

EXH	MOTION <i>White</i>
	SECONDED <i>Brandon</i>
	ACTION APPROVED BY THE REGENTS
JUL 21 2005	

**THE UNIVERSITY OF MICHIGAN – FLINT**  
**Regents Communication**

**SUBJECT:** Proposed Flint FY 2005-2006 General Fund Operating Budget

**ACTION REQUESTED:** Approval of 2005-2006 General Fund Budget

**BACKGROUND:**

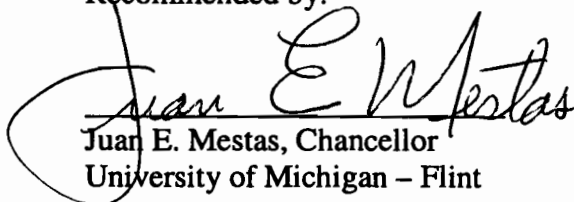
The proposed 2005-06 General Fund budget for the UM-Flint (attached) assumes a 2.1% decrease in State funding and an 11.9% increase in combined tuition and fees for resident undergraduate students from the rates approved by the Regents for 2004-05.

Itemized below are a few highlights of the proposed budget:

- The proposed budget assumes a 1% enrollment increase.
- A 3% salary program.
- Increase in financial aid of 13.9 %, 2% above the tuition and fee increase, to partially offset the increase in tuition and fees.

We request approval of the proposed 2005-06 General Fund budget.

Recommended by:

  
 Juan E. Mestas, Chancellor  
 University of Michigan – Flint

July 2005  
 Attachment

University of Michigan - Flint  
Proposed General Fund Budget  
Fiscal Year 2005 - 08

Projected Expenditures (By Area)	Original Budget for FY 2004 - 05	LEO Adjustments	Base Trans. Between Unit Groups	Adjusted Budget for FY 2004 - 05 (1)	Salary & Benefits (2)	Student Support (3)	Fixed Costs (4)	Miscellaneous (5)	Budget for FY 2005 - 08
College of Arts & Sciences	13,847,824	239,208	95,910	13,982,940	353,748			(64,197)	14,272,491
School of Management	3,869,444	9,832	23,985	3,903,061	75,809	42,400			4,021,270
School of Health Profession & Studies	3,529,917	18,838	49,461	3,598,216	73,321				3,671,537
Associate Provost & Graduate Programs	3,542,480		76,907	3,619,387	60,499	46,000		(11,329)	3,714,537
School of Education & Human Services	2,140,375	88,260	123,491	2,352,126	56,631				2,408,757
Other Instructional Programs	2,068,122		858	2,068,980	3,360				2,072,340
<b>Subtotal - Academic Units</b>	<b>28,798,142</b>	<b>355,936</b>	<b>370,612</b>	<b>29,524,690</b>	<b>623,368</b>	<b>88,400</b>	<b>-</b>	<b>(75,526)</b>	<b>30,180,932</b>
Chancellor	1,792,164		(62,550)	1,729,614	129,910	74,500			1,934,024
Provost/Academic Affairs	2,512,068		(130,232)	2,381,836	41,250	306,886			2,729,972
Student Services & Enrollment Management	3,620,936		704	3,621,640	75,145	96,778			3,793,563
Administration	7,729,055		(128,167)	7,600,888	524,940	20,425		140,000	8,286,253
Institutional Advancement	1,188,482		17,589	1,206,071	130,672			400,000	1,736,943
<b>Subtotal - Executive Officers</b>	<b>16,842,705</b>	<b>-</b>	<b>(302,656)</b>	<b>16,540,049</b>	<b>902,117</b>	<b>498,589</b>	<b>-</b>	<b>540,000</b>	<b>18,480,755</b>
Utilities	3,600,000			3,600,000			100,000		3,700,000
Central Support	218,942			218,942			57,372		276,314
Student Aid	2,776,156			2,776,156		385,900			3,162,056
Debt Service	1,299,341			1,299,341			(2,091)		1,297,250
General Administrative Services	2,176,714	(355,936)	(67,956)	1,752,822			756,471	240,000	2,749,293
General Administrative Reserve	250,000			250,000				309,400	559,400
<b>Subtotal - Other</b>	<b>10,321,153</b>	<b>(355,936)</b>	<b>(67,956)</b>	<b>9,897,261</b>	<b>-</b>	<b>385,900</b>	<b>911,752</b>	<b>549,400</b>	<b>11,744,313</b>
<b>Total Expenditures</b>	<b>55,962,000</b>	<b>-</b>	<b>-</b>	<b>55,962,000</b>	<b>1,525,485</b>	<b>972,889</b>	<b>911,752</b>	<b>1,013,874</b>	<b>60,368,000</b>

- (1) FY 2004-05 Budget has been restated to reflect base budget transfers between areas and adjustments to the initial base budget that occurred during FY 2004-05.
- (2) The increase for Salary & Benefits represents mandatory salary increases for union employees, a 3% merit program, funding adjustments due to prior year merit program, reinstatement of Sr. Advisor to Chancellor faculty position, an adjustment to switch from grant funding to general funding, a finalized amount for AFSCME settlement, faculty promotions, fringe benefit increases and two new positions in Inst. Advancement
- (3) The increase for Student Support represents approx. \$368K in student aid (an increase of 2% over tuition rate increase), \$20K in support of the Recreation Center, \$54K for student activity fees, \$46K to support computing needs, \$42K of undergraduate upper level School of Management program support, funding for academic initiatives, funding for International Student Center, and the restoration of funding for Educational Opportunity Initiatives to support educational programs
- (4) The Fixed Cost increase has been segregated due to the fact that their fluctuations are beyond our control. These increases include items such as utilities, business operations recharge, insurance, system maintenance contracts, debt retirement, benefits, a reserve amount for the LEO contract, additional funding for emergency elevators and software consulting fees
- (5) The Miscellaneous column consists of funds needed for enrollment growth & scholarship development initiatives, the restoration of one-time budget cuts in Public Safety, an increase in the commencement budget, source of funding changes for our University Relations Department, an operations subsidy for Building Management, adjustments for the end of a revenue sharing program, and a campus reserve

University of Michigan - Flint  
Proposed General Fund Expenditure Budget  
Fiscal Year 2005 - 06

	<u>Budget for FY 2004 - 05</u>	<u>\$ Change</u>	<u>Budget for FY 2005 - 06</u>
<b>Revenues:</b>			
State Appropriation (1)	21,228,000	(446,000)	20,782,000
Student Tuition & Fees (2)	34,209,000	4,930,000	39,139,000
Indirect Cost Recovery	200,000	(60,000)	140,000
Income from Investments	55,000	-	55,000
Department Activities	270,000	-	270,000
<b>Total FY 2004 -05 Incremental Revenues</b>	<b><u>55,962,000</u></b>	<b><u>4,424,000</u></b>	<b><u>60,386,000</u></b>

(1) The decrease in State Appropriations represents the suggested FY 2005-06 reduction of \$446,000 per the Governor's proposal.

(2) The increase in tuition & fee revenue was estimated based upon the use of actual tuition data for SU04, FA04, and WI05, and budget data for SP05, an 11.9% tuition increase , and a 1% increase in enrollment.