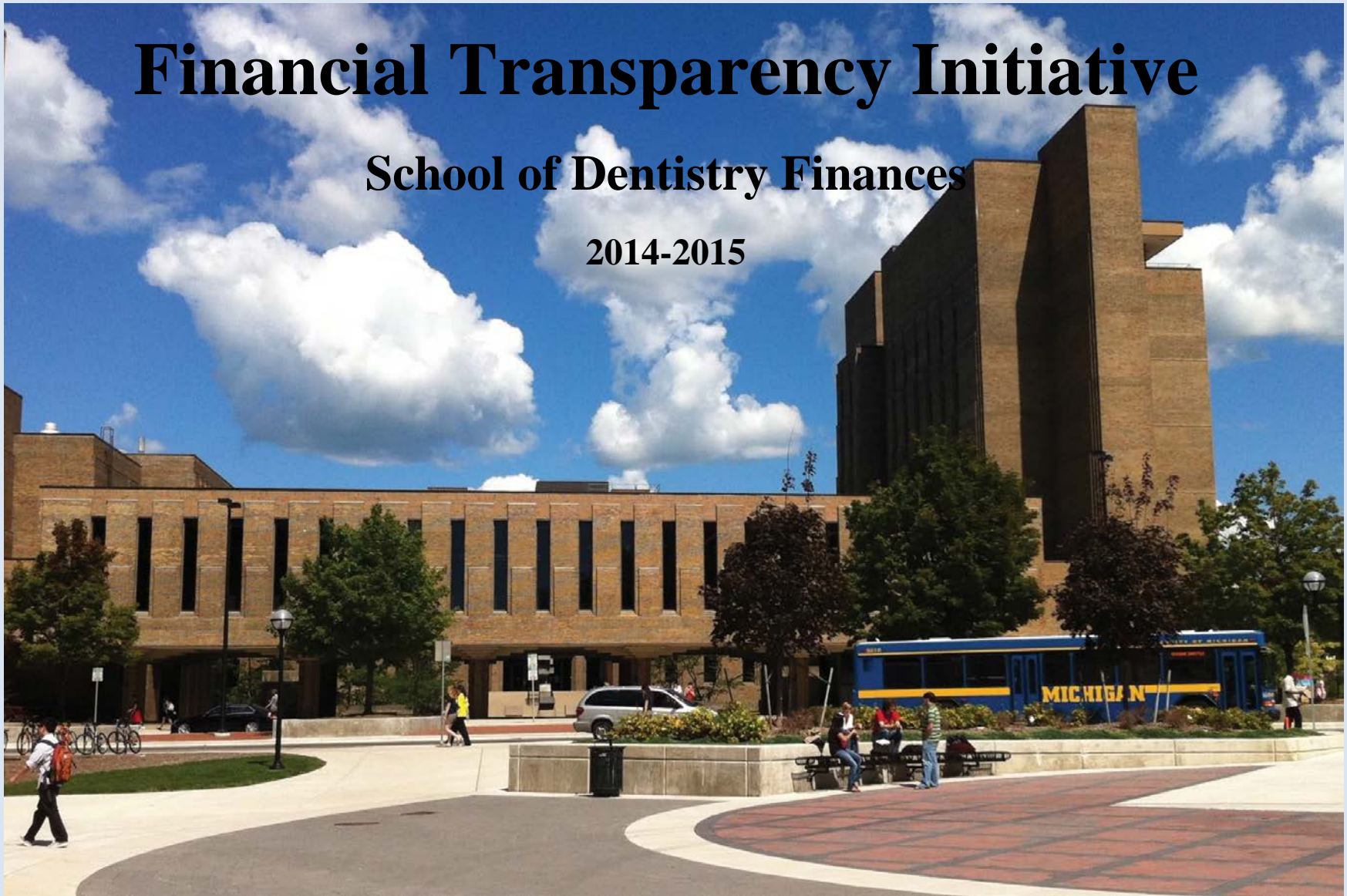


Financial Transparency Initiative

School of Dentistry Finances

2014-2015

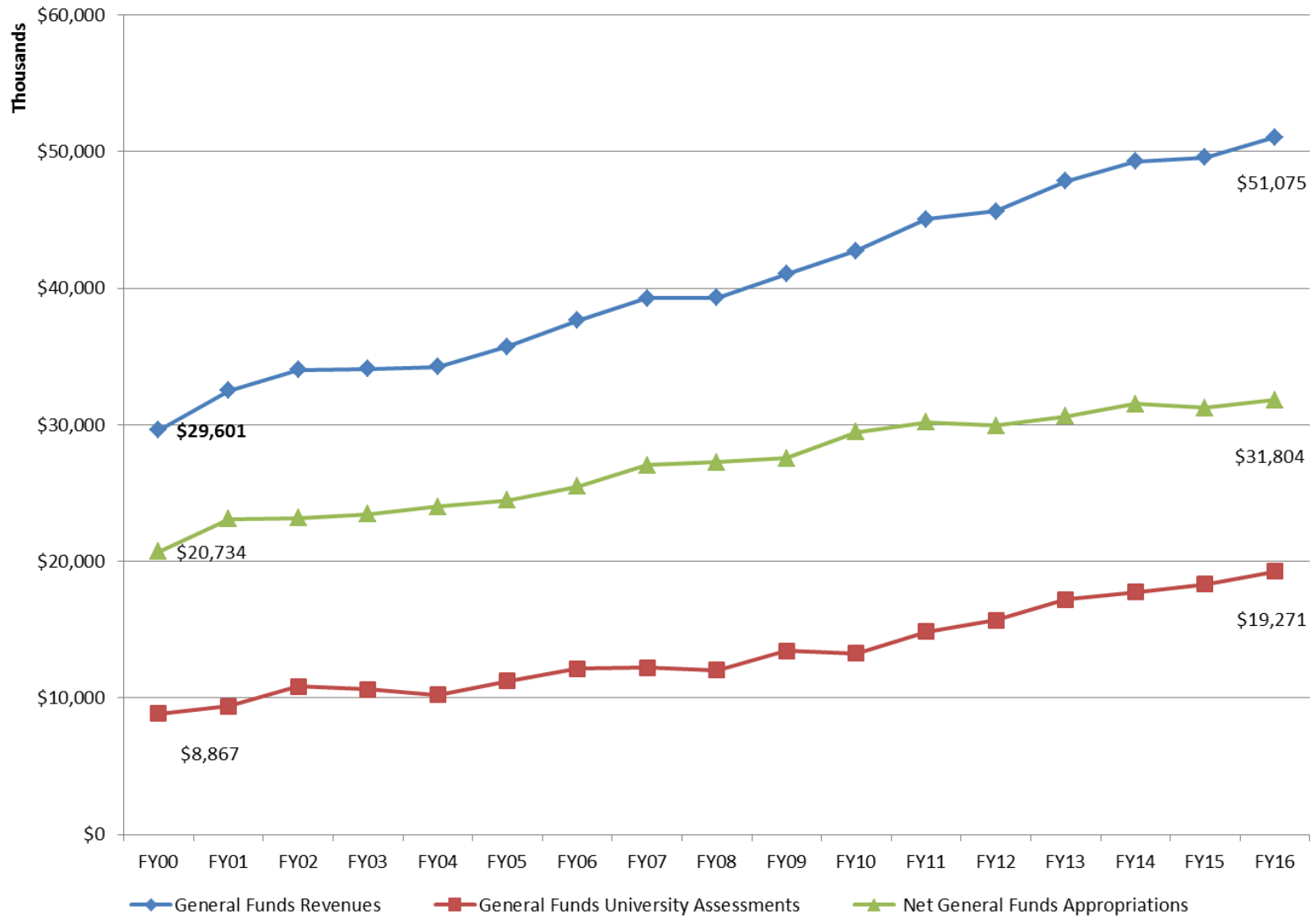


**The University of Michigan
School of Dentistry
Sources/Uses Report FY15
Operating Funds**

	General	Federal	Non-Federal	ERF-Gifts	Designated	Auxiliary	Oper Funds Total
Fund Balance Beginning of Year	4,305,441	335,218	590,254	13,489,487	2,236,413	3,702,682	24,659,495
Sources							
General Fund Appropriations	31,247,292	-	-	-	-	-	31,247,292
General Fund Transfers	513,800	-	-	-	-	-	513,800
Federal Grants/Contracts	-	14,778,234	-	-	-	-	14,778,234
Non-federal Grants/Contracts	-	-	2,054,761	-	-	-	2,054,761
Cost Sharing Transfers	-	-	-	-	-	-	-
Gifts	-	-	-	1,435,918	-	-	1,435,918
Endowment Distribution	-	-	-	3,256,142	338,897	4,511	3,599,550
Investment Distribution	127	-	-	80,906	560	898	82,491
Adj Pooled Endowment to Market	-	-	-	-	-	-	-
External Department Revenue	469,125	-	-	85	17,187,370	6,777,810	24,434,391
Internal Departmental Rebill	-	-	-	-	-	358,093	358,093
Total Sources	32,230,344	14,778,234	2,054,761	4,773,051	17,526,827	7,141,312	78,504,529
Uses							
Faculty Salaries	12,803,762	1,496,189	443,873	985,542	891,719	1,294,797	17,915,881
Research Faculty	91,098	767,782	9,907	66,591	6,043	-	941,422
GSA Salaries	26,027	259,694	-	23,947	8,122	-	317,790
Staff Salaries	9,288,167	1,853,067	423,199	850,354	6,020,371	1,817,063	20,252,221
Fringe Benefits	5,628,558	1,274,865	206,020	434,395	2,197,786	943,458	10,685,081
Tuition Grants	4,451	111,785	-	27,997	-	-	144,233
Graduate Aid	806,732	643,214	29,558	1,763,016	835,073	-	4,077,594
Undergraduate Aid	740	-	-	1,077	-	-	1,817
Supplies	973,186	1,898,330	379,959	221,661	383,346	102,495	3,958,978
Travel/Transportation	422,511	103,810	35,626	284,049	793,334	128,170	1,767,498
Internal and External Services	762,217	236,314	80,140	250,803	359,858	118,144	1,807,476
Subcontracts Over 25K	-	1,990,409	5,766	-	-	-	1,996,174
Bad Debts	-	-	-	-	193,527	705,540	899,067
Lab/Medical/Clinic Supplies	531,835	65,030	76,085	14,027	3,082,356	346,846	4,116,179
Miscellaneous Expenses	1,628,272	227,500	29,544	308,870	1,603,213	629,281	4,426,679
<i>Commercial Dental Lab</i>	<i>7,116</i>	<i>694</i>	<i>93</i>	<i>-</i>	<i>1,319,389</i>	<i>284,606</i>	<i>1,611,898</i>
<i>Memberships & Dues/Licenses</i>	<i>109,255</i>	<i>1,038</i>	<i>1,790</i>	<i>18,884</i>	<i>62,830</i>	<i>46,705</i>	<i>240,502</i>
<i>Insurance Expenses</i>	<i>36,131</i>	<i>-</i>	<i>-</i>	<i>500</i>	<i>130,214</i>	<i>28,364</i>	<i>195,209</i>
<i>Communications/Computing</i>	<i>448,768</i>	<i>2,376</i>	<i>-</i>	<i>444</i>	<i>13,100</i>	<i>2,165</i>	<i>466,853</i>
<i>Maintenance/Renovation</i>	<i>601,137</i>	<i>6,974</i>	<i>2</i>	<i>42,381</i>	<i>61,933</i>	<i>122,858</i>	<i>835,285</i>
<i>Travel/Hosting</i>	<i>44,991</i>	<i>1,627</i>	<i>-</i>	<i>71,748</i>	<i>100,839</i>	<i>9,142</i>	<i>228,347</i>
<i>Other Expenses</i>	<i>380,873</i>	<i>214,791</i>	<i>27,659</i>	<i>174,912</i>	<i>(85,091)</i>	<i>135,441</i>	<i>848,585</i>
Inventory Acquisitions	-	-	-	-	3,642	-	3,642
Equipment	139,796	78,385	-	15,904	5,268	1,769	241,122
Operating Subtotal	33,107,352	11,006,374	1,719,677	5,248,232	16,383,657	6,087,563	73,552,854
Indirect Cost	-	4,098,808	391,041	-	-	-	4,489,849
Transfers to Construction	40,388	-	-	45,000	490,000	-	575,388
Net Transfers	(5,947)	(158,929)	(18,947)	72,519	(95,247)	213,759	7,206
Total Uses	33,141,793	14,946,253	2,091,770	5,365,750	16,778,409	6,301,321	78,625,297
Net Change	(911,449)	(168,019)	(37,010)	(592,699)	748,418	839,991	(120,768)
FUND BALANCE	\$3,393,992	\$167,199	\$553,244	\$12,896,789	\$2,984,831	\$4,542,673	\$24,538,728

This report shows the sources and uses of the School of Dentistry operating funds for FY15. Operating funds include restricted Federal and Non-Federal sponsored funds and Gift funds. Unrestricted operating funds are made up of three other funds. General fund revenue sources are tuition and fees, indirect cost recovery, and Provost's allocation. The sources of revenue in the Designated fund are student clinics and student instrument and course fees. The source of revenue for the Auxiliary fund is the faculty clinic. Miscellaneous expenses is identified in the internal SOD reporting process in this extra level of detail.

