



2004-2005 Budget Executive Summary

George Mason University

**George Mason University
Total Budget, 2004-2005
Executive Summary**

Table of Contents

BUDGET OVERVIEW	1
TOTAL UNIVERSITY BUDGET	2
REVENUE: ALL FUNDS – ALL SOURCES	3
OUTLAYS: ALL FUNDS – ALL USES	5
INSTITUTIONAL BUDGET PRIORITIES	8
ANNUAL BUDGET CHANGE.....	10
ENROLLMENT	13
STUDENT PROFILE	16
PRELIMINARY TUITION & FEE PROPOSAL	18
EDUCATIONAL & GENERAL	21
SOURCE OF FUNDS.....	22
BUDGET BY MAJOR UNITS (CHANGE HIGHLIGHTS)	28
USE OF FUNDS.....	52
BUDGET APPROVAL ACTION PAGE	60
PROGRAM PERFORMANCE MEASURES.....	61
AUXILIARY ENTERPRISES/SERVICE ENTERPRISES.....	65
SOURCE OF FUNDS.....	65
USE OF FUNDS.....	74
BUDGET APPROVAL ACTION PAGE.....	81
FINANCIAL PLAN (2008) BY UNIT.....	82
TUITION AND FEES	109
SPONSORED RESEARCH	121
CAPITAL OUTLAY	127

*Members of the George Mason University
Budget and Planning Team*

Dr. Lawrence Czarda

Dr. Joy Hughes

Ms. Donna Kidd

Dr. Karen Rosenblum

Dr. David Rossell

Dr. Maurice Scherrens

Dr. Linda Schwartzstein

Dr. Peter Stearns

Ms. Barbara Maddox

**GEORGE MASON UNIVERSITY
TOTAL BUDGET, 2004-2005**

BUDGET HIGHLIGHTS, 2004 - 2005

- Total FY 2005 University Budget \$483.2M, up 7.2% over FY 2004.
- Student enrollment will increase 1.4% from 21,200 FTE to 21,500 FTE. In terms of student headcount, George Mason University projects Fall 2004, student headcount of approximately 28,600.
- The Educational & General budget will increase by \$16.8M, or an annual increase of 7.6%.
 - General Fund support from the State for Educational & General (E&G) operations increases, \$8.0M.
 - Support from the State for Equipment Trust Fund increases, \$0.9M.
 - Faculty/staff salary increases have been approved for the 2004-05 fiscal year. The budget includes funding to support selected salary increases to address retention issues. Funding to support salary increases of 3% for administrative faculty, classified, and wages effective 11/25/04. Funding is budgeted to provide a 3% increase for part-time faculty and graduate assistants second semester of the academic year. The full-time faculty salary average overall will increase by 4.5%.
- Auxiliary Enterprises revenue in FY 2005 will increase by 2.3% in both fees and self-generated revenues.
- Tuition & Fees will increase 6.6% for in-state undergraduate students.
- Sponsored Research activity in FY 2005 will increase 10% as it reaches a GMU record spending level of \$76 million.
- Capital Outlay spending in FY 2005 will be approximately \$38.3M, the largest amount ever for GMU.

ANNUAL CHANGE: ALL PROGRAMS

This Executive Summary FY 2005 summarizes the Educational & General (E&G) and Auxiliary Enterprise budget plans for FY 2005. 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 2005 have been allocated. The total University budget for FY 2005 represents a 7.8% increase over the FY 2004 budget (see table below). The largest increases occur primarily in Capital Outlay and Sponsored Research.

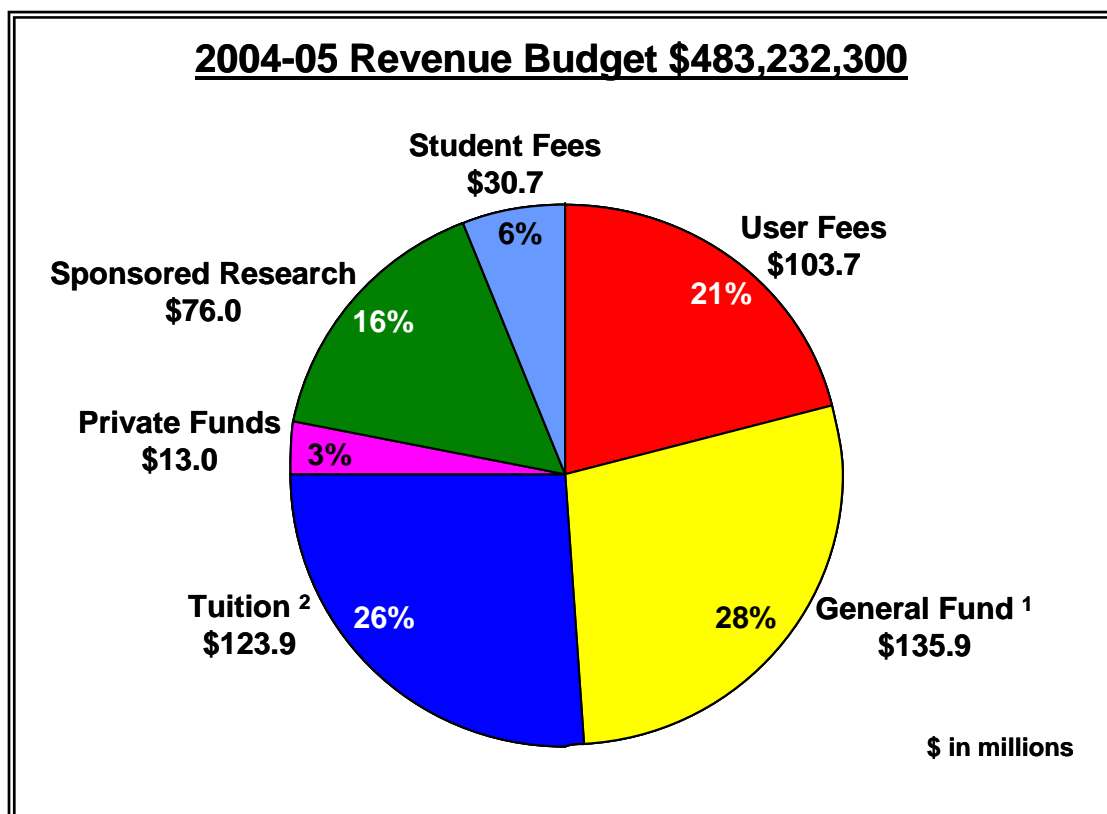
PROGRAM	ORIGINAL BUDGET FY 2003	ORIGINAL BUDGET FY 2004	REVISED BUDGET FY 2004	ORIGINAL BUDGET FY 2005	FY04 TO FY05 % CHANGE
Capital Outlay	32.2M	45.6M	33.9M	38.3M	13.2%
Sponsored Research	60.0M	71.0M	69.0M	76.0M	10.1%
Education & General	\$213.0M	\$222.4M	\$231.7M	\$249.5M	7.7%
Student Financial Aid	7.6M	8.7M	8.7M	9.3M	7.1%
Auxiliary Enterprises	100.1M	107.4M	107.7M	110.1M	2.3%
TOTAL	\$412.9M	\$455.1M	\$450.9M	\$483.2M	7.2%

TOTAL UNIVERSITY BUDGET, FY 2005

\$483.2M

REVENUE: ALL FUNDS – ALL SOURCES

The total 2004-2005 revenue budget for George Mason University (GMU) is projected to be \$483.2 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.



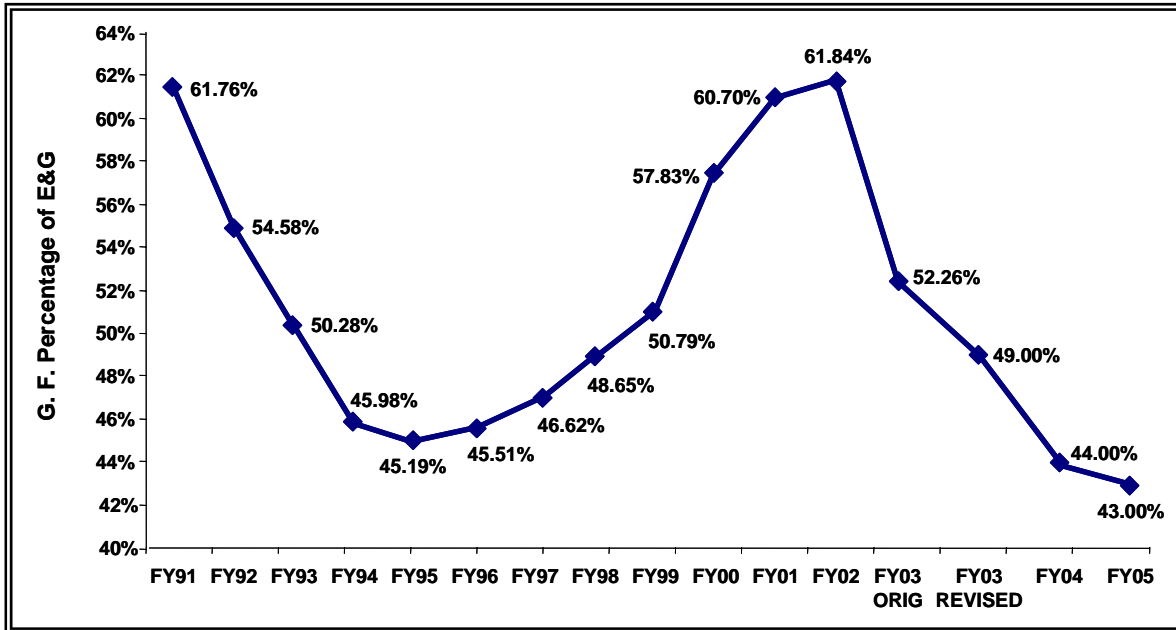
¹ Includes Educational & General (\$98.7M), Equipment Trust Fund (\$2.9M), State Financial Assistance (\$8.4M), Capital Outlay (\$25.0M) and Maintenance Reserve(\$0.9M).

² \$950,000 of tuition is set aside for Student Financial Aid

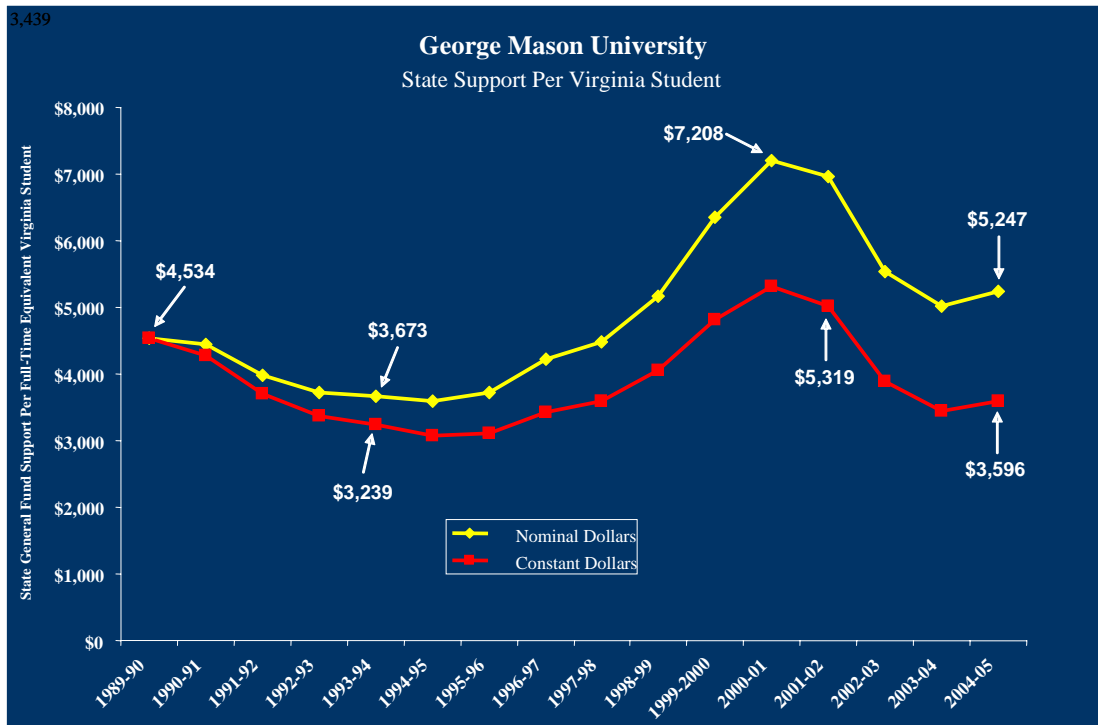
LOSS OF GENERAL FUND SUPPORT

During this time of increasing student demand, the Commonwealth of Virginia has not been in a position to provide much financial support to higher education to accept this increased enrollment. For George Mason University, in addition to receiving no General Fund (GF) for enrollment growth, the University has lost \$28 million of (GF) support from its base. General Fund support dropped from \$118 million in FY 2001 to \$90 million in FY 2004. General Fund support will increase to \$98.7 million in FY 2005.

Although the General Fund (GF) provides nearly 30% of the total operating funds of the University, this can be a misleading table since this GF amount includes capital projects and student financial aid. The GF support provided to GMU to fund the core E&G budget has dropped from over 60% to only slightly above 40% (see following table).

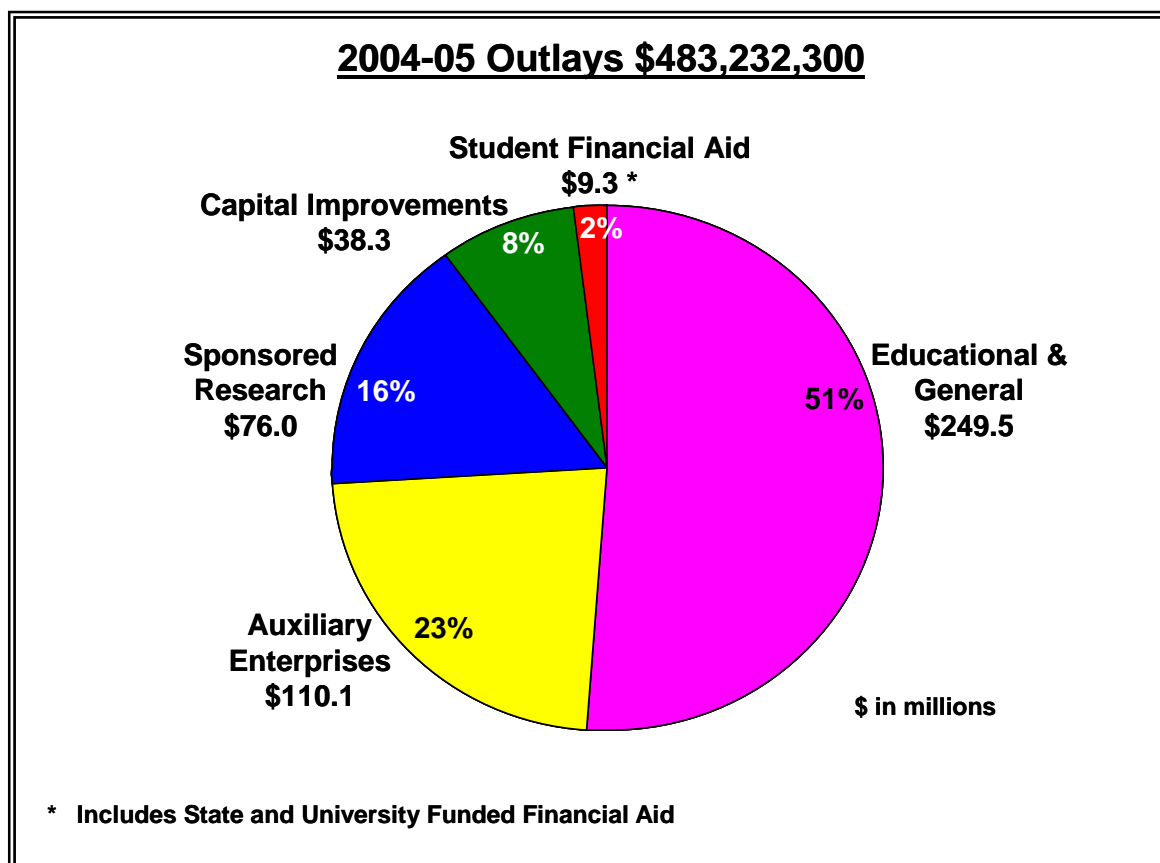


George Mason University had been receiving approximately \$7,200 of General Fund (GF) support for each Virginia student (FTE) prior to the GF budget reductions of FY 2002, FY 2003 and FY 2004; GMU received no GF support for the new 2,800 FTE students enrolled between FY 2001 – FY 2004. GMU now receives only \$5,200 per student (see below).



OUTLAYS: ALL FUNDS – ALL USES

The 2004-2005 spending plan is also established at \$483,232,300 since it is anticipated that all revenues will be expended for actual operating costs or be allocated to reserves for facility depreciation. Funds are expended within five programs.



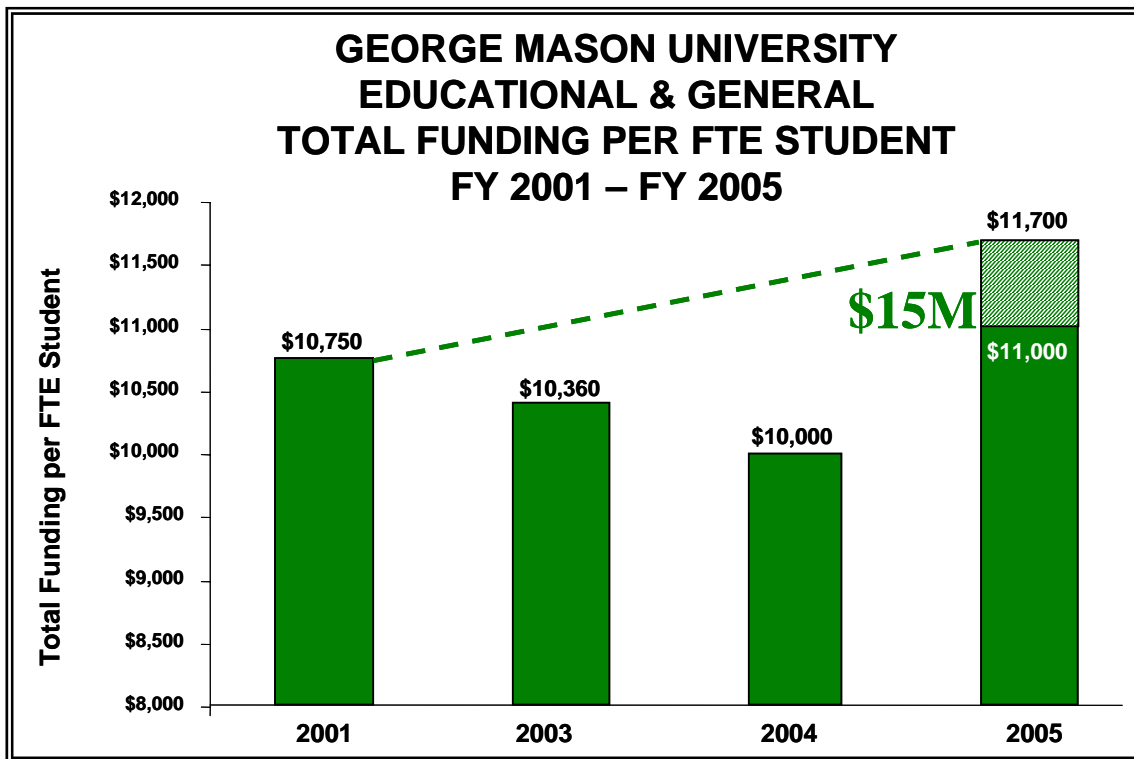
EDUCATIONAL & GENERAL

Since the General Fund support has been declining and the total E&G funds per FTE student in FY 2005 is \$23M less than the level of funding being provided in FY 2001 (see next page), the University has implemented/continued several budget reduction strategies. (See Page 15.)

BASE BUDGET ADEQUACY

TOTAL E&G FUNDS (THE \$15 MILLION PROBLEM)

With the State Appropriation and the proposed tuition and fee package for FY 2005, the total E&G funds available will be approximately \$11,000 per FTE student. The University operated with \$10,750 per FTE in FY 2001. Inflation alone would have increased this FY 2001 level of funding up to \$11,700 by FY 2005. This loss of funding on an enrollment of 21,500 FTE students is approximately \$15 million (see below).



Note: Since George Mason University was identified by the Joint Legislative Committee on Higher Education Funding in FY 2001 as being \$20 million underfunded, the base budget deficiency has more than doubled again since FY 2001.

MAJOR BUDGET REDUCTION STRATEGIES, FY 2002-2005

With eighty-one percent (81%) of the E&G operating budget dedicated to labor (salaries, wages and fringe benefits) the University could absorb the General Fund budget reductions and continue to operate effectively only if it substantially reduced the cost of personnel. The following strategies have been pursued:

OVERVIEW: George Mason University will operate the E&G budget in FY 2005 at approximately \$11,000 per FTE student, as compared to the FY 2001 E&G operation, which was \$10,750 per FTE student. Adjusting the FY 2001 rate for inflation alone, the cost per FTE student would be \$11,700. This difference, for a university with 21,500 FTE students, amounts to a loss of \$15 million after inflation. It clearly has been a result of student enrollment increases and no General Fund support. George Mason University will continue these budget strategies in FY 2005.

➤ **IMPROVED EFFICIENCIES & EFFECTIVENESS:**

- Accommodate the student enrollment growth of FY 2001 – FY 2005 with 250 fewer faculty and staff hired than the FY 2001 base budget GMU faculty/student ratio which was already considerably lower than the Virginia Doctoral Institution average.
- Continue to employ a higher percentage of adjunct faculty than totally desirable in several academic units.

➤ **RESTRUCTURING & POSITION ELIMINATION**

- Twenty three positions were eliminated and the individuals in the positions were terminated as a part of unit restructuring plan

➤ **REPRIORITIZATION/ELIMINATION OF ACTIVITIES**

- Campus units reallocated work, reprioritized objectives and terminated selected activities in an effort to meet the demands of greater numbers of students with less personnel. This strategy has resulted in 75-100 more forced vacancies than usual vacancy rate. Several positions have now been permanently abolished.

➤ **SELECTED NEW ALLOCATIONS**

- The highest institutional priorities – maintenance of funding for spires of academic excellence, enrollment growth funding in academic departments where necessary as well as the funding of unavoidable cost increases (e.g. Innovation Hall and Bull Run Hall operating costs, price escalators for library reference materials, software licenses, etc.) received incremental funding in FY 2004 and FY 2005.

SEE NEXT PAGE

INSTITUTIONAL PRIORITIES

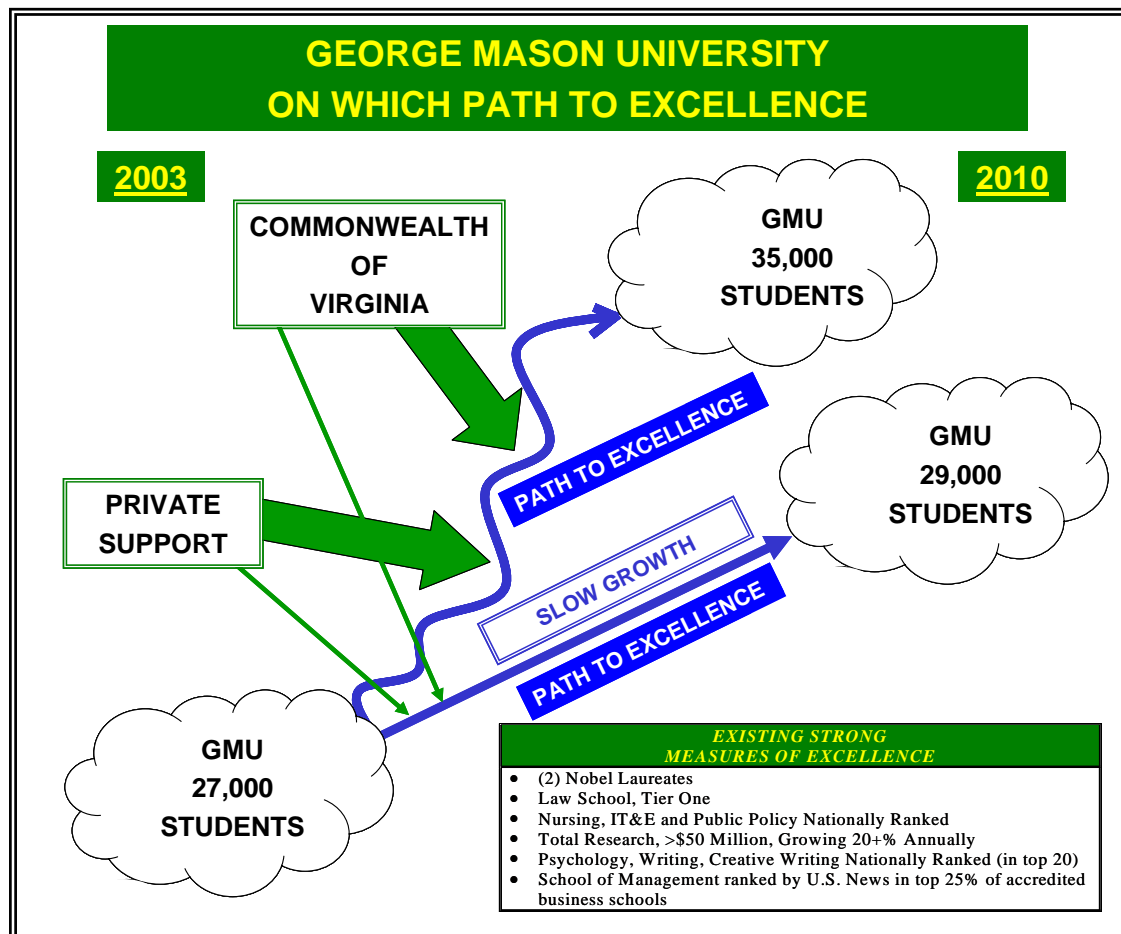
OVERALL EDUCATIONAL & GENERAL BUDGET STRATEGY

The Board of Visitors continued several institutional priorities of FY 2003 into FY 2004 when they had their annual planning session at Airlie in August 2003 (see below).

- **Preserving a Quality Institution in a time of fiscal constraint**
- **Capital Campaign**
- **Strategic Plan 2010**
- **Technology**
- **University Advancement**
- **Retention of Star Performers**
- **Communications and Marketing**

INSTITUTIONAL EXCELLENCE: WITH OR WITHOUT STUDENT ENROLLMENT GROWTH

The Board of Visitors remains committed to student enrollment growth, and has advised the President and his senior staff to continue to pursue with appropriate State officials creative solutions to providing increased access to these highly qualified Virginia high school graduates projected to be seeking post secondary education. The University remains hopeful that some type of resource commitment can be negotiated between the institution and the Commonwealth of Virginia to provide adequate state support for continued enrollment growth at George Mason University. Increased accessibility to higher education at a reasonable price to highly qualified Virginia high school graduates should remain a high priority for the Commonwealth of Virginia. George Mason University remains well positioned to be a part of the solution to this issue of increased access. However, the University is confident that it can become an institution of excellence under either a slow growth or more aggressive growth strategy (see below).



THE PROPOSED FY 2005 BUDGET IS BASED UPON THE SLOW STUDENT ENROLLMENT GROWTH MODEL (DETAILS FOLLOW)

An overarching theme of the planning session was the BOV's guidance and direction to the Administration to manage and allocate resources in such a manner to *"preserve a quality university in a time of financial constraints."* These priorities, as well as the overall BOV direction, guided the University in the development of the FY 2005 E&G budget.

Annual Change in E&G Budget

The budget for E&G in 2004-2005 is \$236,460,000, and this represents an increase of \$16.8M from the 2003-2004 E&G revised budget. The major revenue change within the source of funds is a projected increase in General Fund support for overall operations of approximately \$8.9M. This includes funding to annualize salary increases from FY04, provide partial support for Operations and Maintenance costs for the new Bull Run Hall facility at Prince William Campus,

and support other program enhancement. The remaining change in source of funds is the result of increased tuition revenue for increased enrollment and out-of-state students (\$1.7M), increased tuition rates (\$7.0M), a decreased non-mandatory transfer contribution from Auxiliary Enterprises (\$1.0M), increased indirect cost earnings from Sponsored Research (\$.2M), and increased general fund support for the Equipment Trust fund allocation.

