

2006-2007 Budget Executive Summary



**George Mason University
Total Budget, 2006-2007
Executive Summary**

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BUDGET SUMMARY

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Format

The University Budget Executive Summary, 2006 – 2007, has been designed as a summary within a summary. A budget overview is found on Pages 1 - 86, while greater unit budget detail is provided on Pages 87 – 135.

BUDGET 2006-2007

BACKGROUND AND ASSUMPTIONS

During the development of the Budget for 2006-2007, it was assumed that at some point in the University's budget development process the State operating budget would be approved. Unfortunately, the House of Representatives and the State Senate did not reach agreement until the very end of June, 2006 upon an operating budget for 2006-2007. That agreement was not reached prior to the George Mason University Board of Visitors (BOV) meeting on May 10, 2006. The Board of Visitors approved the 2006-2007 as proposed, with the understanding that when a final state budget was approved the administration would brief the Board of Visitors on any changes that impacted the overall budget.

The University and the BOV have been reviewing the operating budget plan for 2006-2007 since the Airlie Conference Center (ACC) meeting back in August 2005. These continuing budget sessions have been facilitated by the adoption of a GMU multi-year financial/budget model with projected new buildings and student enrollment through FY 2010.

The BOV reviewed a budget model for 2006-2007 at the ACC in August 2005 that required a 9% tuition increase for in-state undergraduate students in the 2006 – 2007 fiscal year.

Since that time the Governor has introduced his budget bill to the Legislature, and the House and the Senate have developed their budget proposals. The Governor's Budget Bill included more general fund support (\$17.1M) for the University for 2006-2007 than either the House or the Senate version of the budget proposal. The proposal from the House of Representatives includes \$14.6M general fund support in 2006-2007, while the Senate proposal includes \$11.6M general fund support. The Senate budget proposal has an increase in funding for George Mason University in the 2007-2008 fiscal year (additional \$13.2M), while the Governor's budget and House proposal maintains the same level of funding in both years.

In January 2006, George Mason University modified the underlying assumptions of its original (August 2005) budget model to better mirror the funding that the University would receive if the State adopted a budget that was similar to the Governor's Budget Bill. Since this was an improved level of state support over the original budget that had been developed, this revised budget model required only a 8% tuition and fee increase for in-state, undergraduate students effective Summer 2006.

During April and May the University developed a budget for 2006-2007 that assumes the general fund support George Mason University will receive in 2006-2007 is the Senate amount. This is a prudent approach to take at this time in order to reduce the financial expense to the University. This assumption (less funding than in the Governor's budget) results in a proposed University budget that reverts to the 9% tuition and fee increase, which returns to the budget model reviewed by the BOV at Airlie and in 2005 BOV meetings.

George Mason University proposes a budget for FY 2007 that includes a 9% tuition & fee increase. This increase at George Mason is comparable to the tuition & fee increase at other state schools throughout the Commonwealth of Virginia

**GEORGE MASON UNIVERSITY
TOTAL BUDGET, 2006-2007**

BUDGET HIGHLIGHTS, 2006 - 2007

- Total FY 2007 University Budget \$634.0M, up **20.6%** over the revised budget for FY 2006 - solid growth across the institution especially in capital improvements.
- Student enrollment is projected to increase 0.6% from 22,485 FTE to 22,620 FTE. In terms of student headcount, George Mason University projects Fall 2006, student headcount of approximately 30,100. Although the budget is based upon this enrollment, based upon current admission activity it is highly likely that these enrollment projections will be exceeded.
- The Educational & General budget will increase by \$28.6M, or an annual increase of 9.9%.
 - General Fund support from the State for Educational & General (E&G) operations increases by \$15.5M, an increase of 14.1%.
 - Support from the State for Equipment Trust Fund increases slightly from \$2.9M in FY 2006, to \$3.1M in FY 2007.
 - While no final decision has been made at the state level, faculty/staff salary increases have been budgeted by the University for the 2006-07 fiscal year. The full-time faculty salary average overall will increase by 5.0%, as the University self-funds an additional 1.3% greater than the 3.7% proposed by the State. Funding is included to support salary increases of 4% for administrative faculty effective 11/25/06, as the University self-funds an additional 1% greater than the 3.0% proposed by the State. Funding is budgeted to provide a 4% increase for part-time faculty and graduate assistants second semester of the academic year, as the University self-funds an additional 1% greater than the 3.0% proposed by the State. Classified staff and wages will receive a 4% increase effective 11/25/06, as proposed by the State. The University's proposed budget also includes funding to support selected salary increases to address retention issues.
- Auxiliary Enterprises revenue in FY 2007 will increase by approximately 5.6% overall, with an increase in student fees of 8.2% and in self-generated revenues of 6.1%. The University projects an increase of 2.1% for the Auxiliary Enterprise - Independent Operations, resulting in the combined increase of 5.6% for the total Auxiliary Enterprises program.
- The total price for an undergraduate student including tuition, fees, room and board will be \$13,158, an increase of 6.5%. Tuition & Fees will increase 9.0% for in-state undergraduate students.
- Sponsored Research activity in FY 2007 will increase 5.0% as it reaches a GMU record spending level of \$71.8 million.
- Capital Outlay spending in FY 2007 will be approximately \$104.0M, the largest amount ever for GMU. This is nearly three times larger than the previous record spending year.

ANNUAL CHANGE: ALL PROGRAMS

This Executive Summary FY 2007 summarizes the Educational & General (E&G) and Auxiliary Enterprise budget plans for FY 2007. 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 2007 have been allocated. The total University budget for FY 2007 represents a 20.6% increase over the FY 2006 budget (see table below). The largest increases occur in Capital Outlay and Student Financial Aid.

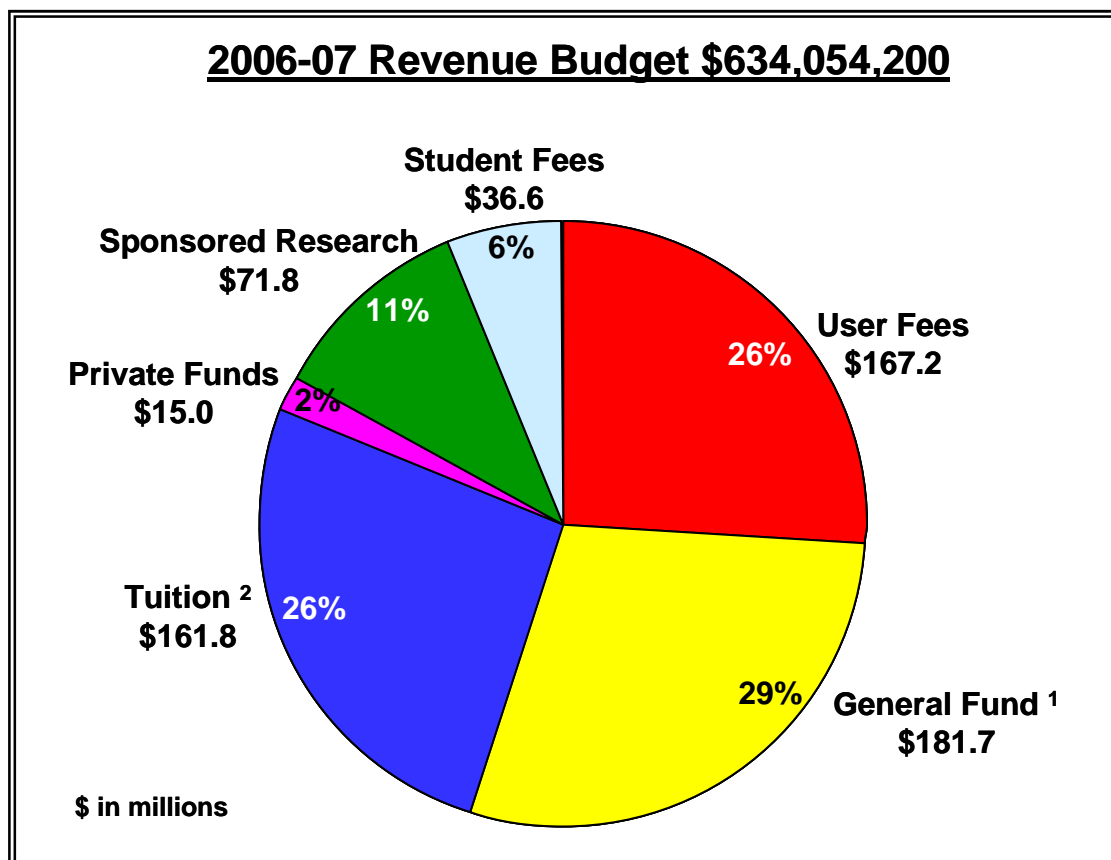
PROGRAM	REVISED BUDGET FY 2004	REVISED BUDGET FY 2005	REVISED BUDGET FY 2006	ORIGINAL BUDGET FY 2007	FY06 TO FY07 % CHANGE
Capital Outlay	\$ 29.3M	\$ 25.8M	\$ 35.9M	\$ 104.0M	189.7%
Sponsored Research	65.0M	64.1M	68.4M	71.8M	5.0%
Educational & General	231.7M	257.7M	290.1M	318.7M	9.9%
Student Financial Aid	8.7M	9.3M	10.0M	11.2M*	12.0%
Auxiliary Enterprises	107.7M	110.7M	121.5M	128.3M	5.6%
TOTAL	\$442.4M	\$467.6M	\$525.9M	\$634.0M	20.6%

* Additional student financial assistance of \$860,000 for FY 2007 is provided within the Educational & General (E&G) change amount for FY 2007.

TOTAL UNIVERSITY BUDGET, FY 2007 \$634.0M

ALL FUNDS – ALL SOURCES - REVENUE

The total 2006-2007 revenue budget for George Mason University (GMU) is projected to be \$634.0 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.



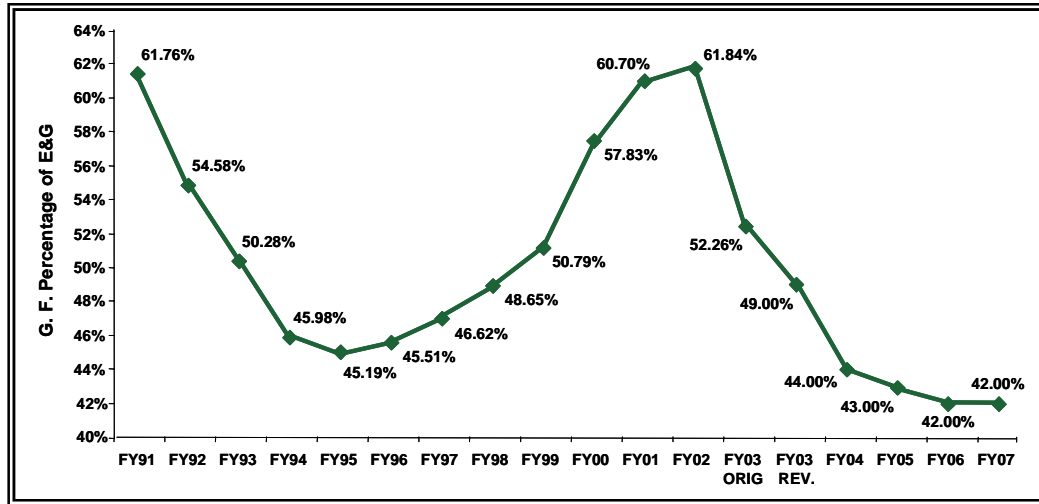
¹ Includes Educational & General (\$125.5M), Equipment Trust Fund (\$3.1M), State Financial Assistance (\$10.3M), Capital Outlay (\$39.7M) and Maintenance Reserve(\$3.1M).

² \$2,300,000 of tuition is set aside for Student Financial Aid

GENERAL FUND SUPPORT

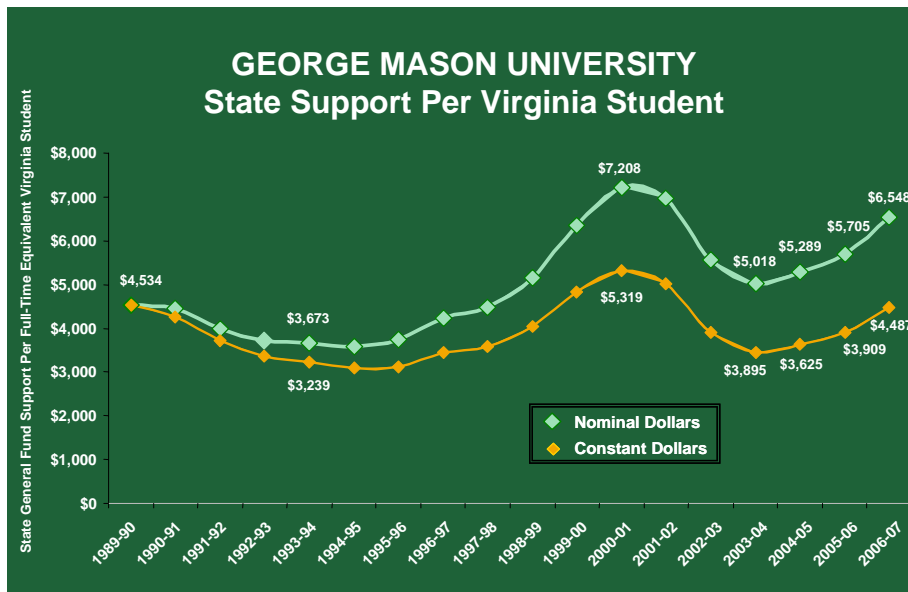
In prior years with increasing student demand, the Commonwealth of Virginia has not been in a position to provide much financial support to higher education to accept this increased enrollment. The past two years have seen a rebound in General Fund support after several years of substantial reductions in General Fund support. The University received nearly a nine million dollar General Fund increase in FY 2006, increasing the General Fund support to \$109.9 million in FY 2006. In FY 2007, the General Fund support will increase to \$125.5 million. *The allocation of funds for FY 2007 reflects funding for enrollment growth through FY 2005, as well as in improvement in base budget funding. With increased General Fund support for Capital Outlay and E&G, the GF percentage of total budget has improved over the prior two fiscal years.*

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%. For FY 07 it is expected that the General Fund support % of total E&G will remain the same as the FY 06 percentage of 42% of total E&G (see following table).



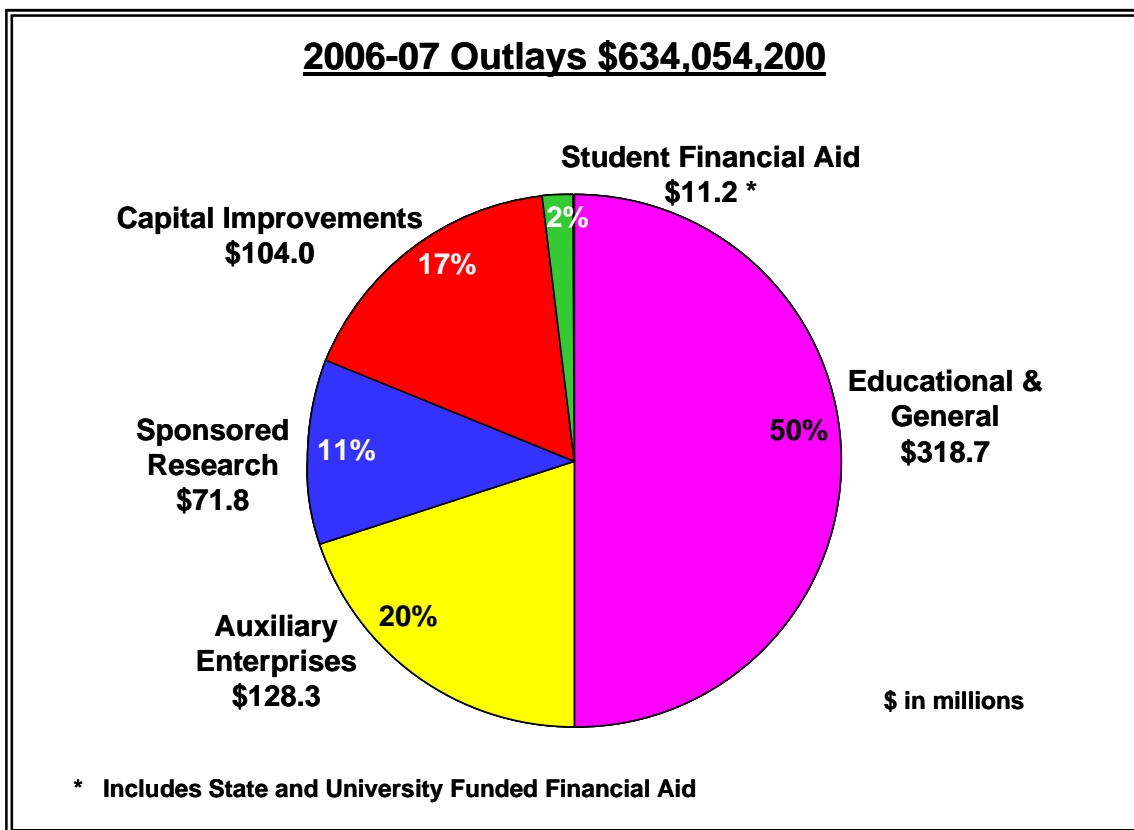
GENERAL FUND: ON THE REBOUND

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. The General Fund support per FTE student had dropped to \$5,018 in FY 2004. After receiving funds in FY 2005 and FY 2006 for enrollment support through FY 2004, GMU received \$5,679 per student. For FY 2007 it is anticipated that the General Fund support per FTE student will be \$6,548 (see below). In the past three years, this General Fund support per FTE student has increased 30% to \$6,548 in FY 2007.



ALL FUNDS – ALL USES - OUTLAY

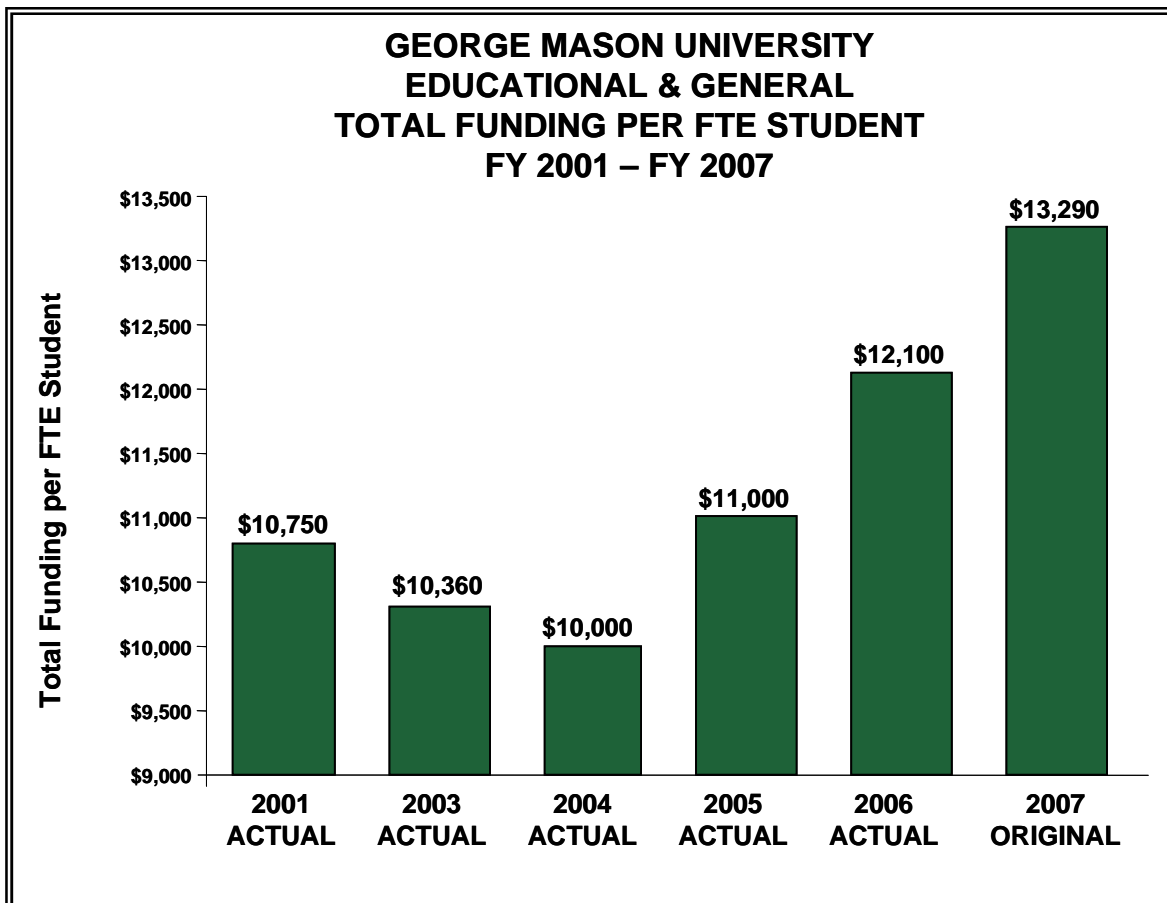
The 2006-2007 spending plan is also established at \$634,054,200 since it is anticipated that all revenues will be expended for actual operating costs or be allocated to reserves for facility depreciation. Funds are expended within five programs recognized distinctly by the State.



BASE BUDGET ADEQUACY

TOTAL E&G FUNDS – HOLDING THE LINE

With the State Appropriation and the proposed tuition and fee package for FY 2007, the total E&G funds available will be approximately \$13,300 per FTE student. The University operated with \$10,750 per FTE in FY 2001. At that time the Joint Legislative Committee on Higher Education Funding determined that the base budget deficiency at George Mason University was approximately \$20M. Inflation since FY 2001 would have increased this FY 2001 level of spending per FTE student up to approximately \$13,100 by FY 2007. The anticipated General Fund support from the state for FY 2007, as well as tuition and enrollment increases over the last few years have helped the University meet funding requirements.



