



2003-2004 Budget Executive Summary

George Mason University

**George Mason University
Total Budget, 2003-2004
Executive Summary**

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**GEORGE MASON UNIVERSITY
TOTAL BUDGET, 2003-2004**

BUDGET HIGHLIGHTS, 2003 - 2004

- Total FY 2004 University Budget \$455.1M, up 10% over FY 2003
- Student enrollment will increase 1.2% from 20,150 FTE to 20,400 FTE. In terms of student headcount, George Mason University projects Fall 2003, student headcount of approximately 27,100
- General Fund support from the State for Educational & General (E&G) operations decreases, \$5.4M
- Tuition & Fees will increase 6.5% for in-state undergraduate students
- General Fund (50%) and tuition (50%) increases will cover a 2.25% faculty/staff salary increase effective November 25, 2003, as well as increased health care, fringe benefit costs
- Most E&G departmental budget reductions of FY 2003 will be continued in FY 2004
- Sponsored Research activity in FY 2004 will increase 18% as it reaches a GMU record spending level of \$71 million

- Capital Outlay spending in FY 2004 will increase over 40% as it reaches \$45 million – another GMU record

ANNUAL CHANGE: ALL PROGRAMS

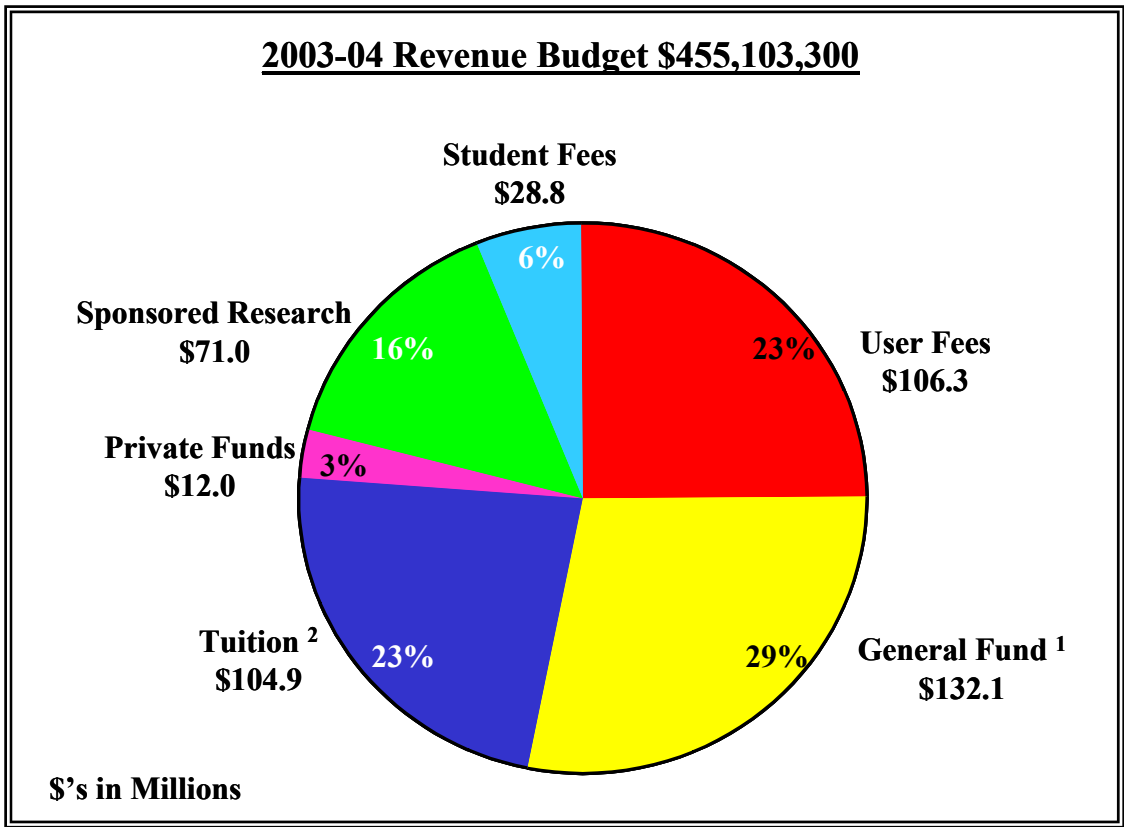
This Executive Summary 2004 summarizes the Educational & General (E&G) and Auxiliary Enterprise budget plans for FY 2004. Every effort has been made to provide sufficient information to not only understand the priorities of the institution, but to also be able to ascertain where new additional resources for FY 2004 have been allocated. Although the total University budget for FY 2004 represents a 10.2% increase over the FY 2003 budget (see table below), the major increases occur primarily in Capital Outlay spending, Sponsored Research, Auxiliary Enterprises and Financial Aid.

PROGRAM	ORIGINAL BUDGET FY 2002	ORIGINAL BUDGET FY 2003	ORIGINAL BUDGET FY 2004	FY03 TO FY04 % CHANGE
Education & General	\$215.5M	\$213.0M	\$222.4M	4.4%
Auxiliary Enterprises	90.2M	100.1M	107.4M	7.2%
Sponsored Research	52.0M	60.0M	71.0M	18.3%
Capital Outlay	33.4M	32.2M	45.6M	41.7%
Student Financial Aid	7.0M	7.6M	8.7M	14.8%
TOTAL	\$398.1M	\$412.9M	\$455.1M	10.2%

TOTAL UNIVERSITY BUDGET, FY 2004* *\$455.1M

REVENUE: ALL FUNDS – ALL SOURCES

The total 2003-2004 revenue budget for George Mason University (GMU) is projected to be \$455.1 million. The revenue that supports the GMU budget is derived from six major sources. Revenue (in accordance with Federal/State financial and accounting practices) is only reported to the extent of actual expenditures in the programs of Sponsored Research and Capital Outlay.

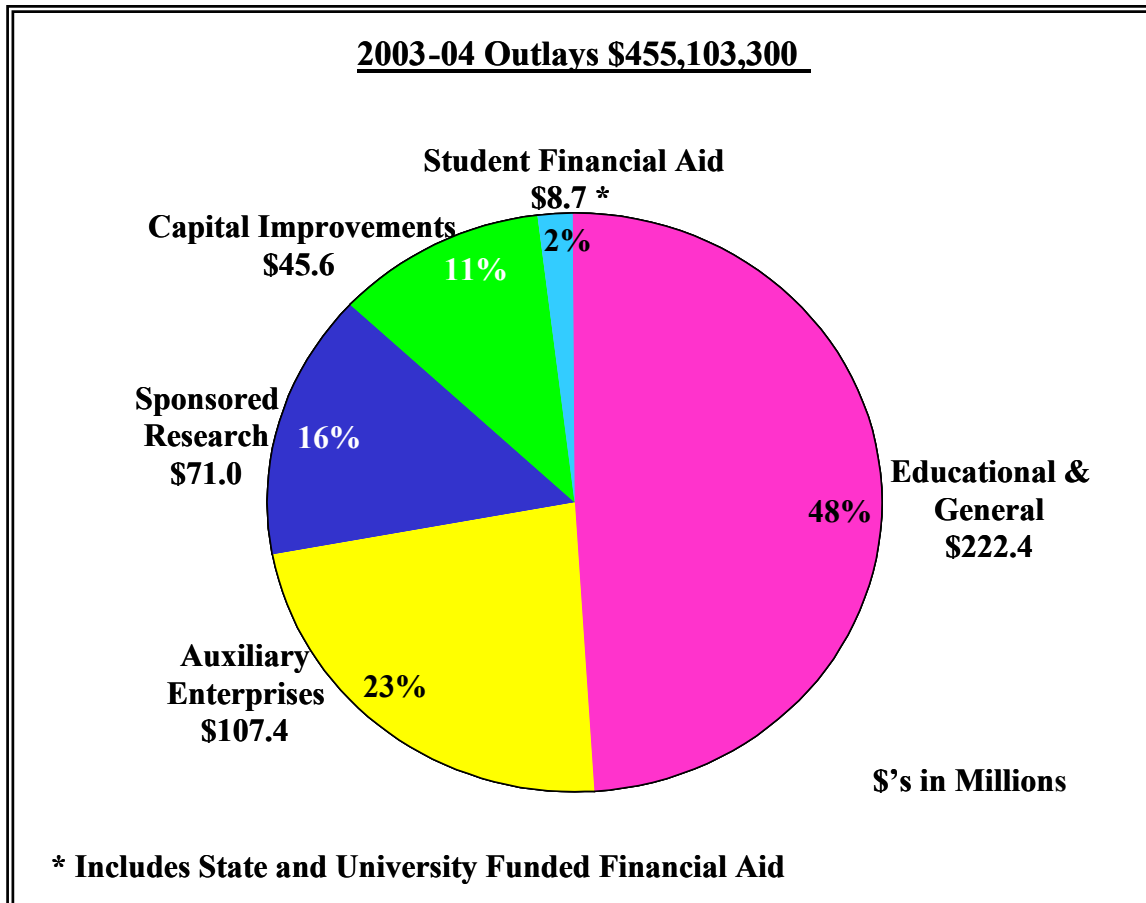


¹ Includes Educational & General (\$91.4M), Equipment Trust Fund (\$2.0M), State Financial Assistance (\$8.0M), Capital Outlay (\$25.7M) and Prince William IIIA Equipment Trust Fund (\$4.5M).

² \$750,000 of tuition will be set aside for Financial Aid

OUTLAYS: ALL FUNDS – ALL USES

The 2003-2004 spending plan is also established at \$455,103,300 since it is anticipated that all revenues will be expended for: actual operating costs; be available if necessary for carry-forward to FY 2005; or be allocated to reserves for facility depreciation. Funds are expended within five programs.



EDUCATIONAL & GENERAL

PROGRAM DEFINITION

The Educational & General (E&G) program is the largest program within the University. The E&G budget represents 49% of the University's total operation, and it is comprised of seven subprograms. These subprograms directly support the University's mission of teaching, research, and public service.

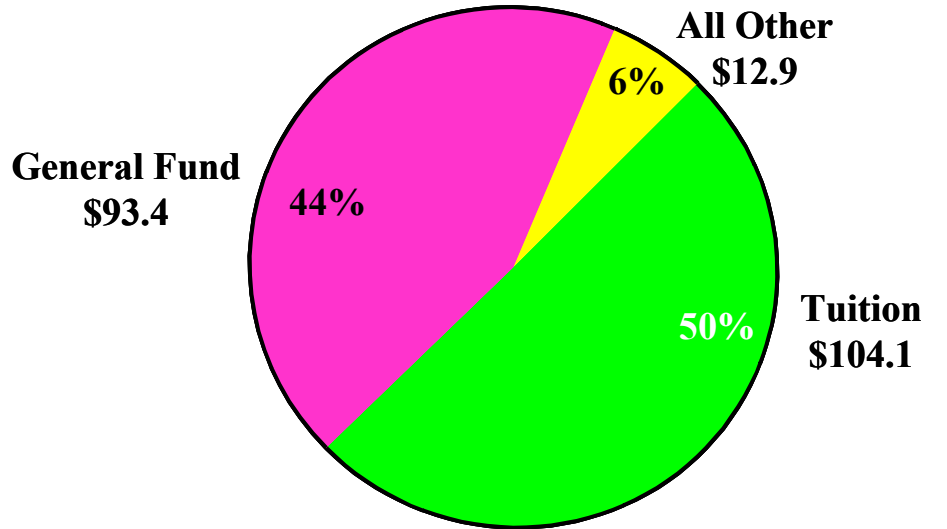
SUBPROGRAM	MAJOR ACTIVITIES
Instruction	Instructional faculty, departmental costs
Academic Support	Deans and Directors, school level costs
Libraries	Professional librarians, library reference materials
Technology	University computing – academic/administrative – new systems
Student Services	Registrar, Admissions, Financial Aid, Placement, Career Services, etc.
Institutional Support	Executive Management, Purchasing, Payroll, Police, Fiscal Services
Physical Plant	Building maintenance, plant personnel, utilities, property rental

PROGRAM REVENUES

Total E&G revenues for FY 2004 are projected at \$210.4M which is approximately \$9.4M more than the revised FY 2003 budget of \$201.0M. The University will support a student enrollment of 20,400 FTE students in FY 2004 as compared to an original budgeted enrollment of 19,300 FTE in FY 2003 and an actual enrollment of 20,150.

In 2003-04, the General Fund will provide nearly 44% of the support of George Mason's E&G operation. Tuition and other sources of revenue will provide the remaining 56%. Over two years the General Fund percentage has decreased from 62% to 44%. This continues the paradigm shift of having students pay an increasing percentage of the cost of higher education.

Source of Funds – Total E&G Revenue \$210,403,200



Note: Excludes \$12M Private Funds

\$'s in Millions

General Fund Trend Analysis

In the early 1990's, the General Fund provided approximately 62% of the funding for George Mason University's E&G operation. The General Fund support then dropped for five consecutive years through 1995-96, rallied through FY 2001, and has now dropped to its lowest level ever.

Funding per FTE Student

For the FY 2004 fiscal year the University funding available is \$10,000 per fte student. This is made up of an average cost per fte student of \$5,800 for academic units, \$1,400 for academic support units, and \$2,800 for all other non-academic units. The overall funding per fte level compares to the actual funding available in FY 2001 of \$10,750. This decrease in funding per fte student is the result of decreases in funding from the state, compounded by the enrollment growth over the last three years. While the cost per fte varies per academic unit, all units will operate in FY 2004 with a cost per fte less than for the FY 2001 fiscal year.

Strength Of Student Applications/Enrollment

Freshmen applications have grown (10%) over last year, academic credentials are higher, and the University will attain the targeted projected enrollment for 2003-04 of 27,100 (headcount), or 20,400 FTE students. The entering class will reflect higher GPA's and higher SAT scores.

The projected FY 2004 enrollment of 20,400 FTE represents an increase of 250 FTE, or 1.2% over the actual student enrollment of 20,150 in 2002-03. The 2002-03 actual enrollment of 20,150 was 850 FTE higher than the original target for FY 2003.

TOTAL ENROLLMENT PER YEAR						
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	TARGET
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2003	FY 2004
ENROLLMENT	17,600	17,600	18,700	19,300	20,150	20,400

Annual Change in E&G Budget, FY 2004

The budget for E&G in 2003-2004 is \$210,417,000, and this represents an increase of \$9,401,000 from the 2002-2003 E&G budget.

GEORGE MASON UNIVERSITY CHANGE IN FUNDING & SPENDING FY03 – FY04		
	FY03	FY04
TOTAL E&G BUDGET:	\$201,016,000	\$210,417,000
SOURCE OF FUNDS		
General Fund Support		\$(5,400,000)
Capital Fee Out-of-State		(114,000)
General Fund Support: Law/Technology and ICAR		(127,000)
General Fund Support for Raises/Benefits		2,000,000
General Fund Support for Innovation Hall		535,000
Increased Enrollment 250 FTE		1,000,000
Increased Number of Out-of-State (75)		738,000
Increased Indirect from Research		200,000
Annualize Spring Surcharge		4,000,000
Tuition Increase of \$270 Fall 2004 *		5,575,900
Auxiliary Enterprise Contribution		1,000,000
TOTAL NEW REVENUE		\$9,401,000
USE OF FUNDS		
Salary Increase 11/03 (Total Cost)	2,650,000	
Health and Other Insurance Increases (Total Cost)	2,700,000	
Innovation Hall Operating	1,200,000	
Enrollment Growth/Special Funding/Spires	2,626,900	
Support for Research	200,000	
INCREASED EXPENSES		\$9,401,000

* \$750,000 additional tuition generated will be allocated for financial aid

Budget Focus & Priority

The allocation of funds in FY 2004 continues to focus budget on the core activity of the E&G budget, the instruction program. The following table compares the allocation of funds by year to the major sub-programs within the Educational & General. The budget does establish a central reserve of one million dollars.

PERCENTAGE OF BUDGET BY MAJOR PROGRAM			
	FY 2002	FY 2003	FY 2004
Instruction	53.23%	54.79%	55.30%
Equipment Trust Fund	1.78%	1.00%	1.00%
Library	6.33%	6.16%	6.10%
Academic Support	5.54%	5.63%	5.10%
Student Services	5.12%	5.50%	5.50%
Technology	9.18%	8.58%	8.40%
Institutional Support	10.64%	9.91%	8.90%
Plant	7.96%	7.48%	8.30%
Central	0.24%	0.95%	1.40%
TOTAL	100.00%	100.00%	100.00%

George Mason University continues to allocate a greater percentage of its E&G budget to instruction than either of the other Virginia doctoral institutions and all the other twenty-three universities in each national peer group.

In the national comparison, there is a slight difference in the classification of program expenses (see below).

RANK	SELECTED INSTITUTIONS	ACADEMIC BUDGET AS PERCENT OF BUDGET
1 st	GEORGE MASON UNIVERSITY	58.6%
4 th	SUNY – Buffalo	52.0%
7 th	University of Cincinnati	49.8%
8 th	SUNY - Albany	49.7%
15 th	Western Michigan	46.2%
	PEER GROUP AVERAGE	47.1%

Number of Academic Programs

George Mason University regularly reviews its academic offerings evidenced by the restructuring, merging, deleting and adding of programs over the past few years (see below).

New Programs - Focus and Vision
Ph.D. in Biodefense
M.S. in Information Security and Assurance
Ph.D. in Climate Dynamics
B.S. in Earth Sciences
M.S. in Bioinformatics
M.S. in Bioscience Management
Master of Music
LL.M. in Law and Economics
LL.M. in Intellectual Property
M.S. in Computational Sciences
M.S. in Earth Systems Science
B.A./B.S. in Astronomy
B.S. in Information Technology
Ph.D. in Bioinformatics
Ph.D. in Biosciences

PROGRAM	ACTION TAKEN	ACADEMIC YEAR
German		
School of Public Policy Masters Programs	Consolidation	2001
SCS MNPS Programs		2002
New Century College	Moved into College of Arts & Sciences	
Day-time MBA	Ended	
DPA Public Administration	Ended	
Major in the Study of the Americas	Ended	1999
Two Institutes, Biology and Bioinformatics and Computational Sciences merged into single administration, School of Computational Sciences	Merged	2000
International Studies major merged in Government and International Affairs	Merged	
Urban Systems Engineering merged into Civil and Infrastructure Engineering	Merged	
Geology Dept merged into Environmental Science & Policy	Merged	
Biology Dept divided between Environmental Science and Molecular and Microbiology	Restructure	2003
National Forest Management Program ended	Ended	2003

Although the George Mason University student enrollment approximates the peer group average, GMU offers only sixty percent of the average number of academic programs offered by the same peer group

ACADEMIC PROGRAM COMPARISON GEORGE MASON UNIVERSITY & PEER GROUP		
INSTITUTION	TOTAL FALL 2002 ENROLLMENT	TOTAL DEGREE PROGRAMS OFFERED 2002*
Wayne State University	31,167	318
SUNY – Buffalo	26,168	310
University of Missouri, Kansas	13,881	303
Temple University	32,351	297
Syracuse University, Main Campus	18,604	283
University of Connecticut	25,842	281
University of Pittsburgh, Main Campus	21,709	272
University of Tennessee, Knoxville	27,971	272
University of Cincinnati	32,975	266
University of Oklahoma, Norman	26,911	266
University of Iowa	29,697	264
Western Michigan University	30,387	262
University of Kentucky	34,182	256
University of South Carolina, Columbia	25,140	241
University of South Florida	39,606	228
University of Rhode Island	13,435	227
University of Kansas, Main Campus	26,458	212
University of New Mexico, Main Campus	24,705	207
Georgia State University	27,502	200
SUNY – Albany	17,426	187
University of Utah	27,946	165
University of Louisville	21,089	164
University of Wisconsin, Milwaukee	24,344	146
Loyola University of Chicago	13,061	141
GEORGE MASON UNIVERSITY	24,897	137
AVERAGE	26,289	235

* This total degree programs offered is the total of Baccalaureate, Master and Doctoral degrees. It does not include Professional degrees such as Law.

Student Enrollment Growth

This projected enrollment for FY 2004 is 1,100 FTE greater than the target for FY 2003, which was the basis for resource allocations in FY 2003. Although George Mason University only experienced marginal growth from 1996 through 2001, the enrollment growth of FY 2002 and FY 2003 has been similar to the significant growth years of 1988-1995.

Selected academic units are experiencing enrollment growth which cannot be supported within the current base budgets. Funding is allocated to academic units to support enrollment growth from the 2002-03 overall enrollment of 20,150 FTE students to the 20,400 FTE course enrollment target for 2003-04. The units with the largest enrollment increases have been College of Arts & Sciences, Public Policy, Visual and Performing Arts, Information Technology and Engineering, Nursing and Health Science, and Summer.

The enrollment targets for each academic unit total 20,400 FTE students, an increase of 250 fte students over the projected level of 20,150 for FY 2003. If the actual university-wide enrollment for FY 2004 exceeds 20,400 FTE students or if any academic unit significantly exceeds their enrollment target, the academic units exceeding their original enrollment targets will receive consideration for additional funding.

SUMMARY OF MAJOR UNITS

COLLEGE OF ARTS AND SCIENCES (CAS)

The mission of the College of Arts and Sciences is to provide the intellectual foundation for undergraduate education at George Mason University and to achieve international and national recognition in selected areas of graduate education and research. To achieve this vision, the college has undertaken specific initiatives to improve the quality of the liberal arts experience for all students, to increase its capacity for noteworthy research, and to create and strengthen external relationships.

The college boasts two Nobel Prizes in economics, including the 2002 recipient, Dr. Vernon Smith, and two McArthur Prize recipients. In addition to economics, other strong research areas include biosciences, biodefense, psychology, and history. Externally funded research dollars have increased significantly in the past few years (over \$10,400,000 in FY2002), a pattern that is expected to continue into the future. At the graduate level, the college has nationally ranked programs in economics, industrial/organizational psychology, creative writing, and public administration. The success of its efforts at the undergraduate level can be demonstrated by recent national recognition for its writing and technology programs.

The college has developed significant external relationships with corporate and institutional partners including INOVA, the Naval Research Lab, the National Image Mapping Agency among others, and is conducting an aggressive fund-raising effort as part of the Capital Campaign (\$14,783,000 as of January 24, 2003).

The College of Arts and Sciences consists of 17 departments and 10 programs, which offer 28 bachelor's degrees, 18 master's degrees (including a MFA and a MPA), 7 doctoral degrees, and numerous certificates.

2000-01			2003-04		
FTEs COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTEs	FTEs COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTEs
8,903	\$41,118,203	\$4,618	9,855	\$44,769,700	\$4,543

FY 04 Highlights

New funding is allocated in FY 2004 to support enrollment growth (\$150,000) as well as the support for the Biodefense initiatives (\$100,000) and the commitment to the College for the Master's in Social Work program (\$160,000). The enrollment target for CAS for FY 2004 is 9,855, which although 430 course fte higher than the original FY 2003 target is only 94 course fte higher than the actual FY 2003 enrollment.

The budget for CAS continues a FY 2003 budget reduction amount of \$646,000, which must be covered through holding faculty positions vacant, and reducing direct expense and wages budgets across the units. Holding vacant faculty positions results in larger class size and elimination of some course sections. The college will operate with approximately 2% less funding per student in FY 2004 than available in FY 2001.

Budget Highlights

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each school and college within the University.

COLLEGE OF NURSING AND HEALTH SCIENCE (CNHS)

The College of Nursing and Health Science is an organization with an international academic reputation providing sound general education enabling students to develop analytical and creative thinking, and to make well founded ethical decisions. The College of Nursing and Health Science prepares graduates to function as professionals and citizens who provide leadership, care and services as related to wellness and quality of life through promotion of physical, social, and environmental health. The College, a resource to the Commonwealth of Virginia, promotes the health and well being of the citizens of Northern Virginia, the nation, and the world through a shared vision of maximum health for all people.

The College provides undergraduate and graduate programs. The college offers two undergraduate degrees, five masters degrees, one doctoral degree, and numerous certificate and non-degree study options. Enrollment overall continues to be strong, with growth at both the undergraduate and graduate level. CNHS master's programs are identified as tied for 48th among master's programs for nursing, according to the latest U.S. News rankings.

2000-01			2003-04		
FTES COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTES
458	\$5,575,319	\$12,173	600	\$6,098,900	\$10,165

FY 04 Highlights

Funding is allocated in FY 2004 to support enrollment growth (\$150,000) as well as the support for the Nursing program offering courses in the NVCC Medical Ed Campus in Springfield beginning in Fall 2003 (\$54,000). The enrollment target for CNHS for FY 2004 is 600 fte, which although 75 course fte higher than the original FY 2003 target, is only 2 course fte higher than the actual FY 2003 enrollment.

The budget for CNHS continues a FY 2003 budget reduction amount of \$157,000, which is covered through holding a faculty position vacant, and the abolishment of an administrative faculty position. Holding vacant faculty positions results in larger class size and elimination of some course sections. The college will operate with nearly 17% less funding per student in FY 2004 than available in FY 2001.

Budget Highlights

COLLEGE OF VISUAL AND PERFORMING ARTS (CVPA)

The mission of the College of Visual and Performing Arts is to advance the study, creation, performance, and exhibition of the arts, acting on a strong belief in their transformative influence on individuals and civilizations. To fulfill this mission CVPA maintains degree programs in Art and Visual Technology, Dance, Music, and Theater; provides production, exhibition, and research opportunities; and, through the Center for the Arts, brings the professional voice of the arts to the campus and community. CVPA honors the value of the great traditions in the arts while actively engaging in the creation of new works and ideas. These fusions of the academic and the professional, the campus and the community, the past and the present define the College as it moves forward from its founding in 2001 into a decade of growth and discovery. CVPA's success finds expression in growth on many fronts. Enrollment has maintained a dramatic growth trend, as seen in the FTE table below. Another way of looking at enrollment is by headcount of declared majors; by this measure, the four departments that make up CVPA show a steady and impressive long-term growth pattern. In 1998, for example, CVPA had just under 600 majors; in 2002, that number rose to over 1,000. For 2006 CVPA projects over 1,400 majors.