The table below provides an overview of the \$16.8M change in E&G revenue, by revenue source and the allocation of these new resources by intended use. Restructuring and reprioritization will continue throughout the University as units determine how best to accommodate more students with fewer dollars per student.

GEORGE MASON UNIVERSITY E&G CHANGE IN FUNDING FY04 – FY05		
	<u>FY04</u>	<u>FY05</u>
TOTAL E&G BUDGET:	\$219,670,000	\$236,460,000
SOURCE OF FUNDS		
General Fund Support Base Operating, Enrl, Degree Compl, etc		\$4,500,900
General Fund Support for Salary Increases		1,402,700
General Fund Support for Prince William IIIA		437,500
General Fund Support for Equipment Trust Fund		876,000
Increased Enrollment 300 FTE		1,720,000
Increased Number of Out-of-State (150)		1,500,000
Tuition Increase of \$312 FY 2005		5,500,000
Non-general Fund Support from Course Fees/Grad Premium Tuition		1,862,200
Auxiliary Enterprise Contribution		-1,000,000
TOTAL NEW REVENUE		\$16,800,000
USE OF FUNDS		
Mandatory Cost Increases:		
• Salary Increase Annualize 11/25/03		1,800,000
• Salary Increase for FY05 (half of 3.00% incr) effective 11/25/04		1,700,000
• Salary Increase Additional 1.5% for Instructional Faculty (11/25)		900,000
• Salary Funds for FY05 (adjustments and retention)		500,000
• Prince William IIIA Operating (O&M and Programming)		1,400,000
• Additional Leased Space		400,000
• Contract Inflation and Utility Increases		850,000
• Enrollment Growth (funded from tuition revenue)		1,720,000
• Increase in Equipment Trust Fund		876,000
• Research Network		420,000
• Support for Financial Aid		200,000
• Support for Research		200,000
Subtotal		\$10,966,000
• Spires of Academic Excellence, Critical Support Infrastructure		5,834,000
INCREASED EXPENSES		\$16,800,000

EXPLANATION OF CHANGE IN FUNDING AND SPENDING

Annualize Salary Increase: Funding in the amount of \$1,800,000 is allocated to annualize the salary increases for faculty, staff, and wages on 11/25/03. Only partial year funding was allocated in FY04 and therefore additional funding is required to cover the full fiscal year cost of salary and benefit expenses related to the salary increases.

Salary Increase: Funding in the amount of \$1,700,000 is allocated to cover ½ of a 3.00% salary increase for faculty, staff and wages effective 11/25/04. This assumes that the State will provide the other half from General Fund support to cover the full funding required salary and benefit expenses. Additional funding is budgeted to provide an overall faculty salary increase of 4.5% for faculty.

Salary Adjustments: Funding in the amount of \$500,000 is allocated to cover the cost of salary and benefits for salary increases for special adjustment and retention situations. This funding will cover categories of permanent support staff (administrative faculty and classified).

Prince William IIIA New Facility: Funding is allocated to support the Operations & Maintenance and programming costs to operate the new Bull Run Hall at the Prince William Campus. Of the total funding, \$800,000 is allocated to support the Operations & Maintenance costs. Within that total, \$243,000 and 6.00 fte positions are allocated for maintenance staff, \$70,000 for housekeeping, \$382,000 for utilities, and \$105,000 to cover all other costs such as ground maintenance, waste management, fire protection and central plant. The remaining \$600,000 is allocated to support the operational and programming requirements for the facility. These include \$125,000 and 2.00 fte positions for additional Campus Police officers and security guards, \$365,000 and 4.50 fte positions for ITU to provide additional network and classroom technologies support, and \$110,000 to provide support for Enrollment Services (2.00 fte positions), and other general administrative support.

Additional Leased Space: The University will lease additional space within the Truland Building at the Arlington Campus, as well as additional space at Patriot Square in Fairfax. These two locations will combine for a total additional 15,000 square feet of space. These spaces will address some of the most pressing space needs as a result of the the University's growth in enrollment. Faculty and staff are being added at both campuses with no available space to meet the needs of these growing programs.

Contract Inflation and Utility Increases: Funding is allocated in the amount of \$850,000 to provide funds for inflationary costs for library reference materials (\$385,000), information technology contracts (\$115,000), housekeeping contracts (\$40,000), leased space contracts (\$35,000), mail services contract (\$15,000), and increased utilities expenses (\$260,000).

Enrollment Growth: Funding is allocated to academic and support units to provide instructional and service support to address the increased level of enrollment. The allocation of funds is covered by the additional tuition revenue to be generated. Approximately one-half of the allocation is for academic units and the remaining amount for support units.

Equipment Trust Fund: The University anticipates receiving an additional allocation for Equipment Trust Funds in FY 2005 in the amount of \$876,000. This will allow the University to restore some allocations reduced earlier for specific academic unit equipment, for replacing obsolete computer equipment, and for supporting equipment for new staff.

Support for Research: Funding is allocated to continue the support for the ICES group and Life Sciences activity.

Spires of Excellence, Base Operating Funds:

Academic Units: Funding is provided to maintain the quality of academic programs and take advantage of critical opportunities. Funding is allocated to support basic teaching needs (\$368,000) and discussion sections for large classes (\$150,000) within CAS; to support teaching needs in CNHS (\$86,000); to support adjunct salaries and additional faculty in IT&E (\$255,000); to provide support for SOM for additional faculty to address class size and accreditation issues (\$394,000); to fulfill ongoing commitments for faculty within SCS (\$200,000); to annualize an endowed chair position in ICAR (\$65,000); and to increase E&G support for the ICES group (\$150,000). (See Pages 38-52.)

Facilities/Physical Plant: Funding is allocated to provide additional staffing within Facilities to support the increased level of facility construction on campus (\$180,000); and to provide staffing and support for facility maintenance and upkeep within Physical Plant (\$554,000). (See Pages 59-61.)

Library: Funding is allocated to address the needs to serve effectively a growing student/faculty population, as well as meet the demands generated by increased University research activities. Funding in the amount of \$400,000 is provided for additional staff and salary supplements. (See Pages 53-54.)

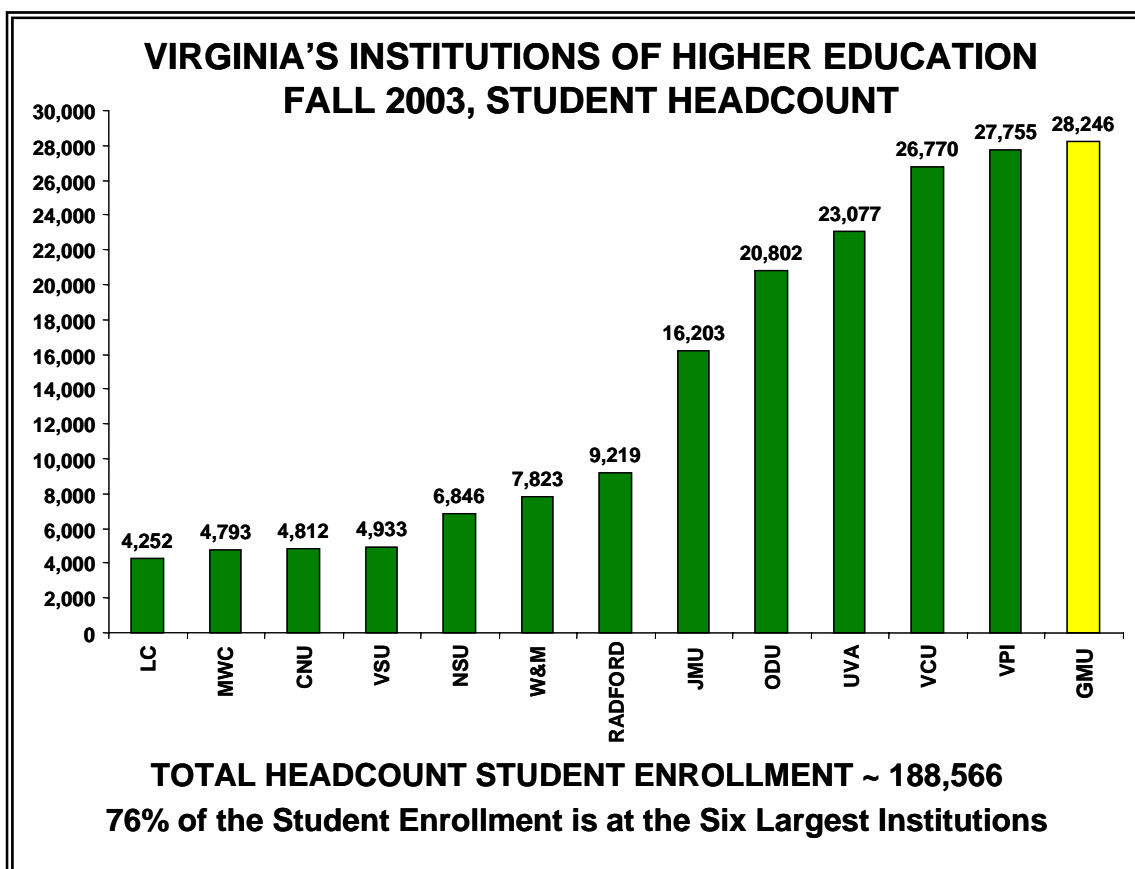
Institutional Support: Funding is allocated to address staffing levels within support units to effectively respond to both student enrollment growth and several areas in need of critical infrastructure and/or improved internal control support and compliance resources. This latter priority included resource allocations to Safety & Risk Management, Financial Reporting, Internal Audit, Campus Police, and Human Resources. Funding is provided to support positions and/or salary levels within Legal Services, Internal Audit, Fiscal Services, Human Resources, Budget, and Equity and Diversity Services. Funding is also provided to support implementation of the University's new visual identity. The allocations within this category total \$901,000. (See Pages 56-58.)

Safety/Security/IT: Funding increases will address needs related to improving safety and security on all campuses, improving cybersecurity, and responding to University growth. Funding is allocated for the Information Technology Unit to carry out the first phases of the security and network audit recommendations (\$400,000), to provide funds for additional staffing for Campus Police (\$80,000) and for additional staffing within the Safety Office (\$100,000). (See Pages 54-55.)

INSTITUTIONAL PROFILE

INSTITUTIONAL SIZE: STUDENT ENROLLMENT (HEADCOUNT)

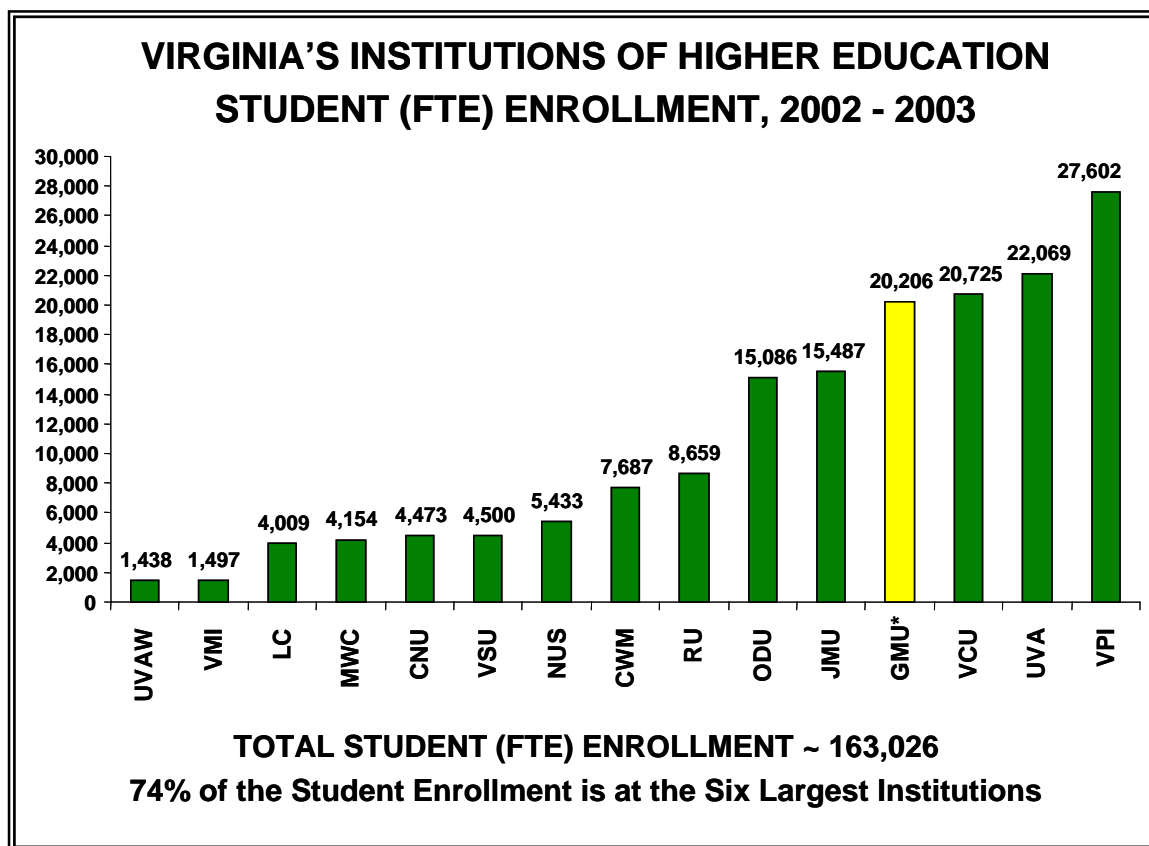
George Mason University became the largest university in the Commonwealth of Virginia in Fall 2003, with a headcount of 28,246 (see below).



FY 2005 Change: George Mason University anticipates a Fall 2004 student headcount of 28,600, which represents an increase of 1.5% over the Fall 2003 student headcount.

INSTITUTIONAL SIZE: STUDENT ENROLLMENT (FTE)

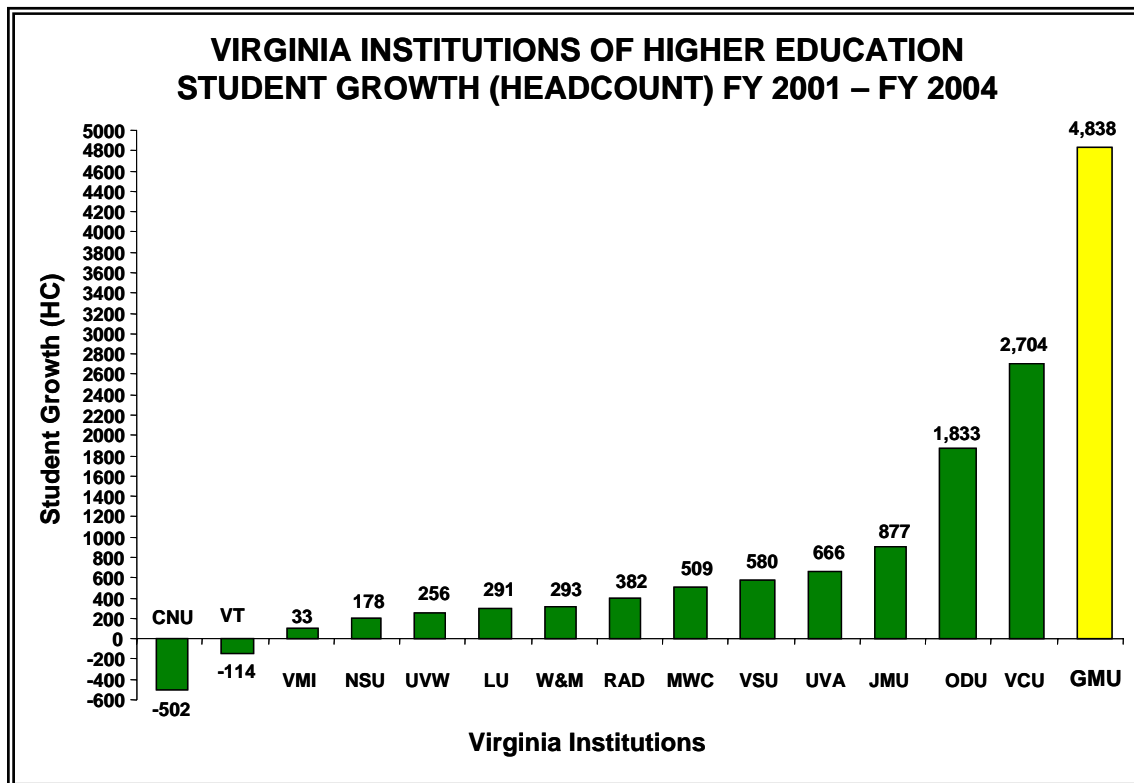
When looking at full time equivalent (FTE) enrollment, George Mason University is the fourth largest institution behind Virginia Tech, the University of Virginia, and Virginia Commonwealth University (see below).



FY 2005 Change: George Mason University projects an annual student FTE enrollment of 21,500 FTE during 2004-2005, which represents a 1.5% increase over the 21,200 projected FTE enrollment of 2003-2004, and 6.4% over the FY03 actual enrollment.

RECENT STUDENT ENROLLMENT GROWTH

George Mason University has continued, despite the severe General Fund budget reductions, to grow (approximately 4,800 students since 2001) in an effort to meet the increasing demand for higher education associated with the growing number of Virginia high school graduates. George Mason University has assumed 38% of the statewide enrollment growth accommodated in Virginia four-year institutions since FY 2001 (see below).



NEW STUDENT SELECTIVITY AND INSTITUTIONAL ATTRACTIVENESS

Student Quality: During this same time frame, George Mason University has become much more selective in its admission policies as evidenced by the sharp increase in both the SAT and GPA of incoming students. The second table illustrates the growing demand for higher education. First time freshmen applications for Fall 2004 are up about 3% over the previous year.

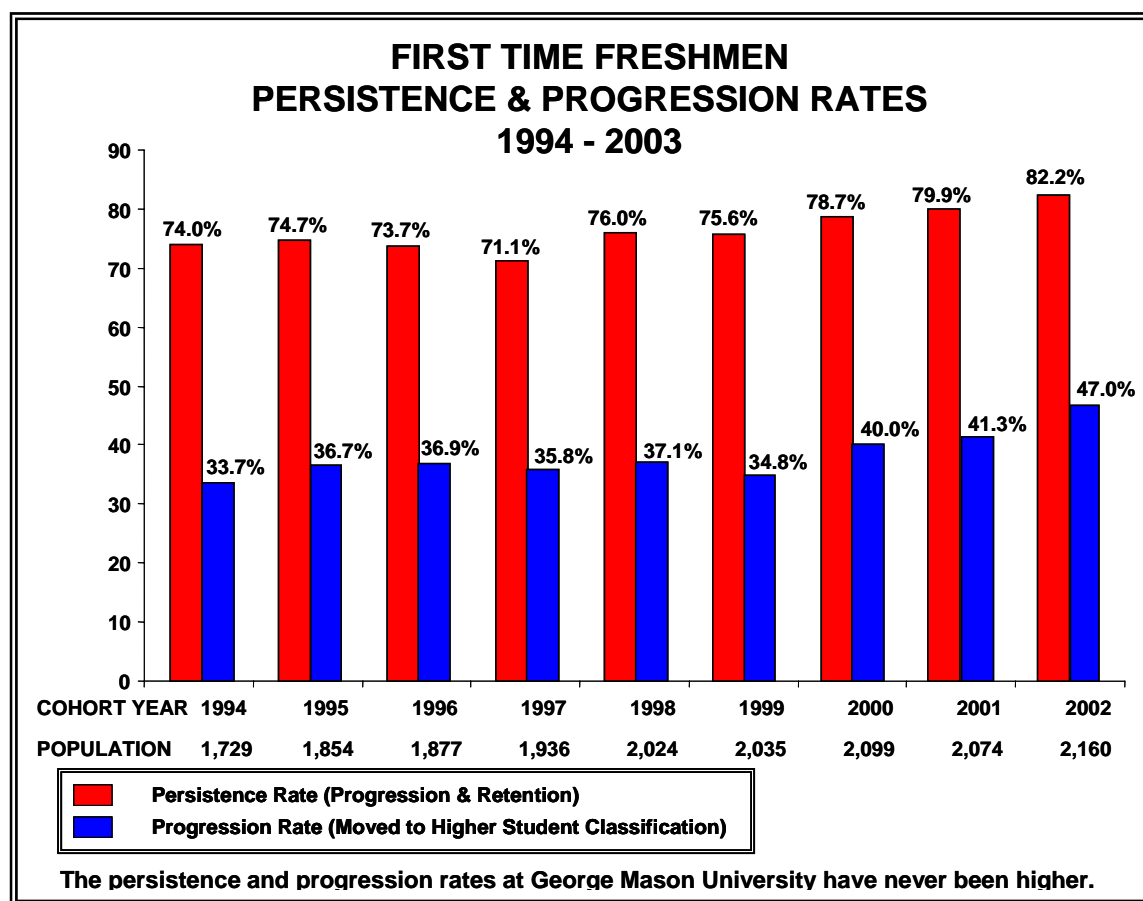
FIRST TIME FRESHMEN QUALITY INDICATOR TRENDS 2001 - 2004		
FRESHMEN APPLY	AVERAGE HS GPA	AVERAGE SAT
2001	3.08	1054
2002	3.12	1062
2003	3.19	1078
2004 Estimate	3.20	1086
FRESHMEN ADMIT	AVERAGE HS GPA	AVERAGE SAT
2001	3.28	1102
2002	3.33	1115
2003	3.43	1137
2004 Estimate	3.43	1130
FRESHMEN ENROLL	AVERAGE HS GPA	AVERAGE SAT
2001	3.20	1076
2002	3.26	1100
2003	3.30	1110
2004 Estimate	3.32	1110

	FALL 2001	FALL 2002	FALL 2003	FALL 2004*
Freshmen Applicants	8,107	8,845	9,763	10,094
Freshmen Admits	5,519	5,827	6,461	6,937
Freshmen Enrolled	2,147	2,225	2,251	2,275
Transfer Applicants	4,899	5,116	5,105	5,550
Transfer Admits	3,404	3,550	3,638	3,500
Transfer Enrolled	2,144	2,274	2,280	2,275
Graduate Applicants	4,486	6,233	6,394	n/a
Graduate Admits	2,830	3,985	4,112	n/a
Graduate Enrolled	1,767	2,553	2,599	n/a
Law Applicants	2,666	4,383	5,315	5,050
Law Admits	599	686	558	700
Law Enrolled	246	282	196	225

** Fall 2004 numbers are projected based on August 2004 information*

STUDENT RETENTION

Another very positive indicator of improved student quality and program excellence is the significant increase in student persistence and progression rates. This improved retention has also positively impacted student enrollment growth, since the number of students discontinuing their college education after their first year has been decreasing. These improvements exceed the target performance measures previously established and submitted to the Commonwealth of Virginia (see below).



TUITION CHANGES: FY 2001 – FY 2004

Since this paradigm shift in funding from the State to the student has resulted in sharp tuition and fee increases (including mid-year adjustments), it is often confusing when attempting to compare price increases at different institutions within the Commonwealth. The table below summarizes the tuition and fee rates at these state schools from FY 2001 to FY 2004. George Mason's actual rate and percentage increase over that time were at the average of all schools. (see below).

VIRGINIA COLLEGES & UNIVERSITIES ANNUAL IN-STATE, UNDERGRADUATE STUDENTS TUITION & FEE INCREASES FY 2001 – FY 2004						
SCHOOL	FY 2001	FY 2002	Adjusted FY 2003	FY 2004	\$ INCREASE FY01 – FY04	% INCREASE FY01 – FY04
CNU	\$3,096	\$3,152	\$4,072	\$4,600	\$1,504	48.5%
LONGWOOD	4,003	4,226	5,305	5,877	1,874	46.8%
MWC	3,246	3,336	4,444	4,688	1,442	44.4%
UVA	4,160	4,236	5,378	5,964	1,804	43.5%
RADFORD	2,950	3,069	3,844	4,140	1,190	40.3%
VA TECH	3,640	3,664	4,736	5,095	1,455	40.0%
W&M	4,687	4,780	5,852	6,430	1,743	37.2%
GMU	3,768	3,792	4,800	5,112	1,344	35.7%
UVA-WISE	3,330	3,470	4,244	4,496	1,166	35.0%
VSU	3,228	3,312	4,054	4,350	1,122	34.8%
VCU	3,650	3,675	4,518	4,869	1,219	33.4%
JMU	4,000	4,094	4,628	5,058	1,058	26.5%
ODU	3,931	4,023	4,625	4,928	997	25.4%
NSU	3,069	3,124	3,296	3,840	771	25.1%
VMI	6,148	6,294	7,017	7,584	1,436	23.4%
AVERAGE	\$3,794			\$5,135		36.0%

As a part of the FY 2005 E&G budget proposal, the University will increase tuition and fees by 6.6% or \$336 per year, which is one of the lowest predicted tuition and fee increases in the Commonwealth of Virginia. George Mason University had the 5th highest annual tuition and fee rate in FY 2004, and GMU will drop to the 7th highest rate in FY 2005.

VIRGINIA COLLEGES & UNIVERSITIES IN-STATE, UNDERGRADUATE STUDENTS ANNUAL TUITION & FEES				
SCHOOL	FY 2004	FY 2005	% CHANGE FY04 –FY05	CHANGE FY04 –FY05
VMI	\$7,584	\$8,054	6.2%	\$470
W&M	6,430	7,096	10.4%	666
UVA	5,964	6,600	10.7%	636
LONGWOOD	5,877	6,441	9.6%	564
VA TECH	5,095	5,838	14.6%	743
JMU	5,058	5,476	8.3%	418
GEORGE MASON	5,112	5,448	6.6%	336
CNU	4,598	5,314	15.5%	714
ODU	4,928	5,268	6.9%	340
MWC	4,688	5,127	9.4%	439
VCU	4,869	5,098	4.7%	229
UVA-WISE	4,496	4,782	6.4%	286
RADFORD	4,140	4,762	15.0%	622
VSU	4,350	4,544	4.5%	194
NSU	3,840	4,295	11.8%	455
AVERAGE	5,135	5,609	9.4%	

TOTAL PRICE TO STUDENT

In summary, with adoption of the proposed Educational & General and Auxiliary Enterprise operating budgets and the proposed tuition and fee rate increase, the total cost to attend George Mason University as a residential, in-state undergraduate student will increase by 3.8% (see below).

VIRGINIA COLLEGES & UNIVERSITIES IN-STATE, UNDERGRADUATE STUDENTS TUITION & FEE/ROOM & BOARD INCREASES, FY 2004 – FY 2005				
SCHOOL	FY 2004	FY 2005	\$ INCREASE FY04 – FY05	% INCREASE FY04 – FY05
VMI	\$12,850	\$13,528	\$678	5.3%
W&M	12,224	13,162	938	7.7%
UVA	11,555	12,560	1,005	8.7%
CNU	11,298	12,514	1,216	10.7%
VCU	11,592	12,018	426	3.7%
LONGWOOD	11,285	11,836	551	4.9%
JMU	11,024	11,592	568	5.2%
GEORGE MASON	10,993	11,489	496	4.5%
ODU	10,441	10,974	533	5.1%
MWC	10,166	10,871	705	6.9%
VSU	10,358	10,804	446	4.3%
RADFORD	9,800	10,648	848	8.7%
NSU	9,938	10,531	593	6.0%
UVA-WISE	9,861	10,390	529	5.4%
VA TECH	9,241	10,126	885	9.6%
AVERAGE	\$10,842	\$11,536	\$694	6.4%

James Madison University and George Mason University charge approximately the same (total price) to residential in-state undergraduate students. The total price at JMU and GMU place those two schools as 7th/8th highest price among the fifteen schools, at approximately the average annual total for all four year institutions.

EDUCATIONAL & GENERAL

PROGRAM DEFINITION

The Educational & General (E&G) program is the largest program within the University. The E&G budget represents 48% 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.

