Budget Priorities

Academic Excellence
Strategic investments to continue to build on the strength of our outstanding academic programs and solidify our position as the nation’s top public university

Access and Affordability
Financial aid investments to ensure that no Michigan resident is denied a U-M education because of financial limitations

Fiscal Discipline
Continued commitment to aggressive cost containment and use of alternative revenue sources
EXAMPLES:
- Academic Advising
- Mentoring
- Coaching
- Workshops
- Summer success programs

Strategic Investments: To ensure student success
- Comprehensive Studies Program
- Science Learning Center
- Math Lab
- Physics Help Room
- Language Resources Center
- Sweetland Center for Writing
- M-STEM Academies
- First Generation student support
- Veterans and Military Services Program
- Testing Accommodation Center
- Services for Students with Disabilities

U-M Freshman Retention
97%
#1
U.S. Public Research University

U-M Six-Year Graduation Rate
91%
#3
U.S. Public Research University
Academic Excellence

Strategic Investments: To extend learning beyond the classroom

EXAMPLES:
• Research opportunities
• Internships
• Field experiences
• Student project teams
• Civic and community engagement
• Global immersion
EXAMPLE:
Augmented, Virtual, and Mixed Reality (AVMR) has the potential to shift the way that knowledge is captured and taught.

Strategic Investments: To transform undergraduate education for the third century
Substantial Increases in Minimum and Average Salaries

Additional Salary Adjustments for Long-Serving Lecturers

Strategic Investments: To align lecturer compensation with our commitment to excellence in the classroom
Access and Affordability

U-M’s multi-pronged approach to ensure affordability

Go Blue Guarantee
for in-state students

Free tuition for students from Michigan families earning up to $65,000
Aid packages meet 100% of demonstrated financial need for students from:

- All Michigan families
- Out-of-State families earning up to about $90,000

**Need-Based Aid**
for both in-state & out-of-state students
All in-state students, regardless of their aid status, qualify for a heavily discounted resident tuition rate.
Financial aid to ensure that no Michigan resident is denied a U-M education because of financial limitations

Undergraduate financial aid budget +16.3%

Increase Grant Aid
Minimize Loan Burden

Ten-Year Compound Annual Growth Rate (through FY 2019)

- General Fund Financial Aid Budget: 12.0%
- In-State Tuition Rate: 3.3%
- Out-of-State Tuition Rate: 4.1%
Access and Affordability

U-M in-state price compares favorably to other state universities

2015-16 Average Net Price by Family Income

Net Price includes Tuition & Fees, Room & Board, Books/Other Costs Net of Grant & Scholarship Aid

Source: National Center for Education Statistics, College Navigator
U-M continues its commitment to aggressive cost containment and use of alternative revenue sources

**STRATEGY:**

- Eliminate Lower Priority Activities and/or Find Efficiencies
- Shift General Fund Costs to Non-General Fund Sources
- Expand Non-General Fund Sources

**RESULTS:**

- U-M has achieved $380 million in recurrent General Fund savings from FY 2004 to FY 2018
- FY 2019 budget proposal includes $25.7 million additional General Fund savings
Gifts and distributions from endowment provide support for academic enterprise

- Financial Aid
  - To increase affordability

- Academic Programming
  - To enhance student experience

- Endowed Professorships
  - To recruit and retain most accomplished faculty members

Tuition per student would be about $6,000 higher without this support
State Appropriation

- $320.8 million for Ann Arbor Campus
- Increase of $6.2 million, or +2.0% over FY 2018
- For context, FY 2019 appropriation is equivalent to FY 1965 after adjusting for inflation
State Support lags behind other states

As a consequence, U-M provides a substantial amount of institutional aid.
U-M Ann Arbor Recommended FY 2019
Tuition and Required Fees

<table>
<thead>
<tr>
<th></th>
<th>% Change</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNDERGRADUATE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-State</td>
<td>2.9%</td>
<td>$436/year</td>
</tr>
<tr>
<td>Out-of-State</td>
<td>3.9%</td>
<td>$1,874/year</td>
</tr>
<tr>
<td><strong>GRADUATE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-State</td>
<td>3.3%</td>
<td>$760/year</td>
</tr>
<tr>
<td>Out-of-State</td>
<td>3.3%</td>
<td>$1,522/year</td>
</tr>
<tr>
<td>Candidate</td>
<td>3.3%</td>
<td>$408/year</td>
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</tbody>
</table>

Dollar amounts shown represent the increase for most common lower division undergraduate rates and general Rackham graduate rates. A limited number of differential increases are also recommended for specific graduate programs.
This budget seeks to balance investments in academic excellence with affordability for Michigan families.

- **Go Blue Guarantee**: Michigan Families earning up to $65,000 (0%)
- **Need-Based Grant Aid**: Most Michigan Families who are eligible for need-based grant aid (0%)
- **Published Tuition**: Michigan Families who receive no aid (2.9%)

Growth in Michigan Median Family Income suggests that an increase of 2.9% is affordable for Michigan families.

According to U.S. Census Bureau: 3-Year average annual growth in Michigan Median Family Income = 3.4%
<table>
<thead>
<tr>
<th>Revenue Budget</th>
<th>FY 2018</th>
<th>$ Change</th>
<th>FY 2019</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriation</td>
<td>$314,589</td>
<td>$6,193</td>
<td>$320,782</td>
<td>2.0%</td>
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<tr>
<td>Tuition and Fees</td>
<td>1,490,041</td>
<td>107,212</td>
<td>1,597,254</td>
<td>7.2%</td>
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<tr>
<td>Indirect Cost Recovery</td>
<td>239,050</td>
<td>14,145</td>
<td>253,195</td>
<td>5.9%</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>10,095</td>
<td>-250</td>
<td>9,845</td>
<td>-2.5%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$2,053,775</td>
<td>$127,300</td>
<td>$2,181,076</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure Budget</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic</td>
<td>$1,387,746</td>
<td>$81,616</td>
<td>$1,469,362</td>
<td>5.9%</td>
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<tr>
<td>Executive Officer &amp; Service Units</td>
<td>291,986</td>
<td>10,703</td>
<td>302,689</td>
<td>3.7%</td>
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<tr>
<td>Undergraduate Financial Aid</td>
<td>176,725</td>
<td>28,875</td>
<td>205,600</td>
<td>16.3%</td>
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<tr>
<td>Rackham Graduate Financial Aid</td>
<td>54,711</td>
<td>1,805</td>
<td>56,516</td>
<td>3.3%</td>
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<tr>
<td>University Items</td>
<td>142,608</td>
<td>4,300</td>
<td>146,908</td>
<td>3.0%</td>
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<tr>
<td><strong>Total Expenditures</strong></td>
<td>$2,053,775</td>
<td>$127,300</td>
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Detail may not sum to totals because of rounding