With increased size has come increased quality. Recognition has accelerated, with Mason students bringing home awards and honors this year alone in such diverse arenas as the National Association of Teachers of Singing contest, the American College Dance Festival and Theatre Festival, and the AOL Graphic Design Competition. Faculty continue to perform, direct, exhibit, and publish in professional venues regionally, nationally, and internationally. General student attendance at performances and exhibitions is up; some 22,000 students experienced the arts at GMU this year. CVPA is proud of its collaborations across campus with SOM, IT&E, CNHS, CAS, the Provost's Office, the Center for Global Education, and the Century Club, each of which help advance our commonly-held aspirations for a more vibrant and effective University. The Great Performances at Mason series saw a 12.5% increase in attendance this season and strengthened community support from the George Mason Arts Associates, whose numbers grew 48% this year. An energetic new Board is hard at work implementing a strategic plan for the College; early results are encouraging, with leadership gifts enabling the creation of comprehensive summer arts camp experiences and a new Center for Arts and Wellness.

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each school and college within the University.

2000-01			2003-04		
FTES COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTES
719	\$4,318,693	\$6,007	935	\$4,919,400	\$5,261

FY 04 Highlights

New funding is allocated in FY 2004 to support enrollment growth (\$30,000). The enrollment target for CVPA for FY 2004 is 935 fte, which is 55 course fte higher than the original FY 2003 target and 24 course fte higher than the actual FY 2003 enrollment. The college will operate with 12% less funding per student in FY 2004 than was available in FY 2001.

GRADUATE SCHOOL OF EDUCATION (GSE)

The Graduate School of Education contains 21 academic areas, including graduate teaching licensure programs, a PhD program, several advanced Master’s programs, specialized undergraduate programs in health, fitness and recreation resources, and a career-switchers program for secondary education. Since 2001, new programs or concentrations have been added in educational psychology, tourism and events management, athletic training, sport management, gifted education, and library education. Programs in Initiatives in Educational Transformation, Advanced Studies in Teaching and Learning, Early Childhood Education, and Multilingual/Multicultural Education are nationally recognized and considered to be leading models. Many others are gaining national attention for the quality of the faculty and their scholarly productivity. GSE houses nine research and service centers, including the Helen A. Kellar Institute for Human disAbilities, the Center for the Advancement of Public Health, the Center for Education Policy, and the Mathematics Education Center.

GSE maintains a broad range of effective professional development partnerships with Northern Virginia school systems and community agencies. The new Office of Education Services is expanding GSE’s contributions to improving schools in the region, particularly focusing on helping schools attain the goals associated with No Child Left Behind. Nationally prominent scholars, in addition to publishing extensively in prestigious journals and writing highly regarded books, serve as journal editors and officers of professional organizations, as well as contributing significantly to national and regional issues in education policy. External funding has increased dramatically in recent years; research expenditures for FY02 were \$6.2M, a 56% increase over FY00.

2000-01			2003-04		
FTES COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTES
1,564	\$11,063,880	\$7,074	1,820	\$10,957,600	\$6,021

FY 04 Highlights

Funding is allocated in FY 2004 to annualize the funding for one additional position (\$50,000). The enrollment target for GSE for FY 2004 is 1,820 fte, which is the same as the original FY 2003 target and approximately the same as the actual FY 2003 enrollment.

The budget for GSE continues a FY 2003 budget reduction amount of \$486,000, which is covered through holding faculty positions vacant, and the abolishment of support staff positions. Holding vacant faculty positions results in larger class size and elimination of some course sections. The school will operate in FY 2004 with 15% less funding per fte student than was available in FY 2001.

Budget Highlights

INSTITUTE FOR CONFLICT ANALYSIS AND RESOLUTION (ICAR)

At the Institute for Conflict Analysis and Resolution (ICAR), faculty and students are committed to the development of theory, research, and practice that interrupt cycles of violence. ICAR is an innovative academic resource for people and institutions worldwide. It comprises a community of scholars, graduate students, alumni, practitioners, and organizations in the field of peace making and conflict resolution. ICAR is a *Commonwealth Center for Excellence*, recognized for its leadership in the field and its world-renowned faculty.

ICAR is committed to:

- Advancing the understanding of deeply rooted conflicts between individuals, groups, organizations, and communities in the United States and all over the world through research, teaching, practice, and outreach
- Carrying on a systematic and ongoing study of the nature, origins, and types of social conflicts
- Developing the requisite processes and conditions for the productive resolution of conflicts

Major Research Interests:

- Connection between Globalization and Conflict
- Religion and Conflict
- Dynamics of Change in Conflict
- Identity Issues in Conflict
- Reflective Practice

2000-01			2003-04		
FTES COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTES
84	\$1,572,395	\$18,719	104	\$1,844,600	\$17,737

FY 04 Highlights

New funding is allocated in FY 2004 for a new Endowed Chair to be hired 1/1/04 (\$62,000). The enrollment target for ICAR for FY 2004 is 104 fte, which is the same as the original FY 2003 target and 3 course fte higher than the actual FY 2003 enrollment.

The budget for ICAR continues a FY 2003 budget reduction amount of \$63,000, which is covered through restructuring of support staff positions, and lower direct expense funding. The Institute will operate in FY 2004 with approximately 4% less funding per fte student than was available in FY 2001.

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each school and college within the University.

KRASNOW INSTITUTE

The Krasnow Institute for Advanced Study is a biomedical research institution focusing on the neurosciences. The Institute's 49 staff members conduct their basic research within a dedicated 23,000 square foot state-of-the-art laboratory facility on the Fairfax campus. Since moving into the laboratory facility in May of 1997, Krasnow scientists have brought in approximately \$11M in sponsored research funds to the University from federal agencies such as that National Institutes of Health and from private foundations such as the Sir John Templeton Foundation. Murray Gell-Mann, Nobel laureate in physics serves on the Institute's Scientific Advisory Board. Institute scientists have aggregately published hundreds of peer-reviewed publications in high impact journals such as Science, Nature and the Proceedings of the National Academy of Sciences. The Institute brings international stature in neuroscience to the University.

FY 04 Highlights

New funding is allocated in FY 2004 to complete the E&G funding commitment to the Krasnow Institute (\$200,000). Although the Institute does not get direct credit for enrollment, its faculty teach various courses in the College of Arts and Sciences, School of Information Technology & Engineering, School of Computational Sciences and Graduate School of Education.

SCHOOL OF COMPUTATIONAL SCIENCES (SCS)

The School of Computational Sciences (SCS) is a unique academic unit at GMU and has the distinction of being one of the first units nationally to focus on the computational methodologies as a core expertise. The goal of SCS is to develop new approaches to scientific research and education based on creating and applying advanced numerical methods (e.g., remote sensing, modeling, space exploration, data mining). In part the uniqueness of SCS is due to the creation of semi-autonomous academic units - programs – that are adaptive in the fast changing academic and R&D environment of today.

The SCS provides doctoral and master-level education in the sciences and a vigorous and expanding R&D enterprise. The School is at the forefront nationally and internationally in its R&D activities and provides a fertile ground for the education of the next generation of graduate students across many of the scientific disciplines. The SCS offers three top quality Ph.D. graduate programs: Computational Sciences and Informatics, Bioinformatics, and Climate Dynamics. At the Master's level, the School offers degrees in Bioinformatics, Earth Systems Science, and Computational Science and is developing a collaborative program with CAS in Geographic and Cartographic Sciences. The mix of graduate educational programs has experienced a 57% increase in enrollment over the last three years.

The SCS is noted as the most productive R&D enterprise at GMU when normalized to the state supported FTE. The expenditures in SCS in the last three years from external sponsors have grown by >15 % per year and will exceed 11M for this current academic year. The R&D enterprise is organized around the adaptive interdisciplinary programs and centers: Astrophysical, Planetary and Space Sciences; Bioinformatics and Computational Biology; Earth Observing and Space Research; Climate Dynamics; Computational Neurosciences; Computational Fluid Dynamics; Data Sciences/Machine Learning; Earth System and Geoinformation Sciences; and Homeland Security. Most of these R&D activities are collaborative, involving faculty from CAS, CNHS, Computational Social Sciences, IT&E, Krasnow, and SPP.

Budget Highlights

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each school and college within the University.

2000-01			2003-04		
FTES COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTES
70	\$3,501,156	\$50,017	110	\$3,713,900	\$33,763

FY 04 Highlights

New funding is allocated in FY 2004 to continue support for the commitment for faculty within the unit (\$200,000), and for additional support staff (\$50,000). Additionally, one position was returned to the unit, which had been reallocated in a prior year. The enrollment target for SCS for FY 2004 is 110 fte, which is the same as the original FY 2003 target and 3 course fte higher than the actual FY 2003 enrollment.

The budget for SCS continues a FY 2003 budget reduction amount of \$47,000, which is covered through holding faculty positions vacant, and lower direct expense funding. As student enrollment has increased the school has created a critical mass student enrollment that has allowed its cost per fte student to drop over 30% since FY 2001.

SCHOOL OF INFORMATION TECHNOLOGY AND ENGINEERING (IT&E)

Established in 1985, George Mason's School of Information Technology and Engineering (IT&E) prepares students to meet the workforce needs of the information technology industry and to thrive in the information-based economy. IT&E was the first engineering school in the United States to focus its scholarship primarily on information technology and math-based engineering as opposed to the traditional physical, material-based engineering approach. IT&E's six departments offer B.S, M.S., and Ph.D. degree programs that concentrate on important contemporary technological issues and needs. The School of Information Technology and Engineering has devoted major attention to a strategic plan for development that is focused on those initiatives most relevant to meeting the increased demand for a technologically-trained workforce in this region.

The school has formed partnerships with Northern Virginia firms to create scholarship and internship opportunities for its students and research opportunities for its students and faculty. These collaborations enhance the skills students acquire in the classroom. Students are able to take their work experience into the classroom thus keeping courses up-to-date. IT&E's academic programs are additionally enhanced by a strong research program that generated more than \$12 million in expenditures in FY02.

School enrollment has shown steady increases, reaching more than 4,100 students in Fall 2002. The School also generates strong enrollments in general education and IT minor courses. Recently established programs in information technology and telecommunications have achieved remarkable success. Two years after inception, enrollments in the B.S. in Information Technology and M.S. in Telecommunications have reached 300 each. Computer Science and Electrical Engineering have each added a Ph.D. degree, and an IT Engineer degree was recently added to complement the Information Technology Ph.D.

2000-01			2003-04		
FTES COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTES
1,649	\$13,453,921	\$8,159	2,130	\$14,275,400	\$6,702

FY 04 Highlights

Funding is allocated in FY 2004 for enrollment support (\$50,000). The enrollment target for IT&E for FY 2004 is 2,130 fte, which is 80 fte higher than the original FY 2003 target and 13 course fte higher than the actual FY 2003 enrollment.

The budget for IT&E continues a FY 2003 budget reduction amount of \$376,000, which is covered through holding faculty positions vacant and using more part-time faculty to support instruction. Holding vacant faculty positions results in larger class size and elimination of some course sections. The school will operate in FY 2004 with 17% less funding per fte student than available in FY 2001.

SCHOOL OF LAW (SOL)

George Mason University School of Law is a dynamic intellectual community and the fastest rising law school in the country. Established in 1979, the law school is the youngest law school in the first tier of the US News & World Report ranking of law schools. In April 2003, the law school ranked 40th out of 177 ABA accredited law schools in the country. The Law School offers a Juris Doctor degree along with a Juris Master in Public Policy Analysis and an LL.M in Law & Economics and an LL.M in Intellectual Property. With an acceptance rate of 16%, the Law school has become one of the most selective law schools in the country. Over the past 17 years the Law & Economics Center has educated hundreds of federal judges in the analysis of law and legal institutions.

The Tech Center (National Center for Technology & Law), a forward looking research center and think tank, examines the relationship of the existing legal framework to the evolving information-based economy. A million dollar federal grant helps the Tech Center host the annual Networked Economy Summit which brings government and industry together to focus on current issues in information technology. In collaboration with the Tech Center, the faculty has created a new Technology Law Program that combines course work in the fields of technology law, intellectual property and business law.

In 2002, The U.S. Congress appropriated \$6.5 million to the School of Law to develop a new program that focuses on defending the nation's basic infrastructure against cyber terrorism. Known as the Critical Infrastructure Protection Program (CIP Project), the CIP Project seeks to integrate fully the fields of law, policy and technology for enhancing the security of cyber networks and the economic processes supporting the nation's critical infrastructures. The CIP project has allowed for collaboration on projects between the law school, the School of Public Policy and the School of Information Technology & Engineering.

Budget Highlights

2000-01			2003-04		
FTES COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTES
566	\$9,613,583	\$16,985	620	\$10,371,600	\$16,728

FY 04 Highlights

Funding is allocated in FY 2004 for additional support for the ICES group (\$100,000) and for support for inflationary costs for library reference materials (\$50,000). The School of Law will also receive funding in the amount of \$50,000 to support financial aid for students. The enrollment target for Law for FY 2004 is 620 fte, which is the same level as the original FY 2003 target and 42 course fte lower than the actual FY 2003 enrollment.

The budget for Law continues a FY 2003 budget reduction amount of \$116,000, which is covered through restructuring of administrative support positions. The Law School will operate in FY 2004 with approximately the same level of state funding as available in FY 2001.

SCHOOL OF MANAGEMENT (SOM)

The mission of the School of Management reflects teaching and learning as its highest priorities. Dedicated to leadership in creating knowledge through research, the programs link SOM and its resources to regional, national, and international communities. SOM provides an education that prepares graduates to be successful contributors to the economic, civic, and cultural life of a global community. U.S. News ranks the School of Management in the top 25% of AACSB-accredited business schools. SOM offers the following programs:

Graduate Programs designed for working professionals

- Master of Business Administration (MBA)
- Executive Masters of Business Administration (EMBA)
- Master of Science in Technology Management
- Master of Science in Bioscience Management
- Northrop Grumman Masters of Business Administration

Undergraduate Programs

- Accounting
- Decision Science and Management Information Systems
- Finance
- Management
- Marketing
- Minor in Business

Certificate Programs

- Chief Information Officer (CIO) Certificate
- Accounting Certificate

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each school and college within the University.

Research

Faculty have published a wide range of basic and applied research. A major research theme is information technology and its application in the workplace. Published research also deals with the integration of information technology with the disciplines of management, marketing, accounting, finance, decision sciences and information systems. Recent faculty grants include awards from Bechtel, the National Science Foundation, AT&T, and the Kauffman Entrepreneurial Network Program Grant. SOM faculty have received a variety of awards such as the First Virginia Award and the best paper from the National Academy of Management.

2000-01			2003-04		
FTES COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTES
1,787	\$10,527,942	\$5,891	1,990	\$10,887,000	\$5,471

FY 04 Highlights

No additional funding is allocated in FY 2004 for the School of Management. The enrollment target for SOM for FY 2004 is 1,990 fte, which is the same level as the original FY 2003 target and 210 course fte higher than the actual FY 2003 enrollment.

The budget for SOM continues a budget reduction amount of \$322,000, which is covered through restructuring operations and reducing administrative expenditures. Also, SOM will reduce utilization of part-time faculty which will result in larger class sizes and elimination of some course sections. The school will operate in FY 2004 with approximately 7% less funding per fte student than available in FY 2001.

SCHOOL OF PUBLIC POLICY (SPP)

In 1990, the University established The Institute of Public Policy (TIPP) to house the new Ph.D. program in Public Policy. The founding faculty included three endowed chairs and a part-time director who also served as the Dean of the Graduate School. In 2000, the Board of Visitors changed the status of TIPP to the School of Public Policy (SPP).

The school now is the home to one of the nation's largest doctoral programs in public policy with over 130 students. The school has seven masters program with a total enrollment of over 400 students. For the Fall 2002 semester, applications for admissions increased by over 20% and enrollment increased over 30% from the previous year. The faculty has grown to over 30 full time instructional faculty, 5 of which hold endowed chairs, as well as nearly 20 research professors and visiting faculty. The school supports over 30 graduate research assistants.

In addition to its academic programs, SPP is one of the major research units of the university. SPP's research activities are carried out through its eight research centers, including the Mason Enterprise Center, which the school manages for the university. Approximately 55% of the school's annual expenditures are from external sources supporting research. In the most recent ranking by the National Science Foundation of research expenditures by discipline, SPP ranked 3rd in expenditures from federal sources.

Budget Highlights

SPP's administrative offices, doctoral program and most of its research activity are located on the Fairfax campus. The school's professional masters programs and student services offices are headquartered on the Arlington campus.

2000-01			2003-04		
FTES COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTES
225	\$5,166,266	\$22,961	331	\$5,674,600	\$17,144

FY 04 Highlights

New funding is allocated in FY 2004 for additional faculty support (\$137,000). The enrollment target for SPP for FY 2004 is 331 fte, which is 6 course fte greater than the original FY 2003 target and 7 course fte lower than the actual FY 2003 enrollment.

The budget for SPP continues a FY 2003 budget reduction amount of \$14,000, which is covered through lower direct expense funding. The school has seen a dramatic growth since FY 2001, and it will operate in FY 2004 with about 20% less state funding per fte student than it had available in FY 2001.

SUMMER TERM

A major part of the University's enrollment is from summer term enrollment. As shown in the table below, George Mason University's summer enrollment is the largest in the state. It is anticipated that the headcount will reach 11,500 students for the 2003 summer term. This headcount will generate approximately 2,150 FTE student enrollment, of which 250 FTE are from contract activity.

2002 SUMMER HEADCOUNT ENROLLMENT (ON AND OFF CAMPUS) FROM SELECTED VIRGINIA INSTITUTIONS	
George Mason University	11,377
Old Dominion University *	10,610
Virginia Commonwealth University	9,675
University of Virginia	8,510
Virginia Tech	7,813
James Madison University	5,591

* The 2002 summer headcount for ODU is not available. The information provided is for the 2001 summer headcount.

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each school and college within the University.

The Summer Term academic course offerings are administered within the Provost's organization. Effectiveness and efficiency of the entire Summer Term are enhanced by the cooperation and support from the offices of the registrar, bursar, admissions, deans' staff and department coordinators, and vice provost of academic affairs.

The implementation of Summer Term 2002 was very successful. The strategic marketing plan was developed that included a post card mailing, an on-line student survey, the introduction of University Life activities section to the schedule of classes, and t-shirts, pencils, and scantrons for the students. The marketing plan was extremely successful and the Summer Term 2002 achieved an enrollment of 9,997 headcount, 1,789.2 course FTE, and 1,788.3 student FTE. While obtaining 103% of the student FTE target, there was an increase of 5.9% in enrollment from Summer Term 2001.

The following changes in enrollment (headcount) occurred in Summer Term 2002:

- Degree seeking undergraduate students increased by 9%.
- Total undergraduates (including non-degree) increased by 7.3%
- Degree seeking graduate students decreased by 1.9%
- Total graduate (including non-degree) increased by 10%.

In FY 2004, which is the summer of 2003 tuition, revenue is expected to reach \$8.8M. This is a 52% increase over the tuition revenue generated in the summer of FY 2001. Actual student enrollment has increased 23% over these three years. The cost of summer instruction (direct cost only) has also increased by 23%.

2000-01			2003-04		
FTES COURSE ENROLLMENT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENROLLMENT	E&G BUDGET EXPENSE	COST PER FTES
1,551	\$3,250,952	\$2,096	1,905	\$4,012,000	\$2,106

FY 04 Highlights

New funding is allocated in FY 2004 for additional faculty support (\$394,000). The enrollment target for Summer Term for FY 2004 is 1,905 fte, which is 205 course fte greater than the original FY 2003 target and 15 course fte higher than the actual FY 2003 enrollment.

PROVOST INSTRUCTION

The Provost Instruction division is comprised of those academic units which report directly under the Provost's Office but whose function is directly supporting the instructional activity. Included in this division are the departments of Center for Global Study, the GMU Teaching Center, and the Robinson Professors. For reporting purposes the Robinson Professors are shown in this division, but they teach courses predominantly within the College of Arts & Sciences.

Budget Highlights

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$3,024,800	\$3,442,100

FY 04 Highlights

New funding is allocated in FY 2004 for promotion and tenure funding (\$100,000). These funds will be allocated to the specific academic units to cover the salary adjustments for faculty promotion and tenure decisions..

PROVOST ADMINISTRATION

The Provost Administration division is primarily comprised of academic support offices under the Provost, providing support to all academic units. The departments in this division vary in nature and support many various facets of the University. The offices of Assessment, Faculty Senate, Office of Sponsored Programs, Study Abroad, and ROTC all fall within the series of accounts. The operational department of the Provost's staff also is included in this budget.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$2,475,900	\$2,256,500

FY 04 Highlights

No new funding is allocated in FY 2004 for this unit. The budget for Provost Administration continues a FY 2003 budget reduction of \$257,000, which is covered through the use of other sources of funds for some administrative positions and some restructuring of staff support positions.

OFFICE OF CONTINUING PROFESSIONAL EDUCATION (OCPE)

The Office of Continuing Professional Education (OCPE) serves as George Mason University's initial point of contact and referral for the business and professional community and responds to all professional development and continuing education inquiries, requests, and needs. Supported program activities include the following:

- Contracted academic credit programs
- Non-credit public programs and seminars
- Professional certificate programs
- Continuing education units (CEUs)
- On-site contract training programs
- Special professional development events and programs
- Special workforce development programs
- Training center facilities

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each unit within the University.

Courses are typically delivered through classroom settings, but increasingly through electronic modes such as video conferencing and the Internet.

OCPE offices are strategically located at the Fairfax Campus in Krug Hall, at the Prince William Campus, and at the Center for Innovative technology (CIT) in Herndon.

OCPE is positioned internally to provide centralized support and service to the academic community. All business and government contract credit programs, as well as all CEU award is administered through this office. In addition, technical, logistical, and administrative support is also provided upon request related to academic unit's non-credit initiatives.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$1,577,300	\$1,264,500

FY 04 Highlights

Of this total budget level, approximately \$325,000 is university support, while the remaining \$939,500 budget must be generated from self-generated revenues. Since the level of activity and revenue generated varies year to year, the budget may be adjusted as additional revenues are generated. The actual level of revenue in FY04 may rebound to the level generated in FY 2001.

ENROLLMENT SERVICES

The division of Enrollment Services includes the following departments:

- Admissions
- Registrar
- Financial Aid
- Student Academic Affairs and Advising
- Enrollment Management and Summer Term

The Enrollment Services unit directly interacts with prospective, current and past students. The unit is responsible for critical functions of the university and is customer-oriented. The Admissions office provides marketing and recruitment functions, in addition to processing well over ten thousand freshmen, transfer and extended studies applications each year. The Admissions office is usually the first point of contact for prospective students. Among the functions of the Registrar's Office are maintaining student records, including grade reports, issuing transcripts to current and former students, providing degree audits and issuing diplomas. The Office of Student Financial Aid processes approximately \$60 million of aid annually. It also provides information to parents and students about the financial aid process. Other Enrollment Services functions include advising, enrollment management analysis, summer term administration, university scholars programming and University 100 instructional programming. Increases in student enrollment over the last few years have resulted in the need to increase the

support for Enrollment Services. Of the total increase in funding since FY 2001, the Admissions Office has increased by the largest amount (\$511,000) due to the increases in applications and expanded marketing, with other increases in Student Financial Aid (\$185,000), and the Registrar's Office (\$133,000) due to the enrollment increase.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$4,981,381	\$5,983,000

FY 04 Highlights

New funding is allocated in FY 2004 to support student recruitment efforts (\$100,000) by this unit. The budget for Enrollment Services continues a FY 2003 budget reduction of \$73,000, which is covered through holding positions vacant and lower direct expenses.

LIBRARIES - ITU

The George Mason University Libraries offer support for student, faculty, and staff teaching, learning, service and outreach activities. The Libraries' resources and services are also accessible on-site to the University's surrounding communities and general public.

The Libraries is comprised of five sites on three different campuses:

- Charles Rogers Fenwick Library, Fairfax Campus
- George W. Johnson Center Library, Fairfax Campus
- Arlington Campus Library, Arlington Campus
- School of Law Library, Arlington Campus (administered separately)
- Prince William Library, Prince William Campus

Expanded academic support services of the University Libraries include:

- University Copyright Assistance Office
- University Dissertations and Theses Service
- Statistical Support Services

The Libraries' information technology assisted and enhanced services and programs include:

- Voyager, an online library management system.
- The Libraries' Web site, which provides access to a variety of networked resources and services.
- A virtual (real-time) reference service, using state-of-the-art web co-browsing software, which allows staff to provide reference service to students, faculty, and staff remotely
- A Web-based Electronic Reserves module, allowing students to access materials on course reserve remotely.
- Microform to digital format output technology, statistical software packages, and Geographic Information System (GIS) software.
- Over 200 networked computer workstations.

Budget Highlights

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each unit within the University.

In order to better meet the needs of the University's growing and diverse academic and research programs, the Libraries is a member of, and active participant in, several regional and national consortia:

- The Virtual Library of Virginia (VIVA)
- Washington Research Library Consortium (WRLC)
- Association of Southeastern Research Libraries (ASERL)
- Center for Research Libraries (CRL)
- Online Computer Laboratory Center (OCLC)

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$10,160,067	\$11,060,800

Note – The Law library budget is included within the School of Law budget

FY 04 Highlights

Funding is allocated in FY 2004 to cover inflation for library reference materials (\$300,000). The Library budget continues a FY 2003 budget reduction amount of \$200,000, which is covered through holding vacant positions and selective lower spending in library reference materials.

INFORMATION TECHNOLOGY - ITU

The Information Technology Unit (ITU) is comprised of the Division of Instructional and Technology Support Services (DoIT), the Technology Systems Division, Information Technology Administration and University Libraries. The IT Unit also includes The Capitol Connection and the Project Office, which also includes the Patriot Computer Store. The Patriot Computer Store is an Auxiliary Enterprises operation, totally self-supporting.

The mission of the ITU organization is to advance the University's strategic goals, support learning, enable scholarly endeavors, and improve institutional management by effectively leveraging the information and technology resources of the ITU's constituent units.

The ITU has completed numerous projects and actions during this past year that support the ITU mission. A report on many of those activities is available on ITU's website.

