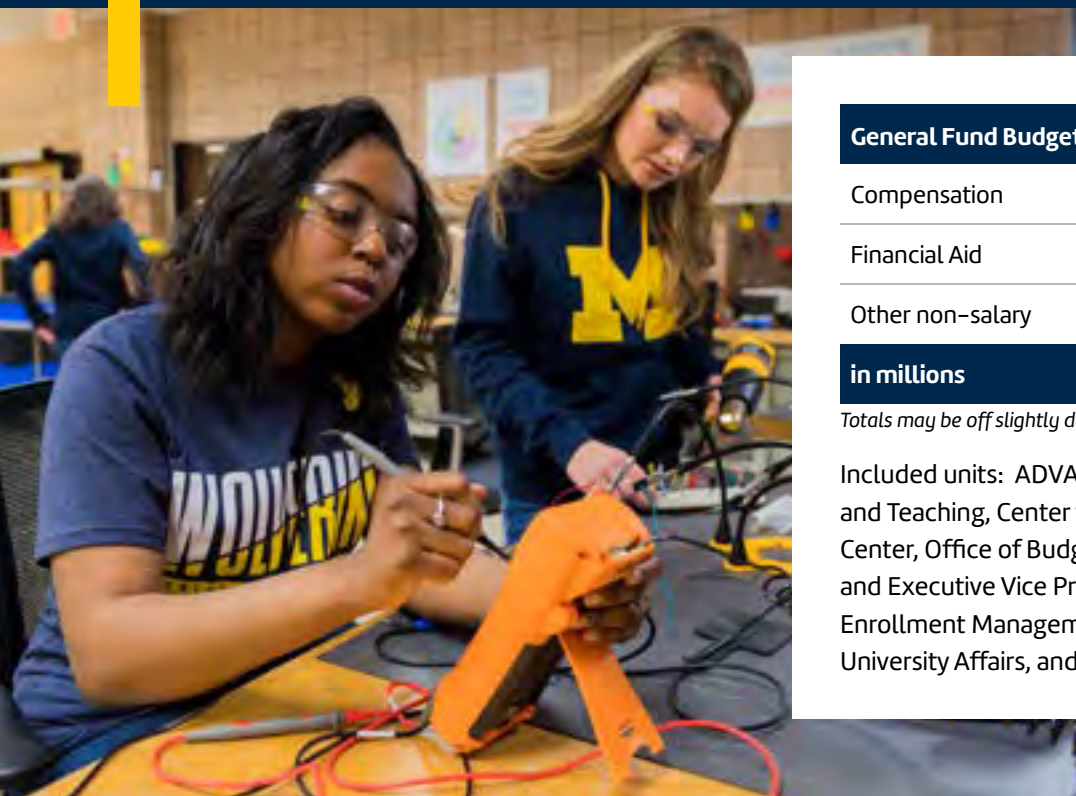
No significant items.

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.

Provost & Executive Vice President for Academic Affairs

provost.umich.edu

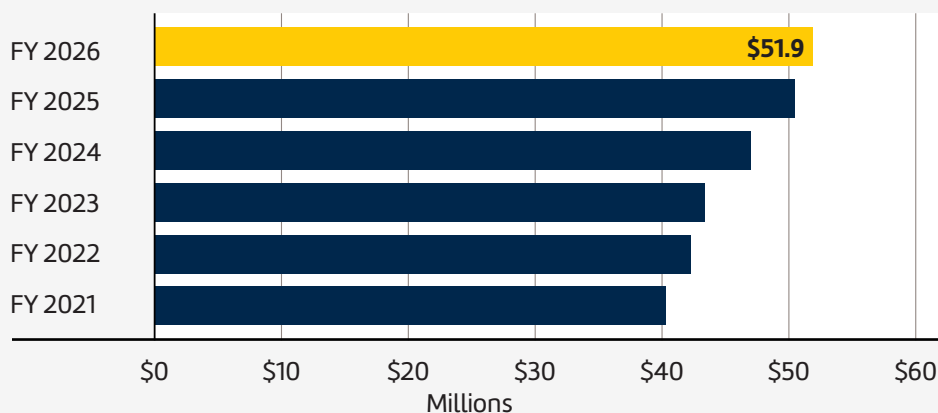


General Fund Budget	FY 2025	FY 2026	Change
Compensation	43.9	46.1	2.2
Financial Aid	0.3	0.4	0.0
Other non-salary	6.3	5.4	(0.9)
in millions	\$ 50.5	\$ 51.9	\$ 1.3

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, and Women in Science and Engineering.

General Fund Budget History



Notable budgetary actions over the last five years:

FY 2021 – FY 2026: Provost funding initiatives include support for global engagement and international safety.

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

FY 2024: National Center for Institutional Diversity 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

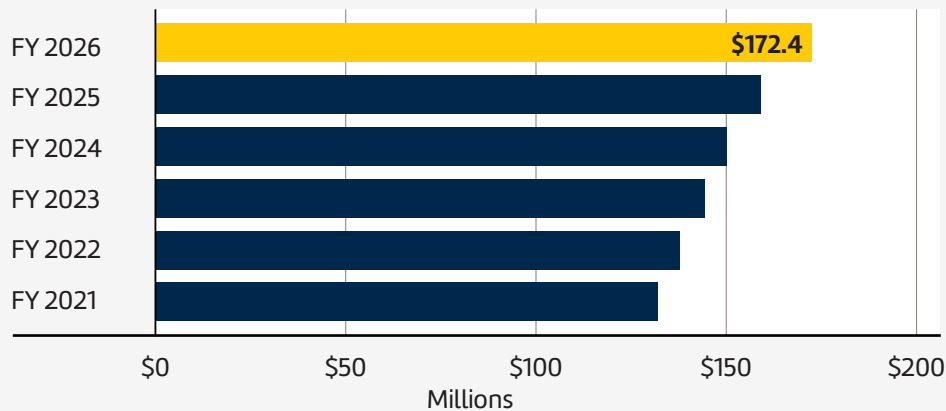
bf.umich.edu



General Fund Budget	FY 2025	FY 2026	Change
Compensation	120.3	130.8	10.5
Other non-salary	38.7	41.6	2.9
in millions	\$ 159.0	\$ 172.4	\$ 13.4

Totals may be off slightly due to rounding.

General Fund Budget History



Notable budgetary actions over the last five years:

FY 2021 – FY 2026: EVPCFO funding initiatives include expanded capacity for sustainability, Enterprise Financial Planning and Analysis, research administration, student safety

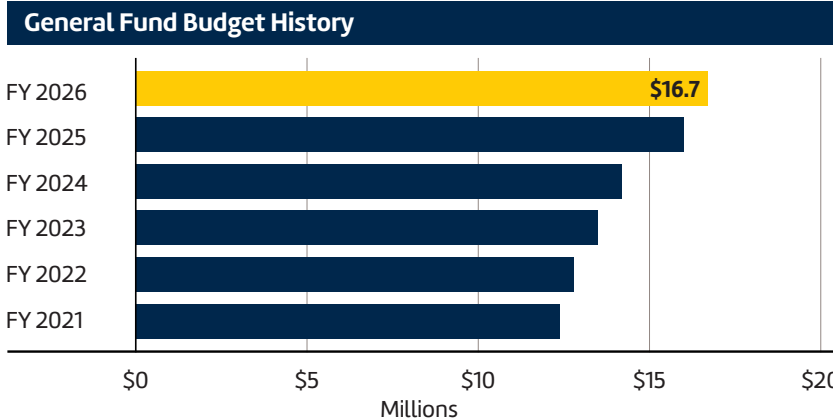
and disability transport, and increased support for the U-M Children's Centers.

Division of Public Safety & Security dpss.umich.edu

General Fund Budget	FY 2025	FY 2026	Change
Compensation	15.5	16.2	0.7
Other non-salary	0.5	0.5	0.0
in millions	\$ 16.0	\$ 16.7	\$ 0.7

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.



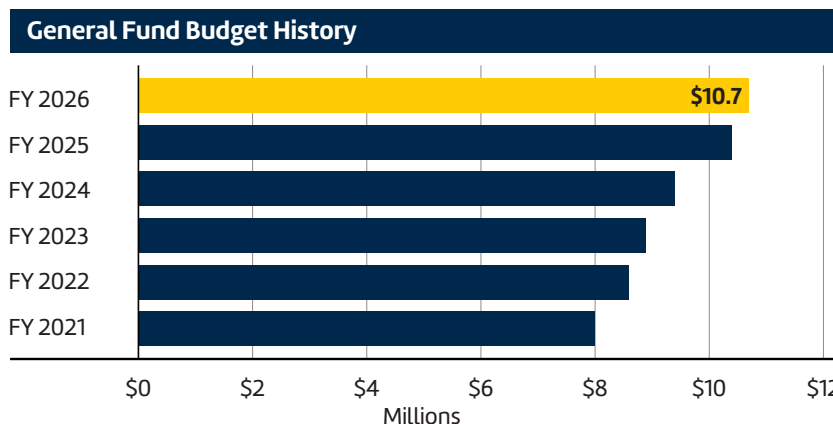
Notable budgetary actions over the last five years:

FY 2025: Increased support for campus safety and security.

Vice President for Communications vpcomm.umich.edu

General Fund Budget	FY 2025	FY 2026	Change
Compensation	7.8	8.8	1.0
Other non-salary	2.5	1.8	(0.7)
in millions	\$ 10.4	\$ 10.7	\$ 0.3

Totals may be off slightly due to rounding.



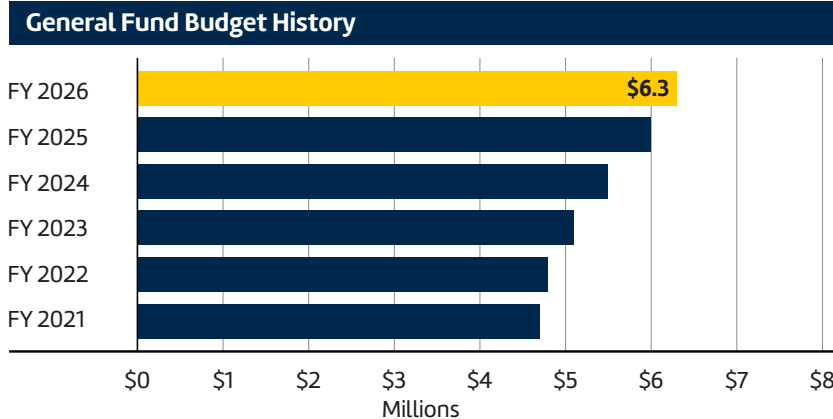
Notable budgetary actions over the last five years:

No significant items.

Vice President & General Counsel ogc.umich.edu

General Fund Budget	FY 2025	FY 2026	Change
Compensation	5.5	5.9	0.4
Other non-salary	0.4	0.4	-
in millions	\$ 6.0	\$ 6.3	\$ 0.4

Totals may be off slightly due to rounding.



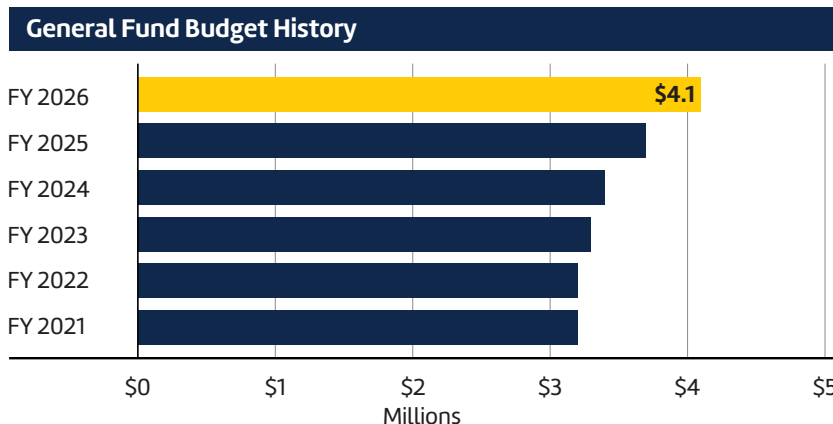
Notable budgetary actions over the last five years:

No significant items.

Vice President for Government Relations govrel.umich.edu

General Fund Budget	FY 2025	FY 2026	Change
Compensation	3.3	3.6	0.3
Other non-salary	0.4	0.5	0.1
in millions	\$ 3.7	\$ 4.1	\$ 0.4

Totals may be off slightly due to rounding.