General Funds Appropriation Summary



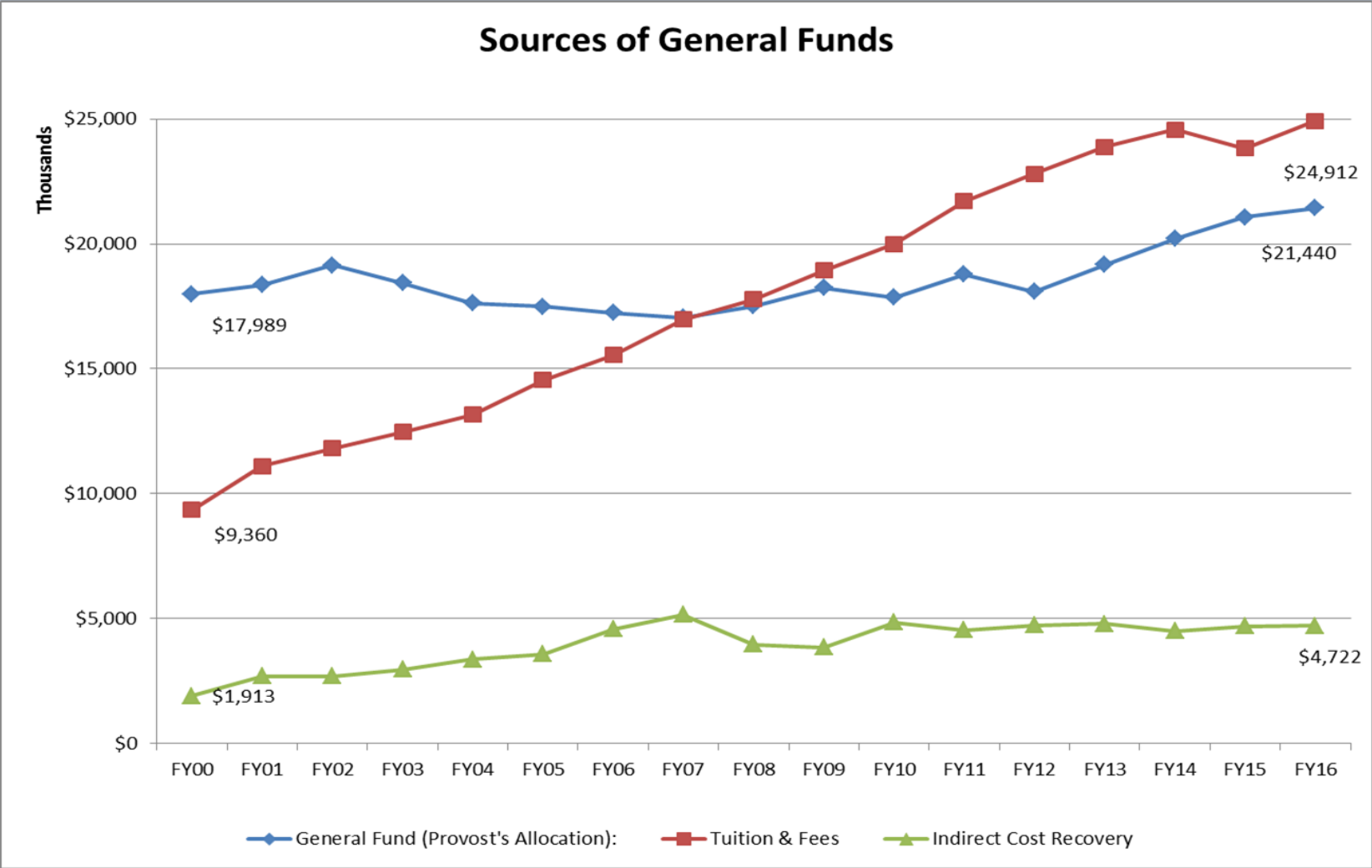
General fund sources of revenue (tuition, Provost’s allocation, indirect cost recovery) are netted against assessments for facilities, financial aid, and University central unit funding. The net of the revenues and assessments is available for use by the School of Dentistry for general fund purposes.

General Funds

General Funds Appropriation to the School is based on a formula according to the University's budget model.

Revenue components

- Tuition, registration fees, application fees
- Indirect Cost Recovery
- Provost's allocation



The Provost allocates money annually for the School’s general fund as part of Responsibility Center Management-the University accounting system. Three sources of revenues (about \$51M in FY16) are netted to three expenses (assessments or taxes - about \$19M this fiscal year); \$31.8M for FY 16. The chart shows the trend for the three sources of revenue over the past 16 years.

The "Provost Allocation" line represents the total of academic funding requests over the years. Indirect cost recovery is paid to the School as part of recovering the facility and administrative costs that we incur in support of research activity. The amounts within each grant are determined by negotiated rates applied to direct costs within the grant budgets. All tuition and fees flow to the School.

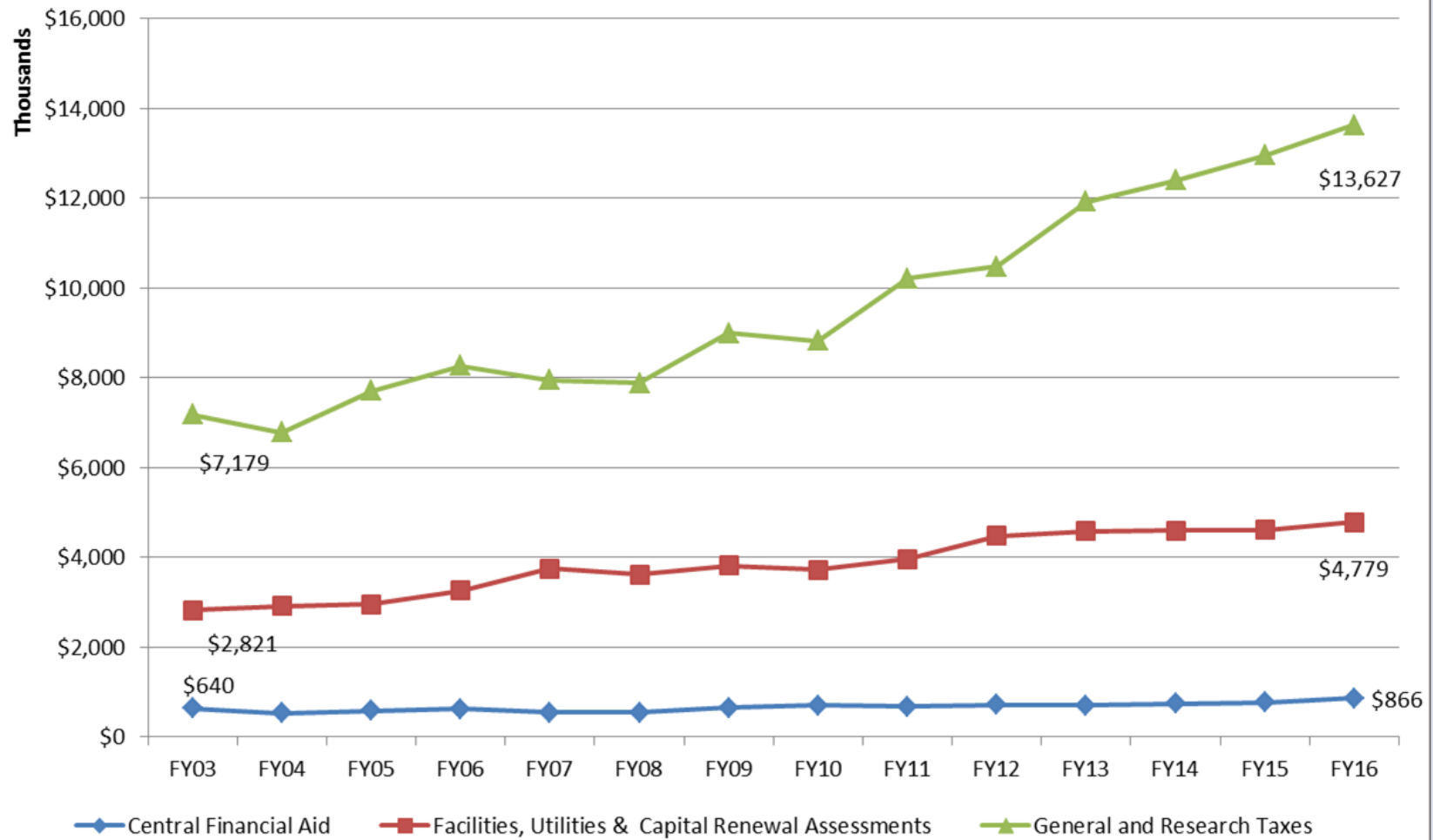
General Funds Assessments

Assessment components

- General and research taxes (based on expenditures that occurred in the fiscal year two years prior, e.g. FY16 taxes based on FY14 expenditures)
- Facilities costs (actual utilities, maintenance per square foot)
- Capital renewal
- Central financial aid (undergraduate and Rackham)

General and research taxes were 11% on sponsored research, 4% on clinic, 24% on all other activity. Currently, a flat tax method is in place. The rate is 19.3% this year, increasing to 21.4% in FY18. Financial aid/scholarship and construction expenses are excluded from the tax calculation.