A particular strength of the ITU is its support of instruction. The SACS accreditors lauded the work of the ITU in this area; Governor Gilmore awarded the ITU a Governor's Technology award, and Educause, a national organization of 4000 higher education institutions, gave its award for systemic progress in teaching and learning to the TAC project, a joint project of the ITU and the College of Arts & Sciences. More recently, Project DEEP, a joint endeavor of The National Survey of Student Engagement and the American Association for Higher Education, issued a preliminary report on George Mason that lauded the support for teaching and learning provided by the ITU. University libraries, a key component of the ITU, is also dedicated to providing outstanding support for student learning.

Budget Highlights

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$14,420,094	\$15,399,600

FY 04 Highlights

Funding is allocated in FY 2004 to cover inflation for software site licenses and hardware maintenance contracts (\$150,000). Funding is also allocated to support staffing and direct expenditures for the new Academic IV facility due to open during FY 2004 (\$625,000). Staff will support the new classroom and lab space in this new academic building.

The ITU budget continues a FY 2003 budget reduction amount of \$370,000, which is covered through holding vacant positions and decreased spending in wages and direct expenditures.

NEW ADMINISTRATIVE SYSTEMS

As the University undertakes the conversion of the finance, human resources and student systems to new administrative systems, funding is allocated to support the training, consulting, staffing, and software and hardware purchases to transition to new systems. During the 2002-03 fiscal year the finance and human resources systems were successfully converted, and during the 2003-04 and 2004-05 fiscal years the student system (admissions, registration, financial aid) will be converted, resulting in students registering for Fall 2004 classes under a new system.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$908,248	\$2,785,500

FY 04 Highlights

No new funding is allocated in FY 2004 for this activity. The funding in FY 2004 continues the level of FY03 funding to cover the multi-year costs of the system implementation.

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each unit within the University.

UNIVERSITY LIFE

University Life integrates the curricular and co-curricular aspects of the institution and creates a sense of community for students, faculty, and staff. University Life includes the following Educational and General and Auxiliary Enterprise units:

University Life Offices

Academic, Career, Counseling & Educational Services

- Career Services
- Disability Support Services
- Early Identification Program
- Counseling
 - Black Peer Counseling
 - Learning Services
- Orientation

Campus Life

- Student Activities
- Substance Abuse Programs and Services
- Office of International Programs and Services
- Women's Studies Research and Resource Center
- Student Media

Health and Wellness

- Student Health Services
- Drug Education Center
- Community Health and Fitness
- Health Education Center
- Sexual Assault Services

English Language Institute

Multicultural Research & Resource Center

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$4,721,560	\$4,831,100

FY 04 Highlights

No additional funding is allocated in FY 2004 for University Life activities. The University Life budgets continue a FY 2003 budget reduction amount of \$109,000, which is covered through holding vacant positions and decreased spending in wages and direct expenditures.

Budget Highlights

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each unit within the University.

FINANCE AND OPERATIONS

The Finance and Operations unit includes the following activities:

- Fiscal Services
- Human Resources/Payroll
- Budget/Institutional Research and Reporting
- Office of Senior Vice President
- Legal Services
- Safety Operations
- Campus Police
- Distributed Campus Administration

The purposes of these offices is to ensure the overall fiscal integrity of the university and to ensure that all students, faculty, staff and visitors of the university are safe and protected while at the university.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$13,754,655	\$13,515,200

FY 04 Highlights

For the FY 2004 fiscal year additional funding is allocated to support the annual allocation for centrally supported classification and compensation adjustments across the university. The funding is budgeted within Human Resources, but will be allocated to individual units when decisions are made on specific compensation adjustments for FY 2004.

The Finance and Administration budgets continue a FY 2003 budget reduction amount of \$465,000, which is covered through some restructuring of activities through lay-offs, holding vacant positions and decreased spending in wages and direct expenditures.

EXECUTIVE ADMINISTRATION

Executive Administration encompasses the President's Office, Board of Visitors expenses, Legislative Affairs, Internal Audit, University Equity Office and ADA compliance. The Executive Administration division is primarily responsible for senior level leadership and administration for the University.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$1,701,720	\$1,725,800

FY 04 Highlights

No additional funding is allocated in FY 2004 for Executive Administration activities. Reallocations have been made to fill selected high priority positions (i.e., Internal Audit). The Executive Administration budgets continue a FY 2003 budget reduction amount of \$71,000, which is covered through restructuring of activities; through lay-offs; holding vacant positions; and decreased spending in wages and direct expenditures.

UNIVERSITY DEVELOPMENT AND ALUMNI AFFAIRS

The University Development and Alumni Affairs unit is the fundraising center and alumni relations link for the university. The Office of University Development provides central staff support to all units of the university in their fundraising efforts and takes responsibility for the overall fundraising goals and initiatives within the university. University Development oversees the *Campaign for George Mason University* which, as of April 1st, had raised over \$91 million toward a \$110 million goal. The Office of Alumni Affairs is the official link between the university and its alumni, and provides support for the George Mason University Alumni Association (GMUAA). Its purpose is to engage alumni in the life of the university and to facilitate communication between alumni and their alma mater. Alumni outreach includes email and print publications, alumni events, and support for division chapters and their activities. The George Mason University Foundation funds operating support and staff resources for development research, donor relations, development communications, information systems, gift processing, and gift and endowment management.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$1,324,429	\$1,624,300

FY 04 Highlights

For the 2003-2004 fiscal year one decentral administrative faculty position was transferred to University Development (\$80,000) and one new support staff position is allocated for University Development to provide essential administrative support staffing (\$36,000). The University Development budget continues a FY 2003 budget reduction amount of \$95,000, which is covered through some restructuring of activities, through lay-offs, and holding vacant positions.

UNIVERSITY RELATIONS

The goals of the University Relations division include building the reputation of George Mason University, its people, and its programs; winning the support of key constituency groups; and supporting critical university needs. These needs include legislative support, academic program support through publications development, fund raising, friend raising, and internal community building. The major units within University Relations are the Vice President for University Relations, Events Management, Conference Administration, University Publications, Media Relations, Community Relations, and Information Services.

Budget Highlights

Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each unit within the University.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$3,229,428	\$3,319,300

FY 04 Highlights

For the FY 2004 fiscal year no new funding is allocated for the University Relations unit. The University Relations budget continues a FY 2003 budget reduction amount of \$133,000, which is covered through holding vacant positions and a reduction in University activities and events.

PHYSICAL PLANT/FACILITIES

Operations of Facilities Planning and Physical Plant conduct the planning, construction and maintenance needs for the campuses of George Mason University. They oversee all elements of design, construction and maintenance for all structures.

In addition, the Physical Plant is responsible for maintaining all grounds at the University which has increased substantially in the last few years with the completion of the Johnson Center, Enterprise Hall, the Parking Garage, the Krasnow Institute and Fairfax Aquatic and Fitness Center, and Academic IV. These new buildings have brought along with them large areas that are heavily landscaped.

George Mason University has by far the least built square footage per student of any doctoral granting institution in the Commonwealth. Due to this shortage of space, all existing facilities are some of the most intensively used buildings in the Commonwealth. This high utilization rate has taken its toll on the buildings and Physical Plant/Facilities Planning is charged with overseeing the maintenance schedules for the buildings.

The E & G net assignable square footage (NASF) has risen steadily over the years. With the addition of the new Academic IV building, the total is 1,321,900 square feet. George Mason University operates with approximately 65 NASF of E&G space per FTE student. This compares to the doctoral average in the Commonwealth of Virginia of approximately 90 NASF per FTE student.

Due to recent budget reductions there is a continuing decline in the overall facility condition. In the most recent report to SCHEV the GMU backlog of maintenance and repair projects exceeded 13.5% of the total facility value. In 1997 the backlog was only 7% of the total facility value. This rise in deferred maintenance is a direct result of reduced staffing, maintenance and repair funding. The University will be requesting a significant increase from the State for "Maintenance Reserve" funding to address this issue.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$16,232,949	\$15,995,300

FY 04 Highlights

Funding is allocated in FY 2004 to cover contract price escalator clauses for custodial contracts for housekeeping (\$40,000), and to cover the annualization of a new project management position (\$50,000). Funding is also allocated to support staffing and direct expenditures for the new Academic IV facility due to open during FY 04 (\$535,000). This new funding will provide support for the maintenance, housekeeping, and utilities in this new academic building.

The Physical Plant/Facilities budget continues a FY 2003 budget reduction amount of \$565,000, of which \$300,000 was absorbed through an intense energy management and conservation program. The utilities budget for FY 2004 is based upon a “normal weather” fiscal year and current energy prices. The remaining reduction is covered through holding vacant positions and decreased spending in direct expenditures.

PROPERTY RENTAL

The university leases space in Fairfax, Arlington and Herndon to provide additional office space for faculty and staff. Lack of sufficient office space results in several departments (Fiscal Services, Human Resources, Sponsored Programs, Internal Audit, Budget/Institutional Research & Reporting, Safety, etc.) being housed off campus. The University leases approximately 100,000 square feet across seven different off-campus locations. Most of these off-campus leases cover all associated costs (building maintenance, utilities, cleaning, etc.).

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE
\$2,604,796	\$2,827,500

FY 04 Highlights

For the FY 2004 fiscal year no new funding is allocated for Property Rental.

CENTRAL FUNDS

The Central Fund Budget includes the Institutional Reserve, Auxiliary Enterprises Indirect Cost Recovery, as well as those funds (eg. Salary and fringe benefit increases) that have not yet been allocated to the university departments/units. The Central (unallocated) budget includes an institutional reserve of \$1,000,000, which is only 0.5% of the total E&G budget. This institutional reserve is set aside primarily for non-recurring, unanticipated expenses (i.e. high utility costs, major equipment failure, etc.) that may occur during the fiscal year. The reserve may also be utilized to take advantage of an unforeseen opportunity. Expenditures from this reserve are not authorized without the approval of the University Planning & Budget Group.

Budget Highlights

2003 – 04 E&G BUDGET EXPENSE
\$4,250,500

FY 04 Highlights

The Central Fund budget also includes funding for the FY 2004 fiscal year to cover the 2.25% salary increase to be effective 11/25/03, as well as the additional benefit costs associated with the salary increase and for the increased costs for health benefits. The total amount of funding for both items in FY 2004 is \$5,350,000. Because of the effective date of the salary increase, in FY 2005 an additional amount of funding must be allocated to cover the full cost of annualizing the increases. Only a portion of the costs will be covered through state general fund support.

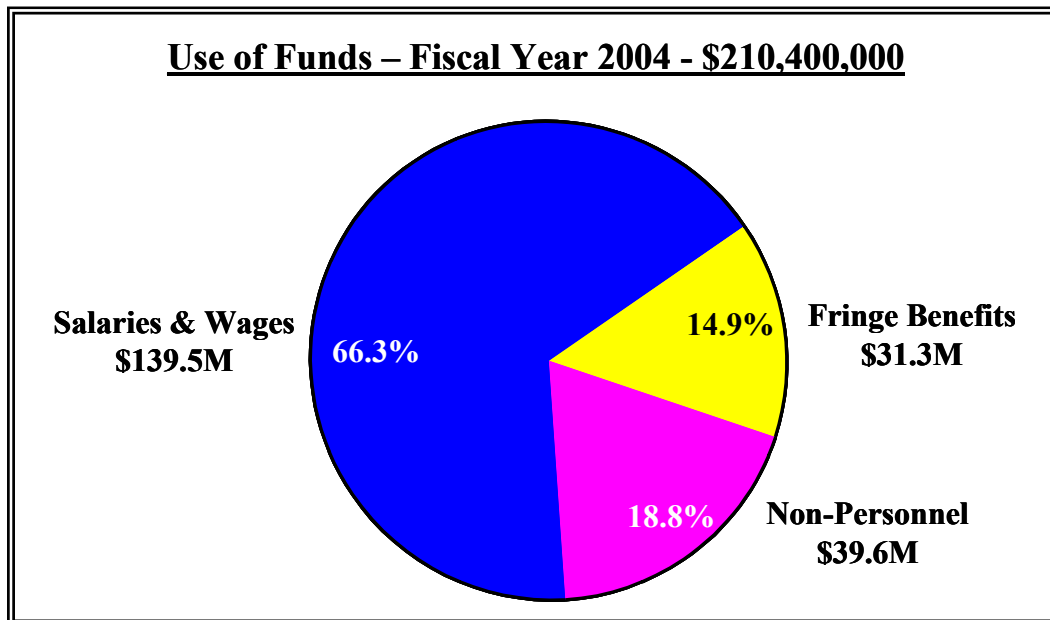
Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each unit within the University.

USE OF FUNDS

PROGRAM EXPENSES

Personnel General

- No salary increases were given in 2001-2002 or 2002-2003. During 2002-2003 the State funded a 2.5% bonus for staff. For 2003-2004 the State has proposed a salary increase of 2.25% effective November 25, 2003. The cost for the increases is budgeted within the FY 2004 expense budget. Approximately one-half of the funds to cover these salary increases must be supported by University funds, with the remainder from State General Fund support.
- The 2003-2004 budget allocates approximately 81% of the E&G funds for personnel costs, which include salaries, wages, and fringe benefits. This percentage dedicated to labor has not changed during recent years.



- The major expense within personnel is the compensation for instructional faculty. Approximately 55% of the cost of personnel covers the compensation paid the teaching faculty. (Budget amounts include salary and fringe benefits.)

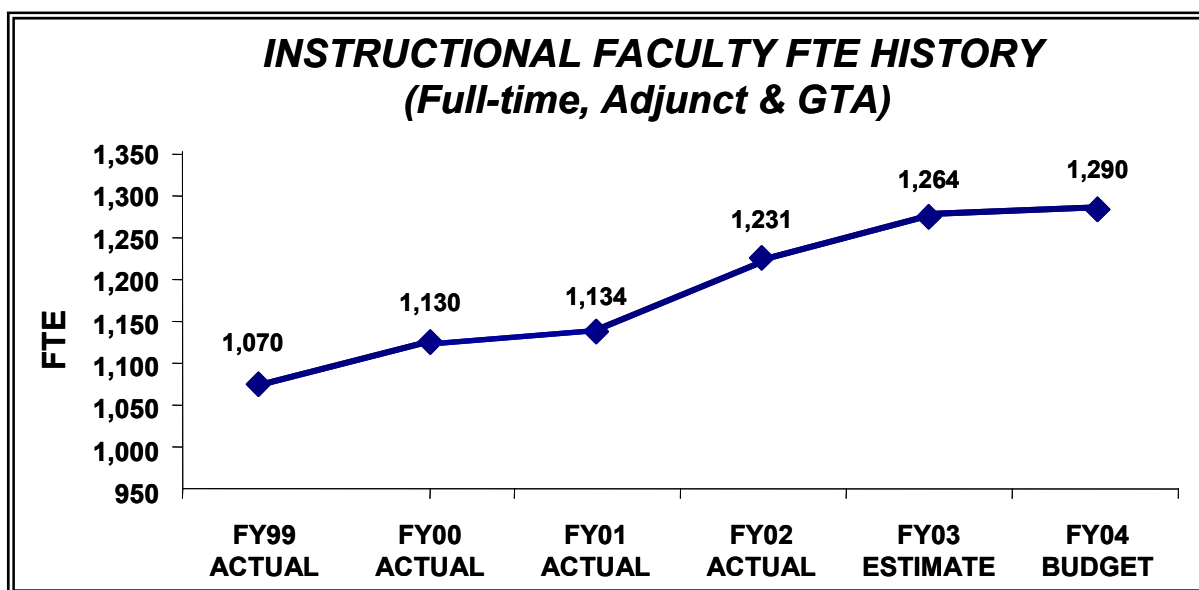
PERSONNEL TYPE	2003 - 2004 BUDGET	% OF PERSONNEL
Teaching Faculty	\$94.1M	55.0%
Admin Faculty	27.6M	16.0%
Classified Staff	42.7M	25.0%
Wages/Student Wages	6.4M	4.0%
TOTAL PERSONNEL EXPENSE	\$170.8M	100.0%

Budget Highlights

Teaching Faculty

Actual spending in FY 2003 reflected a reduced level of use of adjunct faculty and graduate assistants as the colleges and schools absorbed budget reductions by increasing utilization of full-time faculty. Additionally, some contract instructional activity utilizing adjunct faculty was discontinued. It is anticipated that actual full-time faculty FY 2004 expenditures could be less than budgeted while adjunct expenditures will likely exceed the original budget.

INSTRUCTIONAL FACULTY SALARY AND FTE HISTORY						
	FY99 ACTUAL	FY00 ACTUAL	FY01 ACTUAL	FY02 ACTUAL	FY03 ESTIMATE	FY04 BUDGET
FT Faculty	\$48,296,947	\$51,729,692	\$57,751,195	\$57,709,842	\$62,239,400	\$64,611,800
PT Faculty	9,496,021	10,322,459	11,192,716	11,765,893	10,946,500	\$9,639,500
Grad Assts	2,369,359	2,689,191	3,077,250	3,467,912	3,540,500	\$3,196,900
TOTAL FACULTY	\$60,162,327	\$64,741,342	\$69,021,161	\$72,943,647	\$76,726,400	\$77,448,200



Administrative Support Staff

The budgeted salaries and FTE for FY 2004 assumes that over \$1.8M spent last year on wages (see bottom table) will be spent on filling approximately 60 permanent positions that were vacant in FY 2003. It is more probable that units will maintain vacancies and continue wage spending at existing levels since there remains significant uncertainty about the level of state support in FY 2004.

The goal of the Commonwealth of Virginia is that the faculty salary average at all Virginia institutions equal the 60th percentile of their national peer group.

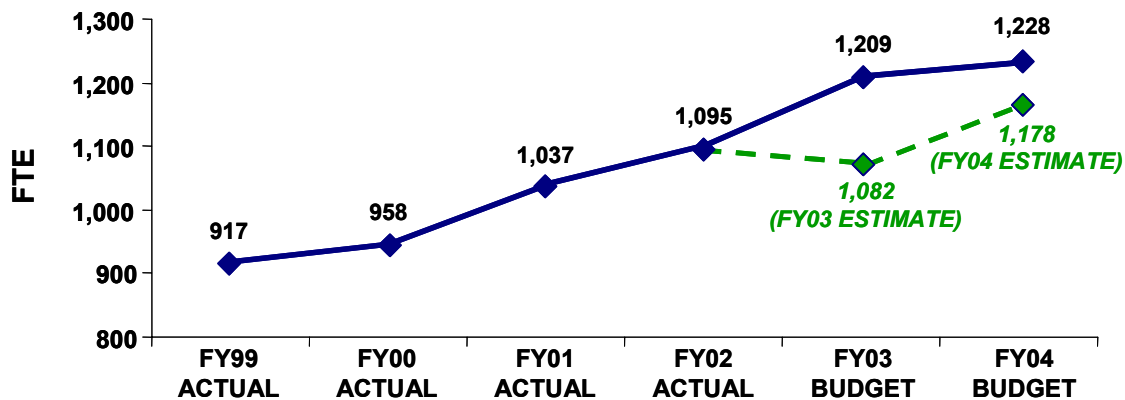
The average salary for GMU full-time faculty in FY 2004 is projected to be \$71,800. This ranks GMU at the 21st percentile of its national peer group.

In FY 2001, the GMU full-time faculty salary average exceeded the 60th percentile.

**SUPPORT STAFF
SALARY AND FTE HISTORY**

	FY99 ACTUAL	FY00 ACTUAL	FY01 ACTUAL	FY02 ACTUAL	FY03 ESTIMATE	FY04 BUDGET
Admin Faculty	\$14,606,121	\$16,425,534	\$18,455,788	\$20,131,296	\$20,632,200	\$22,200,700
Classified	23,734,806	26,360,835	28,605,541	30,507,321	31,078,400	\$33,908,500
TOTAL SUPPORT STAFF	\$38,340,927	\$42,786,369	\$47,061,329	\$50,638,617	\$51,710,600	\$56,109,200

**SUPPORT STAFF FTE HISTORY
ADMINISTRATIVE FACULTY & CLASSIFIED STAFF**



Note: Actual is the average filled FTE for FY 2002.

WAGES HISTORY & BUDGET

	FY99 ACTUAL	FY00 ACTUAL	FY01 ACTUAL	FY02 ACTUAL	FY03 ESTIMATE	FY04 BUDGET
Wages	\$4,244,772	\$4,800,415	\$4,944,497	\$4,939,095	\$4,191,100	\$3,354,800
Student Wages	1,925,360	1,890,020	1,991,922	1,874,626	1,900,000	1,900,000
CWS	559,077	649,497	501,670	583,333	708,900	708,900
TOTAL WAGES	\$6,729,209	\$7,339,932	\$7,438,089	\$7,397,054	\$6,800,000	\$5,963,700

The actual use of wages and student wages dropped significantly in FY 2003 as many units discontinued or lessened their use of temporary, hourly wage employees in an effort to cope with mid-year budget reductions. The actual use of wages and student wages had been relatively stable for the past five years, and that level of wage spending has equated to between 250 - 300 FTE staff positions. Although the original budgets for FY 2004 for temporary staff are less than the prior year level of spending, it is anticipated that permanent staff vacancies and turnovers will result in departmental reallocations of funds to temporary staff hires. Actual wage spending in FY04 will most likely reflect prior year spending.

GEORGE MASON UNIVERSITY BUDGET REDUCTION STRATEGY FORCED VACANCIES, FY 2003				
	FACULTY FTE	ADMIN FACULTY FTE	CLASSIFIED FTE	TOTAL FTE
CAS	0.00	7.00	9.50	16.50
CNHS	3.14	1.00	0.00	4.14
CVPA	0.00	1.00	1.00	2.00
GSE	13.86	2.44	0.00	16.30
ICAR	0.54	0.00	0.00	0.54
IT&E	0.00	0.00	2.00	2.00
Krasnow	0.00	0.00	0.00	0.00
Law	2.77	0.00	1.00	3.77
Management	14.38	2.00	8.00	24.38
SCS	0.00	1.00	1.00	2.00
SPP	1.67	0.00	2.00	3.67
Enrl Svcs				
Enrl Svcs	0.00	1.00	3.04	4.04
Acad Admin				
Acad Admin	0.00	1.00	1.00	2.00
OCPE				
OCPE	0.00	1.00	1.00	2.00
Univ Life				
Univ Life	2.49	2.50	2.00	6.99
Library				
Library	0.00	4.00	9.00	13.00
ITU				
ITU	0.00	1.00	12.00	13.00
Multi-Campus				
Multi-Campus	0.00	0.00	0.00	0.00
Operations				
Operations	0.00	0.00	13.00	13.00
Finance & Planning				
Finance & Planning	0.00	2.00	10.50	12.50
Facilities/Plant				
Facilities/Plant	0.00	2.00	24.00	26.00
Exec Admin				
Exec Admin	0.00	2.00	1.00	3.00
Univ Dev				
Univ Dev	0.00	1.00	0.63	1.63
Univ Rel				
Univ Rel	0.00	0.00	2.93	2.93
TOTAL				
TOTAL	38.85	31.94	104.60	175.39

STRATEGY: Units throughout the University imposed forced vacancies to absorb budget reductions in FY 2003. George Mason University generally operates with 20 – 25 faculty vacancies, and 50 – 75 staff vacancies for a 4.5% - 5.0% University vacancy rate.

These forced vacancies represent an additional reduction of staff of approximately 75 – 100 FTE positions, which represents budget reductions of \$4.25M - \$4.75M from the operating funds of these departmental units.

Non-Personnel

- Approximately 19% of the E&G budget is expended on non-personnel expenditures. This is consistent with previous years. There are significant differences between subprograms.
- With the addition of funds for a new facility and inflationary costs, the 2003-2004 non-personnel budget is \$1.8M greater than the prior year.

E&G SUBPROGRAM BUDGET PERSONNEL/NON-PERSONNEL 2003 – 2004					
SUBPROGRAM	PERSONNEL SERVICES		NON-PERSONNEL		TOTAL BUDGET
	BUDGET	% TOTAL	BUDGET	%TOTAL	
Instruction	\$106,686,900	90.2%	\$11,626,900	9.8%	\$118,313,800
Academic Support	9,966,500	93.2%	724,800	6.8%	10,691,300
Libraries	6,496,500	50.4%	6,382,800	49.6%	12,879,300
Technology	11,047,000	62.6%	6,593,000	37.4%	17,640,000
Student Services	9,792,300	86.0%	1,591,200	14.0%	11,383,500
Institutional Support	17,168,900	90.1%	1,883,000	9.9%	19,051,900
Plant	7,231,400	41.3%	10,293,200	58.7%	17,524,000
Central	2,442,000	83.7%	476,600	16.3%	2,918,600
TOTAL	\$170,831,500	81.2%	\$39,571,600	18.8%	\$210,403,000

Non-Personnel Increases

Non-personnel costs, often referred to as direct expenditures, are budgeted \$1.8M more in FY 2004 than the 2002-2003 actual spending estimate. The major changes in non-personnel budgets consist of a few specific increases: library materials to cover inflation (\$.35 million), other inflationary support (\$.20 million), utilities and other non-personnel support for Academic IV (\$.50 million), and the University reserve (\$.70 million).

Non-Personnel Profile

Within the non-personnel budget, fifteen major categories of expense make up 85% of the total budget. In 2003-2004, the top E&G expense category within non-personnel is projected to still be library reference materials.