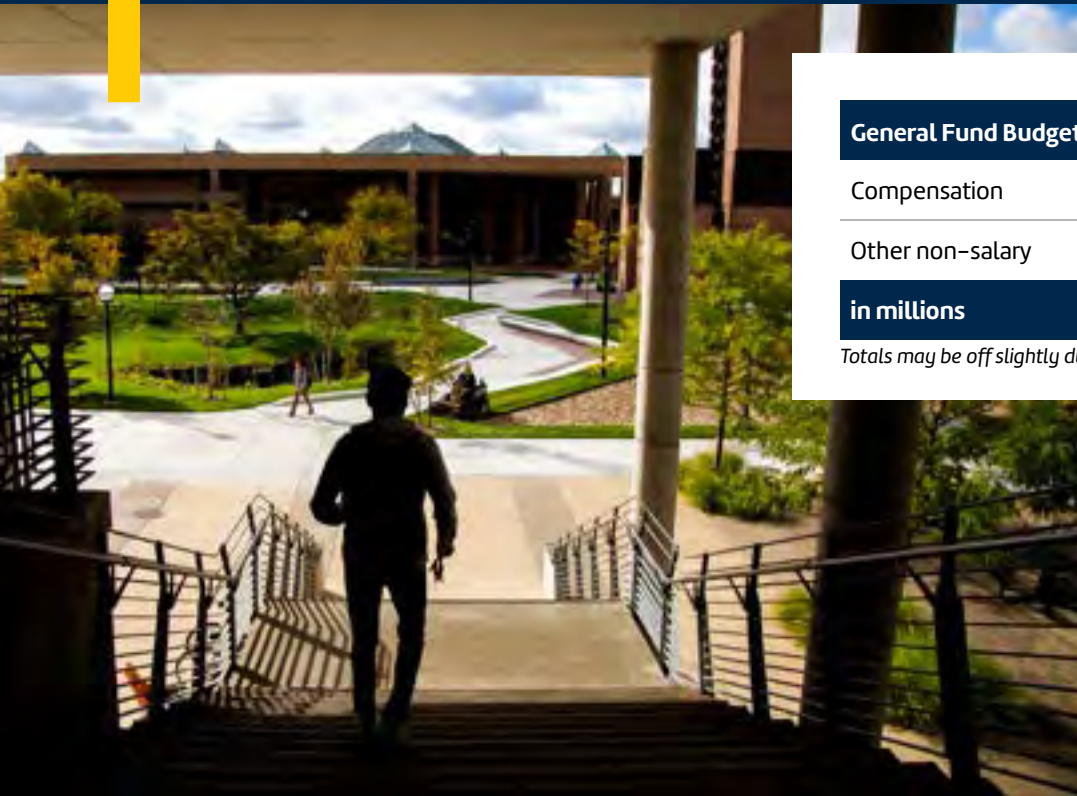


Notable budgetary actions over the last five years:

FY 2021: The Economic Growth Institute was transferred to the Vice President for Government Relations from the Vice President for Research.

Vice President for Information Technology & Chief Information Officer

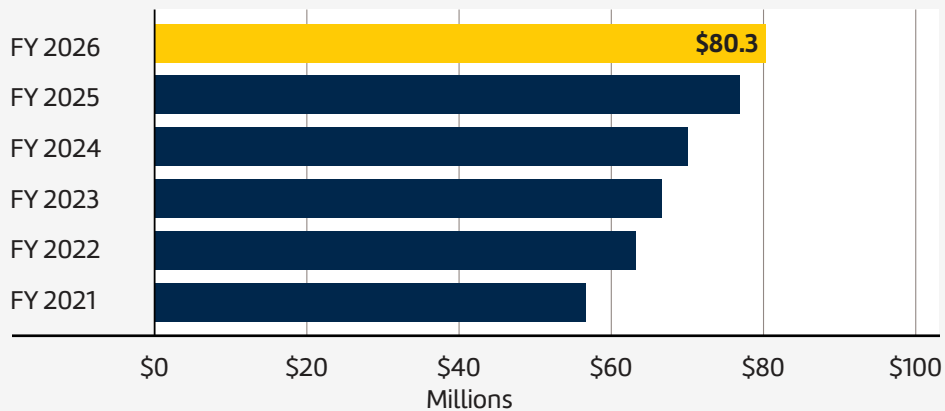
it.umich.edu



General Fund Budget	FY 2025	FY 2026	Change
Compensation	45.7	50.5	4.8
Other non-salary	31.2	29.8	(1.4)
in millions	\$ 76.9	\$ 80.3	\$ 3.4

Totals may be off slightly due to rounding.

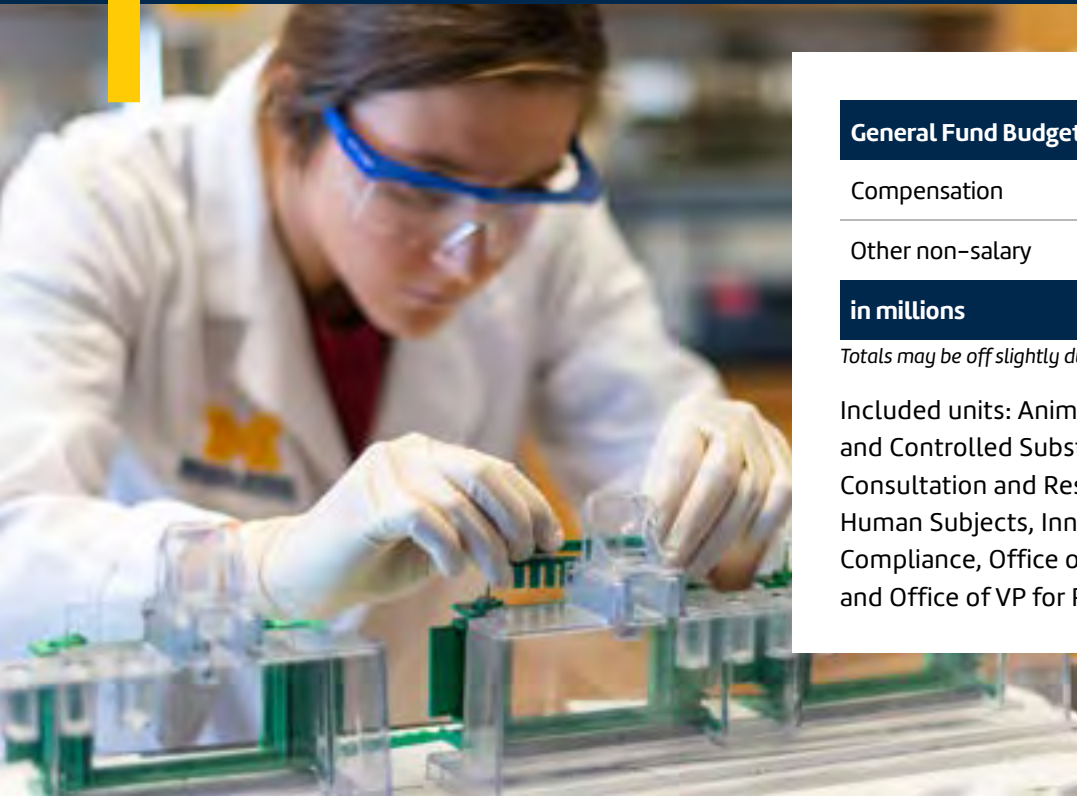
General Fund Budget History



Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

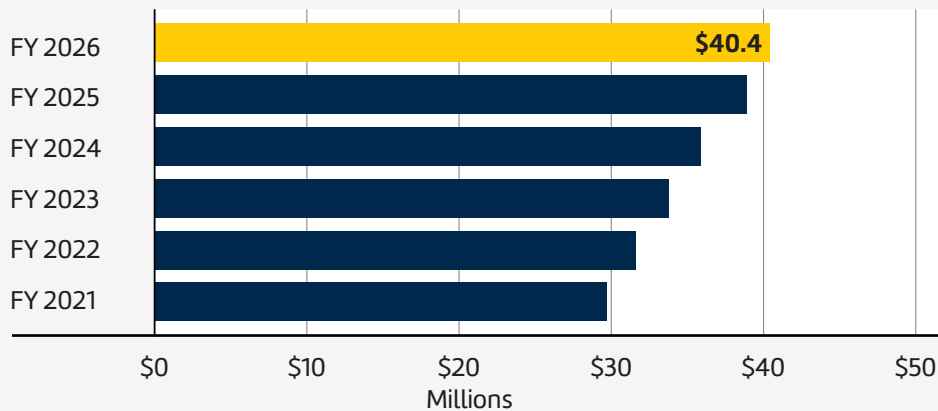


General Fund Budget	FY 2025	FY 2026	Change
Compensation	31.4	33.6	2.2
Other non-salary	7.4	6.8	(0.6)
in millions	\$ 38.9	\$ 40.4	\$ 1.5

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.

General Fund Budget History



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.

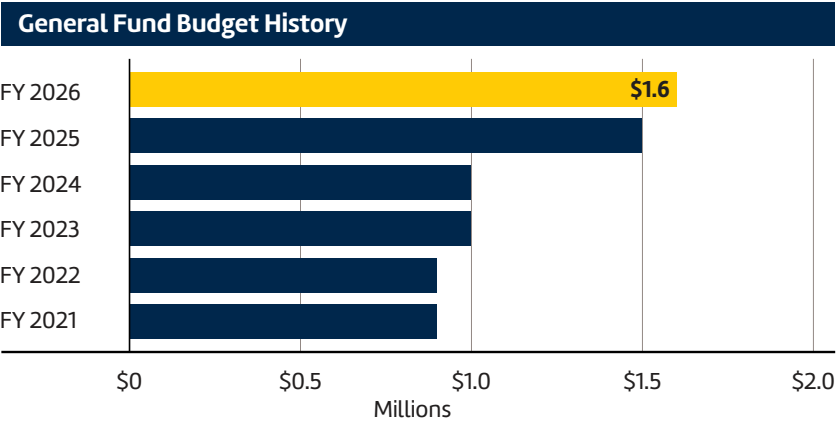
FY 2021: The Economic Growth Institute was transferred to the Vice President for Government Relations from Vice President for Research.

Vice President & Secretary of the University

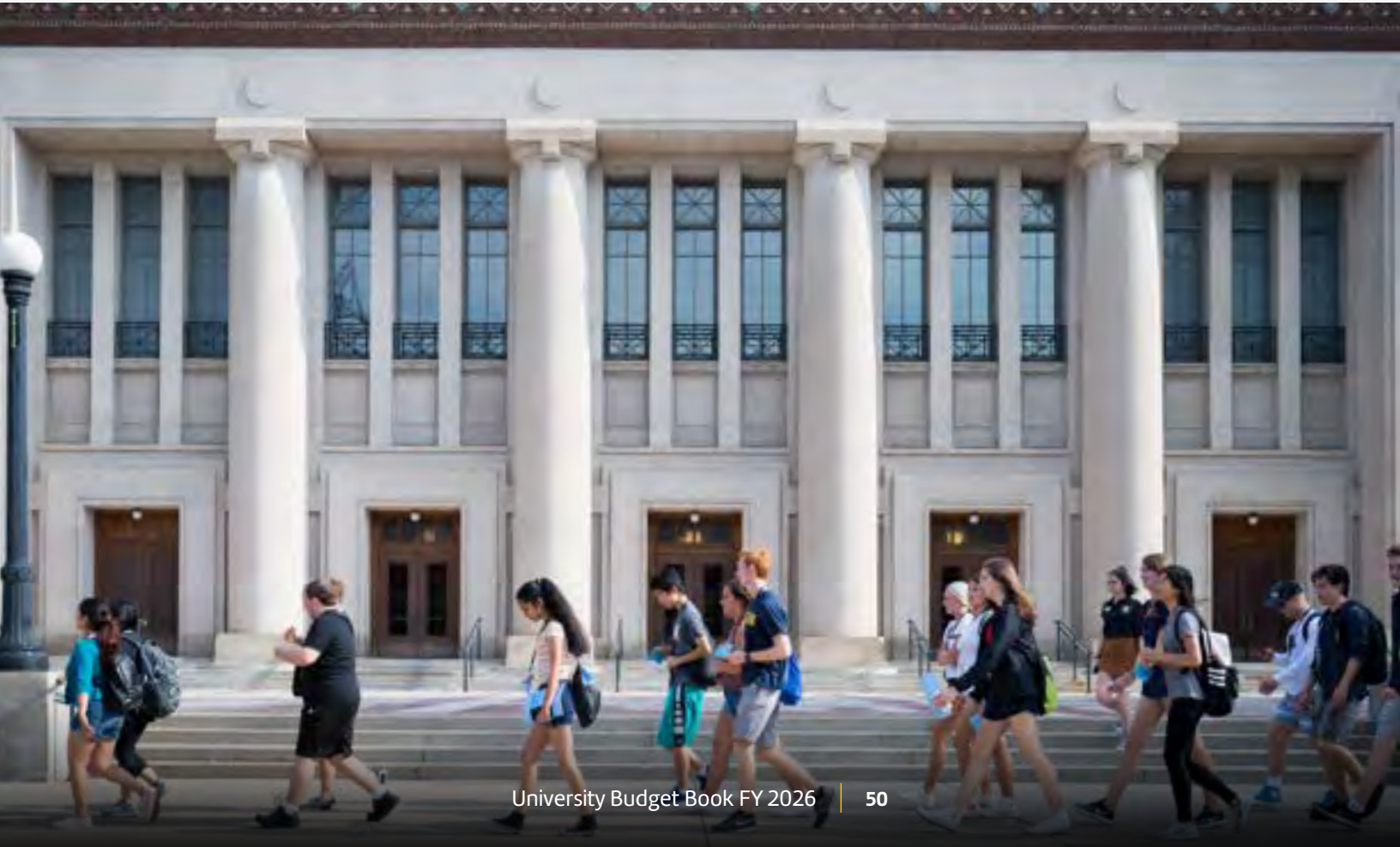
General Fund Budget	FY 2025	FY 2026	Change
Compensation	1.5	1.6	0.1
Other non-salary	0.0	0.0	0.0
in millions	\$ 1.5	\$ 1.6	\$ 0.1

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.