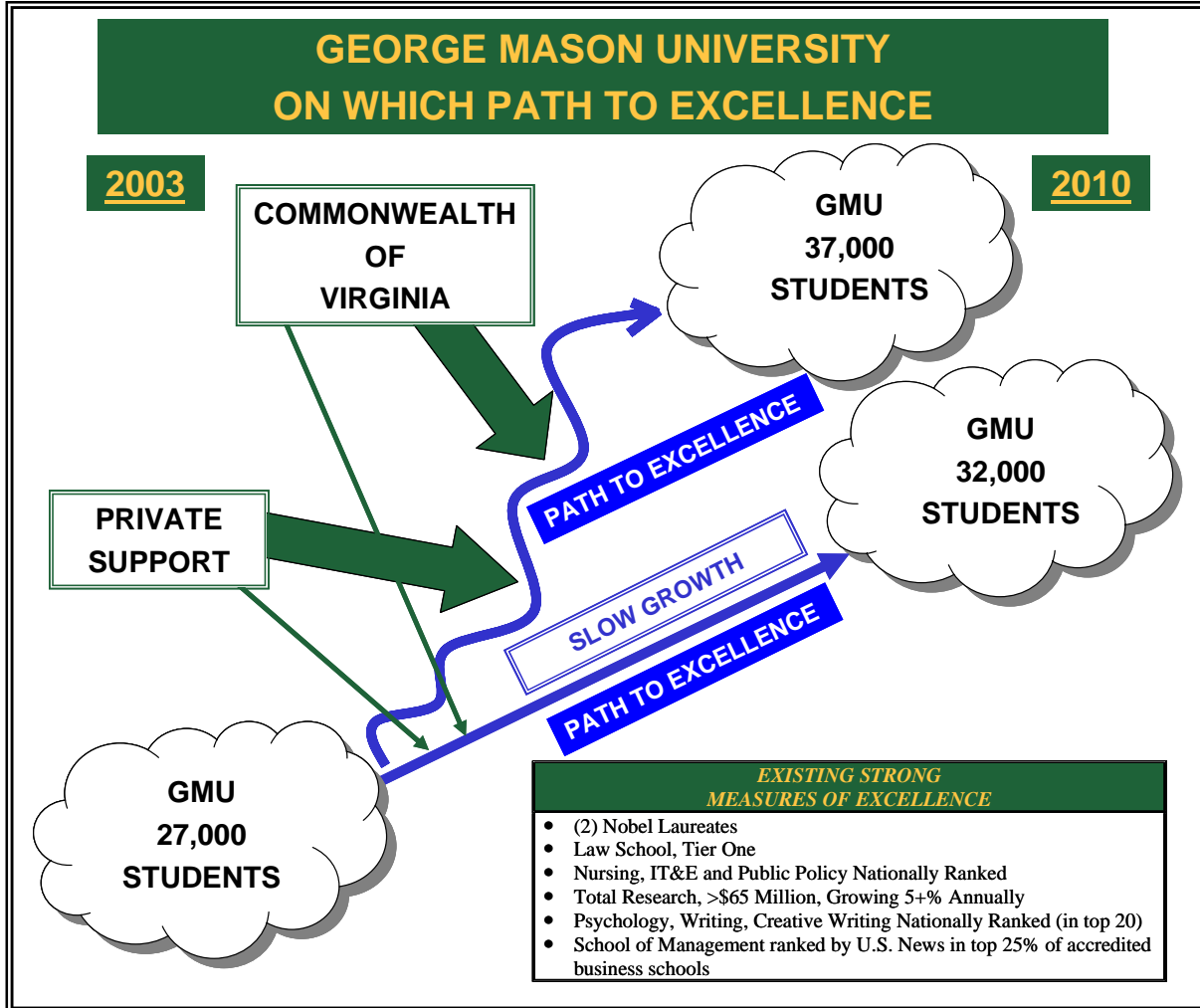
OVERALL EDUCATIONAL & GENERAL STRATEGY

The Board of Visitors continued several proposed major academic transformations of FY 2005 into FY 2006 when they had their annual planning session at Airlie in August 2005 (see below).

- **Enhancement of the student selectivity, performance and experience that accompany an increased residential population of full-time students**
- **Expansion of international activities and locations with increased opportunities for studies abroad**
- **Growth of collaborative research both between academic disciplines and with industry and government, developing productive partnerships to benefit both the state and the nation**
- **Significant expansion of research in high priority areas such as critical infrastructure protection, engineering and the life sciences**
- **Increases in biosciences and nano technology research and development**
- **Full development of health science and professional training in collaboration with regional health systems and research institutions**
- **Growth in the arts, with an emphasis upon music and visual arts accompanied by additional professional degrees in all arts programs**
- **Continued advancement in excellence in legal, economic, social science and policy studies**

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. The Board of Visitors have also initiated a dialogue with the University administration on criteria or characteristics representative of a “great university” in the 21st Century. The University feels confident that it can become an institution of excellence under either a slow growth or more aggressive growth strategy (see below) if it remains consistent with this vision of a “great university.”



THE PROPOSED FY 2007 BUDGET IS BASED UPON THE SLOW STUDENT ENROLLMENT GROWTH MODEL (DETAILS FOLLOW)

Annual Change in E&G Budget

The budget for E&G (excluding Private Funds) in 2006-2007 is \$303,673,400, and this represents an increase of \$27.6M from the 2005-2006 E&G revised budget. The major revenue changes within the source of funds are a projected increase in General Fund support for overall operations of approximately \$15.5M, and a tuition revenue increase of \$16.4M. These are offset by the loss of one-time revenues from prior year ETF reimbursements in FY 2006 and other one-time revenues (-\$4.3M). The total budget includes funding to annualize salary increases from FY06, provide salary increases for partial year FY07, and support other program enhancement needs.

The change in tuition & fees is comprised of increased tuition revenue from increased enrollment and out-of-state students (\$2.4M), increased tuition rates (\$14.0M).

The table below provides an overview of the \$27.6M 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 FY06 – FY07		
	FY06	FY07
TOTAL E&G BUDGET:	\$276,092,600	\$303,673,400
SOURCE OF FUNDS		
General Fund Support Base Operating, Enrl, Degree Compl, etc		\$11,500,000
General Fund Support for Salary Increases		4,007,000
Increased Enrollment 135 FTE		837,000
Increased Number of Out-of-State (150)		1,600,000
Tuition Increase of \$396 FY 2007		13,308,400
Non-general Fund Support from Course Fees/Grad Premium Tuition		600,000
One-time Reimbursements & other One-time Adjustments		(4,271,600)
TOTAL NEW REVENUE		\$27,580,800
USE OF FUNDS		
<i>Essential for Maintenance</i>		
• Salary Increase Annualize 11/25/05		\$3,442,000
• Salary Increase for FY07 effective 11/25/06		4,714,000
• Salary Increase Additional 1.3% for Instructional Faculty (11/25)		1,000,000
• Salary Funds for FY07 (adjustments and retention)		1,000,000
• Fringe Benefits Increase FY07		1,000,000
<i>Subtotal Salaries/Benefits</i>		\$11,156,000
• Support for Facilities (New buildings, new leased space, etc.)		2,081,000
• Contract Inflation (Excl Library Materials) and Utility Increases		525,000
• Enrollment Growth (funded from tuition revenue)		837,000
• Support for Financial Aid		1,860,000
• Safety & Security		940,000
• Research Administration		555,800
• Increases in State Allocated Costs (Insurance/eVA)		464,400
• Enrollment Services and University Life		424,200
• Finance & Planning/Multi-Campus		403,300
• Library Resources to Enhance Teaching & Research (incl library materials inflation)		853,200
• Development and University Relations		166,700
<i>Subtotal</i>		\$9,110,600
• Academic Support for Teaching and Research		7,316,200
INCREASED EXPENSES		\$27,580,800

EXPLANATION OF CHANGE IN SPENDING

Overall Salary and Benefit Increases: Of the total increase for FY 2007, \$11.2M (41%) will support the cost of salary and benefit increases for faculty, staff and wages. The additional funding supports the cost of annualizing the FY 2006 salary increases, as well as the partial year increase for FY 2007 and benefit cost increases to be incurred for health benefits.

Annualize Salary Increase: Funding in the amount of \$3,442,000 is allocated to annualize the salary increases for faculty, staff, and wages on 11/25/05. Only partial year funding was allocated in FY06 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 \$4,714,000 is allocated to cover salary increases for faculty (3.7%), administrative faculty (3%), classified staff (4%) and wages staff (4%) effective 11/25/06. The State provides half of the support for salary increases from General Fund to support the full funding required salary and benefit expenses. Additional funding of \$1,000,000 is budgeted to provide an overall faculty salary increase of 5.0% for faculty and overall increase of 4.0% for administrative faculty. This additional funding is supported totally from tuition revenues.

Salary Adjustments: Funding in the amount of \$1,000,000 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).

Research I New Facility: Funding is allocated to support the annualized costs for Operations & Maintenance and programming to operate the new Research I facility at the Fairfax Campus for a full year. Of the total funding, \$295,000 is allocated to annualize the Operations & Maintenance costs for maintenance staff, housekeeping, utilities, and all other costs such as ground maintenance, waste management, fire protection and central plant.

Additional Leased Space: The University will lease additional space within the Truland Building at Arlington (\$500,000), and within the current facility at Loudoun to accommodate academic and administrative activity requirements (\$350,000). Additionally, modular space will be purchased to support College of Science research (\$250,000 per year lease purchase).

Contract Inflation and Utility Increases: Funding is allocated in the amount of \$525,000 to provide funds for inflationary costs for information technology contracts (\$115,000), housekeeping contracts (\$45,000), leased space contracts (\$40,000), mail services contract (\$15,000), events management (\$10,000) and increased utilities expenses (\$300,000).

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.

Support for Research and Science: Funding is allocated to provide support for research, with allocations for the activities under the Vice President for Research, and within the Information Technology Unit.

Academic Support for Teaching and Learning: Funding is provided to maintain the quality of academic programs and take advantage of critical opportunities. Funding is allocated to support basic teaching needs (\$1,243,000) within the College of Liberal Arts & Human Sciences; to support teaching needs in the College of Health & Human Services (\$375,000); to support additional faculty in the College of Visual & Performing Arts (\$420,000); to support additional faculty in Information Technology & Engineering for teaching and research (\$300,000); to provide support for School of Management for additional faculty to meet student demand, reduce class size (\$520,000); to fulfill ongoing commitments for faculty and staff with development of the new College of Science (\$1,950,000); to support additional faculty in the School of Law (\$230,000); to support additional faculty for teaching and research in the School of Public Policy (\$162,500); and to support additional faculty in College of Education & Human Development (\$140,000). Funding is allocated to the School of Law (\$450,000) for their share of the additional tuition revenue to be generated from premium tuition rate increases for their programs. (See Pages 87-100.)

Facilities/Physical Plant: As Mason tackles a capital improvement program projected to expend over \$100M in FY 2007, funding is allocated to provide additional project management within Facilities to support the increased level of facility construction on campus (\$175,000); to provide staffing and support for facility maintenance and upkeep within Physical Plant (\$175,000); and to provide support for lab maintenance. (See Pages 107-109.)

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 \$378,200 is provided for an increase in the reference materials budget and additional personnel. Funding is provided to support inflation for reference materials (\$425,000). (See Pages 101-102.)

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 operational efficiencies. Funding is provided to support positions and/or operational activity within Fiscal Services, Human Resources, Institutional Research & Reporting, Legal, and Multi-Campus operations. Funding is also provided to support marketing and development efforts within the University. The allocations within this category total \$571,300. (See Pages 104-107.)

Safe and Secure Environment: Funding increases will address needs related to improving safety and security on all campuses, improving cybersecurity, improved internal control support and compliance resources and responding to University growth. Funding is allocated for the Information Technology Unit to continue work on the Identity Management project (\$350,000), to provide non-personnel funds for Disaster Recovery site development and operations (\$100,000), to provide funds for Prince William security (\$150,000); additional staff support within the Campus Police operation (\$175,000); and additional staffing within the Safety Office (\$165,000). (See Page 105.)

Information Technology: Funding is allocated to support staffing for classroom, network, and multi-campus support, and for additional software licenses (\$329,200). (See Pages 102-104.)

CHANGE BY MAJOR UNIT

The original FY06 budget approved by the Board of Visitors, as is true every year, is adjusted through the year as student enrollment has typically exceeded projections, in-state out-of-state student mix have varied from estimates, revenue generating activities have exceeded budget targets, non-recurring expenses needed to be addressed on an emergency basis and structural base budget adjustments are made to support new initiatives. In some situations, the University allocates resources to meet the “changed” budget requirements that are projected to continue into the future. Although somewhat larger than in previous years, the E&G change in budget between original and revised was approximately 4% in FY 2006. The more typical change during a fiscal year is 3%.

EDUCATIONAL & GENERAL FY 2006 CHANGES TO ORIGINAL BUDGET			
ORIGINAL BUDGET			\$265,871,600
CHANGES TO ORIGINAL REVENUE			
Additional Tuition Revenue	\$986,000		
Additional Contract Course Tuition Revenue	\$2,704,000		
Net Tuition Revenue Change		\$3,690,000	
One-Time Prior Year ETF Reimbursement		\$1,673,000	
Increased Revenue Study Abroad Program		\$2,000,000	
Continuing Education/Public Service		\$417,000	
Other Self-Generated Revenue Increases		\$2,441,000	
Sub-Total Changes			\$10,221,000
TOTAL REVISED			\$276,092,600

Some budget requirements were addressed in FY 2006, while other units had their budget requirements more fully addressed with a FY 2007 budget adjustment. Approximately 30% of this change was available for institutional allocation, while the remainder stayed with the unit generating the funds. The following tables show two different perspectives on annual change – FY 2007. Comparisons are shown based upon original FY06 budgets and current, revised FY 2006 budgets. Caution must be exercised before drawing conclusions from either of the annual change tables shown on the following pages.

For more information on any particular unit, the reader should refer to the E&G Budget Detail by Major Unit section of this document. For purposes of consistency the annual budget change used throughout this document is \$27.6M, the difference between a unit’s current FY 2006 budget and their proposed budget for FY 2007. The explanations provided in the detail section of the document allow the reader to see all changes from the original FY 2006 through the original FY 2007 budget.

EDUCATIONAL & GENERAL BUDGET REVISED FY06 → FY07

UNIT	FY06 REV BUDGET	FY07 ORIG BUDGET	FY07 VARIANCE TO FY06 REV
College of Liberal Arts & Human Sciences	\$41,266,900	\$43,343,300	\$2,076,400
College of Health & Human Services	9,775,100	9,918,800	143,700
College of Visual & Perf Arts	7,602,600	7,805,400	202,800
College of Educ & Human Develop	16,672,400	* 16,713,100	* 40,700
Inst for Conflict Analysis & Resolution	2,438,800	2,670,400	231,600
School of Info Tech & Engineering	18,618,500	19,309,100	690,600
School of Law	12,162,500	13,499,900	1,337,400
College of Science	20,271,800	23,293,000	3,021,200
School of Management	15,432,500	* 14,655,100	* (777,400)
School of Public Policy	8,892,800	9,639,800	747,000
Krasnow Institute	437,600	431,600	(6,000)
Provost Administration	3,254,300	3,706,700	452,400
Provost Instruction	5,438,300	4,447,500	*(990,800)
Enrollment Services	8,941,300	9,534,200	592,900
Instructional Support	0	9,038,600	9,038,600
Merit Scholars/Financial Aid	2,779,500	4,890,000	2,110,500
Office of Continuing & Prof Education	1,609,500	* 1,308,900	* (300,600)
University Life	5,934,900	6,161,300	226,400
Library	13,721,300	14,578,400	857,100
Summer	4,019,900	4,667,500	647,600
Subtotal	\$199,270,500	\$219,612,600	\$20,342,100
Information Technology Unit	21,748,800	23,213,500	1,464,700
New Administrative Systems	2,465,500	1,609,200	(856,300)
Executive Administration	2,507,400	2,607,000	99,600
Finance & Planning	10,330,300	10,873,500	543,200
Operations	5,482,200	7,289,600	1,807,400
Multi-Campus Administration	1,762,300	1,271,700	(490,600)
Facilities	22,833,800	22,514,100	(319,700)
Property Rental	3,800,000	4,962,300	1,162,300
University Development	2,083,800	2,197,100	113,300
University Relations	4,124,500	4,135,000	10,500
Central Funds	(3,209,078)	(1,378,170)	1,830,908
University Reserve	0	1,700,000	1,700,000
Equipment Trust Fund	2,892,578	3,065,970	173,392
Subtotal	\$76,822,100	\$84,060,800	\$7,238,700
TOTAL	\$276,092,600	\$303,673,400	\$27,580,800

* Each of these budgets will most likely increase significantly through their contract course offerings where additional expenditures are funded through self-generated revenue.

**EDUCATIONAL & GENERAL BUDGET
ORIGINAL FY06 → FY07**

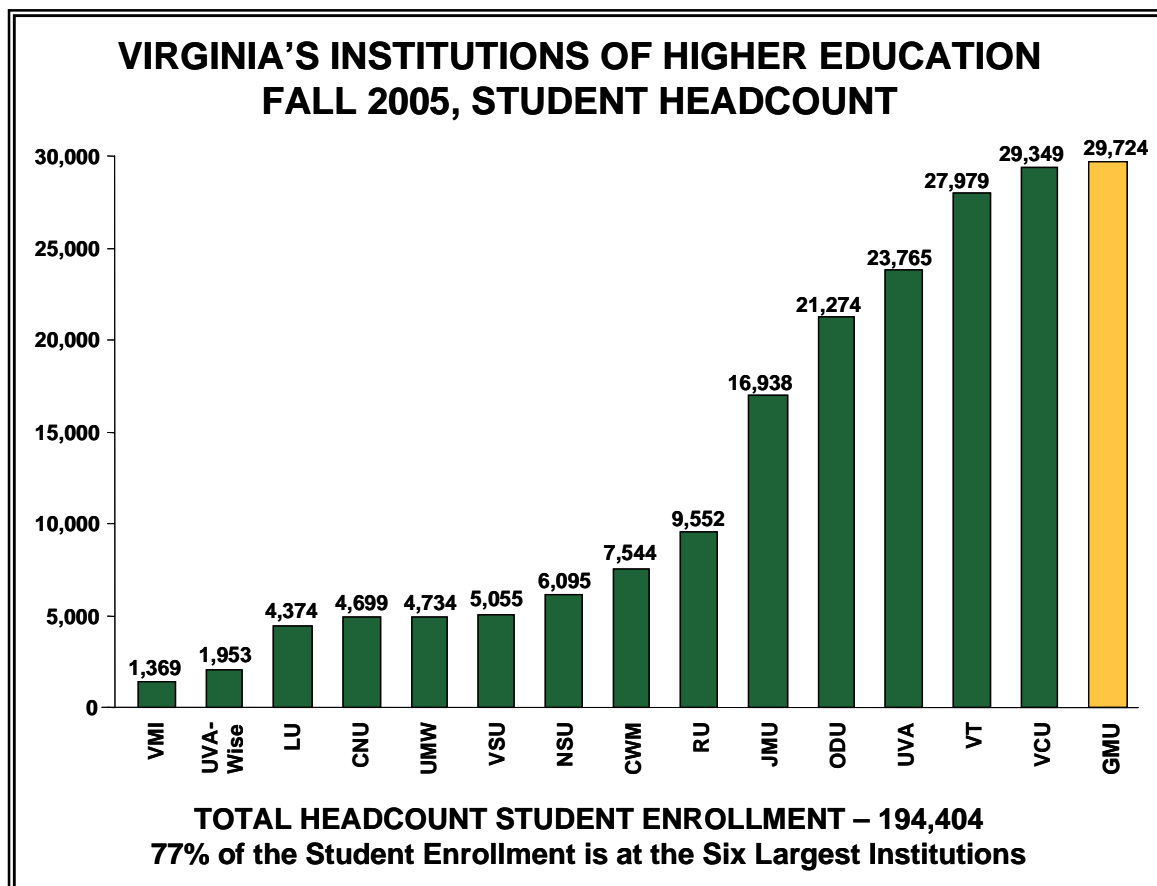
UNIT	FY06 ORIG BUDGET	FY07 ORIG BUDGET	FY07 VARIANCE TO FY06 ORIG
College of Liberal Arts & Human Sciences	\$37,392,300	\$43,343,300	\$5,951,000
College of Health & Human Services	8,660,300	9,918,800	1,258,500
College of Visual & Perf Arts	6,682,400	7,805,400	1,123,000
College of Educ & Human Develop	13,936,900	* 16,713,100	* 2,776,200
Inst for Conflict Analysis & Resolution	2,370,600	2,670,400	299,800
School of Info Tech & Engineering	17,154,100	19,309,100	2,155,000
School of Law	11,954,800	13,499,900	1,545,100
College of Science	19,165,000	23,293,000	4,128,000
School of Management	12,680,600	* 14,655,100	* 1,974,500
School of Public Policy	8,426,300	9,639,800	1,213,500
Krasnow Institute	417,300	431,600	14,300
Academic Administration	2,794,700	3,706,700	912,000
Provost Instruction	4,397,100	4,447,500	50,400
Enrollment Services	7,908,800	9,534,200	1,625,400
Instructional Support	6,787,700	9,038,600	2,250,900
Merit Scholars/Financial Aid	2,779,500	4,890,000	2,110,500
Office of Continuing & Prof Education	1,307,800	* 1,308,900	* 1,100
University Life	5,667,700	6,161,300	493,600
Library	13,259,300	14,578,400	1,319,100
Summer	4,444,500	4,667,500	223,000
Subtotal	\$188,187,700	\$219,612,600	\$31,424,900
Information Technology Unit	20,398,900	23,213,500	2,814,600
New Administrative Systems	2,737,500	1,609,200	(1,128,300)
Executive Administration	2,364,900	2,607,000	242,100
Finance & Planning	10,159,000	10,873,500	714,500
Operations	5,704,400	7,289,600	1,585,200
Multi-Campus Administration	1,220,000	1,271,700	51,700
Facilities	20,619,900	22,514,100	1,894,200
Property Rental	3,702,500	4,962,300	1,259,800
University Development	2,012,400	2,197,100	184,700
University Relations	3,832,200	4,135,000	302,800
Central Funds/Indirect AE	665,200	(1,378,170)	(2,043,370)
University Reserve	1,374,500	1,700,000	325,500
Equipment Trust Fund	2,892,500	3,065,970	173,470
Subtotal	\$77,683,900	\$84,060,800	\$6,376,900
TOTAL	\$265,871,600	\$303,673,400	\$37,801,800

* Each of these budgets will most likely increase significantly through their contract course offerings where additional expenditures are funded through self-generated revenue.

