



Financial Affairs Advisory Committee (FAAC) Minutes for 3/18/26 Meeting

Meeting information:

Circulated: 4/06/26

Approved: 4/09/26

Members present: Becky Peterson (Chair), Kentaro Toyama (SACUA), Doug Burtch, Bobby Hewlett (EVP and CFO), Emily Luxon, Silvia Pedraza, Jefferson Williams, Stefanie Russman Block, Julie Boland

Members absent: Vance Jackson, Sara Soderstrom, Hsiao Sung, Dale Thomson

Guests present:

Debora Talley, Assistant Vice President for Finance

Drew Smith, Interim Vice President for Finance

Faculty Senate Office staff present: Eric Vandenberghe

Minutes:

8:48am: Call to Order, Approval of Agenda and Minutes, Announcements

The agenda was approved. The minutes for the January meeting are approved. EVP Hewlett introduces the guests.

8:51am: CFO update

Summary: EVP Hewlett updates the committee on recent work:

- Negotiations are ongoing between Blue Cross Blue Shield and UM. Recent information was shared with the UM community by the CFO's Office in order to dispel rumors and clarify the situation.
- Geopolitics are continually monitored in order to maintain the financial health of the institution. The ongoing military operation in Iran is discussed briefly.
- Moody's recently provided new guidance on how they rank creditworthiness. UM will continue to monitor this. Currently there has been no change to our credit rating. It is explained that Moody's will be slightly more rigid in scoring a university's operating environment. It is stated that UM remains well-positioned.
 - a. What is the impact if we go down in rating? The interest cost on loans will rise, and reputational component of investing in Michigan may be affected.
- Capital projects
 - a. The Hadley Family Recreation & Well-Being Center is set to open in April
 - b. Wolverine Village will open for Fall term.
- Procurement
 - a. EVP Hewlett thanks the Chair and committee for ongoing collaboration



regarding review and feedback of Collegiate Travel Planners. Further review and alterations to the current procedures are ongoing.

- b. UM recently hosted a pouring rights town hall. A decision is expected to be announced in July.
 - The partnership between UM and the local government on a number of infrastructure projects will be highlighted in the press in the coming months.
 - The FY27 budget is actively being discussed and reviewed.

Action: Updates

9:06am: Sponsored Programs

Summary: AVP Talley provides the committee with an overview of Sponsored Programs. She provides a description of the sponsored project lifecycle. The project begins with ORSP in the pre-award stage. It shifts to Sponsored Programs during the post-award stage. An organizational chart is shared.

Sponsored Programs work with many university stakeholders. These partners include The Office of the Vice President for Research, Office of Research and Sponsored Projects (ORSP), the Research administration advisory council (RAAC), and Principal investigators and research administrators in all schools/colleges and all 3 campuses. They work primarily with research administrators.

AVP Talley describes some of the roles Sponsored Programs play. They establish awards in M-Pathways. They ensure compliance with sponsor guidelines. They prepare Financial Status Reports and close out projects. Further duties of the office are described and discussed. Figures are provided that show the volume of research at UM.

A member discusses changes implemented under the current federal administration that have created more barriers for obtaining research funds. AVP Talley describes some of the extra steps that her office has had to go through in order to obtain the previously agreed funding. Although the federal landscape is shifting, funds are still getting to UM. Committee members offer their thanks for the work of AVP Talley and her colleagues for this work.

A member discusses the intricacies of sub-award funding and an issue that will be followed up on later. Another point is brought up regarding authorization to continue agreements with the federal government and how those are registered in the UM system.

AVP Talley provides final figures regarding total research expenditures at UM year by year. Currently in 2026 there has been a decline in expenditure. This is partially due to the most recent government shutdown and actions taken or not taken by federal agencies. Final figures are provided breaking down the percentage of research expenditures by units during FY25.

The committee proceeds to ask questions and discuss the federal research landscape. There is a feeling of uncertainty across higher education. UM is regularly monitoring the budget to make sure the university is in the strongest possible position.

VP Smith discusses the update to the ERP system. We are in the early stages of this update, and it will be a multi-year process.

Action: Presentation and Discussion

9:55am: FAAC role re: UM Flint and UM Dearborn finances

Summary: This subject will be discussed further at a later meeting.

EVP Hewlett endorses the idea that there is a need to include the Dearborn and Flint budgets as part of the oversight of this committee.

Action: Discussion

10:00am: Adjournment

Respectfully submitted,

Eric Vandenberghe
Faculty Governance Coordinator
Faculty Senate Office