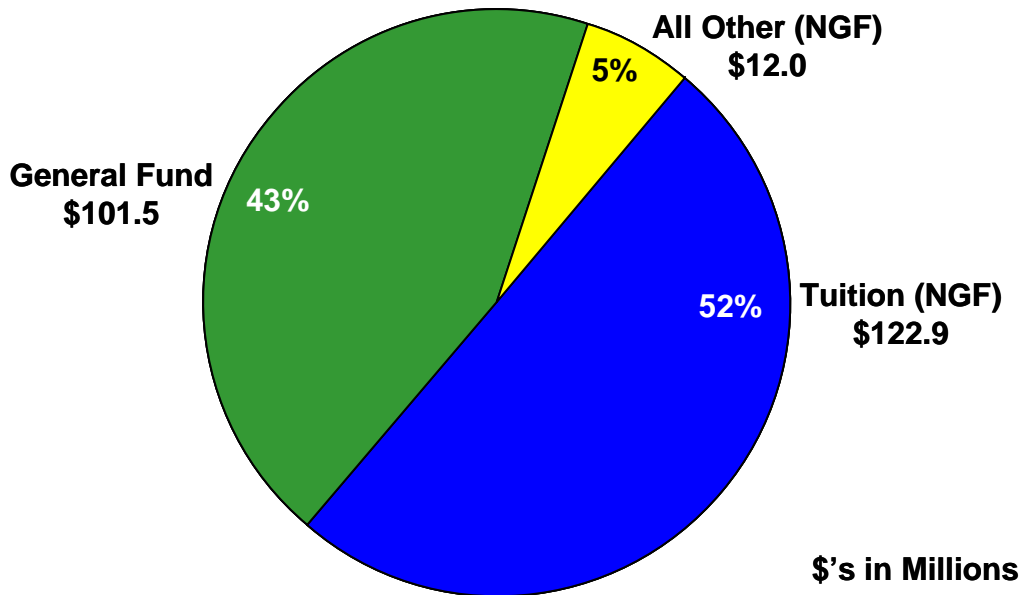
SUBPROGRAM	MAJOR ACTIVITIES
Instruction	Instructional faculty, departmental costs
Academic Support	Deans and Directors, school level costs
Libraries	Professional librarians, library reference materials
Technology	University computing – academic/administrative – new systems
Student Services	Registrar, 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 (excluding private funds) for FY 2005 are projected at \$236.5M which is approximately \$9.4M more than the revised FY 2004 budget of \$217.0M. The University will support a student enrollment of 21,500 FTE students in FY 2005 as compared to an original budgeted enrollment of 20,400 FTE in FY 2004 and an actual enrollment of 21,200.

In 2004-05, the General Fund will provide nearly 43% of the support of George Mason's E&G operation. Tuition and other sources of revenue will provide the remaining 57%. Over three years the General Fund percentage has decreased from 62% to 43%. 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 \$236,460,000



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 2005 fiscal year the University funding available is \$10,860 per fte student. This is made up of an average cost per fte student of \$6,000 for academic units, \$1,550 for academic support units, \$3,050 for all other non-academic units, and \$260 for central items to be allocated during the year. The overall funding per fte level compares to the actual funding available in FY 2001 of \$10,750. Since inflation alone would increase the FY 2001 level of funding up to \$11,700 per FTE in FY 2005, the University will operate in FY 2005 with substantially fewer dollars per FTE student. *(The FY 2005 E&G budget difference between continuation of FY 2001 level of funding and actual FY 2005 funding is approximately a loss of \$23 million.)*

Strength Of Student Applications/Enrollment

Freshmen applications have grown (2%) over last year, academic credentials are higher, and the University will attain the targeted projected enrollment for 2004-05 of 28,600 (headcount), or 21,500 FTE students. The entering class will reflect higher GPA's and higher SAT scores. The projected FY 2005 enrollment of 21,500 FTE represents an increase of 300 FTE, or 1.2% over the actual student enrollment of 21,200 in 2003-04. The 2003-04 actual enrollment of 21,200 was 800 FTE higher than the original target for FY 2004.

TOTAL ENROLLMENT PER YEAR							
	ACTUAL FY 2000	ACTUAL FY 2001	ACTUAL FY 2002	ACTUAL FY 2003	BUDGET FY 2004	ACTUAL FY 2004	TARGET FY 2005
ENROLLMENT	17,600	17,600	18,700	20,150	20,400	21,200	21,500

Annual Change in E&G Budget, FY 2004

The budget for E&G in 2004-2005 is \$236,460,000, and this represents an increase of \$19,400,000 from the 2003-2004 E&G budget.

GEORGE MASON UNIVERSITY CHANGE IN FUNDING & SPENDING FY04 – FY05		
	FY04	FY05
TOTAL E&G BUDGET:	\$219,670,000	\$236,460,000
SOURCE OF FUNDS		
General Fund Support Base Operating, Enrl, Degree Compl, etc		\$4,500,900
General Fund Support for Salary Increases		1,402,700
General Fund Support for Prince William IIIA		437,500
General Fund Support for Equipment Trust Fund		876,000
Increased Enrollment 300 FTE		1,720,000
Increased Number of Out-of-State (150)		1,500,000
Tuition Increase of \$312 FY 2005		5,500,000
Non-general Fund Support from Course Fees/Grad Premium Tuition		1,862,200
Auxiliary Enterprise Contribution		-1,000,000
TOTAL NEW REVENUE		\$16,800,000
USE OF FUNDS		
Mandatory Cost Increases:		
• Salary Increase Annualize 11/03		1,800,000
• Salary Increase for FY05 (half of 3.00% incr) effective 11/25/04		1,700,000
• Salary Increase Additional 1.5% for Instructional Faculty (11/25)		900,000
• Salary Funds for FY05 (adjustments and retention)		500,000
• Prince William IIIA Operating (O&M and Programming)		1,400,000
• Additional Leased Space		400,000
• Contract Inflation and Utility Increases		850,000
• Enrollment Growth (funded from tuition revenue)		1,720,000
• Increase in Equipment Trust Fund		876,000
• Research Network		420,000
• Support for Financial Aid		200,000
• Support for Research		200,000
Subtotal		\$10,966,000
• Spires of Excellence, Critical Support Infrastructure		5,834,000
INCREASED EXPENSES		\$16,800,000

Student Enrollment Growth

The enrollment targets for each academic unit total 21,500 FTE students, an increase of 300 fte students over the projected level of 21,200 for FY 2004. If the actual university-wide enrollment for FY 2005 exceeds 21,500 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.

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 2003-04 overall enrollment of 21,200 FTE students to the 21,500 FTE course enrollment target for 2004-05. 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.

As an interesting side note, this projected enrollment for FY 2005 is 1,100 FTE greater than the target for FY 2004, which was the basis for resource allocations in FY 2004. Although George Mason University only experienced marginal growth from 1996 through 2001, the enrollment growth of FY 2002 - FY 2005, which has resulted in an increase of nearly 4,000 FTE students, is similar to the significant growth years of 1988-1995.

Budget Focus & Priority

The allocation of funds in FY 2005 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	FY 2005
Instruction	53.23%	54.79%	55.30%	55.60%
Equipment Trust Fund	1.78%	1.00%	1.00%	1.20%
Library	6.33%	6.16%	6.10%	6.00%
Academic Support	5.54%	5.63%	5.10%	5.00%
Student Services	5.12%	5.50%	5.50%	5.40%
Technology	9.18%	8.58%	8.40%	8.60%
Institutional Support	10.64%	9.91%	8.90%	9.40%
Plant	7.96%	7.48%	8.30%	8.50%
Central	0.24%	0.95%	1.40%	0.30%
TOTAL	100.00%	100.00%	100.00%	100.00%

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

In the national comparison, there is a slight difference in the classification of program expenses, but GMU is far and away the institution allocating the greatest percentage of its E&G resources to instruction (see below).

RANK	SELECTED INSTITUTIONS	ACADEMIC BUDGET AS PERCENT OF BUDGET FY 02
1 st	GEORGE MASON UNIVERSITY	60.8%
4 th	University of Pittsburgh	53.8%
10 th	University of Cincinnati	50.0%
15 th	SUNY - Albany	48.0%
20 th	University of Kansas	40.9%
	PEER GROUP AVERAGE	51.1%

***Note:** FY 2002 is the most recent data available for Peer Institutions.*

Number of Academic Programs

George Mason University regularly reviews its academic offerings to restructure, merge, delete and add programs as needed. The following table highlights the newest programs added at GMU.

Although the George Mason University student enrollment approximates the peer group average, GMU offers only fifty-four 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 2003 ENROLLMENT	TOTAL DEGREE PROGRAMS OFFERED 2003*
Wayne State University	33,091	316
SUNY – Buffalo	27,255	347
University of Missouri, Kansas	14,244	303
Temple University	32,351	316
Syracuse University, Main Campus	18,604	283
University of Connecticut	26,156	195
University of Pittsburgh, Main Campus	33,792	376
University of Tennessee, Knoxville	24,798	266
University of Cincinnati	33,823	338
University of Oklahoma, Norman	24,500	230
University of Iowa	29,745	297
Western Michigan University	29,178	268
University of Kentucky	34,182	256
University of South Carolina, Columbia	25,288	241
University of South Florida	39,606	228
University of Rhode Island	14,791	227
University of Kansas, Main Campus	28,849	211
University of New Mexico, Main Campus	25,793	195
Georgia State University	28,170	200
SUNY – Albany	17,144	175
University of Utah	28,437	265
University of Louisville	21,089	164
University of Wisconsin, Milwaukee	23,000	147
Loyola University of Chicago	13,061	141
GEORGE MASON UNIVERSITY	28,246	137
AVERAGE	26,123	255

* 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 (FTE) BY COURSE REGISTRATION

Unit	2001-02 ACTUAL	2002-03 ACTUAL	2003-04 TARGET	2003-04 ACTUAL	% OF TOTAL	2004-05 TARGET	% OF TOTAL	2004-05 FACULTY	STUDENT RATIO 1:
College of Visual & Performing Arts	841	911	935	989	4.7%	1,060	4.9%	74.70	14.20
College of Arts & Sciences	9,368	9,761	9,905	10,196	48.1%	10,310	48.0%	608.32	16.95
School of Management	1,785	1,780	1,958	1,810	8.5%	1,933	9.0%	95.25	20.29
Institute for Conflict Analysis & Resolution	89	101	104	129	0.6%	129	0.6%	16.00	8.06
College of Education & Human Dev	1,573	1,735	1,820	2,075	9.8%	2,065	9.6%	129.23	15.98
School of Info Technology & Engineering	1,923	2,117	2,130	2,156	10.2%	2,190	10.2%	114.20	19.18
School of Law	605	662	620	621	2.9%	620	2.9%	48.55	12.77
College of Nursing & Health Science	517	598	610	677	3.2%	650	3.0%	69.45	9.36
School of Public Policy	297	338	341	436	2.1%	470	2.2%	44.97	10.45
School of Computational Sciences	78	110	110	127	0.6%	135	0.6%	35.87	3.76
Provost (Faculty incl Robinson Professors)			67	80	0.4%	38	0.2%	11.55	3.29
Other (ELI, Leave Replacement, etc.)								17.22	N/A
Sub-total Academic Units	17,076	17,826	18,600	19,296	91.0%	19,600	91.2%	1,265.31	15.49
Summer Term	1,660	1,890	1,800	1,904	9.0%	1,900	8.8%	88.00	21.59
TOTAL	18,736	20,150	20,400	21,200	100.0%	21,500	100.0%	1,353.31	15.89

Note: Enrollment totals include contract course

AREAS OF STUDENT ENROLLMENT GROWTH

ACTUAL, FY 2004		PROJECTED, FY 2005	
COLLEGE/SCHOOL	FTESGROWTH	COLLEGE/SCHOOL	FTESGROWTH
CAS	435	SOM	123
GSE	340	CAS	114
SPP	98	CVPA	71
NURSING	79	IT&E	34
CVPA	78	SPP	34
IT&E	39		
SOM	30		
ICAR	28		
SCS	17		

CHANGE IN ENROLLMENT FY 2002 – FY 2005

School of Comp Science	73%
Public Policy	59%
Conflict Analysis & Res	45%
Education	35%
Visual Perf Arts	26%
Nursing	26%
Info Tech & Eng	14%
Arts & Sciences	11%
Management	9%

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 \$11,000,000 in FY 2003), 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 16 departments, 10 programs and 1 college, which offer 28 bachelor's degrees, 19 master's degrees (including an MFA and an MPA), 8 doctoral degrees, and numerous certificates.

2000-01			2003-04			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
8,903	\$41,118,203	\$4,618	9,905	\$44,769,700	\$4,520	10,310	\$48,223,200	\$4,677

FY 05 Highlights

New funding is allocated in FY 2005 to support enrollment growth (\$925,000) as well as support for the Life Sciences initiatives (\$281,000) and the commitment to the College for restoration of previous reductions in the areas of staffing and basic teaching needs (\$368,000). The College is reviewing allocations to determine how many additional positions will be supported from the additional funds. The enrollment target for CAS for FY 2005 is 10,310, which although 405 course fte higher than the original FY 2004 target is only 114 course fte higher than the actual FY 2004 enrollment.

The FY05 Budget also includes \$1.17M allocated to cover the cost of the FY04 salary increase. The College will charge premium tuition rates for two graduate programs beginning in the Fall. The unit portion of the revenue projected for the MPA program and Biodefense programs is estimated at \$101,000 and will be used to enhance services to graduate students.

COLLEGE OF NURSING AND HEALTH SCIENCE (CNHS)

The College of Nursing and Health Science focuses on preparation of nurses, health systems management, and health science graduates to provide care, services, and leadership related to health and wellness. Faculty in the College have been recognized by the University and the State Council of Higher Education for excellence in teaching. The College's Center for Health Care Policy, Ethics, and Research has served as a vital force in national health care initiatives. The College has developed strong partnerships with regional and international agencies in several important areas:

1. Faculty from the College serve as research and educational consultants for community agencies;
2. Undergraduate, masters, and doctoral students provide service to clients through practice in Northern Virginia, Smith Island, Nicaragua, and Barbados, and many other regional, national, and international sites;
3. International students study in the College to gain specific knowledge and skills to enhance health care in their own countries.

These partnerships broaden and strengthen the College's academic programs and ensure relevance in the current health care climate. The College has consistently been ranked in the top 50 national programs by the U.S. News and World Report.

The College provides undergraduate and graduate programs. The college offers two undergraduate degrees, four 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			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
458	\$5,575,319	\$12,173	610	\$6,098,900	\$10,000	650	\$6,627,900	\$10,197

FY 05 Highlights

Funding is allocated in FY 2005 to support enrollment growth (\$186,000), of which \$86,000 is for budget reduction restoration. The funding will cover 2.00 additional faculty to support the enrollment. Funding is also provided for the Health Policy Center support (\$150,000) to cover a position supported from other sources of funds in FY 04. Enrollment target for CNHS for FY 2005 is 650 fte, which although 40 course fte higher than the original FY 2004 target, is 27 course fte less than the actual FY 2004 enrollment. Funding in the amount of \$115,000 is allocated to cover the cost of the FY 04 salary increases.

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

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 offers degree programs in Art and Visual Technology, Dance, Music, and Theater; 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 2007 CVPA projects over 2,000 majors. The Great Performances at Mason series saw a 12.5% increase in attendance and strengthened community support from the Friends of the Center for the Arts, whose numbers grew 48%. General student attendance at performances and exhibitions is strong and growing; some 22,000 students experienced the arts at GMU in 2002-03.

With increased size has come increased quality. Recognition has accelerated, with Mason students bringing home honors this past year 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 perform, direct, exhibit, and publish in professional venues regionally, nationally, and internationally.

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.

The college offers undergraduate degrees within four departments, as well as four masters degrees.

2000-01			2003-04			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
719	\$4,318,693	\$6,007	935	\$4,919,400	\$5,261	1,060	\$6,045,800	\$5,704

FY 05 Highlights

New funding is allocated in FY 2005 to support enrollment growth (\$312,500). This funding will allow the unit to cover additional full-time and part-time faculty to meet student demand. The enrollment target for CVPA for FY 2005 is 1,060 fte, which is 125 course fte higher than the original FY 2004 target and 71 course fte higher than the actual FY 2004 enrollment. Funding is provided to support development activities for the college (\$50,000). Funding is also allocated in the amount of \$113,00 to cover the FY 04 salary increases.

COLLEGE OF EDUCATION & HUMAN DEVELOPMENT (CEHD)

The College of Education & Human Development (CEHD) 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.

CEHD 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 CEHD'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 \$5.9M, a 48% increase over FY00.

The college offers undergraduate degrees in three major areas, as well as 7 masters degrees and 1 doctoral degree.

2000-01			2003-04			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
1,564	\$11,063,880	\$7,074	1,820	\$10,957,600	\$6,021	2,065	\$11,442,800	\$5,541

FY 05 Highlights

Funding is allocated in FY 2005 to restore budget reduction funding of \$150,000. The enrollment target for CEHD for FY 2005 is 2,065 fte, which is 245 higher than the original FY 2004 target and approximately the same as the actual FY 2004 enrollment. Funding will be added to the CEHD budget during 2004-05 as contract course revenue associated with the enrollment target is earned. Funding is also allocated in the amount of \$333,000 to cover the FY 04 salary increases.

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

INSTITUTE FOR CONFLICT ANALYSIS AND RESOLUTION (ICAR)

The Institute for Conflict Analysis and Resolution (ICAR), faculty and students are committed to the development of theory, research, and practice that interrupt, if not prevent cycles of violence, in the context of deep-rooted protracted conflict. ICAR is an innovative academic resource for people and institutions worldwide, providing research and training in conflict analysis and resolution across public and private sectors, nationally and globally.. ICAR is a Commonwealth Center for Excellence, recognized for its leadership in the field and its world-renowned faculty. Since September 11, 2001, ICAR has been called to provide training and services to help communities in the US respond to the trauma of terrorist events; it has also continued to provide training and research aimed to reduce ethnic/religious violence in multiple regions around the world. 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; 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:

- Globalization and Conflict
- Religion and Conflict
- Dynamics of Change in Conflict
- Reflective Practice

2000-01			2003-04			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
84	\$1,572,395	\$18,719	104	\$1,844,600	\$17,737	129	\$2,066,800	\$16,022

FY 05 Highlights

New funding is allocated in FY 2005 to annualize the salary and benefits for a new Endowed Chair hired 1/1/04 (\$63,000). Funding is also allocated to support enrollment growth (\$62,500), and for budget reduction restoration to support faculty hiring (\$35,000). The enrollment target for ICAR for FY 2005 is 129 fte, which is 25 course fte higher than the original FY 2004 target and the same as the actual FY 2004 enrollment. Funding is also allocated in the amount of \$44,000 to cover the FY 04 salary increases.

Budget Highlights

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

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.

2003 - 04 E&G BUDGET EXPENSE	2004 - 05 E&G BUDGET EXPENSE
\$401,000	\$423,000

FY 05 Highlights

New funding in FY 2005 (\$2,000) supports budget reduction restoration. Additional funding in the amount of \$20,000 is allocated to cover the cost of the FY 04 salary increases. Although the Institute does not get direct credit for any course 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.

SCS has witnessed a steady increase of funding (averaging 20% increase per year), students (similar amounts) and in the last year, a substantial increase of its faculty (at least 30%). The quality of our graduate students has also steadily increased, witnessing very competitive entering scores and grades. These changes have occurred not only because of heavy reliance on external funding which continues to grow (for example, most if not all of the new hires rely on substantial fraction of their FTE provided by grants & contracts) but also by prudently utilizing the State dollars graciously provided by central administration. In its growth, SCS has moved from 1 doctoral degree to 3 doctoral degrees and 3 M.S. degrees in the last year.

SCS is working with CAS to jointly offer two additional doctorates, one in neuroscience (also with the participation of the Krasnow Institute); and one in Physical, Chemical and Space Sciences. These proposals went to SCHEV this past fall. Moreover, with the support of the Provost, CAS will offer a new doctorate in mathematics; and SCS in geosciences, to be submitted

to SCHEV in spring 2004. CAS and SCS will assist each other in these degree offerings. These degrees will enhance the reputation and flexible GMU approach to education.

While continuing to conduct fundamental research, SCS is increasingly concentrating on new initiatives in applied research, such as a host of applications in homeland security (including a blast center), remote sensing and GIS applications, bioinformatics and biotechnology, space weather and solar physics. Key research areas with anticipated educational components include quantum computing and computational social sciences. Many of these projects and initiatives are done cooperatively with other units at GMU; as well as other universities in the Mid-Atlantic region.

Similar growth is anticipated in all above metrics in the next five years as we have recently witnessed. SCS is becoming a school of national and international reputation and we expect increased relationships with prestigious international institutions as well. SCS is the driving force for quality science research and education at GMU.

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.

2000-01			2003-04			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
70	\$3,501,156	\$50,017	110	\$3,713,900	\$33,763	135	\$4,433,400	\$32,840

FY 05 Highlights

New funding is allocated in FY 2005 to continue support for the commitment for faculty within the unit (\$200,000), for support for graduate stipends (\$26,000), and for enrollment growth support (\$62,500). The enrollment target for SCS for FY 2005 is 135 fte, which is 25 course fte higher than the original FY 2004 target and 8 course fte higher than the actual FY 2004 enrollment. Funding is also allocated in the amount of \$127,000 to cover the FY 04 salary increases.

As student enrollment has increased the school has created a critical mass student enrollment that has allowed its instructional cost per fte student to drop considerable over the past five years.

SCHOOL OF INFORMATION TECHNOLOGY AND ENGINEERING (IT&E)

Budget Highlights

The School of Information Technology and Engineering (IT&E) at George Mason University was established in 1985. 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 was also the first to offer a doctoral degree in information technology. Today, the School's programs cover the spectrum of IT education, from introductory courses in IT technology to cutting edge research at the doctoral level.

The school has developed strong partnerships with Northern Virginia IT companies in a number of important areas:

1. Faculty from the School are engaged as consultants with local industry.
2. Students (both graduate and undergraduate) work as interns at these companies and do so throughout the year.
3. Corporate employees are appointed as Adjunct Faculty to teach classes in the School

These partnerships broaden and strengthen the School's academic program and ensure that classes are current and relevant. Over 50 senior-level executives serve on the School's Advisory Board. IT&E's academic programs are additionally enhanced by a strong research program that generated more than \$11 million in expenditures in FY03.

School enrollment has shown steady increases, reaching more than 4,154 students in Fall 2003. 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, enrollment in the B.S. in Information Technology has reached over 500 and M.S. in Telecommunications has reached 300.

2000-01			2003-04			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
1,649	\$13,453,921	\$8,159	2,130	\$14,275,400	\$6,702	2,190	\$15,738,300	\$7,186

FY 05 Highlights

Additional funding in FY 2005 includes an allocation to restore previous budget reductions (\$200,000), support for additional faculty (\$50,000), and funding for enrollment growth (\$85,000). Funding will support 2-3 additional faculty to support student demand. The enrollment target for IT&E for FY 2005 is 2,190 fte, which is 60 fte higher than the original FY 2004 target and 34 course fte higher than the actual FY 2004 enrollment. Funding is also allocated in the amount of \$347,000 to cover the FY 04 salary increases.

The School will charge premium tuition rates for its graduate programs beginning in the Fall. The unit portion of the revenue projected for these programs is estimated at \$152,000 and will be used to enhance services to graduate students.

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

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 2004, the law school ranked 38th 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.

2000-01			2003-04			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
566	\$9,613,583	\$16,985	620	\$10,371,000	\$16,728	620	\$10,901,800	\$17,584

FY 05 Highlights

Funding is allocated in FY 2005 for additional support for the ICES group (\$150,000) and for restoration of previous budget reductions (\$64,000). This will allow additional faculty to be supported from E&G funding. The enrollment target for Law for FY 2005 is 620 fte, which is the same level as the original FY 2004 target and approximately the same as the actual FY 2004 enrollment. Funding is allocated in the amount of \$217,000 to cover the FY 04 salary increases.

SCHOOL OF MANAGEMENT (SOM)

The School of Management (SOM) has provided high quality business education to the region since 1972. SOM is fully engaged with the regional business community, graduating highly qualified students as employees, producing research that informs business policy and operations, and providing venues for the region's business leaders to work with our students in the classroom and to learn from each other. This flourishing relationship with the business community has also lead to increased financial support for SOM.

SOM is one of only 161 schools in the nation with both business and accounting programs fully accredited by the Association to Advance Collegiate Schools of Business (AACSB) International. SOM is currently ranked 83rd of 408 undergraduate AACSB accredited business schools by *US News and World Report*, placing SOM in the top 20% of accredited business programs.

The SOM faculty, expert on topics such as executive compensation, effects of insider trading on stock prices and e-commerce, brings both theoretical and applied expertise to the classroom. Nearly one-third of the faculty is bi-lingual. Faculty members have provided expert testimony before nearly every federal agency and have served as consultants to organizations such as NASDAQ, the FDIC and the Department of Defense. SOM is one of the most efficient teaching units in GMU, delivering the highest ratio of students to faculty and the third lowest cost per student.

Among recent initiatives, SOM launched an M.S. program in Bioscience Management, the first of its kind in Virginia and one of only 15 programs nationwide. SOM also met a regional need through the accounting certificate program, which enables individuals to qualify for the CPA examination in Virginia. SOM communicates regularly with its 15,000 alumni, most of whom live and work in the greater Washington metropolitan area, via the SOMTIMES and other media.

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

2000-01			2003-04			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
1,787	\$10,527,942	\$5,891	1,958	\$10,887,000	\$5,560	1,933	\$11,650,000	\$6,027

FY 05 Highlights

Funding is allocated in FY 2005 for the School to cover previous budget reductions and allow the unit to fill three positions to support spires of excellence faculty (\$394,000). The enrollment target for SOM for FY 2005 is 1,933 fte, which is 25 course fte lower than the original FY 2004 target and 123 course fte higher than the actual FY 2004 enrollment. Funding is allocated in the amount of \$238,000 to cover the FY 04 salary increases.

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. In 2000, the Board of Visitors changed the status of TIPP to the School of Public Policy (SPP).

The school is the home to one of the nation's largest doctoral programs in public policy. Five of its faculty hold endowed chairs, four are University Professors and four are member of the National Academy of Public Administration. For the Fall 2003 semester, applications for admissions increased by over 40% and enrollment increased over 30% from the previous year.

In addition to its academic programs listed below, SPP is one of the major research units of the university. SPP's research activities are carried out through its eight research centers. In the most recent ranking by the National Science Foundation of research expenditures by discipline, SPP ranked 3rd in expenditures from federal sources. The school supports over 30 graduate research assistants.

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			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
225	\$5,166,266	\$22,961	341	\$5,674,600	\$16,641	470	\$6,973,500	\$14,837

FY 05 Highlights

New funding is allocated in FY 2005 to annualize partial support provided in FY 2004 for two additional faculty support (\$150,000). Funding is also allocated to support enrollment growth (\$310,000) within the School. The enrollment target for SPP for FY 2005 is 470 fte, which is 129 course fte greater than the original FY 2004 target and 43 course fte lower than the actual FY 2004 enrollment. Funding in the amount of \$174,000 is allocated to cover the FY 04 salary increases.

The School will charge premium tuition rates for its graduate programs beginning in the Fall. The unit portion of the revenue projected for these programs is estimated at \$556,000 and will be used to hire additional staff, fund additional financial aid and enhance services overall for the School's students.

Budget Highlights

SUMMER TERM

George Mason University achieves a significant student enrollment during its summer term sessions. 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 12,200 students for the 2004 summer term. This headcount will generate approximately 2,150 FTE student enrollment, of which 250 FTE are from contract activity.

2003 SUMMER HEADCOUNT ENROLLMENT (ON AND OFF CAMPUS) FROM SELECTED VIRGINIA INSTITUTIONS	
George Mason University	12,063
Old Dominion University	11,071
Virginia Commonwealth University	10,169
University of Virginia	7,985
Virginia Tech	7,435
James Madison University	5,206
William & Mary	1,803

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.

Actual student enrollment has increased 23% over these four years. Unlike regular session (academic year) student enrollment, the costs associated with the summer enrollment are almost exclusively limited to the instructional costs of the teaching faculty (salaries and fringe benefits).

2000-01			2003-04			2004-05		
FTES COURSE ENRLMNT	E&G ACTUAL EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
1,551	\$3,250,952	\$2,096	1,800	\$4,012,000	\$2,229	1,900	\$4,345,200	\$2,287

FY 05 Highlights

New funding is allocated in FY 2005 for additional faculty support (\$333,200). This funding covers three additional faculty fte, as well as funding to cover the salary increase of 2.25% received by full-time faculty in FY 04. The enrollment target for Summer Term for FY 2005 is 1,900 fte, which is 100 course fte greater than the original FY 2004 target and approximately the same as the actual FY 2004 enrollment.