INSTITUTIONAL PROFILE

INSTITUTIONAL SIZE: STUDENT ENROLLMENT (HEADCOUNT)

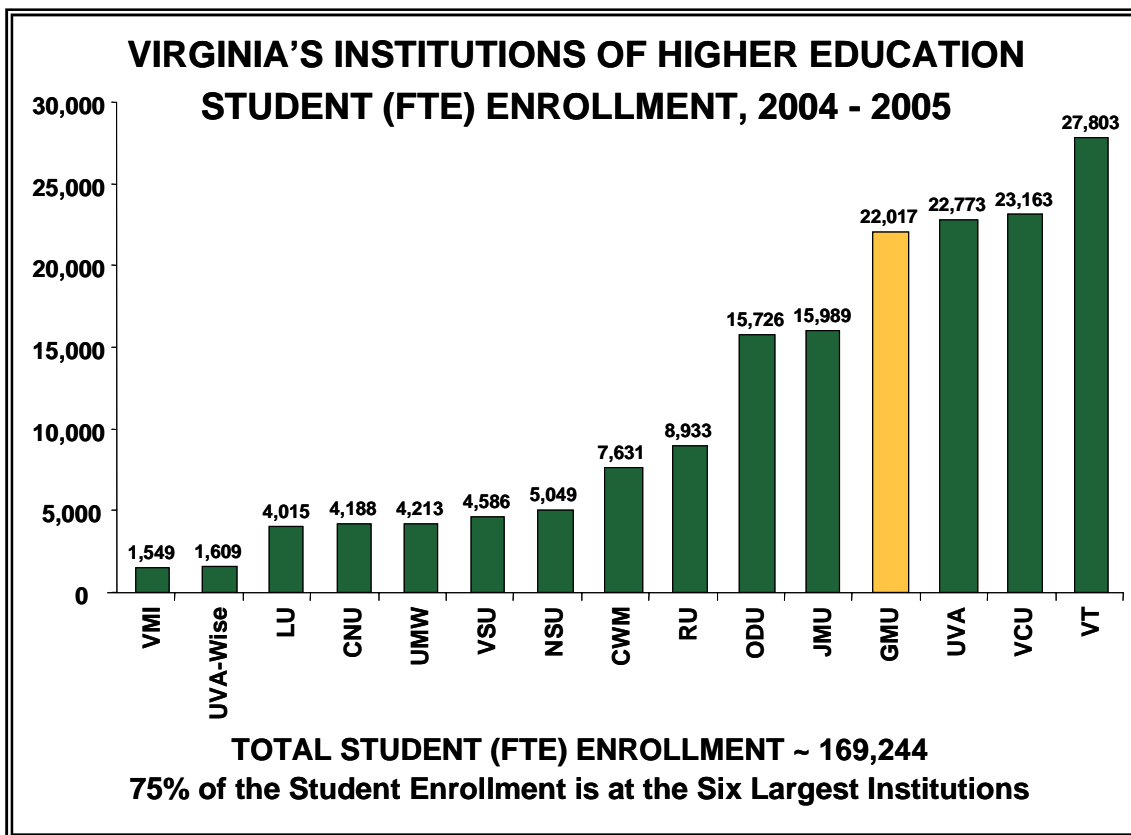
George Mason University became the largest university in the Commonwealth of Virginia in Fall 2003, with a headcount of 28,246. George Mason University continued as the largest university in Fall 2004 with a headcount of 28,874, and in Fall 2005 with a headcount of 29,724 (see graph below).



FY 2007 Change: George Mason University anticipates a Fall 2006 student headcount of 30,100, which represents an increase of 1.3% over the Fall 2005 student headcount.

INSTITUTIONAL SIZE: STUDENT ENROLLMENT (FTE)

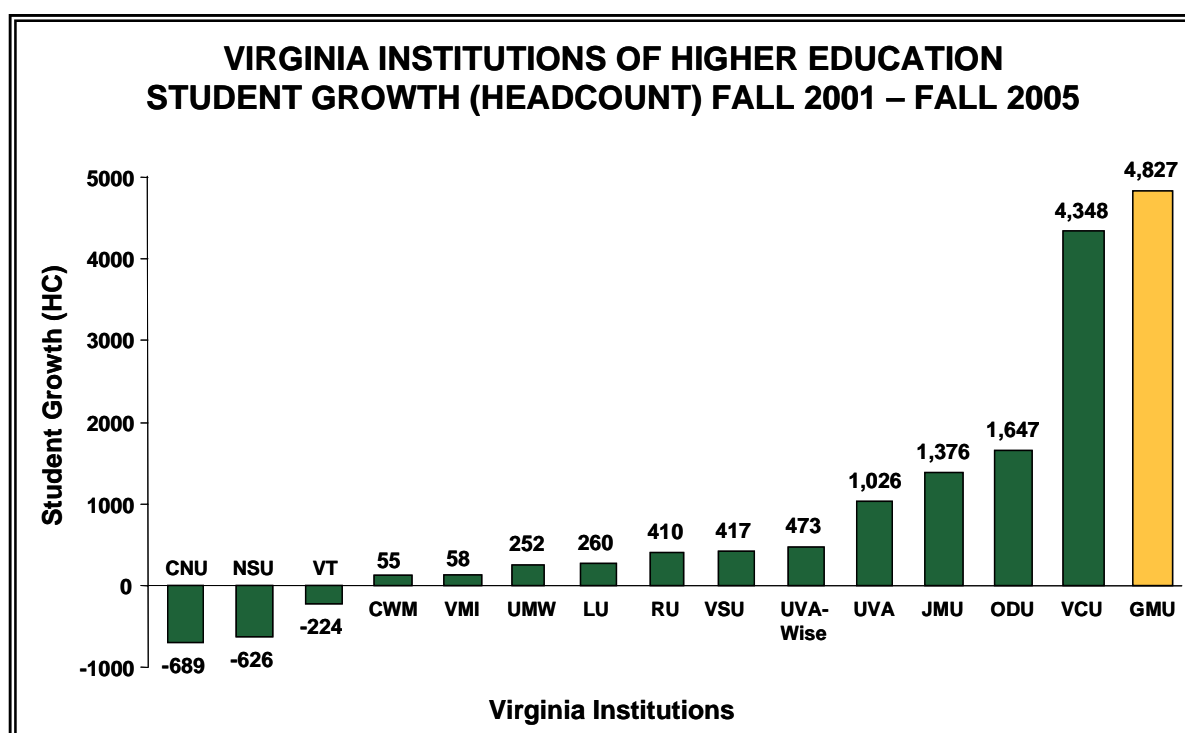
When looking at full time equivalent (FTE) enrollment, George Mason University is the fourth largest institution behind Virginia Tech, Virginia Commonwealth University, and the University of Virginia, (see below). The actual annualized enrollment for FY 2005, seen here is the most current actual enrollment data available.



FY 2007 Change: George Mason University projects an annual student FTE enrollment of 22,620 FTE during 2006-2007, which represents a 0.6% increase over the 22,485 projected FTE enrollment of 2005-2006, and 2.7% over the FY05 actual enrollment. It is highly probable that George Mason will exceed this enrollment projection. It is also possible that George Mason could surpass the FTE student enrollment of UVA in FY 2007.

RECENT STUDENT ENROLLMENT GROWTH

George Mason University has continued, despite certain years with General Fund budget reductions, to grow (approximately 4,827 students since Fall 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 35.5% of the statewide enrollment growth accommodated in Virginia four-year institutions since Fall 2001 (see below).



The net growth has been **13,600**, and George Mason has enrolled 4,827 of this growth, or approximately 35% of the growth at four year institutions.

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 2006 are up about 7.6% over the previous year.

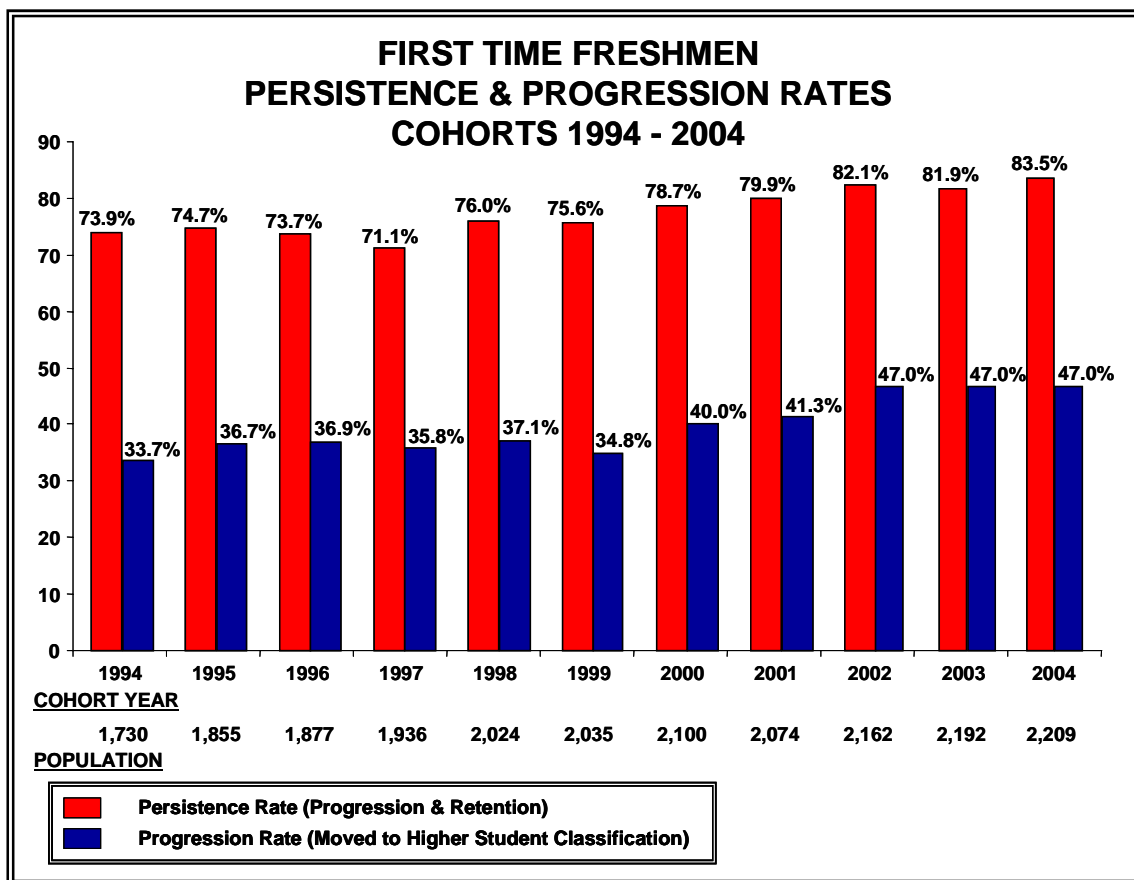
FIRST TIME FRESHMEN QUALITY INDICATOR TRENDS 2001 – 2006		
FRESHMEN APPLY	AVERAGE HS GPA	AVERAGE SAT
2001	3.08	1054
2002	3.12	1062
2003	3.19	1078
2004	3.20	1086
2005	3.25	1094
2006 Estimate	3.25	1080
FRESHMEN ADMIT	AVERAGE HS GPA	AVERAGE SAT
2001	3.28	1102
2002	3.33	1115
2003	3.43	1137
2004	3.43	1130
2005	3.43	1135
2006 Estimate	3.48	1140
FRESHMEN ENROLL	AVERAGE HS GPA	AVERAGE SAT
2001	3.20	1076
2002	3.26	1100
2003	3.30	1110
2004	3.32	1110
2005	3.35	1110
2006 Estimate	3.40	1120

	FALL 2001	FALL 2002	FALL 2003	FALL 2004	FALL 2005	FALL 2006*
Freshmen Applicants	8,107	8,845	9,763	10,103	10,313	11,100
Freshmen Admits	5,519	5,827	6,461	6,927	7,101	6,635
Freshmen Enrolled	2,147	2,225	2,251	2,262	2,529	2,300
Transfer Applicants	4,899	5,116	5,105	5,550	5,595	5,600
Transfer Admits	3,404	3,550	3,638	3,500	3,448	3,600
Transfer Enrolled	2,144	2,274	2,280	2,275	2,098	2,100
Graduate Applicants	5,019	6,233	6,394	6,106	6,535	N/A
Graduate Admits	3,289	3,985	4,112	3,839	3,885	N/A
Graduate Enrolled	2,049	2,553	2,599	2,226	2,298	N/A
Law Applicants	2,684	4,383	5,315	5,039	6,019	N/A
Law Admits	615	686	558	758	914	N/A
Law Enrolled	261	282	196	248	224	N/A

* Fall 2006 numbers are estimates, projected based on April 2006 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 2002 – FY 2006

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 2002 to FY 2006. George Mason's actual rate and percentage increase over that time were approximately equal to the average of all schools. (see below).

VIRGINIA COLLEGES & UNIVERSITIES ANNUAL IN-STATE, UNDERGRADUATE STUDENTS TUITION & FEE INCREASES FY 2002 – FY 2006							
SCHOOL	FY 2002	Adjusted FY 2003	FY 2004	FY 2005	FY 2006	\$ INCREASE FY02 – FY06	% INCREASE FY02 – FY06
CNU	3,152	4,072	4,600	5,314	5,826	2,674	84.8%
VA TECH	3,664	4,736	5,095	5,838	6,378	2,714	74.1%
UVA	4,236	5,378	5,964	6,600	7,180	2,944	69.5%
UMW	3,336	4,444	4,688	5,127	5,634	2,298	68.9%
RADFORD	3,069	3,844	4,140	4,762	5,130	2,061	67.2%
LONGWOOD	4,226	5,305	5,877	6,441	7,020	2,794	66.1%
W&M	\$4,780	\$5,852	\$6,430	\$7,096	\$7,738	\$2,958	61.9%
GMU	3,792	4,800	5,112	5,448	5,880	2,088	55.1%
NSU	3,124	3,296	3,840	4,295	4,670	1,546	49.5%
VCU	3,675	4,518	4,869	5,098	5,385	1,710	46.5%
UVA-WISE	3,470	4,244	4,496	4,782	5,081	1,611	46.4%
VSU	3,312	4,054	4,350	4,544	4,834	1,522	46.0%
JMU	4,094	4,628	5,058	5,476	5,886	1,792	43.8%
ODU	4,023	4,625	4,928	5,268	5,614	1,591	39.5%
VMI	6,294	7,017	7,584	8,054	8,666	2,372	37.7%
AVERAGE	\$3,883	\$4,721	\$5,135	\$5,610	\$6,061	\$2,178	56.1%

TUITION CHANGES: FY 2006 – FY 2007

As a part of the FY 2007 E&G budget proposal, the University will increase tuition and fees for in-state, undergraduate students by 9.0% or \$528 per year, which is approximately the average tuition and fee increase of all the state schools in the Commonwealth of Virginia. George Mason University had the 7th highest annual tuition and fee rate in FY 2006, and GMU will remain at that rank in FY 2007.

VIRGINIA COLLEGES & UNIVERSITIES IN-STATE, UNDERGRADUATE STUDENTS ANNUAL TUITION & FEES				
SCHOOL	FY 2006	FY 2007	% CHANGE FY06 – FY07	CHANGE FY06 – FY07
VMI	\$8,666	\$9,473	9.3%	\$807
W&M	7,778	8,490	9.2%	712
UVA	7,180	7,845	9.3%	665
LONGWOOD	7,020	7,589	8.1%	569
VA TECH	6,378	6,973	9.3%	595
CNU	5,826	6,460	10.9%	634
GEORGE MASON	5,880	6,408	9.0%	528
JMU	5,886	6,290	6.9%	404
ODU	5,614	6,098	8.6%	484
UMW	5,634	6,084	8.0%	450
VCU	5,385	5,819	8.1%	434
RADFORD	5,130	5,746	12.0%	616
UVA-WISE	5,081	5,632	10.8%	551
VSU	4,834	5,440	12.5%	606
NSU	4,670	5,056	8.3%	386
AVERAGE	\$6,064	\$6,627	9.4%	\$563

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 6.5% (see below).

VIRGINIA COLLEGES & UNIVERSITIES IN-STATE, UNDERGRADUATE STUDENTS TUITION & FEE/ROOM & BOARD INCREASES, FY 2006 – FY 2007				
SCHOOL	FY 2006	FY 2007	\$ INCREASE FY06 – FY07	% INCREASE FY06 – FY07
W&M	\$14,195	\$15,676	\$1,481	10.4%
VMI	14,332	15,403	1,071	7.5%
UVA	13,569	14,754	1,185	8.7%
CNU	13,326	14,560	1,234	9.3%
LONGWOOD	12,627	13,932	1,305	10.3
GEORGE MASON	12,360	13,158	798	6.5%
VCU	12,427	13,082	655	5.3%
JMU	12,258	13,046	788	6.4%
UMW	11,636	12,328	692	5.9%
VSU	11,318	12,324	1,006	8.9%
ODU	11,491	12,298	807	7.0%
RADFORD	11,250	12,050	800	7.1%
VA TECH	10,900	11,739	839	7.7%
UVA-WISE	11,046	11,738	692	6.3%
NSU	11,144	11,410	266	2.4%
AVERAGE	\$12,259	\$13,167	\$908	7.3%

James Madison University, Longwood University, Virginia Commonwealth University, and George Mason University charge approximately the same (total price) to residential in-state undergraduate students. The total price at George Mason and Virginia Commonwealth place those two schools as 6th/7th highest price among the fifteen schools, at approximately the average annual total price of 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 50% 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.

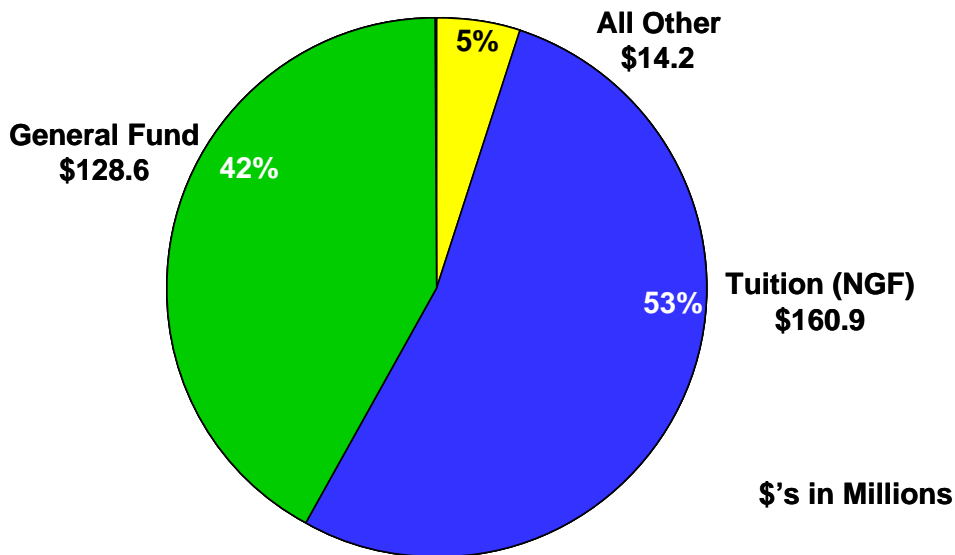
SUBPROGRAM	MAJOR ACTIVITIES
Instruction	Instructional faculty, departmental costs
Academic Support	Deans and Directors, school level costs
Libraries	Professional librarians, library reference materials
Technology	University computing – academic/administrative – new systems
Student Services	Registrar,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

PROGRAM REVENUES

Total E&G revenues (excluding private funds) for FY 2007 are projected at \$303.7M which is approximately \$27.6M more than the revised FY 2006 budget of \$276.1M. The University will support a student enrollment of 22,620 FTE students in FY 2007 as compared to an original budgeted enrollment target of 22,200 FTE in FY 2006 and a currently projected enrollment of 22,485 for FY 2006.

In 2006-07, the General Fund will provide nearly 42% of the support of George Mason’s E&G operation. Tuition and other sources of revenue will provide the remaining 58%. After three years of decreasing percentage of total support, the General Fund percentage in FY 2007 will remain at the same level as FY 2006, 42% of total E&G support. This sustains the paradigm shift of having students pay an increasing percentage of the cost of higher education.

SOURCE OF FUNDS – FY 2007
Total E&G Revenue \$303,673,400



Note: Excludes \$15M Private Funds
 Includes \$3.1 ETF Fund

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 stayed at its lowest level ever.

Funding per FTE Student

For the FY 2007 fiscal year the University funding available is \$13,290 per FTE student. This is made up of an average cost per FTE student of \$7,393 for academic units (primarily instruction), \$1,973 for academic support units, \$3,506 for all other non-academic units, and approximately \$418 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. *This total funding per FTE student in FY 2007 represents an increase of 12.2% over the funding per FTE in FY 2006.*

Strength Of Student Applications/Enrollment

Freshmen applications have grown (7%) over last year, academic credentials are higher, and the University will attain the targeted projected enrollment for 2006-07 of 30,100 (headcount), or 22,620 FTE students. The entering class will reflect higher GPA's. The projected FY 2007 enrollment of 22,620 FTE represents an increase of 135 FTE, or 0.6% over the actual student enrollment of 22,485 in 2005-06. The 2005-06 projected enrollment of 22,485 was 285 FTE higher than the original target for FY 2006.

Budget Highlights

	ACTUAL FY 2002	ACTUAL FY 2003	ACTUAL FY 2004	ACTUAL FY 2005	TARGET FY 2006	PROJECT FY 2006	TARGET FY 2007
HEADCOUNT	24,897	26,796	28,246	28,874	29,000	29,728	30,100
ENROLLMENT	18,700	20,150	21,200	21,500	22,200	22,485	22,620

Change: The projected change in enrollment for FY 2007 is approximately an increase of 300 headcount students, or an FTE increase of 135 students.

Annual Change in E&G Budget, FY 2007

The budget for E&G in 2006-2007 is \$303,673,400, and this represents an increase of \$27,580,800 from the 2005-2006 E&G budget.

GEORGE MASON UNIVERSITY E&G CHANGE IN FUNDING, FY06 – FY07		
	<u>FY06</u>	<u>FY07</u>
TOTAL E&G BUDGET:	\$276,093,000	\$303,673,400
SOURCE OF FUNDS		
General Fund Support Base Operating, Enrl, Degree Compl, etc		\$11,500,000
General Fund Support for Salary Increases		4,007,000
Tuition: Increased Enrollment 135 FTE		837,000
Tuition: Increased Number of Out-of-State (150)		1,600,000
Tuition: Increase of \$396 FY 2007		13,208,400
Tuition: Non-General Fund Support from Course Fees/Grad Premium Tuition		600,000
General Fund: One-time Reimbursement for Prior Year ETF		(4,271,600)
TOTAL NEW REVENUE		\$27,580,800
USE OF FUNDS		
<i>Essential for Maintenance:</i>		
• Salary Increase Annualize 11/25/05		3,442,000
• Salary Increase for FY07 effective 11/25/06		4,714,000
• Salary Increase Additional 1.3% for Instructional Faculty (11/25)		1,000,000
• Salary Funds for FY07 (adjustments and retention)		1,000,000
• Fringe Benefits Increase FY07		1,000,000
	<i>Subtotal Salaries/Benefits</i>	\$11,156,000
• Support for Facilities		2,081,000
• Contract Inflation (Incl Library Materials) and Utility Increases		575,000
• Enrollment Growth (funded from tuition revenue)		837,000
• Support for Financial Aid		1,860,000
• Safety and Security		940,000
• Research Administration		555,800
• Increases in State Allocated Costs (Insurance/eVA)		464,400
• Student Services		424,200
• Finance & Planning/Multi-Campus		403,300
• Library Resources to Enhance Teaching & Research		853,200
• Development and Relations		166,700
	<i>Subtotal</i>	\$9,110,600
• Academic Support for Teaching & Research		7,309,200
INCREASED EXPENSES		\$27,580,800

Student Enrollment Growth

The enrollment targets for each academic unit total 22,620 FTE students, an increase of 135 FTE students over the estimated level of 22,485 for FY 2006. If the actual University-wide enrollment for FY 2007 exceeds 22,620 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 can only be supported with increases to their current base budgets. Funding is allocated to academic units to support enrollment growth from the 2005-06 original overall enrollment target of 22,200 FTE students to the 22,620 FTE course enrollment target for 2006-07. The units with the largest enrollment increases from the original FY 2006 target to the original FY 2007 target have been College of Liberal Arts & Human Sciences, School of Information Technology & Engineering, College of Science, College of Health & Human Services, and School of Public Policy.

