

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: Fiscal Year 2006 Capital Outlay Submission
All Campuses

Background:

In November 2004, the University submitted to the State the annual Capital Outlay Request and Five-Year Master Plan for the Ann Arbor, Dearborn, and the Flint Campuses for fiscal year 2006. The five-year plan includes information on the University's mission, instructional programming, staffing and enrollment data, facility condition assessment, master planning, and major projects anticipated over the next five years. Each year, the University has the opportunity to update information and amend the plan as needs and priorities change. Of course, any project that is accepted by the State for funding requires approval by the Board of Regents, as we do for all projects.

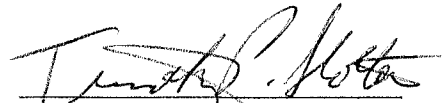
The Ann Arbor Campus submitted three projects to be considered for State funding: a new Biology Building, Ruthven Museum renovations, and Hatcher Graduate Library renovations. Reflecting the University's ongoing commitment to the life sciences, the top priority for the campus is the Biology Building project. The Edward Henry Kraus Natural Science Building houses the departments of Molecular, Cellular and Developmental Biology (MCDB), and Evolutionary and Ecological Biology (EEB). Kraus, originally constructed in 1915, cannot be renovated to support modern research. Therefore, the University is planning a new Biology Building that will house MCDB. The project is estimated at \$100 million. The second and third projects represent our commitment to renew two of our older buildings on the Central Campus, the Hatcher Graduate Library, built in 1920, and the Ruthven Museum, built in 1928. Both of these facilities have significant infrastructure needs. The estimated project cost for the Hatcher Library renovations is \$35 million, and the Ruthven Museum renovation is estimated to cost \$40 million.

The Dearborn Campus submitted one project, the creation of a new facility to house its Child Development Center, which has outgrown its current location in historic cottages part of the Henry Ford Fair Lane Estate. The project is estimated at \$5 million.

The Flint Campus did not request any Capital Outlay funding this cycle.

Over the years, the State has made significant and strategic investments through the Capital Outlay program at all three University of Michigan campuses. Although this budget year will be especially challenging, the submittal of the Capital Outlay and Five-Year Master Plan is one of many avenues where we provide information intended to further our partnership with the State.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

December 2004