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

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.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE	2004 - 05 E&G BUDGET EXPENSE
\$3,024,800	\$3,442,100	\$3,592,000

FY 05 Highlights

New funding is allocated in FY 2005 for promotion and tenure funding (\$92,000). These funds will be allocated to the specific academic units to cover the salary adjustments for faculty promotion and tenure decisions. Additional funding is provided to support administrative costs for Computational Social Sciences (\$60,000), and an academic reserve to address other enrollment pressures and global activities (\$250,000).

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	2004 - 05 E&G BUDGET EXPENSE
\$2,475,900	\$2,256,500	\$2,332,800

FY 05 Highlights

No new funding is allocated in FY 2005 for this unit. The budget for Provost Administration continues a FY 2005 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

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	2004 - 05 E&G BUDGET EXPENSE
\$1,577,300	\$1,264,500	\$1,307,700

FY 05 Highlights

Of this total budget level, approximately \$330,000 is university support, while the remaining \$978,000 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 FY05 may rebound to the level generated in FY 2001.

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

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 (\$770,000) due to the increases in applications and expanded marketing, with other increases in Student Financial Aid (\$359,000), and the Registrar's Office (\$282,000) due to the enrollment increase.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE	2004 - 05 E&G BUDGET EXPENSE
\$4,981,381	\$5,983,400	\$6,764,300

FY 05 Highlights

New funding is allocated in FY 2005 to support student recruitment efforts (\$125,000) by this unit. Additional funding is allocated to support staff and wages increases in Admissions, Registrar, Financial Aid and Student Academic Affairs (\$366,000). Of the total funding provided, \$113,000 is to support the additional activity at the Prince William Campus. The funding allocated for FY05 will support 8.00 additional fte staff to enhance service support to students. Funding is also allocated in the amount of \$122,000 to cover the FY 04 salary increases.

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.

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)

The library is a nearly 24x7 operation and needs to serve effectively a growing student/faculty population as well as meet the demands generated by increased University research activities. It has become extremely challenging to staff key library programs and services with any reasonable degree of certainty because of the turnover of librarians and support staff.

About \$300,000 of the FY'05 budget increment is dedicated to raising the salaries of current librarians and library staff as well as the minimum salaries for library positions for which it has been very difficult to recruit. This unusual step was necessary because **there is a serious shortage of librarians nation-wide** and the salaries for library positions in the university have fallen way below the salaries offered by other universities in the region and below those offered by libraries in neighboring counties and cities. As a result, the libraries have been operating with

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

fourteen vacant positions. (They lost three to the Library of Congress and also lost the head of collections to the National Library of Medicine. Several positions have been vacant for more than two years because the starting salaries are just not competitive.) The library is also receiving funds to staff the growing operations in Arlington.

In order to maintain the current materials collection, the library has been allocated \$385,000 for inflation and \$100,000 to participate in an inter-institutional collaborative purchasing arrangement that replaces a former less expensive contract that the vendor was unwilling to renew. An additional \$25,000 has been allocated to add materials to the collection.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE	2004 - 05 E&G BUDGET EXPENSE
\$10,160,067	\$11,060,800	\$12,260,100

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

FY 05 Highlights

Funding is allocated in FY 2005 to cover inflation for library reference materials (\$385,000), funding to replace journals and fund the President’s commitment to support reference materials (\$125,000). To help address the critical staffing issues within the Library, funding is allocated in the amount of \$400,000 for salary and benefits to enhance the salary levels, to fill key positions (\$40,000), and support additional staff (\$100,000). An increase of 4.00 fte positions is budgeted in FY05.

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.

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

Increases in the IT budget are almost entirely dedicated to two themes: first, improving cybersecurity, and second, responding to university growth. In the cybersecurity category, about \$400,000 in recurring funds is dedicated to carrying out the first phases of the security and network audit recommendations, including adding specialized security and network engineering staff, and \$50,000 will be used to purchase enterprise wide anti-spam software. In the category of responding to university growth, \$365,000 is to provide IT support for PWIII and other growing areas of the Prince William campus and \$115,000 is to cover inflation on software and hardware maintenance contracts.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE	2004 - 05 E&G BUDGET EXPENSE
\$14,420,094	\$15,399,600	\$17,566,300

FY 05 Highlights

Increases in the IT budget are almost entirely dedicated to two themes: first, improving cybersecurity, and second, responding to university growth. In the cybersecurity category, about \$400,000 in recurring funds is dedicated to carrying out the first phases of the security and network audit recommendations, including adding specialized security and network engineering staff, and \$50,000 will be used to purchase enterprise wide anti-spam software. In the category of responding to university growth, \$365,000 is to provide IT support for PWIII and other growing areas of the Prince William campus and \$115,000 is to cover inflation on software and hardware maintenance contracts. The FY05 budget for ITU includes an additional 10.50 fte positions to support the functions as noted here. Funding in the amount of \$244,000 is allocated to cover the FY04 salary increases.

NEW ADMINISTRATIVE SYSTEMS

As the University continues 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) are being 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	2004 - 05 E&G BUDGET EXPENSE
\$908,248	\$2,785,500	\$2,818,000

FY 05 Highlights

No new funding is allocated in FY 2005 for this activity. The funding in FY 2005 continues the level of FY04 funding to cover the multi-year costs of the system implementation.

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

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 Resource Center
- Early Identification Program
- Counseling Center
- Orientation

Campus Life

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

Health and Wellness

- Student Health Services
- Drug Education Services
- Health Education Services
- Sexual Assault Services

English Language Institute

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE	2004 - 05 E&G BUDGET EXPENSE
\$4,721,560	\$4,831,100	\$5,283,800

FY 05 Highlights

New funding is allocated in FY 2005 to support enrollment growth as it affects the demand for counseling services, services for disabled students, services for international students, and disciplinary/honor code actions through the office of the Dean of Students. New funding is also allocated for a summer transition program for admitted first-time freshmen from the university's Early Identification Program and other recruitment efforts. The overall additional funding allocated for FY 05 is \$353,000 to address the critical support needs. The FY05 budget includes an additional 2.50 fte positions to support the functions as noted here. Funding in the amount of \$111,000 is allocated to cover the salary increases in FY 04.

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	2004 - 05 E&G BUDGET EXPENSE
\$13,754,655	\$13,515,200	\$15,944,900

FY 05 Highlights

For the FY 2005 fiscal year additional funding is allocated to enhance critical support services within Finance and Administration. Additional funding is provided to support additional staff within the offices of Human Resources (\$300,000 and 5.00 fte positions), Fiscal Services (\$185,000 and 3.00 fte position), Legal Services (\$100,000 and 1.00 fte position), and Budget (\$125,000 and 2.00 fte positions). Funding is also allocated within Fiscal Services to support the automated interface with eVA (\$50,000).

For FY 2005 funding is provided to add three additional staff in Safety Office to support the increased needs with lab safety (\$100,000). Funding is provided for the Campus Police to support staffing enhancements with two new dispatcher positions (\$80,000) and salary enhancements (\$100,000). Additional funding is provided for the Campus Police to support additional officers and security guards with the addition of Bull Run Hall at the Prince William Campus (\$125,000 and 2.00 fte positions).

Funding is provided for FY05 for additional staff support at the Arlington Campus (\$60,000 and 1.00 fte position and \$20,000 wages) and for wages and operational support at the Prince William Campus (\$28,000).

Funding in the amount of \$258,000 is allocated to cover the FY 04 salary increases.

Budget Highlights

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

EXECUTIVE ADMINISTRATION

Executive Administration encompasses the President's Office, Board of Visitors expenses, Legislative Affairs, Internal Audit, Office of Equity and Diversity Services 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	2004 - 05 E&G BUDGET EXPENSE
\$1,701,720	\$1,725,800	\$2,000,600

FY 05 Highlights

Additional funding is allocated in FY 2005 for additional staffing within the Office of Equity and Diversity Services (\$107,000 and 1.50 fte positions), and funding for salary adjustments within Internal Audit (\$48,000).

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 surpassed the original goal of \$110,000 during FY 2004. 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	2004 - 05 E&G BUDGET EXPENSE
\$1,324,429	\$1,624,300	\$1,950,600

FY 05 Highlights

For the 2004-2005 fiscal year funding is provided to support Alumni Relations activities (\$50,000), University Development activities (\$50,000) and support for ongoing mini-campaigns such as the Campaign for the Arts and the Campaign for Students (\$40,000). Funding in the amount of \$53,000 is allocated to cover the FY 04 salary increases.

Budget Highlights

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, Creative Services, Media Relations, Community Relations, and Information Services.

2000 - 01 E&G ACTUAL EXPENSE	2003 - 04 E&G BUDGET EXPENSE	2004 - 05 E&G BUDGET EXPENSE
\$3,229,428	\$3,319,300	\$3,529,200

FY 05 Highlights

For the FY 2005 fiscal year funding is allocated for the University Relations unit to support the University's new visual identity (\$45,000), as well as funding for additional events management and scheduling support in Arlington (\$42,000).

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 Innovation Hall. 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 Innovation Hall building, the total is 1,321,900 square feet. George Mason University operates with approximately 66 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.

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

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	2004 - 05 E&G BUDGET EXPENSE
\$16,232,949	\$15,995,300	\$18,421,600

FY 05 Highlights

Funding is allocated in FY 2005 to cover contract price escalator clauses for custodial contracts for housekeeping (\$45,000), funding for carpet replacement program (\$60,000), funds to improve basic housekeeping (\$64,000), to inspect and inventory classrooms (\$40,000), to support an employee van pool shuttle (\$70,000), to provide support for site surveying (\$100,000), to support filling positions for critical support areas (\$150,000). Funding is also allocated to support staffing and direct expenditures for the new Bull Run Hall at Prince William Campus due to open during FY05 (\$800,000 and 6.00 fte positions). This new funding will provide support for the maintenance, housekeeping, and utilities in this new academic building.

Funding is allocated to support additional staff in the Facilities area (\$180,000 and 2.00 fte positions), and in the Space Management operation (\$65,000 and 1.00 fte position).

A total of \$200,000 is allocated to cover the FY 04 salary increases.

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 120,000 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	2004 - 05 E&G BUDGET EXPENSE
\$2,604,796	\$2,827,500	\$3,272,500

Budget Highlights

FY 05 Highlights

For the FY 2005 fiscal year new funding is allocated for Property Rental to cover additional leased space in Arlington, within the Truland Building (\$350,000) and Fairfax, within Patriot Square (60,000), and for escalator clauses (\$35,000) in current lease agreements.

CENTRAL FUNDS

The Central Fund Budget includes the Institutional Reserve, Auxiliary Enterprises Indirect Cost Recovery, as well as those funds for 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 0.4% 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 Budget & Planning Group.

2003 - 04 E&G BUDGET EXPENSE	2004 - 05 E&G BUDGET EXPENSE
\$4,250,500	\$7,456,000

The annual budget change between FY 2004 and FY 2005 compares the original budget for FY 2004 to the proposed budget for FY 2005. Therefore, the annual change includes both budget revisions during FY 2004 as well as the \$16.8M of budget increases for FY 2005.

USE OF FUNDS

PROGRAM EXPENSES

Use Overview

The FY 2005 budget provides for a \$14.9M increase in spending. The table below depicts the changes in the use of funds by major expense between FY 2004 and FY 2005.

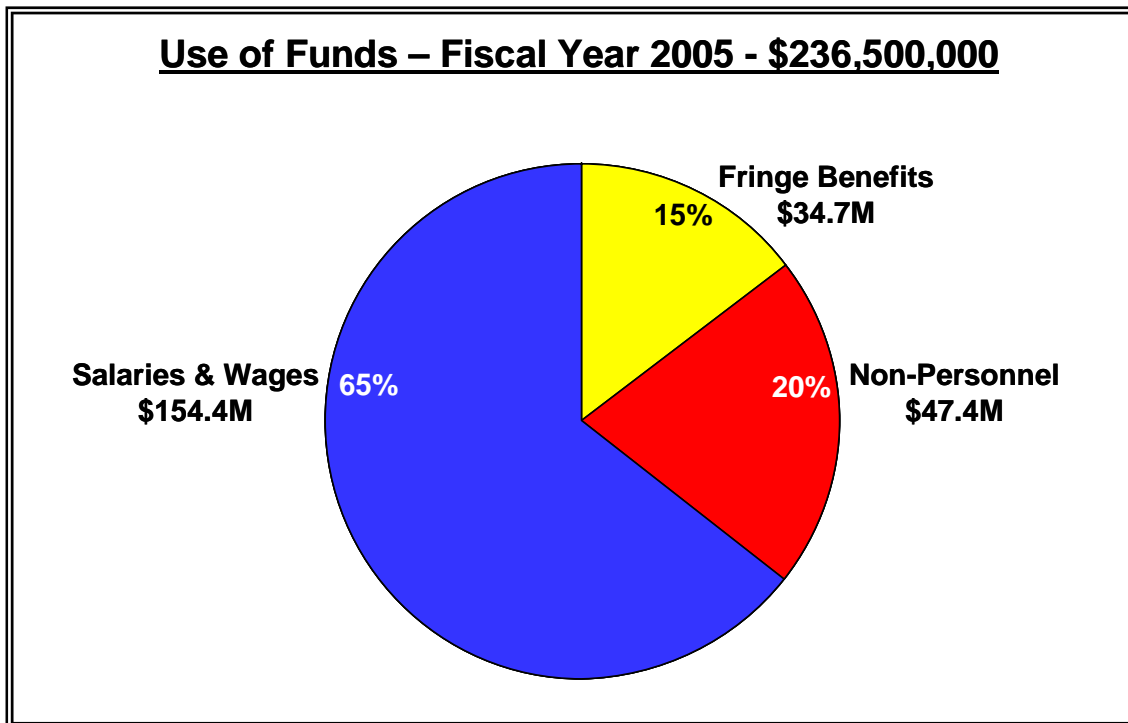
	FY 2004	FY 2005	CHANGE	% CHANGE
Salary	\$141.7	\$154.4	\$12.7	9.0%
Fringe Benefits	31.0	34.7	3.7	12.0%
Non-Personnel	44.4	47.4	3.0	6.8%
TOTAL E&G	\$217.1	\$236.5	\$19.4	8.9%

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 provided a salary increase of 2.25%, which was effective November 25, 2003. Approximately one-half of the funds to cover these salary increases were supported by University funds, with the remainder from State General Fund support.

For FY 2004-2005 the state approved salary increases of 3.0%. The university approved funding of 1.5% beyond the 3% to allow the average salary for full-time faculty to increase by 4.5%.

- The 2004-2005 budget allocates approximately 80% 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 54% of the cost of personnel covers the compensation paid the teaching faculty. (Budget amounts include salary and fringe benefits.)

PERSONNEL TYPE	2004 - 2005 BUDGET	% OF PERSONNEL
Teaching Faculty	\$101.7M	53.8%
Admin Faculty	30.8M	16.3%
Classified Staff	49.8M	26.3%
Wages/Student Wages	6.8M	3.6%
TOTAL PERSONNEL EXPENSE	\$189.1M	100.0%

Teaching Faculty

Actual spending in FY 2004 reflected an increased level of use of adjunct faculty and graduate assistants as the colleges and schools covered increased enrollment levels. Additionally, some contract instructional activity utilizing adjunct faculty was increased. It is anticipated that actual full-time faculty FY 2005 expenditures could be less than budgeted while adjunct expenditures will likely exceed the original budget.

The following table (provided by SCHEV) summarizes the full-time faculty salaries for the Virginia schools as compared to their peers.

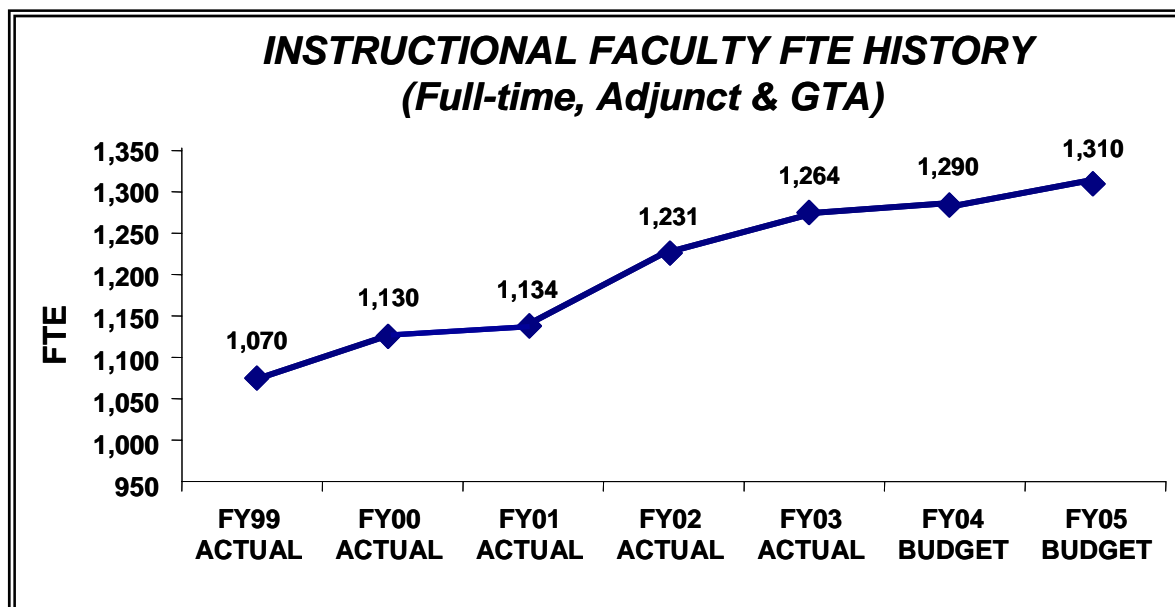
ESTIMATED FACULTY SALARY PERCENTILE RANKINGS ¹ BASED ON THE GOVERNOR'S 2004-06 INTRODUCED BUDGET						
INSTITUTION	2002-03 APPROP. FACULTY SALARY	2002-03 RANKING	2003-04 APPROP. FACULTY SALARY ²	2003-04 RANKING	2004-05 ESTIMATED FACULTY SALARY	2004-05 RANKING
GMU	\$66,802	32	\$68,305	30	\$68,305	19
ODU	62,132	36	63,530	33	63,530	23
UVA	77,925	25	79,678	24	79,678	18
VCU	69,138	30	70,694	28	70,694	20
VPI	72,759	26	74,396	24	74,396	17
CWM	76,254	25	77,969	23	77,969	16
DOC AVG.		29		27		19
CNU	57,947	50	59,250	48	59,250	40
CVC	57,779	41	59,079	40	59,079	31
JMU	61,113	41	62,488	40	62,488	32
LC	55,319	23	56,563	21	56,563	15
MWC	60,109	38	61,462	36	61,462	29
NSU	54,946	46	56,182	44	56,182	35
RU	54,557	40	55,784	36	55,784	21
VMI	59,664	41	61,006	39	61,006	33
VSU	53,872	41	55,084	39	55,084	31
COMP AVG.		40		38		30
4-YR AVG.		36		34		25
RBC	48,650	46	49,744	44	49,744	36
VCCS	48,773	35	49,870	33	49,870	29
2-YR AVG.		40		38		32

Notes: (1) *Peer salaries are assumed to increase to 3% annually.*

(2) *Based on 2.25% appropriated salary increase in FY04. However, Virginia faculty salary increase did not become effective until November 25, 2003.*

In recognition of this unsatisfactory predicament but without the General Funds to provide funding beyond the proposed 3% salary increase in FY2004-05, the Senate has proposed language that would allow institutions to self-fund through a tuition increase the funds necessary to provide their faculty an additional 1.5% salary increase effective November 25, 2004. George Mason University approved funding for this additional amount and will allocate the majority of any such faculty salary increase on the basis of merit.

INSTRUCTIONAL FACULTY SALARY AND FTE HISTORY						
	FY00 ACTUAL	FY01 ACTUAL	FY02 ACTUAL	FY03 ACTUAL	FY04 BUDGET	FY05 BUDGET
FT Faculty	\$51,729,692	\$57,751,195	\$57,709,842	\$62,239,400	\$64,611,800	\$69,939,800
PT Faculty	10,322,459	11,192,716	11,765,893	10,946,500	\$9,639,500	\$11,181,600
Grad Assts	2,689,191	3,077,250	3,467,912	3,540,500	\$3,196,900	\$3,736,700
TOTAL FACULTY	\$64,741,342	\$69,021,161	\$72,943,647	\$76,726,400	\$77,448,200	\$84,858,100

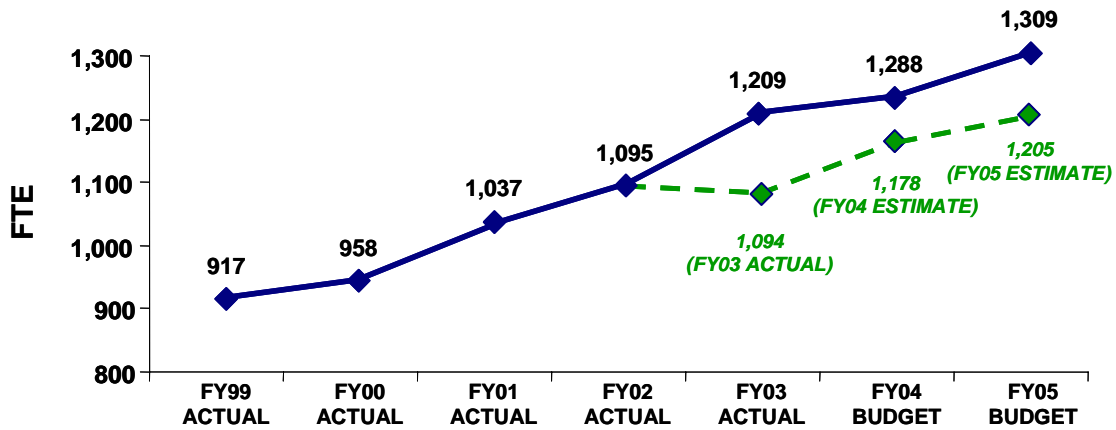


Administrative Support Staff

In FY 2005 approximately 54 fte support positions will be added across the university to provide critical service support to meet the increased enrollment levels and increased administrative demands of the University.

SUPPORT STAFF SALARY AND FTE HISTORY						
	FY00 ACTUAL	FY01 ACTUAL	FY02 ACTUAL	FY03 ACTUAL	FY04 BUDGET	FY05 BUDGET
Admin Faculty	\$16,425,534	\$18,455,788	\$20,131,296	\$20,632,200	\$22,200,700	\$24,936,300
Classified	26,360,835	28,605,541	30,507,321	31,078,400	\$33,908,500	\$38,351,200
TOTAL SUPPORT STAFF	\$42,786,369	\$47,061,329	\$50,638,617	\$51,710,600	\$56,109,200	\$63,287,500

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



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

WAGES HISTORY & BUDGET

	FY00 ACTUAL	FY01 ACTUAL	FY02 ACTUAL	FY03 ACTUAL	FY04 ESTIMATE	FY05 BUDGET
Wages	\$4,800,415	\$4,944,497	\$4,939,095	\$4,929,095	\$5,050,800	\$3,550,000
Student Wages	1,890,020	1,991,922	1,874,626	1,869,700	2,000,000	2,000,000
CWS	649,497	501,670	583,333	674,300	700,000	743,300
TOTAL WAGES	\$7,339,932	\$7,438,089	\$7,397,054	\$7,473,095	\$7,750,800	\$6,293,300

The original FY 2005 budget for temporary staff is (as in all previous years) established at a level of funding substantially less than the prior year level of spending. It is anticipated that permanent staff, which is fully funded, will absorb vacancies and turnovers which will result in departmental reallocations of funds to cover temporary staff expenses. Actual wage spending in FY05 will most likely reflect prior year spending.

The actual use of wages and student wages had been relatively stable for the past four years, and that level of wage spending has equated to between 250 - 300 FTE staff positions.

**2004-05 EDUCATIONAL & GENERAL BUDGET
FULL-TIME EQUIVALENT STAFF POSITIONS BY MAJOR UNIT**

UNIT	TOTAL POSITIONS (FTE) FY04			NEW POSITIONS (FTE) FY05			TOTAL POSITIONS (FTE) FY05		
	FACULTY	STAFF	TOTAL	FACULTY	STAFF	TOTAL	FACULTY	STAFF	TOTAL
College of Arts & Sciences	582.32	109.20	691.52	26.00	0.00	26.00	608.32	109.20	717.52
College of Nursing & Health Science	67.45	19.60	87.05	2.00	1.00	3.00	69.45	20.60	90.05
College of Visual & Performing Arts	72.70	15.55	88.25	2.00	0.50	2.50	74.70	16.05	90.75
College of Education & Human Dev	127.23	42.50	169.73	2.00	0.00	2.00	129.23	42.50	171.73
Inst for Conflict Analysis/Resolution	15.00	5.00	19.00	1.50	0.00	1.50	16.00	5.00	21.00
Krasnow Institute	2.21	1.00	3.21	-.08	0.00	-0.08	2.13	1.00	3.13
School of Computational Sciences	31.87	11.52	41.40	4.00	1.48	5.48	35.87	13.00	48.87
School of Info Tech & Engineering	113.20	34.88	148.08	1.00	0.00	0.00	114.20	34.88	149.08
School of Law	47.55	44.65	92.89	1.00	0.00	1.00	48.55	44.65	93.20
School of Management	92.25	40.75	131.75	3.00	0.00	3.00	95.25	40.75	136.00
School of Public Policy	40.97	23.50	64.47	4.00	2.00	6.00	44.97	25.50	70.47
Summer Term	85.00	0.00	85.00	3.00	0.00	3.00	88.00	0.00	88.00
Enrollment Services	0.00	89.34	89.34	0.00	8.00	8.00	0.00	97.34	97.34
Library	0.00	104.13	103.00	0.00	2.00	4.00	0.00	106.13	106.13
Professional Development	0.00	15.75	15.75	0.00	0.00	0.00	0.00	15.75	15.75
Instructional Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Academic Administration	11.55	30.98	41.53	0.00	0.00	0.00	11.55	30.98	42.53
University Life	14.99	58.52	74.01	0.00	4.00	4.00	14.99	62.52	77.51
Information Technology Unit	0.00	163.20	160.70	0.00	9.00	9.00	0.00	172.20	172.20
New Admin Systems	0.00	7.15	7.15	0.00	0.00	0.00	0.00	7.15	7.15
Physical Plant/Facilities	0.00	185.00	185.00	0.00	9.00	9.00	0.00	194.00	194.00
Operations	0.00	68.35	67.93	0.00	6.50	6.50	0.00	74.85	74.85
Multi-Campus Support	0.00	9.33	9.33	0.00	1.00	1.00	0.00	10.33	10.33
Finance & Planning	0.00	103.46	103.46	0.00	10.00	10.00	0.00	113.46	113.46
President/Equity/Internal Audit	0.10	16.90	16.90	0.00	1.45	1.45	0.10	18.35	18.35
University Development	0.00	21.40	21.40	0.00	0.00	0.00	0.00	21.40	21.40
University Relations	0.00	31.48	31.48	0.00	0.00	0.00	0.00	31.48	31.48
GRAND TOTAL	1,303.89	1,253.04	2,556.93	49.52	55.93	105.35	1,353.31	1,308.97	2,662.28

Non-Personnel

- Approximately 20% of the E&G budget is expended on non-personnel expenditures. This is consistent with previous years. There are significant differences between subprograms.
- Different subprograms within E&G have very different personnel/non-personnel mix profiles (see below).