As an interesting side note, this projected enrollment for FY 2007 is 420 FTE greater than the target for FY 2006, which was the basis for resource allocations in FY 2006. Although George Mason University only experienced marginal growth from 1996 through 2001, the enrollment growth of FY 2002 - FY 2007, which has resulted in an increase of nearly 4,827 FTE students, is similar to the significant growth years of 1988-1995.

Several areas continued to show strong growth and exceeded their enrollment targets for FY06 (see below). Continued strong enrollment growth is projected in several of these areas.

UNIT	FTE OVER TARGET	ACTUAL/TARGET PERCENT
Management	99	105%
Info Tech & Engr	83	104%
Liberal Arts & Hum Sci	69	101%
Public Policy	46	109%
ICAR	28	120%
Science	16	101%

STUDENT ENROLLMENT (FTE) BY COURSE REGISTRATION

Unit	2003-04 ACTUAL	2004-05 ACTUAL	2005-06 TARGET	2005-06 EST	% OF TOTAL	2006-07 TARGET	% OF TOTAL	2006-07 FACULTY	STUDENT RATIO 1:
College of Liberal Arts & Human Sciences	N/A	N/A	7,901	7,970	35.4%	8,041	35.6%	515.73	15.59
College of Science	N/A	N/A	2,804	2,820	12.5%	2,857	12.6%	208.17	13.72
College of Visual & Performing Arts	989	1,037	1,060	1,062	4.7%	1,068	4.7%	86.20	12.39
College of Arts & Sciences	10,196	10,439	N/A	N/A	N/A	N/A	N/A	N/A	N/A
School of Management	1,810	1,879	1,933	2,032	9.0%	1,955	8.7%	104.30	18.74
Institute for Conflict Analysis & Resolution	129	132	139	167	0.7%	159	0.7%	17.50	9.09
College of Education & Human Dev	2,075	2,320	2,265	2,216	9.9%	2,265	10.0%	148.76	15.23
School of Info Technology & Engineering	2,156	2,130	2,136	2,219	9.9%	2,195	9.7%	128.49	17.08
School of Law	621	618	620	589	2.6%	620	2.7%	52.04	11.91
College of Health & Human Services	677	718	811	803	3.6%	860	3.8%	96.41	8.92
School of Public Policy	436	502	511	557	2.5%	550	2.4%	61.92	8.88
School of Computational Sciences	127	143	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Provost (Faculty incl Robinson Professors)	80	122	120	126	0.6%	150	0.7%	14.92	10.05
Other (ELI)								14.54	N/A
Sub-total Academic Units	19,296	20,040	20,300	20,561	91.4%	20,720	91.6%	1,448.77	14.45
Summer Term	1,904	1,910	1,900	1,924	8.6%	1,900	8.4%	92.00	20.65
TOTAL	21,200	21,950	22,200	22,485	100.0%	22,620	100.0%	1,540.77	14.82 *

Note: Enrollment totals include contract course

* Student Ratio 1: Excludes Other Faculty FTE

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AREAS OF STUDENT ENROLLMENT GROWTH

ACTUAL FY06 TO TARGET FY06		TARGET FY 07 TO ACTUAL FY06	
COLLEGE/SCHOOL	FTES GROWTH	COLLEGE/SCHOOL	FTES GROWTH
SOM	99	CLAHS	71
IT&E	83	CHHS	57
CLAHS	52	CEHD	49
SPP	46	COS	37
ICAR	28	LAW	31
COS	16	CVPA	6

CHANGE IN FTE ENROLLMENT FY 2004 – FY 2007

Public Policy	26%
Conflict Analysis & Res	23%
Education	9%
Management	8%
Visual Perf Arts	8%
CLAHS/COS	7%
Health/Human Serv	6%
Info Technology	2%

Budget Focus & Priority

The allocation of funds in FY 2007 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 \$2.5M.

PERCENTAGE OF BUDGET BY MAJOR PROGRAM					
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Instruction	54.0%	54.5%	54.2%	54.9%	55.0%
Financial Aid	0.8%	0.8%	0.8%	1.0%	1.6%
Equipment Trust Fund	1.0%	1.0%	1.2%	1.1%	1.0%
Library	6.2%	6.1%	6.0%	5.7%	5.5%
Academic Support	5.6%	5.1%	4.9%	4.9%	5.6%
Student Services	5.5%	5.4%	5.5%	5.2%	5.1%
Technology	8.6%	8.4%	8.5%	8.7%	8.2%
Institutional Support	9.9%	9.1%	9.2%	9.2%	9.4%
Plant	7.5%	8.3%	8.5%	8.4%	8.1%
Central	0.9%	1.4%	1.2%	0.8%	0.6%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

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 of the other twenty-four universities in its national peer group.

Number of Academic Programs – Sharp Focus

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 exceeds the peer group average by more than 10%, GMU offers only sixty-five 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 2005 ENROLLMENT	TOTAL DEGREE PROGRAMS OFFERED 2005*
University of South Florida	42,357	208
Temple University	35,575	293
University of Cincinnati	35,244	435
Wayne State University	33,314	318
University of Iowa	29,745	297
GEORGE MASON UNIVERSITY	29,728	157
University of Utah	29,012	308
University of Connecticut	28,083	241
SUNY – Buffalo	27,276	358
Georgia State University	27,267	199
University of South Carolina, Columbia	27,065	222
University of Kansas, Main Campus	26,980	214
University of Oklahoma, Norman	26,944	227
University of Kentucky	26,900	241
University of Pittsburgh, Main Campus	26,559	297
University of New Mexico, Main Campus	26,280	209
Western Michigan University	26,239	254
University of Wisconsin, Milwaukee	26,084	148
University of Tennessee, Knoxville	25,247	215
University of Louisville	21,725	165
Syracuse University, Main Campus	18,286	347
SUNY – Albany	17,042	177
University of Rhode Island	15,315	222
Loyola University of Chicago	14,764	147
University of Missouri, Kansas	14,310	129
AVERAGE	26,294	241

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

USE OF FUNDS

PROGRAM EXPENSES

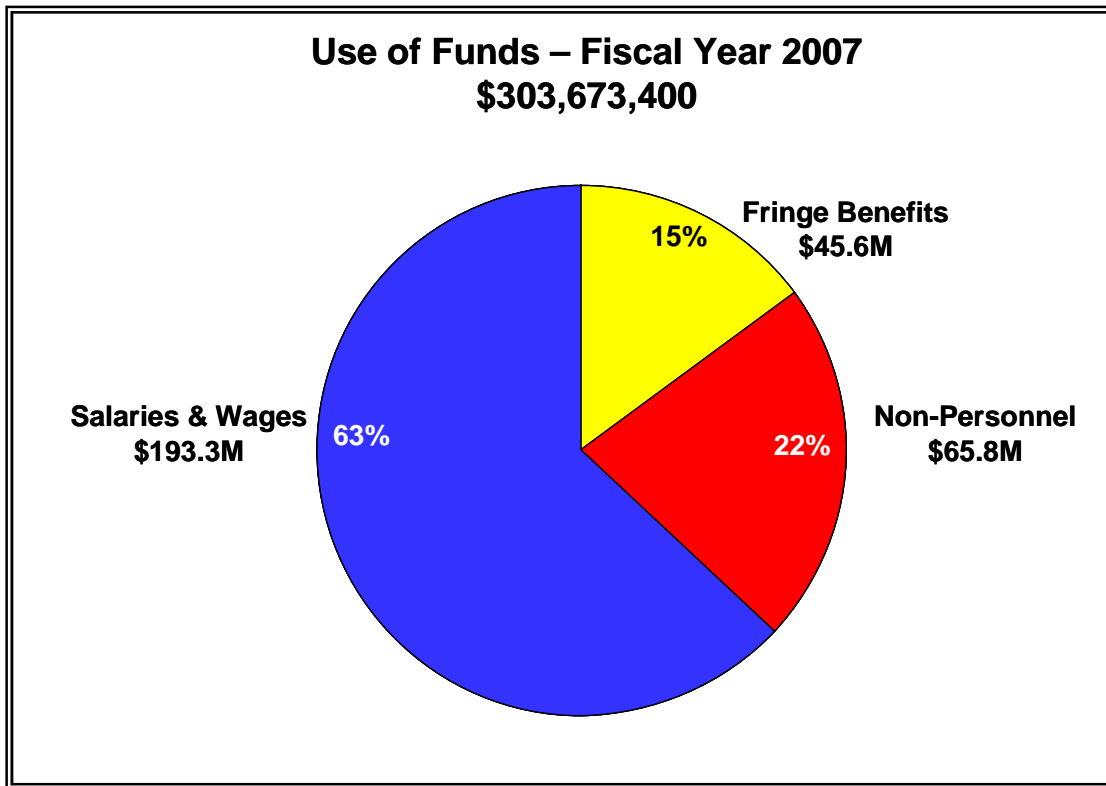
Use Overview

The FY 2007 budget provides for a \$27.6M increase in spending. The table below depicts the changes in the use of funds by major expense between FY 2006 and FY 2007.

	FY 2006	FY 2007	CHANGE	% CHANGE
Salaries/Wages	\$174.5	\$192.3	\$17.8	10.2%
Fringe Benefits	43.1	45.6	2.5	5.8%
Non-Personnel	58.5	65.8	7.3	12.5%
TOTAL E&G	\$276.1	\$303.7	\$27.6	10.0%

Personnel General

- For FY 2006-2007 the University budget includes funding for average salary increases for full-time faculty of 5.0%, which is 1.3% greater than the amount proposed by the original 3.7% proposed for FY 2007. For administrative faculty positions the University budget includes funding for average salary increases of 4%, which is 1% greater than the amount of 3% proposed by the state. The University budget includes funding for salary increases of 4% for classified staff. The state budget currently proposes that same amount for classified staff increases.
- The 2006-2007 budget allocates approximately 78.3% of the E&G funds for personnel costs, which include salaries, wages, and fringe benefits. This percentage dedicated to labor has been in the range of 79% to 80% 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	2006 - 2007 BUDGET	% OF PERSONNEL
Teaching Faculty	\$127.5M	53.6%
Admin Faculty	38.9M	16.4%
Classified Staff	64.0M	26.9%
Wages/Student Wages	7.4M	3.1%
TOTAL PERSONNEL EXPENSE	\$237.8M	100.0%

Teaching Faculty

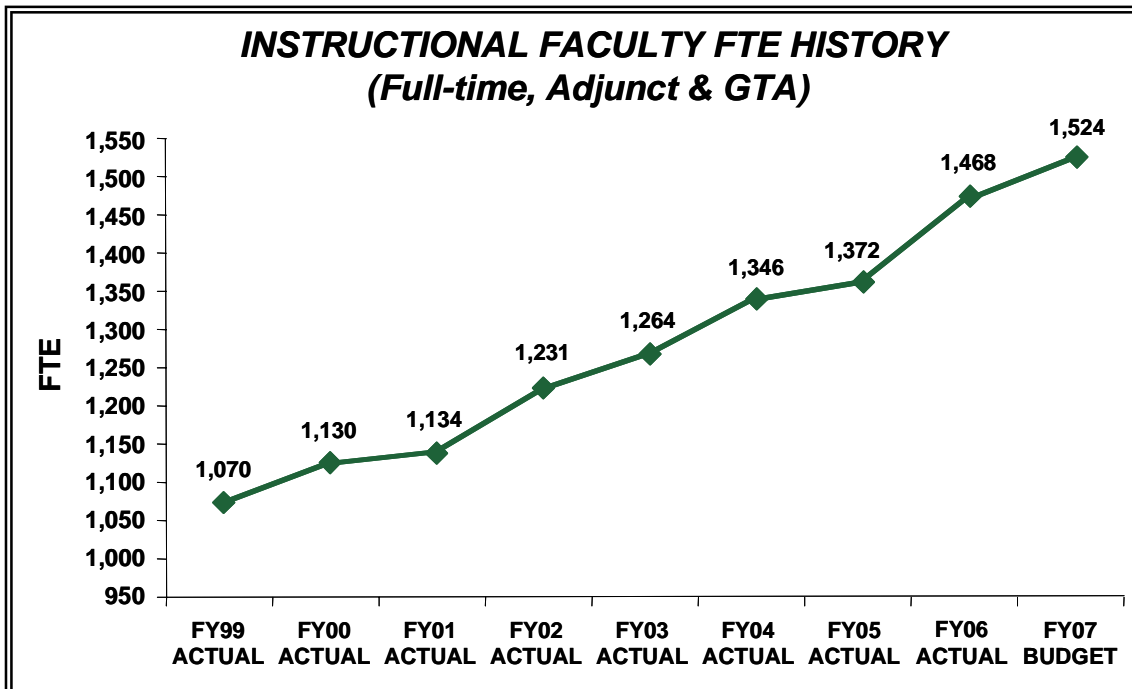
Actual spending in FY 2006 reflects an increase in the use of adjunct faculty and graduate assistants as the colleges and schools meet enrollment demands. This most likely reflected failed searches and efforts to fill extra sections added late to meet increased student enrollment. Additionally, some contract instructional activity utilizing adjunct faculty was increased. Although the FY 2007 Budget provides improved funding for full-time faculty, it is anticipated that actual full-time faculty FY 2007 expenditures could be less than budgeted while adjunct expenditures will likely exceed the original budget for many of the same reasons.

The following table (provided by SCHEV) summarizes the full-time faculty salaries for the Virginia schools as compared to their peers. This is the most recent data provided by SCHEV, but this will be updated as soon as more current information is available.

ESTIMATED FACULTY SALARY PERCENTILE RANKINGS ¹ BASED ON THE GOVERNOR'S 2005-06 INTRODUCED BUDGET						
INSTITUTION	2002-03 APPROP. FACULTY SALARY	2002-03 PERCENTILE RANKING	2003-04 APPROP. FACULTY SALARY ²	2003-04 PERCENTILE RANKING	2005-06 ESTIMATED FACULTY SALARY	2005-06 PERCENTILE 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 3% annually.
 (2) Based on 2.25% appropriated salary increase in FY05. However, Virginia faculty salary increase did not become effective until November 25, 2003.

INSTRUCTIONAL FACULTY SALARY AND FTE HISTORY						
	FY02 ACTUAL	FY03 ACTUAL	FY04 ACTUAL	FY05 ACTUAL	FY06 BUDGET	FY07 BUDGET
FT Faculty	\$57,709,842	\$60,748,162	\$63,789,473	\$67,473,432	\$77,852,000	\$85,989,100
PT Faculty	11,765,893	12,004,524	\$13,064,485	\$14,868,973	\$15,300,000	\$15,011,600
Grad Assts	3,467,912	3,744,403	\$3,668,405	\$4,253,182	\$4,486,000	\$4,600,600
TOTAL FACULTY	\$72,943,647	\$76,497,089	\$80,522,363	\$86,595,587	\$97,638,000	\$105,601,300

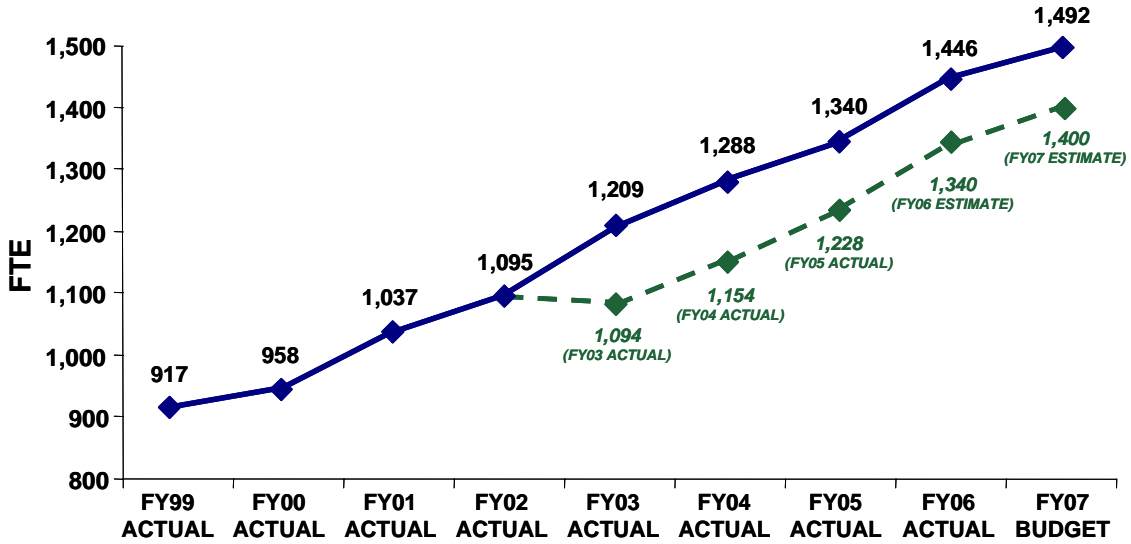


Administrative Support Staff

In FY 2007 approximately 46 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						
	FY02 ACTUAL	FY03 ACTUAL	FY04 ACTUAL	FY05 ACTUAL	FY06 BUDGET	FY07 BUDGET
Admin Faculty	\$20,131,296	\$20,538,085	\$21,931,713	\$23,206,355	\$28,399,400	\$31,224,000
Classified	30,507,321	31,173,194	33,495,851	\$37,361,416	\$44,167,800	\$48,537,100
TOTAL SUPPORT STAFF	\$50,638,617	\$51,711,279	\$55,427,564	\$60,567,771	\$72,567,200	\$79,761,100

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



Note: Actual is the average filled FTE for FY 99 through FY 06.

WAGES HISTORY & BUDGET

	FY02 ACTUAL	FY03 ACTUAL	FY04 ACTUAL	FY05 ACTUAL	FY06 ESTIMATE	FY07 BUDGET
Wages	\$4,939,095	\$5,550,546	\$5,429,303	\$5,566,465	\$5,834,800	\$4,007,900
Student Wages	1,874,626	1,248,249	2,239,079	2,221,090	2,603,000	2,000,000
CWS	362,923	660,477	660,170	698,700	709,900	863,400
TOTAL WAGES	\$7,176,644	\$7,459,272	\$8,328,552	\$8,486,255	\$9,147,700	\$6,871,300

The original FY 2007 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 FY06 is projected to be greater than prior year spending.

The actual use of wages and student wages continues to grow as the university meets demands to support new enrollment and programs within the University. That level of wage spending has equated to between 250 - 300 FTE staff positions.

**2006-07 EDUCATIONAL & GENERAL BUDGET
FULL-TIME EQUIVALENT STAFF POSITIONS BY MAJOR UNIT**

UNIT	TOTAL POSITIONS (FTE) FY06			NEW POSITIONS (FTE) FY07			TOTAL POSITIONS (FTE) FY07		
	FACULTY	STAFF	TOTAL	FACULTY	STAFF	TOTAL	FACULTY	STAFF	TOTAL
College of Liberal Arts & Human Sciences	484.94	89.93	574.87	30.79	3.59	34.38	515.73	93.52	609.25
College of Health & Human Services	90.91	22.90	113.81	5.50	0.00	6.50	96.41	22.90	119.31
College of Visual & Performing Arts	80.45	22.90	113.81	5.75	0.00	5.75	86.20	20.03	106.23
College of Education & Human Dev	147.26	51.43	198.69	1.50	1.00	2.50	148.76	52.43	201.19
Inst for Conflict Analysis/Resolution	16.50	7.00	23.50	1.00	0.00	1.00	17.50	7.00	24.50
Krasnow Institute	1.96	1.00	2.96	0.00	0.00	0.00	1.96	1.00	2.96
College of Science	193.92	46.75	240.67	14.25	6.70	20.95	208.17	53.45	261.62
School of Info Tech & Engineering	125.76	42.65	168.41	3.00	0.00	3.00	128.49	41.65	170.41
School of Law	50.04	45.14	95.18	2.00	0.00	2.00	52.04	45.14	97.18
School of Management	101.00	43.70	144.70	3.25	0.00	3.25	104.00	43.70	147.70
School of Public Policy	59.92	28.25	88.17	1.50	0.00	1.50	61.92	28.25	90.17
Summer Term	92.00	0.00	92.00	0.00	0.00	0.00	92.00	0.00	92.00
Enrollment Services	0.00	115.13	115.13	0.00	5.00	5.00	0.00	120.13	120.13
Library	0.00	110.25	110.25	0.00	3.00	3.00	0.00	113.25	113.25
Professional Development	0.00	17.50	17.50	0.00	0.00	0.00	0.00	17.50	17.50
Instructional Support	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Academic Administration	11.95	46.90	58.86	1.00	0.00	1.00	12.95	46.90	59.85
University Life	14.74	65.65	80.39	0.00	2.35	2.35	14.54	68.00	82.54
Information Technology Unit	0.00	198.20	198.20	0.00	7.00	7.00	0.00	205.20	205.20
New Admin Systems	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Physical Plant/Facilities	0.00	209.00	209.00	0.00	1.10	2.00	0.00	210.10	210.10
Operations	0.00	74.50	74.50	0.00	5.00	5.00	0.00	79.50	79.50
Multi-Campus Support	0.00	12.50	12.50	0.00	0.00	0.00	0.00	12.50	12.50
Finance & Planning	0.00	129.65	129.65	0.00	2.00	2.00	0.00	131.65	131.65
President/Equity/Internal Audit	0.10	21.52	21.62	0.00	0.00	0.00	0.10	21.52	21.62
University Development	0.00	21.40	21.40	0.00	0.00	0.00	0.00	21.40	21.40
University Relations	0.00	34.22	34.22	0.00	1.00	1.00	0.00	35.22	35.22
GRAND TOTAL	1,471.45	1,454.20	2,925.66	69.32	37.74	107.06	1,540.77	1,491.94	3,032.71

Non-Personnel- General

- Approximately 22% 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 2006 – 2007					
SUBPROGRAM	PERSONNEL SERVICES		NON-PERSONNEL		TOTAL BUDGET
	BUDGET	% TOTAL	BUDGET	%TOTAL	
Instruction	\$149,046,500	89.2%	\$17,994,900	10.8%	\$167,041,400
Financial Aid	0	0.0%	4,890,000	100.0%	4,890,000
Equipment Trust Fund	0	0.0%	3,065,000	100.0%	3,065,000
Libraries	8,406,100	50.7%	8,184,700	49.3%	16,590,800
Academic Support	15,267,100	89.1%	1,872,600	10.9%	17,139,700
Student Services	13,364,700	86.8%	2,031,400	13.2%	15,396,100
Technology	17,098,600	68.9%	7,701,400	31.1%	24,800,000
Institutional Support	27,280,200	96.0%	1,124,400	4.0%	28,404,600
Plant	9,639,300	39.3%	14,889,000	60.7%	24,528,300
Central	(2,252,600)	n/a	4,070,100	n/a	1,817,500
TOTAL	\$237,849,900	78.3%	\$65,823,500	21.7%	\$303,673,400

Non-Personnel Increases

Non-personnel costs, often referred to as direct expenditures, are budgeted \$8.0M more in FY 2007 than the 2005-2006 projected spending estimate. The major changes in non-personnel budgets consist of a few specific increases: leased space for increased off-campus rentals in Arlington and Loudoun (\$1.0M), library materials to cover inflation and new programs (\$.70 million), other inflationary support (\$.50 million), furnishings and equipment to outfit a new site in Loudoun (\$.40 million), utilities increase (\$.30 million), utilities and other non-personnel support for Research I (\$.30 million). Additionally, funding is set aside for financial aid/graduate student support (\$1.8 million). For purposes of this presentation, Financial Aid is included within Instruction.

