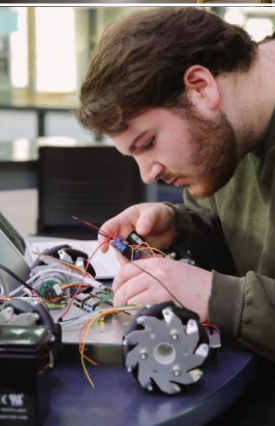


DREAMS IN PRACTICE



UM-Dearborn

University Budget Committee (UBC)

FY 27 Budget Development Cycle

January 13, 2026

University Budget Committee

Agenda

- Introductions
- Committee Overview
- Budget Schedule
- Enrollment
- FY26 Tuition Revenue Projection
- FY27 Budget Challenges
- Contingency Planning

University Budget Committee

Members

Co-chairs:

- VCBA/CFO: Bryan Dadey
- Provost: Ghassan Kridli

Faculty Representatives:

- Hei-Wai Lee (COB)
- Mesut Duran (CEHHS)
- Patty Graybeal (COB)
- Dale Thomson (CASL)
- Oleg Zikanov (CECS) [returning]
- Christos Constantinides (CASL) [new]

Staff:

- Joe Lubomirski (ITS) [new]
- Linda Jacoby (IA)
- Christine Betts (staff senate) [new]
- Steve Betz (ER)
- Kevin Elder (BA) [new]

Students: [new]

- Yuvraj Khosa (COB student)
- Micah Phommavanh (COB student)

University Budget Committee

Overview

- Advisory Committee
- University-wide view
- Communication of budget and financial information
- Discussion and feedback
- Members encouraged to share information
- Meets during the budget development cycle
- Website contains membership list and links to previous presentation materials:
 - <https://umdearborn.edu/business-affairs/advisory-committees>

Budget Schedule

- **Board of Regents**

- March – Preliminary budget presentation
- May – Final budget presentation
- June – Official budget approval

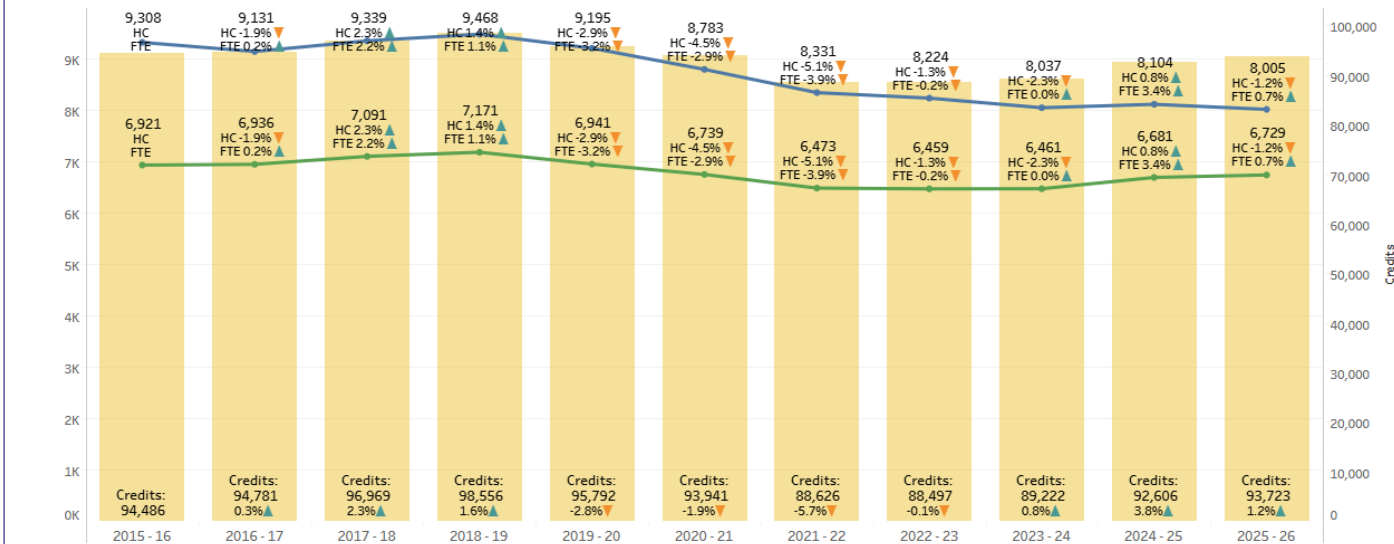
- **Important Budget Development Activities**

- Enrollment and financial aid forecasts (initial forecast end of January)
- Initial General Fund Budget (end of January)
- University Budget Committee meetings
- Executive Budget Committee meetings and decisions (tuitions rates, student fees, pay increases, budget reduction targets (if necessary))
 - College/Division Budget Discussions – Contingency Planning (February)
- Final General Fund Budget
- Responsibility Centered Management (RCM) budget model (colleges)

Fall 2025 Enrollment – lower than expected

10-Year Student Enrollment Analysis, by Term

Enrollment Trend for Fall Terms



FY 26 Budget was based on predicted enrollment of:

Total: 8,300 (vs. 8,005)
 UG: 6,341 (vs. 6,199)
 GR: 1,959 (vs. 1,806)

Note:

EM predicts enrollment based on headcount.

BA predicts tuition revenue utilizing a credit hour model based on the EM headcount prediction.