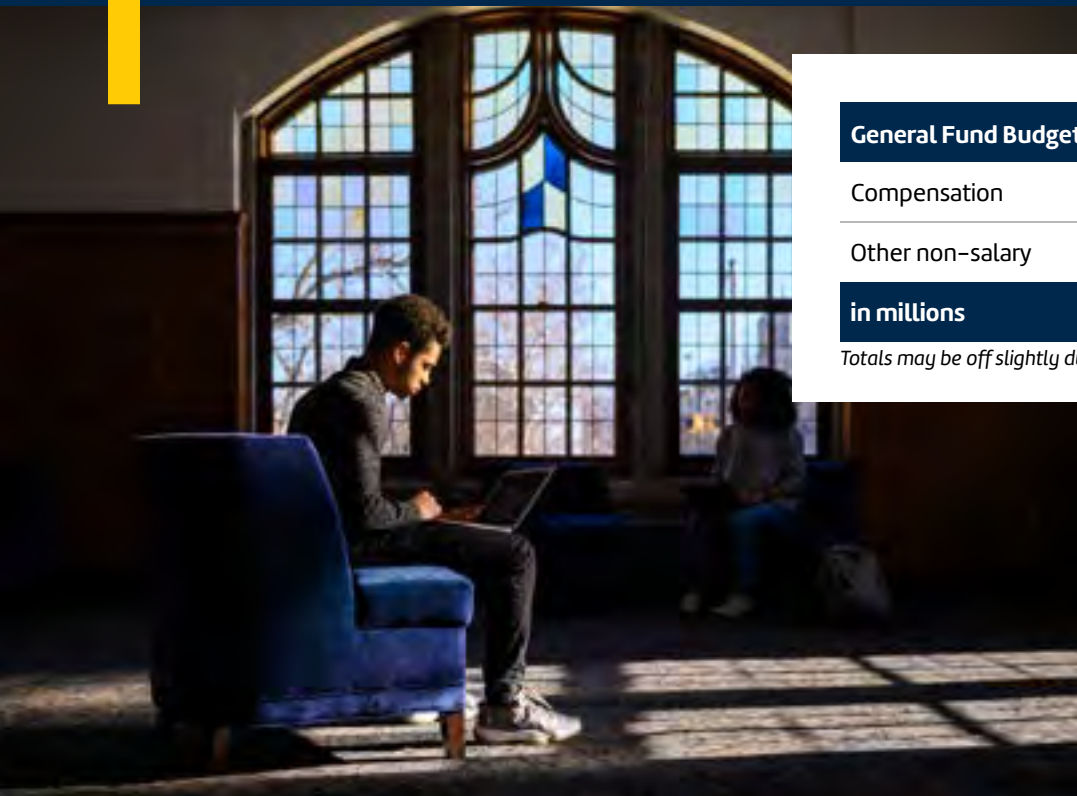


Notable budgetary actions over the last five years:
No significant items.



Vice President for Student Life

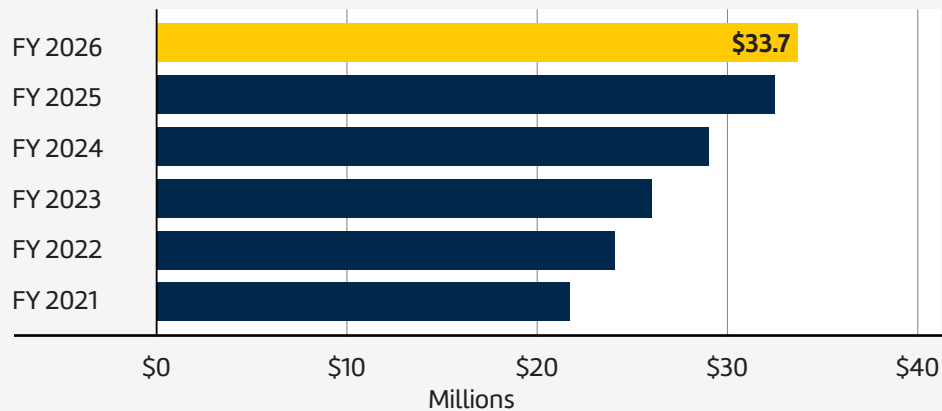
studentlife.umich.edu



General Fund Budget	FY 2025	FY 2026	Change
Compensation	27.0	28.1	1.1
Other non-salary	5.5	5.6	0.1
in millions	\$ 32.5	\$ 33.7	\$ 1.1

Totals may be off slightly due to rounding.

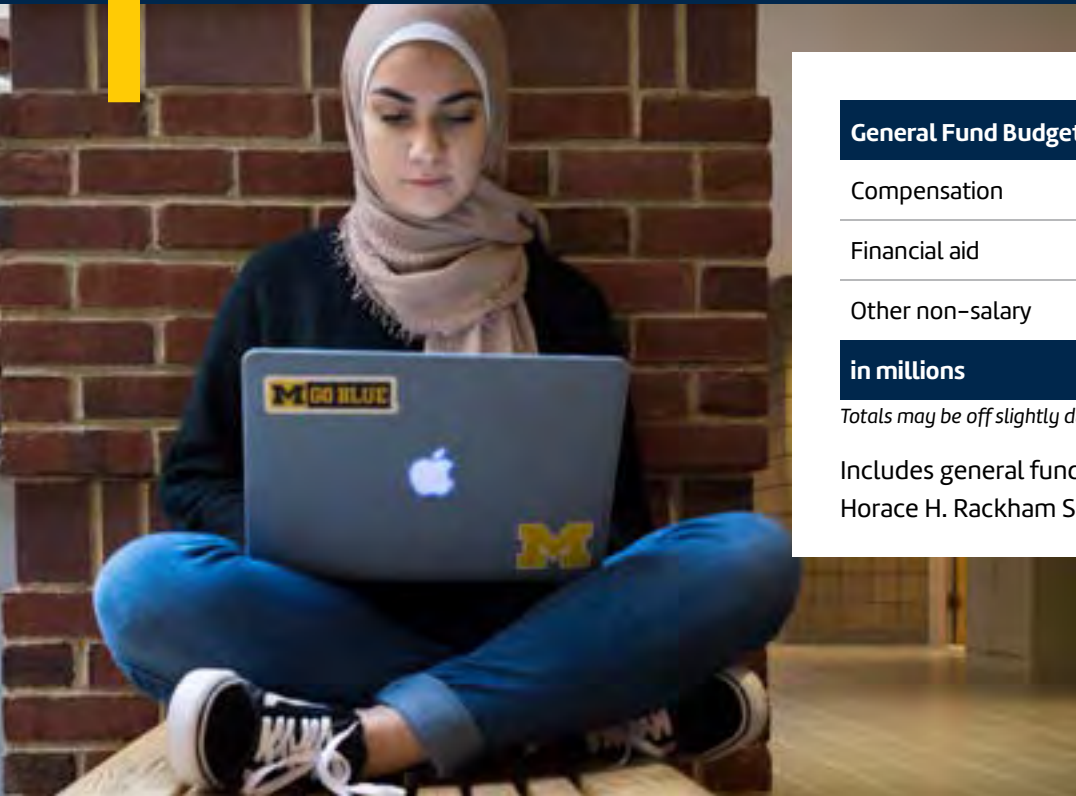
General Fund Budget History



Notable budgetary actions over the last five years:

FY 2021 – FY 2026: Vice President for Student Life funding initiatives include expanded resources for student success and wellness.

Rackham Financial Aid

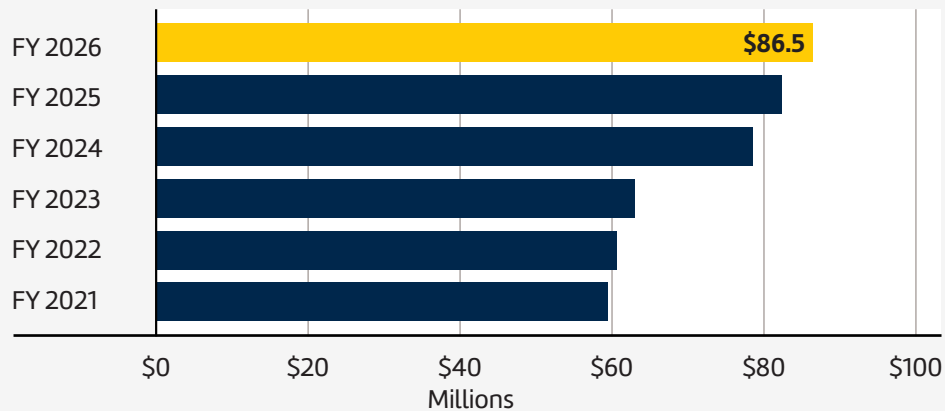


General Fund Budget	FY 2025	FY 2026	Change
Compensation	0.4	0.4	0.0
Financial aid	80.1	84.4	4.3
Other non-salary	1.9	1.6	(0.3)
in millions	\$ 82.4	\$ 86.5	\$ 4.0

Totals may be off slightly due to rounding.