Non-Personnel Profile

Within the non-personnel budget, fifteen major categories of expense make up almost 75% of the total budget. In 2006-2007, the top E&G expense category within non-personnel is projected to still be library reference materials.

**2006-07 EDUCATIONAL & GENERAL BUDGET
BUDGET BY MAJOR CATEGORY OF EXPENSE BY UNIT**

UNIT	SALARIES	FRINGE BENEFITS	WAGES	NON- PERSONNEL	TOTAL	
					FTE	BUDGET
College of Education & Human Development	\$11,843,400	\$2,967,900	\$311,100	\$1,590,700	201.19	\$16,713,100
College of Health & Human Services	7,442,200	2,005,800	71,500	399,300	119.31	9,918,800
College of Liberal Arts & Human Sciences	32,906,700	8,311,700	518,100	1,606,800	609.25	43,343,300
College of Science	17,244,900	4,568,800	300,200	1,179,100	261.62	23,293,000
College of Visual & Performing Arts	5,451,800	1,426,900	408,500	518,200	106.23	7,805,400
Inst for Conflict Analysis/Resolution	2,049,800	548,900	35,800	35,900	24.50	2,670,400
Krasnow Institute	331,900	92,200	0	7,500	2.96	431,600
RAK	130,000	36,700	0	0	1.00	166,700
School of Info Tech & Engineering	14,507,700	3,464,900	202,500	1,133,900	170.14	19,309,000
School of Law	8,435,100	2,331,400	208,700	2,523,700	97.18	13,499,900
School of Management	10,327,200	2,779,600	76,800	1,471,500	147.70	14,655,100
School of Public Policy	7,265,700	1,934,900	79,500	359,700	90.17	9,639,800
Summer Term	4,317,200	330,300	0	20,000	92.00	4,667,500
Enrollment Services	5,863,100	1,850,800	532,800	1,287,500	120.13	9,534,200
Professional Development	724,400	243,500	38,500	302,500	17.50	1,308,900
Student Financial Aid	0	0	0	4,890,000	0.00	4,890,000
Academic Administration	2,427,200	760,400	104,500	414,600	32.85	3,706,700
Library	5,247,600	1,656,000	450,800	7,224,000	113.25	14,578,400
Instructional Support	3,318,100	836,900	0	4,883,600	0.00	9,038,600
University Life	4,225,600	1,243,000	353,600	339,100	82.54	6,161,300
Provost Instruction	2,104,100	584,500	108,300	1,649,000	26.01	4,445,900
Information Technology Unit	11,845,900	4,138,500	1,114,300	6,114,800	205.20	23,213,500
New Admin Systems	0	0	0	1,609,200	0.00	1,609,200
Facilities	8,646,900	3,010,900	548,200	10,308,100	210.10	22,514,100
Property Rental	0	0	0	4,962,300	0.00	4,962,300
Multi-Campus Support	773,400	260,900	117,500	119,900	12.50	1,271,700
Finance & Planning	6,892,900	2,291,400	349,900	1,339,300	131.65	10,873,500
Operations	3,790,000	1,343,000	355,100	1,801,500	79.50	7,289,600
Executive Administration	1,529,000	486,900	86,200	504,900	21.62	2,607,000
University Development	1,349,800	408,800	23,900	414,600	21.40	2,197,100
University Relations	1,841,100	640,000	317,300	1,336,600	35.22	4,135,000
Central Funds/AE Indirect	2,529,700	(4,939,300)	157,700	710,600	0.00	(1,541,300)
University Reserve	0	0	0	1,700,000	0.00	1,700,000
Equipment Trust Fund	0	0	0	3,065,000	0.00	3,065,000
GRAND TOTAL	\$185,362,400	\$45,616,300	\$6,871,300	\$65,823,400	3,032.71	\$303,674,400

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 next to lowest 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.

GEORGE MASON UNIVERSITY PEER GROUP	
INSTITUTION	INSTITUTION
University of South Florida	University of Kentucky
Temple University	University of Pittsburgh, Main Campus
University of Cincinnati	University of New Mexico, Main Campus
Wayne State University	University of Wisconsin, Milwaukee
University of Iowa	University of South Carolina, Columbia
University of Utah	University of Tennessee, Knoxville
Western Michigan University	University of Louisville
University of Oklahoma, Norman	Syracuse University, Main Campus
SUNY – Buffalo	SUNY – Albany
Georgia State University	University of Rhode Island
University of Connecticut	University of Missouri, Kansas
University of Kansas, Main Campus	Loyola University of Chicago
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?

Funding Improvement: Statewide Comparison – Slowly Improving

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 83% of the resources (on average) available to the other doctoral universities. In the previous year (FY 2006) we operated at approximately 77% of the total resource available to the other doctoral universities.

EDUCATIONAL & GENERAL TOTAL FUNDING PER IN-STATE FTE STUDENT, 2006 - 2007			
DOCTORAL INSTITUTIONS	GENERAL FUND	IN-STATE TUITION	TOTAL
University of Virginia	\$9,812	\$6,282	\$16,094
Virginia Tech	8,818	5,813	14,631
William & Mary	9,329	5,290	14,619
Virginia Commonwealth	8,491	4,270	12,761
Old Dominion	6,627	3,832	10,459
Doctoral Average	8,615	5,097	13,713
GEORGE MASON	6,548	4,752	11,300
GMU % of Average	76.0%	93.2%	82.4%

General Fund Per In-State FTE Student – Still Lagging

GMU continues to receive less General Fund support per FTE student than all of the other doctoral institutions which shifts a greater burden of the cost to students through tuition increases. 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%. With the anticipated approval of the additional general fund support from the state for 2006-07, George Mason University will operate with 76% of the average general fund support per FTE student among the Virginia doctoral schools (see below).

INSTITUTION	2002	2007
University of Virginia	\$10,223	\$9,812
Virginia Tech	9,380	8,818
William & Mary	9,943	9,329
VA Commonwealth Univ.	8,669	8,491
Old Dominion	6,923	6,627
Doctoral Average	9,028	8,615
GEORGE MASON UNIVERSITY	7,047	6,548
GMU % of Average	78.1%	76.0%

Allocation To Core Mission

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

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

RANK	SELECTED INSTITUTIONS	ACADEMIC BUDGET AS PERCENT OF BUDGET FY03
1 st	GEORGE MASON UNIVERSITY	61.5%
5 th	University of Kansas	54.0%
10 th	University of South Carolina - Columbia	50.1%
15 th	University of Pittsburgh	48.7%
20 th	University of Kentucky	44.3%
	PEER GROUP AVERAGE	47.5%

Note: FY 2004 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 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 270 positions.

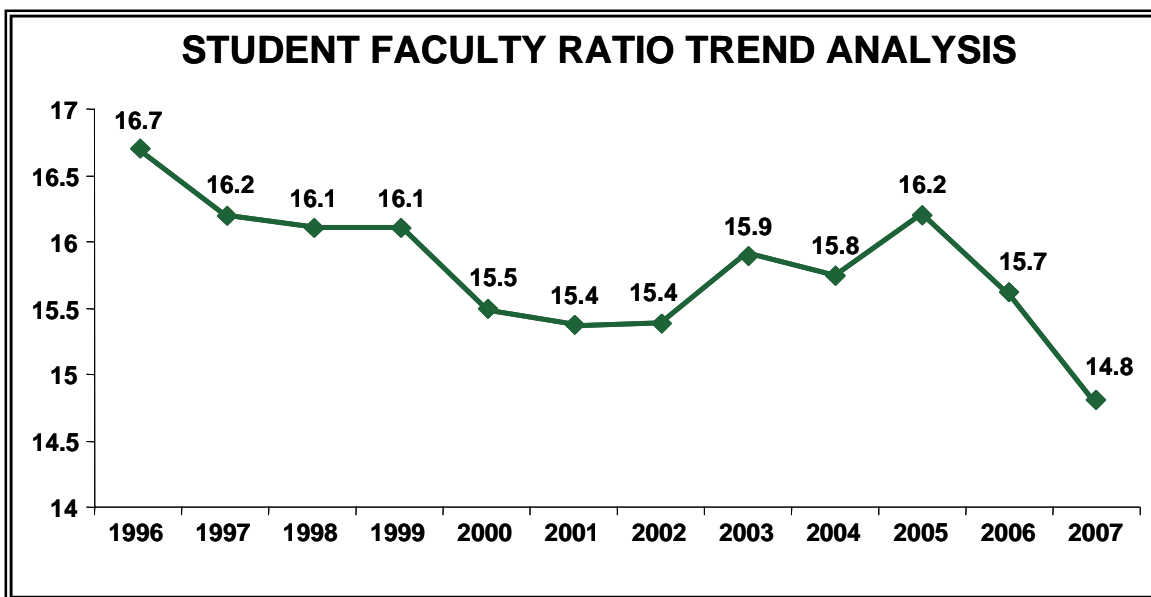
DOCTORAL INSTITUTIONS	STUDENTS (FTE) PER FACULTY/ STAFF POSITIONS
University of Virginia	6.3
VA Comm. University	6.6
William & Mary	7.1
Old Dominion	7.4
Virginia Tech	7.4
Doctoral Average	6.9
GEORGE MASON UNIVERSITY	7.5

Faculty:Support Staff Ratios

- An equally impressive ratio is the relationship of non-teaching positions to teaching positions. The 2006-07 budget for George Mason University establishes this ratio of 1,524 non-teaching to 1,486 teaching positions equals a 0.97:5 ratio. This is one of the leanest ratios in a national benchmarking survey of over 140 institutions conducted by 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.

Student/Faculty Ratios

- Maintain Low Faculty/Student Ratio: The number of faculty provided in 2006-07 result in the University's faculty/student ratio of 1:14.8. This ratio is an improvement over the last few years and is the result of an attempt to manage the enrollment growth, while continue to allocate resources to support the teaching and learning. The ratio for 2006-07 also reflects the allocation of funding for teaching and learning based on anticipated additional general fund support from the State. This has been achieved as the institution strives to give smaller classes and an improved faculty-student ratio a high priority in the resource allocation process.



FUTURE ENROLLMENT

Every two years Virginia public colleges and universities are required to submit to the State Council of Higher Education enrollment projections for fall headcount and annualized fte. The table presented on the following page summarizes the University's enrollment projections as submitted to SCHEV in June, 2005 for each year through Fiscal Year 2009-10. These overall enrollment projections will be used as unit enrollment targets and budgets are developed. The University will be reviewing these over the next nine months in preparation for submitting revised projections to the State in Spring 2007 as a part of the standard reporting requirements.

As noted previously, the University anticipates that both the projected student headcount and student FTE for FY 2007 will be exceeded with actual enrollments.

**GEORGE MASON UNIVERSITY
ACTUAL AND PROJECTED ENROLLMENT**

FALL HEADCOUNT	Actual						Projected				
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
First-Time Freshmen	2,146	2,225	2,251	2,262	2,275	2,412	2,487	2,565	2,665	2,765	2,765
Other Freshmen	1,571	1,596	1,470	1,402	1,422	1,446	1,495	1,536	1,564	1,588	1,635
Sophomore	3,362	3,436	3,651	3,719	3,772	3,832	4,043	4,172	4,234	4,386	4,560
Juniors	3,853	4,062	4,110	4,165	4,244	4,300	4,344	4,578	4,709	4,978	5,200
Seniors	4,380	4,832	5,097	5,340	5,416	5,497	5,555	5,633	5,873	5,981	6,205
Under ES/Guests	490	537	523	520	527	534	540	549	558	569	581
Undergraduate	15,802	16,688	17,102	17,408	17,657	18,021	18,464	19,033	19,603	20,268	20,944
Law	763	832	796	778	775	775	775	775	775	775	775
Master	5,115	5,908	6,567	6,406	6,657	6,807	6,987	7,219	7,451	7,619	7,788
Doctoral	1,303	1,342	1,435	1,612	1,664	1,716	1,768	1,820	1,872	1,925	1,937
Grad ES/Guests	1,914	2,026	2,346	2,670	2,504	2,503	2,498	2,512	2,525	2,500	2,515
Graduate	8,332	9,276	10,348	10,688	10,825	11,026	11,253	11,551	11,848	12,044	12,240
UNIVERSITY TOTAL	24,897	26,796	28,246	28,874	29,257	29,822	30,492	31,359	32,226	33,087	33,959

ANNUALIZED FTE	Actual						Projected				
	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12
First-Time Freshmen	1059.3	1096.7	1106.4	1111.8	1137.4	1186.1	1223.0	1261.9	1311.0	1360.2	1360.2
Other Freshmen	1917.1	1973.5	1906.3	1969.9	2028.0	2066.6	2067.5	2116.5	2157.1	2194.2	2248.0
Sophomore	2963.2	3060.2	3273.2	3369.9	3482.5	3467.2	3664.3	3786.3	3862.5	3978.0	4118.6
Juniors	3417.3	3738.0	3830.1	3953.2	4073.3	4054.5	4148.3	4326.9	4469.7	4696.8	4884.3
Seniors	4032.3	4367.2	4727.5	4877.2	5025.3	5004.7	5057.4	5171.3	5368.6	5512.5	5705.1
Under ES/Guests	327.8	338.3	314.3	323.6	333.4	331.5	335.3	340.7	346.1	352.8	359.6
Undergraduate	13716.9	14573.7	15157.8	15605.5	16079.9	16110.6	16495.8	17003.6	17514.9	18094.5	18675.7
Law	628.5	687.0	650.6	645.0	617.0	640.0	640.0	640.0	640.0	640.0	640.0
Master	2979.4	3464.5	3874.1	4015.6	4106.9	4121.7	4222.5	4360.9	4498.3	4582.1	4684.7
Doctoral	578.0	615.5	656.9	680.8	714.8	724.7	746.7	768.6	790.6	813.0	817.8
Grad ES/Guests	809.0	883.1	967.8	1003.1	966.4	1024.9	1036.3	1052.2	1068.2	1073.1	1077.5
Graduate	4366.3	4963.0	5498.8	5699.5	5788.1	5871.2	6005.5	6181.8	6357.1	6468.2	6580.1
UNIVERSITY TOTAL	18711.7	20223.6	21307.2	21950.0	22485.0	22621.9	23141.3	23825.4	24512.0	25202.7	25895.8

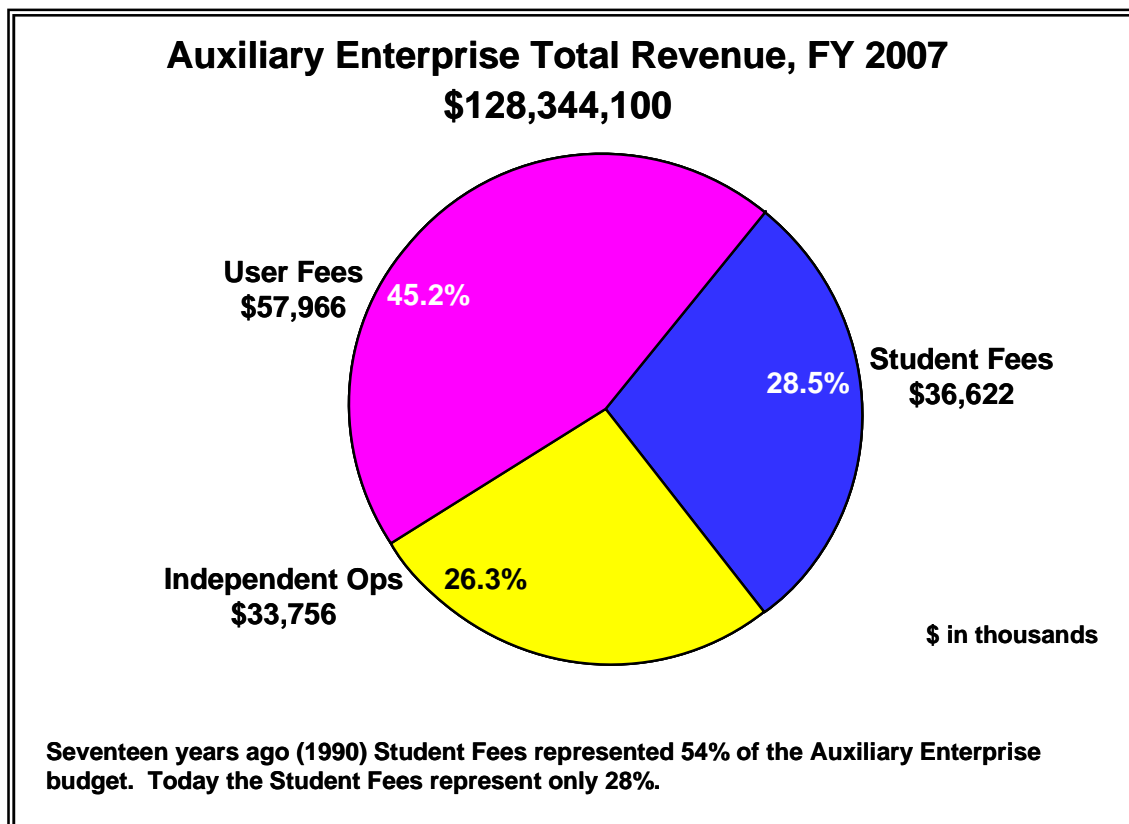
AUXILIARY ENTERPRISES

PROGRAM REVENUES

The activity of Auxiliary Enterprises is the second largest program of the University's operation. The projected Auxiliary Enterprise revenue for 2006-07 represents approximately 20% of the University's \$634.0 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 \$128,344,100 in 2006-07. This represents approximately 5.6% revenue growth over FY 2006.

Graphically, the Auxiliary Enterprise revenue looks like shown below:



For 2006-07 the revenue growth in all of the Auxiliary Enterprises is projected to be approximately \$6.9M. Of this total growth, \$3.4M is generated from self-generated revenue including user fees, \$2.8M is from increased student fee revenues, and \$0.7M is from independent operations.

- Within user fees activities, the units generating the largest increases in revenues are Student Housing (\$0.40M), Unions/Johnson Center (\$.40M), Campus Access (\$.22M), Freedom Aquatic & Fitness Center (\$.18M), Student Board (\$.38M), Athletics (\$.22M), All University One-Card (\$.16M), Student Health (.19M), Center for the Arts (\$.10M), and the facility reserves will also be increased (\$.44M).
- The student fee revenue increases by approximately \$2.8M with additional revenue from increased enrollment of 135 FTE students (\$.25M), and from an annual student fee rate increase of \$132 (\$2.5M).

SOURCE	2003-04	2004-05	2005-06	2005-06	AMOUNT CHANGE	% INCREASE
Student Fees	\$29,622,400	\$31,136,000	\$33,848,300	\$36,622,000	\$2,773,700	8.2%
User Fees	50,043,000	51,087,000	54,576,700	57,966,100	3,389,400	6.2%
Independent Operations	28,000,000	28,515,000	33,065,000	33,756,000	691,000	2.1%
TOTALS	\$107,665,400	\$110,738,000	\$121,490,000	\$128,344,100	\$6,854,100	5.6%

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
Food Service	\$16,900,000	\$0	\$0	\$16,900,000
Student Housing	0	15,234,000	0	15,234,200
Bookstore	13,656,000	0	0	13,656,000
Intercollegiate Athletics	0	2,666,300	8,888,800	11,555,100
Campus Access	0	6,339,500	112,000	6,451,500
Center for the Arts (CVPA)	0	2,340,000	4,048,200	6,388,200
Freedom Aquatic Fitness Center	0	5,934,000	66,000	6,000,000
Unions/JC Center	0	608,000	3,821,400	4,429,400
Patriot Center	3,200,000	125,000	366,800	3,691,800

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 \$33,756,000 and includes \$4.0 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 (\$4.0M) reduce the required annual student fee by nearly \$188!*

INDEPENDENT OPERATIONS COMMISSION INCOME, FY 2007		
ACTIVITY	OPERATING BUDGET	GEORGE MASON COMMISSION
Bookstore	\$13,656,000	\$1,520,000
Food Service	16,900,000	1,350,000
Arena Management	3,200,000	1,200,000
TOTAL	\$33,756,000	\$4,070,000

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 over 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 is 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 FY07 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 \$3,200,000.

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 (actual)	821,800	342,500
2005 (actual)	772,000	315,000
2006 (actual)	1,843,327	315,000
2007 (projected)	1,200,000	315,000

Dining Service The Dining services commission paid to GMU is composed of both a fixed commission of \$1,075,000 a year plus a variable commission composed of the revenue remaining after the Sodexho management fee and incentive fee is paid.

The only guaranteed part of this compensation plan is the fixed commission. The variable commission is dependent upon the availability of net income to make the payment. The GMU commission is used to fund Johnson Center and Student Union operations as well as dining services renovations which offsets other institutional student fee requirements.

The Sodexho management fee is fixed at \$340,000 a year. The company is eligible to receive an incentive fee of up to 2% of the total fee if a variety of customer satisfaction and sales volume performance measures are met.

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 2007, the University expects to receive about \$1,520,000 from this contract in addition to other cash and merchandise considerations. It is estimated that \$200,000 of this commission can be attributed to the Final Four participation of men's basketball.