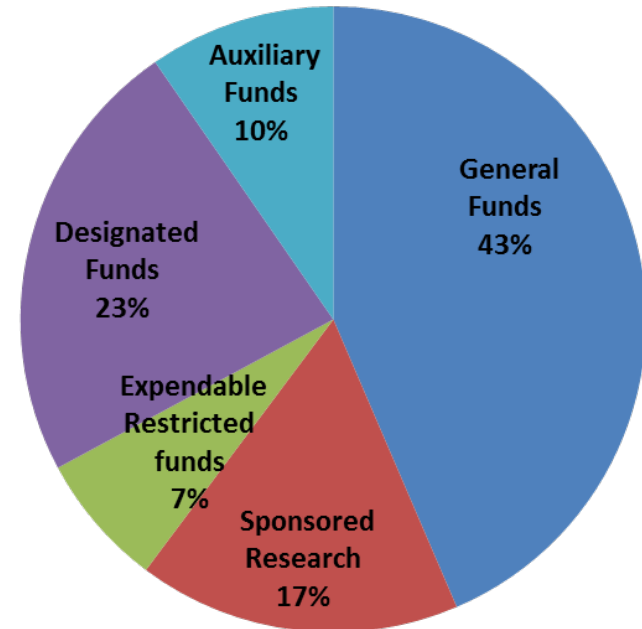
General Funds Assessments



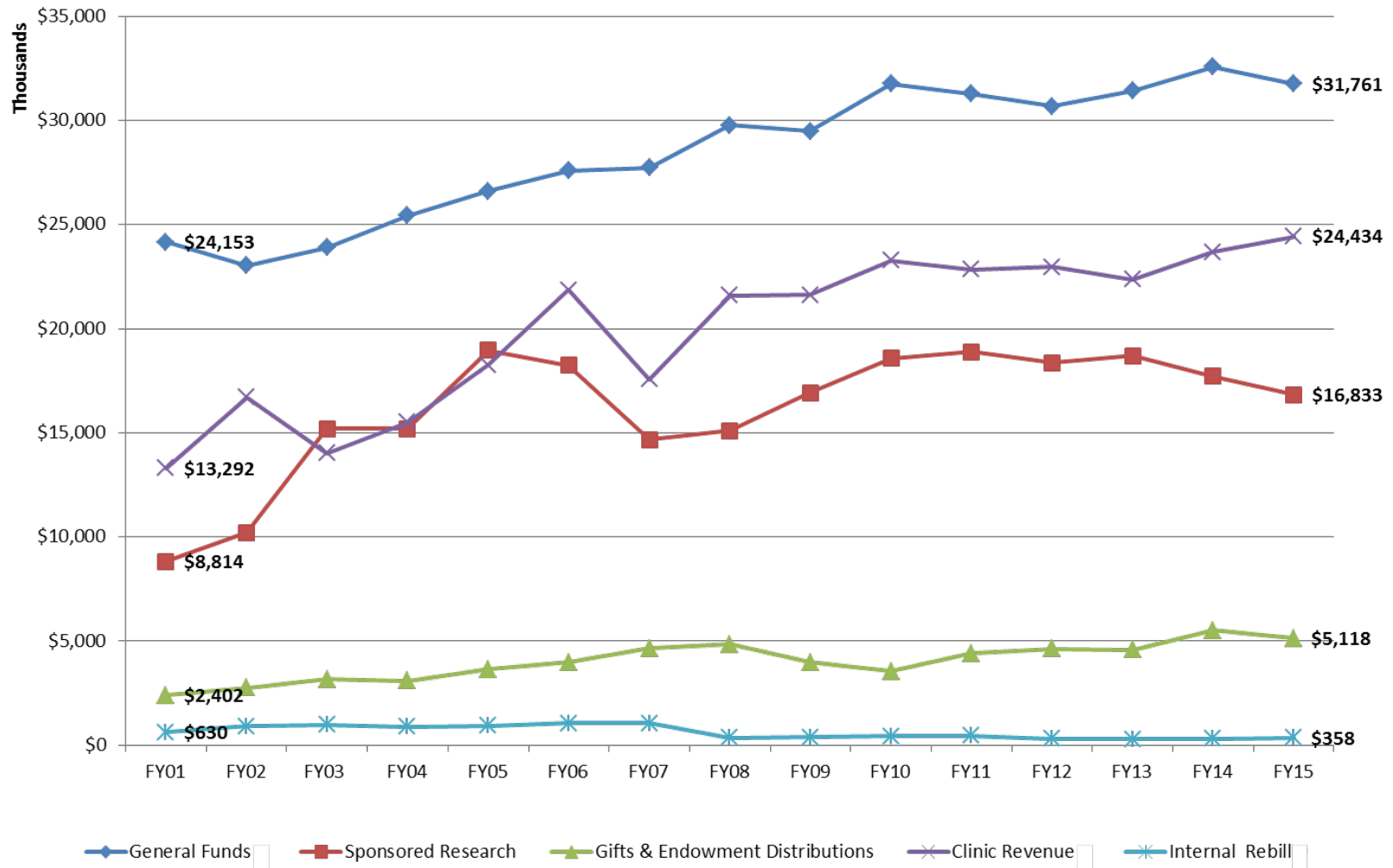
General fund assessments are reflected over time. Significant growth has been experienced in general taxes since 2009. This will continue to be the case until at least 2019. The increase in overall assessments means that the School receives fewer dollars for general fund use toward academic needs.

Operating Budget

- Total operating budget for FY15 was ~\$74 million
- Five major sources of Operating Funds:
 - **General Funds**
 - Student tuition and fees
 - Provost's allocation
 - Indirect cost recovery
 - **Sponsored Research**
 - Research grants, contracts
 - Net of indirect cost
 - **Expendable Restricted Funds**
 - Endowment distributions
 - Gifts
 - **Designated Funds**
 - Pre-doctoral, graduate clinic revenue
 - Outreach revenue
 - Continuing education
 - **Auxiliary Funds**
 - Faculty practice
 - Cores



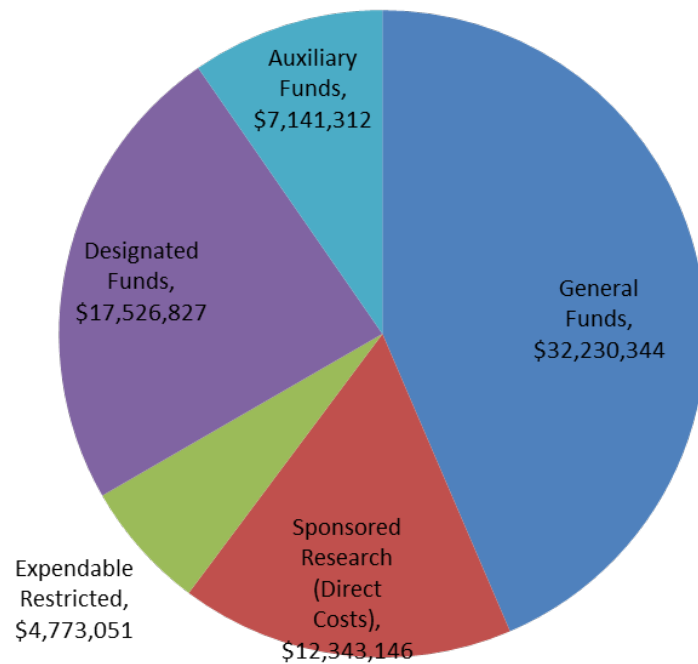
Sources of Operating Funds



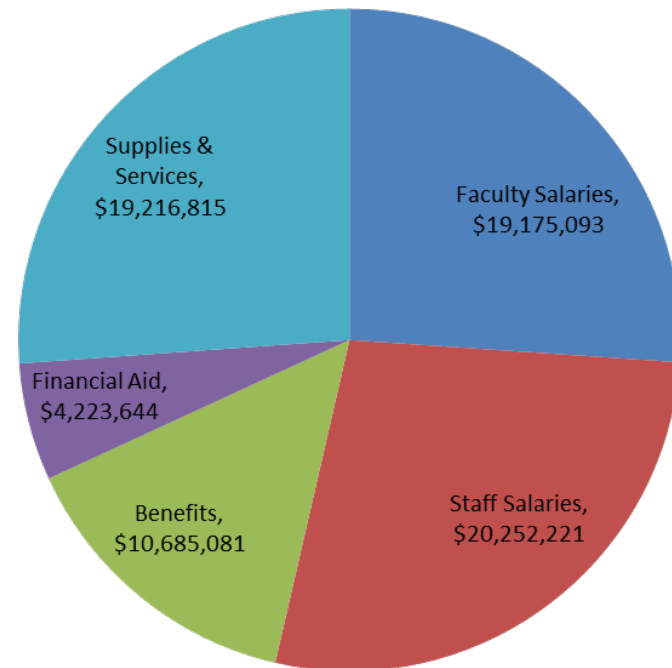
General funds and clinical revenue have increased over the past 15 years. Sponsored research revenue has nearly doubled since FY01; it is currently decreasing. Gifts and endowment distributions have doubled between FY2000 and FY2015.