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

General Fund Budget History

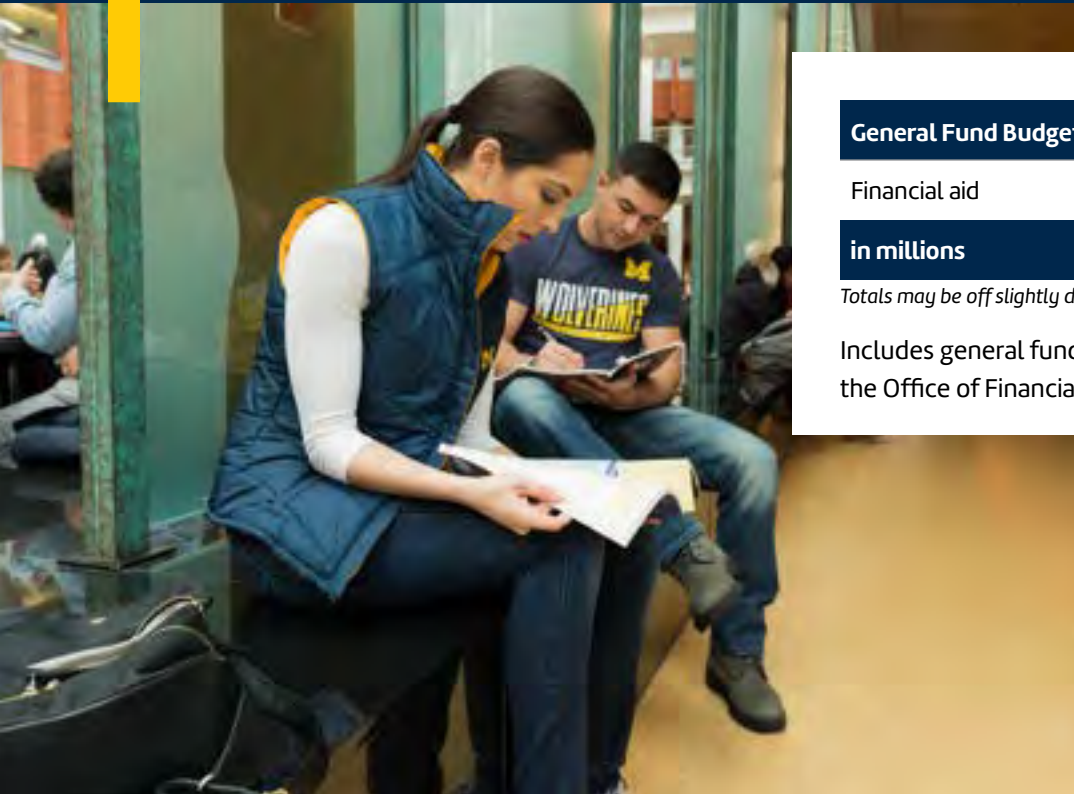


Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

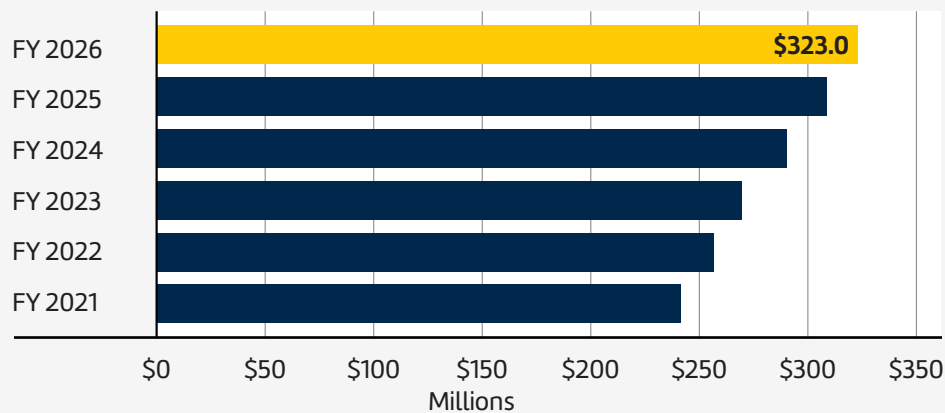


General Fund Budget	FY 2025	FY 2026	Change
Financial aid	309.1	323.0	13.9
in millions	\$ 309.1	\$ 323.0	\$ 13.9

Totals may be off slightly due to rounding.

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

General Fund Budget History

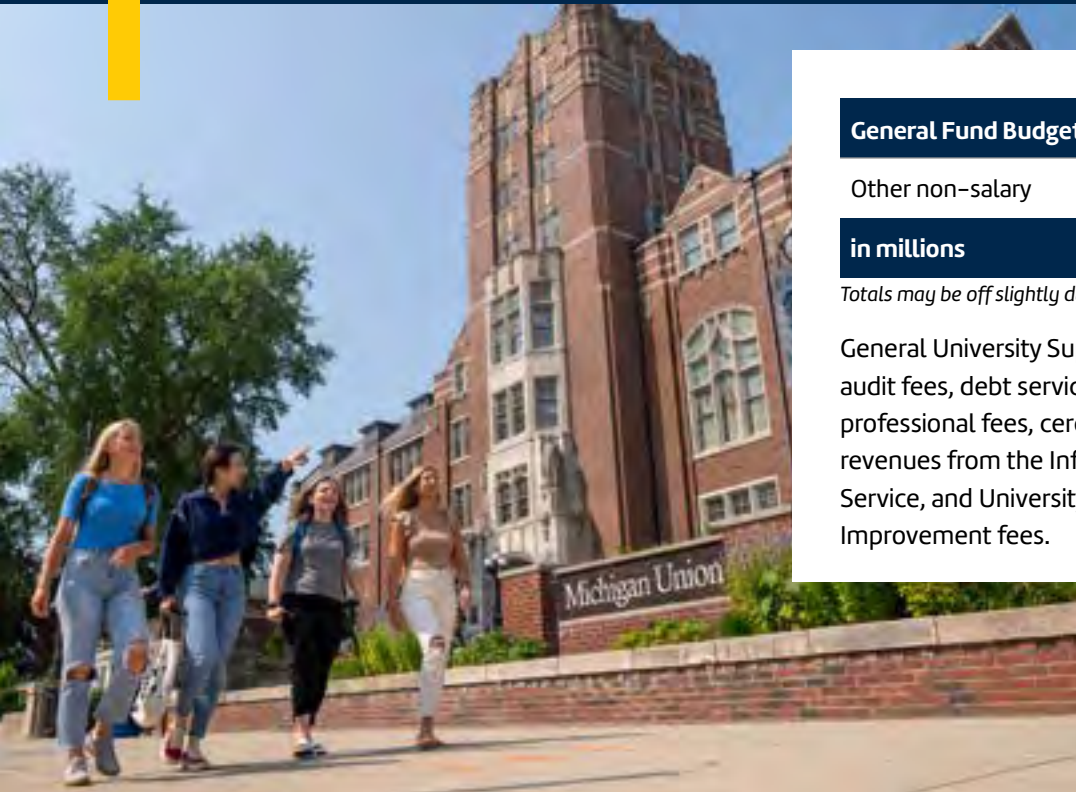


Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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

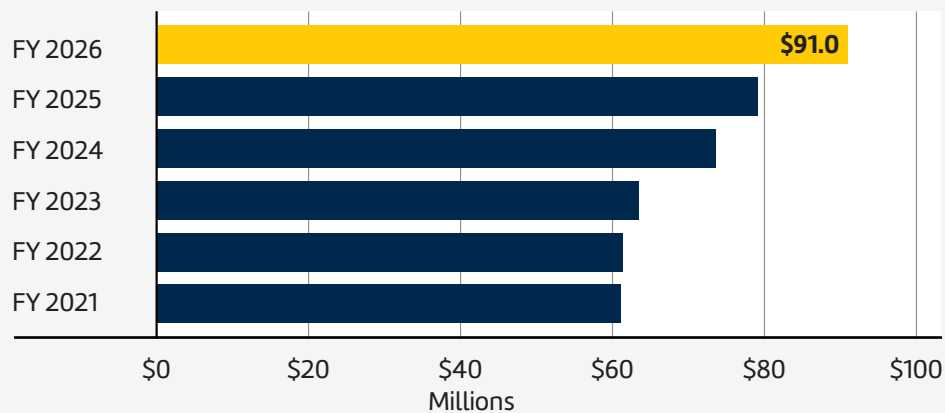


General Fund Budget	FY 2025	FY 2026	Change
Other non-salary	79.2	91.0	11.9
in millions	\$ 79.2	\$ 91.0	\$ 11.9

Totals may be off slightly due to rounding.

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

General Fund Budget History



Notable budgetary actions over the last five years:

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

FY 2025: Budget incorporates increases in insurance premiums.

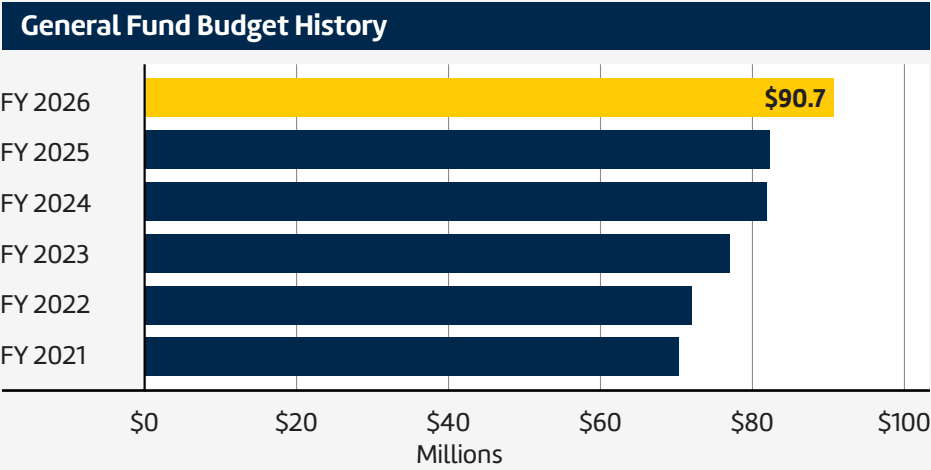
FY 2024: Budget incorporates increases in insurance premiums and increased space rental costs for the Center for Academic Innovation's new facility.



General Fund Budget	FY 2025	FY 2026	Change
Other non-salary	82.4	90.7	8.3
in millions	\$ 82.4	\$ 90.7	\$ 8.3

Totals may be off slightly due to rounding.

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

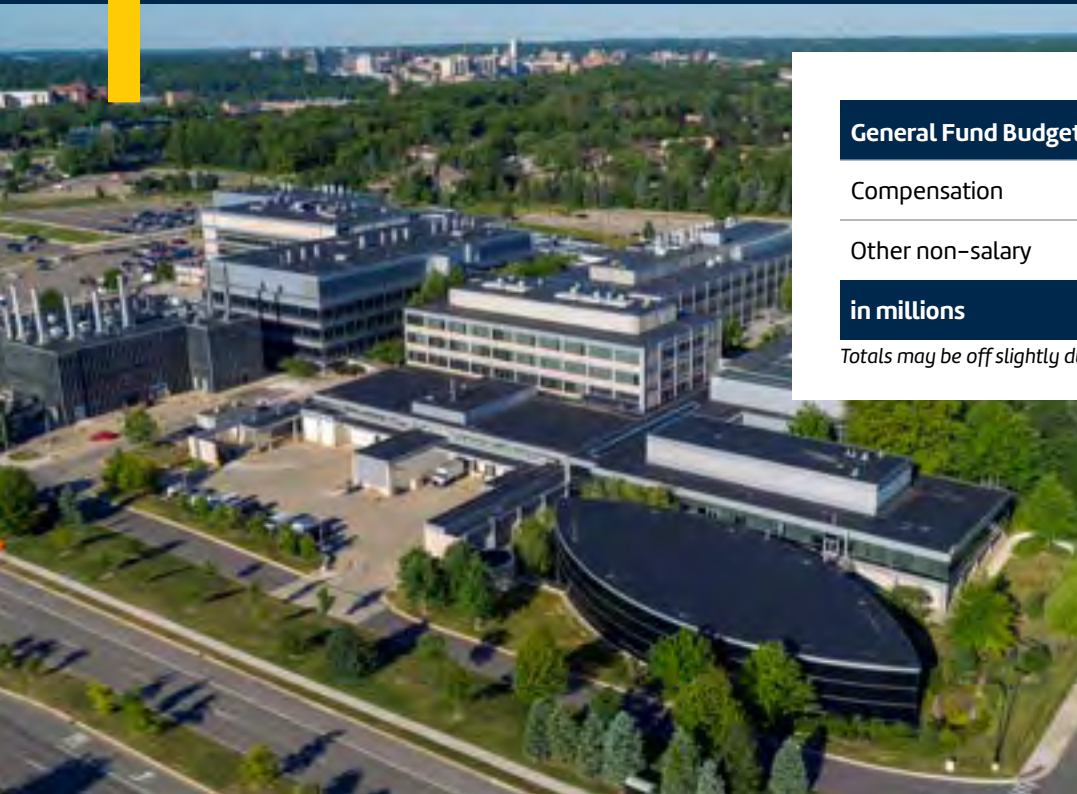


Notable budgetary actions over the last five years:

FY 2026: Budget increase primarily due to the debt service on the new campus solar farms.