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

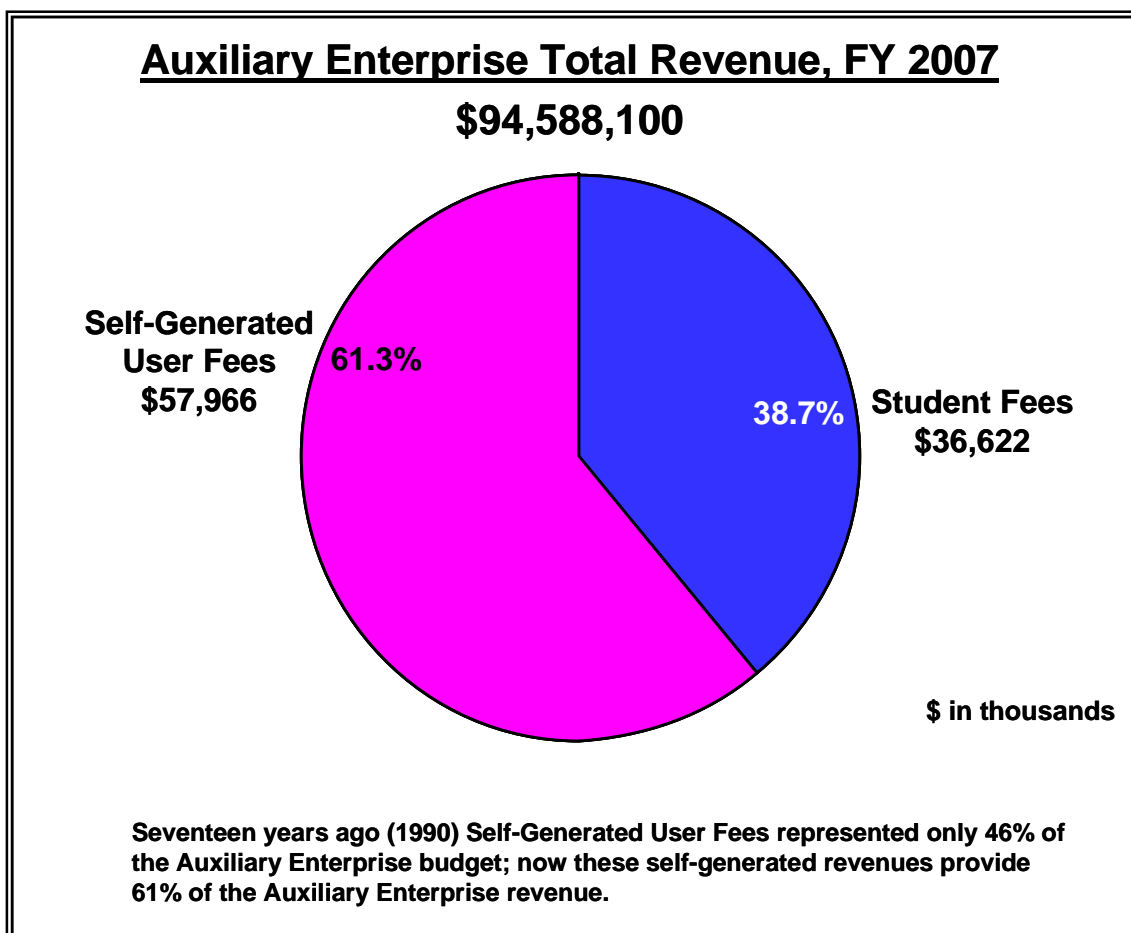
Summary *Although these independent operations are critical to University life, they are not generally included as part of the State Auxiliary Enterprise program for reporting purposes. As noted above, these three commissions result in net income to the University that allows the University to set the annual student fee \$188 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 2007 at \$94,588,100. This revenue is achieved through self-generated user fees, as well as student fees (see following table).

SOURCE OF FUNDING 2006-2007		
	2006	2007
Student Fees	\$33,848,300	\$36,622,000
Self-Generated User Fees	54,576,700	57,966,100
TOTAL FUNDS	\$88,425,000	\$94,588,100

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 sixteen years has been considerable (see below).



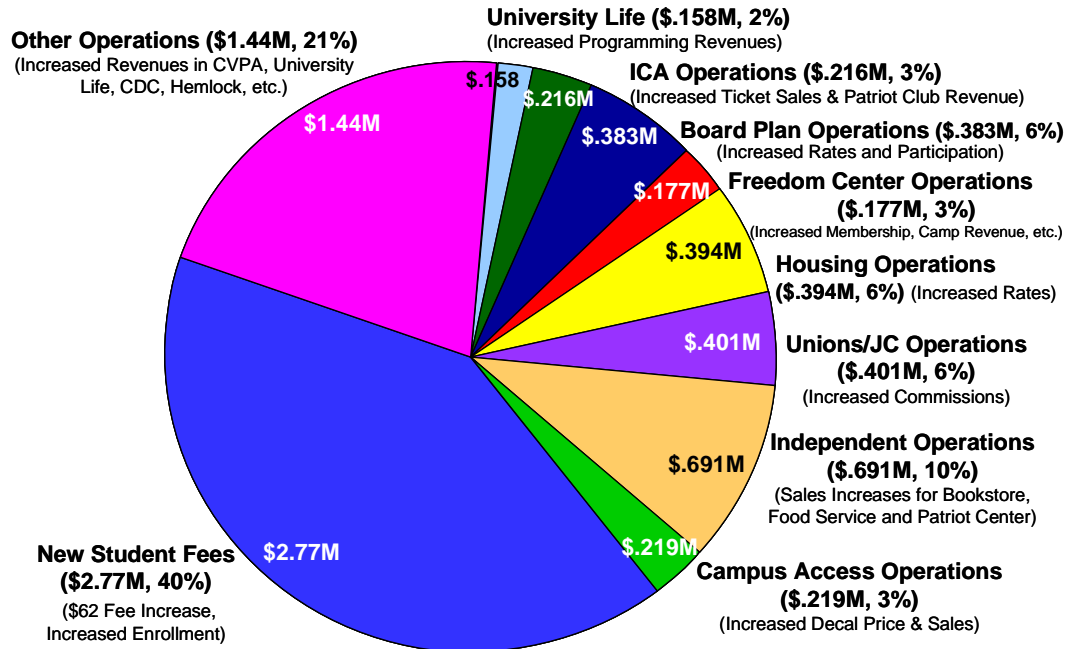
Revenue Changes

The table below illustrates, by specific auxiliary enterprise, where the \$6.9 million increase in revenue for FY 2007 is budgeted (listed in order of fiscal year total change).

AUXILIARY ENTERPRISE FY06 REVENUE BUDGET CHANGES IN REVENUE FY07 OVER FY06					
AUXILIARY	FY06 TOTAL REVENUE	FY07 TOTAL REVENUE	CHANGES IN REVENUE, FY07		
			STUDENT FEES	SELF-GEN REVENUE	TOTAL CHANGE
Intercollegiate Athletics	10,395,100	11,555,100	943,800	216,300	1,160,100
Reserves for Equipment/Utilities	0	600,000	427,000	173,000	600,000
Fairfax Aquatic Center	2,496,900	3,050,200	517,400	35,900	553,300
Student Unions/Johnson Center	6,496,200	7,094,400	197,300	401,000	598,300
University Life	4,668,900	5,169,800	342,400	158,500	500,900
All-University Card System	438,000	850,000	249,400	162,600	412,000
Housing	14,840,000	15,234,000		394,000	394,000
Student Board	7,436,300	7,819,600	0	383,300	383,300
CVPA/Center for the Arts	6,052,300	6,388,200	240,100	95,700	335,800
Student Health Services	2,193,300	2,482,400	102,100	187,000	289,100
Campus Access	6,232,400	6,451,500	0	219,100	219,100
Freedom Aquatic & Fitness Ctr	5,835,100	6,000,100	(12,100)	177,000	164,900
Telecommunications	3,152,400	3,285,900	3,500	130,000	133,500
Indirect Cost/Interest Income	3,535,000	3,660,000	125,000	0	125,000
AE Multi-Campus	37,500	145,000	107,500	0	107,500
University Scholars	530,000	635,000	105,000	0	105,000
University Services	900,300	1,085,700	177,500	8,000	185,500
Child Development Center	492,600	554,600	0	62,000	62,000
Transportation	250,000	300,000	50,000	0	50,000
Recreation Sports Clubs	426,100	449,000	10,100	12,800	22,900
Print Services	1,797,300	1,800,000	0	2,700	2,700
Computer Store	2,400,000	2,400,000	0	0	0
Patriot Center Debt Savings	1,042,600	1,042,600	0	0	0
Warehouse	237,100	237,300	0	200	200
Facility Reserves	900,000	1,343,000	0	443,000	443,000
Salary Increases	0	383,300	383,300	0	383,300
Patriot Center	510,600	491,800	(116,400)	97,700	(18,700)
Hemlock Overlook	1,205,700	1,153,600	0	(52,100)	(52,100)
Rec Sports Complex	1,499,200	1,239,800	(341,200)	81,800	(259,400)
Athletic Facility Improvement	600,000	200,000	(400,000)	0	(400,000)
Aux Ent Central Reserve	1,824,000	1,486,500	(337,600)	0	(337,600)
TOTAL AUX. ENT. REVENUE BUDGET	\$88,424,900	\$94,588,100	\$2,773,700	\$3,389,500	\$6,163,200
INDEPENDENT OPERATIONS	33,065,000	33,756,000	0	691,000	691,000
GRAND TOTAL	\$121,489,900	\$128,344,100	\$2,773,700	\$4,080,500	\$6,854,200

The specific details for all revenue changes are provided in the enterprise-specific section found on pages 113 – 135.

Auxiliary Enterprise Revenue Changes by Category (\$6.9M)



NEW STUDENT FEE REQUIREMENTS

In 2006-2007, 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 are to support expanded services and activities to meet the needs of additional student enrollment and to further support the students living on campus. The following priorities were identified through the Auxiliary Enterprises Management Council, made up of representatives of University Life, University Services and Auxiliary Enterprises units. These priorities were supported through the budget process. An allocation of \$450,000 is provided each year to support cross-cutting priorities. Funding is provided in 2006-2007 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 CVPA faculty directed programs such as the GMU Players, Music programs and New Multimedia Performance Studio.
- Provide support for current Pep Band to build it into GMU Spirit Band.

Food Service

- Expand food service hours and venues, including expansion of hours at Damon's, and continue expanded hours at all campuses.

Recreation and Programs

- Support increased interaction of students with equipment and a volleyball court at Prince William campus.
- Continue previous year one-time funding to support promotion of sporting events.
- Support for review of Mason mascot.

Student Organizations

- Increase support for student-generated and run social activities, including support for Arlington and Prince William campuses. Includes funding to enhance Welcome Week and Senior Week activities.
- Provide funding for Leadership and Retention programming within student organizations.
- Provide funding for Student Government advisor and other programming activities.

2. Enhance campus safety and security

Campus Police

- Continue funding for Police Cadet program which employs students to support the security function at some campus events

3. Enhance program support services

Unions/Johnson Center

- Provide funding for replacement of Johnson Center AV equipment to support events and activities.
- Provide support for personnel to support events.

Prince William Campus

- Provide funding to establish space on campus for outdoor events.

Arlington Campus

- Support for equipment and personnel for events at Arlington campus.

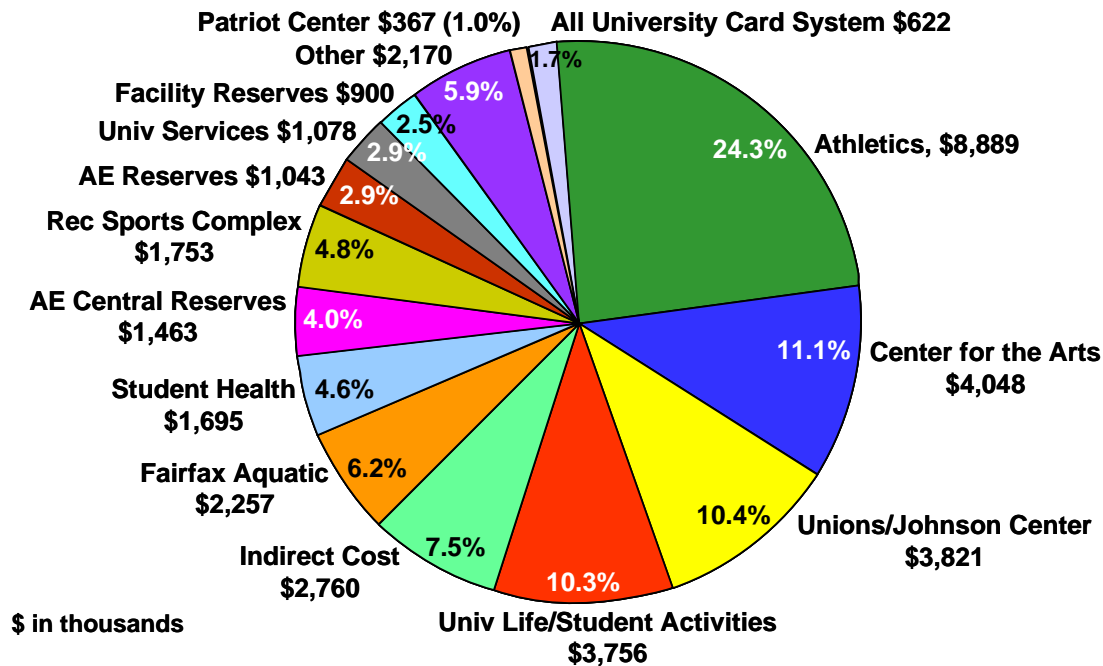
ALLOCATION OF INCREASED STUDENT FEE, 2006-2007

- To provide funding for increased debt service for Fairfax Aquatic Center expansion. [**\$448,400**]
- To set aside funds for salary increases for staff in 2006-07. Because the Auxiliary Enterprises salary increases are not supported through state funds, fee funds must be set aside for potential salary increases as approved. [**\$382,000**]
- To allocate additional funds for increased costs of fringe benefits. [**\$372,800**]
- To annualize the 3.00% salary increase given to staff on 11/25/05. [**\$306,000**]
- To provide support for inflationary costs across all units. [**\$294,200**]
- To provide support for sport specific staffing needs within Athletics. [**\$275,000**]
- To provide support to fee-funded units for increased costs for utilities and insurance. [**\$182,600**]
- To provide support for Johnson Center enhancements to include Dewberry Hall lighting, and operations assistants for events. This will eliminate the need to bill student groups for support of events. [**\$135,000**]
- To provide support for additional staff within Athletics to support fund-raising. [**\$130,000**]
- To provide support for the College of Visual and Performing Arts to enhance current Pep Band and expand to GMU Spirit Band with addition of staff and non-personnel support. [**\$127,500**]
- To provide funding for the increase in Indirect Cost reimbursement to E&G. [**\$125,000**]
- To provide support for Student Leadership Development Program and other Programming for Student Activities. [**\$110,000**]
- To support FY07 additional academic scholarship costs. This includes a new allocation for funding of scholarships for Debate, Forensics, and Music within the allocation for academic scholarships. [**\$105,000**]
- To provide support for equipment needs for the All University One-Card System. [**\$100,000**]
- To provide support for enhanced student and event support at the Prince William, Arlington and Loudoun campuses, including equipment and wages support. [**\$82,000**]
- To provide support for the College of Visual and Performing Arts to enhance current level of support for faculty direct programs in Music, Dance, Theatre etc. [**\$74,000**]
- To provide support to hire Student Government Advisor to work with student groups. [**\$55,000**]
- To provide ongoing support for collaboration between Athletics and Student Activities. [**\$50,000**]
- To provide additional support for the Transportation Traffic & Parking activity. [**\$50,000**]
- To provide support for additional hours at Damon's Restaurant. [**\$35,000**]
- To provide one-time funding for weight room equipment. [**\$34,200**]
- To provide support for enhancement of student activities such as Welcome Week and Senior Week. [**\$25,000**]
- To reduce one-time funding provided in FY06 for Athletics facility improvements [-**\$725,000**]

STUDENT FEE REQUIREMENTS **\$2,773,700**

Auxiliary Enterprise Fee Allocation, FY 2007

Student Fee Allocation: \$36,622,000



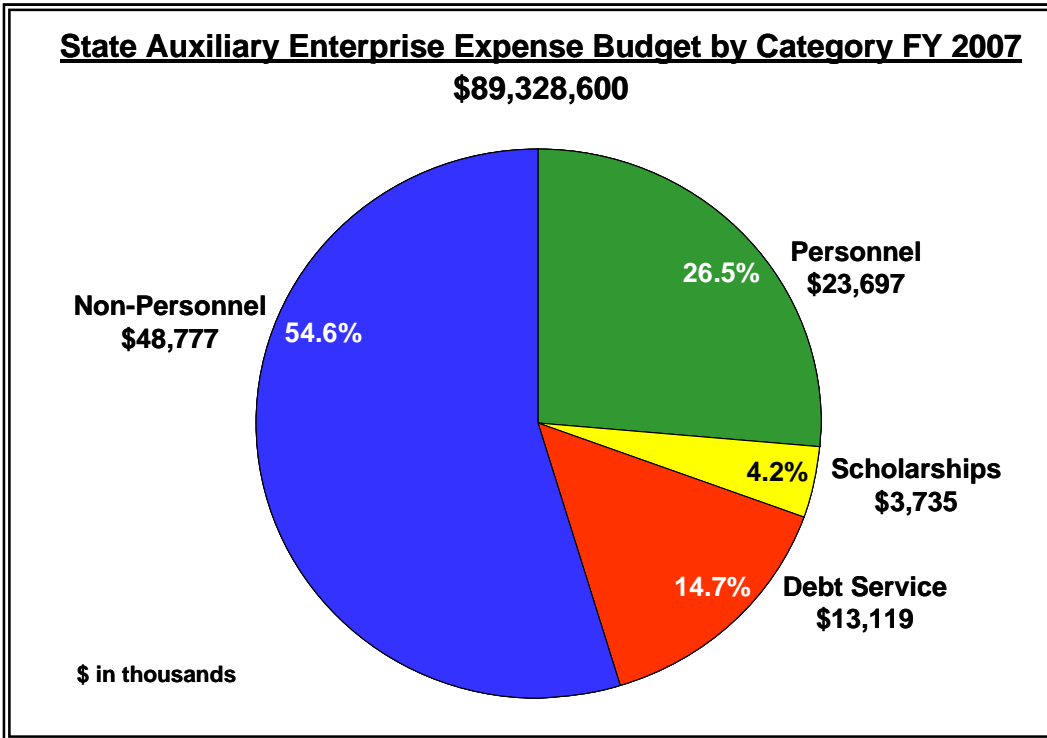
Note: Athletics and Recreational Activities are allocated approximately 41% of the student fee.

USE OF FUNDS

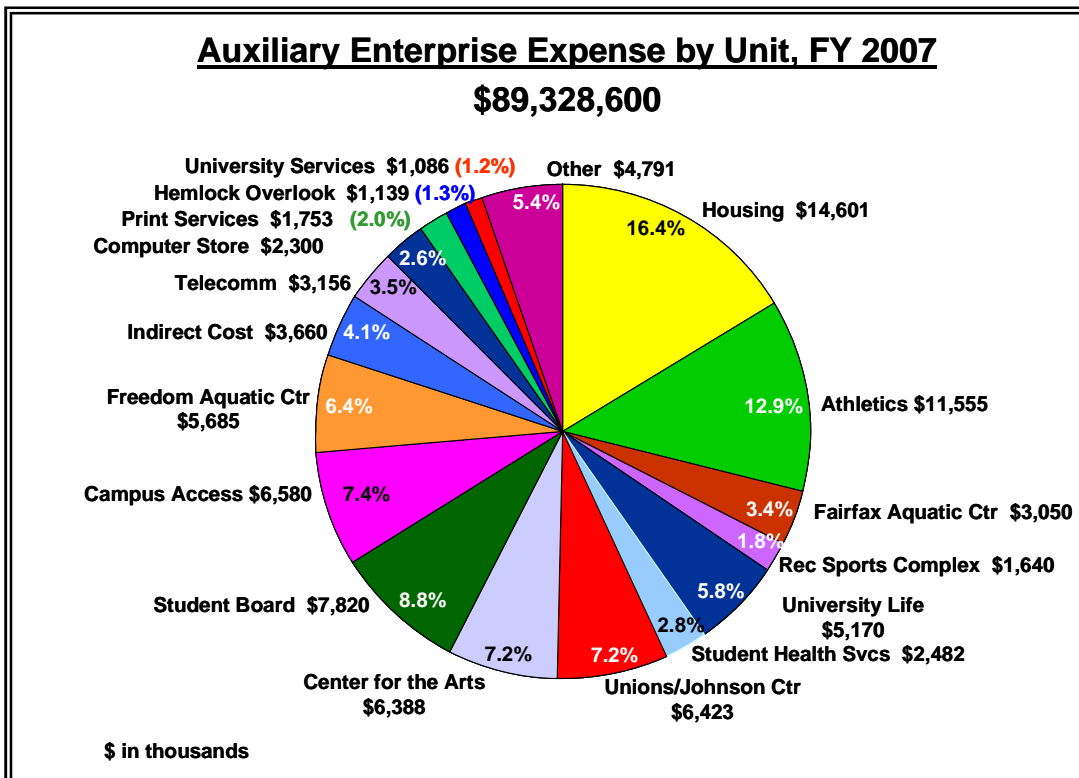
Budget by Major Category

The Auxiliary Enterprise expense budget of \$89.3M is \$5.3M lower than the revenue budget (\$94.6M) in order to set aside funds for future programming requirements and to establish adequate facility depreciation/renovation reserves. Of the total balance projected \$2.0M will be allocated to facility reserves (including Housing), \$1.0M will be held for future renovations for the Patriot Center, \$1.2M will be held centrally for future needs as identified in the AE 2010 Plan, and all other balances will remain with the operations generating the funds.

Within the Auxiliary Enterprises expense budget of \$89.3M, personnel costs total \$23.7M (or 26% of the total) and all non-personnel costs make up the remaining 74% of the budget. Within the \$65.6M non-personnel budget, approximately \$16.8M of the expenses cover scholarships and debt service. The remaining \$48.8M cover other non-personnel costs. Some of the major items within this are board plan payments (\$7.8M), utilities (\$3.7M), repair and maintenance (\$2.2M), contracted management (\$8.0M), the telecommunications activity (\$3.2M), and the indirect charge (\$3.7M) to Auxiliary Enterprises from Educational & General.