E&G SUBPROGRAM BUDGET PERSONNEL/NON-PERSONNEL 2004 – 2005					
SUBPROGRAM	PERSONNEL SERVICES		NON-PERSONNEL		TOTAL BUDGET
	BUDGET	% TOTAL	BUDGET	%TOTAL	
Instruction	\$117,030,400	89.1%	\$14,338,300	10.9%	\$131,368,700
Academic Support	11,076,300	93.6%	754,900	6.4%	11,831,200
Libraries	7,217,400	51.1%	6,893,100	48.9%	14,110,500
Technology	13,806,400	67.7%	6,557,900	32.3%	20,384,300
Student Services	11,155,700	86.7%	1,711,700	13.3%	12,867,400
Institutional Support	20,093,700	90.5%	2,116,500	9.5%	22,210,200
Plant	8,333,500	41.4%	11,784,700	58.6%	20,118,200
Central	379,000	56.0%	297,700	44.0%	676,700
TOTAL	\$189,092,400	80.0%	\$47,367,400	20.0%	\$236,459,800

Non-Personnel Increases

Non-personnel costs, often referred to as direct expenditures, are budgeted \$3.4M more in FY 2005 than the 2003-2004 actual spending estimate. The major changes in non-personnel budgets consist of a few specific increases: library materials to cover inflation (\$.40 million), other inflationary support (\$.25 million), utilities and other non-personnel support for Prince William IIIa (\$.50 million), and a set aside of funds to cover the costs incurred with contract course enrollment activity (\$2.0 million). Units are not allocated full funding for contract activity until the year in which the revenue is earned.

Non-Personnel Profile

Within the non-personnel budget, fifteen major categories of expense make up 85% of the total budget. In 2004-2005, the top E&G expense category within non-personnel is projected to still be library reference materials.

E&G NON-PERSONNEL BUDGET 2004-2005				
ITEM	2001-02 ACTUAL	2002-03 ACTUAL	2003-04 ESTIMATE	2004-05 BUDGET
Library Materials	\$5,069,152	\$5,268,902	\$5,500,000	\$6,010,000
Supplies/Equipment	5,417,867	4,793,402	5,100,000	5,300,000
Utilities	4,117,017	3,776,246	4,200,000	4,600,000
Computer Supplies/Services	2,573,061	2,024,557	2,800,000	3,000,000
Property Rental	2,471,118	3,439,732	3,000,000*	3,300,000*
New Administrative System	2,923,700	2,584,900	2,200,000	2,200,000
Travel	1,906,563	1,929,639	2,000,000	2,000,000
Telephone	1,520,634	1,380,785	1,450,000	1,600,000
Maintenance/Repair	1,662,535	1,629,463	1,700,000	1,800,000
Printing/Duplicating	1,423,177	1,372,389	1,475,000	1,500,000
Study Abroad Travel	1,131,184	1,303,618	1,350,000	1,350,000
Custodial	1,081,700	1,180,484	1,275,000	1,300,000
Postal/Messenger	841,671	871,909	900,000	925,000
Computer Equipment	471,717	1,007,165	1,000,000	1,000,000
Insurance	641,928	594,774	650,000	700,000
Infrastructure Costs	700,000	0	0	0
Subtotal	\$35,380,724	\$33,158,055	\$34,600,000	\$36,585,000
Percentage	85%	84%	82%	77%
All Other	\$2,757,070	4,329,248	\$7,417,079	\$7,889,922
Percentage	7%	11%	13%	19%
Equipment Trust Fund	\$3,481,620	\$2,016,721	\$2,016,700	\$2,892,578
Percentage	8%	5%	5%	6%
GRAND TOTAL	\$41,619,414	\$39,504,024	\$44,033,800	\$47,367,500

* 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 2004-05 is \$47,367,500, a portion will be reallocated during the year. Included in the budget is a reserve for funding anticipated to be collected for contract course revenues. Those funds are not budgeted until earned.

E&G BUDGET (FY 2005)

2004-05 EDUCATIONAL & GENERAL BUDGET BUDGET BY MAJOR CATEGORY OF EXPENSE BY UNIT

UNIT	SALARIES	FRINGE BENEFITS	WAGES	NON- PERSONNEL	TOTAL	
					FTE	BUDGET
College of Arts & Sciences	\$37,039,100	\$8,267,600	\$774,000	\$2,142,500	717.52	\$48,223,200
College of Nursing & Health Science	5,111,400	1,194,600	37,300	284,600	90.05	6,627,900
College of Visual & Performing Arts	4,154,200	970,100	356,000	565,500	90.75	6,045,800
College of Education & Human Development	8,898,200	2,095,500	142,600	306,400	171.73	11,442,800
Inst for Conflict Analysis/Resolution	1,620,800	394,800	33,100	18,100	21.00	2,066,800
School of Info Tech & Engineering	12,156,900	2,613,800	182,300	785,400	149.08	15,738,300
Krasnow Institute	340,400	82,500	0	0	3.13	423,000
School of Law	7,322,200	1,792,700	222,800	1,564,100	93.20	10,901,800
School of Management	8,546,200	2,006,900	72,400	1,024,600	136.00	11,650,000
School of Computational Sciences	3,415,200	797,300	32,100	188,800	48.87	4,433,400
School of Public Policy	5,293,800	1,247,000	34,200	398,500	70.47	6,973,500
Summer Term	4,019,500	307,500	0	18,200	88.00	4,345,200
Enrollment Services	4,097,500	1,167,800	547,800	951,200	97.34	6,764,300
Professional Development	609,200	178,900	37,400	482,200	15.75	1,307,700
Student Financial Aid	0	0	0	1,779,500	0.00	1,779,500
Academic Administration	1,601,300	417,500	98,500	215,500	21.73	2,332,800
Library	4,588,300	1,277,000	436,500	5,958,400	106.13	12,260,100
Instructional Support	2,594,300	570,000	0	3,030,000	0.00	6,194,300
University Life	3,562,400	921,400	327,400	472,600	77.51	5,283,700
Provost Instruction	1,666,500	402,100	108,400	1,414,900	20.80	3,591,800
Information Technology Unit	9,117,400	2,833,700	1,218,100	4,397,000	172.20	17,566,300
New Admin Systems	505,200	147,900	0	2,164,900	7.15	2,818,000
Plant/Facilities	7,229,400	2,196,200	272,900	8,723,000	194.00	18,421,600
Property Rental	0	0	0	3,272,500	0.00	3,272,500
Multi-Campus Support	623,100	177,900	55,300	113,100	10.33	969,500
Finance & Planning	5,451,800	1,627,700	412,800	1,284,000	113.46	8,776,300
Operations	3,221,700	1,012,400	341,000	1,624,000	74.85	6,199,100
Executive Administration	1,215,100	338,000	92,600	354,800	18.35	2,000,600
University Development	1,270,800	333,800	22,500	323,500	21.40	1,950,600
University Relations	1,424,900	450,400	335,400	1,318,500	31.48	3,529,200
Auxiliary Enterprise Indirect	0	0	0	(2,850,000)	0.00	(2,850,000)
University Reserve	31,600	212,500	0	975,000	0.00	1,219,100
Equipment Trust Fund	0	0	0	\$2,892,578	0.00	2,892,578
GRAND TOTAL	\$148,145,700	\$34,653,500	\$6,293,200	\$47,367,478	2,662.28	\$236,459,778

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 78% of the resources (on average) available to the other doctoral universities. In the previous year (FY 2004) we operated at 79% of the total resource available to the other doctoral universities.

EDUCATIONAL & GENERAL TOTAL FUNDING PER IN-STATE FTE STUDENT, 2004-2005			
DOCTORAL INSTITUTIONS	GENERAL FUND	IN-STATE TUITION	TOTAL
University of Virginia	\$8,590	\$5,176	\$13,766
Virginia Tech	7,840	4,601	12,441
William & Mary	8,055	3,810	11,865
Virginia Commonwealth	7,450	3,821	11,271
Old Dominion	5,941	3,255	9,196
Doctoral Average	7,575	4,213	11,789
GEORGE MASON	5,270	3,900	9,170
GMU % of Average	69.6%	92.6%	77.8%

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 – but by 2001-02 George Mason University was receiving nearly 80%. In 2004-05 George Mason University will receive approximately 70% of the doctoral average (see below).

INSTITUTION	2002	2005
University of Virginia	\$10,223	\$8,718
Virginia Tech	9,380	7,972
William & Mary	9,943	8,203
VA Commonwealth Univ.	8,669	7,706
Old Dominion	6,923	6,136
Doctoral Average	8,965	7,747
GEORGE MASON UNIVERSITY	7,047	5,289
GMU % of Average	78.6%	68.3%

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 FY02
1st	GEORGE MASON UNIVERSITY	60.8%
4 th	University of Pittsburgh	53.8%
10 th	University of Cincinnati	50.0%
15 th	SUNY - Albany	48.0%
20 th	University of Kansas	40.9%
	PEER GROUP AVERAGE	51.1%

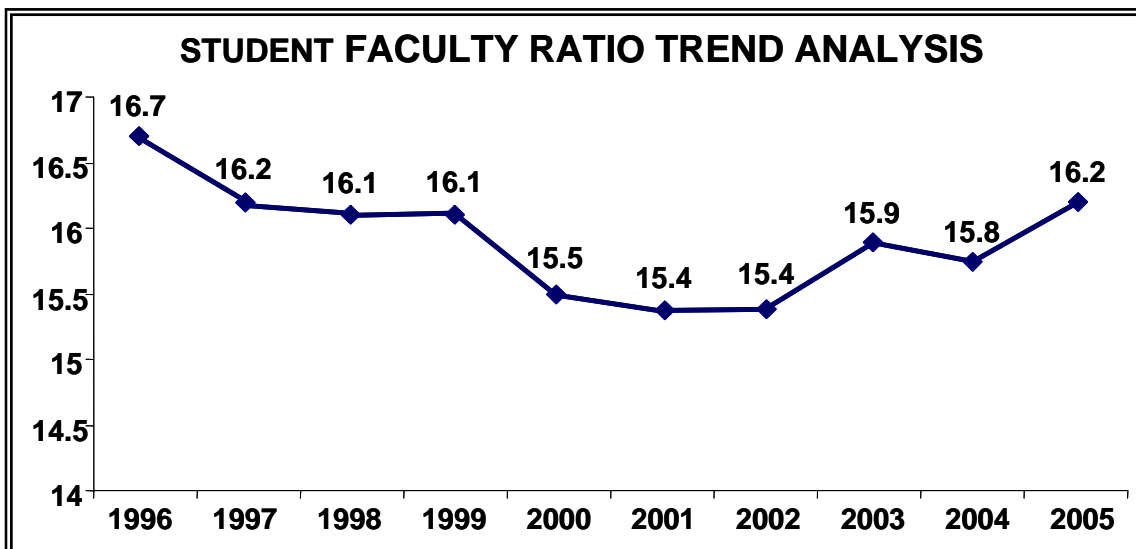
Note: FY 2002 is the most recent data available for Peer Institutions.

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 2004-2005 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 2004-05 result in the University’s faculty/student ratio of 1:16.2. 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.



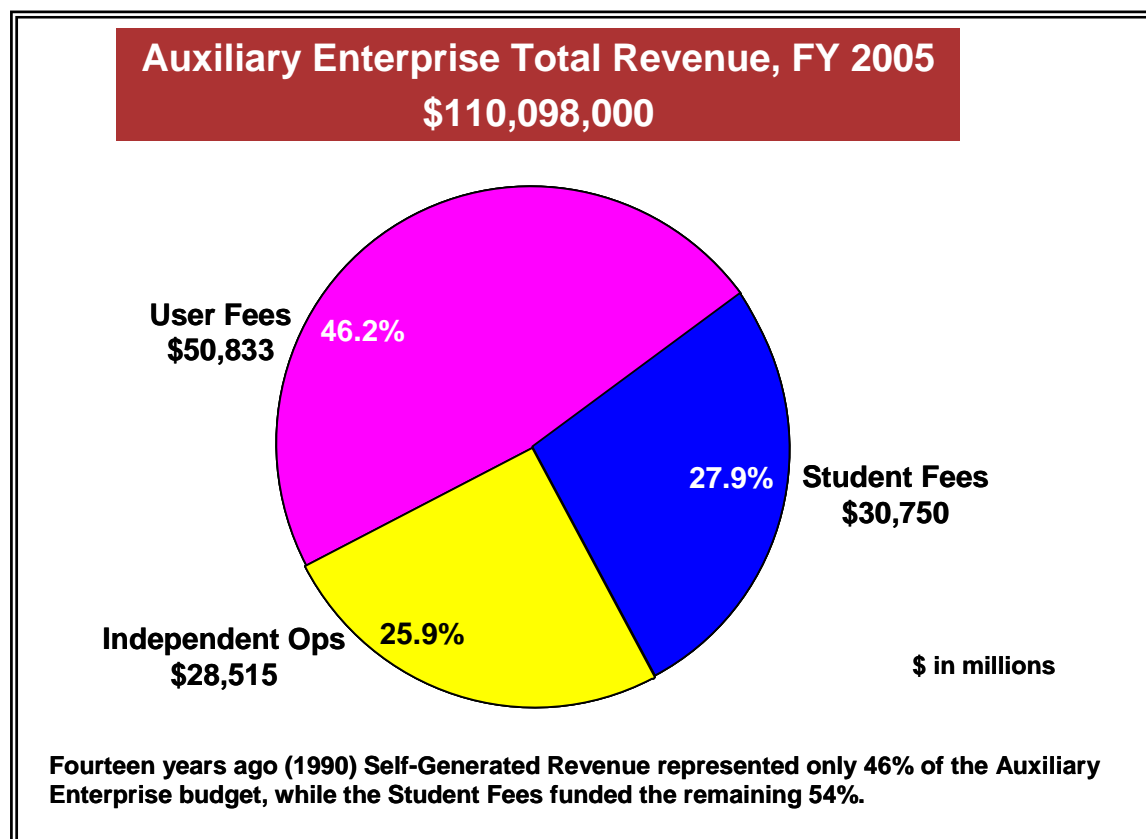
AUXILIARY ENTERPRISES/SERVICE ENTERPRISES

PROGRAM REVENUES

The activity of Auxiliary Enterprises is the second largest program of the University's operation. The projected Auxiliary Enterprise revenue for 2004-05 represents approximately 23% of the University's \$480.8 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 \$110,098,000 in 2004-05. This represents approximately 2.4% revenue growth over FY 2004.

Graphically, the Auxiliary Enterprise revenue looks like shown below:



For 2004-05 the revenue growth in all of the Auxiliary Enterprises is projected to be approximately \$2.6M. Of this total growth, \$0.8M is generated from user fees, \$1.3M is from increased student fee revenues, and \$0.5M is from independent operations.

- Within user fees activities, the three units generating the largest increases in revenues are Campus Access (\$.70M), Student Board (\$.53M), and Freedom Aquatic & Fitness Center (\$.50M), offset by a technical adjustment to reflect accurate recoveries in Telecommunications (-\$.7M).
- The student fee revenue increases with additional revenue from increased enrollment of 250 FTE students (\$.50M), and from an annual student fee rate increase of \$24 (\$.50M).

AUXILIARY ENTERPRISES ANNUAL REVENUE CHANGE FY 2004 & FY 2005					
SOURCE	2002-03	2003-04	2004-05	AMOUNT CHANGE	% INCREASE
Student Fees	\$26,417,089	\$29,500,000	\$30,750,000	\$1,250,000	4.2%
User Fees	45,312,775	50,043,000	50,833,000	790,000	1.6%
Independent Operations	23,730,400	28,000,000	28,515,000	515,000	1.8%
TOTALS	\$95,460,264	\$107,543,000	\$110,098,000	\$2,555,000	2.4%

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	\$13,375,000	\$ 0	\$13,375,000
Bookstore	13,300,000	0	0	13,300,000
Food Service	12,250,000	0	0	12,250,000
Intercollegiate Athletics	0	2,260,500	7,334,600	9,595,100
Center for the Arts (CVPA)	0	2,080,000	3,558,900	5,634,900
Campus Access	0	5,786,500	112,000	5,898,500
Freedom Aquatic Fitness Center	0	5,360,600	51,500	5,412,100
Patriot Center	2,965,000	73,000	1,603,600	4,641,600
Unions/JC Center	0	835,200	3,098,600	3,933,800

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 \$28,515,000 and includes \$3.0 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 (\$3.0M) reduce the required annual student fee by nearly \$150!*

ACTIVITY	OPERATING BUDGET	GEORGE MASON COMMISSION
Bookstore	\$13,300,000	\$1,215,000
Food Service	12,250,000	1,000,000
Arena Management	2,965,000	822,000
TOTAL	\$28,515,000	\$3,037,000

Commissions and Management Fees

George Mason has out-sourced these large auxiliary enterprise units for many years, the bookstore has always been a contract operation; the Patriot Center was opened by a management firm nearly twenty 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.

In total these three out-sourced firms employ approximately 220 full-time and 300 part-time employees. In many institutions, where these activities are not out-sourced these would all be university employees.

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 the commission. Any cash remaining after all fees and commissions are paid is retained by GMU. The variable amount changes by year depending on the success of the performances. The actual amount for FY05 could be greater than is projected at this point.

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
2002 (actual)	\$624,300	\$430,812
2003 (actual)	690,700	334,800
2004 (projected)	821,800	342,500
2005 (projected)	630,000	315,000

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.

The last year of the previous Sodexho contract ended during FY04. The University reviewed submissions from vendors to provide dining services at the University for the next ten years. A decision on the dining services contract was finalized during June, 2004. The new contract with Sodexho will provide at least the amount of commission currently provided to GMU.

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. In FY 2005, the University expects to receive about \$1,215,000 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.

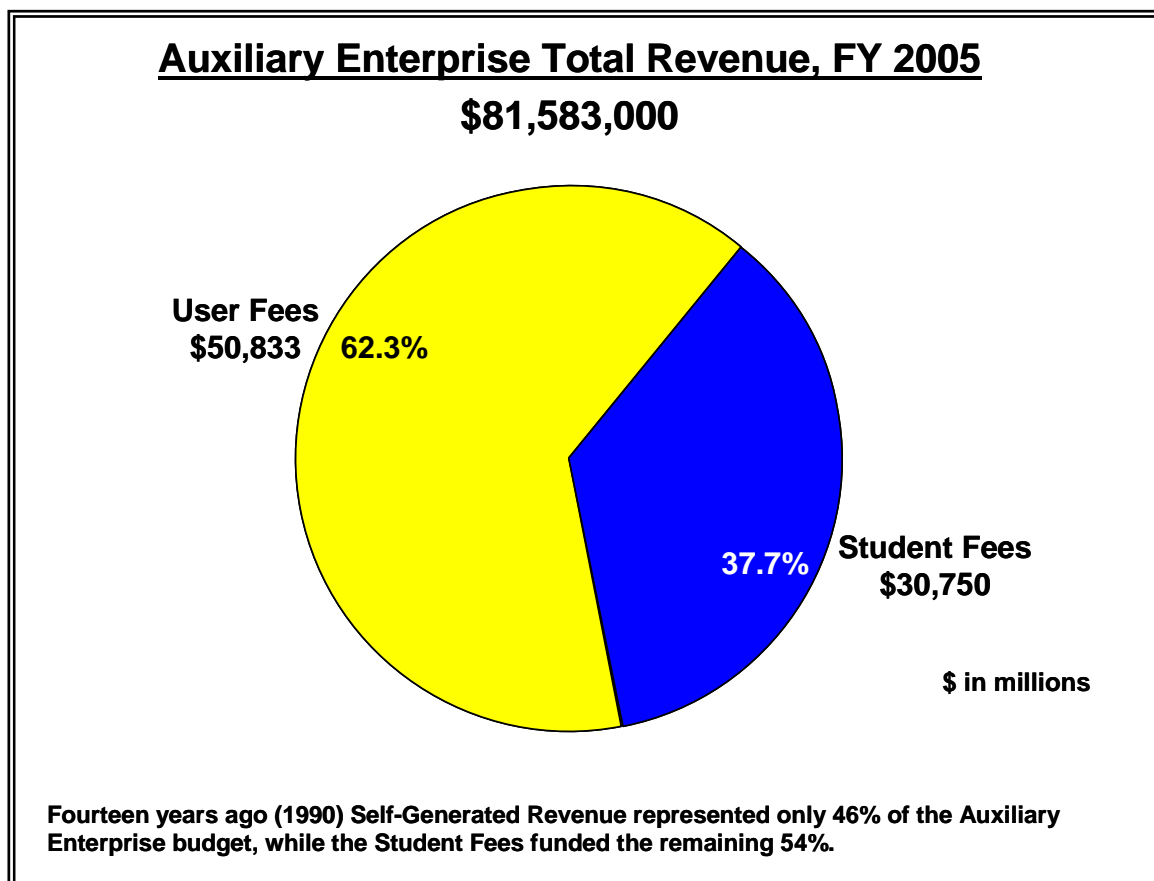
Summary Although these independent operations are critical to University Life, they are not generally included as part of the State Auxiliary Enterprise program for reporting purposes. As noted above, these three commissions result in net income to the University that allows the University to set the annual student fee \$150 lower than it would otherwise be required.

State Auxiliary Enterprises

As a program, Auxiliary Enterprises (exclusive of independent operations) are budgeted for revenue in FY 2005 at \$81,583,000. This revenue is achieved through self-generated user fees, as well as student fees (see below).

SOURCE OF FUNDING 2004-2005		
	2004	2005
Student Fees	\$29,500,000	\$30,750,000
Self-Generated User Fees	50,043,000	50,833,000
TOTAL FUNDS	\$79,543,000	\$81,583,000

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 \$2.6 million increase in budget for FY 2005 is budgeted:

AUXILIARY ENTERPRISE FY05 REVENUE BUDGET CHANGES IN REVENUE FY05 OVER FY04					
AUXILIARY	FY04 TOTAL REVENUE	FY05 TOTAL REVENUE	CHANGES IN REVENUE, FY05		
			STUDENT FEES	SELF-GEN REVENUE	TOTAL CHANGE
Student Housing	\$13,763,800	\$13,375,000	\$ 0	(\$388,800)	(\$388,800)
Student Unions/Johnson Center	4,940,500	5,949,500	998,600	10,400	1,009,000
Campus Access	5,139,600	5,898,500	72,000	686,900	758,900
Student Board	5,588,800	6,119,300	0	530,500	530,500
Freedom Aquatic & Fitness Ctr	4,895,800	5,412,100	10,000	506,300	516,300
University Life	3,869,400	4,339,400	413,900	56,100	470,000
Recreation Sports Complex	1,323,600	1,173,200	(150,400)	0	(150,400)
Intercollegiate Athletics	8,998,500	9,595,100	446,600	150,000	596,600
University Services Admin	512,800	834,300	321,500	0	321,500
Student Health Services	1,646,400	1,959,000	292,700	19,900	312,600
Computer Store	2,300,000	2,400,000	0	100,000	100,000
CVPA/Center for the Arts	5,355,000	5,634,900	75,200	204,700	279,900
Fairfax Aquatic Center	2,088,400	2,129,100	(3,300)	44,000	40,700
Child Development Center	428,500	478,500	5,000	45,000	50,000
University Scholars	470,000	500,000	30,000	0	30,000
Patriot Center	1,666,600	1,676,600	10,000	0	10,000
Recreation Sports Clubs	340,300	400,800	5 8,900	1,600	60,500
Salary Increases	164,300	173,300	9,000	0	9,000
Telecom Infrastructure	510,400	511,700	1,300	0	1,300
Indirect Cost	1,900,000	1,900,000	0	0	0
Facility Reserves	950,000	950,000	0	0	0
Interest Income	800,000	800,000	0	0	0
Warehouse	259,000	259,000	0	0	0
Athletic Facility Improvement	200,000	525,000	325,000	0	325,000
GMU Pay Phones	45,000	20,000	0	(25,000)	(25,000)
Print Services	1,846,200	1,800,000	0	(46,200)	(46,200)
"All-University Card" System	310,400	234,500	15,200	(91,100)	(75,900)
Hemlock Overlook	1,528,000	1,180,000	30,000	(378,000)	(348,000)
AE Central Reserve	1,555,300	944,100	(611,200)	0	(611,200)
Telecommunications	3,796,300	3,060,100	(100,000)	(636,200)	(736,200)
AE Contribution to E&G	2,350,000	1,350,000	(1,000,000)	0	(1,000,000)
TOTAL AUX. ENT. REVENUE BUDGET	\$79,543,600	\$81,583,000	\$1,294,300	\$745,100	\$2,039,400
INDEPENDENT OPERATIONS	28,000,000	28,515,000	0	515,000	515,000
GRAND TOTAL	\$107,543,600	\$110,098,000	\$1,295,300	\$1,260,100	\$2,554,400

The specific details for all revenue changes are provided in the enterprise-specific section found on pages 90 – 112.

NEW STUDENT FEE REQUIREMENTS

In 2004-2005, 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 2004). 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 identified each year to support cross-cutting priorities. Funding is provided in 2004-2005 within the Auxiliary Enterprises budget to support the following priorities.