North Campus Research Complex

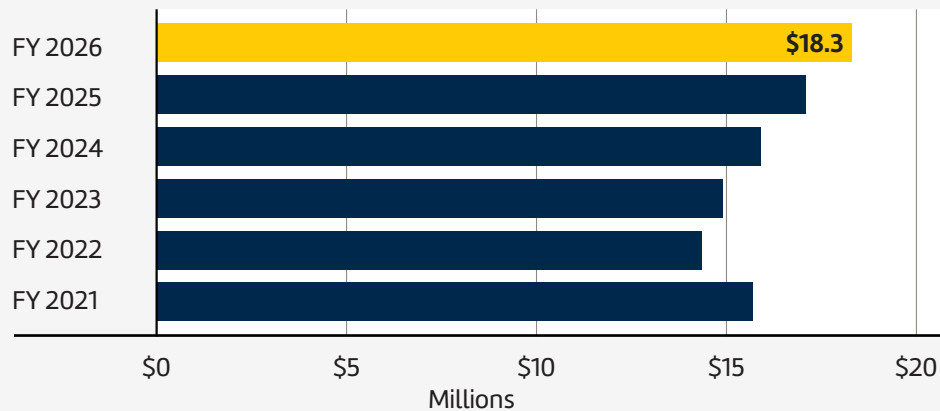
ncrc.umich.edu



General Fund Budget	FY 2025	FY 2026	Change
Compensation	2.4	2.5	0.1
Other non-salary	14.6	15.7	1.1
in millions	\$ 17.1	\$ 18.3	\$ 1.2

Totals may be off slightly due to rounding.

General Fund Budget History



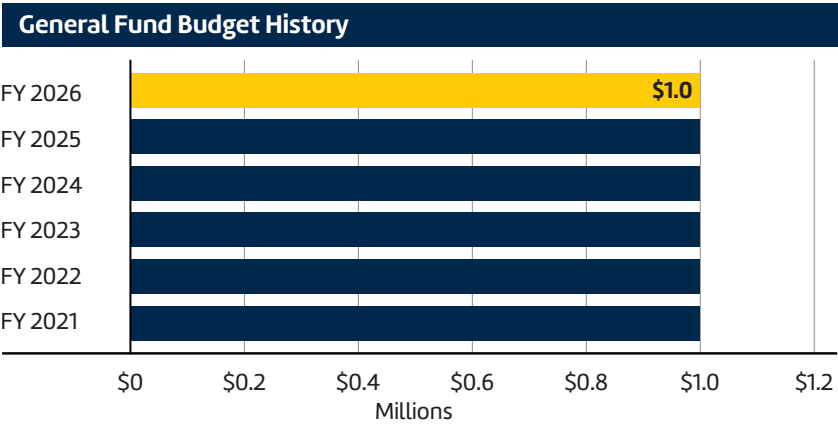
Notable budgetary actions over the last five years:

FY 2021 – FY 2026: 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.

Staff Benefits Pool

General Fund Budget	FY 2025	FY 2026	Change
Compensation	1.0	1.0	-
in millions	\$ 1.0	\$ 1.0	\$ 0

Totals may be off slightly due to rounding.

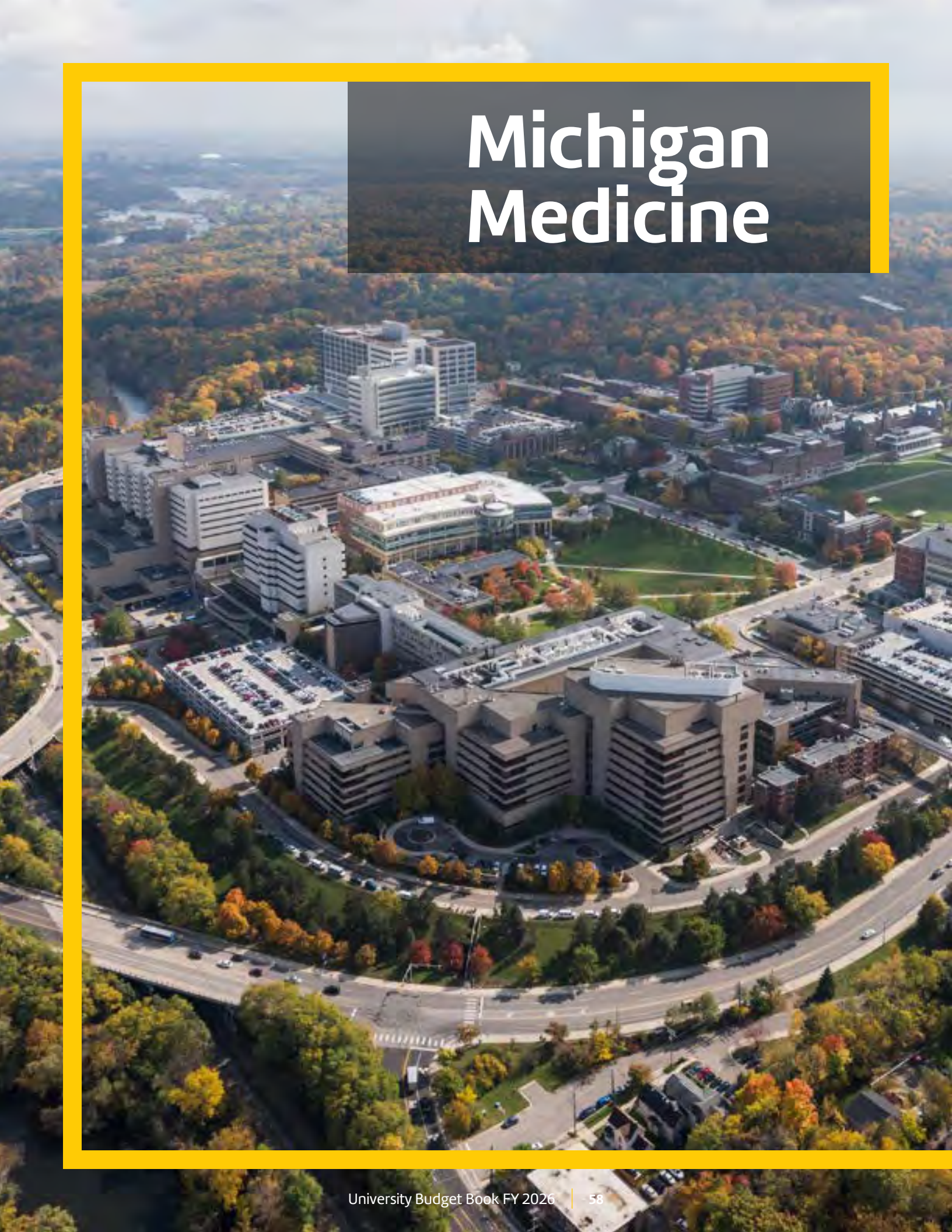


Staff Benefits Pool represents funding for the general fund obligations for unemployment compensation.

Notable budgetary actions over the last five years:

No significant items.





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

2.9M

Patient Clinic
Visits

118K+

Emergency
Visits

53K+

Patient
Admissions

100+

Operating Residency
& Fellowship
Programs

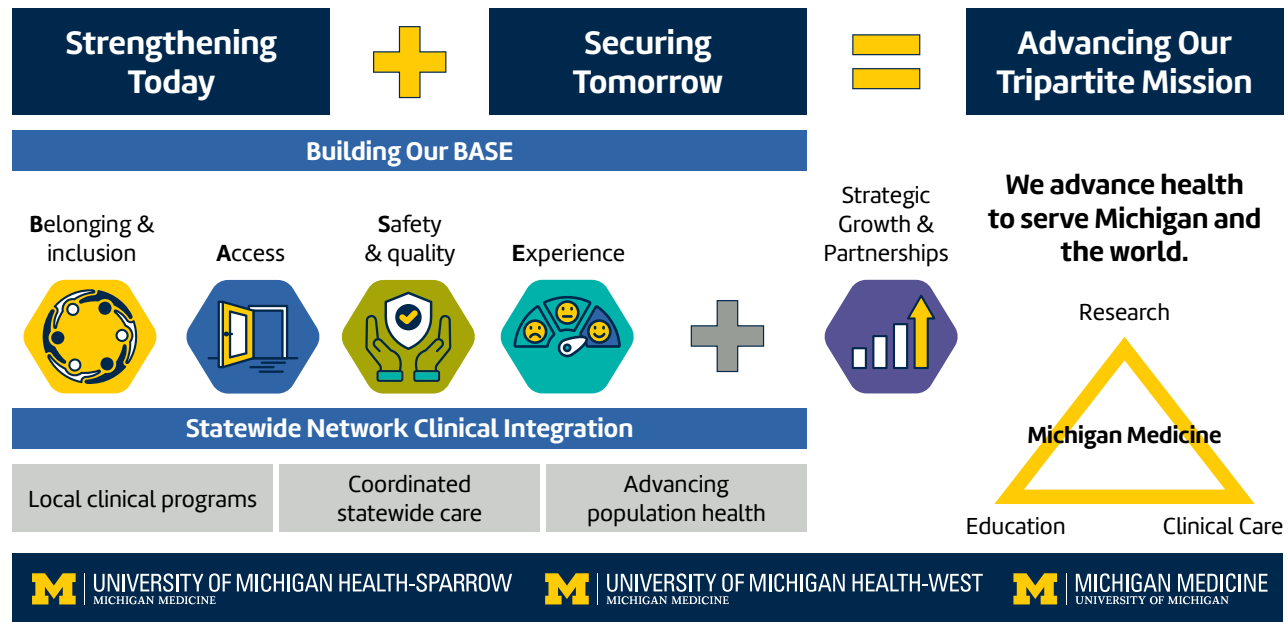
Activity shown is for AMC only.

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 ranking 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 11 acute care hospitals with 2,083 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 & Inclusion, 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.

U-M Health Dynamic Evolution: 2023–2037



In keeping with efforts to enhance a growing statewide network of care, the Board of Regents approved the purchase of 11.4 acres 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 facility 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 regarding Leadership in Energy and Environmental Design (LEED) to minimize negative environmental impacts.

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 is estimated to be open for patient care by fall 2025 and will accommodate 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 the University Hospital will also allow for future redesign and growth for patient programs remaining in that facility. The design will emphasize sustainability with the expectation to achieve LEED Platinum certification, exceeding current energy efficiency standards.

During December 2022, in an effort to improve health equity, reduce disparities, and address social and other determinants of health in the local communities, the Board of Regents approved

the relocation and expansion of UMH’s Ypsilanti Health Center. The Ypsilanti Health Center will be adding many more specialty services in a welcoming and reimagined space in an accessible, downtown location. The comprehensive \$35 million project will have nearly 50,000 square feet of space and will provide a wide range of adult and pediatric services. It will also offer diagnostic imaging, laboratory, social support, and community service spaces. In addition, UMH opened a new mobile mammography unit at the Ypsilanti Health Center, which greatly benefits the community by bringing breast cancer screening and earlier access to cancer care to the Ypsilanti area. Construction is scheduled for completion in the summer of 2025.

UMH remains committed to expanding access to more patients by focusing on Hospital Care at Home. This program, which was launched in February 2024, allows UMH to discharge patients sooner and finish their hospital-level care at home with appropriate monitoring, equipment, and house visits. Hospital Care at Home brings positive impacts by improving patient experience and bed capacity. In addition, UMH has expanded its telehealth program to provide virtual care for patients from their home, with the goal of providing safe and effective care to patients.

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.