Winter 2026 Enrollment – tracking behind Fall results



Headcount through start of semester:

	Winter 2024 2024/01/08	Winter 2025 2025/01/06	Winter 2026 2026/01/07	HeadCount,% Change (Last 2 Terms)
Graduate - In-State Residence	1047	1019	994	-2.45%
Graduate - Out of State Residence	919	812	679	-16.38%
Undergraduate - In-State Residence	5201	5270	5204	-1.25%
Undergraduate - Out of State Residence	289	308	384	24.68%
TOTAL	7456	7409	7261	-2.00%

Fall '25

- 1.2%

Credit Hours through start of semester:

	Winter 2024 2024/01/08	Winter 2025 2025/01/06	Winter 2026 2026/01/07	Credits,% Change (Last 2 Terms)
Graduate - In-State Residence	5507	5464	5667	3.72%
Graduate - Out of State Residence	5925	5700	4347	-23.74%
Undergraduate - In-State Residence	65852	69363	68902	-.66%
Undergraduate - Out of State Residence	3890	4171	5317	27.48%
TOTAL	81174	84698	84233	-.55%

Fall '25

+ 1.2%

FY 26: Current Tuition Revenue Projection

Tuition Revenue Projection by Semester	Comparison to Budget
Summer '25	\$ (150,000)
Fall'25	(500,000)
Winter '26	(2,100,000)
Summer '26	(150,000)
Total Shortfall	\$ (2,900,000)

Tuition Revenue is impacted by price, volume, and student mix components.

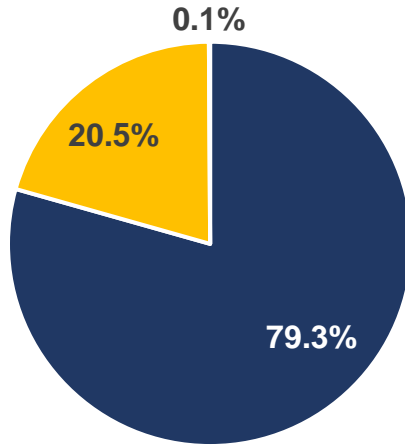
Price – Tuition Rates and Financial Aid (institutional aid)

Volume – Student Headcount and Credit Hours in Fall, Winter, and Spring/Summer semesters

Student Mix – The student population distribution (UG/GR, resident/U.S. non-resident/international, PT/FT, credit hour load (block), majors (premiums)).

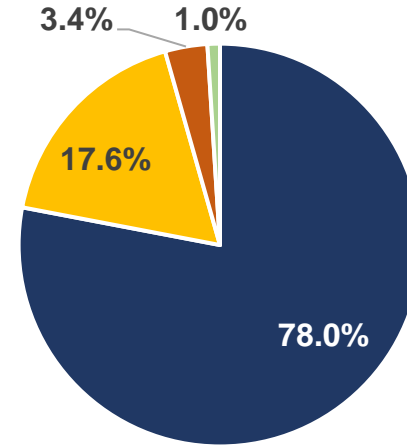
FY 2026 General Fund Budget Breakdown

% of Revenues



■ Net Tuition and Fees ■ State Support ■ Other


% of Expenses



■ Salary and Benefits ■ Operations
■ Debt ■ Deferred Maintenance

FY 2027 Budget Challenges

- **Net Tuition and Fees**

- Enrollment uncertainty and volatility (difficult to predict)
 - Weakness in international enrollment expected to continue
 - Domestic enrollment cliff (Midwest and Northeast)
- State tuition cap for FY27 is 4% 
 - Expectation: UM-Dearborn will go to the 4% cap

- **State Appropriations**


- Split control of the House and Senate – no intel on what to expect for FY27
- Last year: Flat appropriations with 3% one-time allocation
 - One-time allocation is helping to cover tuition revenue shortfall
- MASU Request: Make 3% permanent and add inflation adjustment

- **Health Insurance**

- Calendar Year 2026 increase was 5%
- Calendar Year 2027 estimate is 9%

FY 2027 Budget Challenges

- **Merit program and Labor Union Contracts**

- A challenge to compete with UM-Ann Arbor increases (different economics)
- New union contract – USU
- Possible consideration: Split or defer pay increase effective dates 

- **Continued inflation (early estimates)**

- Contractual services: +3% to +7% (IT, maintenance, shuttle, etc.)
- Other insurance (property, casualty, cyber, etc.): +5%
- Business Operations Recharge (UM-AA services): +4%

- **Deferred maintenance (Capital renewal and replacement)**

- FY26 budget allocation is \$1.5M which is far below our capital asset depreciation of approximately \$11M per year (falling short of funding depreciation)

FY 2027 Budget Challenges

- **Current early projection reflects an operating shortfall**
- **Next steps:**
 - Initial General Fund Budget (end of January)
 - Refine budget assumptions
 - Determine enrollment projection
 - Tuition Revenue estimate
 - Financial Aid estimate
 - Preliminary tuition and merit decisions
 - College and Unit budget discussions with the Executive Budget Committee (February)

Contingency Planning



- Contingency Planning Exercise: Up to 5% budget reduction scenarios
 - Preparation for Colleges and Units if budget reductions are required.
- College and Unit budget discussions with Executive Budget Committee in February to review contingency plans.
- Executive Budget Committee to determine reduction targets (if needed) by college and unit

Next Meetings



- Tuesday, February 17th
 - Initial General Fund Budget
 - Enrollment projection
 - Estimated net income (surplus/shortfall)
 - Preliminary decisions/assumptions:
 - Tuition rate increases
 - Merit
- Monday, April 13th
 - Final General Fund Budget
 - College and Division budget targets (if needed)