FY15 Operating Funds

Revenues

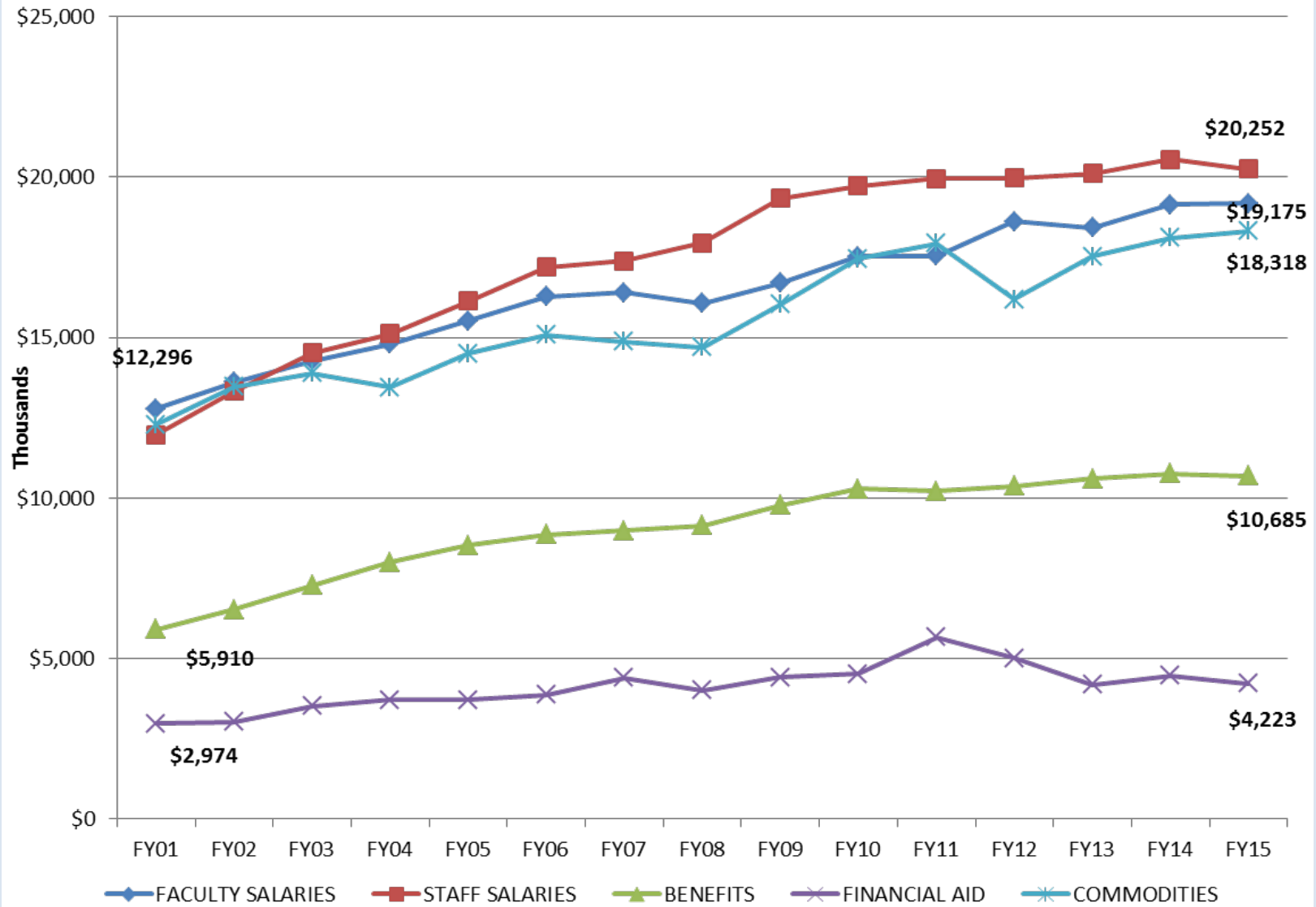


Expenses

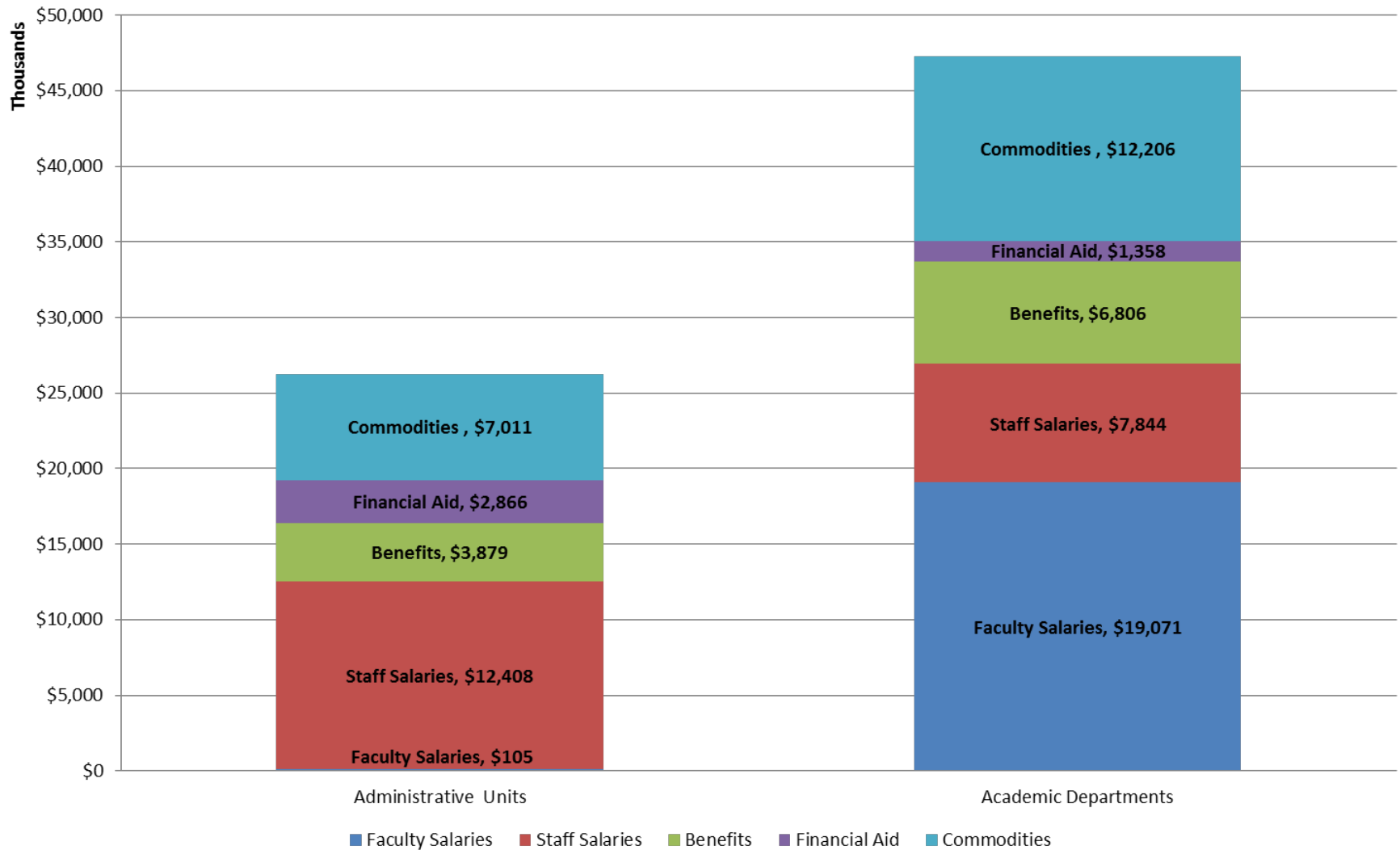


Sources and uses of funds are broken down for FY 15. About two-thirds of the expenses of the School are for salary and benefits.

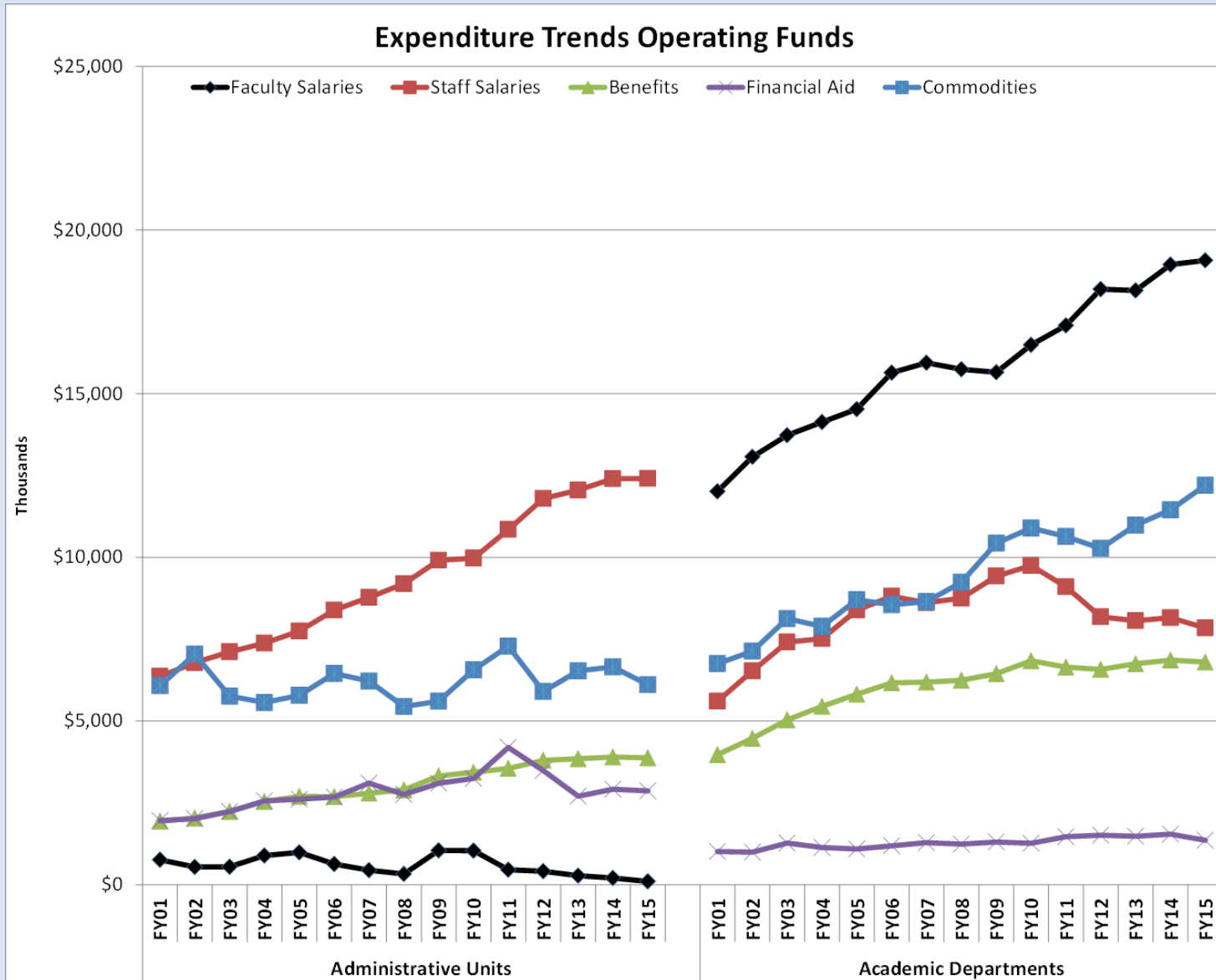
Major Expense Categories Operating Funds



FY15 Operating Expenses



The breakdown for the kinds of costs by academic and administrative purposes is shown. The vast majority of the School’s resources are invested for academic purposes, particularly when staff salaries in administrative costs include a large number of patient services personnel. Faculty salaries in administrative units are, in most cases, included in staff salaries. This is the University’s method of categorizing the portion of faculty appointments for faculty members’ administrative duties.



Total academic related costs are shown beside the School's administrative costs over an extended period. We spend a large proportion of our resources directly on the educational mission of the School. Salaries and benefits are increasing steadily over time, while financial aid has increased only slightly in 15 years. Commodities have increased sharply from FY12 to FY15.

School of Dentistry								
ALL OPERATING FUNDS ACTIVITY (Includes General, Auxiliary, Designated, Gift, Federal Sponsored, and Non-Federal Sponsored Funds)								
	Actual				Projected			
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Beginning Balance	22,690,906	23,747,080	23,858,260	24,659,495	24,538,721	23,781,065	22,777,844	21,647,008
Sources:								
Appropriations	29,957,046	30,626,505	31,524,830	31,247,292	31,803,628	32,635,714	33,209,303	33,901,842
General Fund Transfers	715,020	791,490	1,048,291	513,800	1,770,950	1,330,950	1,330,950	-
Federal Grants/Contracts	16,175,669	16,039,427	15,584,495	14,778,234	15,011,346	14,936,289	14,936,289	15,010,971
Non-Federal Grants/Contracts	2,176,430	2,655,171	2,128,577	2,054,761	2,231,254	2,220,097	2,220,097	2,231,198
Gifts	1,210,113	917,646	1,851,487	1,435,918	1,346,311	1,366,506	1,387,004	1,407,809
Endowment Distribution	3,322,770	3,573,502	3,632,528	3,599,550	3,753,831	3,791,369	3,829,283	3,867,575
Investment Distribution	88,023	91,694	33,712	82,491	45,442	45,896	46,355	46,819
External Department Revenue	22,964,257	22,363,540	23,692,653	24,434,390	25,811,205	26,410,018	27,032,624	27,606,683
Recharge Revenue	307,189	284,061	318,196	358,093	300,000	300,000	300,000	300,000
Total Sources:	76,916,517	77,343,036	79,814,769	78,504,529	82,073,967	83,036,840	84,291,905	84,372,897
Uses:								
Faculty Salaries	17,170,932	17,175,313	17,902,141	17,915,882	17,135,165	17,356,545	17,717,773	18,099,019
Research Faculty	1,151,879	927,963	856,882	941,421	708,835	705,291	705,291	708,817
GSA Salaries	288,756	326,313	387,432	317,790	278,734	277,341	277,341	278,727
Staff Salaries	19,977,400	20,120,894	20,559,051	20,252,221	22,401,286	22,888,055	23,399,510	23,935,900
Fringe Benefits	10,378,836	10,601,439	10,765,938	10,685,082	11,796,090	12,029,902	12,324,547	12,619,202
Tuition Grants	205,778	231,063	224,173	144,233	199,255	198,559	198,559	199,251
Undergraduate Financial Aid	304,476	319,486	81,290	1,817	80,000	80,000	80,000	80,000
Graduate Student Fellowships	4,490,376	3,634,517	4,162,289	4,077,593	4,304,551	4,366,747	4,434,413	4,507,572
Supplies	4,391,920	4,322,762	4,350,634	3,958,977	4,323,138	4,339,972	4,369,242	4,410,894
Travel/Transportation	1,787,146	1,896,986	1,891,852	1,767,500	1,985,524	2,012,245	2,040,143	2,069,222
Internal and External Services	1,833,175	2,042,105	2,035,953	1,807,476	2,149,543	2,173,382	2,199,711	2,228,525
Subcontracts Over 25K	160,473	525,552	1,116,314	1,996,175	914,142	909,571	909,571	914,119
Miscellaneous Expenses	8,843,426	9,459,575	9,367,841	9,441,927	11,726,054	11,893,568	11,955,164	12,032,569
Inventory Acquisitions	21,303	(658)	(8,413)	3,642	-	-	-	-
Equipment	193,575	394,309	147,601	241,122	255,864	258,059	260,651	263,641
Indirect Cost	4,879,983	5,291,003	4,810,718	4,489,849	4,671,702	4,648,343	4,648,343	4,671,585
Transfers to Construction	14,409	27,694	258,790	575,388	-	-	-	-
Net Transfers	(233,498)	(64,461)	103,048	7,208	(98,259)	(97,518)	(97,518)	(98,255)
Total Uses:	75,860,343	77,231,856	79,013,533	78,625,303	82,831,623	84,040,061	85,422,741	86,920,789
Net Change in Balance:	1,056,173	111,181	801,235	(120,774)	(757,657)	(1,003,221)	(1,130,836)	(2,547,892)
Ending Balance	23,747,080	23,858,260	24,659,495	24,538,721	23,781,065	22,777,844	21,647,008	19,099,116
Ending Balance (June 30) by Fund:								
General	2,128,794	3,210,046	4,305,441	3,393,991	3,296,228	2,881,086	2,231,827	130,334
Designated	2,026,146	1,715,682	2,236,413	2,984,829	2,220,072	1,491,242	805,474	101,399
Auxiliary	4,969,376	4,616,743	3,702,682	4,542,672	4,388,728	4,271,967	4,218,644	4,217,521
Gift	13,734,098	13,254,454	13,489,487	12,896,786	12,896,786	12,896,786	12,896,786	12,896,786

The first four columns reflect actual costs for operating funds; the last four columns are projected data. The projections for total operating funds show that, using the current assumptions, the finances of the School are not positive. The Net Change in Balance is negative in FY15 and continues the downward trend through the projection for FY19. The projections indicate a need for a financial plan for long-term sustainability.