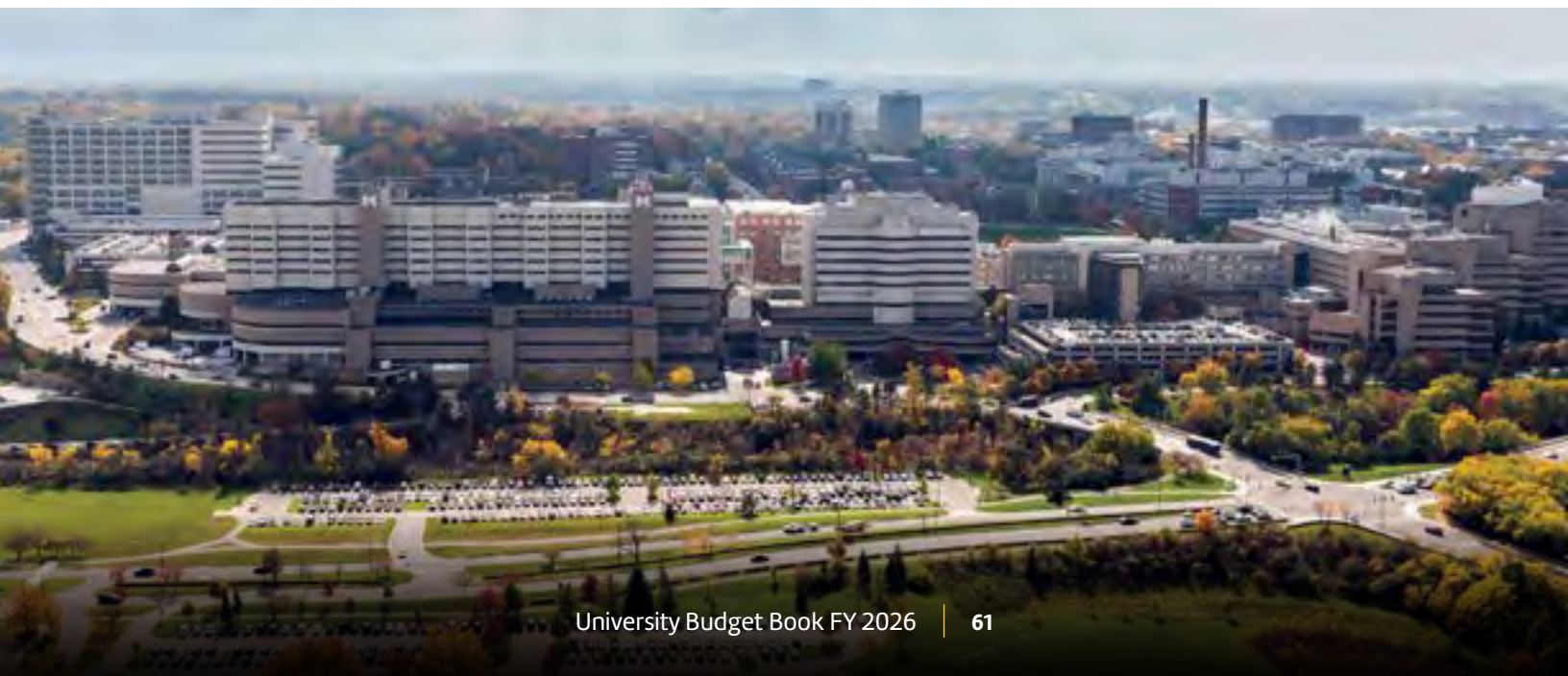
Michigan Medicine FY 2026 Operating Fund Budget

<i>in millions</i>	UMH- Ann Arbor	Michigan Health Corporation	UMH-West	UMH- Sparrow	Medical School (Clinical Activity)	EVPMA	Total
REVENUE:							
Sponsored Programs	\$ 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24
Private Gifts	31	-	-	-	-	-	31
Investment Income							
Endowment Income	80	-	-	-	40	2	123
Other	1	-	-	-	-	-	1
Patient Care Revenue	6,534	28	665	1,698	87	6	9,017
Departmental Activities	12	-	-	-	1,288	497	1,796
Total Revenue:	\$ 6,683	\$ 28	\$ 665	\$ 1,698	\$ 1,415	\$ 504	\$ 10,993
Less Rebilling Credits ¹	(11)	-	-	-	(94)	-	(105)
Less Inter-Unit Transfers ²	-	-	-	-	(971)	(496)	(1,467)
Net Revenue:	\$ 6,672	\$ 28	\$ 665	\$ 1,698	\$ 350	\$ 9	\$ 9,421
EXPENDITURES:							
Compensation and Benefits	\$ 2,776	\$ 13	\$ 333	\$ 962	\$ 1,218	\$ 314	\$ 5,616
Financial Aid	-	-	-	-	-	-	-
Supplies, Services and Other	3,630	10	283	630	206	97	4,856
Plant Improvement	198	(1)	-	-	32	89	318
Total Expenditures:	\$ 6,603	\$ 22	\$ 616	\$ 1,592	\$ 1,456	\$ 501	\$ 10,790
Less Rebilling Credits ¹	(11)	-	-	-	(94)	-	(105)
Less Inter-Unit Transfers ²	-	-	-	-	(971)	(496)	(1,467)
Net Expenditures:	\$ 6,592	\$ 22	\$ 616	\$ 1,592	\$ 391	\$ 5	\$ 9,218
Margin	\$ 80	\$ 5	\$ 49	\$ 106	\$ (41)	\$ 4	\$ 203

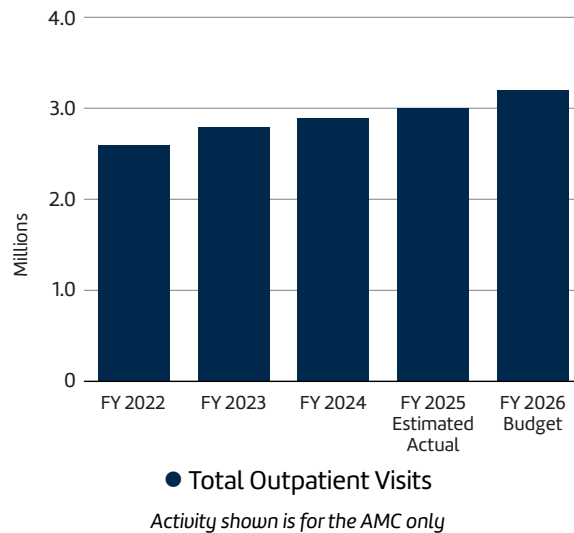
¹ Rebilling credits include recharge revenue and inter-unit billings.

² Offset for inter-unit transfers is included with UMH-Ann Arbor.

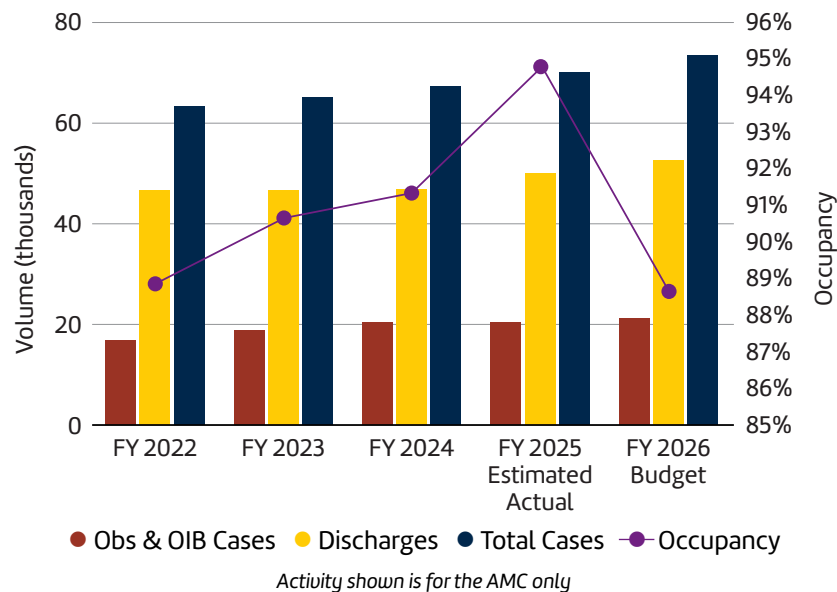
Totals may be off slightly due to rounding.



Ambulatory Care Visits



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



FY 2026 Budget Risk

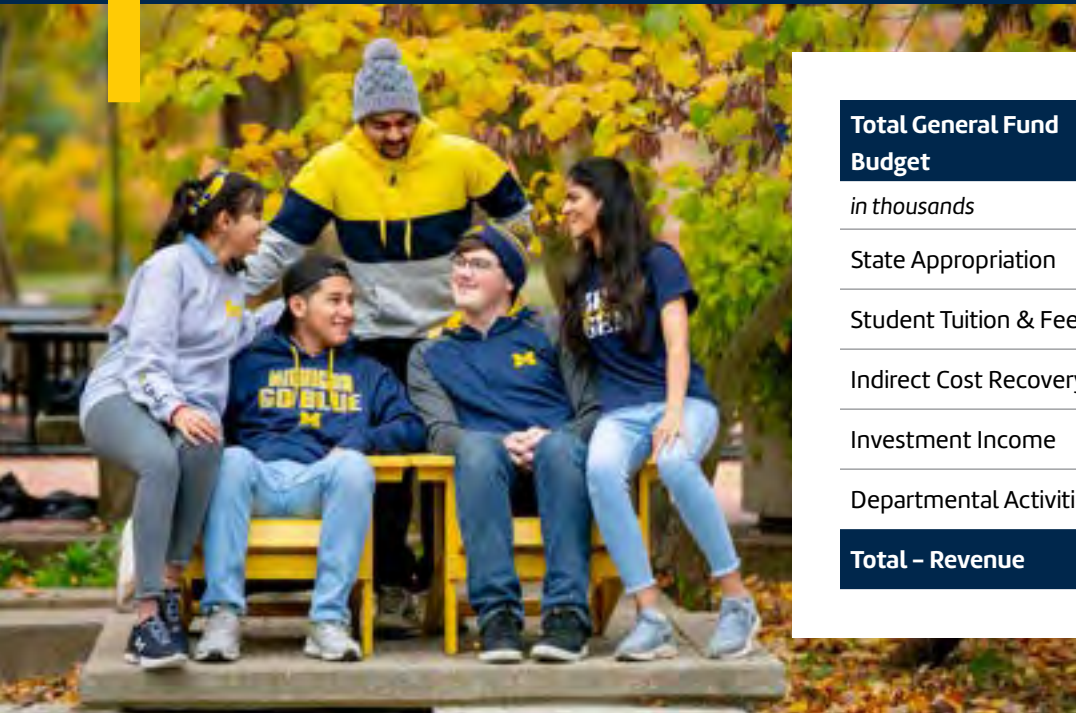
Regulatory & Policy Uncertainty: Proposed changes to federal healthcare and research funding policies, including reductions in reimbursement and indirect cost recovery, present material risks to both clinical and academic operations.

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

Growth & Volume: As cost pressures from inflation and workforce dynamics intensify, achieving forecasted volumes is critical to maintaining financial stability and funding future growth.

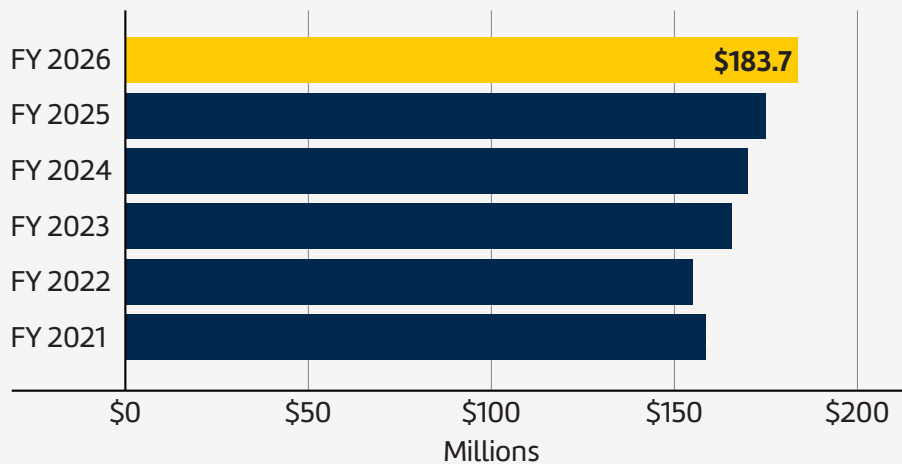
UM–Dearborn Campus

umdearborn.edu



Total General Fund Budget	FY 2026	FY 2025	Change
<i>in thousands</i>			
State Appropriation	\$ 31,722	\$ 31,977	\$ (255)
Student Tuition & Fees	149,156	140,532	8,624
Indirect Cost Recovery	2,500	1,800	700
Investment Income	-	200	(200)
Departmental Activities	305	305	-
Total – Revenue	\$ 183,683	\$ 174,814	\$ 8,869

Total General Fund Budget History



The University of Michigan–Dearborn (UM–Dearborn) has announced a balanced budget for FY 2026, with a general fund budget of \$183.7M. This budget reflects mixed changes in student enrollment and includes a 3.9% increase in undergraduate resident tuition rates. State appropriations revenue is expected to remain steady at \$31.7M.

UM–Dearborn remains committed to student affordability and continues to offer merit- and need-based financial aid, including support for student accessibility through the

Go Blue Guarantee student aid program. The budget is adjusted to account for the changing demographics of college-bound students and the broader economic challenges facing the nation.

Additionally, UM–Dearborn is dedicated to providing new resources to fund wage adjustments for all regular employees on the Dearborn campus.