E&G NON-PERSONNEL BUDGET				
2003-2004				
ITEM	2000-01 ACTUAL	2001-02 ACTUAL	2002-03 ESTIMATE	2003-04 BUDGET
Library Materials	\$4,890,246	\$5,069,152	\$4,800,000	\$5,400,000
Supplies/Equipment	6,252,012	5,417,867	5,300,000	5,500,000
Utilities	4,143,096	4,117,017	4,110,000	4,310,000
Computer Supplies/Services	2,492,413	2,573,061	2,200,000	2,500,000
Property Rental	2,469,564	2,471,118	2,800,000*	2,800,000*
New Administrative System	0	2,923,700	2,200,000	2,500,000
Travel	1,911,092	1,906,563	1,852,000	1,850,000
Telephone	1,800,375	1,520,634	1,402,000	1,450,000
Maintenance/Repair	1,663,376	1,662,535	1,665,000	1,600,000
Printing/Duplicating	1,570,630	1,423,177	1,362,000	1,400,000
Study Abroad Travel	1,379,409	1,131,184	1,521,000	1,300,000
Custodial	1,024,366	1,081,700	1,100,000	1,200,000
Postal/Messenger	1,036,560	841,671	800,000	800,000
Computer Equipment	869,537	471,717	402,000	500,000
Insurance	707,749	641,928	650,000	700,000
Infrastructure Costs	1,200,000	700,000	0	0
Subtotal	\$33,410,425	\$33,953,024	\$32,164,000	\$33,810,000
Percentage	84%	82%	84%	85%
All Other	\$5,530,288	4,184,770	\$4,040,000	\$3,699,900
Percentage	9%	10%	11%	10%
Equipment Trust Fund	\$2,981,620	\$3,481,620	\$2,016,700	\$2,016,700
Percentage	7%	8%	6%	5%
GRAND TOTAL	\$39,922,333	\$41,619,414	\$38,220,700	\$39,571,600

* This amount includes \$200,000 for the lease/purchase over five years of North & South Chesapeake modules for the Fairfax Campus.

Note: While the original non-personnel budget for 2003-04 is \$39,571,600, it is anticipated that, as in prior years, salary savings may be used to supplement the original budget. Budget reductions for 2002-03 have impacted the overall funds available for non-personnel budgets. The total expenses for non-personnel in 2002-03 are projected to be the lowest that have been incurred in four years.

E&G PERFORMANCE MEASURES

George Mason University takes great pride in its regular assessment of a series of important operational indicators of institutional effectiveness.

Total E&G Funding per In-State FTE Student

The sum of General Fund Support and Tuition approximates the total funding available to teach a full time student. George Mason University continues to have the lowest level of E&G funding per FTE student among all the schools in its national peer group. These twenty-four institutions were selected several years ago by university and state officials as the schools most similar to George Mason University.

Although a “best practice” can be defined as the most output (FTE students) with the fewest resources (dollars, space and positions) the lingering issue is one of funding adequacy. Can the quality and effectiveness of instruction and operational oversight be maintained with this level of resource support?

Each doctoral institution within the Commonwealth of Virginia has a unique mission, so funding comparisons are not conclusive. The following table however illustrates both the institutional difference in total funding within the Commonwealth of Virginia and the relationship between tuition and General Fund support at the Virginia doctoral universities. In terms of total funding, George Mason University operates with about 79% of the resources (on average) available to the other doctoral universities.

EDUCATIONAL & GENERAL TOTAL FUNDING PER IN-STATE FTE STUDENT, 2003-2004			
DOCTORAL INSTITUTIONS	GENERAL FUND	IN-STATE TUITION	TOTAL
University of Virginia	\$8,198	\$4,695	\$12,893
Virginia Tech	7,310	4,228	11,538
William & Mary	7,497	3,760	11,257
Virginia Commonwealth	7,103	3,641	10,744
Old Dominion	5,234	3,015	8,249
Doctoral Average	\$7,068	\$3,868	\$10,936
GEORGE MASON	\$5,018	\$3,672	\$8,690
GMU % of Average	71%	95%	79%

Budget Highlights

General Fund Per In-State FTE Student

GMU continues to receive less General Fund support per FTE student than the average of the other doctoral institutions. In the early 1990's, George Mason University was only receiving 60% of the doctoral average – and by 2001-02 George Mason University was receiving nearly 80%. In 2003-04 George Mason University will receive approximately 71% of the doctoral average (see below).

INSTITUTION	2002	2004
University of Virginia	\$10,223	\$8,198
Virginia Tech	9,380	7,310
William & Mary	9,943	7,497
VA Commonwealth Univ.	8,669	7,103
Old Dominion	6,923	5,234
Doctoral Average	8,965	7,068
GEORGE MASON UNIVERSITY	7,047	5,018
GMU % of Average	78.6%	71.0%

Allocation To Core Mission

George Mason University takes great pride in the high percentage of its limited resources that are allocated to its core mission. This philosophy has maximized resource effectiveness and continues to illustrate the commitment and focus of GMU's allocation of resources.

- According to the most recent peer data, GMU allocates a greater percentage of its E&G resources to instruction than any university within its twenty-four institution national peer group.

RANK	SELECTED INSTITUTIONS	ACADEMIC BUDGET AS PERCENT OF BUDGET
1 st	GEORGE MASON UNIVERSITY	58.6%
4 th	SUNY – Buffalo	52.0%
7 th	University of Cincinnati	49.8%
8 th	SUNY - Albany	49.7%
15 th	Western Michigan	46.2%
	PEER GROUP AVERAGE	47.1%

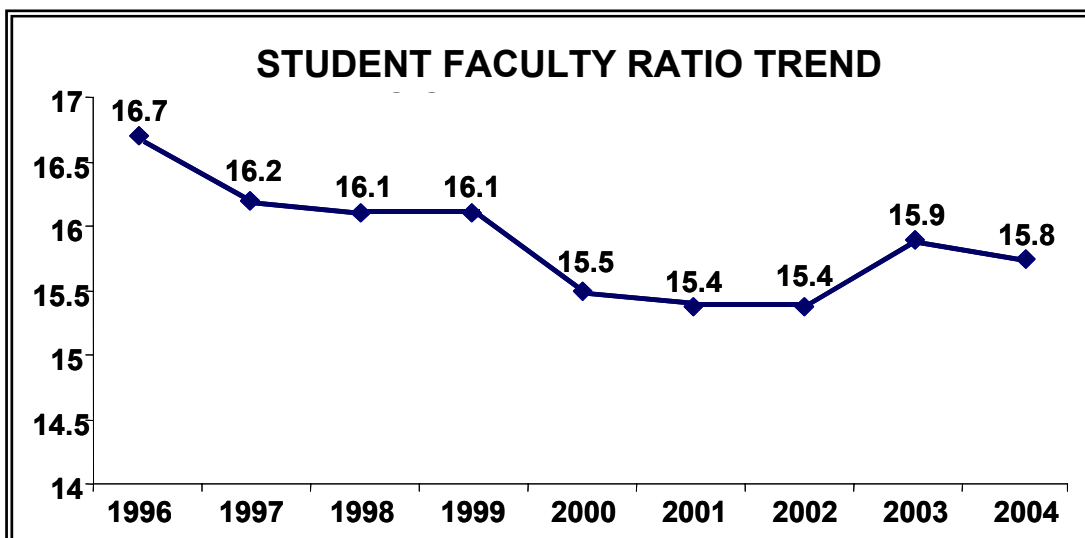
Since there has been a series of budget reductions, resource reallocations and uneven student enrollment growth, the most meaningful budget comparison for instructional units is FY 2001 (pre-budget reduction) and FY 2004 (post-budget reduction). This comparison will be shown for each unit within the University.

Student/Faculty Staff Ratios

- The number of students (FTE) supported by the total number of faculty/staff positions (FTE) is a national benchmark for institutional effectiveness. The George Mason University ratio remains far leaner than the existing ratios at the other doctoral institutions in Virginia. The difference between the GMU number of total faculty/staff positions and the doctoral average is approximately 400 positions.

DOCTORAL INSTITUTIONS	STUDENTS (FTE) PER FACULTY/STAFF POSITIONS
University of Virginia	6.3
VA Comm. University	6.6
William & Mary	7.1
Old Dominion	7.4
Virginia Tech	7.4
Doctoral Average	6.9
GEORGE MASON UNIVERSITY	8.1

- An equally impressive ratio is the relationship of non-teaching positions to teaching positions. The 2003-2004 budget for George Mason University establishes this ratio of 1,228 non-teaching to 1,290 teaching positions equals a 0.95:1 ratio. This is one of the leanest ratios in a national benchmarking survey of over 140 institutions conducted by Coopers Lybrand and the National Association of College and University Business Officers. While the average national ratio is more than two non-teaching positions per every one teaching position, GMU operates with less than one non-teaching position per every teaching position.
- Maintain Low Faculty/Student Ratio: The number of faculty provided in 2003-04 result in the University's faculty/student ratio of 1:15.8. This ratio is worsened when compared to FY 2000 through FY 2002 due to the higher enrollment level with no state funding provided to support the growth.



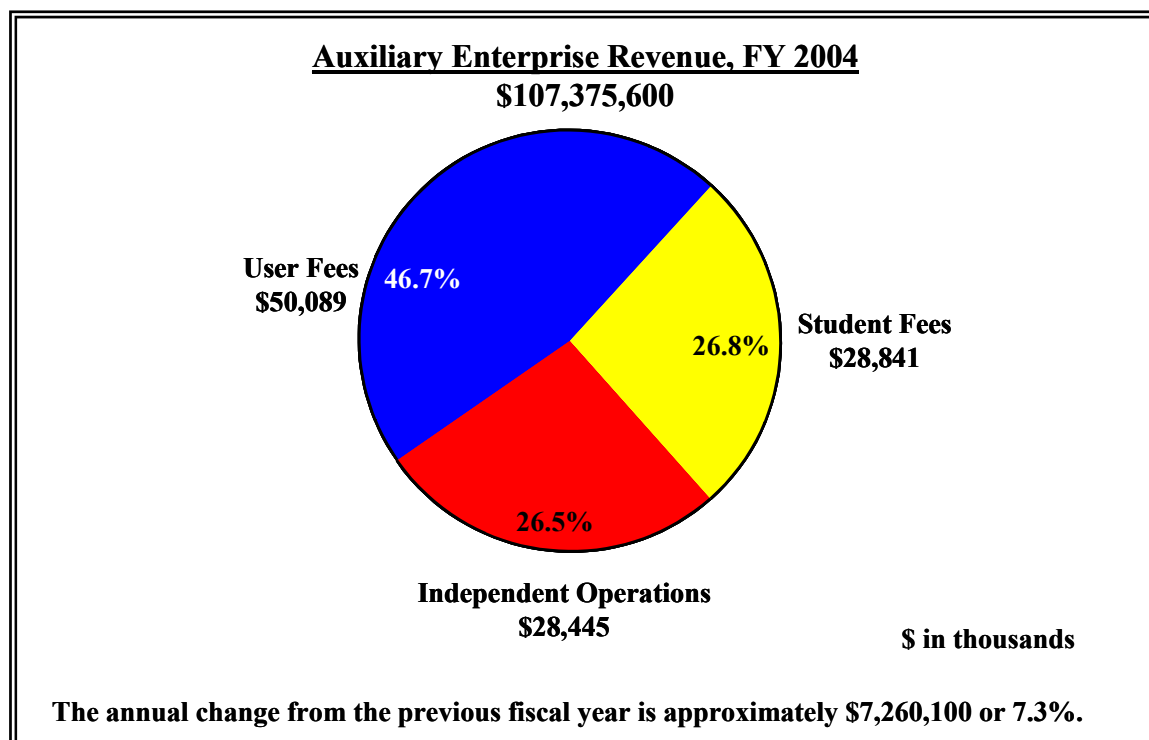
AUXILIARY ENTERPRISES/SERVICE ENTERPRISES

PROGRAM REVENUES

The activity of Auxiliary Enterprises is the second largest program of the University's operation. The projected Auxiliary Enterprise revenue for 2003-04 represents approximately 23% of the University's \$455.1 million total revenue budget. The Auxiliary Enterprise program includes activities that are ancillary to the University's central mission of instruction, service, and research. The Auxiliary Enterprises include operations and activities that are: a) self-supporting through revenues that they generate; b) supported by revenues that they generate and student fees; and c) activities that are funded exclusively through student fees.

The Auxiliary Enterprise revenues (inclusive of all independent operations) are budgeted at \$107,375,600 in 2003-04. This represents approximately 7.3% revenue growth over FY 2003.

Graphically, the Auxiliary Enterprise revenue looks like shown below:



For 2003-04 the revenue growth in all of the Auxiliary Enterprises is projected to be approximately \$7.3M. Of this total growth, \$1.4M is from independent operations, while \$4.5M is generated from user fees and \$1.4M is from increased student fee revenues. Within the independent operations, there is growth in all three activities, but predominantly in the Bookstore. This is a result of the impact of increased enrollment, as well as strong marketing and administrative efforts to increase the purchase and sale of used books.

- Within user fees activities, the three units generating the largest increases in revenues are Housing (\$2.7M), the Computer Store (\$.67M), University Life (\$.33M), Student Board (\$.24M), and Telecommunications (\$.38M).
- The student fee revenue increases with additional revenue from increased enrollment of 250 FTE students (\$.53M), and from an annual student fee rate increase of \$42 (\$.84M).

AUXILIARY ENTERPRISES ANNUAL REVENUE CHANGE FY 2003 & FY 2004					
SOURCE	2001-02	2002-03	2003-04	AMOUNT CHANGE	% INCREASE
Student Fees	\$24,881,700	\$27,469,300	\$28,841,000	\$1,371,700	5.0%
User Fees	43,299,000	45,560,600	50,089,600	4,529,000	9.9%
Independent Operations	21,920,500	27,085,600	28,445,000	1,359,400	5.0%
TOTALS	\$90,101,200	\$100,115,500	\$107,375,600	\$7,260,100	7.3%

The table below identifies the nine largest programs and activities included within the program of Auxiliary Enterprises, and they represent nearly 70% of the Auxiliary Enterprise revenue.

ACTIVITY	INDEPENDENT OPERATION	USER FEE REVENUE	STUDENT FEES	TOTAL REVENUE
Student Housing	\$ 0	\$13,763,800	\$ 0	\$13,763,800
Bookstore	13,160,000	0	0	13,160,000
Food Service	12,100,000	0	0	12,100,000
Intercollegiate Athletics	0	2,100,000	6,888,000	8,998,500
Center for the Arts (CVPA)	0	1,875,300	3,479,700	5,355,000
Campus Access	0	5,099,600	40,000	5,139,600
Freedom Aquatic Fitness Center	0	4,854,300	41,500	4,895,800
Patriot Center	3,185,000	73,000	1,593,600	4,845,400
Unions/JC Center	0	840,500	2,100,000	2,940,500

Independent Operations

Auxiliary Enterprises include three independent operations (food service, bookstore, and arena management) where a third party manages each operation through their own corporate financial and accounting system. The total budget for these three programs is \$28,445,000 and includes \$2.8 million of commissions that are returned to George Mason University in exchange for the vendor's exclusive right to provide the service on campus. The University provides oversight and guidance for these operations, conducts regular audits, and receives annual commissions. *These commissions are used to support Auxiliary Enterprise operations and activities and thereby reduce the University's dependence upon student fees. These annual commissions (\$2.8M) reduce the required annual student fee by nearly \$150!*

ACTIVITY	OPERATING BUDGET	GEORGE MASON COMMISSION
Bookstore	\$13,160,000	\$1,200,000
Food Service	12,100,000	1,000,000
Arena Management	3,185,000	600,000
TOTAL	\$28,445,000	\$2,800,000

Commissions and Management Fees

George Mason has out-sourced its largest auxiliary enterprise units for many years, the bookstore has always been a contract operation; the Patriot Center was opened by a management firm 18 years ago. It is perhaps less clear, however, how the compensation to the University and the contractors is determined.

The first step in all the out-sourced partnerships was a public process that encouraged a broad participation in the procurement. The process is designed to attract the major contractors in a particular field thereby giving the university the opportunity to select the best firm for the job. The process has another outcome however; it reveals the range of compensation both offered and desired by the competing firms. In other words, the market is a powerful force in setting the initial range of compensation. As the procurement process continues contractors are eliminated or retained based on a selection of pre-determined factors such as the proposed service plan and prior experience.

The negotiation that follows blends the fee range, future growth and on-going operations to arrive at a fair, industry standard management fee for the contractor while ensuring adequate cash for maintenance, renovations and reserves.

Patriot Center The Patriot Center commission to GMU is composed of both a guaranteed and variable amount. The guaranteed amount is \$575,000 a year and is fixed for the life of the contract. The variable amount is calculated based upon revenue in excess of \$3,100,000 as long as cash remains to fully pay all commission. Any cash remaining after all fees and commissions are paid is retained by GMU.

The contractor, Centre Management, is paid an annual fixed fee of \$287,500 and can receive additional management fee based upon a formula if the revenue is in excess of \$3,100,000.

In addition to the yearly commission, GMU receives tickets and other considerations from Centre Management as part of the overall contract.

FISCAL YEAR	GEORGE MASON COMMISSION	CENTRE MGMT FEES
2001 (actual)	\$624,300	\$430,812
2002 (actual)	631,400	317,830
2003 (projected)	632,000	334,800
2004 (projected)	705,000	342,500

Food Service The Dining services commission paid to GMU is composed of both a fixed commission of \$1,025,000 a year plus a variable commission composed of the revenue remaining after the Sodexho management fee and incentive fee is paid.

The Sodexho fee is fixed at \$285,000 a year. The company is eligible to receive an incentive fee (up to 2% of gross revenue) if a variety of customer satisfaction and sales volume performance measures are met.

The only guaranteed part of this compensation plan is the GMU commission. All other fees are dependent upon the availability of net income to make the payment. The GMU commission is used to offset other institutional student fee requirements.

Bookstore GMU receives a variable commission (with a \$1,000,000 yearly guarantee) based on yearly sales. As gross sales exceed \$10 million annually, GMU receives a commission beyond the \$1 million guarantee. This year the University expects to receive about \$1,200,000 from this contract in addition to other cash and merchandise considerations.

Barnes & Noble can earn a fee of up to \$700,000 per year if all performance measures are achieved.

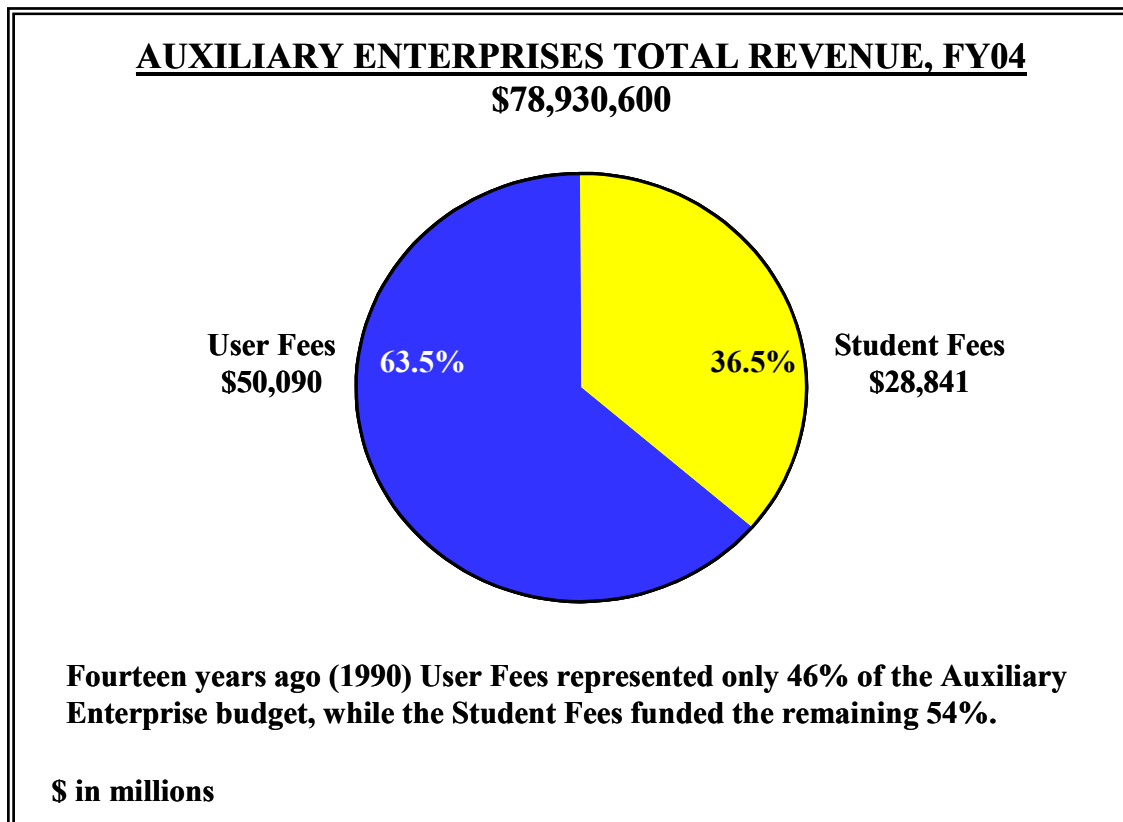
Summary Although these independent operations are critical to University Life, they are not generally included as part of the State Auxiliary Enterprise program for reporting purposes.

State Auxiliary Enterprises

As a program, Auxiliary Enterprises (exclusive of independent operations) are budgeted for revenue at \$78,930,600. This revenue is achieved through self-generated user fees, as well as student fees (see below).

<u>SOURCE OF FUNDING</u>	
2003-2004	
Student Fees	\$28,841,000
Self-Generated User Fees	50,089,600
<u>TOTAL FUNDS</u>	\$78,930,600

George Mason University continues to generate an increasing percentage of revenue through user fees, thereby reducing the dependency upon student fees. The change in the source of funding over the past fourteen years has been considerable (see below).



Revenue Changes

The table below illustrates, by specific auxiliary enterprise, where the \$7.3 million increase in budget for FY 2004 is budgeted:

AUXILIARY ENTERPRISE FY04 REVENUE BUDGET CHANGES IN REVENUE FY04 OVER FY03					
AUXILIARY	FY03 TOTAL REVENUE	FY04 TOTAL REVENUE	CHANGES IN REVENUE, FY04		
			STUDENT FEES	SELF-GEN REVENUE	TOTAL CHANGE
Student Housing	\$11,038,700	\$13,763,800	\$ 0	\$2,725,100	\$2,725,100
AE Budget Reduction	335,000	2,350,000	2,015,000	0	2,015,000
Computer Store	1,825,000	2,300,000	0	475,000	475,000
Telecommunications	3,411,800	3,796,300	0	384,500	384,500
University Life	3,427,200	3,869,400	49,100	158,500	441,000
Intercollegiate Athletics	8,673,600	8,998,500	266,900	58,900	324,900
CVPA/Center for the Arts	5,046,800	5,355,000	198,900	109,300	308,200
Freedom Aquatic & Fitness Ctr	4,651,800	4,895,800	25,200	218,800	244,000
Student Board	5,350,000	5,588,800	0	238,800	238,800
Student Health Services	1,533,400	1,646,400	109,400	(2,000)	107,400
Patriot Center	1,537,000	1,666,600	101,600	28,000	129,600
Hemlock Overlook	1,444,700	1,528,000	0	83,300	83,300
Campus Access	5,056,900	5,139,600	0	82,700	82,700
Facility Reserves	900,000	950,000	50,000	0	50,000
University Services Admin	529,200	512,800	(9,200)	(7,200)	(16,400)
Telecom Infrastructure	468,600	510,400	41,800	0	41,800
Recreation Sports Clubs	310,300	340,300	5,000	25,000	30,000
University Scholars	440,000	470,000	30,000	0	30,000
"All-University Card" System	299,500	310,400	0	10,900	10,900
Child Development Center	466,500	473,500	0	7,000	7,000
Warehouse	255,300	259,000	0	3,700	3,700
Athletic Facility Improvement	200,000	200,000	0	0	0
GMU Pay Phones	45,000	45,000	0	0	0
Interest Income	800,000	800,000	0	0	0
Salary Increases	173,600	164,300	(9,300)	0	(9,300)
Recreation Sports Complex	1,375,500	1,323,600	(51,910)	0	(51,910)
Student Unions/Johnson Center	5,103,650	4,940,500	(228,150)	65,000	(163,150)
Fairfax Aquatic Center	2,254,700	2,088,400	(7,100)	(159,160)	(166,260)
Print Services	1,946,400	1,846,200	0	(100,200)	(100,200)
AE Central Reserve	1,639,200	898,000	(741,200)	0	(741,200)
Indirect Cost	2,490,500	1,900,000	(590,500)	0	(590,500)
TOTAL AUX. ENT. REVENUE BUDGET	\$73,029,900	\$78,930,600	\$1,371,700	\$4,529,000	\$5,900,700
INDEPENDENT OPERATIONS	27,085,600	28,445,000	0	1,359,400	1,359,400
GRAND TOTAL	\$100,115,500	\$107,375,600	\$1,371,700	\$5,888,400	\$7,260,100

The specific details for all revenue changes are provided in the enterprise-specific section found on pages 78 – 100.

NEW STUDENT FEE REQUIREMENTS

In 2003-2004, Auxiliary Enterprises that are funded by student fees will incur increased costs, thereby requiring additional student fee support. The major reasons for an increase in the fee is to support expanded services and activities to meet the needs of additional student enrollment and an increase in the number of students living on campus (additional 500 students beginning Fall 2003). The following priorities were identified through the Auxiliary Enterprises Management Council, made up of representatives of all Auxiliary Enterprises units, and these priorities were supported through the budget process. An allocation of \$500,000 is set aside within the Auxiliary Enterprises budget to support the following priorities.

1. Expand activities for students, in response to increased enrollments and to the increased residential and traditionally-aged student populations. Provide funding in a way that promotes synergy between units and leverages current practices.