1. Expand activities for students, in response to ongoing 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

- Provide support for visiting artists gallery shows

Food Service

- Expand food service hours and venues, including expansion of hours at Arlington and Prince William campuses

Recreation

- Support areas students are currently using for outdoor play by the installation of tables, benches, or other facilities that promote such use
- Support increased interaction of students with indoor furniture for informal gathering spaces
- Increase funding for recreational activities, including funding for Prince William campus
- Provide funding to support promotion of sporting events
- Construct artificial field

Student Organizations

- Increase support for student-generated and run social activities, including support for Arlington and Prince William campuses
- Provide funding for vehicle to allow easier set up for events and activities

2. Enhance campus safety and security

Campus Access

- Increase support of Patriot Express/Activities Shuttle for students going from campus to Fairfax City
- Provide support for Parking Lot Shuttle to move students from outer parking lots to center of campus
- Provide funding for second Prince William Shuttle Bus

Campus Police

Provide funding for Police Cadet program which will employ students to support the security function at some campus events

Child Development Center

- Provide funding for Child Development Center facility repairs

Student Health Services

- Assure ongoing enhanced service for increasing numbers of residential students
- Assure funding appropriate to the size of the student population

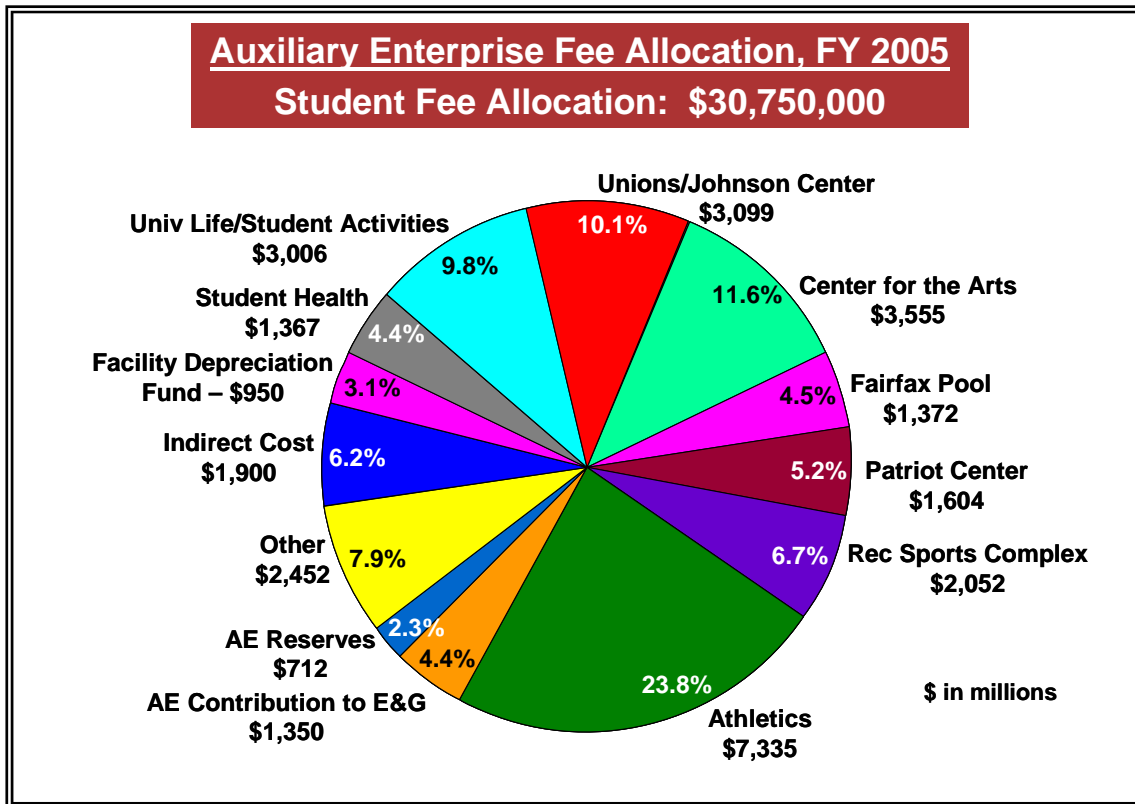
3. Enhance support services

REASONS FOR INCREASED STUDENT FEE, 2004-2005

- To provide support for expanding activities and services for additional student enrollment and additional students residing on-campus. Funding is allocated to provide free student access to the Patriot Job Web, to enhance the support of Greek life and student programming, and to increase the funding available to student organizations and faculty directed programs. Funding is also provided to support enrollment growth as it affects the need for diversity programming and for disciplinary/honor code actions. [**\$440,000**]
- To provide support for inflationary costs across all units. [**\$271,000**]
- To provide support for Student Health Services for increased hours of operation and additional personnel at all campuses. [**\$200,000**]
- To provide enhanced support for Student Activities. [**\$188,000**]
- To provide support for artificial field to be constructed on the West Campus fields. Funding provided is first year of two year commitment to cover total cost of field. [**\$325,000**]
- To restore support for debt service payments for Johnson Center after a one-time reduction due to re-financing. [**\$871,000**]
- To annualize the 2.25% salary increase given to staff on 11/25/03. [**\$100,000**]
- To allocate additional funds for student fee funded facilities to cover the increased costs of utilities. [**\$200,000**]
- To allocate additional funds to cover furnishings and equipment replacement requirements. (Johnson Center, Student Unions, Aquatic & Fitness Center, etc.) [**\$200,000**]
- To set aside funds for potential salary increases OF 2.25% for staff in 2004-05. Because the Auxiliary Enterprises salary increases are not supported through state funds, fee funds must be set aside for potential salary increases if approved. [**\$170,000**]
- To address NCAA gender equity issues. This is the fourth year of a five year phase-in program. [**\$30,000**]
- To support FY05 additional academic scholarship costs. [**\$30,000**]
- Reduction of one-time allocation to Center for the Arts for Prince William Performing Arts Center planning. [**-\$250,000**]
- Reduction in allocation of funding for Auxiliary Enterprise contribution to Educational & General activities. [**-\$1,000,000**]
- Reduction of one-time allocation to Telecommunications [**-\$100,000**] and reduction of unallocated central fee funds [**-\$600,000**]
- To support FY05 increase in fringe benefit costs. [**\$90,000**]

STUDENT FEE REQUIREMENTS

\$750,000



USE OF FUNDS

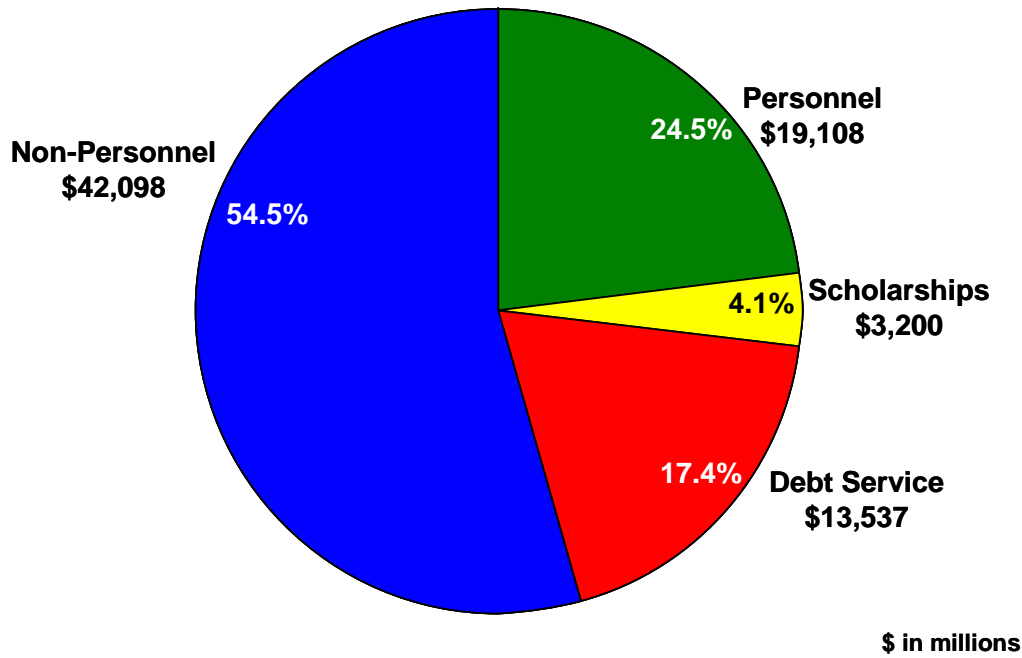
Budget by Major Category

The Auxiliary Enterprise expense budget of \$77.9M is \$3.6M lower than the revenue budget (\$81.6M) in order to set aside funds for facility depreciation/renovation reserves.

Within the Auxiliary Enterprises expense budget of \$77.9M, personnel costs total \$19.1M (or 24% of the total) and all non-personnel costs make up the remaining 76% of the budget. Within the \$58.8M non-personnel budget, approximately \$16.7M of the expenses cover scholarships and debt service. The remaining \$42.1M cover other non-personnel costs. Some of the major items within this are board plan payments (\$6.0M), utilities (\$3.2M), repair and maintenance (\$1.9M), contracted management (\$5.3M), and the indirect charge (\$2.7M) to Auxiliary Enterprises from Educational & General.

State Auxiliary Enterprise Expense Budget by Category FY 2005

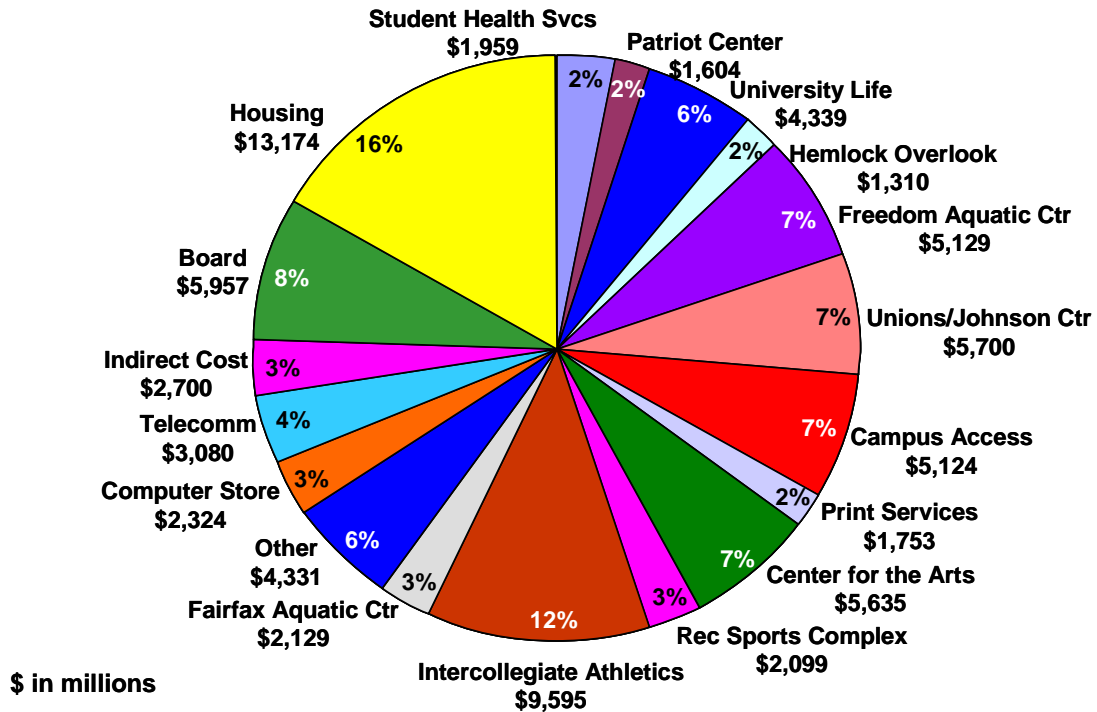
\$77,942,600



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

Auxiliary Enterprise Expense by Unit, FY 2005

\$77,942,600



Personnel

The Auxiliary Enterprises personnel budget of \$19.1M is based upon an FTE position level of 257 FTE plus wages hourly staff. Of the total FTE positions, 139.21 (54.6%) are for classified staff, 113.73 (44.6%) are for administrative faculty, and 2.17 (0.8%) are for instructional faculty. The total FTE of 255.11 is 19.11 FTE greater than the original budget for 2003-04. Positions were established in various Athletic/Recreational activities, the Freedom Center, University Life and University Services.

AUXILIARY ENTERPRISES POSITION BUDGET					
	FY 2002-03	FY 2003-04	Variance	FY 2004-05	Variance
Classified	131.81	128.81	-3.00	138.56	9.75
Admin Faculty	106.10	105.02	-1.08	116.67	11.65
Faculty	2.17	2.17	0.00	2.17	0.00
TOTALS	240.08	236.00	-4.08	257.40	21.40

The total personnel services budget within Auxiliary Enterprises is \$19.1M. This is approximately 25% of the overall Auxiliary Enterprises budget. Of this total, 72% covers salaries and benefits for permanent staff, while 28% 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 PERSONNEL SERVICES OVERVIEW						
	Actual FY 02-03		Budget FY 03-04		Budget FY 04-05	
Salaries	\$9,311,572	55.9%	\$9,680,700	56.6%	\$10,836,500	56.7%
Wages	4,704,155	28.2%	4,725,800	27.6%	4,933,500	25.8%
Fringe Benefits	2,643,693	15.9%	2,712,300	15.8%	3,337,700	17.5%
TOTAL	\$16,659,420	100%	17,118,800	100%	\$19,107,700	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. 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 257.4 FTE positions is as shown below:

AUXILIARY ENTERPRISE FY05 BUDGETED FTE				
UNIT	FACULTY	ADMIN FACULTY	CLASSIFIED	TOTAL 04-05 FTE
Intercollegiate Athletics	0.00	56.51	16.00	72.51
Recreational Sports Complex	0.00	2.50	6.00	8.50
Rec Sports Clubs	0.00	2.52	0.00	2.52
Freedom Aquatic & Fitness Center	0.00	6.63	13.75	20.38
Fairfax Aquatic Center	0.00	4.76	5.00	9.76
TOTAL ATHL/REC FTE	0.00	72.92	40.75	113.67
Hemlock Overlook	0.47	0.00	9.00	9.47
Student Unions/Johnson Center	0.00	3.00	27.35	30.35
Student Health Services	1.00	7.20	8.50	16.70
University Life	0.50	13.80	9.46	23.76
CVPA/Center for the Arts	0.30	11.95	15.75	28.00
Print Services	0.00	0.00	10.00	10.00
Telecommunications	0.00	0.00	8.75	8.75
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	3.70	2.00	5.70
All University Card System	0.00	0.00	3.00	3.00
TOTAL FY 2005 FTE	2.27	116.57	138.56	257.40
TOTAL FY 2004 FTE	1.52	105.67	128.81	236.00
ANNUAL CHANGE	0.75	10.90	9.75	21.40

The table below highlights the areas with increased staff positions for FY05. Position changes within the Freedom Center and Student Unions/Johnson Center reflect conversions of wages to permanent staff positions. Position changes within other units reflect needs related to enhanced service levels for increased student enrollment.

AUXILIARY ENTERPRISE FY05 FTE CHANGE FROM FY04				
ENTERPRISE	FACULTY	ADMIN FACULTY	CLASSIFIED	TOTAL FTE
Student Health Services	0.25	(0.55)	2.50	2.20
Orientation/Welcome Week	0.00	0.00	0.75	0.75
University Life	0.50	1.55	0.00	2.05
CVPA/Center for the Arts	0.00	2.20	2.75	4.95
Intercollegiate Athletics	0.00	6.06	1.00	7.06
Recreational Sports Complex	0.00	(1.56)	(1.00)	(2.56)
Rec Sports Clubs	0.00	0.40	0.00	0.40
Fairfax Aquatic Center	0.00	0.10	0.00	0.10
Freedom Aquatic & Fitness Ctr	0.00	2.00	1.25	3.25
Telecommunications	0.00	0.00	1.00	1.00
Computer Store	0.00	0.00	0.00	0.00
Student Unions/Johnson Center	0.00	0.00	3.00	3.00
Print Services	0.00	0.00	(2.00)	(2.00)
All University Card System	0.00	0.00	0.00	0.00
University Services	0.00	0.70	0.25	0.95
Hemlock Overlook	0.00	0.00	0.25	0.25
Child Development Center	0.00	0.00	0.00	0.00
TOTAL FTE CHANGE	0.75	10.90	9.75	21.40

USE OF FUNDS (Continued)

Non-Personnel

Within the Auxiliary Enterprises activities, approximately \$42.1 is expended on non-personnel, excluding debt service and scholarships. The major expense categories in non-personnel are:

Meal Plan	\$5,957,000
Housing Contracted Management	3,600,000
Utilities	3,100,000
Indirect Cost	2,700,000
Campus Access Contracted Management	2,300,000
Telecommunications	2,500,000
Computer Store Equipment	2,200,000
Athletics	2,017,000
Building Maintenance, Housekeeping, Grounds	1,885,000
AE Contribution to E&G	1,350,000
Student Activities	1,000,000
Center for the Arts Performances	950,000
Housing Renovations	750,000
Transportation	522,000
Insurance (Student Health)	440,000
SUB-TOTAL	\$31,271,000

These fifteen items make up 74% of the overall non-personnel budget within Auxiliary Enterprises.

Debt Service

During the 2004-05 fiscal year, the University will make \$13.5M in debt service payments for parking, residential, and student activity facilities. This represents 17.0% of the overall Auxiliary Enterprises expenditure plan. During 2003-04 the final payment for some parking debt service was made. In the next five years, nearly 43% of this 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 student fee funded debt, while \$0.9M is in Parking Facilities and \$2.6M is in Residence Hall facilities. Although planning is underway for other facilities, renovations, programs, and activities which could add new debt service requirements between now and 2009, the importance of the elimination of over \$6 million of debt service payments cannot be overstated.

DEBT SERVICE REDUCTIONS, 2005 - 2010					
LAST YEAR DEBT	DEBT-FINANCED FACILITY	SOURCE OF FUNDING		STUDENT HOUSING	TOTAL DEBT SERVICE ELIMINATED
		STUDENT FEE	CAMPUS ACCESS		
2004-05	Parking Lot		83,500		83,500
2005-06	Parking Lot		312,800		312,800
2007-08	Parking Lot		480,900		480,900
2004-05	University Commons			201,000	201,000
2005-06	University Commons			507,800	507,800
2008-09	President's Park (Res III)			987,900	987,900
2009-10	President's Park (Res IV)			948,400	948,400
2004-05	Technology Infrastructure	511,700			511,700
2004-05	Patriot Center	1,242,600			1,242,600
2008-09	Concert Hall	868,100			868,100
	TOTALS	\$2,622,400	\$877,200	\$2,645,100	\$6,144,700

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, depreciation, 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 2005, and the table below also shows the projected facility depreciation fund balance for 6/30/04 and 6/30/05.
- 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	ORIG. BLDG COST	ACTUAL BALANCE JUNE 30, 2003	PROJECTED BALANCE JUNE 30, 2004	PROJECTED BALANCE JUNE 30, 2005	% OF COST
Patriot Center	1985	\$16.1M	\$2,117,481	\$2,267,481	\$2,417,481	15.0%
Unions/ Johnson Center	1974/1996	48.9M	2,262,614	2,408,770	2,708,770	5.5%
Fairfax Pool	1998	11.1M	357,830	507,830	657,830	5.9%
Student Housing	1977/1990	77.3M	2,441,104	2,629,481	2,829,481	3.7%
Center for the Arts	1990	9.5M	274,526	424,526	474,526	5.0%
Field House (RSC)	1982	6.5M	1,487,588	1,529,463	1,261,673	19.4%
TOTALS		\$169.4M	\$8,941,143	\$9,767,551	\$10,349,761	6.1%

SUMMARY

The following table summarizes the overall budget by major activity for the Auxiliary Enterprises in 2004-05.

AUXILIARY ENTERPRISE BUDGET, FY05			
AUXILIARY	FY05 BUDGETED REVENUE	FY05 BUDGETED EXPENSE	FY05 OPERATING BALANCE
Student Housing	\$13,375,000	\$13,174,300	\$200,700 ¹
Intercollegiate Athletics	9,595,100	9,595,100	0
Student Board	6,119,300	5,957,000	162,300 ³
CVPA/Center for the Arts	5,634,000	5,634,900	0
Campus Access	5,898,500	5,124,400	774,100 ³
Student Unions/GWJC	5,949,500	5,700,000	249,500 ³
Freedom Aquatic Center	5,412,100	5,128,700	283,400 ¹
Telecommunications	3,060,100	3,041,500	18,600
University Life	4,339,400	4,339,400	0
Indirect Cost Charge	2,700,000	2,700,000	0
Computer Store	2,400,000	2,323,600	76,400
Fairfax Aquatic Center	2,129,100	2,129,100	0
Print Services	1,800,000	1,753,400	46,600 ²
Student Health Services	1,959,000	1,959,000	0
Patriot Center	1,676,600	1,603,600	73,000 ¹
Hemlock Overlook	1,180,000	1,310,000	(130,000)
Rec Sports Complex	1,173,200	1,173,200	0
Facility Reserves	950,000	0	950,000 ¹
University Services	834,300	834,300	0
Telecommunications Infrastructure	511,700	511,700	0
Child Development Center	478,500	465,700	12,800 ³
University Scholars	500,000	500,000	0
Rec Sports Clubs	400,800	400,800	0
AUCS/Photo ID	234,500	234,500	0
Warehouse – Debt	259,000	259,000	0
Athletic Facility Improvements	525,000	525,000	0
FY04 Salary Increases	173,300	173,300	0
GMU Pay Phones	20,000	38,600	(18,600)
AE Contribution to E&G	1,350,000	1,350,000	0
AE Central Allocate Equipment/Utilities	400,000	0	400,000 ⁴
AE Central Reserves	544,100	0	544,100 ⁵
Sub-Total Aux Ent Budget	\$81,583,000	\$77,942,600	\$3,640,400
Independent Operations	\$28,515,000	\$28,515,000	---
GRAND TOTAL	\$110,098,000	\$106,457,600	\$3,640,400

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 equipment replacement and increased utility costs

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

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

Updated: April 18, 2004

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 2003 student headcount enrollment of slightly over 28,000. The annual student FTE for FY 2004 is projected to be 21,200 FTE. George Mason University projects an annual student enrollment (FTE) increase of approximately 1.4% in 2004-05 and 1.25% in the fiscal years beyond that. In terms of student FTE, the University enrollment target is 21,500 for FY 2004-05, and the University projects to grow by approximately 250 FTE students each year after that.

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. The salary adjustment approved by the State for FY05 is 3.0%. Since 2.5% has been calculated and set aside in the budget, a small amount will be allocated from the reserve during FY05 for fee-funded areas to fully fund salary increases. Units supported from self-generated revenues will need to cover the additional cost from current revenues.

✓ Financial Feasibility

This \$79 million Auxiliary Enterprise operation (FY 2004) 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 nine years. Century Campus Housing Management is in the first year (FY 2004) of a ten-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 efficient and effective administration, highly trained and responsive staff, and seamless operations, sensitive to the needs of the students/customers. Century works closely with University Services, University Life, Admissions, and 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 2003, than ever before in the history of George Mason University. Due to the demand in FY03 approximately 125 students were "tripled" into rooms originally designed as doubles. The University's current Housing capacity is 3,580. During the Fall 2003, the University housed approximately 3,500 students. With 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. The University is undertaking a planning study of the northeast sector of the University to help determine the most appropriate location for the future housing and support facilities. Budget projections are as follows:

FISCAL YEAR	BUDGET	ASSUMPTIONS
2002 actual	\$10,848,500	Add temporary beds (75) and 2.5% rate increase
2003 actual	\$10,925,000	2.5% rate increase; reallocate \$700K debt service
2004 estimate	\$13,828,400	2.5% rate increase; Housing V (496)
2005 estimate	\$13,375,000	2.5% rate increase; Add Housing VI (504), Retire PV Modulars (-119) during Spring 2005
2006 estimate	\$14,240,000	2.5% rate increase; reallocate \$200K debt service;
2007 estimate	\$16,490,000	2.5% rate increase; reallocate \$525K debt service; Add Housing VII A
2008 estimate	\$19,240,000	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	3,544	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 increased 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 (actual)	\$2,591,000
FY 2004 (projected)	\$2,810,000
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 parking and transportation requirements on all three of the university campuses. Campus Access funds, are generated primarily from decal fees, deck revenue, and fines. Funding covers parking lot and deck construction debt service, lot repairs and maintenance, as well as lighting repairs and installations, and the management fee for the current parking contractor, Colonial Parking Services. Colonial manages the decal sales programs, provides parking technicians, manages the parking deck and lots, and runs the Motorist Assistance Programs. 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 actual	\$5,077,200	\$20 rate increase; enrollment growth
2004 actual	\$5,074,400	Enrollment growth; reallocate \$660k orig deck debt service
2005 estimate	\$5,900,000	Enrollment growth; add Fairfax Deck II (no debt payment until FY 06)
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 (actual)	\$62,600
FY 2004 (actual)	\$ 961,000
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 and operational feasibility of this project can be verified. The requirements for this deck will be part of the Northeast Sector Planning Study, currently underway.

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 \$14M (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 \$1.0M 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 be close to being self-supporting and will not require much 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. In FY05 an extension to Lot J will be completed, adding 170 spaces to the existing 360 spaces.

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 \$125,000 annually. This is funded through parking fees and a student fee allocation. For

FY05, the Auxiliary Enterprises Management Council (AEMC) recommended \$72,000 in additional transportation funding to support 1) a second Prince William shuttle bus, 2) continuation of the Fairfax parking lot shuttle, and 3) funding the weekend activities van.

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, an emphasis on additional traffic and transportation improvements will be necessary. These will include, but are not limited to, possible transportation department, 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 Summer 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 2005. 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 2004) 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 2006. 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 2005 BUDGET
Athletic Scholarship Cost	\$2,700,000
Source of Funds	
• Athletic Department Revenue	782,500
• Patriot Center Commission	632,000
• Student Fee	500,000
• Beverage, Vending Commission	422,500
• Patriot Club (Fundraising)	155,500
• Other Contributions	108,000

The ICA budget for FY 2004 is \$9,600,000. Student fee support is \$7.3M per year and self-generated revenue is \$2.3M 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 and FY 2003, and the best estimate for future year budgets:

FISCAL YEAR	BUDGET	ASSUMPTIONS
2002 actual	\$8,400,000	Actual
2003 actual	\$8,900,000	Scholarships Increase due to increased tuition rates
2004 estimate	\$9,500,000	Scholarships & Operating Maintained
2005 estimate	\$9,600,000	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 actual	6.7M	2.3M	\$8.9M
2004 estimate	7.0M	2.1M	\$9.1M
2005 estimate	7.3M	2.3M	\$9.6M
2006 estimate	7.4M	2.4M	\$9.8M
2007 estimate	7.5M	2.7M	\$10.2M
2008 estimate	7.6M	2.9M	\$10.5M

For FY 2005, the Auxiliary Enterprises Management Council (AEMC) recommended that \$25,000 be allocated for a pilot project to be created between Intercollegiate Athletics and University Life to increase student attendance at athletic events.

4. RECREATIONAL FACILITIES

The current FY 2004 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 actual	\$11,600,000	2% enrollment growth/FH debt retired
2004 estimate	\$12,000,000	2% enrollment growth; 2.5% salary increase
2005 estimate	\$12,500,000	2% enrollment growth; \$325k 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	\$15,200,000	2% enrollment growth; 2.5% salary increase
2008 estimate	\$15,800,000	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 \$9M renovation project requiring \$850,000 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 \$650,000. It is projected that this facility will be covered through debt service payments of \$325,000 over two 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 actual	4.6M	7.0M	\$11.6M
2004 estimate	4.8M	7.2M	\$12.0M
2005 estimate	5.1M	7.4M	\$12.5M
2006 estimate	6.8M	7.7M	\$14.5M
2007 estimate	7.0M	8.2M	\$15.2M
2008 estimate	7.2M	8.6M	\$15.8M

For FY 2005, the Auxiliary Enterprises Management Council (AEMC) recommended \$56,000 in additional recreation funding for recreational equipment at the Prince William Campus, three additional club sports, and supplemental funding support for GMU student use of Hemlock Overlook. This is in addition to the FY 2004 allocation of \$79,000 for equipment (one-time) and \$61,000 for staff.

- 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 2005. 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 19th anniversary in October 2004. 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 ninth full year of operation in October 2004. 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, a retail mail shop and a Media Lab. 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 in Student Union II that created an electronic classroom suite for the 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. The final project in this series will be completed in Spring, 2004, when the SUB I lobby renovation is completed.

Johnson Center/Unions operated within a budget of \$5.5M (FY03) with approximately \$2.3M of student fee support and \$3.2M 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 \$2.2M 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 actual	2.3M	3.2M	\$5.5M
2004 estimate	2.1M	2.8M	\$4.9M
2005 estimate	3.1M	2.8M	\$5.9M
2006 estimate	3.1M	2.9M	\$6.0M
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.

The \$2.5M renovation project described above will require an annual debt service payment of \$335,000. The source of funds to pay that is student fee and self-generated revenue.

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. The Student Union II addition project will be included in the Northeast Sector Planning Study, currently underway.

For FY 2005, the Auxiliary Enterprises Management Council (AEMC) recommended \$87,000 in Johnson Center/Student Unions funding for extended hours of operations and for food services venues in Arlington, Prince William, and Ike's Diner. This is in addition to the FY 2004 hours extensions for SUB I dining and Jazzman's in the Johnson Center. Also for FY 2005, AEMC recommended that \$25,000 be made available for a truck to transport program equipment, AV equipment, and staff among the campuses.

6. STUDENT HEALTH SERVICES

This activity addresses the needs of the university community for health information and diagnostic treatment, testing procedures, referrals for episodic care of illness and injury, and additional health care services. During the past year, Student Health Services saw approximately 10,000 patients, of whom approximately 2500 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, INOVA 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 5000 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 1500 students with adequate health insurance at modest cost. Related health services offices are Health Education, Substance Abuse Programs and Services, and Sexual Assault Services. In addition, this activity, as noted above, manages the health insurance program.

In the Fall and Spring semesters, Student Health Services is open on the Fairfax campus M-F for a total of 50 hours a week. SHS services are available two days a week on both the Prince William and Arlington campuses. To cover Early Identification Program needs, the Prince William SHS is available throughout July. Arlington SHS is closed over the summer.

In FY 2004, responding to growth in both the overall and residential student population, the university added a .6 FTE physician, 1.0 FTE RN, pharmaceuticals licensure and dispensary, computerized patient registration and processing, and a medical evaluation service that provides students with telephone access to nurses when Student Health Services is closed.

In 2005-2008, Student Health Services will need to assess the needs of the university's growing residential student population. It is expected these needs will primarily involve access to night and weekend on-campus emergency health care and emergency transport to local medical facilities.

New funding is allocated in FY 2005 to support the provision of Student Health Services at the Prince William and Arlington campuses, including construction of the Student Health Clinic at Prince William. New funding at the Fairfax campus will maintain the Medicat software system, provide computer and front-desk support, and allow Student Health Services and the Counseling Center to contract for the in-house psychiatric evaluation of students.

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$1.0M	\$540K	\$1.5M
2003 actual	0.9M	600K	\$1.5M
2004 estimate	1.1M	600K	\$1.7M
2005 estimate	1.4M	600K	\$2.0M
2006 estimate	1.6M	600K	\$2.2M
2007 estimate	1.8M	600K	\$2.4M
2008 estimate	2.1M	600K	\$2.7M

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. In FY 2003, with increased ticket revenue generated, the unit ended the year with a balance of \$98,000. For FY 2004 the ticket revenue generated will be approximately \$1.4M, the highest since the opening of the facility. Attendance at performances has been strong this year, and it is estimated that FY 2004 revenue will exceed expenditures, allowing the unit to continue to build an operating and equipment reserve for the activity. The FY 2004 budget includes a one-time adjustment of \$250,000 to support a portion of the planning costs for the Prince William Performing Arts facility.

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 actual	3.3M	1.7M	\$5.0M
2004 estimate	3.7M	1.8M	\$5.5M
2005 estimate	3.5M	2.1M	\$5.6M
2006 estimate	3.6M	2.2M	\$5.8M
2007 estimate	3.7M	2.2M	\$5.9M
2008 estimate	3.8M	2.3M	\$6.1M

For FY 2005, the Auxiliary Enterprises Management Council (AEMC) recommended that \$23,800 be set aside to fund Visiting Artist as part of the overall GMU Art Gallery program. This is in addition to the FY 2004 allocation of \$158,000 for program and staff for Center for the Arts activities.