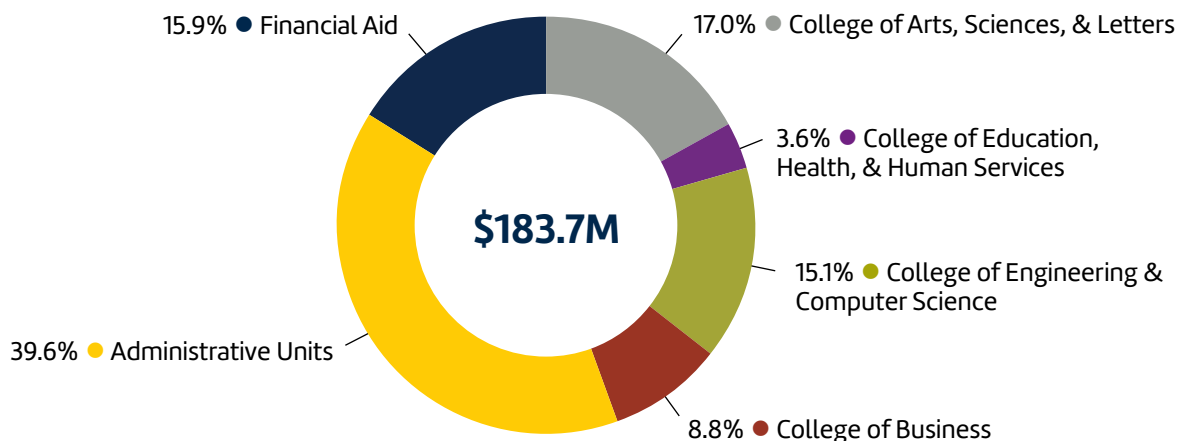
UM–Dearborn Campus FY 2026 Budget by Fund

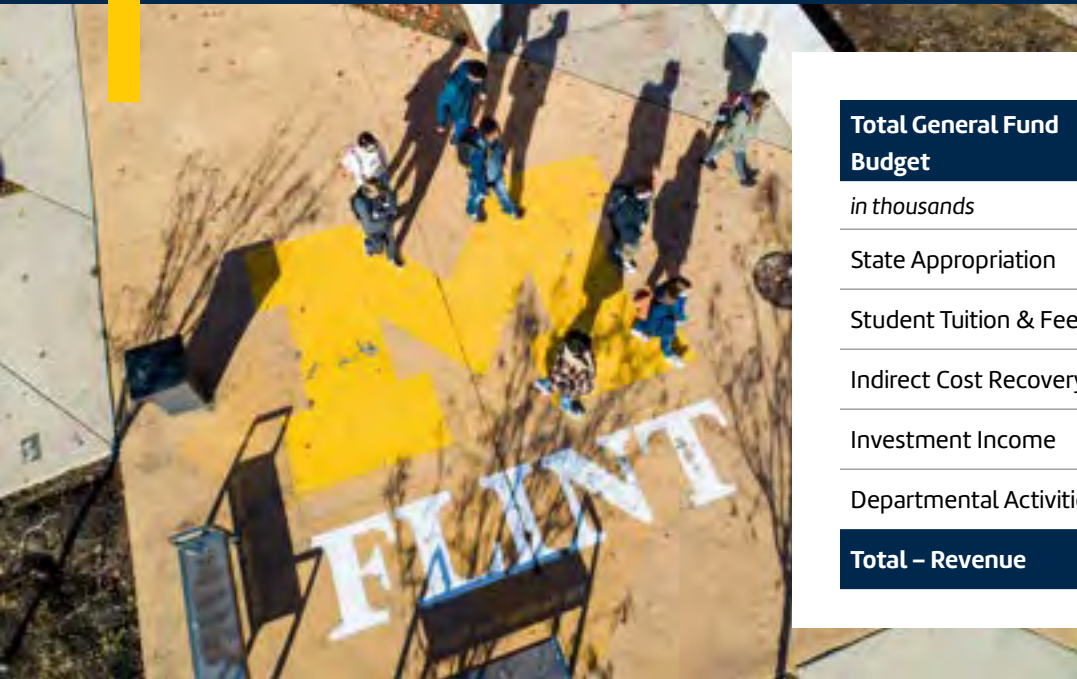
FY 2026 CONSOLIDATED OPERATING BUDGET							
<i>in thousands</i>	General	Designated	Auxiliary	Expendable Restricted	Total	Total FY 2025	FY 2026 Variance to FY 2025
REVENUE:							
State Appropriations	\$ 31,722	\$ –	\$ –	\$ –	\$ 31,722	\$ 31,977	\$ (255)
Student Tuition and Fees	149,156	–	–	–	149,156	140,532	8,624
Sponsored Programs							
Federal	–	–	–	23,000	23,000	22,000	1,000
State/Local	–	–	–	1,000	1,000	1,000	–
Non–Governmental	–	–	–	2,750	2,750	2,500	250
Indirect Cost Recovery	2,500	–	–	–	2,500	1,800	700
Indirect Cost Recovery Allocated to General Operating	–	–	–	(2,500)	(2,500)	(1,800)	(700)
Private Gifts	–	–	–	2,000	2,000	2,000	–
Investment Income							
Endowment Income	–	–	–	3,000	3,000	3,000	–
Other	–	800	75	–	875	1,275	(400)
Patient Care Revenue	–	–	–	–	–	–	–
Departmental Activities	305	400	1,825	–	2,530	2,555	(25)
Total Revenue:	\$ 183,683	\$ 1,200	\$ 1,900	\$ 29,250	\$ 216,033	\$ 206,839	\$ 9,194
EXPENDITURES:							
Compensation and Benefits	\$ 120,133	\$ 450	\$ 1,200	\$ 5,750	\$ 127,533	\$ 122,957	\$ 4,576
Financial Aid	29,200	–	–	21,000	50,200	49,458	742
Supplies, Services and Other	27,647	750	700	2,500	31,597	28,253	3,344
Plant Improvement	6,703	–	–	–	6,703	6,171	532
Total Expenditures:	\$ 183,683	\$ 1,200	\$ 1,900	\$ 29,250	\$ 216,033	\$ 206,839	\$ 9,194
Margin	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –

UM–Dearborn Campus General Fund Budget

FY 2026 Expenditures

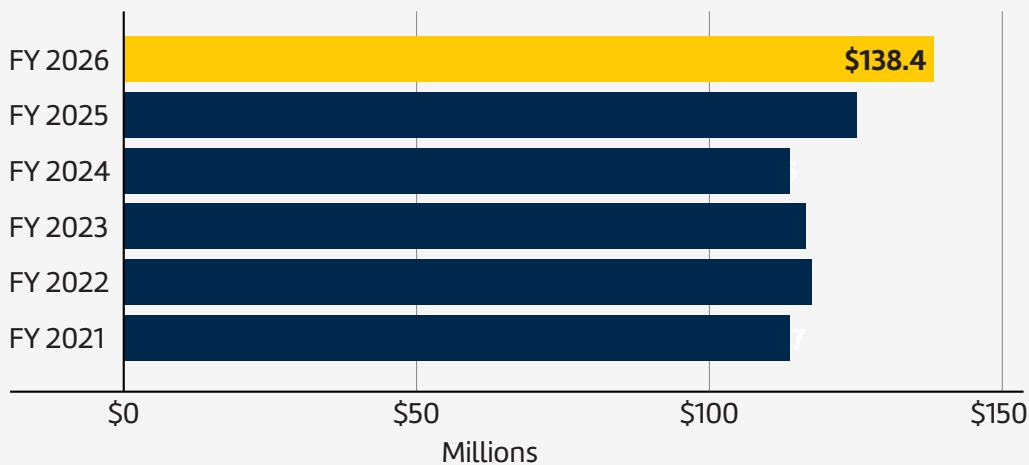
in millions





Total General Fund Budget	FY 2026	FY 2025	Change
<i>in thousands</i>			
State Appropriation	\$ 26,956	\$ 27,065	\$ (109)
Student Tuition & Fees	110,616	97,323	13,293
Indirect Cost Recovery	150	150	–
Investment Income	370	370	–
Departmental Activities	300	300	–
Total – Revenue	\$ 138,392	\$ 125,208	\$ 13,184

Total General Fund Budget History



In FY 2026, tuition and fees for in-state undergraduate students will increase by 4.9%, with the most common lower division undergraduate rate set at \$7,811 per semester. Despite this increase, UM–Flint remains dedicated to affordability and will increase institutional financial aid by \$2.0M to support students.

The FY 2026 budget includes a 3% salary increase for faculty and staff, contingent on receiving a state appropriation of \$27.0M, which is consistent with the previous year's funding.

The budget will expand by \$13.2M, fueled by FY 2025 enrollment exceeding expectations and the upcoming tuition rate adjustments.

Students will also see a 5% rise in housing and meal plan rates. Nevertheless, UM–Flint maintains the third lowest tuition and the second lowest housing rates among Michigan's 15 public universities. The institution is committed to fostering student, faculty, and staff success while maintaining a focus on affordability and accessibility.

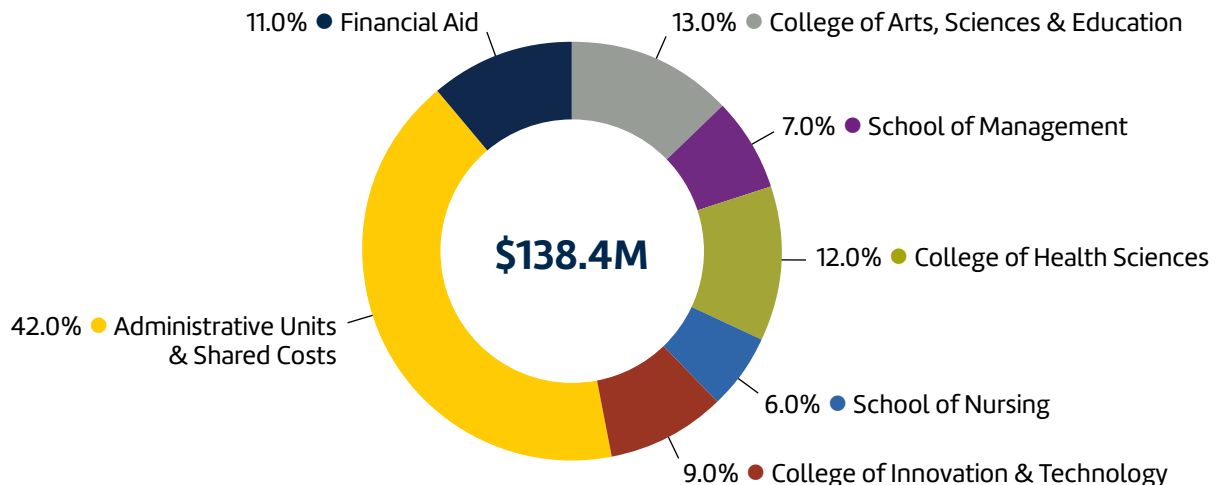
UM-Flint Campus FY 2025 Budget by Fund

	FY 2026 CONSOLIDATED OPERATING BUDGET							
<i>in thousands</i>	General	Designated	Auxiliary	Expendable Restricted	Total	Total FY 2025	FY 2026 Variance to FY 2025	
REVENUE:								
State Appropriations	\$ 26,956	\$ -	\$ -	\$ -	\$ 26,956	\$ 27,065	\$ (109)	
Student Tuition and Fees	110,616	-	-	-	110,616	97,323	13,293	
Sponsored Programs							-	
Federal	-	-	-	13,000	13,000	12,000	1,000	
State/Local	-	-	-	2,500	2,500	500	2,000	
Non-Governmental	-	-	-	-	-	2,000	(2,000)	
Indirect Cost Recovery	150	-	-	-	150	150	-	
Indirect Cost Recovery Alloc to Gen Oper	-	-	-	(150)	(150)	(150)	-	
Private Gifts	-	-	-	1,800	1,800	1,800	-	
Investment Income							-	
Endowment Income	-	500	-	5,500	6,000	5,500	500	
Other	370	100	-	400	870	1,370	(500)	
Patient Care Revenue	-	-	-	-	-	-	-	
Departmental Activities	300	600	5,460	-	6,360	5,945	415	
Total Revenue:	\$ 138,392	\$ 1,200	\$ 5,460	\$ 23,050	\$ 168,102	\$ 153,503	\$ 14,599	
EXPENDITURES:								
Compensation and Benefits	\$ 96,451	\$ 260	\$ 2,560	\$ 3,700	\$ 102,971	\$ 96,820	\$ 6,151	
Financial Aid	16,337	20	300	15,100	31,757	28,757	3,000	
Supplies, Services, and Other	24,094	900	1,450	2,750	29,194	23,746	5,448	
Plant Improvement	1,510	20	1,150	1,500	4,180	4,180	-	
Total Expenditures:	\$ 138,392	\$ 1,200	\$ 5,460	\$ 23,050	\$ 168,102	\$ 153,503	\$ 14,599	
Margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