School of Dentistry
GENERAL FUND ACTIVITY

	Actual				Projected			
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Beginning Balance	2,794,699	2,128,794	3,210,046	4,305,441	3,393,991	3,296,228	2,881,086	2,231,827
Sources:								
Appropriations	29,957,046	30,626,505	31,524,830	31,247,292	31,803,628	32,635,714	33,209,303	33,901,842
General Fund Transfers	715,020	791,490	1,048,291	513,800	1,770,950	1,330,950	1,330,950	-
Investment Distribution	-	(5,277)	-	127				
External Department Revenue	470,343	470,665	469,255	469,125	478,508	492,863	507,649	522,878
Recharge Revenue								
Total Sources:	31,142,409	31,883,383	33,042,376	32,230,344	34,053,085	34,459,527	35,047,902	34,424,720
Uses:								
Faculty Salaries	12,357,028	11,465,785	12,469,671	12,803,762	12,995,359	13,202,365	13,532,424	13,870,735
Research Faculty	262,214	136,911	69,420	91,098				
GSA Salaries	4,417	16,117	48,586	26,027				
Staff Salaries	9,237,483	9,259,290	9,371,866	9,288,167	9,355,238	9,589,119	9,828,847	10,074,568
Fringe Benefits	5,513,928	5,456,461	5,590,327	5,628,558	6,185,566	6,324,430	6,505,902	6,678,624
Tuition Grants	55,044	70,617	57,589	4,451	60,000	60,000	60,000	60,000
Undergraduate Grants/Scholarships			150	740				
Graduate Stipends/Fellowships	1,131,304	839,065	799,022	806,732	900,000	900,000	900,000	900,000
Supplies	805,666	812,816	994,666	973,186	987,784	1,002,601	1,017,640	1,032,904
Travel/Transportation	324,932	389,368	270,586	422,511	428,849	435,281	441,811	448,438
Internal and External Services	494,025	614,475	580,983	762,217	773,650	785,255	797,034	808,989
Miscellaneous Expenses	1,491,331	1,481,487	1,618,002	2,160,108	2,272,510	2,381,597	2,417,321	2,453,581
Equipment	68,967	207,693	59,656	139,796	141,893	144,021	146,182	148,374
Transfers to Construction	-	20,194	-	40,388				
Net Transfers	61,973	31,852	16,457	(5,947)	50,000	50,000	50,000	50,000
Total Uses:	31,808,314	30,802,132	31,946,980	33,141,794	34,150,849	34,874,669	35,697,160	36,526,214
Net Change in Balance:	(665,905)	1,081,251	1,095,396	(911,450)	(97,763)	(415,142)	(649,258)	(2,101,494)
Ending Balance	2,128,794	3,210,046	4,305,441	3,393,991	3,296,228	2,881,086	2,231,827	130,334
Ending Balance as a % of Appropriation	7.1%	10.5%	13.7%	10.9%	10.4%	8.8%	6.7%	0.4%
Ending Balance as a % of Total Sources	6.8%	10.1%	13.0%	10.5%	9.7%	8.4%	6.4%	0.4%

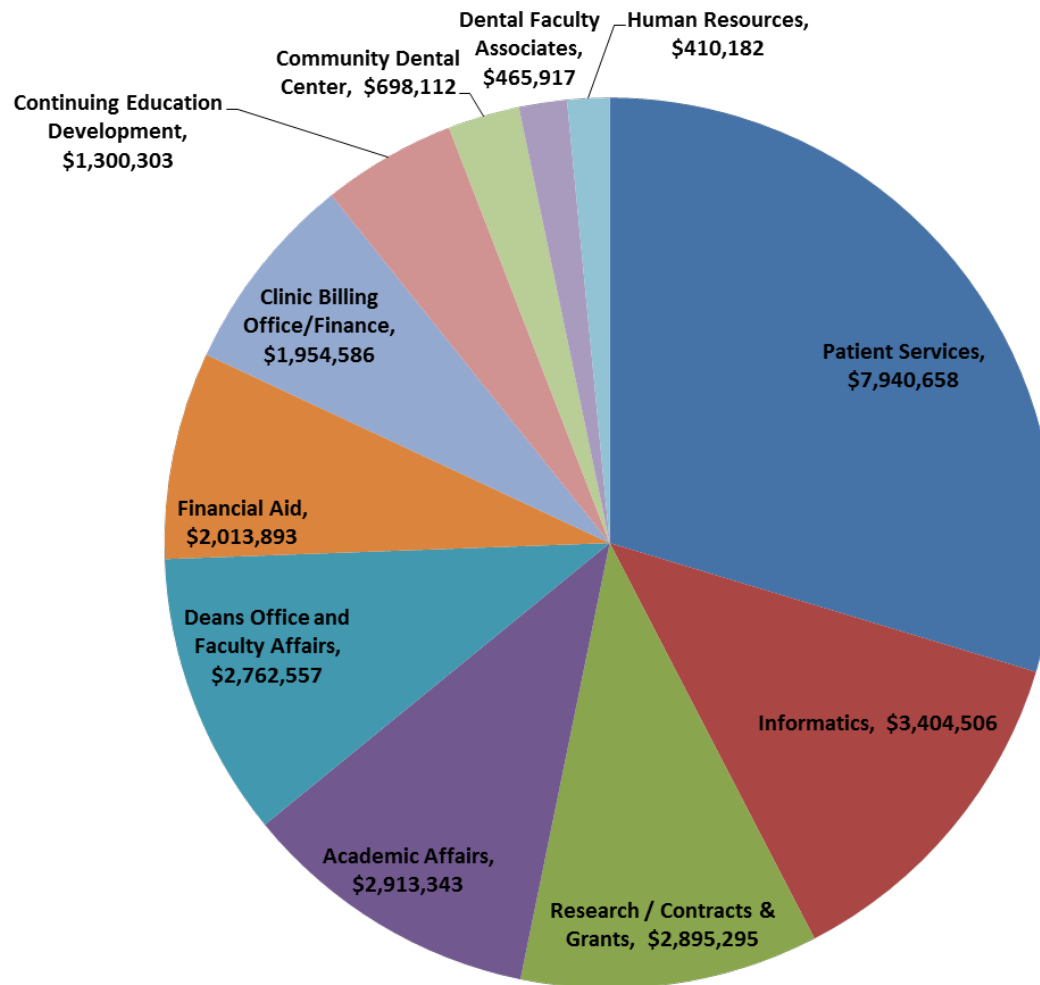
Given the assumptions for General Funds, uses will continue to be greater than the General Fund allocation in the projected years. General Funds are applied to most faculty salaries (not the at-risk portions) and support most administrative units.

School of Dentistry
GENERAL FUND APPROPRIATION

	Actual				Projected		
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
General Fund Supplement	17,979,812	20,211,049	21,067,180	21,440,325	21,740,325	22,040,325	22,340,325
Tuition and Fee Revenue	2,037,918	1,943,135	1,738,995	1,938,477	2,020,616	2,140,169	2,240,849
Undergraduate Tuition							
Graduate Tuition	2,479,708	2,793,623	3,132,465	3,354,726	3,438,594	3,524,559	3,612,673
Graduate/Professional Tuition	19,082,788	19,516,701	18,669,141	19,322,161	20,022,855	20,746,507	21,265,170
Registration Fees	126,468	139,286	137,826	141,891	145,438	149,074	152,801
Application Fees	146,021	167,394	147,082	155,200	159,080	163,057	167,133
Recovered Indirect Costs	4,796,417	4,507,592	4,700,000	4,722,334	4,648,343	4,648,343	4,671,585
Interest Paid on Balances	-	-	-	-	-	-	-
OFA/Rackham Financial Aid							
OFA Financial Aid	(342,531)	(348,823)	(331,336)	(390,839)	(436,567)	(487,646)	(544,700)
Rackham Financial Aid	(356,275)	(401,207)	(440,148)	(475,295)	(502,862)	(532,028)	(562,886)
Facilities Costs							
Utilities	(2,269,120)	(2,036,511)	(2,014,465)	(2,162,772)	(2,227,655)	(2,294,485)	(2,363,319)
Plant Operations	(1,887,124)	(1,926,165)	(1,948,878)	(1,969,650)	(1,999,195)	(2,029,183)	(2,059,620)
Capital Renewal	(433,241)	(635,234)	(649,176)	(646,252)	(662,408)	(678,969)	(695,943)
Taxes	(10,734,336)	(12,406,010)	(12,961,394)	(13,626,678)	(13,710,849)	(14,180,421)	(14,322,226)
Net funding (Appropriation):	30,626,505	31,524,830	31,247,292	31,803,628	32,635,714	33,209,303	33,901,842

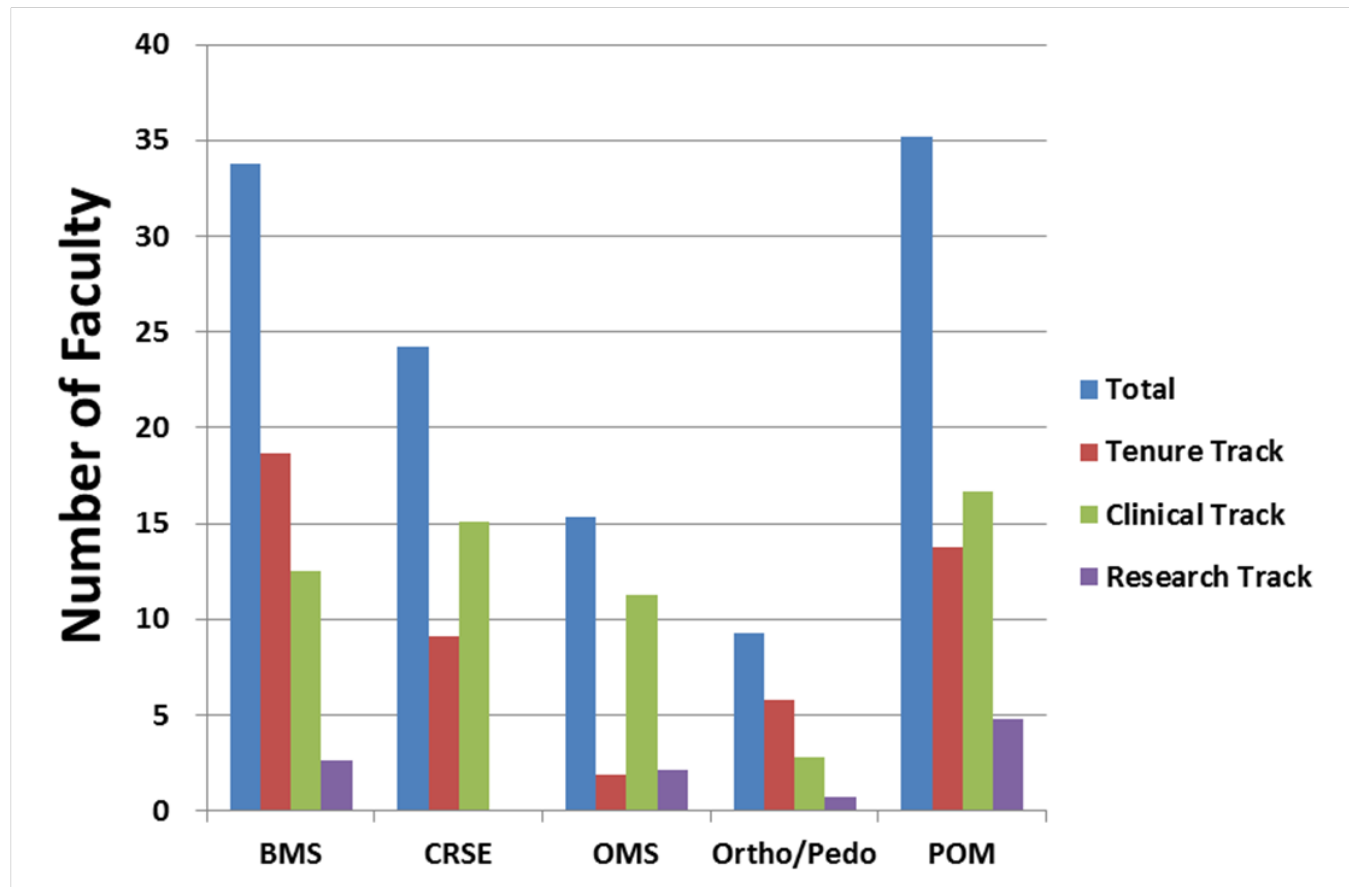
The appropriation is the main revenue source for the general fund presented on the previous slide. The increases in taxes serve to constrain our ability to grow our economic engine mainly because our student body is limited by clinic space and accreditation requirements.

Administrative Spending by Unit FY15



A large part of the educational process involves serving the needs of patients. Patient services costs provide quality service to pre-doctoral level clinics, faculty practice, and Advanced Specialty Clinics. Informational technology is woven into a great deal of the teaching and care paradigms around the school, from classroom instruction and way finding to research support, HIPAA compliance, and digital patient record keeping systems.