Arts

- Increase staff of the Arts Support Umbrella
- Increase funding for campus theater/music/art productions

Food Service

- Expand food service hours and venues

Recreation

- Support areas students are currently using for outdoor play by the installation of tables, benches, or other facilities that promote such use
- Increase funding for recreational activities
- Construct informal, non-reservable playing fields/courts in appropriate areas

Student Organizations

- Increase support for student-generated and run social activities
- Provide funding for venue programming and enhanced weekend trash collection

2. Enhance campus safety and security

Campus Access

- Increase support of CUE bus to encourage/maintain ridership

Child Development Center

- Provide bridge funding for Child Development Center facility repairs

Student Health Services

- Assure satisfactory 24-hour coverage
- Assure funding appropriate to the size of the student population

3. Enhance support services

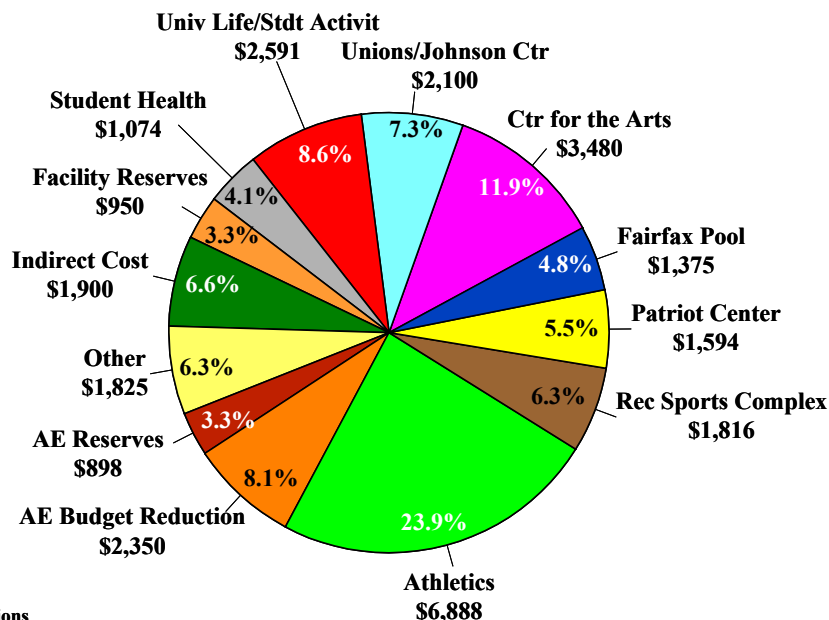
Note: Since funding was set aside in FY 2003 for a one-time staff bonus, that same funding source is available in FY 2004 to cover the cost of the proposed 2.25% salary increase.

REASONS FOR INCREASED STUDENT FEE, 2003-2004

- To provide support for expanding activities and services for additional student enrollment and additional students residing on-campus. [**\$500,000**]
- To provide one-time funding for planning for Prince William Center for the Arts facility. Prince William County and the City of Manassas will support a total of \$700,000. [**\$250,000**]
- To provide support for debt service payments for Student Unions renovation. [**\$236,700**]
- To provide funding for contribution to the E&G budget reduction in FY 2004. [**\$2,015,000**]
- To support (per contract) debt service for the Freedom Aquatic Center. [**\$25,200**]
- To cover salary increases for minor sports coaches in Intercollegiate Athletics. [**\$60,400**]
- To address NCAA gender equity issues. This is the third year of a four year phase-in program. [**\$30,000**]
- To support FY04 additional scholarship costs. [**\$30,000**]
- One-time reallocation of J.C. debt service payments due to refinancing savings. [**-\$871,000**]
- Reallocation of one-time funding required in FY 2003 to cover Auxiliary Enterprise Indirect Cost [**-\$591,000**] and other central fee support. [**-\$240,000**]
- The state approved 2.25% salary increase for 2003-04. The funding required for this will be covered by previously budgeted salary increase funds, which were not required.

STUDENT FEE REQUIREMENTS **\$1,371,000**

AUXILIARY ENTERPRISE FEE ALLOCATION, FY04 TOTAL FEE ALLOCATION: \$28,841,000

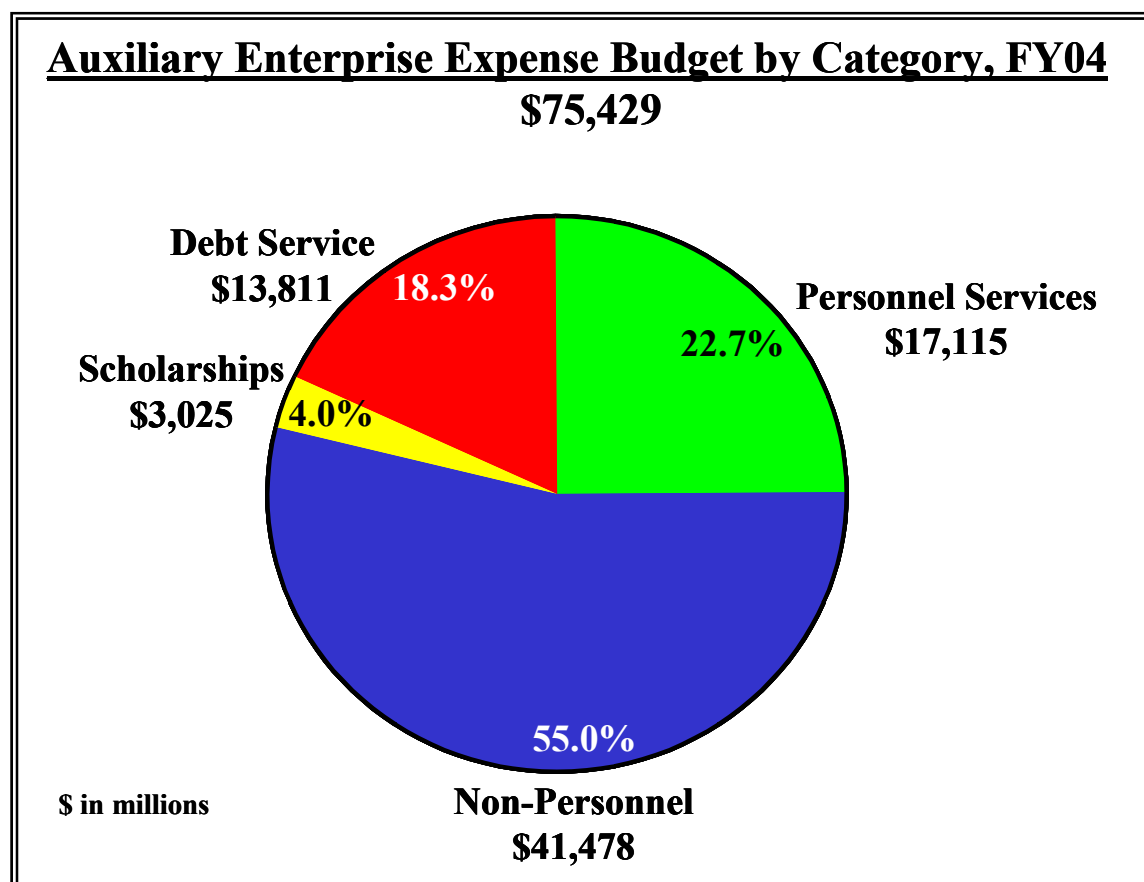


USE OF FUNDS

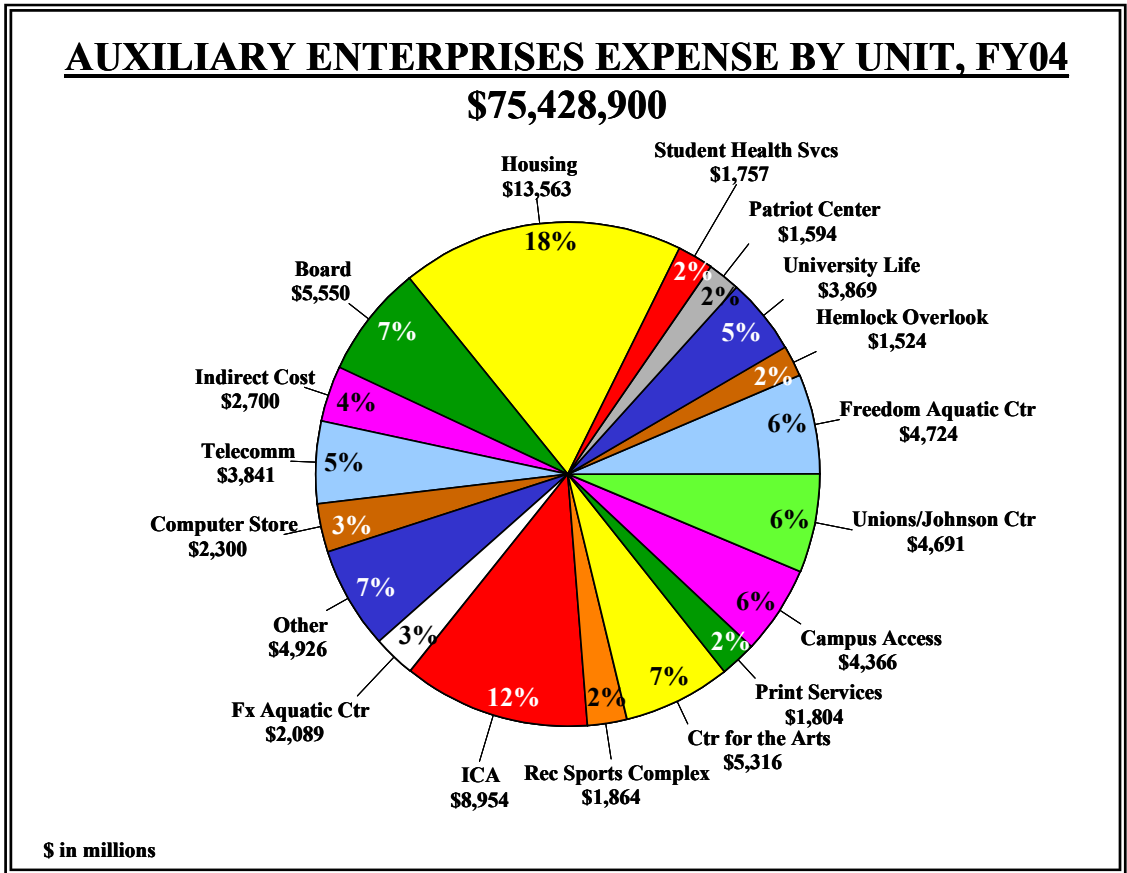
Budget by Major Category

The Auxiliary Enterprise expense budget of \$75.4M is \$3.6M lower than the revenue budget (\$79.0M) in order to set aside funds for facility depreciation/renovation reserves.

Within the Auxiliary Enterprises expense budget of \$75.4M, personnel costs total \$17.1M (or 23% of the total) and all non-personnel costs make up the remaining 77% of the budget. Within the \$58.3M non-personnel budget, approximately \$16.8M of the expenses cover scholarships and debt service. The remaining \$41.5M cover other non-personnel costs. Some of the major items within this are board plan payments (\$5.5M), utilities (\$2.8M), repair and maintenance (\$1.9M), contracted management (\$5.3M), and the indirect charge to Auxiliary Enterprises from Educational & General.



By major unit, Housing, Athletics, Student Unions (including Johnson Center), Center for the Arts, and the Prince William Freedom Center are the largest enterprises.



Personnel

The Auxiliary Enterprises personnel budget of \$17.1M is based upon an FTE position level of 236 FTE plus wages hourly staff. Of the total FTE positions, 1.52 (0.6%) are for instructional faculty, 105.67 (44.8%) are for administrative faculty, and 128.81 (54.6%) are for classified staff. The total FTE of 236.00 is 4.08 FTE less than the original budget for 2002-03. Positions were abolished in various Athletic/Recreational activities, the Child Development Center, and Print Services.

AUXILIARY ENTERPRISES POSITION BUDGET					
	FY 2001-02	FY 2002-03	Variance	FY 2003-04	Variance
Faculty	1.55	1.55	0	1.52	-0.03
Admin Faculty	106.94	106.72	-0.22	105.67	-1.05
Classified	126.36	131.81	5.45	128.81	-3.00
TOTALS	234.85	240.08	5.23	236.00	-4.08

The total personal services budget within Auxiliary Enterprises is \$17.1M. This is approximately 23% of the overall Auxiliary Enterprises budget. Of this total, 71% covers salaries and benefits for permanent staff, while 29% covers salaries and benefits for wages (hourly) workers. The annual level of wage spending is equal to approximately an additional 180 FTE positions. Through the use of wages many supervisors maximize their operational effectiveness by utilizing wage staff to meet the high service demand periods throughout the year.

Auxiliary Enterprises Personal Services Overview						
	Actual FY 01-02		Budget FY 02-03		Budget FY 03-04	
Salaries	\$8,947,197	53.6%	\$9,757,200	56.9%	\$9,680,700	56.6%
Wages	5,074,464	30.4%	4,660,200	27.2%	4,722,000	27.6%
Fringe Benefits	2,668,243	16.0%	2,725,800	15.9%	2,712,400	15.8%
<u>TOTAL</u>	\$16,689,904	100%	17,143,200	100%	\$17,115,100	100%

Units with the highest personnel costs include Intercollegiate Athletics, the Freedom Aquatic and Fitness Center, the Center for the Arts, Student Unions/Johnson Center, University Life, and Hemlock Overlook. These units are responsible for \$12M or 69% of the overall Auxiliary Enterprise personnel budget. Units with the highest hourly wages costs are the Freedom Aquatic and Fitness Center, Hemlock Overlook, the Center for the Arts, the Fairfax Aquatic Center, Intercollegiate Athletics, and Print Services. Wage budgets in these areas alone total nearly \$4M.

The distribution of the 236 FTE positions is as shown below:

AUXILIARY ENTERPRISE FY 04 BUDGETED FTE				
Unit	Faculty	Admin Fac	Classified	TOTAL 03-04 FTE
Intercollegiate Athletics	0.00	50.45	15.00	65.45
Recreational Sports Complex	0.00	4.06	7.00	11.06
Rec Sports Clubs	0.00	2.12	0.00	2.12
Freedom Aquatic & Fitness Ctr	0.00	4.63	12.50	17.13
Fairfax Aquatic Center	0.00	4.66	5.00	9.66
Total Athl/Rec FTE	0.00	65.92	39.50	105.42
Hemlock Overlook	0.47	0.00	8.75	9.22
Student Unions/Johnson Ctr	0.00	3.00	24.35	27.35
Student Health Svcs	0.75	7.75	6.00	14.50
CVPA/Center for the Arts	0.30	9.75	13.00	23.05
University Life	0.00	12.25	8.71	20.96
Print Services	0.00	0.00	12.00	12.00
Telecommunications	0.00	0.00	7.75	7.75
Computer Store	0.00	0.00	3.00	3.00
Child Development Center	0.00	4.00	1.00	5.00
University Services Administration	0.00	3.00	1.75	4.75
All University Card System	0.00	0.00	3.00	3.00
TOTAL FY 2004 FTE	1.52	105.67	128.81	236.00
TOTAL FY 2003 FTE	1.55	106.72	131.81	240.08
Annual Change	(0.03)	(1.05)	(3.00)	(4.08)

USE OF FUNDS (Continued)

Debt Service

During the 2003-04 fiscal year, the University will make \$13.8M in debt service payments for parking, residential, and student activity facilities. This represents 18.3% of the overall Auxiliary Enterprises expenditure plan. During 2002-03 the final payment for some parking debt service was made. In the next five years, nearly 34% of the existing Auxiliary Enterprise debt will be eliminated, thereby reducing the financial burden currently placed upon several programs funded by student fees and user fees. Of the total debt to be reduced approximately \$2.6M is fee funded debt, while \$1.0M is in Parking Facilities and \$1.7M is in Residence Hall facilities. Although other facilities, programs, and activities will undoubtedly become institutional priorities between now and 2009, the importance of the elimination of over \$5 million of debt service payments cannot be overstated.

DEBT SERVICE REDUCTIONS, 2004 - 2009					
LAST YEAR DEBT	DEBT-FINANCED FACILITY	SOURCE OF FUNDING		STUDENT HOUSING	TOTAL DEBT SERVICE ELIMINATED
		STUDENT FEE	CAMPUS ACCESS		
2003-04	Parking Lot		89,300		89,300
2004-05	Parking Lot		83,500		83,500
2005-06	Parking Lot		315,400		315,400
2007-08	Parking Lot		484,000		484,000
2004-05	University Commons			200,800	200,800
2005-06	University Commons			527,900	527,900
2008-09	President's Park (Res III)			987,900	987,900
2004-05	Technology Infrastructure	511,400			511,400
2004-05	Patriot Center	1,232,600			1,232,600
2008-09	Concert Hall	868,100			868,100
	TOTALS	\$2,612,100	\$972,200	\$1,716,600	\$5,300,900

Facility Renovation/Depreciation

- The State provides no General Fund support for the construction or renovation of Auxiliary Enterprise facilities. Additionally, student tuition cannot be used to support these facilities.
- Annual allocations are made each year to establish sufficient funds to address issues of facility repair, renovation, and deferred maintenance. These funds are utilized for capital improvements as needed with the balance remaining in an escrow account identified as a facility renovation fund.

- An annual allocation of \$950,000 is budgeted for FY 2004, and the table below also shows the projected facility depreciation fund balance for 6/30/03 and 6/30/04.
- The requirements for repairs and renovation based upon depreciation depend upon the type facility, usage, preventive maintenance and facility age. Generally efforts are made to maintain a facility renovation fund at 8-12% of the cost of the facility.
- The actual fund balance at a particular time may reflect a higher than expected balance due to an upcoming capital improvement (Fieldhouse) or a lower than expected balance due to a just-completed capital improvement (CFA).

FACILITY RENOVATION FUND						
FACILITY	BUILT	BLDG COST	ACTUAL BALANCE JUNE 30, 2002	PROJECTED BALANCE JUNE 30, 2003	PROJECTED BALANCE JUNE 30, 2004	% OF COST
Patriot Center	1985	\$16.1M	\$1,967,481	\$2,072,481	\$2,222,481	13.8%
Unions/ Johnson Center	1974/1996	48.9M	2,037,448	2,250,448	2,550,448	5.2%
Fairfax Pool	1998	11.1M	207,830	357,830	507,830	4.6%
Student Housing	1977/1990	44.9M *	1,592,622	2,617,173	2,817,919	6.3%
Center for the Arts	1990	9.5M	149,526	274,526	424,526	4.5%
Field House (RSC)	1982	6.5M	1,287,588	1,487,588	1,687,588	26.0%
TOTALS		\$137.0M	\$7,242,495	\$9,060,046	\$10,210,792	7.5%

* Excludes Housing V Residence Hall due to be completed Fall 2003

SUMMARY

The following table summarizes the overall budget by major activity for the Auxiliary Enterprises in 2003-04.

AUXILIARY ENTERPRISE BUDGET, FY04			
AUXILIARY	FY04 BUDGETED REVENUE	FY04 BUDGETED EXPENSE	FY04 OPERATING BALANCE
Student Housing	\$13,763,800	\$13,563,100	\$200,700 ¹
Intercollegiate Athletics	8,998,500	8,953,500	45,000 ²
Student Board	5,588,800	5,550,000	38,800
CVPA/Center for the Arts	5,355,000	5,315,600	39,400
Campus Access	5,139,600	4,365,500	774,100 ²
Student Unions/GWJC	4,940,500	4,690,900	249,600 ²
Freedom Aquatic Center	4,895,800	4,723,800	172,000 ¹
Telecommunications	3,796,300	3,796,300	0
University Life	3,869,400	3,869,400	0
Indirect Cost Charge	2,700,000	2,700,000	0
Computer Store	2,300,000	2,300,000	0
Fairfax Aquatic Center	2,088,400	2,088,400	0
Print Services	1,846,200	1,804,000	42,200 ²
Student Health Services	1,646,400	1,646,400	0
Patriot Center	1,666,600	1,593,600	73,000 ¹
Hemlock Overlook	1,528,000	1,523,800	4,200 ³
Rec Sports Complex	1,323,600	1,323,600	0
Facility Reserves	950,000	0	950,000 ¹
University Services	512,800	512,800	0
Telecommunications Infrastructure	510,400	510,400	0
Child Development Center	473,500	458,700	14,800 ³
University Scholars	470,000	470,000	0
Rec Sports Clubs	340,300	340,300	0
AUCS/Photo ID	310,400	310,400	0
Warehouse – Debt	259,000	259,000	0
Athletic Facility Improvements	200,000	200,000	0
FY04 Salary Increases	164,300	164,300	0
GMU Pay Phones	45,000	45,000	0
AE Contribution to E&G	2,350,000	2,350,000	0
AE Central – To be Allocated	500,000	0	500,000 ⁴
AE Central Reserves	398,000	0	398,000 ⁵
Sub-Total Aux Ent Budget	\$78,930,600	\$75,428,900	\$3,501,700
Independent Operations	\$28,445,000	\$28,445,000	---
GRAND TOTAL	\$107,375,600	\$103,873,900	\$3,501,700

¹ to be transferred to facility depreciation/renovation fund

² to be used to fund existing deficits within the operation

³ to remain with operation

⁴ to be allocated for auxiliary enterprise priorities

⁵ creates a central auxiliary enterprise reserve to address unanticipated, non-recurring expenses

**AUXILIARY ENTERPRISES
FINANCIAL/PROGRAM PROJECTIONS
2001 – 2008**

Updated: April 24, 2003

The purpose of this document is to provide a plan for operations for Auxiliary Enterprise programs for the next several years. This is intended to be a plan that is examined and updated on a regular basis to incorporate changes in various units as a result of adjustments to base assumptions. Changes that would affect this plan include, but are not limited to enrollment adjustments, rate changes, programmatic requirements for enhancing services, and capital construction schedules.

ENROLLMENT ASSUMPTIONS: George Mason University had a Fall 2002 student headcount enrollment of nearly 27,000. The annual student FTE for FY 2003 is projected to be 20,150 FTE. George Mason University projects an annual student enrollment (FTE) increase of approximately 1.25% per year. In terms of student FTE, the University projects to grow by approximately 250 FTE students each year.

SALARY ASSUMPTION: For purposes of this document, it is assumed that there will be an annual salary increase of 2.5% for all units. This is subject to adjustment based on economic conditions and legislative actions. This increase is built into each units' total budget presented in the following pages.

✓ Financial Feasibility

This \$72 million Auxiliary Enterprise operation (FY 2003) has established the following performance measures to assess the effectiveness of the auxiliary enterprise program:

- ✓ Performance Measures
 - The positive net income of each auxiliary enterprise
 - The debt to facility replacement value ratio
 - A decreasing percentage student fee dependency
 - The level of facility reserves ratio to building value

- ✓ Program Viability- Student satisfaction with Auxiliary Services
 - Graduating senior satisfaction survey
 - Departmental service satisfaction scores
 - Persistence/progression rates of undergraduates
 - Alumni satisfaction surveys

1. STUDENT HOUSING:

George Mason University’s housing program has been out-sourced for approximately eight years. Century Campus Housing Management is in the last year (FY 2003) of their five-year contract. They have responsibility for day-to-day management and operations of all residential facilities and major contracts associated with the program. The primary focus of this contracted service is to provide an integrated operation, responsive staff, and efficient administrative units sensitive to the needs of our students. Century works closely with University Services, University Life, Admissions, as well as other University Offices, in the areas of educational programs, community development, and student behavior.

The University is housing more on-campus (residential) students in Fall 2002, than ever before in the history of George Mason University. Approximately 125 students have been “tripled” into rooms originally designed as doubles. The University’s current Housing capacity is 3,080. During the Fall 2002, the University housed over 3,000 students. Through the addition of 500 beds in Fall 2003 and another 500 beds in Fall 2004, GMU anticipates approximately 4,000 on-campus residential students by 2004. Additional new on-campus housing will be added in Fall 2006 and Fall 2007, thereby providing 5,000 beds on campus for residential students. This on-campus residential student target will increase the percentage of residential students to approximately 15% of the total projected headcount enrollment. Budget projections are as follows:

FISCAL YEAR	BUDGET	ASSUMPTIONS
2002 actual	\$10,848,500	Add temporary beds (75) and 2.5% rate increase
2003 estimate	\$10,915,000	2.5% rate increase; reallocate \$700K debt service
2004 estimate	\$13,760,000	2.5% rate increase; Housing V (496)
2005 estimate	\$16,720,000	2.5% rate increase; Add Housing VI (504), Retire PV Modulars (-119)
2006 estimate	\$16,900,000	2.5% rate increase; reallocate \$200K debt service;
2007 estimate	\$19,150,000	2.5% rate increase; reallocate \$525K debt service; Add Housing VII A
2008 estimate	\$21,900,000	2.5% rate increase; Add Housing VII B

Major Assumptions: Housing V, VI, VII-A, and VII-B are priced to be self-sufficient. Renovations and renewals of \$750,000/year are budgeted for FY 03, 04, & 05, \$800,000/year for FY 06 & 07, and \$850,000 for FY 08. Major capital improvements of \$3.0M were completed in FY 03 with another \$6.0M planned for FY 04 through FY 07.

Occupancy actuals and projections are as follows:

FISCAL YEAR	FALL OCCUPANCY	SPRING OCCUPANCY
2002 actual	2,959	2,884
2003 actual	3,039	2,964
2004 estimate	3,528	3,428
2005 estimate	3,908	3,808
2006 estimate	3,908	3,808
2007 estimate	4,378	4,278
2008 estimate	4,945	4,845

Due to the retirement of two significant debt service obligations, the projected ending balance of the housing system facility reserve fund increases from \$200,000 in FY 2000 to \$1,600,000 in FY 2002. The facility reserve balance is projected to increase as shown below.

FISCAL YEAR	BALANCE
FY 2002 (actual)	\$1,593,000
FY 2003 (projected)	\$2,617,000
FY 2004 (projected)	\$2,818,000
FY 2005 (estimated)	\$3,245,000
FY 2006 (estimated)	\$3,724,000
FY 2007 (estimated)	\$3,960,000
FY 2008 (estimated)	\$4,085,000

2. CAMPUS ACCESS:

This self-supporting activity includes a variety of services that support the campus parking needs and requirements on all three of the university campuses. Campus Access funds, primarily made up of decal fees, deck revenue, and fines, have historically been used to cover expenses such as plazas, lighting, walkways, as well as parking lot and deck construction, maintenance, repair, and debt payments. Funded activities include: staffing of the Parking Services administrative office; the monitoring of the traffic rules and regulations and the management of parking areas during peak class periods and special events; parking deck management and operations; parking lot technicians; administration and management of the Motorist Assistance Program; and the City University Energysaver (CUE) Bus system, in conjunction with the City of Fairfax. The following table projects the campus access budget through FY 2008:

FISCAL YEAR	BUDGET	ASSUMPTIONS
2002 actual	\$4,334,100	Actual
2003 estimate	\$5,101,900	\$20 rate increase; enrollment growth
2004 estimate	\$5,139,600	Enrollment growth; reallocate \$660k orig deck debt service
2005 estimate	\$5,826,500	Enrollment growth; add Fairfax Deck II (full year payment)
2006 estimate	\$6,440,000	\$20 rate increase; enrollment growth; ARL GMUF parking
2007 estimate	\$6,515,300	Enrollment growth; reallocate \$265k PW phase I debt service
2008 estimate	\$7,283,200	\$20 rate increase; enrollment growth; Arlington Phase II

Campus Access ended FY 2000 with a cumulative \$92,300 deficit, FY 2001 with a \$290,500 deficit and FY 2002 with a \$728,500 deficit. The FY 2001 deficit was primarily due to additional costs related to the expansion of the Parking Garage. The FY 2002 deficit was due to major repairs to Lot A and lower than anticipated deck and fine revenues. In FY 2003, the financial performance objective has been set at reducing the cumulative year-end deficit by approximately \$300,000. Additionally, the operating budget has been established to include a \$500,000 annual budget for maintenance (repair and replacement of surface lots). In FY 2004 the University anticipates that these increased expenditures for lot improvements can be totally offset by the elimination of debt service payments of \$664,700 (Parking Deck I Fairfax) per year in 2004.