UM-Flint Campus General Fund Budget

FY 2026 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

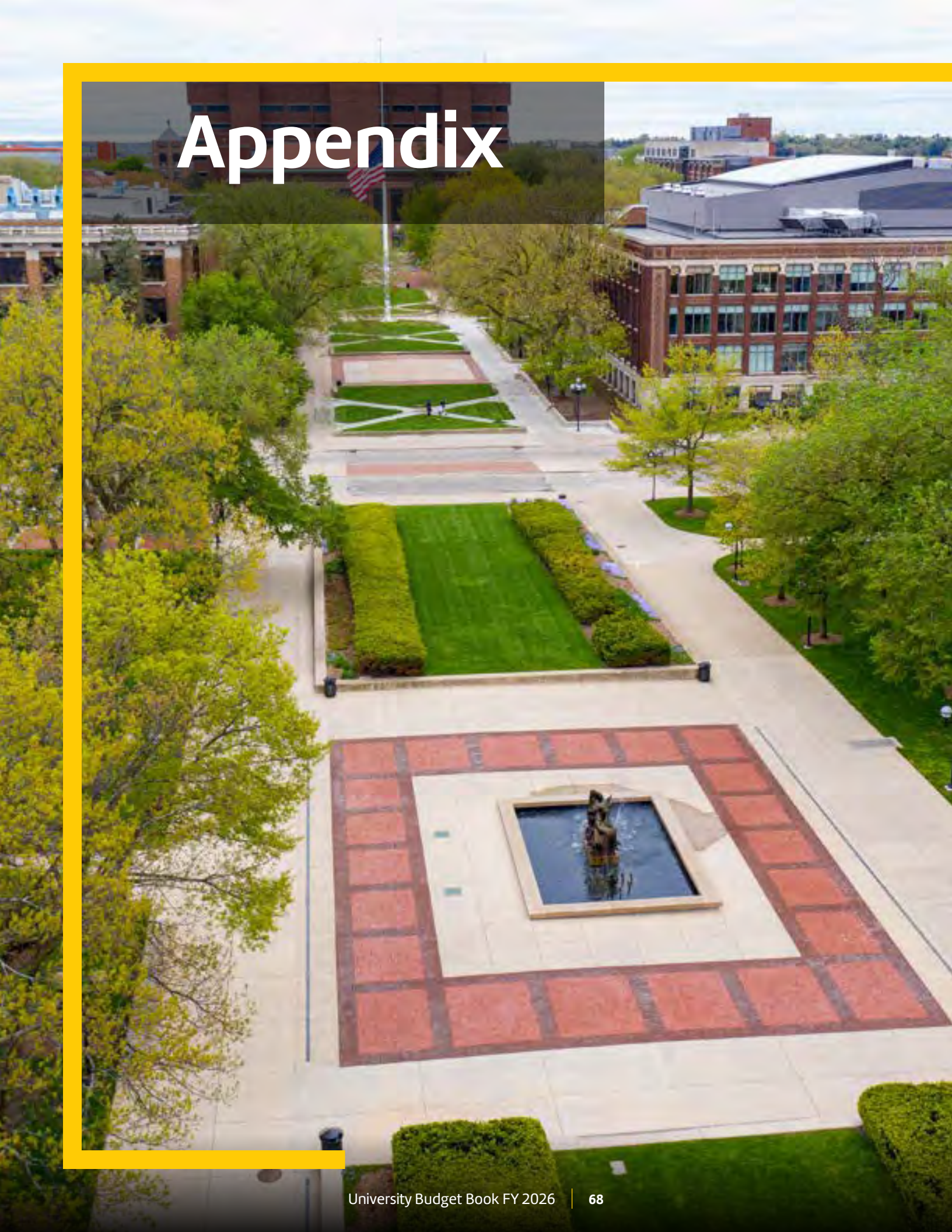
in millions	FY 2026 Budget			FY 2025 Budget		
	Revenues	Expenditures	Margin	Revenues	Expenditures	Margin
Michigan Medicine*	\$ 10,920	\$ 10,749	\$ 172	\$ 10,189	\$ 9,884	\$ 305
Less Recharge Credits ¹	(1,571)	(1,571)	-	(1,473)	(1,473)	-
Net Michigan Medicine Total	\$ 9,349	\$ 9,177	\$ 172	\$ 8,716	\$ 8,411	\$ 305
All Other Auxiliary Units:						
Intercollegiate Athletics	\$ 248	\$ 248	\$ -	\$ 237	\$ 235	\$ 2
Utilities	212	208	4	194	194	-
University Housing	200	200	-	187	187	-
Risk Management & Veritas Insurance Co.	161	161	-	153	154	-
Staff Benefits Recharge	108	114	(6)	101	102	-
Information & Technology Services	79	80	(1)	73	77	(4)
AEC & Construction Services	58	60	(2)	57	57	-
Parking Operations	35	40	(4)	32	36	(5)
Health Service	30	30	-	29	29	-
Plant Operations	30	30	-	27	27	-
League, Union, and Commons	28	28	-	26	26	-
Transportation Services	20	20	-	19	20	-
Other Publications & Communications	14	14	-	14	13	-
Dental Faculty Associates	10	10	-	9	8	1
Associate VP for Human Resources	10	10	-	10	10	-
Dearborn	2	2	-	2	2	-
Flint	5	5	-	5	5	-
Other Internal Services	70	68	2	69	69	-
Subtotal – Other Auxiliary Units	\$ 1,321	\$ 1,328	\$ (8)	\$ 1,246	\$ 1,252	\$ (6)
Less Recharge Credits ¹	(622)	(622)	-	(755)	(755)	-
Less Student Fee Allocations Budgeted in General Fund	(25)	(25)	-	(24)	(24)	-
Plus Investment Income	15	-	15	14	-	14
Total – Other Auxiliary Units	\$ 689	\$ 681	\$ 8	\$ 481	\$ 473	\$ 8
Total	\$ 10,038	\$ 9,858	\$ 179	\$ 9,197	\$ 8,884	\$ 313

* 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.

Employment Cost Index (ECI) – U.S. Bureau of Labor Statistics measure of the change in the hourly labor cost to employers over time.

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 thru June 30th. For example, FY 2026 is July 1, 2025 through June 30, 2026.

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 thru 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 inpatient.

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.

R2 Status – A designation of High Research Activity from the Carnegie Classification of Institutions of Higher Education is granted to institutions that confer at least 20 research doctorates each year and invest a minimum of \$5 million annually in research development.

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 2026

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

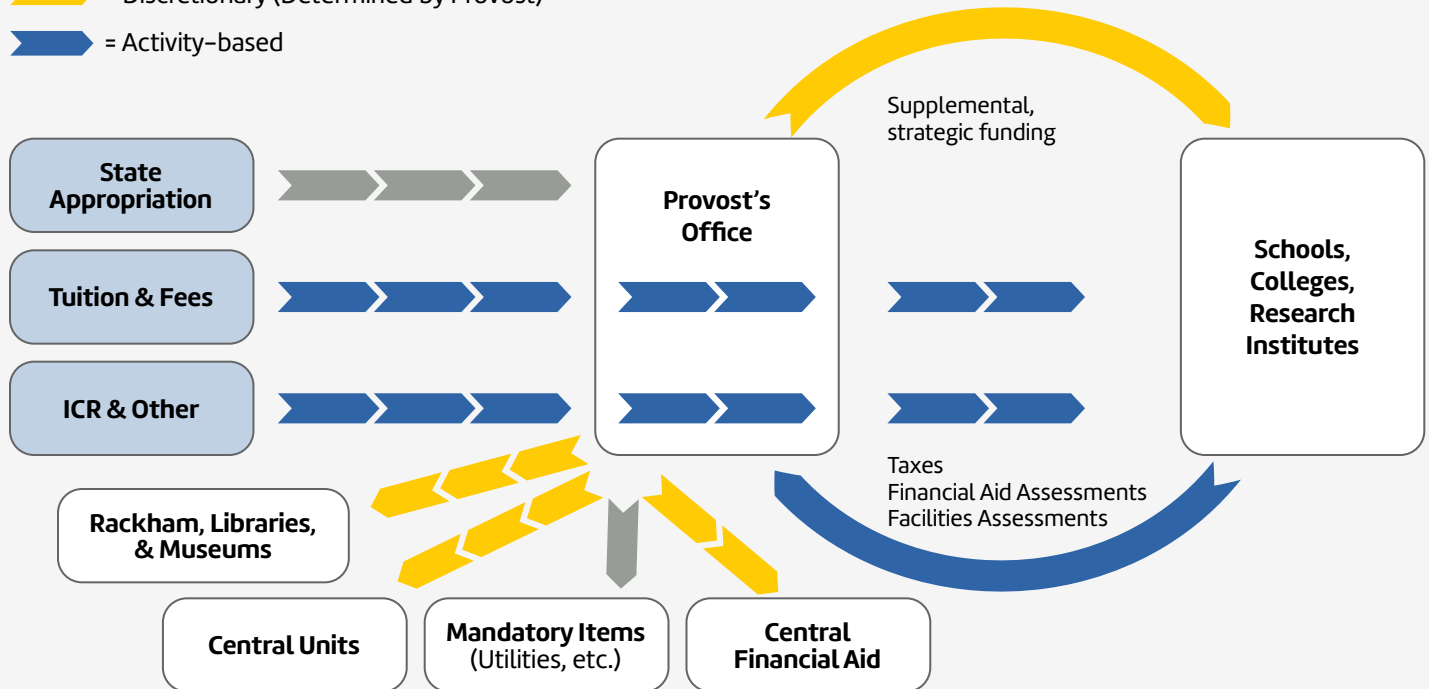
The Ann Arbor campus general fund budget model functions as a hybrid system of activity-based, incremental, and centralized initiative funding. This combination allows for fiscal transparency into the activities of the schools, colleges, and major research institutes (the primary revenue generators) 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.

GF revenues flow to Provost for allocation

Resources are allocated one of two ways:

 = Discretionary (Determined by Provost)

 = Activity-based



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 assessments are charged to units for both undergraduate and Rackham-enrolled students.

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

The University of Michigan
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: FY 2025-2026 Budgets

Action

Requested: Approval of Revenue and Expenditure Operating Budgets for FY 2025-2026

Background and Summary:

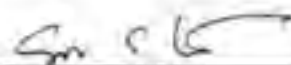
The three campuses of the University of Michigan have developed budgets for the 2025-2026 fiscal year. At this time, we are presenting summary revenue and expenditure budgets for the General Fund, Designated Fund, Auxiliary Activities, and Expendable Restricted Fund. These budgets conform to all University policies.

We recommend that the following summary revenue and expenditure budgets be approved effective July 1, 2025 for the period July 1, 2025 through June 30, 2026.

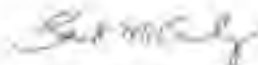
<i>in thousands</i>	Ann Arbor	Dearborn	Flint	Total
Revenue Budget				
General Fund	\$ 3,018,356	\$ 183,683	\$ 138,392	\$ 3,340,431
Designated Fund	337,692	1,200	1,200	340,092
Auxiliary Funds	10,030,425	1,900	5,460	10,037,785
Expendable Restricted Funds	1,866,024	29,250	23,050	1,918,324
Total Revenue Budget	\$ 15,252,498	\$ 216,033	\$ 168,102	\$ 15,636,632
Expenditure Budget				
General Fund	\$ 3,018,356	\$ 183,683	\$ 138,392	\$ 3,340,431
Designated Fund	285,200	1,200	1,200	287,600
Auxiliary Funds	9,850,961	1,900	5,460	9,858,321
Expendable Restricted Funds	1,795,700	29,250	23,050	1,848,000
Total Expenditure Budget	\$ 14,950,217	\$ 216,033	\$ 168,102	\$ 15,334,352
Budgeted Margin	\$ 302,281	\$ -	\$ -	\$ 302,281

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

Respectfully Submitted,



Geoffrey S. Chatas
Executive Vice President
and Chief Financial Officer



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



Marschall S. Runge, M.D., Ph.D.
Executive Vice President for Medical Affairs
Dean, University of Michigan Medical School

June 2025

The University of Michigan

Ann Arbor | Dearborn | Flint

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Karen E. Zaruba, Associate Vice Provost for Academic and Budgetary Affairs, Office of the Provost and Executive Vice President for Academic Affairs

UNIVERSITY OF MICHIGAN – MICHIGAN MEDICINE

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