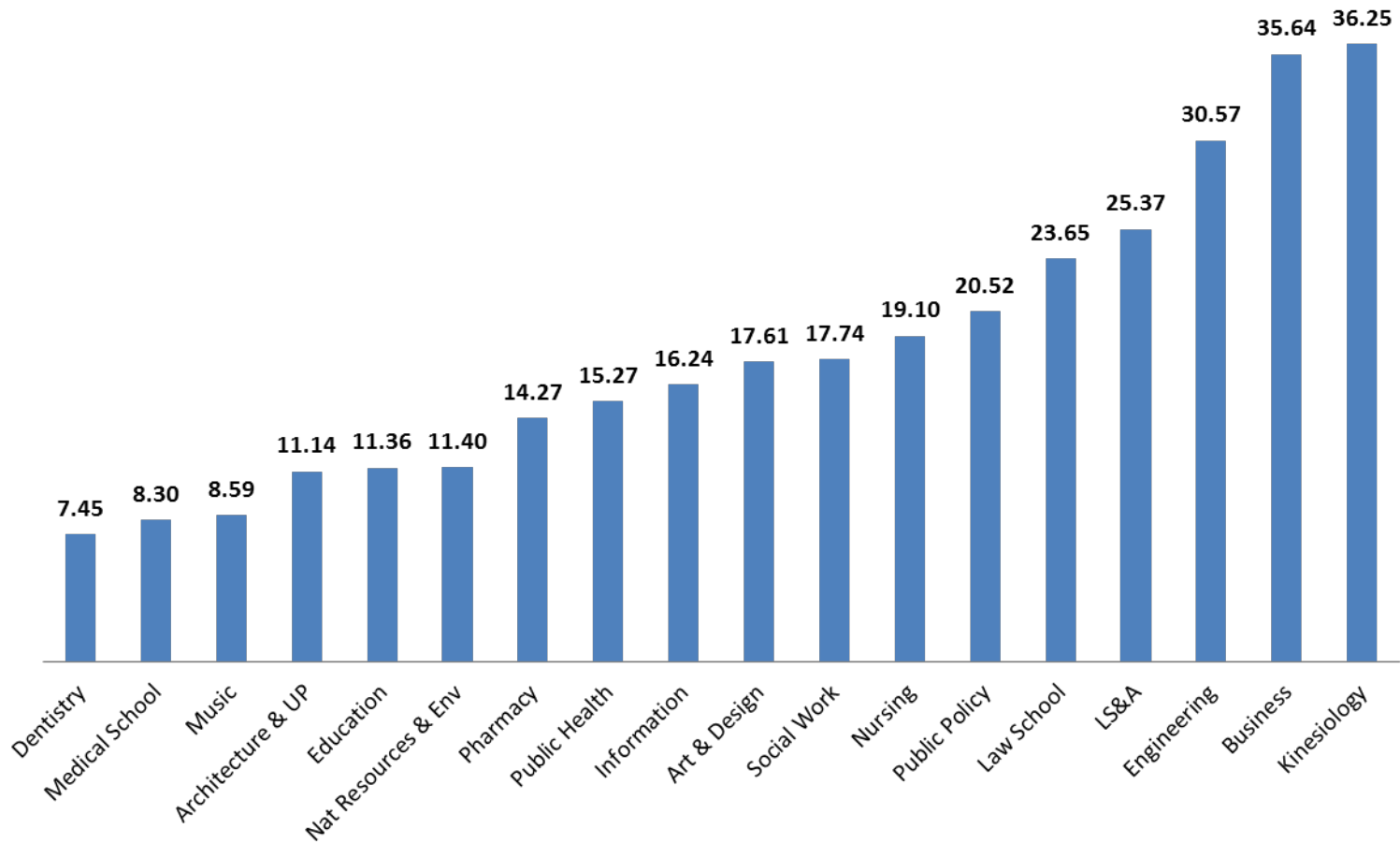
School of Dentistry Faculty by Department FY15 (excluding adjuncts)



Full-time faculty by department is shown for tenure, clinical, and research track categories.

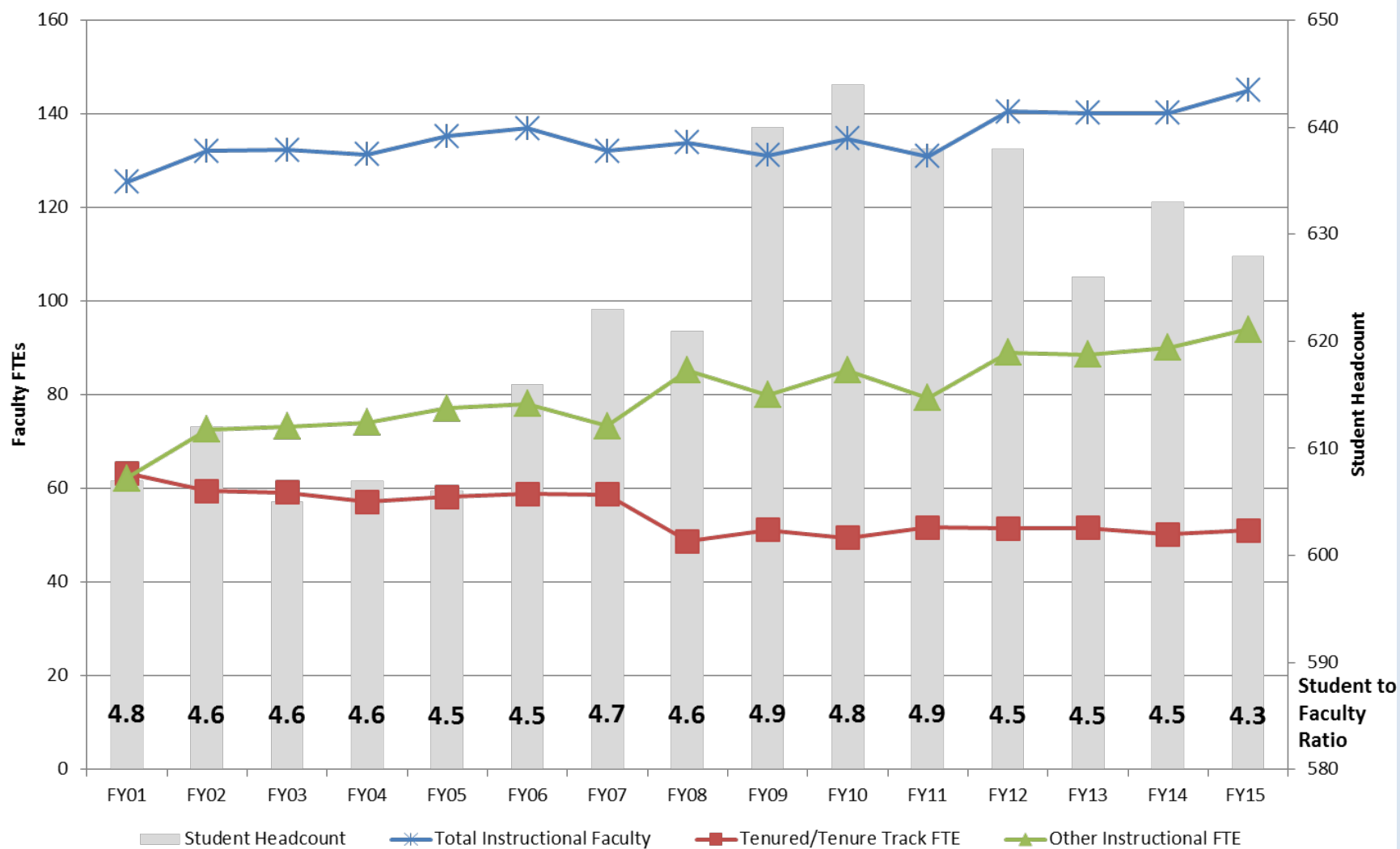
Enrollment per Faculty Member by School or College

■ Includes tenured, tenure track, graduate fellowships, and Residential College instructors



In FY15, the School of Dentistry has the highest student to faculty ratio of all University schools and colleges. This data shows the importance of faculty to our students' success but also is a key reason for the high cost of dental education.

Instructional Faculty including Adjunct & Student Head Count



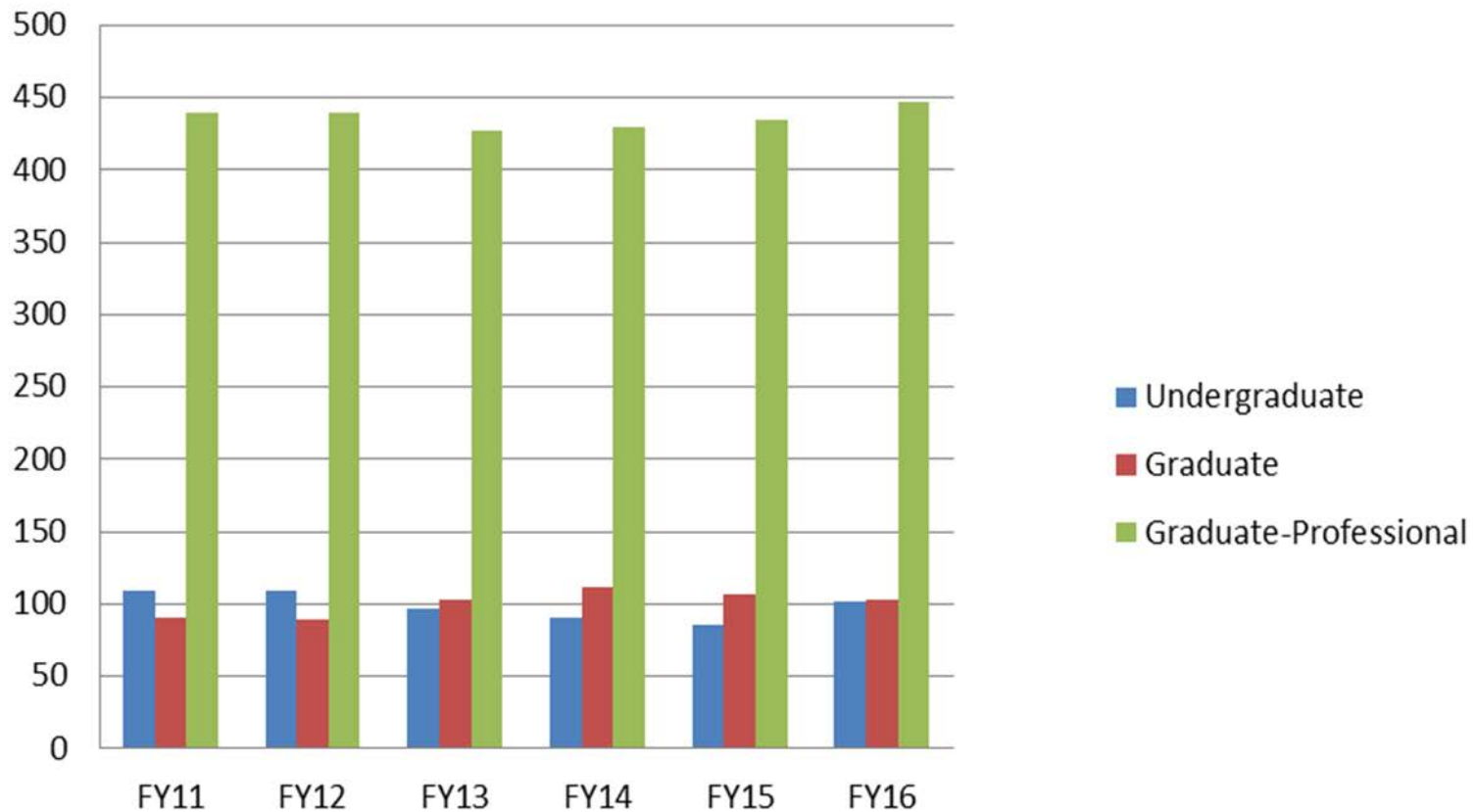
The total instructional faculty equivalent headcount has increased slightly over the past 15 years. It has grown as student headcount equivalent (gray bars) has declined in the past few years. The resulting student to faculty ratio shows a very costly educational delivery for the School of Dentistry.