The Cumulative Fund Balance for Campus Access is projected to be as follows:

FISCAL YEAR	BALANCE
FY 2003 (estimated)	\$(411,000)
FY 2004 (estimated)	\$ 363,000
FY 2005 (estimated)	\$1,275,700
FY 2006 (estimated)	\$1,535,800
FY 2007 (estimated)	\$ 600,000
FY 2008 (estimated)	\$(329,900)

The primary reason for the declining balance in FY 2007 and FY 2008 is the opening of a third parking deck on the Fairfax Campus. The University is in the early planning stages for this third parking deck. This deck will be constructed in either Lot F or Lot A. The approximate size will be 1,600 or more spaces. This facility is still under financial feasibility review since the estimated cost is \$20M, requiring an annual debt service payment of \$1.5M, while initial revenue estimates vary between \$250,000 - \$500,000 based upon the location of the deck. In addition there will be minimal expenses for personnel, utilities, maintenance, and cleaning. Expenses are projected at \$200,000. For this document, the assumption is the deck will have operating costs of \$1.7M per year with no new revenue. This facility is projected to open Fall 2006, but the University will only proceed if the financial feasibility of this project can improve significantly.

In addition to the balances above, the University is also setting aside funds each year to pre-pay the debt service on the extension to the original parking deck. Sufficient funds will be accumulated by FY 2010 to pay off the remaining balance. The annual amount being allocated to this fund from operations is approximately \$182,000.

The University is planning a 1,200-vehicle parking deck that will be constructed on the Fairfax campus. Operations will begin January 2005. This project will cost approximately \$19M (which includes planning, design, and construction costs), and will be financed through revenue bonds supported by parking revenue. This will require annual debt payments of approximately \$1.5M per year. The deck is designed to be a premium, reserved parking garage with a small hourly visitor section. Annual revenue from the reserved passes and hourly visitors is estimated to be approximately \$950,000. The deck will not be self-supporting and will require a contribution from other campus access funding sources to supplement actual parking revenue from the facility. Debt service from the existing deck will be retired in FY 2003 and will cover a portion of the costs for the new deck.

The existing shuttle system provides transportation between the Fairfax campus and the Prince William campus on a schedule based on the academic calendar. This system is supplemented with taxi service when needed. The shuttle service costs approximately \$105,000 annually. This is funded through parking fees and a student fee allocation.

The shuttle system is not self-supporting. An expanded system could link all three campuses and the metrorail system. This system could be in conjunction with the CUE Bus system or totally separate. It is anticipated that general funds, tuition, student fees, and auxiliary enterprise user fees may all contribute to this undertaking.

During the timeframe of FY2002-2008 the debt service payments associated with several surface lots will be eliminated thereby increasing available funding by approximately \$250,000. In FY2006, the first portion of the Prince William parking debt is paid off, and that will result in an additional savings of \$250,000 per year beginning in FY2007. For long range planning purposes, in FY08, the second portion of the Prince William parking debt and the existing Arlington parking debt will both be paid off resulting in savings of approximately \$480,000 per year beginning in FY09.

As the campus grows, additional traffic and transportation improvements may also be necessary. These will include, but are not limited to, entrance improvements, roadway improvements, and potential sign and signal additions/changes. The source of funding for these types of improvements is unclear, but can include campus access funds, student fees, educational and general funding, or general fund appropriation.

Prince William Campus: The University will open Academic III-A in Spring 2004. Parking will remain adequate at the Prince William Campus until Academic III-A is fully occupied and utilized. It is not anticipated that Academic III-B will open prior to FY 2007 since funding authorization is unlikely prior to FY 2004. The parking lot associated with PW III-A is planned, but will not be constructed until the demand increases. It is anticipated that construction will begin in the summer of 2005. Existing (FY 2003) Campus Access expenses for the Prince William campus total approximately \$530,000, (\$505,600 of this is debt service), and revenue is approximately \$60,000. Operations on this campus are not self-supporting and require a contribution from other campus access funding sources to supplement actual parking revenue from this campus.

Arlington Campus: Current Campus Access expenses for the Arlington campus total approximately \$415,000, with \$243,300 of the total covering debt service for the current Arlington parking lots. The university generates approximately \$210,000 in revenue from decal sales and other revenue generated at Arlington. Operations on this campus are not self-supporting and require a contribution from other campus access funding sources to supplement actual parking revenue from this campus.

The University plans to partner with the George Mason University Foundation (GMUF) to utilize up to approximately 550 parking spaces in the building planned on property adjacent to the GMU campus that the GMUF acquired in 2000-01. For purposes of this financial forecast, GMU anticipates an annual payment of approximately \$80,000 per year. This financial projection assumes that this Arlington off-campus facility becomes operational during FY 2005. Additional parking will be built on GMU property with Arlington II. It is anticipated that 470 spaces will be built as a part of the Arlington II project. The estimated cost of this project is \$6,650,000. This will require annual debt payments of approximately \$600,000 per year. These undertakings may require a campus access system contribution to supplement actual parking revenue.

3. INTERCOLLEGIATE ATHLETICS:

The Intercollegiate Athletic program is nationally recognized for both departmental quality and depth. George Mason University is a member of the Colonial Athletic Association (CAA). The Intercollegiate Athletic program is comprised of competitive activities in 22 programs for men and women. This competition takes place on a local, regional and national level. The following programs are currently offered at George Mason University:

Men's Baseball	Men's Track (2)	Men's X-Country
Women's Track (2)	Men's Wrestling	Men's Tennis
Women's X-Country	Women's Volleyball	Men's Volleyball
Women's Soccer	Men's Soccer	Women's Basketball
Men's Basketball	Men's Golf	Women's Lacrosse
Women's Rowing	Men's Swimming	Women's Swimming
Women's Softball	Women's Tennis	

Issue: Since the Intercollegiate Athletic program depends upon external revenue to cover the costs of athletic scholarships and since generating sufficient funds has been difficult throughout the history of the program, alternative-funding strategies may need to be developed if the University adopts significant tuition and fee rate increases during this time frame. A portion of the revenue used to cover the costs of scholarships is generated through the Athletic Department's development efforts. Additionally, revenues earned from Patriot Center and the beverage and vending contracts support scholarship costs. This projected budget is sufficient to fund 1 – 2 additional scholarships each year. These scholarships will most likely be added in several of the recently added sports.

ATHLETIC SCHOLARSHIP BUDGET	
	FY 2004 BUDGET
Athletic Scholarship Cost	\$2,555,000
Source of Funds	
▪ Athletic Department Revenue	742,500
▪ Patriot Center Commission	632,000
▪ Student Fee	550,000
▪ Beverage, Vending Commission	22,500
▪ Patriot Club (Fundraising)	155,500
▪ Other Contributions	52,500

The ICA budget for FY 2003 is \$8,600,000. Student fee support is \$6.6M per year and self-generated revenue is \$2.0M per year. The following budgets assume no change in the mix and/or number of sports. The average annual budget requirement for 2.5% salary increases (included below) is \$110,000. The following summarizes the actual budget for FY 2002, estimate for FY 2003, and the best estimate for future year budgets:

FISCAL YEAR	BUDGET	ASSUMPTIONS
2002 actual	\$8,400,000	Actual
2003 estimate	\$8,600,000	Scholarships Increase due to increased tuition rates
2004 estimate	\$9,000,000	Scholarships & Operating Maintained
2005 estimate	\$9,400,000	S & O increase 2%, Salary increase 2.5%
2006 estimate	\$9,800,000	S & O increase 2%, Salary increase 2.5%
2007 estimate	\$10,200,000	S & O increase 2%, Salary increase 2.5%
2008 estimate	\$10,500,000	S & O increase 2%, Salary increase 2.5%

The percentage of student fee support will decrease slightly from 75% in 2001 to 72% in 2008.

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$6.3M	\$2.1M	\$8.4M
2003 estimate	6.6M	2.0M	\$8.6M
2004 estimate	6.9M	2.1M	\$9.0M
2005 estimate	7.0M	2.4M	\$9.4M
2006 estimate	7.2M	2.6M	\$9.8M
2007 estimate	7.4M	2.8M	\$10.2M
2008 estimate	7.5M	3.0M	\$10.5M

4. RECREATIONAL FACILITIES:

The current FY 2003 budget for all of recreational facilities is approximately \$12.0M with nearly \$4.0M of the annual budget allocated to the fixed cost of debt service. The current source of funding for all of these facilities/activities is approximately 40/60 between student fees and self-generated revenue. The University contracted with Brailsford-Dunlavey for a recreational facility master plan, and the result of this study identifies several high priority projects to be pursued during 2002-2008. Below is the estimated budget for the recreational facilities:

FISCAL YEAR	BUDGET	ASSUMPTIONS
2002 actual	\$12,200,000	2% enrollment growth & \$200K for fields
2003 estimate	\$11,800,000	2% enrollment growth/FH debt retired
2004 estimate	\$12,100,000	2% enrollment growth; 2.5% salary increase
2005 estimate	\$12,500,000	2% enrollment growth; \$250k debt for artificial field
2006 estimate	\$14,500,000	2% - PC debt retired (\$1.2M); PC renovation debt add \$750K, PE Building renovation debt add \$1.5M, Aquatic Addition debt add \$500K and operating cost add \$200K
2007 estimate	\$14,800,000	2% enrollment growth; 2.5% salary increase
2008 estimate	\$15,000,000	2% enrollment growth; 2.5% salary increase

With this plan, projects achieved include: additional play fields; artificial surface field, lighting, fitness center expansion, training room and locker facilities, etc.

In FY 2002 the field house debt was retired. In FY 2003 the debt service savings of \$500,000 reverted to the central Auxiliary Enterprise cost center.

In FY 2005 the University will retire its \$1.2M debt service payment for the Patriot Center. The B&D study strongly recommends a Patriot Center renovation project undertaken during this period. Assume for planning purposes that the project is \$6-8M renovation project requiring \$750,000 of debt service effective FY 2006. It is projected that this renovation project will be funded through a reallocation of the retired debt service (\$1.25M) from the original Patriot Center debt. Additionally, in FY 2005 the University will construct a year round recreational field (artificial surface) at a cost of \$850,000. It is projected that this

facility will be covered through debt service payments of \$250,000 over four years. This will also be funded by using the Patriot Center debt service savings.

In FY 2006 the University will incur \$1.5 in annual debt service related to a major expansion and renovation (\$12-15M) of the Physical Education Building. This project will correct unsatisfactory locker room facilities; address mechanical, electrical, HVAC improvements, as well as add recreational, intramural, and club sport space improvements. The University will request General Fund support to cover a portion of this project. This will also likely create new Child Development Center space.

These recreational facilities are currently funded from student fees and self-generated revenue. This source of funding is anticipated to continue through FY 2007. The average annual amount for 2.5% salary increases (included below) is \$130,000. For purposes of funding assume the following scenario:

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$5.5M	\$6.7M	\$12.2M
2003 estimate	4.9M	7.0M	\$11.9M
2004 estimate	4.9M	7.2M	\$12.1M
2005 estimate	5.3M	7.2M	\$12.5M
2006 estimate	6.9M	7.6M	\$14.5M
2007 estimate	6.9M	7.9M	\$14.8M
2008 estimate	7.0M	8.0M	\$15.0M

- **Fairfax Aquatic Center:** The Aquatic & Fitness Center located on the Fairfax Campus provides aquatic and fitness opportunities for the broadest spectrum of campus life with an evenly balanced program of recreation, instruction and competitive activities. The center is a state-of-the-art facility supporting a wide range of activities for fitness or competition that includes lap & recreational swimming, water games, swimming lessons, diving lessons, weight training and aerobics. The center houses a 50-meter olympic pool, 25-yard recreational pool and 3500 square foot fitness gallery. The full-time student population is able to enjoy the facilities free of charge. The paying memberships to the facility are open to part-time students, university employees, university alumni and friends of the university.

This recreational facility, which was completed in FY 99, has been such a success and so long overdue that the demand for access exceeds the capacity of the facility. It is projected that an addition (primarily fitness space and locker space) will be completed in the spring/summer, 2005. This facility will address the needs of the residential student increase associated with Housing V and Housing VI. This addition (\$7M estimate) will increase debt service and operating costs in FY 2006, but will also result in increased revenue, including rental income.

The University anticipates a major renovation/expansion capital project to begin construction in FY 2004. This project will add fitness space, locker facilities, and other recreational opportunities. The project will be funded through user fees and possibly a small student fee increase (est. less than \$10 per year). This expansion should be open to the community prior to the opening of Housing VII and Housing VIII.

Recreational Sports Complex (RSC): Provides facilities for instruction, recreation, and intramural sports and serves the students, faculty and staff, and the general community. The facility is designed to accommodate a variety of activities simultaneously as it is equipped with tennis courts, basketball and volleyball courts, racquetball facilities, a one-eighth (1/8) mile indoor track and a Sampson/Nautilus/Universal weight training area.

Freedom Center: The Freedom Aquatic & Fitness Center provides a broad range of year-round recreational, educational, social and cultural programs and activities. The facility is designed to attract and serve a variety of individuals and user groups including but not limited to, the general public, youth, school and community groups, the elderly and persons with disabilities.

Freedom Center was created as a result of a unique partnership between George Mason University, Prince William County and the City of Manassas. The Freedom Advisory Board (governing) consists of a proportionate membership representing the three partners. While all members provide funding as seed money, the Center is expected to become self sufficient in the coming years.

Patriot Center: The Patriot Center will celebrate its 18th anniversary in October 2003. Over the years the program for the facility has evolved from a home for men's basketball and commencements to a multi-functional university and community assembly space. The yearly number of events has grown from 66 the first year to 90 events with 130 performances last year. During 2002, 392,287 individuals attended events held at the Patriot Center.

GMU students, faculty and staff receive discounts to all ticketed Patriot Center events. In addition, students receive free tickets to all men's and women's home basketball games while faculty and staff are eligible for season discounts.

Hemlock Overlook: Hemlock Overlook Center for Outdoor Education is a joint project with the Northern Virginia Regional Park Authority (NVRPA) to provide an opportunity to learn in a setting rich in regional heritage and natural beauty. In addition to the leadership development courses used by hundreds of groups a year, the University has administrative and operational oversight of this Outdoor Education Facility. The main site is a complex of six dormitory and conference buildings with a total sleeping capacity for 96 guests and 20 resident staff, a main lodge and dining hall and a central shower and toilet facility all located on a 100 acre tract in the 425 acre park.

5. JOHNSON CENTER AND STUDENT UNIONS:

The Johnson Center will record its eighth full year of operation in October 2003. Activities opened or relocated to the facility in the last several years include the Admissions Office, the student radio station (WGMU) and the Center for Teaching Excellence. Overall use of the center continues to be strong with individual visits to the building reaching 2,907,870 in 2002.

Since the opening of the Johnson Center, the Student Unions have been undergoing a series of renovations designed to refit the vacated spaces, upgrade existing space, bring the facilities up to code for ADA and life safety, and replace the original roofs. During 1997-98, a new office suite was constructed for the Student Activities Office and Cash Office in SUB I. This was followed the next year by a major project that created an electronic classroom suite for School of Management, along with a service center for Parking, Mail Services and Mason

Money/Photo ID. The following summer (2000), the fire alarm and restrooms in SUB II were upgraded for code compliance and the roof was replaced. Finally, during 2002 a \$2 million renovation was completed in SUB I. A new suite for Student Health was constructed, along with upgrades to six other office areas. ADA upgrades and a new roof completed the project.

Johnson Center/Unions operated within a budget of \$5.7M (FY02) with approximately \$3.1M of student fee support and \$2.6M of self-generated revenue. In FY02 Debt Service payments amounted to \$2.6M though this will decline to \$2.0M in FY03 before increasing to \$2.2M in FY04 as a result of the SUB I renovation. There is currently \$2M in facility reserves for the Johnson Center and both unions. An annual allocation to these reserves of \$275,000 is budgeted through FY 2008. The average annual amount for 2.5% salary increases (included below) is \$130,000. Here is the budget projection:

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$3.1M	\$2.6M	\$5.7M
2003 estimate	2.3M	2.7M	\$5.0M
2004 estimate	2.1M	2.8M	\$4.9M
2005 estimate	2.9M	2.9M	\$5.8M
2006 estimate	2.9M	2.9M	\$5.8M
2007 estimate	3.8M	3.0M	\$6.8M
2008 estimate	5.3M	3.3M	\$8.6M

The Student Union II debt (\$650,000) that was retired in FY 2002 is partially reallocated in FY03 to the student unions. Approximately \$75,000 is allocated to the Unions to establish an annual Johnson Center facility reserve allocation, provided that another \$200,000 will be allocated to the unions for building maintenance operations. The remaining \$375,000 is returned to the central account for reallocation to other auxiliary enterprises activities.

A \$2.5M renovation project has been underway in SUB I and SUB II during FY 03. The source of funds to pay the estimated \$335,000 yearly debt service will be student fee and self-generated revenue. This project was designed to update the safety systems, roofs and numerous University Life office suites in the two facilities.

If the plan for additional housing beyond Housing VI is executed it will be necessary to add additional student union space, probably as an addition to SUB II. The addition would provide dining service and recreation space as well as retail outlets. This project is currently budgeted at \$10M. Annual debt for this project is anticipated to be approximately \$850,000. Also included in the plan is a student union facility on the Prince William campus. This project would be completed in FY 2008 at a cost of approximately \$15M, which would result in debt service payment of \$1.5M per year. Annual self-generated revenue associated with this facility is estimated to be \$250,000.

Since these initial estimates indicate that a significant portion of the cost may have to be borne by increased student fees, both student union projects will require a more extensive financial analysis prior to actual initiation of either project.

6. STUDENT HEALTH SERVICES:

This activity addresses the needs of the university community for health information and diagnostic treatment, testing procedures, and, where necessary, referrals for episodic care for illness and injury and additional health care services. During the past year, the Service saw approximately 10,000 patients of whom approximately 2,500 received shots for either immunization or allergies. Other common reasons for visits include respiratory, dermatology, reproductive systems, urology, and psycho-mental problems. Patients with more serious problems are referred to specialists, Access or other emergency facilities. The most common reasons for referral are asthma not responding to medication, fractures, sutures needed, chest pains, and dehydration. In addition, over 5,000 immunization and/or insurance records were reviewed for compliance with federal or state regulations. Through optional group health and dental insurance plans, the University provides more than 1,500 students with adequate health insurance at modest cost. Related health service offices, are Health Education, Substance Abuse programs and series, sexual assault services, and the Community Health Program. In addition, this activity, as noted above, manages the health insurance program.

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$1.0M	\$540K	\$1.5M
2003 estimate	1.0M	500K	\$1.5M
2004 estimate	1.1M	500K	\$1.6M
2005 estimate	1.5M	500K	\$2.0M
2006 estimate	1.8M	500K	\$2.3M
2007 estimate	2.1M	500K	\$2.6M
2008 estimate	2.3M	500K	\$2.8M

7. CENTER FOR THE ARTS:

The College of Visual and Performing Arts has two operating arms: The Center for the Arts, a professional presenting and producing arts organization and the four academic departments: Art and Visual Technology, Dance, Music, and Theater.

Since October 1990, when the doors to the Concert Hall opened, the mission of the Center for the Arts (CFA) has been to make the arts an intrinsic part of the lives of every George Mason student and area resident. The Center for Arts plays a key role in the cultural vitality of the Washington Metropolitan region, attracting more than 100,000 patrons each year to performances by local artists and ensembles; community events; student and faculty productions; the award-winning offerings of the Theater of the First Amendment; and our own multi-disciplinary series – Great Performances at Mason.

In its twelve years of existence, CFA has received national recognition as “a paradigm of educational and community involvement” (Alan Kriegsman, Washington Post critic).

CFA intertwines professional artists throughout the academic life of Mason, reaching arts majors as well as general education students. Nearly all of the artists who appear in the Concert Hall or TheaterSpace interact with students in the classrooms, master classes, receptions or pre-performance discussions. Fiscal year 2000 marked the inaugural collaboration with the Fairfax Academy of Communication Arts, located at Fairfax High

School. CFA presents a season annually of 35-40 professional artist performances in the Concert Hall of classical music, opera, soloists, jazz, classical and modern dance and produces three new plays (54 performances) in the Theater of the First Amendment.

CFA offers 500 free tickets to each CFA event in the Concert Hall and a similar number (25%) in Harris, TheaterSpace and the Cinema. Each year the Center for the Arts plays to 26,000 Mason students. Even accounting for multiple student users, CFA reaches at least 16-18,000 students per academic year. Students come from all areas of the university, from the Law School in Arlington to all schools, college and institutes on the Fairfax campus.

CFA has several major tenants, most notably, the Fairfax Symphony, Washington Ballet, Northern Virginia Youth Orchestra, Virginia Opera, and several military bands/orchestras. Forty thousand K-12 students attend performances at CFA per year. Over 100,000 people attended the Concert Hall and TheaterSpace last year.

CFA is supported by student fee money, ticket and rental income, concessions, and in the future, increased contributed income. The unit ended FY 2002 with an operating deficit of approximately \$150,000. For FY 2003 the ticket revenue generated will be approximately \$1.3M, the highest since the opening of the facility. Attendance at performances has been strong this year, and it is estimated that FY 2003 revenue will exceed expenditures, and reduce the prior year operating deficit.

The projected budget for the Center for the Arts through FY 2008 includes an annual salary increase (2.5%) estimated at \$40,000 (see below):

FISCAL YEAR	STUDENT FEES	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$3.1M	\$1.9M	\$5.0M
2003 estimate	3.2M	1.8M	\$5.0M
2004 estimate	3.4M	1.9M	\$5.3M
2005 estimate	3.4M	1.9M	\$5.3M
2006 estimate	3.5M	2.0M	\$5.5M
2007 estimate	3.6M	2.1M	\$5.7M
2008 estimate	3.7M	2.2M	\$5.9M

8. UNIVERSITY LIFE:

The division of University Life encompasses student service/student affairs functions and community building. Student Activities promotes a holistic learning community designed to compliment academic studies and enhance the overall educational experience of the student. Through participation in leadership, cultural, governance, service and social activities, students are challenged to think critically and develop skills and competencies for success in the global society. The Student Activities office includes student organizations, Greek social organizations, student media (Broadside and five student journals), Johnson Center Cinema programming, and programming for major university events including Mason Day, Patriots Day, and Homecoming.

FISCAL YEAR	STUDENT FEES	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$2.3M	\$1.1M	\$3.3M
2003 estimate	2.4M	1.0M	\$3.4M
2004 estimate	2.6M	1.2M	\$3.8M
2005 estimate	2.6M	1.2M	\$3.8M
2006 estimate	2.7M	1.2M	\$3.9M
2007 estimate	2.8M	1.2M	\$4.0M
2008 estimate	2.9M	1.2M	\$4.1M

Major activities and organizations funded in this area include Orientation, International Student Activities, Greek Life, and Student Activities and Programs.

9. PRINT SERVICES:

This activity provides a variety of printing and photocopying services to the University community and coordinates the University's copyright program for course materials, electronic reserves and guidance to faculty, staff and students. The four copy centers, 24 coin/card operated copiers and 127 administrative convenience copiers produce more than 31 million copies per year. The copy centers produced 20 million copies, coin/card copiers produced 2.3 million, and the administrative copiers produced 8.1 million copies. The course material office processes over 950 course packets per semester, with approximately 200 titles requiring copyright permissions. It is anticipated that price increases will be required in FY 2006 and FY 2008.

FISCAL YEAR	BUDGET	CUMULATIVE FUND BALANCE	COMMENTS
2002 actual	\$1,804,100	\$(219,190)	Actual
2003 estimate	\$1,846,000	\$(83,600)	Estimate
2004 estimate	\$1,900,000	-0-	2% Incr; 2.5% Sal Incr
2005 estimate	\$1,900,000	\$50,000	2% Incr; 2.5% Sal Incr
2006 estimate	\$2,000,000	\$95,000	2% Incr; 2.5% Sal Incr
2007 estimate	\$2,100,000	\$130,000	2% Incr; 2.5% Sal Incr
2008 estimate	\$2,100,000	\$150,000	2% Incr; 2.5% Sal Incr

10. STUDENT BOARD PLAN:

The cost of administering the Board program is funded by a portion (\$91,900) of the total revenue generated from each plan. The All University Card is used as the vehicle for the Board program, which provides a variety of meal plan options for resident/non-resident students, faculty, and staff. Meal Plan accesses can be used in the 'all-you-can-eat' Ciao Hall as well as other campus dining facilities on an equivalency basis. Most undergraduate residents (with the exception of seniors and those students living in the apartments or townhouses) are required to purchase a 10-, 15-, or 19-meal plan.

FISCAL YEAR	REVENUE	CUMULATIVE FUND BALANCE	COMMENTS
2002 actual	\$5,100,000	\$108,675	Actual
2003 estimate	\$5,500,000	\$128,425	Estimate
2004 estimate	\$5,600,000	\$152,900	2% Price; Student Growth
2005 estimate	\$5,800,000	\$193,100	2% Price Increase
2006 estimate	\$5,900,000	\$ 5,950 **	2% Price Increase
2007 estimate	\$6,550,000	\$ 35,950	2% Price; Housing VII-A
2008 estimate	\$7,600,000	\$ 90,750	2% Price; Housing VII-B

** The reduction in the cumulative fund balance in FY06 reflects a draw against those funds for replacement of the current offline computer lab printing and on-glass photocopying system with IP-addressable Mason Money readers.