8. UNIVERSITY LIFE

The current FY 2004 University Life Activities auxiliary enterprise budget of \$3.9M supports a wide range of activities throughout the university and across all three campuses. These activities are organized to engage students with one another, with faculty, and with the academic enterprise. Insofar as students' intellectual and personal development is tied to broad educational engagement, these out-of-class efforts are a vital part of the institution's outreach. University Life Activities include the following:

Academic support programming encompasses lectures, cultural activities, and other educational programs offered throughout the year and during special weeks/months, such as Asian Pacific American Heritage Month, Black History Month, Healthy Relationships Week, Hispanic Heritage Month, Victim's Rights Week, and Women's History Month.

Funding for these programs is disbursed to University Life and academic units through the University Life Programming Committee, which provides oversight and accountability. Programs must be coordinated with course offerings, thus buttressing the curriculum by providing students with access to national and international scholars and civic figures. This funding pool was established in 1997 by merging the program funds of University Life units.

Academic support programming also includes the university's human relations and diversity training programs, which are offered primarily in classes by the Multicultural Research and Resource Center.

With increased, and increasingly diverse, student enrollment, an improving academic profile, and an increasing desire to host nationally known figures, the university will need to move toward systematic augmentation of academic support programming.

Career development support includes the fee funding and self-generated revenue supporting the career and internship fairs organized by University Career Services. In 2005-2008, the university will increase this budget (BY \$20,000), for Patriot Job Web, which supports student job search activities. This increase will allow for elimination of the fee currently charged to users of the system, thus making it available to all students.

Community building social activities includes activities like Homecoming, Mason Day, Patriot's Day, First Fridays, Johnson Center Cinema, programming in Jazzman's, the Bistro, and Ike's, and social activities sponsored by student organizations. These are especially important given the lack of college venues in the campuses' immediate surrounds, and the increasing number of students living on-campus.

Funding for these activities has grown, beginning with the provision of \$40,000 in 2000 for Homecoming, and more recently \$50,000 for First Fridays (a once-a-month program), \$50,000 for student organization social activities, and \$12,000 for Jazzman's/Bistro programs. This function also includes the Program Board (funded annually at \$110,000), which is the student organization responsible for Patriot's Day, Mason Day, and collaboration on most other large university events. Growth in the undergraduate, residential, and out-of-state student populations will increase the demand for a 24/7 campus and more "things to do on campus."

Faculty-directed programs have provided student fee funding to programs in debate and forensics (Communication Department), chorus, orchestra, and band (Music Department), university players (Theater Department), and dance (Dance Department). These programs/classes, organized and taught by instructional faculty, are open to students irrespective of their major. Sizeable student enrollment in faculty-directed programs testifies to the levels of student interest; competitive, national awards testify to program quality.

In existing faculty-directed programs, student interest exceeds funding abilities. The university also has not solicited proposals for *new* faculty directed programs in at least a decade. To better match programs to student and faculty interest, in 2005-2008 the university will plan for a phased increase in this area

Student Organization Funding is disbursed through two student-run organizations. The Student Bar Association (SBA) disburses \$100,000 annually in fee funding to the approximately 40 student organizations and journals in the School of Law. The Student Funding Board (SFB) distributes \$235,000 fee funding to the approximately 150 other student organizations in the university, and sets aside another \$30,000 for graduate student travel requests. In addition to the allocated fee funding, the groups also generate their own revenue.

In 2005-2008, the university will review this budget. This time frame will be an appropriate one in which to evaluate an enrollment-driven formula for student organization funding.

Student Media Programs include the Broadside, five student journals, WGMU radio, and Mason Cable Network. These activities are supported with \$119,000 in fee funding. The remaining budget is Broadside self-generated revenues.

University Life activities related units include all FTE and direct expense in the Student Activities Office, Student Media, Johnson Center and University Life Programs, and a portion of the staffing and direct expenses in Diversity Programs and Services, International Programs and Services, and the Women's Studies Research and Resource Center. Collectively, these are the units most responsible for University Life's community building activities. The office of the Dean of Students is partially fee funded (fee funding supports judicial and honor code activities); the budget analyst for University Life central is fully fee funded.

In 2005-2008, responsive to the growth in overall and residential student enrollment, the university will plan for FTE increases in the offices of Student Activities and the Dean of Students. In the office of Student Activities, oversight of fraternities/sororities and the increasing demands on programming will be addressed through addition of 1.5 FTE (\$80,000 in fee funding toward 1.0 FTE Greek Life Coordinator and .5 Programming Coordinator). In the office of the Dean of Students, .5 FTE (\$44,000) will contribute to the creation of a full-time Associate Dean of Students.

For FY05, Auxiliary Enterprise Management Council (AEMC) recommended that an additional \$39,000 be allocated for Program Board and specific programs on each campus. This in addition to the FY04 programs allocation of \$32,000.

FISCAL YEAR	STUDENT FEES	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$2.3M	\$1.1M	\$3.3M
2003 actual	2.4M	1.1M	\$3.5M
2004 estimate	2.6M	1.3M	\$3.9M
2005 estimate	3.0M	1.3M	\$4.3M
2006 estimate	3.1M	1.3M	\$4.4M
2007 estimate	3.2M	1.3M	\$4.5M
2008 estimate	3.3M	1.3M	\$4.6M

9. PRINT SERVICES

This activity provides a variety of printing and photocopying services to the University. The four copy centers, 24 coin/card operated copiers and 127 administrative convenience copiers produce more than 25 million copies per year. The copy centers produced 17 million copies, coin/card copiers produced 1.7 million, and the administrative copiers produced 6.9 million copies. The course material office processes over 950 course packets per semester, with approximately 200 titles requiring copyright permissions. Growth in enrollment and facilities at the Prince William Campus will require an increase in the service level at Prince William in FY 2005. 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 actual	\$1,846,000	\$(134,000)	Actual
2004 actual	\$1,800,000	\$(22,000)	Actual
2005 estimate	\$1,800,000	\$(0)	2% Incr; 2.5% Sal Incr
2006 estimate	\$1,850,000	\$0	2% Incr; 2.5% Sal Incr
2007 estimate	\$1,900,000	\$0	2% Incr; 2.5% Sal Incr
2008 estimate	\$1,900,000	\$0	2% Incr; 2.5% Sal Incr

10. STUDENT BOARD PLAN

The cost of administering the Board program in prior years has been 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	\$108,700	Actual
2003 estimate	\$5,500,000	\$134,300	Actual
2004 estimate	\$5,900,000	\$152,900	2% Price; Student Growth
2005 estimate	\$6,100,000	\$193,100	2% Price Increase
2006 estimate	\$6,200,000	\$ 5,950 **	2% Price Increase
2007 estimate	\$6,800,000	\$ 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 possible 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 (actual)	\$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 2004. This activity supports the telecommunication and network activity of faculty, staff and students. During 2003 an infrastructure upgrade was 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.

Over the next few years major upgrades will be required to support voice mail and pbx upgrades due to the age of the equipment and expansion of facilities on campus.

FISCAL YEAR	TELE-COMMUNICATION REVENUE	CUMULATIVE FUND BALANCE	COMMENTS
2002	\$2,800,000	\$854,200	Actual
2003	\$2,500,000	\$1,178,600	Actual
2004	\$2,800,000	\$1,279,500	Actual
2005	\$3,100,000	\$1,000,000	2% inflation; 2.5% salary inc.
2006	\$3,100,000	\$550,000	2% inflation; 2.5% salary inc.
2007	\$3,100,000	\$500,000	2% inflation; 2.5% salary inc.
2008	\$3,200,000	\$500,000	2% inflation; 2.5% salary inc.

FISCAL YEAR	COMPUTER STORE REVENUE	CUMULATIVE FUND BALANCE	COMMENTS
2002	\$2.1M	\$(20,800)	Actual
2003	\$2.6M	\$125,400	Actual
2004	\$2.3M	\$263,700	Actual
2005	\$2.4M	\$0	2% inflation; 2.5% salary inc.
2006	\$2.5M	\$0	2% inflation; 2.5% salary inc.
2007	\$2.6M	\$0	2% inflation; 2.5% salary inc.
2008	\$2.7M	\$0	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 \$511,700. 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	\$350,000	\$(6,000)	Actual
2004	\$490,000	\$(22,500)	Actual
2005	\$480,000	\$0	2% inflation; 2.5% salary inc.
2006	\$510,000	\$10,000	2% inflation; 2.5% salary inc.
2007	\$525,000	\$15,000	2% inflation; 2.5% salary inc.
2008	\$540,000	\$20,000	2% inflation; 2.5% salary inc.

For FY 2004 (\$18k) and FY 2005 (\$5k), Auxiliary Enterprise Management Council (AEMC) allocated a total of \$23,000 for special renovations for the CDC facilities. These renovations are intended to keep the facilities in good condition until the new building is ready.

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	Projected Balance 6/30/04	Projected Balance 6/30/05	Projected Balance 6/30/06	Projected Balance 6/30/07	Projected Balance 6/30/08
Student Unions	\$564,411	\$732,411	\$859,337	\$1,060,000	\$1,262,000	\$1,462,000	\$1,662,000
Johnson Center	1,473,037	1,518,037	1,549,523	1,648,000	1,748,000	1,848,000	1,938,000
Rec Sports Complex	1,287,588	1,487,588	1,529,462	1,650,000	1,800,000	1,950,000	2,100,000
Fairfax Aquatic Center	207,830	357,830	507,830	657,000	807,000	957,000	1,107,000
Housing	1,592,622	2,617,173	2,629,481	3,050,000	3,550,000	3,950,000	4,050,000
Freedom Center	45,137	45,137	366,670	400,000	500,000	600,000	700,000
Patriot Center	1,967,481	2,072,481	2,267,481	2,370,000	2,500,000	2,670,000	2,800,000
Center for the Arts	149,526	274,526	424,526	574,000	700,000	850,000	1,000,000
Totals	\$7,287,632	\$9,105,183	\$10,134,310	\$11,409,000	\$12,867,000	\$14,287,000	\$15,357,000

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 actual	398.8K	7.2K	\$406.0K
2004 estimate	550.0K	- 0 -	\$550.0K
2005 estimate	800.0K	- 0 -	\$800.0K
2006 estimate	800.0K	- 0 -	\$800.0K
2007 estimate	825.0K	- 0 -	\$825.0K
2008 estimate	850.0K	- 0 -	\$850.0K

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. 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 expired 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 actual	191.3K	108.2K	\$299.5K
2004 estimate	191.3K	108.2K	\$299.5K
2005 estimate	206.5K	28.0K	\$234.5K
2006 estimate	210.0K	358.2K	\$568.2K
2007 estimate	215.0K	33.2K	\$248.2K
2008 estimate	230.0K	33.2K	\$263.2K

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	1.9M	.8M	\$2.7M
2005 estimate	1.9M	.8M	\$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 and FY 03 was retained by the Commonwealth. Initially, the earnings for the 4th quarter of FY 04 were also retained by the Commonwealth. Those 4th quarter funds for FY04 have since been allocated to the agencies as earned and are reflected in FY05 revenues. 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 actual	\$807,403
2004 estimate	\$420,000
2005 estimate	\$800,000
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	80.3K	- 0 -	\$80.3K
2006 estimate	85.5K	- 0 -	\$85.5K
2007 estimate	90.5K	- 0 -	\$90.5K
2008 estimate	95.5K	- 0 -	\$95.5K

For FY 2005 the Auxiliary Enterprises Management Council (AEMC) recommended allocation of \$26,5000 to support student support within the Police operation to provide student cadets at some university events.

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 - 28 students admitted per year, or an average of 104 - 112 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 \$580,000. 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 actual	235.0K	174.6K	\$409.6K
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 2005 is approximately \$7.3M

MISCELLANEOUS	
	FY 2005
Child Development Center	\$ 478,500
University Services Administration	746,000
Warehouse Rental/Debt Service	259,000
AUCS	226,700
Indirect Cost (Student Fee Portion)	1,900,000
Interest Income (Used to Fund Indirect Cost)	800,000
SAPS	80,300
University Scholars	500,000
SUBTOTAL	\$4,990,500
Annual Facility Reserve	950,000
AE Contribution to E&G Budget Reduction	1,350,000
TOTAL MISCELLANEOUS	\$7,290,500

These budgets are supported with \$5.5M 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 actual	4.3M	2.6M	\$6.9M
2004 estimate	6.2M **	1.8M	\$8.0M
2005 estimate	5.5M **	1.8M	\$7.3M
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 made a contribution to the Educational & General budget reduction effort in the amount of \$2.35M. In FY 2005, Auxiliary Enterprise Central Reserves will make a contribution to the Educational & General budget reduction effort in the amount of \$1.35M. This contribution is expected not to continue beyond FY 2005.

FINANCIAL SUMMARY AND PROJECTED ANNUAL FEE INCREASES

The current enrollment of 21,200 generates \$29,850,000 of student fee in FY 2004. With a projected student enrollment growth of approximately 300 FTE students per year, the student fee revenue will increase slightly over \$400,000 per year each year.

In this plan, every operating budget within Auxiliary Enterprises has been increased 2% per year in terms of operating expenses. The fee increase for FY 2005 will be \$24 or 1.67%. Also in FY 2005, Auxiliary Enterprise Central Reserves will make a contribution to the Educational & General budget reduction effort. This contribution will be \$1.35M. It is expected not to continue beyond FY 2005. Student Fee increases for FY 2005 through FY 2006 are estimated at \$24 per year, and in FY 2007 through FY 2008 at approximately \$36 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 (actual)	\$24	\$1,398	\$27,767,000
FY 2004 (actual)	\$42	\$1,440	\$29,800,000
FY 2005 (projected)	\$24	\$1,464	\$30,750,000
FY 2006 (estimated)	\$24	\$1,488	\$31,500,000
FY 2007 (estimated)	\$36	\$1,524	\$32,500,000
FY 2008 (estimated)	\$36	\$1,560	\$33,500,000

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 \$66M in FY 2008.

Based upon the previous financial projections, the Auxiliary Enterprise program budget is projected at \$101.1M in FY 2008. The student fee requirement in FY 2005 is \$30.2M and for FY 2008 is \$36.0M (see below). Student fee revenues are projected to be \$30.7 in FY 2005, and \$33.5M in FY 2008. This based on fee increases of \$24 per year in FY 2005 and FY 2006, and increases of \$36 in FY 2007 and FY 2008.

AUXILIARY ENTERPRISES BUDGET PROJECTION, FY 2008

ENTERPRISE	STUDENT FEES	OTHER REVENUE	TOTAL
Student Housing	\$0	\$21.9M	\$21.9M
Campus Access	.1M	7.2M	7.3M
Intercollegiate Athletics	7.5M	3.0M	10.5M
Recreational Facilities	7.2M	8.6M	15.8M
Unions/Johnson Center	5.3M	3.3M	8.6M
Student Health Services	2.1M	0.6M	2.7M
Center for the Arts	3.8M	2.2M	6.0M
University Life	3.3M	1.3M	4.6M
Print Services	0	1.9M	1.9M
Student Board Plan	0	7.6M	7.6M
Telecommunications	0	3.2M	3.2M
Computer Store	0	2.7M	2.7M
Indirect Cost	2.0M	1.0M	3.0M
Facility Reserves	1.0M	.0M	1.0M
Central Initiatives	2.2M	.0M	2.2M
Miscellaneous	1.7M	1.1M	2.8M
TOTAL BUDGET	\$36.2M	\$65.6M	\$101.8M

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 34.7% 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 \$35.7M in FY 2008 represents a need for, on the average, an annual student fee increase of approximately \$24-\$36 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.

George Mason University
Auxiliary Enterprises Annual Budget

9/21/04 12:52 PM

	2004			2005			2006			2007			2008		
	FEES	SGR	TOTAL	FEES	SGR	TOTAL	FEES	SGR	TOTAL	FEES	SGR	TOTAL	FEES	SGR	TOTAL
Housing	0	13,828,400	13,828,400	0	13,375,000	13,375,000	0	14,375,000	14,375,000	0	19,150,000	19,150,000	0	21,900,000	21,900,000
Campus Access	40,000	5,099,600	5,139,600	112,000	5,786,500	5,898,500	112,000	6,328,000	6,440,000	112,000	6,403,300	6,515,300	112,000	7,171,200	7,283,200
JC/Unions (3) (4)	2,100,000	2,840,500	4,940,500	3,098,600	2,850,900	5,949,500	3,100,000	2,900,000	6,000,000	3,800,000	3,000,000	6,800,000	5,300,000	3,300,000	8,600,000
Print Services	0	1,846,200	1,846,200	0	1,800,000	1,800,000	0	1,850,000	1,850,000	0	1,900,000	1,900,000	0	1,900,000	1,900,000
Board Plan	0	5,588,800	5,588,800	0	6,119,300	6,119,300	0	5,900,000	5,900,000	0	6,550,000	6,550,000	0	7,600,000	7,600,000
Child Dev Ctr	0	490,000	490,000	5,000	473,500	478,500	0	510,000	510,000	0	525,000	525,000	0	540,000	540,000
Univ Svcs Misc	741,300	378,100	1,119,400	1,040,800	287,100	1,327,900	1,092,000	617,300	1,709,300	1,130,000	392,300	1,522,300	1,175,000	392,300	1,567,300
University Scholars	265,000	205,000	470,000	295,000	205,000	500,000	325,000	205,000	530,000	355,000	205,000	560,000	385,000	205,000	590,000
ICA	6,888,000	2,110,500	8,998,500	7,334,600	2,260,500	9,595,100	7,200,000	2,600,000	9,800,000	7,400,000	2,800,000	10,200,000	7,500,000	3,000,000	10,500,000
Rec Facilities (5)	4,826,500	7,216,200	12,042,700	5,106,700	7,390,100	12,496,800	6,810,000	7,700,000	14,510,000	7,020,000	8,200,000	15,220,000	7,205,000	8,550,000	15,755,000
Student Health	1,074,400	572,000	1,646,400	1,367,100	591,900	1,959,000	1,600,000	600,000	2,200,000	1,800,000	600,000	2,400,000	2,100,000	600,000	2,700,000
University Life	2,592,300	1,277,100	3,869,400	3,006,200	1,333,200	4,339,400	3,100,000	1,300,000	4,400,000	3,200,000	1,300,000	4,500,000	3,300,000	1,300,000	4,600,000
Center for the Arts (2)	3,675,000	1,875,300	5,550,300	3,554,900	2,080,000	5,634,900	3,600,000	2,000,000	5,600,000	3,700,000	2,100,000	5,800,000	3,800,000	2,200,000	6,000,000
Telecomm	100,000	2,700,000	2,800,000	0	3,080,000	3,080,000	0	3,100,000	3,100,000	0	3,100,000	3,100,000	0	3,200,000	3,200,000
Telecomm Infra	510,400	0	510,400	511,700	0	511,700	0	0	0	0	0	0	0	0	0
Computer Store	0	2,100,000	2,100,000	0	2,400,000	2,400,000	0	2,500,000	2,500,000	0	2,600,000	2,600,000	0	2,700,000	2,700,000
Facility Reserves	950,000	0	950,000	950,000	0	950,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000
Indirect Cost	1,900,000	800,000	2,700,000	1,900,000	800,000	2,700,000	1,800,000	1,000,000	2,800,000	1,900,000	1,000,000	2,900,000	2,000,000	1,000,000	3,000,000
Salary Increases	164,300	0	164,300	173,300	0	173,300	176,000	0	176,000	182,000	0	182,000	188,400	0	188,400
AE Central Initiatives	896,300	0	896,300	944,100	0	944,100	1,394,100	0	1,394,100	1,844,100	0	1,844,100	2,194,100	0	2,194,100
AE Contrib to E&G	2,350,000	0	2,350,000	1,350,000	0	1,350,000	0	0	0	0	0	0	0	0	0
Totals	29,073,500	48,927,700	78,001,200	30,750,000	50,833,000	81,583,000	31,309,100	53,485,300	84,794,400	33,443,100	59,825,600	93,268,700	36,259,500	65,558,500	101,818,000
	37%	63%		38%	62%		37%	63%		36%	64%				
Fee Revenue	29,500,000			30,750,000			31,500,000			32,500,000			33,500,000		
Current Ending Balance	1,046,000			0			190,900			(943,100)			(2,759,500)		
Cumulative Balance	3,083,628			3,083,628			3,274,528			2,331,428			(428,072)		
Fee Increase Amount	\$24			\$24			\$24			\$36			\$36		

- NOTES:
(1) JC/Unions FY04 - fee figure reflects one-time savings on debt service due to refinancing
(2) CFA FY04 - \$250,000 of fee funding is one time for planning for the performing arts center on the Prince William Campus
(3) Prince William Student Union Bldg (FY 08): \$1.5M annual debt service; \$250k revenue
(4) Fairfax SUB II Addition (FY 07): \$850,000 annual debt service; no revenue estimate
(5) Assumes debt service obligations for PE Building (\$1.5M); Aquatic & Fitness Center Addition (\$0.5M); and Patriot Center Addition all begin in FY 2006

TUITION AND FEES, FY 2005

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. However, state officials do review tuition only increases to ensure institutional compliance with legislative and executive branch guidance.

TUITION ONLY				
TYPE STUDENT	TUITION 2004-05	TUITION 2005-06	AMOUNT CHANGE	PERCENT INCREASE
In-State, Undergraduate	\$3,630.00	\$3,942.00	\$312.00	8.60%
In-State, Graduate	4,398.00	4,758.00	360.00	8.20%
Out-of-State Undergraduate	13,470.00	14,310.00	840.00	6.24%
Out-of-State Graduate	13,470.00	14,310.00	840.00	6.24%
In-State, Law	8,789.00	9,409.00	620.00	7.10%
Out-of-State, Law	18,939.00	20,035.00	1,096.00	5.79%

Tuition & Fee Rates

Most George Mason students do not reside on campus, and most students (84%) 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 (\$5,448) at George Mason University as compared to the average price (\$5,609) within the state. As of the time of publication, only ten of the fifteen schools had announced their tuition and fee rates for FY 2005 (see below).

ANNUAL TUITION & FEE INCREASE, FY 2005 UNDERGRADUATE, IN-STATE STUDENTS					
RANK	INSTITUTION	2003-04	2004-05	INCREASE AMOUNT	% CHANGE
1	VMI	\$7,584	\$8,054	470	6.2%
2	William & Mary	6,430	7,096	666	10.4%
3	UVA	5,964	6,600	636	10.7%
4	Longwood	5,877	6,441	564	9.6%
5	Virginia Tech	5,095	5,838	743	14.6%
6	James Madison	5,058	5,476	418	8.3%
7	GEORGE MASON	5,112	5,448	336	6.6%
8	CNU	4,598	5,314	714	15.5%
9	Old Dominion	4,928	5,268	340	6.9%
10	Mary Washington	4,688	5,127	439	9.4%
11	VCU	4,869	5,098	229	4.7%
12	Univ of Va – Wise	4,496	4,782	286	6.4%
13	Radford	4,140	4,762	622	15.0%
14	VSU	4,350	4,544	194	4.5%
15	Norfolk State	3,840	4,295	455	11.8%
	AVERAGE	\$5,135	\$5,609	\$474	9.4%

Regional Tuition and Fees

The tables below illustrate the in-state and out-of-state tuition and fee rates for schools in the surrounding region. As can be seen from the tables below, the in-state and out-of-state rates at George Mason University are significantly lower than most of the schools that we compete with in the mid-Atlantic region.

TUITION AND FEE TRENDS

IN-STATE RANK

INSTITUTION	2000-01	2001-02	2002-03	2003-04	2004-05
George Washington University	\$25,040	\$26,170	\$27,790	\$29,350	\$34,030
Georgetown University	24,168	25,425	26,544	28,209	30,338
American University	21,399	22,116	23,068	24,839	26,335
University of Pittsburgh, Main Campus	7,002	7,482	8,528	9,274	10,830
Pennsylvania State	6,852	7,396	8,382	9,706	10,094
Temple University	6,612	6,948	8,062	8,594	9,102
Rutgers University	6,333	6,654	7,308	7,927	9,240
University of Maryland	5,136	5,341	5,898	6,756	7,426
University of Delaware	5,004	5,290	5,880	6,498	6,954
GEORGE MASON UNIVERSITY	3,768	3,792	4,800	5,112	\$5,448
University of North Carolina	2,768	3,277	3,856	4,072	4,450
West Virginia University	2,836	2,948	3,240	3,548	3,884

OUT-OF-STATE RATES

INSTITUTION	2001-02	2002-03	2003-04	2003-04	2004-05
George Washington University	25,040	26,170	27,790	29,350	34,030
Georgetown University	24,168	25,425	26,544	28,209	30,338
American University	21,399	22,116	23,068	24,839	26,335
University of Pittsburgh, Main Campus	14,394	15,522	17,610	18,586	19,086
Pennsylvania State	14,684	15,740	17,336	19,328	19,910
Temple University	13,754	14,380	15,410	15,354	16,268
Rutgers University	11,934	13,269	15,140	15,140	17,042
University of Maryland	12,668	13,413	15,100	17,433	18,850
University of Delaware	12,322	12,712	14,316	16,028	16,640
GEORGE MASON UNIVERSITY	12,612	12,696	14,100	14,952	\$15,816
University of North Carolina	11,511	12,092	13,284	15,920	17,549
West Virginia University	8,362	8,832	9,710	10,768	12,060

Law School Tuition and Fee Rates

The in-state Law School rate continues to appear to be substantially lower than the rates of other regional institutions. The out-of-state rate is not as much lower, but still lower than the competition.

REGIONAL LAW SCHOOL TUITION AND FEES						
	IN-STATE			OUT-OF-STATE		
	FY04	FY05	% INC	FY04	FY05	% INC
Georgetown University	\$30,940	\$33,055	6.8%	\$30,940	\$33,055	6.8%
George Washington University	30,990	32,620	5.3%	30,990	32,620	5.3%
American University	29,360	31,108	6.0%	29,360	31,108	6.0%
Catholic University	29,280	30,360	3.7%	29,280	30,360	3.7%
University of Virginia	23,798	26,100	9.7%	29,201	31,100	6.5%
University of Richmond	24,000	25,510	6.3%	24,000	25,510	6.3%
Howard University	15,890	16,805	5.8%	15,890	16,805	5.8%
University of Maryland - Baltimore	15,225	16,253	6.8%	26,504	27,532	3.9%
GEORGE MASON UNIVERSITY	10,262	10,906	6.3%	20,412	21,532	5.5%
College of William & Mary	13,159	14,160	7.6%	23,399	24,400	4.3%

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

The total price increase approved for 2004-05 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. These percentages are based on the undergraduate student rates for tuition and fees.

TOTAL PRICE INCREASE IN-STATE	
INSTITUTION	FY05 INCREASE
Univ of Va - Wise	5.4%
GEORGE MASON UNIV	4.5%
Virginia Commonwealth	3.7%
Old Dominion University	5.1%
Virginia State University	4.3%
Longwood College	4.9%
Norfolk State University	6.0%
Virginia Tech	9.6%
University of Virginia	8.7%
James Madison University	5.2%
Virginia Military Institute	5.3%
Christopher Newport Univ	10.7%
Radford	8.9%
College of William & Mary	7.7%
Mary Washington College	6.9%
AVERAGE	6.5%

TOTAL PRICE INCREASE OUT-OF-STATE	
INSTITUTION	FY05 INCREASE
Norfolk State University	5.9%
Virginia Commonwealth	1.2%
Virginia State University	2.6%
University of Virginia	3.9%
Old Dominion University	4.1%
Univ of Va - Wise	5.7%
GEORGE MASON UNIV	4.9%
Longwood College	6.3%
James Madison University	6.7%
Virginia Tech	8.8%
Christopher Newport Univ	4.6%
Radford	4.7%
Virginia Military Institute	5.6%
College of William & Mary	3.6%
Mary Washington College	7.6%
AVERAGE	5.1%

The following table summarizes the tuition and fee rates approved for Summer Term FY 2005, and are being proposed as the FY 2005 academic year rates for George Mason University.