School of Dentistry
Discretionary Balances with Quasi Endowments
For the period July 1, 2014 to June 30, 2015

	Beginning Balance	YTD Revenue	YTD Expenses	YTD Transfers	Ending Balance
Discretionary Managed by Chair/Dean					
Administration	6,679,250	8,016,206	(1,426,048)	7,715,203	8,406,300
Biologic & Materials Sciences	6,244,109	358,234	475,744	(3,385)	6,129,984
Cariology, Restorative Sciences, and Endodontics	1,222,358	92,194	671,379	(233,050)	876,223
Oral & Maxillofacial Surgery / Hospital Dentistry	2,581,193	155,651	620,583	(252,822)	2,369,082
Orthodontics and Pediatric Dentistry	4,098,200	414,192	1,415,350	(917,148)	4,014,190
Periodontics and Oral Medicine	5,132,788	399,231	457,710	(197,441)	5,271,750
Total Discretionary Managed by Chair/Dean	25,957,897	9,435,708	2,214,719	6,111,357	27,067,529
Non-Discretionary Managed by Chair/Dean					
Administration	26,644,575	8,135,887	9,128,503	(1,600,326)	27,252,285
Biologic & Materials Sciences	274,896	4,029,059	4,121,827	4,842	177,285
Cariology, Restorative Sciences, and Endodontics	(1,607,726)	3,608,752	3,609,005	(63,010)	(1,544,969)
Oral & Maxillofacial Surgery / Hospital Dentistry	(153,992)	1,358,611	1,275,513	(122,384)	51,489
Orthodontics and Pediatric Dentistry	324,658	780,356	808,927	1,614	294,472
Periodontics and Oral Medicine	(1,879,630)	3,659,940	4,111,162	(92,832)	(2,238,020)
Total Non-Discretionary Managed by Chair/Dean	23,602,780	21,572,605	23,054,938	(1,872,096)	23,992,543
Financial Aid Funds					
Administration	13,485,480	2,647,406	2,319,397	(142,855)	13,956,343
Biologic & Materials Sciences	343,342	35,880	12,559	8,066	358,597
Cariology, Restorative Sciences, and Endodontics	8,214	883	1,050	-	8,047
Oral & Maxillofacial Surgery / Hospital Dentistry	(89)	-	-	-	(89)
Orthodontics and Pediatric Dentistry	712,135	698,278	655,471	16,374	738,568
Periodontics and Oral Medicine	273,905	37,875	23,484	6,280	282,016
Total Financial Aid	14,822,987	3,420,322	3,011,962	(112,134)	15,343,482
Individual Faculty Funds					
Administration	1,210,335	1,064,322	729	1,680,544	593,385
Biologic & Materials Sciences	2,754,372	336,151	1,083,681	(179,602)	2,186,444
Cariology, Restorative Sciences, and Endodontics	385,353	29,025	194,935	(270,470)	489,913
Oral & Maxillofacial Surgery / Hospital Dentistry	430,230	25,140	168,068	(132,817)	420,120
Orthodontics and Pediatric Dentistry	1,261,554	38,182	397,562	(252,168)	1,154,341
Periodontics and Oral Medicine	1,527,269	420,016	611,296	(225,771)	1,561,759
Total Individual Faculty	7,569,113	1,912,837	2,456,271	619,716	6,405,962
Dedicated Purpose, Restricted Gifts					
Administration	11,124,583	12,430,689	15,531,379	(3,605,108)	11,629,001
Biologic & Materials Sciences	18,977	1,761,926	1,923,000	(21,487)	(120,610)
Cariology, Restorative Sciences, and Endodontics	288,026	4,267,109	3,687,265	549,295	318,575
Oral & Maxillofacial Surgery / Hospital Dentistry	(14,438)	2,914,663	2,057,664	785,190	57,370
Orthodontics and Pediatric Dentistry	505,925	3,828,829	3,143,260	657,396	534,097
Periodontics and Oral Medicine	126,133	2,553,340	2,906,588	10,976	(238,092)
Total Dedicated Purpose, Restricted Gifts	12,049,205	27,756,555	29,249,156	(1,623,738)	12,180,342

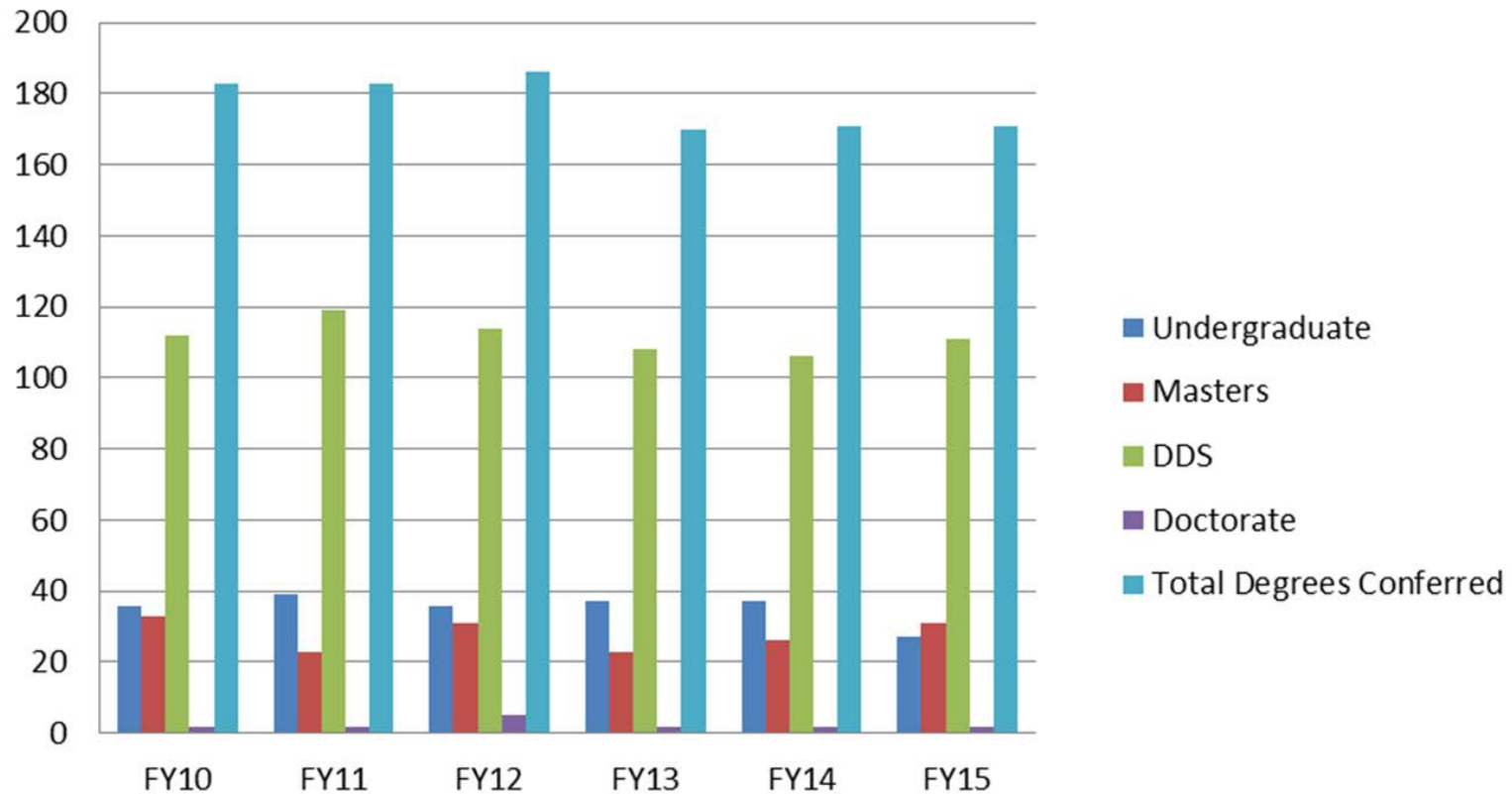
The discretionary balances for all operating funds are reflected, including quasi endowments. The top section of the report indicates by department what funds are available for future initiatives. The other sections indicate summaries for balances that are not available for discretionary spending. The reasons funds are not available may be due to the prior commitment of the funds to faculty, donor restrictions, or student fees that are held for future restricted use. The School also has over \$110M in endowed funds to support key initiatives as we target strategic efforts.

Fall Term Student Headcount



School of Dentistry student headcount does not vary much from year to year. The DDS students are by far the largest group.

Fiscal Year Degrees Conferred



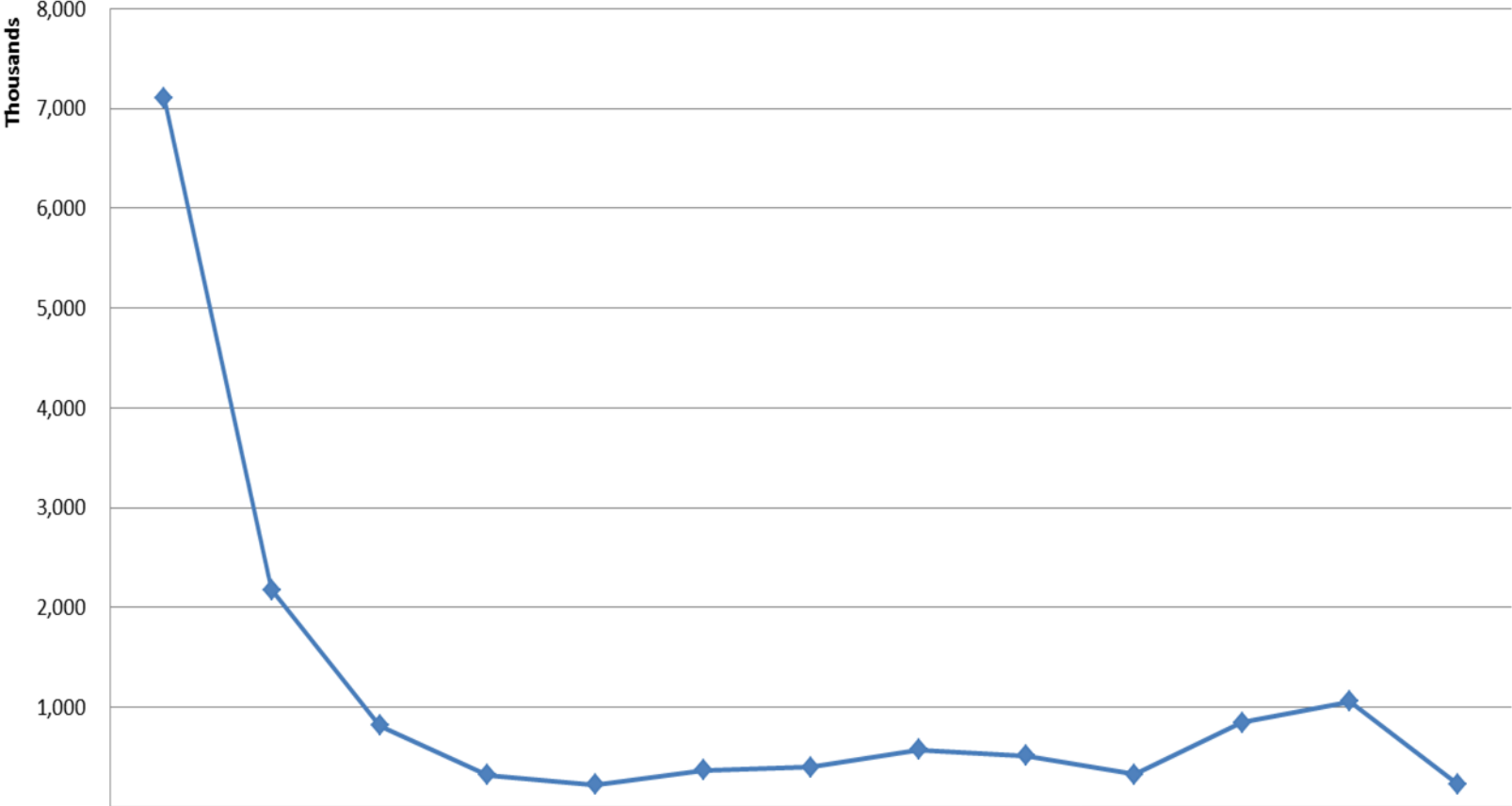
The Undergraduate group members are dental hygiene students. Masters students are those in the various advanced specialty programs. Graduate professionals are DDS students. Doctorate degrees are awarded to the Oral Health Sciences students.

Tuition Revenue by Program

Programs	FY11	FY12	FY13	FY14	FY15
Dental Hygiene	1,886,330	2,000,448	1,918,174	1,843,457	1,918,827
Dentistry DDS	17,403,388	17,844,596	18,162,777	18,618,025	18,253,594
Oral Health Sciences Doctoral	273,748	205,583	203,764	299,790	342,507
Masters Programs					
Endodontics	324,959	352,647	383,331	410,116	383,527
Orthodontics	462,353	487,991	501,862	509,618	524,789
Pediatric Dentistry	351,521	333,915	331,079	401,230	323,888
Periodontics	315,075	353,988	432,265	380,201	405,020
Prosthodontics	300,349	411,790	393,006	383,358	344,594
Oral & Maxillofacial Path	-	10,452	31,139	20,781	25,544
Restorative Dentistry	266,861	323,014	316,231	314,499	329,344
Dental Hygiene	-	21,024	133,380	126,121	137,571
Total Masters Programs	2,021,118	2,294,821	2,522,294	2,545,924	2,474,277
Total Tuition Revenue	21,584,584	22,345,448	22,807,008	23,307,196	22,989,206

Tuition revenue has stayed very constant over the years. These revenues represent the economic engine for the school, and show the impact of a capped enrollment for our student body. It is difficult to absorb increasing personnel and clinic costs with this stable revenue engine.

