

**The University of Michigan**  
*Regents Communication*

ACTION REQUEST

Approved by the Regents  
July 19, 2007

**Subject:** 2007-2008 University Health Service Fee

**Action Requested:** Authorization of 3.2% Increase in UHS Fee

**Background:**

We are requesting a fee increase of 3.2% for FY2007-08. This represents a \$4.98 increase for a new fee of \$160.63 per student per term. The proposed fee will fund salary and non-salary expense increases, and base funding to support the coordination of care for students with complex physical and mental health issues. Increases in this budget are partially offset by ongoing cost containment efforts. A summary of the Health Service Budget and requested fee increase is attached (Table 1).

The UHS Student Fee History chart (Chart 1) shows UHS fees over the past nine years. For comparison we present the U.S. City Medical Care Cost Index and the Detroit Area Medical Care Cost Index (Chart 2). We believe this budget demonstrates our commitment to containing costs while continuing to provide a broad expanse of services to students.

We recommend that the Regents approve a 3.2% increase in the UHS fee for FY2007-08.

Respectfully submitted,



E. Royster Harper  
Vice President for Student Affairs

TABLE 1

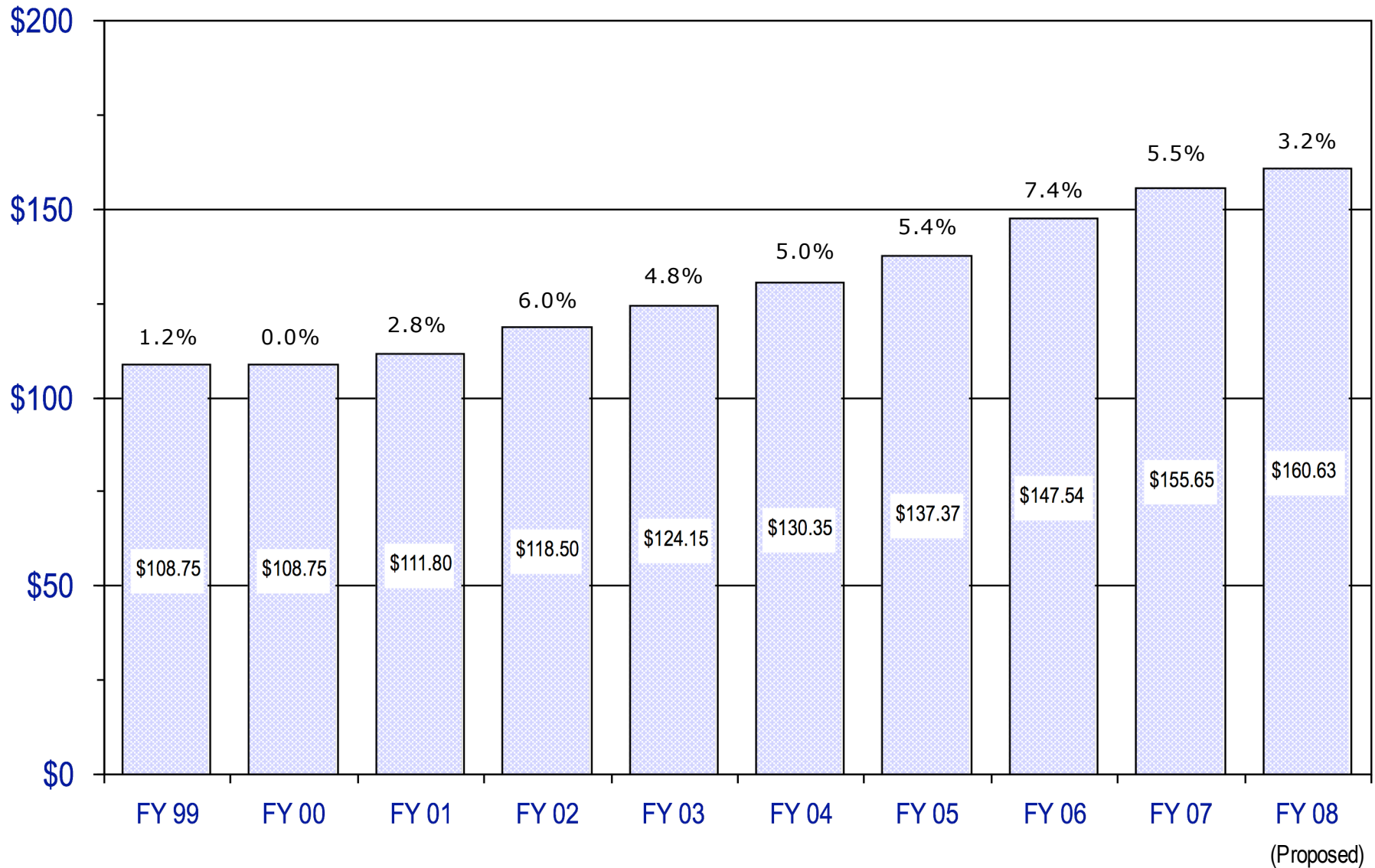
UNIVERSITY OF MICHIGAN  
UNIVERSITY HEALTH SERVICE BUDGET

|   | FY 07<br>BUDGET      | PROPOSED<br>FY 08<br>BUDGET | VARIANCE<br>AMOUNT | %           |
|---|----------------------|-----------------------------|--------------------|-------------|
| <b>INCOME:</b>  |                      |                             |                    |             |
| Clinical & Other Revenue                                  | \$ 4,613,725         | \$ 4,764,810                | \$ 151,085         | 3.3%        |
| *Student Fee  | 11,751,575           | 12,288,195                  | 536,620            | 4.6%        |
| <b>TOTAL INCOME</b>                                       | <b>\$ 16,365,300</b> | <b>\$ 17,053,005</b>        | <b>\$ 687,705</b>  | <b>4.2%</b> |
| <b>EXPENSE:</b>   |                      |                             |                    |             |
| Salaries  | \$ 8,955,373         | \$ 9,334,390                | \$ 379,017         | 4.2%        |
| Fringe Benefits   | 2,659,744            | 2,800,319                   | 140,575            | 5.3%        |
| Non-Salary Expenses                                       | 4,256,586            | 4,529,191                   | 272,605            | 6.4%        |
| Building/Equipment Fund                                   | 130,000              | -                           | (130,000)          | -100.0%     |
| Utilities   | 363,547              | 385,000                     | 21,453             | 5.9%        |
| <b>TOTAL EXPENSE</b>                                      | <b>\$ 16,365,250</b> | <b>\$ 17,048,900</b>        | <b>\$ 683,650</b>  | <b>4.2%</b> |
| <b>NET INCOME (LOSS)</b>                                  | <b>\$ 50</b>         | <b>\$ 4,105</b>             |                    |             |
| <b>Total UHS Student Fee Per Student<br/>Per Semester</b> | <b>\$ 155.65</b>     | <b>\$ 160.63</b>            | <b>\$ 4.98</b>     | <b>3.2%</b> |

\*Note: The proposed student fee revenue increase of 4.8% is a combination of budgeted increase in student semester numbers and a base fee increase of 3.2%.

# UHS Student Fee History

## FY 99 to FY 08



# UHS Fee Increase Compared to Medical Care Cost Indices Calendar Year of 2006