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



Personnel – Adding Nearly 22 FTE Positions

The Auxiliary Enterprises personnel budget of \$23.7M is based upon an FTE position level of 296.84 FTE plus wages hourly staff. Of the total FTE positions, 149.88 (50.4%) are for classified staff, 145.06 (49.4%) are for administrative faculty, and 1.80 (0.2%) are for instructional faculty. The total FTE of 296.84 is 21.89 FTE greater than the revised budget for 2005-06. Positions will be established in various Athletic/Recreational activities, the Freedom Center, University Life, Center for the Arts, and University Services

AUXILIARY ENTERPRISES POSITION BUDGET					
	FY 2004-05	FY 2005-06	Variance	FY 2006-07	Variance
Classified	138.56	138.75	-0.19	149.98	11.23
Admin Faculty	116.67	134.40	17.73	145.06	10.66
Faculty	2.17	1.80	-0.37	1.80	0.00
TOTALS	257.40	274.95	17.55	296.84	21.89

The total personnel services budget within Auxiliary Enterprises is \$23.7M. This is approximately 27% of the overall Auxiliary Enterprises budget. Of this total, 77% covers salaries and benefits for permanent staff, while 23% covers salaries and benefits for wages (hourly) workers. The annual level of wage spending is equal to approximately an additional 165 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 FY04-05		Budget FY05-06		Budget FY06-07	
Salaries	\$10,463,725	54.6%	\$12,476,500	57.8%	\$14,013,700	59.1%
Wages	5,254,208	27.4%	5,204,500	24.1%	4,975,200	21.0%
Fringe Benefits	3,443,769	18.0%	3,946,500	18.2%	4,708,200	19.9%
TOTAL	\$19,161,702	100%	\$21,627,500	100%	\$23,697,100	100%

Units with the highest personnel costs include Intercollegiate Athletics, the Freedom Aquatic and Fitness Center, the Center for the Arts, Student Unions/Johnson Center, University Life. These units are responsible for \$17.1M or 72% 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 FY 2007 Auxiliary Enterprises personnel budget includes an additional 24.89 FTE positions greater than the original FY 2006 Auxiliary Enterprises budget, and the distribution of the total 291.84 FTE positions within the Auxiliary Enterprises program is shown below:

AUXILIARY ENTERPRISE FY07 BUDGETED FTE				
UNIT	FACULTY	ADMIN FACULTY	CLASSIFIED	TOTAL 06-07 FTE
Intercollegiate Athletics	0.00	62.51	17.00	79.51
Recreational Sports Complex	0.00	3.00	4.00	7.00
Rec Sports Clubs	0.00	2.40	0.00	2.40
Fairfax Aquatic Center	0.00	5.38	5.00	10.38
TOTAL ATHL/REC FTE	0.00	73.29	26.00	99.29
Freedom Aquatic & Fitness Center	0.00	8.79	14.40	23.19
Hemlock Overlook	0.00	1.00	8.00	9.00
Student Unions/Johnson Center	0.00	4.00	29.28	33.28
Student Health Services	0.00	10.00	10.00	20.00
University Life	0.50	24.00	10.00	34.50
CVPA/Center for the Arts	1.30	11.98	18.55	31.83
Print Services	0.00	0.00	15.00	15.00
ITU Telecomm	0.00	0.00	10.75	10.75
Computer Store	0.00	0.00	3.00	3.00
Transportation	0.00	1.00	1.00	2.00
Child Development Center	0.00	4.00	1.00	5.00
University Services Administration	0.00	6.00	1.00	7.00
All University Card System	0.00	1.00	2.00	3.00
TOTAL FY 2007 FTE	1.80	145.06	149.98	296.84
TOTAL FY 2006 FTE	1.80	134.40	138.75	274.95
ANNUAL CHANGE	(0.00)	10.66	11.23	21.89

The table below highlights the areas with increased staff positions for FY07. Position changes within the Print Services reflect some 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 FY07 FTE CHANGE FROM FY06				
ENTERPRISE	FACULTY	ADMIN FACULTY	CLASSIFIED	TOTAL FTE
Student Health Services	(1.00)	0.80	0.50	1.30
University Life	0.00	1.20	1.00	2.20
CVPA/Center for the Arts	1.00	0.00	3.80	4.80
Intercollegiate Athletics	0.00	4.00	1.00	5.00
Recreational Sports Complex	0.00	0.00	(1.00)	(1.00)
Rec Sports Clubs	0.00	0.00	0.00	0.00
Fairfax Aquatic Center	0.00	(0.50)	0.00	(0.50)
Freedom Aquatic & Fitness Ctr	0.00	0.16	1.00	1.16
ITU	0.00	0.00	1.00	1.00
Computer Store	0.00	0.00	0.00	0.00
Student Unions/Johnson Center	0.00	1.00	1.93	2.93
Print Services	0.00	0.00	2.00	2.00
All University Card System	0.00	1.00	(1.00)	0.00
University Services	0.00	2.00	(1.00)	1.00
Hemlock Overlook	0.00	0.00	2.00	2.00
Transportation	0.00	1.00	1.00	2.00
Campus Access	0.00	0.00	(1.00)	(1.00)
Child Development Center	0.00	0.00	0.00	0.00
TOTAL FTE CHANGE	0.00	10.66	11.23	21.89

Non-Personnel - Operating

Within the Auxiliary Enterprises activities, approximately \$48.8 is expended on non-personnel, excluding debt service and scholarships. The major expense categories in non-personnel are:

Meal Plan	\$7,340,000
Housing Operations (Contract)	4,138,000
Indirect Cost	3,660,000
Utilities	3,819,000
Telecommunications	3,228,000
Campus Access/Parking Services (Contract)	1,762,000
Athletics (sports, events)	2,800,000
Computer Store Equipment	2,300,000
Building Maintenance, Housekeeping, Grounds	1,925,000
Center for the Arts Performances	1,600,000
Student Activities	1,063,000
Housing Renovations	800,000
Transportation	400,000
Insurance (Student Health)	440,000
SUB-TOTAL	\$35,275,000

These fourteen items make up over 72% of the non-personnel budget (excluding debt & scholarships) within Auxiliary Enterprises.

Non-Personnel - Debt Service

During the 2006-07 fiscal year, the University will make \$13.1M in debt service payments for parking, residential, and student activity facilities. This represents 14.7% of the overall Auxiliary Enterprises expenditure plan. Over the last few years debt for some facilities has been completed, allowing units to re-allocate funds for new debt or other funding requirements. In the next six years, nearly 33% 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 \$0.9M is student fee funded debt, while \$0.5M is in Parking Facilities and \$2.4M is in Residence Hall facilities. Although planning is underway for other facilities, renovations, programs, and activities which will add new debt service requirements between now and 2012, the importance of the elimination of over \$4.3 million of debt service payments cannot be overstated.

DEBT SERVICE REDUCTIONS, 2007 – 2012

LAST YEAR DEBT	DEBT-FINANCED FACILITY	SOURCE OF FUNDING		STUDENT HOUSING	TOTAL DEBT SERVICE ELIMINATED
		STUDENT FEE	CAMPUS ACCESS		
2007-08	Parking Lot		235,500		235,500
2007-08	Parking Lot		245,000		245,000
2008-09	President's Park (Res III)			987,900	987,900
2009-10	President's Park (Res IV)			940,700	940,700
2010-11	Student Apts Renovations			462,200	462,200
2008-09	Concert Hall	868,100			868,100
2011-12	Student Union Renovations	330,000			330,000
2011-12	Student Union II Addition	208,800			208,800
TOTALS		\$1,406,900	\$480,500	\$2,390,800	\$4,278,200

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 \$900,000 is budgeted for FY 2007, and the table which follows also shows the projected facility depreciation fund balance for 6/30/06 and 6/30/07.
- 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 or a lower than expected balance due to a just-completed capital improvement (Fieldhouse).
- During the summer of 2006 the University will continue a current project of reviewing the requirements for maintenance and renovation reserves for all activities within Auxiliary Enterprises. This will be used to maximize planning efforts and resources available for facility maintenance, renovation and renewal.
- The University earns interest on these facility reserve funds throughout the year.

FACILITY RENOVATION FUND						
FACILITY	BUILT	ORIG. BLDG COST	ACTUAL BALANCE JUNE 30, 2005	PROJECTED BALANCE JUNE 30, 2006	PROJECTED BALANCE JUNE 30, 2007	% OF COST
Patriot Center	1985	\$16.1M	\$2417,481	\$2,567,481	\$2,717,481	16.8%
Unions/ Johnson Center	1974/1996	48.9M	2,708,770	2,526,565	2,826,565	5.8%
Fairfax Pool	1998	11.1M	657,830	807,830	957,830	9.0%
Student Housing	1977/2004	77.3M	2,897,793	3,097,793	3,697,793	4.7%
Center for the Arts	1990	9.5M	574,526	654,526	804,526	8.0%
Field House	1982	6.5M	1,261,673	1,361,673	1,511,673	23.0%
TOTALS		\$169.4M	\$10,518,073	\$11,015,868	\$12,515,868	7.4%

Many of these facilities will be undergoing major capital improvements during the 2006 – 2008 timeframe. These capital improvements include additions as well as renovations.

SUMMARY

The following table summarizes the overall budget by major activity for the Auxiliary Enterprises in 2006-07. The revenue is all-inclusive (self-generated revenue, student fee allocations, etc.).

AUXILIARY ENTERPRISE BUDGET, FY07			
AUXILIARY	FY07 BUDGETED REVENUE	FY07 BUDGETED EXPENSE	FY07 OPERATING BALANCE
Student Housing	\$15,234,000	\$14,601,100	\$633,900 ¹
Intercollegiate Athletics	11,555,100	11,555,100	0
Student Board	7,819,600	7,819,600	0
Student Unions/GWJC	7,094,400	6,422,900	671,500 ³
Campus Access	6,451,500	6,579,500	(128,000) ⁹
CVPA/Center for the Arts	6,388,200	6,388,200	0
Freedom Aquatic Center	6,000,000	5,684,700	315,300 ³
University Life	5,169,800	5,169,800	0
Indirect Cost Charge	3,660,000	3,660,000	0
Telecommunications (ITU)	3,285,900	3,155,900	130,000 ³
Fairfax Aquatic Center	3,050,200	3,050,200	0
Computer Store	2,400,000	2,300,000	100,000 ³
Student Health Services	2,482,400	2,482,400	0
Print Services	1,800,000	1,753,400	46,600 ³
Patriot Center Savings	1,042,600	0	1,042,600 ⁸
Hemlock Overlook	1,153,600	1,139,000	14,600
Rec Sports Complex	1,239,800	1,239,800	0
Unallocated	1,091,000	0	1,091,000 ⁵
University Services/Police Cadets	1,085,700	1,085,700	0
Facility Reserves	1,343,000	0	1,343,000 ¹
Athletic Facility Improvements	200,000	200,000	0
University Scholars	635,000	635,000	0
Equipment/Utilities	600,000	600,000	0
Child Development Center	554,600	554,600	0
Patriot Center	491,800	491,800	0
AUCS/Photo ID	850,000	850,000	0
Rec Sports Clubs	449,000	449,000	0
Transportation	300,000	300,000	0
Warehouse – Debt	237,300	237,300	0
FY07 Salary Increases	383,100	383,100	0
Set Aside Contractual Adjustments	395,500	395,500	0
AE Multi-Campus Support	145,000	145,000	0
Sub-Total Aux Ent Budget	\$94,588,100	\$89,328,600	\$5,259,500
Independent Operations	\$33,756,000	\$33,756,000	---
GRAND TOTAL	\$128,344,100	\$123,084,600	\$5,259,500

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

⁶ to be used to establish a transportation department

⁷ to be used to offset any loss of revenue due to renovation projects

⁸ to be used to offset future renovation costs

⁹ to be covered from carry forward funds

TUITION AND FEES, FY 2007

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 2006 and FY 2007 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 \$798, while the out-of-state students will pay \$1,662 more in FY 2007.

TOTAL COST COMPARISON FY 2006 & FY 2007			
IN-STATE, UNDERGRADUATE	FY 2006	FY 2007	INCREASE
Tuition (Includes Tech Fee)	\$4,356	\$4,752	\$396
Fees	1,524	1,656	132
Room & Board	6,480	6,750	270
TOTAL	\$12,360	\$13,158	\$798
PERCENT INCREASE, FY 2007			6.46%

TOTAL COST COMPARISON FY 2006 & FY 2007			
OUT-OF-STATE, UNDERGRADUATE	FY 2006	FY 2007	INCREASE
Tuition (Includes Tech Fee)	\$15,636	\$16,896	\$1,260
Fees	1,524	1,656	132
Room & Board	6,480	6,750	270
TOTAL	\$23,640	\$25,302	\$1,662
PERCENT INCREASE, FY 2007			7.03%

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

The total price increase proposed for 2006-07 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	FY07 INCREASE
University of Virginia	8.7%
Christopher Newport Univ	9.3%
Virginia Tech	7.7%
Univ of Va - Wise	6.3%
Virginia State University	8.9%
Longwood Univ	10.3%
Old Dominion University	7.0%
Virginia Military Institute	7.5%
GEORGE MASON UNIV	6.5%
Norfolk State University	2.4%
Virginia Commonwealth	5.3%
James Madison University	6.4%
College of William & Mary	10.4%
Univ Mary Washington	5.9%
Radford	7.1%
AVERAGE	7.3%

TOTAL PRICE INCREASE OUT-OF-STATE	
INSTITUTION	FY07 INCREASE
Longwood Univ	11.6%
Univ of Va – Wise	7.6%
University of Virginia	7.8%
Old Dominion University	7.5%
GEORGE MASON UNIV	7.0%
Virginia Tech	6.5%
Christopher Newport Univ	6.1%
Virginia Military Institute	5.9%
Norfolk State University	3.7%
James Madison University	6.0%
Virginia State University	4.7%
Virginia Commonwealth Univ	1.6%
Univ of Mary Washington	6.9%
College of William & Mary	8.9%
Radford	7.1%
AVERAGE	6.6%

Tuition & Fee Rates

Most George Mason students do not reside on campus, and most students (83%) 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 (\$6,408) at George Mason University as compared to the average price (\$6,613) within the state.

ANNUAL TUITION & FEE INCREASE, FY 2007 UNDERGRADUATE, IN-STATE STUDENTS					
RANK	INSTITUTION	2005-06	2006-07	INCREASE AMOUNT	% CHANGE
1	VMI	\$8,666	\$9,473	\$807	9.3%
2	William & Mary	7,778	8,490	712	9.2%
3	UVA	7,180	7,845	665	9.3%
4	Longwood	7,020	7,589	569	8.1%
5	Virginia Tech	6,378	6,973	595	9.3%
6	CNU	5,826	6,460	634	10.9%
7	GEORGE MASON	5,880	6,408	528	9.0%
8	James Madison	5,886	6,290	404	6.9%
9	Old Dominion	5,614	6,098	484	8.6%
10	Mary Washington	5,634	6,084	450	8.0%
11	VCU	5,385	5,819	434	8.1%
12	Radford	5,130	5,746	616	12.0%
13	Univ of Va – Wise	5,081	5,632	551	10.8%
14	VSU	4,834	5,440	606	12.5%
15	Norfolk State	4,670	5,056	386	8.3%
	AVERAGE	\$6,064	\$6,627	\$563	9.4%

Regional Tuition and Fees

The following tables 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.

Another interesting change is that although the tuition and fee rates were very similar at all of the doctoral institutions in the mid-1990's, the new rates at William & Mary, University of Virginia, and Virginia Tech are substantially higher than those at George Mason, Old Dominion, and Virginia Commonwealth University.

TUITION AND FEE TRENDS

IN-STATE RATES

INSTITUTION	2002-03	2003-04	2004-05	2005-06	2006-07
George Washington University	\$27,790	\$29,350	\$35,030	\$36,370	\$37,790
University of Pennsylvania	27,988	29,318	30,716	32,364	34,156
Georgetown University	26,544	28,209	30,338	31,656	34,110
American University	23,068	24,839	26,335	28,019	29,673
Pennsylvania State	8,382	9,706	10,856	10,856	12,169
University of Pittsburgh, Main Campus	8,528	9,274	10,830	10,830	n/a
Rutgers University	7,308	7,927	9,240	9,240	n/a
Temple University	8,062	8,594	9,102	9,102	n/a
University of Maryland	5,898	6,756	7,550	7,821	n/a
University of Delaware	5,880	6,498	6,954	6,954	n/a
GEORGE MASON UNIVERSITY	4,800	5,112	5,448	5,880	6,408
University of North Carolina	3,856	4,072	4,450	4,606	5,034
West Virginia University	3,240	3,548	3,938	4,164	4,476

OUT-OF-STATE RATES

INSTITUTION	2002-03	2003-04	2004-05	2005-06	2006-07
George Washington University	\$27,790	\$29,350	\$35,030	\$36,370	\$37,790
University of Pennsylvania	N/A	29,318	30,716	32,364	34,156
Georgetown University	26,544	28,209	30,338	31,656	34,110
American University	23,068	24,839	26,335	28,019	29,673
Pennsylvania State	17,336	19,328	20,784	20,784	23,020
University of Maryland	15,100	17,433	18,850	20,145	n/a
University of Pittsburgh, Main Campus	17,610	18,586	19,086	19,086	n/a
University of North Carolina	13,284	15,920	17,549	18,404	19,682
GEORGE MASON UNIVERSITY	14,100	14,952	15,816	17,160	18,552
Rutgers University	15,140	15,140	17,042	17,042	13,840
University of Delaware	14,316	16,028	16,640	16,640	n/a
Temple University	15,410	15,354	16,268	16,268	n/a
West Virginia University	9,710	10,768	12,060	12,874	n/a

Since tuition discounting is a common practice at most private institutions, it is difficult to draw any conclusions from the “catalog published” tuition and fee rates at many of these institutions. These institutions are, however, regional schools that we compete with for incoming students.

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		
	FY06	FY07	% INC	FY06	FY07	% INC
Georgetown University	\$35,080	37,220	6.1%	\$35,080	37,220	6.1%
George Washington University	34,500	36,310	5.3%	34,500	36,310	5.3%
American University	33,134	35,104	6.0%	33,134	35,104	6.0%
Catholic University	31,505	32,655	3.7%	31,505	32,655	3.7%
University of Virginia	28,300	30,700	8.5%	33,300	35,700	7.2%
University of Richmond	27,060	28,390	4.9%	27,060	28,390	4.9%
Howard University	17,855	18,870	5.7%	17,855	18,870	5.7%
University of Maryland - Baltimore	17,701	19,105	7.9%	28,980	30,384	4.8%
College of William & Mary	15,300	16,600	8.5%	25,500	26,800	5.1%
GEORGE MASON UNIVERSITY	12,936	15,274	18.1%	24,500	26,502	8.2%

The following table summarizes the tuition and fee rates being approved as the FY 2007 academic year rates for George Mason University.

GEORGE MASON UNIVERSITY ACADEMIC YEAR, 2006-07 TUITION & FEE RATES ANNUAL RATE				
	CURRENT 2005-06	APPROVED 2006-07	ANNUAL CHANGE	% CHANGE
IN-STATE UNDERGRADUATE:				
Tuition	\$4,356.00	\$4,752.00	\$396.00	
Fees	1,524.00	1,656.00	132.00	
Total	\$5,880.00	6,408.00	\$528.00	9.0%
IN-STATE GRADUATE:				
Tuition	\$5,244.00	\$5,724.00	\$480.00	
Fees	1,524.00	1,656.00	132.00	
Total	\$6,768.00	\$7,380.00	\$612.00	9.0%
OUT-OF-STATE:				
Tuition	\$15,636.00	\$16,896.00	\$1,260.00	
Fees	1,524.00	1,656.00	132.00	
Total	\$17,160.00	\$18,552.00	\$1,392.00	8.1%
LAW, IN-STATE:				
Tuition	\$11,424.00	\$13,636.00	\$2,212.00	
Fees	1,512.00	1,638.00	126.00	
Total	\$12,936.00	\$15,274.00	\$2,338.00	18.1%
LAW, OUT-OF-STATE				
Tuition	\$22,988.00	\$24,864.00	\$1,876.00	
Fees	1,512.00	1,638.00	126.00	
Total	\$24,500.00	\$26,502.00	\$2,002.00	8.2%

**GEORGE MASON UNIVERSITY
ACADEMIC YEAR, 2006-07
TUITION & FEE RATES
HOURLY RATE**

	CURRENT 2005-06	APPROVED 2006-07	HOURLY CHANGE	% CHANGE
IN-STATE UNDERGRADUATE:				
Tuition	\$181.50	\$198.00	\$16.50	
Fees	63.50	69.00	5.50	
Total	\$245.00	\$267.00	\$22.00	9.0%
IN-STATE GRADUATE:				
Tuition	\$218.50	\$238.50	\$20.00	
Fees	63.50	69.00	5.50	
Total	\$282.00	\$307.50	\$25.50	9.0%
OUT-OF-STATE:				
Tuition	\$651.50	\$704.00	\$52.50	
Fees	63.50	69.00	5.50	
Total	\$715.00	\$773.00	\$58.00	8.1%
LAW, IN-STATE:				
Tuition	\$408.00	\$487.00	\$79.00	
Fees	54.00	58.50	4.50	
Total	\$462.00	\$545.50	\$83.50	18.1%
LAW, OUT-OF-STATE				
Tuition	\$821.00	\$888.00	\$67.00	
Fees	54.00	58.50	4.50	
Total	\$875.00	\$946.50	\$71.50	8.2%

PREMIUM PRICING FOR SELECT GRADUATE PROGRAMS

Starting Fall 2004 several graduate programs implemented premium pricing tuition rates for in-state students at a level higher than the regular graduate student rates. In Fall 2005 the School of Information Technology and Engineering and School of Public Policy increased the premium rate charged to in-state students. The School of Public Policy also implemented a premium charge for out-of-state students. In Fall 2005 the School of Law implemented a premium pricing policy for in-state and out-of-state students, at \$40.00 per credit hour. For Fall 2006 the change will be for the School of Law to increase their premium rate to \$75.00 per credit hour, for both in-state and out-of-state students. The premium rates by unit for Fall 2006 are listed below. 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
M.S. and Ph.D. in Biodefense	\$100 per credit hour above regular rates In-state students only

School of Information Technology & Engineering

Masters and Ph.D. Degrees	\$ 100 per credit hour above regular rates In-state students only
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School of Public Policy

All Graduate Programs	\$150 per credit hour above regular rates For In-state students \$50 per credit hour above regular rates For Out-of-state students All students charged
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School of Law

All Professional Programs	\$75 per credit hour premium tuition For In-state students \$75 per credit hour premium tuition For Out-of-state students All students charged
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School of Computational Science

Selected Certificate Programs	\$100 per credit hour above regular rates For In-state students \$100 per credit hour above regular rates For Out-of-state students All students charged
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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 only increases for all students is as shown below. These rates include the annual technology fee currently being charged all 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.