GEORGE MASON UNIVERSITY ACADEMIC YEAR, 2004-05 TUITION & FEE RATES ANNUAL RATE				
	CURRENT 2003-04	APPROVED 2004-05	ANNUAL CHANGE	% CHANGE
IN-STATE UNDERGRADUATE:				
Tuition	\$3,630.00	\$3,942.00	\$312.00	
Technology Fee	42.00	42.00	0.00	
Fees	1,440.00	1,464.00	24.00	
Total	\$5,112.00	\$5,448.00	\$336.00	6.57%
IN-STATE GRADUATE:				
Tuition	\$4,398.00	\$4,758.00	\$360.00	
Technology Fee	42.00	42.00	0.00	
Fees	1,440.00	1,464.00	24.00	
Total	\$5,880.00	\$6,264.00	\$384.00	6.53%
OUT-OF-STATE:				
Tuition	\$13,470.00	\$14,310.00	\$840.00	
Technology Fee	42.00	42.00	0.00	
Fees	1,440.00	1,464.00	24.00	
Total	\$14,952.00	\$15,816.00	\$ 864.00	5.78%
LAW, IN-STATE:				
Tuition	\$8,789.00	\$9,409.00	\$ 620.00	
Technology Fee	42.00	42.00	0.00	
Fees	1,431.00	1,455.00	24.00	
Total	\$10,262.00	\$10,906.00	\$ 644.00	6.28%
LAW, OUT-OF-STATE				
Tuition	\$18,939.00	\$20,035.00	\$1,096.00	
Technology Fee	42.00	42.00	0.00	
Fees	1,431.00	1,455.00	24.00	
Total	\$20,412.00	\$21,532.00	\$1,120.00	5.49%

**GEORGE MASON UNIVERSITY
ACADEMIC YEAR, 2004-05
TUITION & FEE RATES
HOURLY RATE**

	CURRENT 2003-04	APPROVED 2004-05	HOURLY CHANGE	% CHANGE
IN-STATE UNDERGRADUATE:				
Tuition	\$151.25	\$164.25	\$13.00	
Technology Fee	1.75	1.75	0.00	
Fees	60.00	61.00	1.00	
Total	\$213.00	\$227.00	\$14.00	6.57%
IN-STATE GRADUATE:				
Tuition	\$183.25	\$198.25	\$15.00	
Technology Fee	1.75	1.75	0.00	
Fees	60.00	61.00	1.00	
Total	\$245.00	\$261.00	\$16.00	6.53%
OUT-OF-STATE:				
Tuition	\$561.50	\$596.25	\$35.00	
Technology Fee	1.75	1.75	0.00	
Fees	60.00	61.00	1.00	
Total	\$623.00	\$659.00	\$36.00	5.78%
LAW, IN-STATE:				
Tuition	\$313.89	\$336.04	\$22.15	
Technology Fee	1.50	1.50	0.00	
Fees	51.11	51.96	0.86	
Total	\$366.50	\$389.50	\$23.00	6.28%
LAW, OUT-OF-STATE				
Tuition	\$676.39	\$715.54	\$39.15	
Technology Fee	1.50	1.50	0.00	
Fees	51.11	51.96	0.86	
Total	\$729.00	\$769.00	\$40.00	5.49%

PREMIUM PRICING FOR SELECT GRADUATE PROGRAMS

Starting Fall 2004 several graduate programs will be pricing tuition rates for in-state students at a level higher than the regular graduate student rates. The programs listed below will be implementing this new policy in Fall 2004. Rates were reviewed for similar programs at institutions in this region. The increased tuition revenue will be used to support enhancements within each particular program. Of the total additional revenue, 75% will be allocated to the unit generating the revenue and 25% will be retained centrally.

College of Arts & Sciences

Master's Degree in Public Administration	\$100 per credit hour above regular rates In-state students only New students only in FY05
--	--

M.S. and Ph.D. in Biodefense	\$100 per credit hour above regular rates In-state students only New students only in FY05
------------------------------	--

School of Information Technology & Engineering

Masters and Ph.D. Degrees	\$ 50 per credit hour above regular rates In-state students only New students only in FY05
---------------------------	--

School of Public Policy

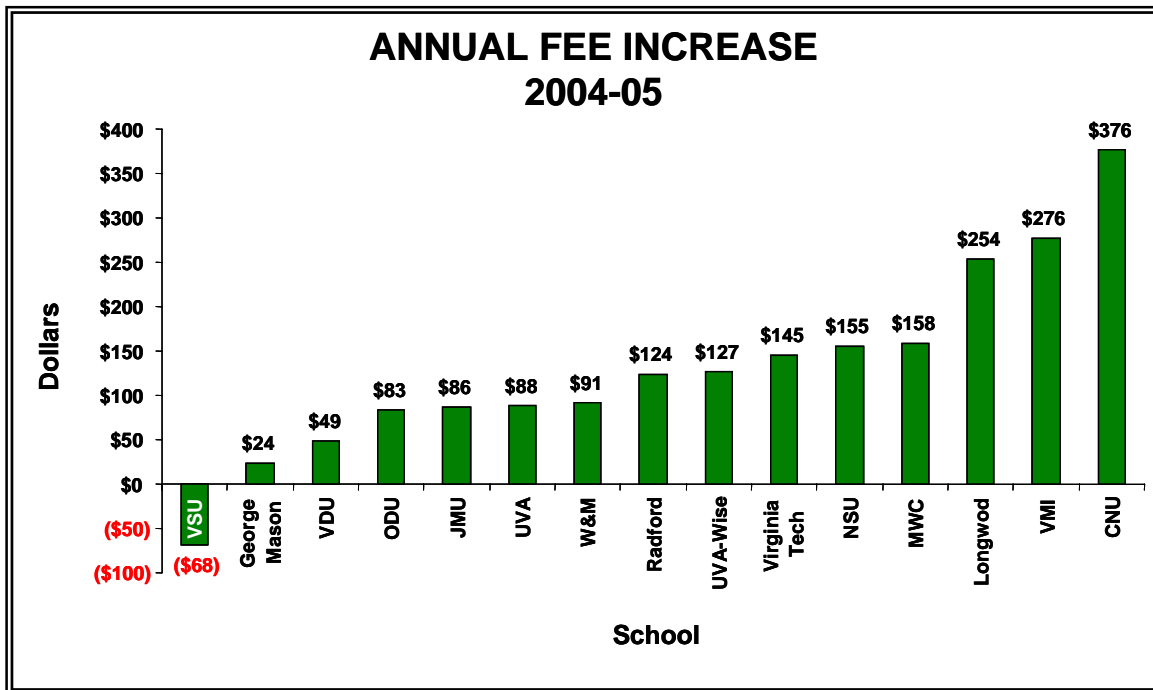
All Graduate Programs	\$100 per credit hour above regular rates In-state students only All students charged
-----------------------	---

Student Fee Increase

George Mason University approved a \$24.00 annual increase in student fee to generate \$500,000. This raises the annual student fee for full-time students from \$1,440 to \$1,464. Part-time students see a fee increase of \$1.00 per student credit hour from \$60.00 per student credit hour to \$61.00 per student credit hour.

Student Fee Increase – State Comparison

This \$24.00 per year increase represents a 1.70% increase over the FY 2004 student fee, which is the smallest student fee increases among all the state supported colleges and universities.



Total Student Fee – State Comparison

George Mason University's student fee will stay at the level of the 11th position among fifteen state supported colleges and universities in FY 2005. In 1985 GMU had the fifth highest student fee among the colleges and universities.

ANNUAL STUDENT FEE, FY 2005		
RANK	SCHOOL	AMOUNT
1	Virginia Military Institute	\$3,968
2	Longwood	3,041
3	James Madison	2,724
4	William & Mary	2,711
5	Virginia State	2,394
6	Christopher Newport	2,128
7	Norfolk State	2,075
8	Old Dominion	1,996
9	University of Virginia – Wise	1,942
10	Radford	1,788
11	GEORGE MASON	1,464
12	Mary Washington	1,456
13	University of Virginia	1,357
14	Virginia Commonwealth	1,277
15	Virginia Tech	1,012
	AVERAGE	\$2,089

STUDENT FEE, FY 2005 % Increase		
RANK	SCHOOL	% INCR
1	Christopher Newport	21.46%
2	Virginia Tech	16.72%
3	Mary Washington College	12.17%
4	Longwood	9.11%
5	Norfolk State	8.07%
6	Virginia Military Institute	7.48%
7	Radford	7.45%
8	University of Virginia - Wise	7.00%
9	University of Virginia	6.93%
10	Old Dominion	4.34%
11	Virginia Commonwealth	3.99%
12	William & Mary	3.47%
13	James Madison	3.26%
14	GEORGE MASON	1.67%
15	Virginia State	-2.76%
	AVERAGE	7.36%

Student Fee Increases – Seven 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. The average annual student fee increase since 1998 of 1.6% for George Mason University is the lowest of all the Colleges and Universities (see below).

UNIVERSITY	AVERAGE ANNUAL STUDENT FEE INCREASE SINCE 1998
Virginia Tech	8.1%
University of Virginia	6.0%
Old Dominion University	4.7%
Virginia Commonwealth University	4.2%
College of William & Mary	3.8%
James Madison	3.3%
GEORGE MASON UNIVERSITY	1.6%
AVERAGE FOR ALL SCHOOLS (excluding GMU)	5.0%

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 2004 and FY 2005 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 \$496, while the out-of-state students will pay \$1,024 more in FY05.

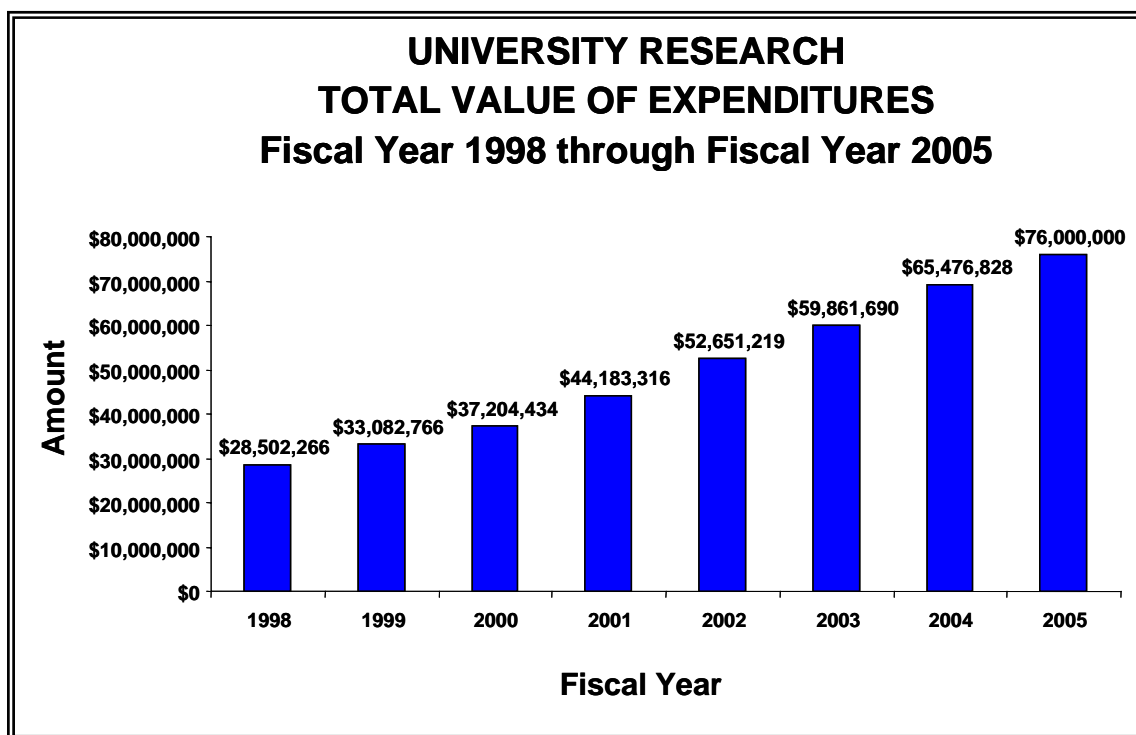
TOTAL COST COMPARISON FY 2004 & FY 2005			
IN-STATE, UNDERGRADUATE	FY 2004	FY 2005	INCREASE
Tuition	\$3,630	\$3,942	\$312
Fees (Includes Tech Fee)	1,482	1,506	24
Room & Board	5,881	6,041	160
TOTAL	\$10,993	\$11,489	\$496
PERCENT INCREASE, FY 2005			4.5%

TOTAL COST COMPARISON FY 2004 & FY 2005			
OUT-OF-STATE, UNDERGRADUATE	FY 2004	FY 2005	INCREASE
Tuition	\$13,470	\$14,310	\$840
Fees (Includes Tech Fee)	1,482	1,506	24
Room & Board	5,881	6,041	160
TOTAL	\$20,833	\$21,857	\$1,024
PERCENT INCREASE, FY 2005			4.9%

SPONSORED RESEARCH

BACKGROUND

George Mason University's sponsored research activity continues to be extremely strong. For the 2004-05 fiscal year, it is projected that the actual expenditures will total approximately \$76.0M. This is a 142% increase in expenditures when compared to FY 98, and a 56% increase when compared to FY 01.



George Mason continues to improve in ranking of research spending when compared to other universities. For total research spending, George Mason was number 160 in FY 02, as compared to number 173 in FY 2000. This represents a move up of 13 positions. For federal research spending, George Mason was number 139 in FY 02, as compared with number 151 in FY 00, a move up of 12 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 02, see the following tables:

RANKINGS OF VIRGINIA INSTITUTIONS IN 2002		
INSTITUTION	TOTAL RESEARCH	FEDERAL RESEARCH
VA Tech	52	82
UVA	69	45
VCU	102	103
CWM	158	179
GMU	160	139
ODU	182	183
JMU	352	363

TOTAL RESEARCH EXPENDITURE GROWTH 1997 - 2002	
INSTITUTION	GROWTH %
GMU	103%
CWM	66%
ODU	57%
UVA	60%
VA Tech	37%
VCU	39%
ALL UNITED STATES	49%
TOP 100 SCHOOLS	51%

EXPENDITURES BY UNIT

Within the overall sponsored research activities, the units with the largest expenditures are the School of Computational Sciences, the College of Arts & Sciences, the School of Public Policy, the School of Information Technology & Engineering, the School of Law, and the Graduate School of Education. These schools make up 86% of the overall spending. Approximately 53% of the total expenditures are incurred within three units, the School of Computational Sciences, the College of Arts and Sciences, and the School of Public Policy.

The research activity at the university generates indirect cost earnings to cover indirect and administrative costs resulting from the activity. Approximately \$10.4M was earned from indirect in FY04. 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 Law. These four units earn approximately 75% of the total indirect earned.

SPONSORED PROGRAMS EXPENDITURES 2000-01 THROUGH 2003-04					
TOTAL EXPENDITURES BY UNIT					
UNIT	2000-01	2001-02	2002-03	2003-04	% INCREASE FY 01 TO FY04
SCS	\$ 7,755,566	\$ 8,999,857	\$11,568,597	\$12,550,589	62%
CAS	7,444,183	10,407,336	11,191,975	12,066,893	62%
SPP	5,829,513	6,368,509	7,674,814	9,737,838	67%
IT&E	10,517,560	12,398,465	11,454,396	9,416,645	-10%
LAW	1,759,597	2,062,641	4,193,884	7,473,417	325%
CEHD	5,575,232	6,399,788	5,868,029	5,363,441	-6%
KRASNOW	616,015	639,779	102,424	2,178,856	254%
CNHS	1,104,807	1,164,410	1,245,143	812,213	-26%
ICAR	340,243	315,993	354,188	458,361	35%
SOM	71,812	143,376	108,028	134,825	88%
CVPA	117,749	81,685	112,040	147,603	25%
PROVOST	1,557,421	2,360,502	4,052,220	3,790,132	143%
ITU	1,158,999	1,029,045	1,158,265	1,125,693	-3%
UNIV LIFE	306,159	272,367	184,092	263,769	-14%
OTHER	28,460	7,467	46,106	56,553	99%
TOTAL	\$44,183,315	\$52,651,220	\$59,314,201	\$65,476,828	76%

Note – Direct funding to Krasnow Institute reflected in Krasnow total. Expenditures for projects conducted in Krasnow by faculty in other units are reported in the principal investigators’ academic units.

% OF TOTAL				
UNIT	2000-01	2001-02	2002-03	2003-04
SCS	17.6%	17.1%	19.5%	19.2%
CAS	16.8%	19.8%	18.9%	18.4%
SPP	13.2%	12.1%	12.9%	14.9%
IT&E	23.8%	23.5%	19.3%	14.4%
LAW	4.0%	3.9%	7.1%	11.4%
CEHD	12.6%	12.2%	9.9%	8.0%
KRASNOW	1.4%	1.2%	0.2%	3.3%
CNHS	2.5%	2.2%	2.1%	1.2%
ICAR	0.8%	0.6%	0.6%	0.7%
SOM	0.2%	0.3%	0.2%	0.2%
CVPA	0.3%	0.2%	0.2%	0.5%
PROVOST	3.5%	4.5%	6.8%	5.8%
ITU	2.6%	2.0%	2.0%	1.7%
UNIV LIFE	0.7%	0.5%	0.3%	0.4%
OTHER	0.1%	0.0%	0.1%	0.1%
TOTAL	100.0%	100.0%	100.0%	100.0%

**TOTAL INDIRECT EARNINGS
2000-01 THROUGH 2003-04**

INDIRECT EARNED BY UNIT					
UNIT	2000-01	2001-02	2002-03	2003-04	% INCREASE FY 01 TO FY04
SCS	\$1,740,871	\$2,062,297	\$2,457,156	\$2,796,636	75%
IT&E	2,164,418	2,239,300	2,225,730	2,088,943	18%
CAS	1,004,691	1,201,595	1,475,873	1,640,458	79%
LAW	164,340	146,608	784,892	1,382,600	817%
SPP	665,180	735,631	982,923	1,357,157	100%
CEHD	600,494	691,034	534,798	472,737	13%
KRASNOW	148,440	202,729	284,312	459,786	231%
CNHS	154,463	179,040	177,935	161,309	48%
ICAR	17,660	16,548	14,191	21,654	23%
SOM	71	0	5,141	26,680	N/A
CVPA	2,648	300	(3,081)	0	N/A
PROVOST	0	8,430	15,917	2,577	N/A
ITU	560	1,024	2,707	1,525	N/A
UNIV LIFE	31	0	0	7,269	N/A
OTHER	4,961	12,080	4,926	23,253	N/A
TOTAL	\$6,668,828	\$7,551,535	\$8,972,420	\$10,439,584	75%

% OF TOTAL				
UNIT	2000-01	2001-02	2002-03	2003-04
SCS	26.1%	27.5%	27.4%	26.8%
IT&E	32.5%	29.9%	24.8%	20.0%
CAS	15.1%	16.0%	16.4%	15.7%
LAW	2.5%	2.0%	8.7%	13.2%
SPP	10.0%	9.8%	11.0%	13.0%
GSE	9.0%	9.2%	6.1%	4.5%
KRASNOW	2.2%	2.7%	3.2%	4.4%
CNHS	2.3%	2.4%	2.0%	1.5%
ICAR	0.3%	0.2%	0.2%	0.2%
SOM	0.0%	0.0%	0.1%	0.2%
CVPA	0.0%	0.0%	0.0%	0.0%
PROVOST	0.0%	0.1%	0.2%	0.0%
ITU	0.0%	0.0%	0.0%	0.0%
UNIV LIFE	0.0%	0.0%	0.0%	0.1%
OTHER	0.1%	0.2%	0.1%	0.2%
TOTAL	100.0%	100.0%	100.0%	100.0%

Of the total indirect earnings available, 70% is retained to be used for research, and 30% is allocated to the Educational & General (E&G) budget to provide funding for administrative support of sponsored research.

INDIRECT EARNINGS REVERTING TO E&G 2000-01 THROUGH 2003-04					
INDIRECT EARNED BY UNIT					
UNIT	2000-01	2001-02	2002-03	2003-04	% INCREASE FY 01 TO FY04
SCS	\$522,261	\$618,689	\$737,147	\$838,991	75%
IT&E	649,326	671,790	667,719	626,683	18%
CAS	301,407	360,479	442,762	492,137	79%
SPP	199,554	220,689	294,877	407,147	100%
LAW	49,302	43,982	235,468	414,780	817%
CEHD	180,148	207,310	163,139	141,821	3%
KRASNOW	44,532	60,819	143,363	137,936	210%
CNHS	46,339	53,712	53,381	48,393	48%
ICAR	5,298	4,964	4,257	6,496	-58%
SOM	21	0	1,542	7,104	N/A
CVPA	794	90	(924)	0	N/A
PROVOST	0	2,529	4,775	773	N/A
ITU	168	307	812	458	N/A
UNIV LIFE	9	0	0	2,181	N/A
OTHER	1,487	3,625	1,478	493	N/A
TOTAL	\$2,000,648	\$2,248,986	\$2,749,796	\$3,125,392	56%

% OF TOTAL				
UNIT	2000-01	2001-02	2002-03	2003-04
SCS	26.1%	27.5%	26.8%	26.0%
IT&E	32.5%	29.9%	24.3%	19.4%
CAS	15.1%	16.0%	16.1%	15.3%
SPP	10.0%	9.8%	10.7%	12.6%
LAW	2.5%	2.0%	8.6%	12.9%
CEHD	9.0%	9.2%	5.9%	4.5%
KRASNOW	2.2%	2.7%	5.2%	4.4%
CNHS	2.3%	2.4%	1.9%	1.5%
ICAR	0.3%	0.2%	0.2%	0.2%
SOM	0.0%	0.0%	0.1%	0.2%
CVPA	0.0%	0.0%	0.0%	0.0%
PROVOST	0.0%	0.1%	0.2%	0.0%
ITU	0.0%	0.0%	0.0%	0.0%
UNIV LIFE	0.0%	0.0%	0.0%	0.1%
OTHER	0.1%	0.2%	0.1%	0.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

CAPITAL OUTLAY

BACKGROUND

George Mason University has approximately 69% 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	64 s.f.

PLANNED ACTIVITY, 2004-2005

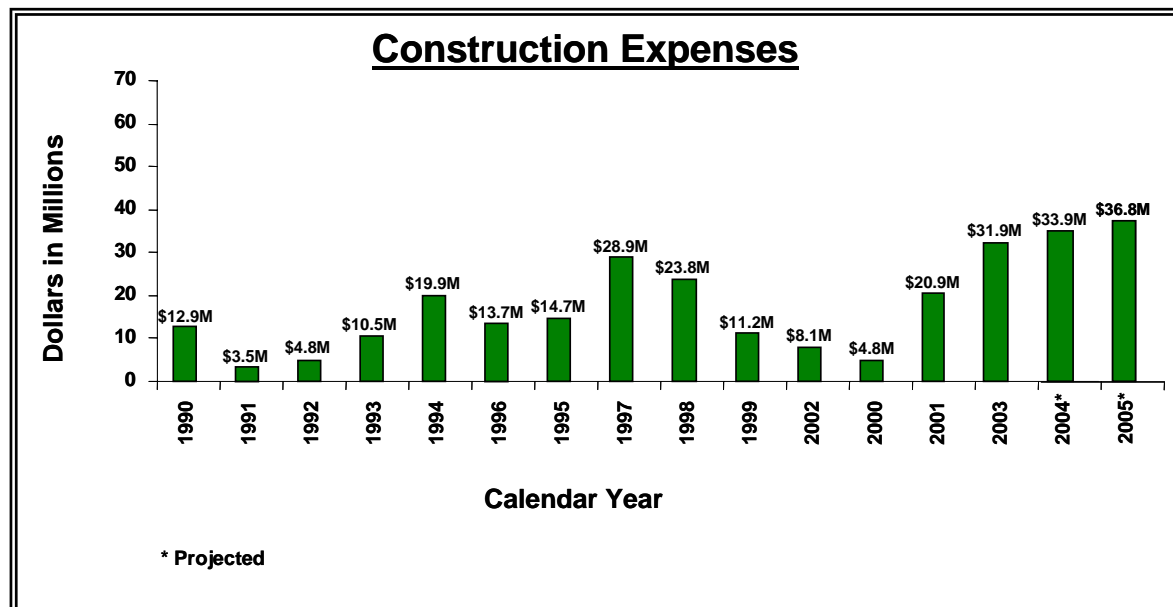
During 2003-04 the University opened a new academic facility (Innovation Hall) and new housing space at the Fairfax campus. The academic facility provided additional classroom and lab space. The University also opened Housing V (Liberty Square) and this housing space increased the number of on-campus residential students by 500. The University will open a new academic facility (Bull Run Hall) at the Prince William campus and new housing space (Housing VI: Potomac Heights) in the 2004-05 academic year. These facilities will add classroom, office and lab space at Prince William and increase the number of on-campus residential students by another 500 students. Some capital construction currently underway will continue into FY 2005, while other major capital outlay projects will initiate capital spending during the 2004-2005 fiscal year. The following projects, which are currently approved, will incur costs in FY05 as noted on the following page:

PROJECT	STATUS	PROJ SPEND	FUND SOURCE
• HOUSING V, FAIRFAX	Construction	\$0.7M	NGF
• PRINCE WILLIAM IIIA	Construction	1.3M	GF
• FAIRFAX RESEARCH I	Construction	12.0M	GF
• ACADEMIC V	Construction	5.2M	GF
• THOMPSON/WEST/POHICK	Renovation	1.0M	GF
• FAIRFAX PARKING DECK	Construction	4.6M	NGF
• FAIRFAX AQUATIC CENTER	Addition	3.5M	NGF
• CONFLICT ANALYSIS	Design	1.0M	GF
• KRASNOW INST ADDITION	Design	0.2M	NGF
• PE BUILDING ADDITION	Design	0.5M	NGF
• PATRIOT CENTER	Renovation	0.5M	NGF
• ARLINGTON	Renovation	0.5M	NGF
• HOUSING, COMMONWEALTH/DOM	Renovation	2.5M	NGF
• MAINTENANCE RESERVE	Construction	1.3M	GF
• UTILITY INFRASTRUCTURE	Construction	1.3M	GF
• ADA	Construction	0.7M	GF
TOTAL		\$36.8M	

Within this list of projects are two specific projects included in the General Obligation Bond (GOB) Funding approved by voter referendum in November 2002. The University anticipates that planning and construction expenses (\$6.2M) will be incurred on the following projects during 2004-05:

PROJECT	TYPE EXPENSE	PROJECTED FY05 EXPENSES
• CONFLICT ANALYSIS	Design	\$1.0M
• ACADEMIC V BUILDING	Construction	\$5.2M

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

The following table provides the current schedule for several additional projects that have already been approved by the Board of Visitors of George Mason University as well as the Commonwealth of Virginia. This project list has been limited to those capital projects with projected completion dates prior to the close of FY 2008.

GEORGE MASON UNIVERSITY APPROVED PROJECTS \$250M OF CAPITAL PROJECTS			
PROJECT	CONSTRUCT START DATE	OCCUPANCY DATE	PROJECT COST
Prince William IIIA	Fall 2002	Summer 2004	\$23,430,000
Housing VI	Summer 2003	Summer 2004	27,655,000
Dorm Renovation (Commonwealth)	Summer 2004	Summer 2004	1,600,000
Parking Deck II	Fall 2003	Winter 2004	14,014,000
Dorm Renovation (Dominion)	Summer 2005	Summer 2005	1,600,000
GMUF Arlington	Spring 2004	Fall 2005	61,000,000
Research I	Summer 2004	Winter 2005	20,381,000
Utility Infrastructure (East Loop)	Spring 2004	Winter 2005	2,926,000
Utility Infrastructure (Academic V)	Spring 2004	Winter 2005	1,536,000
Utility Infrastructure (CHCP & Academic V)	Spring 2004	Winter 2005	2,965,000
Aquatic Center Addition	Fall 2004	Winter 2005	7,027,000
Dorm Renovation (President's Park)	Summer 2006	Summer 2006	3,308,000
Renovation/West Building	Spring 2005	Winter 2006	13,693,000*
Construct Swing Space	Winter 2006	Winter 2007	13,693,000*
Arlington II	Fall 2005	Fall 2007	49,519,000
Academic V	Summer 2005	Winter 2007	21,897,000
Renovation Thompson Hall	Winter 2007	Winter 2008	13,693,000*

* Part of a Total \$13,693,000 Project