These projections assume that approximately 10% of the residents in Housing V and Housing VI will participate in a Board Plan. Since Housing VII A and B will not have kitchens, all residents will be required to participate in the Board Plan.

Fiscal year 2005 should be a relatively flat growth year in that any increase as a result of voluntary participation from Housing VI is expected to be more than offset by the retirement of 119 beds in Patriots Village and retirement of 15 triples in Presidents Park.

Revenue is transferred from the Student Board Plan to the All University Card system fund salaries, maintenance fees on equipment, and other administrative expenses. The transfers have been, and are anticipated to be as follows:

FISCAL YEAR	BALANCE
FY 2002 (actual)	\$308,800
FY 2003 (estimated)	\$91,100
FY 2004 (estimated)	\$91,100
FY 2005 (estimated)	\$91,100
FY 2006 (estimated)	\$341,100
FY 2007 (estimated)	\$116,100
FY 2008 (estimated)	\$116,100

11. TELECOMMUNICATIONS:

Faculty, Staff, Student Telecomm Support: This activity provides the services to the University for faculty, staff, and student telecommunications. The major activities include faculty and staff local and long distance telecommunications services, student local phones, student data service, student cable TV service, student long distance, the telecommunications infrastructure project costs, and pay phone services. The operation is funded from chargebacks to student housing and to departments within the university. The room rates paid by students include the amount (\$130 per student) earmarked to cover the cost of the telecommunications for students.

This activity is estimated at \$3.0M in FY 2003. This activity supports the telecommunication and network activity of faculty, staff and students. During 2003 an infrastructure upgrade has begun to address the needs of the campus with the addition of new facilities and in particular the first of two new 500 bed residential halls. The average annual amount for 2.5% salary increases (included below) is \$11,000.

FISCAL YEAR	TELE-COMMUNICATION REVENUE	CUMULATIVE FUND BALANCE	COMMENTS
2002	\$2,800,000	\$866,944	Actual
2003	\$3,000,000	\$600,000	Estimate
2004	\$3,100,000	\$400,000	2% inflation; 2.5% salary inc.
2005	\$3,200,000	\$500,000	2% inflation; 2.5% salary inc.
2006	\$3,300,000	\$600,000	2% inflation; 2.5% salary inc.
2007	\$3,400,000	\$700,000	2% inflation; 2.5% salary inc.
2008	\$3,500,000	\$800,000	2% inflation; 2.5% salary inc.

FISCAL YEAR	COMPUTER STORE REVENUE	CUMULATIVE FUND BALANCE	COMMENTS
2002	\$2.1M	\$(20,767)	Actual
2003	\$2.3M	\$(30,000)	Estimate
2004	\$2.3M	\$(30,000)	2% inflation; 2.5% salary inc.
2005	\$2.4M	\$(30,000)	2% inflation; 2.5% salary inc.
2006	\$2.5M	\$(30,000)	2% inflation; 2.5% salary inc.
2007	\$2.6M	\$(30,000)	2% inflation; 2.5% salary inc.
2008	\$2.7M	\$(30,000)	2% inflation; 2.5% salary inc.

Telecommunications Infrastructure: The completion of phase I of the Infrastructure project provided for electronically linking all areas of the campus through a major telecommunication infrastructure upgrade. An annual student fee allocation covers the debt service for this project. The final year for payment on this debt is FY 05. The annual amount of this debt is \$512,200. A next phase of infrastructure development was proposed in the last capital outlay budget but not funded. It is anticipated that this will be submitted again in the capital budget proposal. The debt service for this next phase is estimated at \$600,000 per year beginning in FY 2006. Ongoing infrastructure upgrades are necessary as facilities are added and student enrollment increases.

12. MISCELLANEOUS:

Child Development Center: The Child Development Center at George Mason University opened in September 1992 providing full and part-day childcare services to 15 children from 2-5 years of age in two classrooms. The center now serves 65 (54 FTE) children and has expanded to three classrooms. The center is located in modular buildings in the Patriots Village housing complex. The current facility will not remain viable past FY 2006. The center serves faculty, staff and student families at the University. This self-sufficient operation has an annual operating budget of approximately \$475,000. For purposes of this plan, the size of the center remains at approximately 60 children and the budget increases by

2.5% per year as prices increase to cover higher labor and material costs. The average annual amount for 2.5% salary increases (included below) is \$8,500. The current plan projects the center will be relocated within the PE building expansion and renovation project. If this occurs the center will become more integrated with the Graduate School of Education. Changes in the future could include an increased operating budget and possible student fee support. Neither increase is included in the projections at this time.

FISCAL YEAR	REVENUE	CUMULATIVE BALANCE	COMMENTS
2002	\$372,200	\$22,600	Actual
2003	\$475,000	\$40,000	Estimate
2004	\$490,000	\$50,000	2% inflation; 2.5% salary inc.
2005	\$505,000	\$60,000	2% inflation; 2.5% salary inc.
2006	\$520,000	\$70,000	2% inflation; 2.5% salary inc.
2007	\$535,000	\$80,000	2% inflation; 2.5% salary inc.
2008	\$550,000	\$90,000	2% inflation; 2.5% salary inc.

Facility Reserves: Good business practice as well as state guidelines require Auxiliary Enterprises to develop reserves for its facilities. As major repair and renovation needs become apparent, this fund will be available to correct these problems. The size of the facility reserve is related to the Commonwealth building maintenance formulas. The facilities that are currently accumulating reserves are the Student Union buildings, Johnson Center, Recreational Sports Complex, Patriot Center, Fairfax Aquatic Center, Housing, and the Center for the Arts. The FY 2004 budget provides for a Student Fee allocation for facility reserve allocation of \$950,000 as well as a Housing will have a self-generated contribution of \$1.0M. These various operations draw upon the facility reserve balances to fund specific major repair and renovation work. For purposes of this document, it is assumed that no funds are drawn from the accounts during the period. The facility reserve balance projections are as follows:

FACILITY	Actual Balance 6/30/02	Actual Balance 6/30/03	Actual Balance 6/30/04	Actual Balance 6/30/05	Actual Balance 6/30/06	Actual Balance 6/30/07	Actual Balance 6/30/08
Student Unions	\$564,411	\$732,411	\$932,411	\$1,132,411	\$1,332,411	\$1,532,411	\$1,732,411
Johnson Center	1,473,037	1,518,037	1,618,037	1,718,037	1,818,037	1,918,037	2,018,037
Rec Sports Complex	1,287,588	1,487,588	1,687,588	1,887,588	2,087,588	2,287,588	2,487,588
Fairfax Aquatic Center	207,830	357,830	507,830	657,830	807,830	957,830	1,107,830
Housing	1,592,622	2,617,173	2,817,919	3,245,266	3,723,844	3,959,992	4,084,559
Freedom Center	45,137	45,137	45,137	45,137	45,137	45,137	45,137
Patriot Center	1,967,481	2,072,481	2,222,481	2,372,481	2,522,481	2,672,481	2,822,481
Center for the Arts	149,526	274,526	424,526	574,526	724,526	874,526	1,024,526
Totals	\$7,287,632	\$9,105,183	\$10,255,929	\$11,633,276	\$13,061,854	\$14,248,002	\$15,322,569

University Services Central: This includes a variety of operations including the following cost centers: the Office of University Services, which provides general administrative direction and management support of various university programs; Indirect Cost, which is the money Auxiliary Enterprises pays to Educational & General for administrative support in such areas as accounting, human resources, purchasing, payroll, physical plant, etc., Safety Assistance Program, and the University Scholars Program. Interest income is the income

earned by the Auxiliary Enterprises on the cash balance being invested by the Commonwealth of Virginia. It is assumed that George Mason University will receive the interest income (100%) each year, effective FY 2005.

Office of University Services Administration: Provides central management oversight and guidance of most auxiliary enterprises including services such as Print Services, Student Unions, Johnson Center, Hemlock Overlook, and contracted services such as the Bookstore, Food Service, Mail Services, Parking Services, Patriot Center, Housing, etc. The office also collaborates with other university offices such as University Life, Academic Affairs, Operational Services, and Physical Plant on programs of common interest. Approximate total contract employees are 239 full-time, 375 part-time, and 156 student employees. The average annual amount for 2.5% salary increases for GMU employees (included below) is \$10,000.

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$431.0K	\$7.8K	\$438.8K
2003 estimate	398.8K	7.2K	\$406.0K
2004 estimate	471.0K	- 0 -	\$471.0K
2005 estimate	485.0K	- 0 -	\$485.0K
2006 estimate	500.0K	- 0 -	\$500.0K
2007 estimate	515.0K	- 0 -	\$515.0K
2008 estimate	530.0K	- 0 -	\$530.0K

All University Card Office/Photo ID: The All University Card Office (AUCS) provides management and administrative oversight for the Mason Money system and Photo ID. This operation is funded with Student Fees, revenue from passport photos and ID replacement, and a transfer from the Student Board Plan. During FY2002, a one-time increased transfer of \$219,000 was made from Student Board Plan for system software and hardware upgrades.

The AUCS budget will continue to be funded from self-generated revenue of \$17,100; student fees of \$191,300; and Board Plan transfer of \$91,100. Additional transfers from the Board Plan will be required to fund increases in the Envision licensing and maintenance fee outlined below. The warranty period (1 year) on the FY2002 acquisition expires 5/28/03. Operating funds are used to acquire approximately \$30,000 in small equipment purchases annually.

The Board Plan transfer helps cover the cost of salary & benefits (\$30,000); Envision licensing and maintenance fee (\$51,100), and credit card fees on Mason Money deposits (\$10,000). In FY 2006, additional funds will be transferred from the Board Plan to the Envision project to fund the acquisition of IP-addressable readers and teller machines linking all pay-for-print and on-glass copying to the Mason Money online system. The projected outlay will be \$250,000. Anticipating a one-year warranty on equipment, the Board Plan transfer to AUCS operations will increase by \$25,000 starting in FY2007, bringing the annual transfer to \$116,100. The average annual amount for 2.5% salary increases (included below) is \$5,000.

The projected AUCS budget through FY 2008 is as shown below:

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$191.3K	\$327.6K	\$518.9K
2003 estimate	191.3K	108.2K	\$299.5K
2004 estimate	191.3K	108.2K	\$299.5K
2005 estimate	200.0K	108.2K	\$308.2K
2006 estimate	207.0K	358.2K	\$565.2K
2007 estimate	215.0K	133.2K	\$348.2K
2008 estimate	230.0K	133.2K	\$363.2K

Indirect Cost: This is the payment made to Educational & General programs for the support services provided to Auxiliary Enterprises and is formula-driven, based on Commonwealth guidelines. This is funded using Auxiliary Enterprise interest income and student fee allocations. The current ratio is approximately 35% interest income and 65% student fees. Projected indirect cost estimate through FY 2008 is shown below.

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$1.6M	\$.7M	\$2.3M
2003 estimate	2.5M **	.8M	\$3.3M
2004 estimate	1.7M	.8M	\$2.5M
2005 estimate	1.7M	1.0M	\$2.7M
2006 estimate	1.8M	1.0M	\$2.8M
2007 estimate	1.9M	1.0M	\$2.9M
2008 estimate	2.0M	1.0M	\$3.0M

**** A one time allocation was made to Indirect Cost in FY 2003 to eliminate an accumulated deficit.**

Interest Income: Auxiliary Enterprise interest income is the interest earned on the locally generated funds that are held by the Commonwealth over the course of the year. Interest income for the 4th quarter of FY02 was retained by the Commonwealth. It is estimated that this will occur again in FY03. In all subsequent years it is projected that George Mason University will retain interest income for all twelve months of each fiscal year. The interest income estimates are as shown below:

FISCAL YEAR	INTEREST INCOME
2002 actual	\$700,223
2003 estimate	\$800,656
2004 estimate	\$800,000
2005 estimate	\$990,000
2006 estimate	\$1,000,000
2007 estimate	\$1,020,000
2008 estimate	\$1,040,000

Safety Assistance Program Services (SAPS): This program is managed by the University Police Department and includes the funding for a pedestrian escort service. This service is staffed with George Mason University students who escort anyone who wishes to be accompanied to their car, buses, classrooms and residences. In addition they oversee the various Call boxes on campus, buildings, and parking lots and bring to the attention of the Police any suspicious matter. This operation is responsible for making presentations to student groups and organizations on Campus Safety. Their modus operandi is on foot, by bicycle or by car. The average annual amount for 2.5% salary increases (included below) is \$1,000. The annual operating projections are as follows:

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$53.2K	\$4.6K	\$57.8K
2003 estimate	53.2K	- 0 -	\$53.2K
2004 estimate	53.2K	- 0 -	\$53.2K
2005 estimate	54.3K	- 0 -	\$54.3K
2006 estimate	55.4K	- 0 -	\$55.4K
2007 estimate	56.5K	- 0 -	\$56.5K
2008 estimate	57.6K	- 0 -	\$57.6K

University Scholars: The University is committed to attracting and admitting outstanding students and supporting them through merit scholarships. Several years ago the university embarked on programs with the anticipation of funding the scholarships from endowment funds generated from a capital campaign. The university does not have a direct source of funds to cover those scholarships. Over the last few years the program has been covered from various sources of revenues such as self-generated revenues from the beverage contract, miscellaneous commission, and student fee support. This program is administered by the Admissions Office and Provost's Office. The program has been restructured to a scholarship level of \$5,000 per student and 26 students admitted per year, or an average of 104 at any point in time. This program has not been expanded in recent years and is not projected to expand unless external funds can be generated to cover these scholarships. The annual operating budget is \$550,000. Of this total budget, \$470,000 is supported from Auxiliary Enterprises and \$80,000 is supported from Educational & General operations.

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$235.0K	\$163.8K	\$398.8K
2003 estimate	235.0K	205.0K	\$440.0K
2004 estimate	265.0K	205.0K	\$470.0K
2005 estimate	295.0K	205.0K	\$500.0K
2006 estimate	325.0K	205.0K	\$530.0K
2007 estimate	355.0K	205.0K	\$560.0K
2008 estimate	385.0K	205.0K	\$590.0K

Miscellaneous Summary:

The total projected budget for these miscellaneous and central Auxiliary Enterprise activities in FY 2004 is approximately \$6.2M

MISCELLANEOUS	
	FY 2004
Child Development Center	\$ 473,500
University Services Administration	459,600
Warehouse Rental/Debt Service	259,000
AUCS	310,400
Indirect Cost (Student Fee Portion)	1,900,000
Interest Income (Used to Fund Indirect Cost)	800,000
SAPS	53,200
University Scholars	470,000
SUBTOTAL	\$4,725,700
Annual Facility Reserve	950,000
AE Contribution to E&G Budget Reduction	2,350,000
TOTAL MISCELLANEOUS	\$8,025,700

These budgets are supported with \$6.2M of student fees and \$1.8M of other revenue. Below are the projected budget estimates through FY 2008 for these miscellaneous activities.

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$3.2M	\$3.1M	\$6.3M
2003 estimate	4.3M	2.6M	\$6.9M
2004 estimate	6.2M **	1.8M	\$8.0M
2005 estimate	3.6M	2.2M	\$5.8M
2006 estimate	3.8M	2.6M	\$6.4M
2007 estimate	3.9M	2.1M	\$6.0M
2008 estimate	4.0M	2.0M	\$6.0M

** In FY 2004, Auxiliary Enterprise Central Reserves will make a contribution to the Educational & General budget reduction effort. This contribution will be \$2.35M. It is expected to be a one-time contribution.

FINANCIAL SUMMARY AND PROJECTED ANNUAL FEE INCREASES

The current enrollment generates \$27,500,000 of student fee in FY 2003. With a projected student enrollment growth of approximately 250 FTE students per year, the student fee revenue will increase slightly less than \$300,000 per year each year.

In this plan, every operating budget within Auxiliary Enterprises has been increased 2% per year in terms of operating expenses. It is anticipated that the fee increase for FY 2004 will be \$42 or 3.00%. Also in FY 2004, Auxiliary Enterprise Central Reserves will make a contribution to the Educational & General budget reduction effort. This contribution will be \$2.35M. It is expected to be a one-time contribution. Student Fee increases for FY 2005 through FY 2008 are estimated at approximately \$24 per year. For a point of reference, a \$24 student fee rate increase will generate approximately \$500,000 per year. As can be seen from the table below, the compounding of any annual student fee increase is significant. The table below shows the impact of a \$24 annual increase, plus projected student enrollment growth.

FISCAL YEAR	ANNUAL INCREASE	ANNUAL FEE	STUDENT FEE REVENUE WITH \$24 ANNUAL FEE INCREASE
FY 2002 (actual)	\$24	\$1,372	\$25,333,700
FY 2003 (projected)	\$24	\$1,398	\$27,500,000
FY 2004 (projected)	\$42	\$1,440	\$28,841,000
FY 2005 (estimated)	\$24	\$1,464	\$29,620,800
FY 2006 (estimated)	\$24	\$1,488	\$30,410,500
FY 2007 (estimated)	\$24	\$1,512	\$31,210,000
FY 2008 (estimated)	\$24	\$1,536	\$32,019,300

The aggressive Auxiliary Enterprise six-year plan integrates increasing expectations from self-generating revenue activities. Self-generated revenue is projected to increase 60% from \$40M in FY 2001 to \$65M in FY 2008.

Based upon the previous financial projections, the Auxiliary Enterprise program budget is projected at \$99.6M in FY 2008. The student fee requirement in FY 2004 is \$28.4M and for FY 2008 is \$34.6M (see below).

AUXILIARY ENTERPRISES BUDGET PROJECTION, FY 2008			
ENTERPRISE	STUDENT FEES	OTHER REVENUE	TOTAL
Student Housing	\$0	\$21.9M	\$21.9M
Campus Access	0	7.2M	7.0M
Intercollegiate Athletics	7.5M	3.0M	10.5M
Recreational Facilities	7.0M	8.0M	15.0M
Unions/Johnson Center	5.3M	3.3M	8.6M
Student Health Services	2.3M	0.5M	2.8M
Center for the Arts	3.7M	2.2M	5.9M
University Life	2.9M	1.2M	4.1M
Print Services	0	2.0M	2.0M
Student Board Plan	0	7.6M	7.6M
Telecommunications	0	3.5M	3.5M
Computer Store	0	2.7M	2.7M
Indirect Cost	2.0M	1.0M	3.0M
Facility Reserves	1.0M	.0M	1.0M
Central Initiatives	1.5M	.0M	1.5M
Miscellaneous	1.4M	.9M	2.3M
TOTAL BUDGET	\$34.6M	\$65.0M	\$99.6M

CONCLUSION

The Auxiliary Enterprise program growth is estimated at 6% per year as student enrollment continues to increase and additional housing and parking is opened on all three campuses. The percent of the Auxiliary Enterprise budget supported by student fee drops from 37% in FY 2003 to 32.6% in FY 2008. This is consistent with one of the University's performance measures and should be expected since the major increases projected during these six years are generally not fee related (e.g. housing and parking growth).

In terms of the preliminary student fee requirement, the projected need of \$31.6M in FY 2008 represents a need for, on the average, an annual student fee increase of approximately \$24-\$30 per year. This increase would cover projected salary increases (2.5%); inflationary impact on non-personnel (2-3%) improved services and capital improvement projects. Non-recurring expenses, especially the retirement of debt service will be consistently reallocated to address other high priority auxiliary enterprise requirements. New programs or significant enhancements in overall student services associated with the increases in enrollment and the additional students on campus could require greater student fee increases.

TUITION AND FEES, FY 2004

The student have seen significant tuition increases as the State support has been reduced. The following table summarizes the results of a series of discussions on the topic of tuition increases.

**TOWN HALL MEETINGS WITH THE STUDENT
TOPIC: STUDENT TUITION & FEES**

**DATES: MARCH 19, 2003; APRIL 2, 2003; APRIL 3, 2003;
APRIL 14, 2003; APRIL 15, 2003**

Hosted by the Provost and/or Senior Vice President and held at different campus sites including an evening meeting in the residence halls. Attendance: 20 - 100 students. Summary of student comments:

- Concern over the frequency of the tuition increases – especially concerned if another tuition increase is forthcoming in the Spring, 2004. Perspective that continuing students had made financial plans for covering the costs of higher education based upon the rates when they initially enrolled. Surprises not good!
- How could they become more active as students if the state further reduces the state support provided to higher education? How can the State of Virginia just arbitrarily reduce the level of support to George Mason University? Isn't the appropriation to GMU a contract between the State and the University?
- Request that we do whatever possible to keep other increases (parking, student fees, etc.) to a minimum.
- Will current scholarships be adjusted to cover the increase? Yes. And will additional student financial aid be available? Yes.
- Could certain university life elements be improved (expanded food service, increased recreational areas, increased funding for student organizations)? Yes.
- Will these cutbacks cause a loss of high quality faculty and/or elimination of existing programs/schools or colleges?
- In terms of the competitive, higher education market both instate and out-of-state students repeatedly commented that George Mason University was a bargain and a value. However, they still wish they could personally avoid the tuition increases.

Tuition (Only) Increases

- State officials consistently provide legislative and executive guidance and direction on the issue of tuition. Direction on student fee is also occasionally given.
- Although only tuition is used to support the E&G program, students are charged a tuition and fee rate for each student credit hour. The student fee portion of the rate is used to support Auxiliary Enterprises while tuition supports E&G activities.
- The tuition increases for all other students is as shown below. These rates do not include the \$42.00 annual technology fee currently being charged all full-time students.
- Since students pay tuition & fees together as a package price, a table that shows tuition only is of limited value. State officials do review tuition only increases to ensure institutional compliance with legislative and executive branch guidance.

TUITION ONLY				
TYPE STUDENT	TUITION 2002-03	TUITION 2003-04	AMOUNT CHANGE	PERCENT INCREASE
In-State, Undergraduate	\$3,360.00	\$3,630.00	\$270.00	8.04%
In-State, Graduate	3,948.00	4,398.00	450.00	11.40%
Out-of-State Graduate	12,660.00	13,470.00	810.00	6.40%
Out-of-State Undergraduate	11,660.00	13,470.00	810.00	6.40%
In-State, Law	8,072.00	8,789.00	717.00	8.88%
Out-of-State, Law	18,181.00	18,939.00	758.00	4.17%

Tuition & Fee Rates

Most George Mason students do not reside on campus, and most students (85%) have an in-state domicile status. The table below illustrates the annual increase for tuition and fees for in-state, undergraduate students throughout the Commonwealth of Virginia. Additionally, the table shows the actual annual tuition and fee charge (\$5,112) at George Mason University as compared to the average price (\$5,126) within the state.

ANNUAL TUITION & FEE INCREASE, FY 2004 UNDERGRADUATE, IN-STATE STUDENTS					
RANK	INSTITUTION	2002-03	2003-04	INCREASE AMOUNT	% CHANGE
1	VMI	\$7,017	\$7,584	\$567	8.1%
2	William & Mary	5,852	6,430	578	9.9%
3	Longwood	5,305	5,877	572	10.8%
4	UVA	5,378	5,964	586	10.9%
5	GEORGE MASON	4,800	5,112	312	6.5%
6	Virginia Tech	4,736	5,095	359	7.6%
7	James Madison	4,628	5,058	430	9.3%
8	Old Dominion	4,625	4,928	303	6.6%
9	VCU	4,518	4,869	351	7.8%
10	Mary Washington	4,444	4,688	244	5.5%
11	CNU	4,072	4,598	526	12.9%
12	Univ of Va – Wise	4,244	4,496	252	5.9%
13	VSU	4,054	4,350	296	7.3%
14	Radford	3,844	4,140	296	7.7%
15	Norfolk State	3,296	3,840	544	16.5%
	AVERAGE	\$4,721	\$5,135	\$414	8.9%

Regional Tuition and Fees

The tables below illustrate the in-state and out-of-state tuition & fee rates for schools in the surrounding region.

Tuition and Fees Trends

In-state				Adjusted	
Institution	2000-01	2001-02	2002-03	2002-03	2003-04
George Washington University	25,040	26,170	27,790	27,790	
Georgetown University	24,168	25,425	26,544	26,544	
American University	21,399	22,116	23,068	23,068	
University of Pittsburgh, Main Campus	7,002	7,482	8,528	8,528	
Pennsylvania State	6,852	7,396	8,382	8,382	
Temple University	6,612	6,948	8,062	8,062	
Rutgers University	6,333	6,654	7,308	7,308	
University of Maryland	5,136	5,341	5,670	5,898	
University of Delaware	5,004	5,290	5,640	5,880	
George Mason University	3,768	3,792	4,416	4,800	5,112
University of North Carolina	2,768	3,277	3,856	3,856	
West Virginia University	2,836	2,948	3,240	3,240	

Out-of-State				Adjusted	
Institution	2000-01	2001-02	2002-03	2002-03	2003-04
George Washington University	25,040	26,170	27,790	27,790	
Georgetown University	24,168	25,425	26,544	26,544	
American University	21,399	22,116	23,068	23,068	
Pennsylvania State	14,394	15,522	17,610	17,610	
University of Pittsburgh, Main Campus	14,684	15,740	17,336	17,336	
University of Delaware	13,754	14,380	15,170	15,410	
University of North Carolina	11,934	13,269	15,140	15,140	
University of Maryland	12,668	13,413	14,434	15,100	
Temple University	12,322	12,712	14,316	14,316	
George Mason University	12,612	12,696	13,716	14,100	14,952
Rutgers University	11,511	12,092	13,284	13,284	
West Virginia University	8,362	8,832	9,710	9,710	

TOTAL PRICE INCREASE (TUITION, FEES, ROOM & BOARD)

The total price increase approved for 2003-04 at George Mason University for on-campus residential students (both in-state and out-of-state) is shown below with a comparison to other schools in the Commonwealth of Virginia.