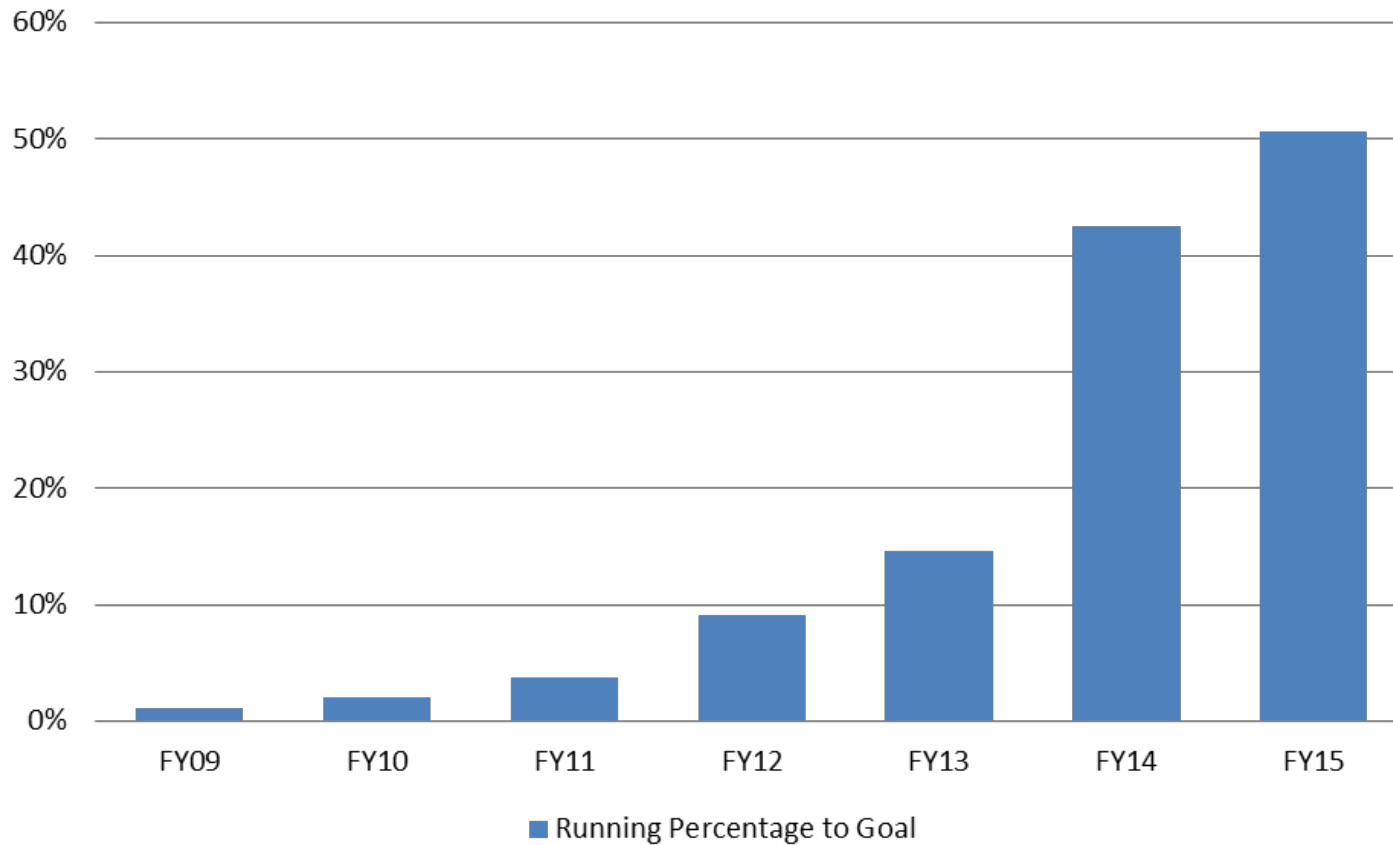
Renovations at the School of Dentistry



	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
◆ Renovations	7,102,846	2,178,676	820,362	320,960	225,885	372,548	403,055	576,808	515,137	329,933	849,122	1,060,950	229,334

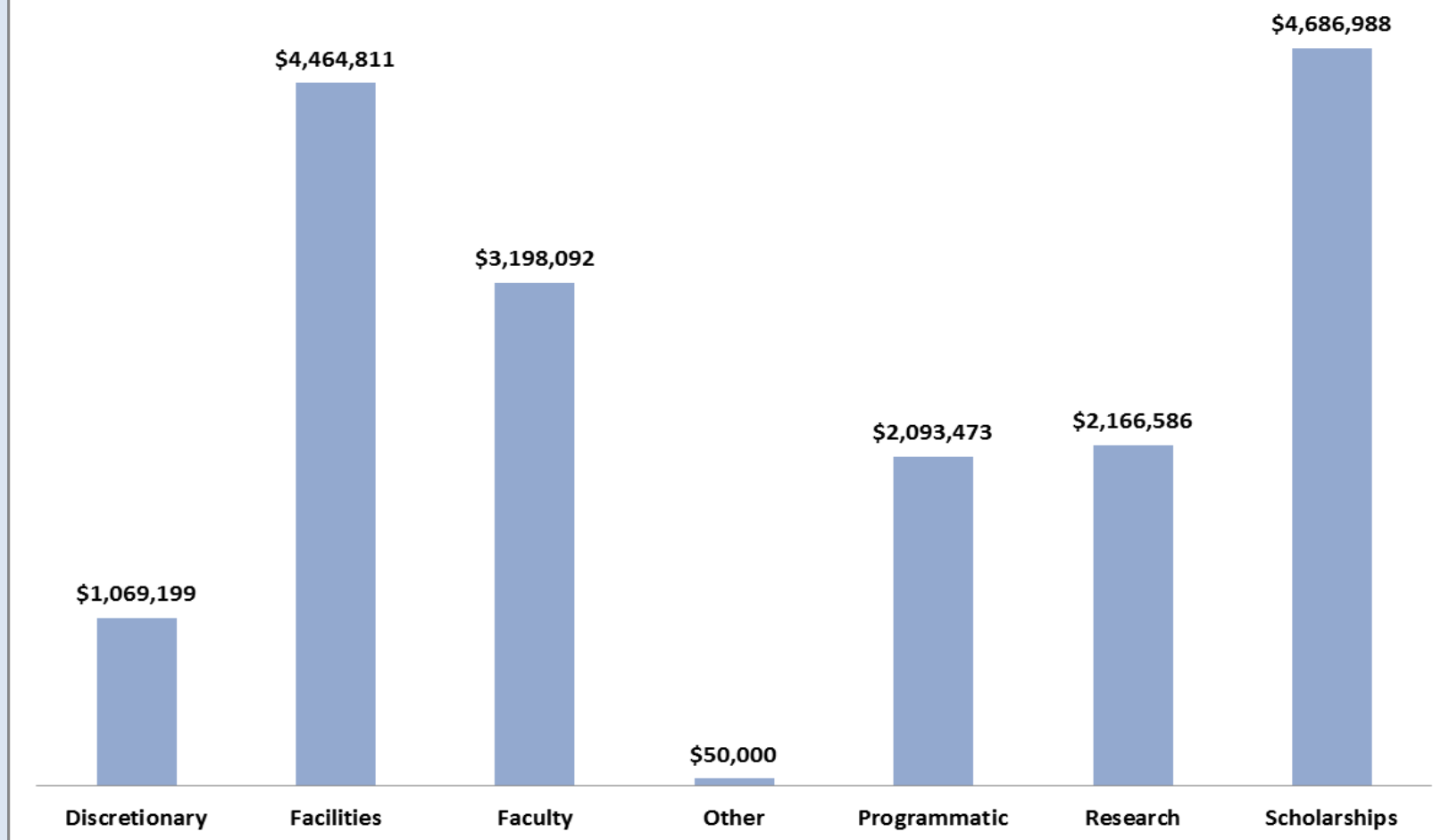
Most renovation projects at the School of Dentistry are centrally funded. Occasionally, projects are funded by an academic department. These are centrally funded projects only. Since FY05, the average renovations per fiscal year has been just under \$500,000. Renovations were greatly reduced in FY15 in anticipation of a major building

School of Dentistry Victors for Michigan Percentage to Goal



The Victors for Michigan campaign goal is \$35million. The campaign began in FY2009 and will be concluded in FY2019. As of July 2015, a total of \$17.7M, or 50.7%, has been raised toward that goal.

Victors for Michigan Campaign Report by Purpose



Facilities and students' financial aid are the two greatest needs for the School of Dentistry that are being met by the campaign.

Endowment Funds as of June 30, 2008

	Market Value			Book Value		
	True Endowment	Quasi- Endowment	Total	True Endowment	Quasi- Endowment	Total
Scholarships & Fellowships	13,521,952	10,505,521	24,027,473	7,461,647	3,886,270	11,347,917
Faculty Support (Professorships)	24,475,298	10,682,191	35,157,489	9,942,353	5,706,703	15,649,056
Research Support	962,138	16,606	978,744	540,966	11,614	552,580
Discretionary		20,048,582	20,048,582		8,890,005	8,890,005
Other Designated	1,688,202	11,298,015	12,986,217	380,781	4,018,390	4,399,171
Total	40,647,590	52,550,915	93,198,505	18,325,747	22,512,982	40,838,729

Endowment Funds as of June 30, 2014

	Market Value			Book Value		
	True Endowment	Quasi- Endowment	Total	True Endowment	Quasi- Endowment	Total
Scholarships & Fellowships	17,508,649	11,608,954	29,117,603	10,510,606	4,671,784	15,182,390
Faculty Support (Professorships)	27,274,662	12,637,878	39,912,540	12,008,543	7,639,197	19,647,740
Research Support	1,046,216	45,136	1,091,352	594,777	36,087	630,864
Discretionary		22,988,418	22,988,418		11,051,577	11,051,577
Other Designated	1,722,652	13,025,438	14,748,090	380,781	4,768,890	5,149,671
Total	47,552,179	60,305,824	107,858,003	23,494,707	28,167,535	51,662,242

Endowment Funds as of June 30, 2015

	Market Value			Book Value		
	True Endowment	Quasi- Endowment	Total	True Endowment	Quasi- Endowment	Total
Scholarships & Fellowships	18,068,202	11,607,569	29,675,771	11,028,740	4,661,445	15,690,185
Faculty Support (Professorships)	28,775,651	12,816,819	41,592,470	13,460,469	7,790,898	21,251,367
Research Support	1,053,568	48,461	1,102,029	599,877	39,313	639,190
Discretionary		23,392,958	23,392,958		11,406,563	11,406,563
Other Designated	1,734,844	13,081,711	14,816,555	389,278	4,797,248	5,186,526
Total	49,632,265	60,947,518	110,579,783	25,478,364	28,695,467	54,173,831

The current market value of School of Dentistry endowments is over \$110 million. In FY15, endowment distributions were \$3.6 million. The size of the School of Dentistry's endowment is one of its strengths and a testament to its alumni.

University of Michigan, School of Dentistry

Positives

Fund balances have been built in the School / \$110M endowment

High student demand / quality reputation as part of U of M

Able to attract quality faculty

Strategic Plan is in place and will serve to focus efforts and resource allocation

Research emphasis

Welcome collaborative efforts with industry and other U of M units

Opportunities to modernize clinic operations (including the DFA paradigm) are part of the campaign plan

Improving relationship with Provost's Office

More than half way to \$35M fundraising goal

Ahead of goals to realign designated fund balances in the Dean's area

University of Michigan, School of Dentistry

Challenges

Level of student debt & state funding

Ability to determine reasonable faculty teaching loads

Maintaining our ranking in research among dental schools

Funding availability for research

Research funding per faculty has declined

Balance instruction with patient care and research activities

Pressure in costs from University tax, wages, benefits, increasing regulatory burden, IT, and shared services

Capacity issues in the number of students across all programs

Funding and process for facility renovation

Dental school financial model that is hard to sustain

Our ability to adapt to changing landscape; shared services, dentistry needs 20-30 years from now