TOTAL PRICE INCREASE IN-STATE	
INSTITUTION	FY04 % INCREASE
Virginia Commonwealth	12.89%
Norfolk State University	11.86%
Virginia Military Institute	10.01%
University of Virginia	8.92%
Christopher Newport Univ	8.41%
College of William & Mary	7.36%
Longwood College	6.67%
Virginia State University	6.26%
James Madison University	5.78%
Radford	5.54%
Old Dominion University	4.71%
GEORGE MASON UNIV	4.39%
Virginia Tech	4.21%
Mary Washington College	4.14%
Univ of Va - Wise	4.05%
AVERAGE	5.92%

TOTAL PRICE INCREASE OUT-OF-STATE	
INSTITUTION	FY04 % INCREASE
Virginia Commonwealth	12.70%
Norfolk State University	11.95%
Christopher Newport Univ	11.74%
James Madison University	9.32%
Univ of Va - Wise	8.77%
Radford	7.17%
Virginia Military Institute	6.99%
University of Virginia	6.80%
College of William & Mary	5.57%
Mary Washington College	5.07%
GEORGE MASON UNIV	5.05%
Longwood College	5.05%
Virginia State University	5.02%
Virginia Tech	3.74%
Old Dominion University	3.11%
AVERAGE	6.60%

GEORGE MASON UNIVERSITY ACADEMIC YEAR, 2003-04 TUITION & FEE RATES ANNUAL RATE				
	CURRENT 2002-03	APPROVED 2003-04	ANNUAL CHANGE	% CHANGE
IN-STATE UNDERGRADUATE:				
Tuition	\$3,360.00	\$3,630.00	\$270.00	
Technology Fee	42.00	42.00	0.00	
Fees	1,398.00	1,440.00	42.00	
Total	\$4,800.00	\$5,112.00	\$312.00	6.50%
IN-STATE GRADUATE:				
Tuition	\$3,948.00	\$4,398.00	\$450.00	
Technology Fee	42.00	42.00	0.00	
Fees	1,398.00	1,440.00	42.00	
Total	\$5,388.00	\$5,880.00	\$492.00	9.13%
OUT-OF-STATE:				
Tuition	\$12,660.00	\$13,470.00	\$810.00	
Technology Fee	42.00	42.00	0.00	
Fees	1,398.00	1,440.00	42.00	
Total	\$14,100.00	\$14,952.00	\$ 852.00	6.04%
LAW, IN-STATE:				
Tuition	\$8,072.00	\$8,789.00	\$ 717.00	
Technology Fee	42.00	42.00	0.00	
Fees	1,393.00	1,431.00	38.00	
Total	\$9,507.00	\$10,262.00	\$ 755.00	7.94%
LAW, OUT-OF-STATE				
Tuition	\$18,181.00	\$18,939.00	\$758.00	
Technology Fee	42.00	42.00	0.00	
Fees	1,393.00	1,431.00	38.00	
Total	\$19,616.00	\$20,412.00	\$796.00	4.06%

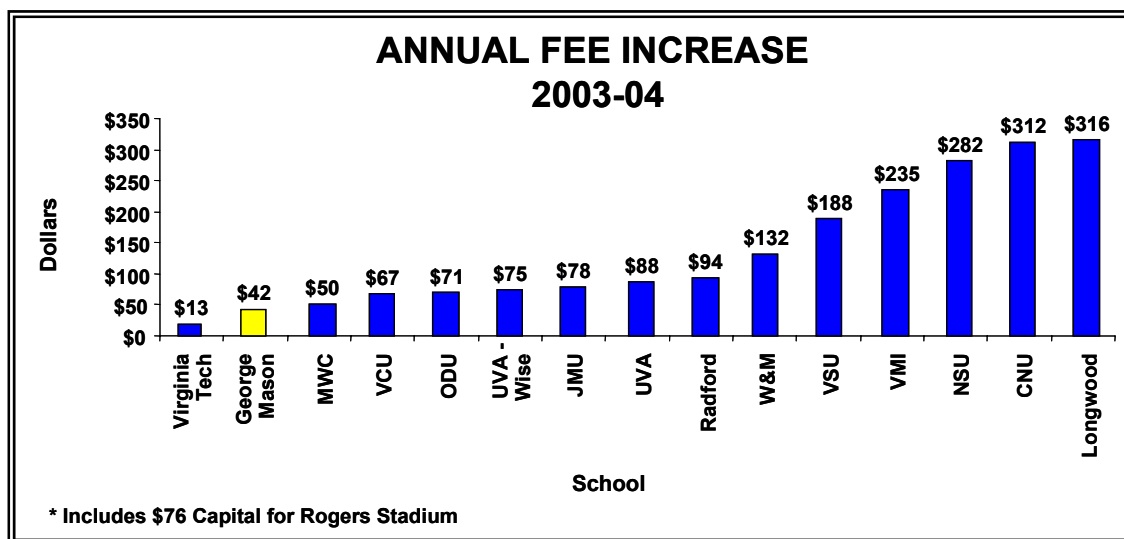
GEORGE MASON UNIVERSITY ACADEMIC YEAR, 2003-04 TUITION & FEE RATES HOURLY RATE				
	CURRENT 2002-03	APPROVED 2003-04	HOURLY CHANGE	% CHANGE
IN-STATE UNDERGRADUATE:				
Tuition	\$140.00	\$151.25	\$11.25	
Technology Fee	1.75	1.75	0.00	
Fees	58.25	60.00	1.75	
Total	\$200.00	\$213.00	\$13.00	6.50%
IN-STATE GRADUATE:				
Tuition	\$164.50	\$183.25	\$18.75	
Technology Fee	1.75	1.75	0.00	
Fees	58.25	60.00	1.75	
Total	\$224.50	\$245.00	\$20.50	9.13%
OUT-OF-STATE:				
Tuition	\$527.50	\$561.25	\$33.75	
Technology Fee	1.75	1.75	0.00	
Fees	58.25	60.00	1.75	
Total	\$587.50	\$623.00	\$35.50	6.04%
LAW, IN-STATE:				
Tuition	\$288.29	\$313.89	\$25.60	
Technology Fee	1.50	1.50	0.00	
Fees	49.75	51.11	1.36	
Total	\$339.54	\$366.50	\$26.96	7.94%
LAW, OUT-OF-STATE				
Tuition	\$649.32	\$676.39	\$27.07	
Technology Fee	1.50	1.50	0.00	
Fees	49.75	51.11	1.36	
Total	\$700.57	\$729.00	\$28.43	4.06%

Student Fee Increase

George Mason University approved a \$42.00 annual increase in student fee to generate \$800,000. This raises the annual student fee for full-time students from \$1,398 to \$1,440. Part-time students see a fee increase of \$1.75 per student credit hour from \$58.25 per student credit hour to \$60.00 per student credit hour.

Student Fee Increase – State Comparison

This \$42.00 per year increase represents a 3.00% increase over the FY 2003 student fee, which will be the second smallest student fee increase among all the state supported colleges and universities.



Total Student Fee – State Comparison

George Mason University's student fee stays at the level of the 11th position among fifteen state supported colleges and universities in FY 2003. In 1985 GMU had the fifth highest student fee among the colleges and universities.

ANNUAL STUDENT FEE, FY 2004		
<u>RANK</u>	SCHOOL	AMOUNT
1	Virginia Military Institute	\$3,692
2	Longwood	2,787
3	James Madison	2,638
4	William & Mary	2,620
5	Virginia State	2,462
6	Norfolk State	1,920
7	Old Dominion	1,913
8	University of Virginia – Wise	1,815
9	Christopher Newport	1,752
10	Radford	1,664
11	GEORGE MASON	1,440
12	Mary Washington	1,298
13	University of Virginia	1,269
14	Virginia Commonwealth	1,228
15	Virginia Tech	867
AVERAGE		
		\$1,958

STUDENT FEE, FY 2004 % Increase		
<u>RANK</u>	SCHOOL	% INCR
1	Christopher Newport	21.67%
2	Norfolk State	17.22%
3	Longwood	12.79%
4	Virginia State	8.27%
5	University of Virginia	7.45%
6	Virginia Military Institute	6.80%
7	Radford	5.99%
8	Virginia Commonwealth	5.77%
9	William & Mary	5.31%
10	University of Virginia - Wise	4.31%
11	Mary Washington College	4.01%
12	Old Dominion	3.85%
13	James Madison	3.05%
14	GEORGE MASON	3.00%
15	Virginia Tech	1.52%
AVERAGE		
		7.40%

Student Fee Increases – Five Year Trend/Comparison

Student fee increases are typically associated with the construction of revenue bond, student activity facilities or the introduction of expanded student activities/organizations. Since George Mason University has been retiring student fee funded facilities over the past few years, student fee increases at GMU since 1998 have been the lowest in the Commonwealth of Virginia (see below).

UNIVERSITY	AVERAGE ANNUAL STUDENT FEE INCREASE SINCE 1998
Virginia Tech	5.67%
University of Virginia	5.50%
Old Dominion University	4.59%
Virginia Commonwealth University	4.09%
College of William & Mary	3.72%
James Madison	3.25%
GEORGE MASON UNIVERSITY	1.52%
AVERAGE FOR ALL SCHOOLS	4.05%

The average annual student fee increase since 1998 of 1.52% for George Mason University is the lowest of all the Colleges and Universities.

ON-CAMPUS, RESIDENTIAL STUDENTS - TOTAL ANNUAL PRICE

Most on campus residential students are undergraduate students. The table below shows the actual total price for both FY 2003 and FY 2004 for both in-state and out-of-state residential undergraduate students. The total price includes tuition, fees, room and board. For in-state students, the annual price increase is \$472, while the out-of-state students will pay \$1,012 more in FY04.

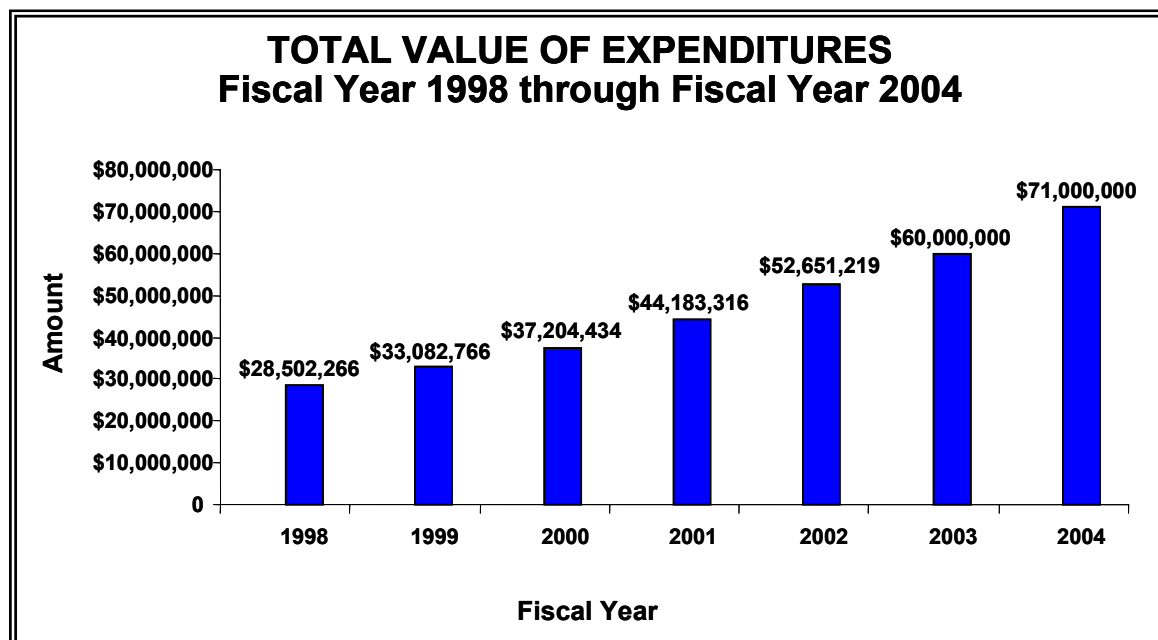
TOTAL COST COMPARISON FY 2003 & FY 2004			
IN-STATE, UNDERGRADUATE	FY 2003	FY 2004	INCREASE
Tuition	\$3,360 *	\$3,630	\$270
Fees	1,440	1,482	42
Room & Board	5,731	5,881	150
TOTAL	\$10,531	\$10,993	\$462
PERCENT INCREASE, FY 2004			4.39%

- Includes annualization of Spring 2003 surcharge

SPONSORED RESEARCH

BACKGROUND

George Mason University's sponsored research activity continues to be extremely strong. For the 2002-03 fiscal year, it is projected that the actual expenditures will total approximately \$60.0M. This is a 110% increase in expenditures when compared to FY 98, and a 36% increase when compared to FY 01. It is anticipated that for FY 04 the total expenditures will increase by another \$11.0M, up to \$71.0M.



George Mason continues to improve in ranking of research spending when compared to other universities. For total research spending, George Mason was number 162 in FY 01, as compared to number 173 in FY 2000. This represents a move up of 11 positions. For federal research spending, George Mason was number 140 in FY 01, as compared with number 151 in FY 00, also a move up of 11 positions. Federal research is research which is funded by the federal government directly.

When compared to the other institutions within Virginia for rankings in FY 01, see the following tables:

RANKINGS OF VIRGINIA INSTITUTIONS IN 2001		
INSTITUTION	TOTAL RESEARCH	FEDERAL RESEARCH
VA Tech	49	78
UVA	78	49
VCU	104	100
CWM	158	178
GMU	162	140
ODU	186	179
JMU	403	388

TOTAL RESEARCH EXPENDITURE GROWTH 1997 - 2001	
INSTITUTION	GROWTH %
GMU	72%
CWM	49%
ODU	33%
UVA	31%
VA Tech	27%
VCU	26%
ALL UNITED STATES	34%
TOP 100 SCHOOLS	36%

EXPENDITURES BY UNIT

Within the overall sponsored research activities, the units with the largest expenditures are the School of Information Technology & Engineering, the School of Computational Sciences, the College of Arts & Sciences, the School of Public Policy, the Graduate School of Education, and the School of Law. These schools make up 85% of the overall spending. Approximately 56% of the total expenditures are incurred within three units, the School of Information Technology & Engineering, the School of Computational Sciences, and the College of Arts and Sciences.

The research activity at the university generates indirect cost earnings to cover indirect and administrative costs resulting from the activity. It is projected that approximately \$9.0M will be earned from indirect. Of these total earnings, 30% is directed to the Educational & General program and the remaining 70% remains for research activity. Each unit retains 35% of the original indirect earned, and the remaining 35% provides support for other research activity. The units earning the largest amounts of indirect earnings are the School of Computational Sciences, the School of Information Technology & Engineering, the College of Arts & Sciences, and the School of Public Policy. These four units earn approximately 80% of the total indirect earned.

SPONSORED PROGRAMS EXPENDITURES 1999-00 THROUGH 2002-03					
TOTAL EXPENDITURES BY UNIT					
UNIT	1999-00	2000-01	2001-02	2002-03	% INCREASE FY 00 TO FY03
IT&E	\$8,142,584	\$10,517,560	\$12,398,465	\$11,725,053	44.0%
SCS	6,247,914	7,755,566	8,999,857	11,300,604	80.9%
CAS	6,740,545	7,444,183	10,407,336	11,003,455	63.2%
SPP	5,641,386	5,829,513	6,368,509	7,877,347	39.6%
GSE	4,095,938	5,575,232	6,399,788	5,632,173	37.5%
LAW	1,637,351	1,759,597	2,062,641	4,277,291	161.2%
KRASNOW	645,293	616,015	639,779	1,898,448	194.2%
CNHS	1,452,366	1,104,807	1,164,410	1,288,442	-11.3%
ICAR	249,687	340,243	315,993	372,688	49.3%
CVPA	190,613	117,749	81,685	119,635	-37.2%
SOM	88,117	71,812	143,376	108,277	22.9%
ACAD AD *	655,633	1,557,421	2,360,502	4,689,505	615.3%
ITU	1,135,706	1,158,999	1,029,045	1,158,601	2.0%
UNIV LIFE	279,511	306,159	272,367	184,092	-34.1%
OTHER	1,790	28,460	7,467	0	-100.0%
TOTAL	\$37,204,434	\$44,183,315	\$52,651,220	\$61,635,269	65.7%

* Includes OCPE and flow-through LUCITE funding from the National Security Agency. LUCITE is Local University Consortium for Information Technology Education

% OF TOTAL				
UNIT	1999-00	2000-01	2001-02	2002-03
IT&E	21.9%	23.8%	23.5%	19.0%
SCS	16.8%	17.6%	17.1%	18.3%
CAS	18.1%	16.8%	19.8%	17.9%
SPP	15.2%	13.2%	12.1%	12.8%
GSE	11.0%	12.6%	12.2%	9.1%
LAW	4.4%	4.0%	3.9%	6.9%
KRASNOW	1.7%	1.4%	1.2%	3.1%
CNHS	3.9%	2.5%	2.2%	2.1%
ICAR	0.7%	0.8%	0.6%	0.6%
CVPA	0.5%	0.3%	0.2%	0.2%
SOM	0.2%	0.2%	0.3%	0.2%
ACAD AD	1.8%	3.5%	4.5%	7.6%
ITU	3.1%	2.6%	2.0%	1.9%
UNIV LIFE	0.8%	0.7%	0.5%	0.3%
OTHER	0.0%	0.1%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

**TOTAL INDIRECT EARNINGS
1999-00 THROUGH 2002-03**

INDIRECT EARNED BY UNIT

UNIT	1999-00	2000-01	2001-02	PROJECTED 2002-03	% INCREASE FY 00 TO FY03
SCS	\$1,489,042	\$1,054,534	\$2,084,488	\$2,457,156	65.0%
IT&E	1,704,219	2,164,419	2,239,299	2,225,730	30.6%
CAS	843,160	1,004,690	1,201,601	1,442,640	71.1%
SPP	700,524	665,181	770,349	981,751	40.1%
LAW	39,943	164,339	146,608	784,892	1,865.0%
GSE	395,401	600,495	691,034	534,600	35.2%
KRASNOW	116,777	148,440	202,729	284,312	143.5%
CNHS	106,756	154,462	179,040	177,169	66.0%
ICAR	10,157	17,659	16,548	462	-95.5%
SOM	(9,379)	71	0	5,141	N/A
CVPA	11,511	2,647	299	0	N/A
ACAD ADM	518	0	8,430	15,917	N/A
ITU	0	560	1,024	2,707	N/A
UNIV LIFE	106	31	0	0	N/A
OTHER	5,829	4,963	10,086	0	N/A
TOTAL	\$5,414,564	\$5,982,491	\$7,551,535	\$8,912,477	64.6%

% OF TOTAL

UNIT	1999-00	2000-01	2001-02	2002-03
SCS	27.5%	17.6%	27.6%	27.6%
IT&E	31.5%	36.2%	29.7%	25.0%
CAS	15.6%	16.8%	15.9%	16.2%
SPP	12.9%	11.1%	10.2%	11.0%
LAW	0.7%	2.7%	1.9%	8.8%
GSE	7.3%	10.0%	9.2%	6.0%
KRASNOW	2.2%	2.5%	2.7%	3.2%
CNHS	2.0%	2.6%	2.4%	2.0%
ICAR	0.2%	0.3%	0.2%	0.0%
SOM	-0.2%	0.0%	0.0%	0.1%
CVPA	0.2%	0.0%	0.0%	0.0%
ACAD ADM	0.0%	0.0%	0.1%	0.2%
ITU	0.0%	0.0%	0.0%	0.0%
UNIV LIFE	0.0%	0.0%	0.0%	0.0%
OTHER	0.1%	0.1%	0.1%	0.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

**Budget
Highlights**

INDIRECT EARNINGS REVERTING TO E&G 1999-00 THROUGH 2002-03					
INDIRECT EARNED BY UNIT					
UNIT	1999-00	2000-01	2001-02	PROJECTED 2002-03	% INCREASE FY 00 TO FY03
SCS	\$446,713	\$316,360	\$625,346	\$737,147	65.0%
IT&E	511,266	649,326	671,790	667,719	30.6%
CAS	252,948	301,407	360,480	432,792	71.1%
SPP	210,157	199,554	231,105	294,525	40.1%
LAW	11,983	49,302	43,982	235,468	1,865.0%
GSE	118,620	180,149	207,310	160,380	35.2%
KRASNOW	35,033	44,532	60,819	85,294	143.5%
CNHS	32,027	46,339	53,712	53,151	66.0%
ICAR	3,047	5,298	4,964	139	-95.5%
SOM	(2,814)	21	0	1,542	N/A
CVPA	3,453	794	90	0	N/A
ACAD ADM	155	0	2,529	4,775	N/A
ITU	0	168	307	812	N/A
UNIV LIFE	32	9	0	0	N/A
OTHER	1,749	1,489	3,026	0	N/A
TOTAL	\$1,624,369	\$1,794,747	\$2,265,461	\$2,673,743	64.6%

% OF TOTAL				
UNIT	1999-00	2000-01	2001-02	2002-03
SCS	27.5%	17.6%	27.6%	27.6%
IT&E	31.5%	36.2%	29.7%	25.0%
CAS	15.6%	16.8%	15.9%	16.2%
SPP	12.9%	11.1%	10.2%	11.0%
LAW	0.7%	2.7%	1.9%	8.8%
GSE	7.3%	10.0%	9.2%	6.0%
KRASNOW	2.2%	2.5%	2.7%	3.2%
CNHS	2.0%	2.6%	2.4%	2.0%
ICAR	0.2%	0.3%	0.2%	0.0%
SOM	-0.2%	0.0%	0.0%	0.1%
CVPA	0.2%	0.0%	0.0%	0.0%
ACAD ADM	0.0%	0.0%	0.1%	0.2%
ITU	0.0%	0.0%	0.0%	0.0%
UNIV LIFE	0.0%	0.0%	0.0%	0.0%
OTHER	0.1%	0.1%	0.1%	0.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

CAPITAL OUTLAY

BACKGROUND

George Mason University has approximately 70% of the E&G space provided the other doctoral institutions in the Commonwealth of Virginia (see table below). Approved funding for the construction of new facilities at George Mason University should improve this situation in the near future.

DOCTORAL INSTITUTION	E&G SPACE PER FTE STUDENT
University of Virginia	115 s.f.
William & Mary	110 s.f.
VA Commonwealth Univ.	93 s.f.
Virginia Tech	88 s.f.
Old Dominion	70 s.f.
Doctoral Average	93 s.f.
GEORGE MASON	65 s.f.

PLANNED ACTIVITY, 2003-2004

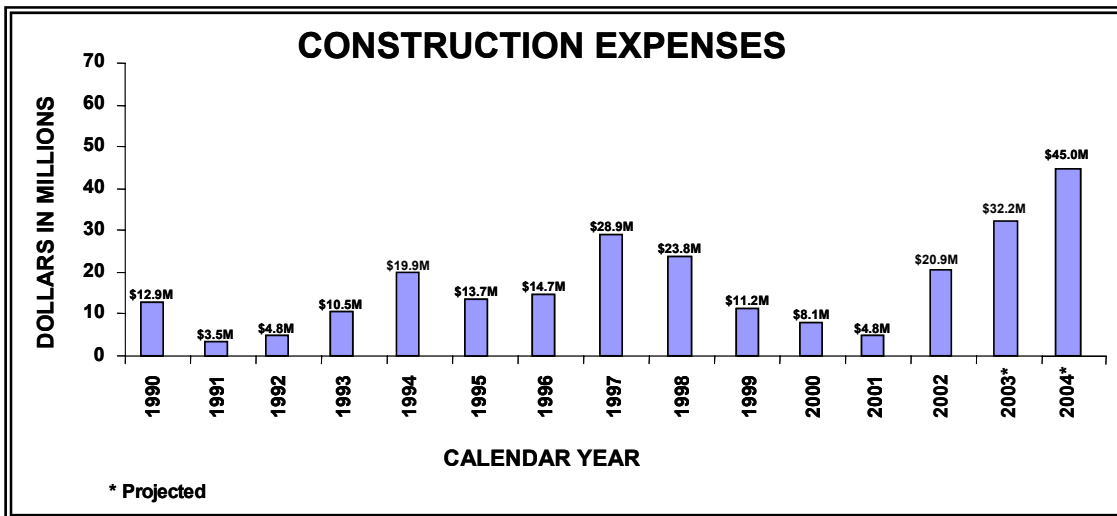
The University will open a new academic facility (Academic IV) and new housing space in the 2003-04 academic year. Some capital construction currently underway will continue into FY 2004, while other major capital outlay projects are due to begin during the 2003-2004 fiscal year. The following projects, which are currently approved will incur costs in FY04 as noted:

• HOUSING V, FAIRFAX	Construction	\$4.0M	NGF
• ACADEMIC IV, FAIRFAX	Furn & Equip	2.0M	GF
• PRINCE WILLIAM IIIA	Construction	11.0M	GF
• PRINCE WILLIAM IIIA (ETF)	Furn & Equip	4.5M	GF
• FAIRFAX RESEARCH I	Construction	3.9M	GF
• ACADEMIC V	Construction	1.6M	GF
• THOMPSON/WEST/POHICK	Renovation	0.8M	GF
• FAIRFAX PARKING DECK	Construction	9.0M	NGF
• FAIRFAX AQUATIC CENTER	Addition	1.5M	NGF
• STUDENT UNION	Renovation	0.2M	NGF
• MAINTENANCE RESERVE		0.6M	GF
• UTILITY INFRASTRUCTURE		2.2M	GF
• ADA		0.5M	GF
TOTAL		\$41.8M	

The following projects are currently in the General Obligation Bond (GOB) Funding approved through referendum voted on November 2002. The University anticipates that planning only expenses (\$2.7M) will be incurred on the following projects during 2003-04:

PROJECT	TYPE EXPENSE	PROJECTED FY04 EXPENSES
• ARLINGTON II	Planning	\$1.7M
• CONFLICT ANALYSIS	Planning	\$0.2M
• ACADEMIC V BUILDING	Planning	\$0.8M

The University expended more on capital projects in calendar year 2003 than in any year in the history of the University. The University anticipates spending an even greater level in 2004, with activity related to the General Obligation Bond support and other University facility development.



UPCOMING COMPLETION DATES

During FY 2004 or shortly thereafter, the following major Capital Outlay projects are scheduled for completion.

PROJECT	COMPLETION DATE
Prince William III-A	Summer 2004
Housing VI (GMUF)	Summer 2004
Fairfax, Parking Deck II	December 2004