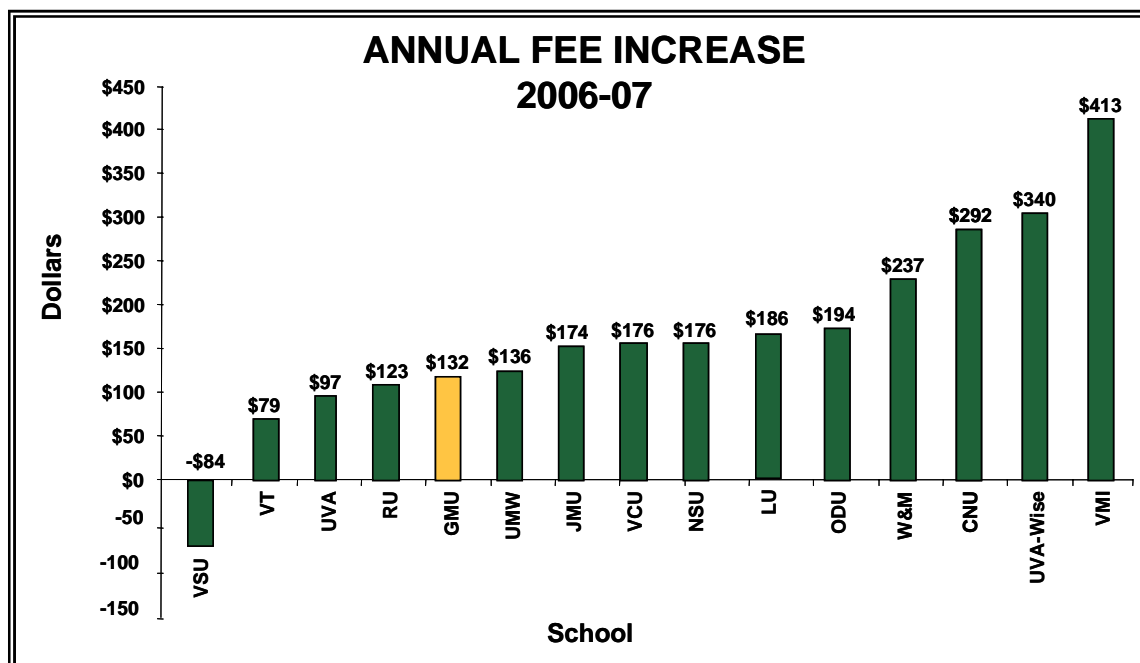
TUITION ONLY				
TYPE STUDENT	TUITION 2005-06	TUITION 2006-07	AMOUNT CHANGE	PERCENT INCREASE
In-State, Undergraduate	\$4,356.00	\$4,752.00	\$396.00	9.1%
In-State, Graduate	5,244.00	5,724.00	480.00	9.2%
Out-of-State Undergraduate	15,636.00	16,896.00	1,260.00	8.1%
Out-of-State Graduate	15,636.00	16,896.00	1,260.00	8.1%
In-State, Law	11,424.00	13,636.00	2,212.00	19.4%
Out-of-State, Law	22,988.00	24,864.00	1,876.00	8.2%

Student Fee Increase

George Mason University approved a \$132.00 annual increase in the student fee for FY 2007. This raises the annual student fee for full-time students from \$1,524 to \$1,656. Part-time students see a fee increase of \$5.50 per student credit hour from \$63.50 per student credit hour to \$69.00 per student credit hour.

Student Fee Increase – State Comparison

This \$132.00 per year increase represents an 8.7% increase over the FY 2006 student fee, which is the sixth smallest student fee increase among all the state supported colleges and universities.



Total Student Fee – State Comparison

George Mason University’s student fee rate in FY 2007 remains in the 12th position among fifteen state supported colleges and universities. **In 1985 GMU had the fifth highest student fee among the colleges and universities.**

ANNUAL STUDENT FEE, FY 2007		
RANK	SCHOOL	AMOUNT
1	Virginia Military Institute	4,697
2	Longwood	3,540
3	William & Mary	3,200
4	James Madison	3,062
5	Christopher Newport	2,642
6	Norfolk State	2,454
7	Virginia State	2,433
8	University of Virginia – Wise	2,380
9	Old Dominion	2,266
10	Radford	2,018
11	Mary Washington	1,810
12	GEORGE MASON	1,656
13	University of Virginia	1,563
14	Virginia Commonwealth	1,549
15	Virginia Tech	1,160
AVERAGE		\$2,429

STUDENT FEE, FY 2007 % Increase		
RANK	SCHOOL	% INCR
1	University of Virginia - Wise	16.7%
2	Virginia Commonwealth	12.8%
3	Christopher Newport	12.4%
4	Old Dominion	9.4%
5	William & Mary	8.0%
6	GEORGE MASON	8.7%
7	Norfolk State	6.7%
8	Virginia Tech	7.3%
9	University of Virginia	6.6%
10	James Madison	6.0%
11	Longwood	5.6%
12	Mary Washington	8.1%
13	Virginia Military Institute	9.6%
14	Radford	6.5%
15	Virginia State	-3.3%
AVERAGE		8.1%

Student Fee Increases – Nine Year Trend/Comparison

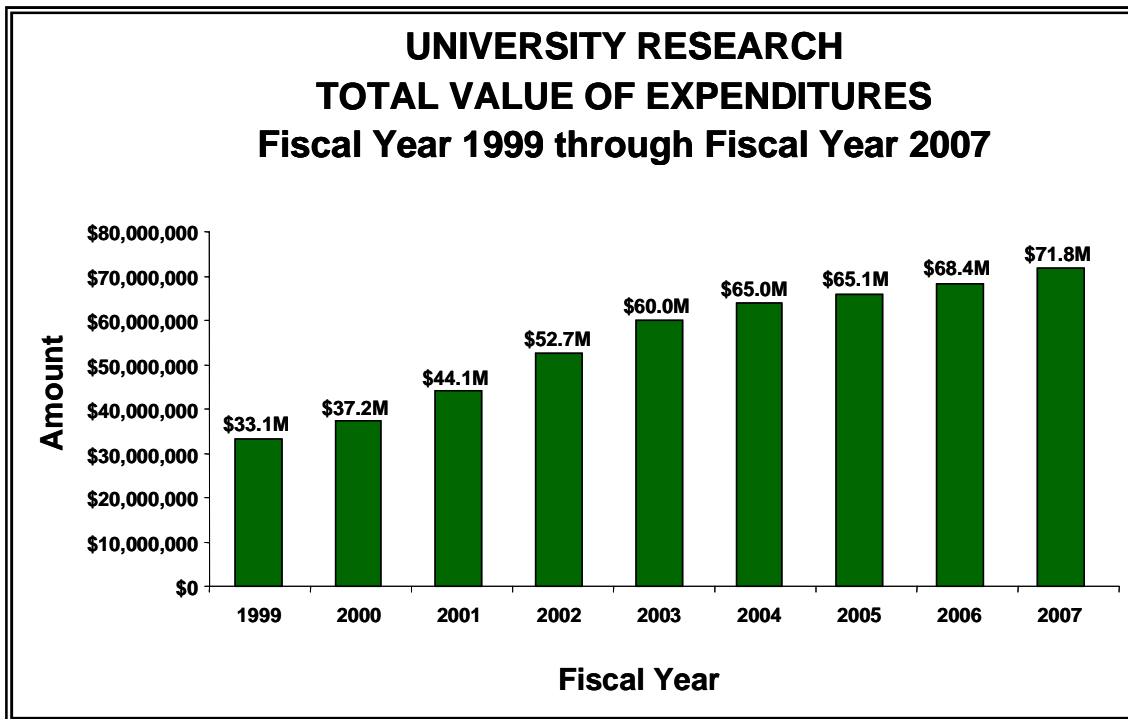
Student fee increases are typically associated with the construction of new facilities funded from revenue bond, new student activity facilities or the introduction of expanded student activities/organizations. Since George Mason University has been experiencing financially successful Auxiliary Enterprise business activities (food service, bookstore, arena management, etc.) while also retiring the debt on 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 2.8% for George Mason University is the lowest of all the Colleges and Universities (see below).

UNIVERSITY	AVERAGE ANNUAL STUDENT FEE INCREASE SINCE 1998
Norfolk State University	10.6%
Virginia Tech	8.8%
University of Virginia	7.1%
College of William & Mary	5.5%
Virginia Commonwealth University	6.3%
James Madison	4.3%
Old Dominion University	5.7%
AVERAGE FOR ALL SCHOOLS (excluding GMU)	9.2%
GEORGE MASON UNIVERSITY	2.8%

SPONSORED RESEARCH

BACKGROUND

George Mason University's sponsored research activity is projected to be up slightly in FY06 when compared to the prior fiscal year actuals. For the 2005-06 fiscal year, it is projected that the actual expenditures will total approximately \$68.4M, which is approximately 5% higher than the level of research expenditures in FY05. The University is projecting another 5% increase in research expenditures in FY07 to \$71.8M.



George Mason continues to improve in ranking of research spending when compared to other universities. For total research spending, George Mason was number 155 in FY03, as compared to number 160 in FY02 and 173 in FY 2000. This ranking for FY03 represents a move up of 5 positions. For federal research spending, George Mason was number 137 in FY03, as compared with number 139 in FY02 and 151 in FY00, a move up of 2 positions for FY03. Federal research is research which is funded by the federal government directly.

When compared to the other institutions within Virginia for rankings in FY03, see the following tables:

RANKINGS OF VIRGINIA INSTITUTIONS IN 2003		
INSTITUTION	TOTAL RESEARCH	FEDERAL RESEARCH
VA Tech	55 (down 3)	80 (up 2)
UVA	67 (up 2)	46 (down 1)
VCU	100 (up 2)	99 (up 4)
CWM	157 (up 1)	176 (up 3)
GMU	155 (up 5)	137 (up 2)
ODU	187 (down 5)	179 (up 4)
JMU	317 (up 35)	360 (up 3)

TOTAL RESEARCH EXPENDITURE GROWTH 1997 – 2003	
INSTITUTION	GROWTH %
GMU	135%
CWM	83%
UVA	81%
ODU	63%
VCU	60%
VA Tech	46%
ALL UNITED STATES	64%
TOP 100 SCHOOLS	66%

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 Law, the School of Information Technology & Engineering, the School of Public Policy and the College of Education and Human Development. These schools make up 92% of the overall spending. Approximately 71% of the total expenditures are incurred within four units, the School of Computational Sciences, the College of Arts and Sciences, the School of Law, and the School of Information Technology & Engineering.

The research activity at the University generates indirect cost earnings to cover indirect and administrative costs resulting from the activity. Approximately \$10.8M will be earned from indirect in FY06. 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 83% of the total indirect earned.

**SPONSORED PROGRAMS EXPENDITURES
2002-03 THROUGH 2005-06**

TOTAL EXPENDITURES BY UNIT					
UNIT	2002-03	2003-04	2004-05	Projected 2005-06	% INCREASE FY03 TO FY06
SCS	\$11,568,597	\$12,577,388	\$13,181,646	\$13,842,640	20%
CAS	11,191,975	13,187,716	11,989,409	12,590,618	12%
LAW	4,193,884	7,473,417	10,668,982	11,163,318	166%
IT&E	11,454,396	9,568,454	10,208,849	10,720,772	-6%
SPP	7,674,814	9,665,509	8,158,791	8,567,914	12%
CEHD	5,868,029	4,995,187	5,412,665	6,200,000	6%
KRASNOW	102,424	796,994	946,488	993,950	870%
CNHS	1,245,143	798,384	817,208	858,187	-31%
ICAR	354,188	458,361	484,155	508,433	44%
CVPA	112,040	147,872	166,309	174,649	56%
SOM	108,028	134,825	180,713	90,000	-17%
ITU	1,158,265	1,125,693	1,147,710	1,500,000	30%
PROV/OCPE	4,052,220	3,763,212	1,277,734	500,000	-88%
UNIV LIFE	184,092	204,736	180,471	189,519	3%
OTHER	46,106	56,553	312,760	500,000	984%
TOTAL	\$59,314,201	\$64,954,301	\$65,133,890	\$68,400,000	15%

Source: Office of Sponsored Programs

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	2002-03	2003-04	2004-05	2005-06
SCS	19.5%	19.4%	20.2%	20.2%
CAS	18.9%	20.3%	18.4%	18.4%
LAW	7.0%	11.5%	16.4%	16.3%
IT&E	19.3%	14.7%	15.6%	15.7%
SPP	12.9%	14.9%	12.5%	12.5%
CEHD	9.9%	7.7%	8.3%	9.1%
KRASNOW	0.2%	1.2%	1.5%	1.5%
CNHS	2.1%	1.2%	1.3%	1.3%
ICAR	0.6%	0.7%	0.7%	0.7%
CVPA	0.2%	0.2%	0.3%	0.3%
SOM	0.2%	0.2%	0.3%	0.1%
ITU	2.0%	1.7%	1.8%	2.2%
PROV/OCPE	6.8%	5.8%	1.9%	0.7%
UNIV LIFE	0.3%	0.3%	0.3%	0.3%
OTHER	0.1%	0.1%	0.5%	0.7%
TOTAL	100.0%	100.0%	100.0%	100.0%

**TOTAL INDIRECT EARNINGS
2002-03 THROUGH 2005-06**

INDIRECT EARNED BY UNIT					
UNIT	2002-03	2003-04	2004-05	Projected 2005-06	% INCREASE FY03 TO FY06
SCS	\$2,457,156	\$2,796,636	\$2,744,736	\$2,955,848	20%
CAS	1,475,873	1,640,458	2,141,270	2,390,814	62%
IT&E	2,225,730	2,088,943	2,413,474	2,299,376	3%
LAW	784,892	1,382,600	1,536,155	1,295,111	65%
SPP	982,923	1,357,157	864,941	819,461	-17%
CEHD	543,798	472,737	458,737	625,111	15%
KRASNOW	284,312	459,786	355,618	189,354	-33%
CNHS	177,935	161,309	33,211	149,311	-16%
ICAR	14,191	0	12,417	22,267	57%
SOM	5,141	23,680	24,250	15,069	193%
CVPA	(3,081)	0	0	0	N/A
PROVOST	15,917	2,577	17,379	9,980	-37%
UNIV LIFE	0	7,269	2,352	399	N/A
ITU	2,707	1,525	0	0	N/A
OTHER	4,926	23,298	0	0	N/A
TOTAL	\$8,972,420	\$10,417,975	\$10,604,540	\$10,772,101	20%

% OF TOTAL				
UNIT	2002-03	2003-04	2004-05	2005-06
SCS	27.4%	26.8%	25.9%	27.4%
CAS	16.4%	15.8%	20.2%	22.2%
IT&E	24.8%	20.1%	22.7%	21.4%
LAW	8.7%	13.3%	14.5%	12.0%
SPP	10.9%	13.0%	8.2%	7.6%
CEHD	6.1%	4.5%	4.3%	5.8%
KRASNOW	3.2%	4.4%	3.4%	1.8%
CNHS	2.0%	1.6%	0.3%	1.4%
ICAR	0.1%	0.0%	0.1%	0.2%
SOM	0.1%	0.2%	0.2%	0.1%
CVPA	0.0%	0.0%	0.0%	0.0%
PROVOST	0.2%	0.0%	0.2%	0.1%
UNIV LIFE	0.0%	0.1%	0.0%	0.0%
ITU	0.0%	0.0%	0.0%	0.0%
OTHER	0.1%	0.2%	0.0%	0.0%
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 2002-03 THROUGH 2005-06					
INDIRECT EARNED BY UNIT					
UNIT	2002-03	2003-04	2004-05	Projected 2005-06	% INCREASE FY03 TO FY06
SCS	\$737,147	\$838,991	\$823,421	\$886,754	20%
CAS	442,762	492,137	642,381	717,244	62%
IT&E	667,719	626,683	724,042	689,813	3%
LAW	235,468	414,780	460,847	388,533	65%
SPP	294,877	407,147	259,482	245,838	-17%
CEHD	163,139	141,821	137,621	187,533	15%
KRASNOW	143,363	137,936	106,685	56,806	-60%
CNHS	53,381	48,393	9,963	44,793	-16%
ICAR	4,257	6,496	3,725	6,680	57%
SOM	1,542	7,104	7,275	4,521	193%
CVPA	(924)	0	0	0	N/A
PROVOST	4,775	773	5,214	2,995	-37%
UNIV LIFE	0	2,181	706	120	N/A
ITU	812	458	0	0	N/A
OTHER	1,478	493	0	0	N/A
TOTAL	\$2,749,796	\$3,125,392	\$3,181,362	\$3,231,630	18%

% OF TOTAL				
UNIT	2002-03	2003-04	2004-05	2005-06
SCS	26.8%	26.8%	25.9%	27.4%
CAS	16.1%	15.7%	20.2%	22.2%
IT&E	24.3%	20.1%	22.8%	21.3%
LAW	8.6%	13.3%	14.5%	12.0%
SPP	10.7%	13.0%	8.2%	7.6%
CEHD	5.9%	4.5%	4.3%	5.8%
KRASNOW	5.2%	4.4%	3.4%	1.8%
CNHS	1.9%	1.5%	0.3%	1.4%
ICAR	0.1%	0.2%	0.1%	0.2%
SOM	0.1%	0.2%	0.2%	0.1%
CVPA	0.0%	0.0%	0.0%	0.0%
PROVOST	0.2%	0.0%	0.2%	0.1%
UNIV LIFE	0.0%	0.1%	0.0%	0.0%
ITU	0.0%	0.0%	0.0%	0.0%
OTHER	0.1%	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

CAPITAL OUTLAY

BACKGROUND

George Mason University has 677 acres at the Fairfax Campus, 5.2 acres at the Arlington Campus, and 124 acres at the Prince William Campus. Within this space the University has a total of 140 buildings on-campus, and 19 off-campus or leased. The University continues to operate with less square footage per FTE student than other doctoral institutions in the Commonwealth of Virginia. Approved funding for the construction of new facilities at George Mason University should improve this situation in the future.

PLANNED ACTIVITY, 2006-2007

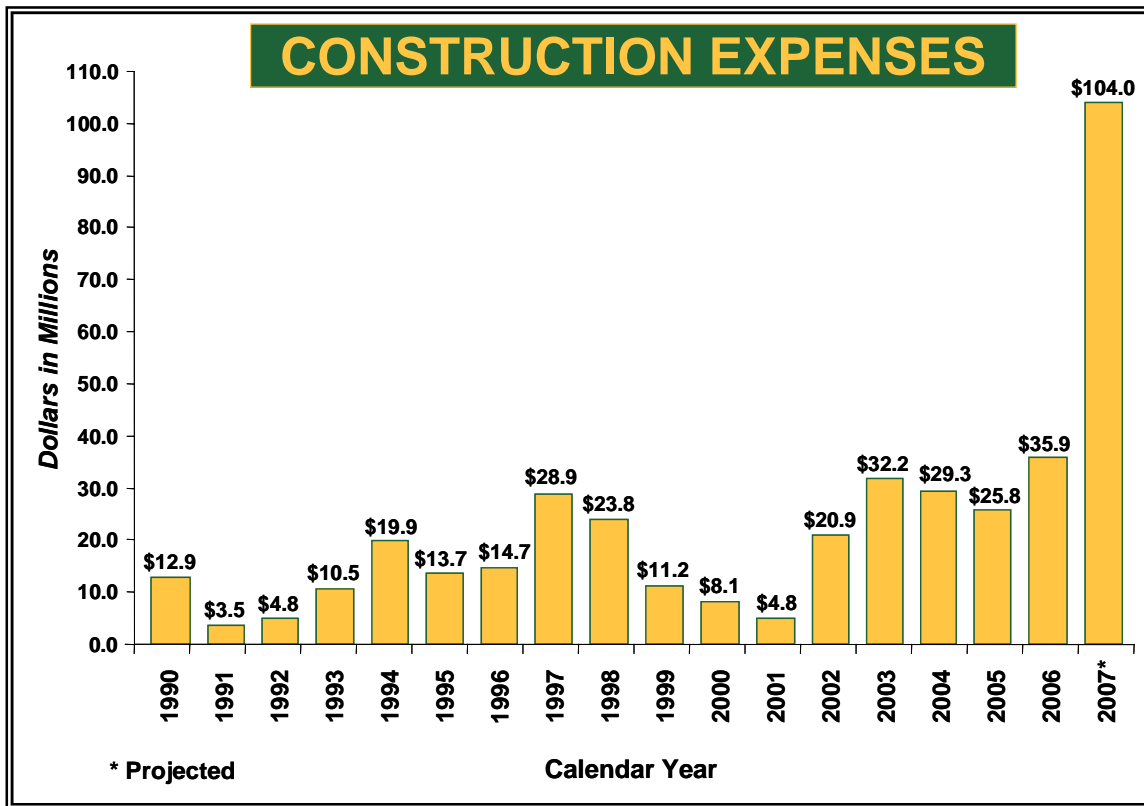
The University projects that capital spending in FY 2007 will exceed \$100M, which will reflect the greatest level of annual capital expenditures in the history of the University.

During 2005-06 the University completed a new facility (Research I) on the Fairfax campus. This is George Mason's first facility dedicated to research activity. Much of the capital construction currently underway will continue into FY 2007, while other major capital outlay projects will initiate capital spending during the 2006-2007 fiscal year. The following projects, which are currently approved, will incur costs in FY07 as noted on the following page:

PROJECT	STATUS	PROJ SPEND	FUND SOURCE
• ARLINGTON II	Construction	\$17.8M	GF
• RENOVATE WEST BUILDING	Construction	2.6M	GF
• PRINCE WILLIAM IIIA SUPPLEMENT	Construction	1.0M	GF
• RESEARCH I	Construction/Equipment	3.1M	GF
• ACADEMIC V	Construction/Infrastructure	5.8M	GF
• OLD ARLINGTON BUILDING IMPR	Renovation	1.5M	GF
• RENOVATE S&T I & II, DAVID KING HALL	Renovation	1.9M	GF
• NORTH LOOP INFRASTRUCTURE	Construction	1.5M	GF
• ACADEMIC VI/RESEARCH II	Construction	4.0M	GF
• PATRIOT CENTER RENOVATION	Renovation	7.4M	NGF
• KRASNOW INSTITUTE ADDITION	Construction	5.1M	NGF
• HOUSING RENOVATIONS	Renovation	3.3M	NGF
• FAIRFAX AQUATIC CENTER ADDITION	Construction	6.3M	NGF
• PRINCE WM PERFORMING ARTS CENTER	Construction	3.2M	NGF
• STUDENT UNION BUILDING III	Construction	3.7M	NGF
• RENOVATE PE BUILDING	Renovation	1.2M	NGF
• STUDENT HOUSING VII	Construction	19.6M	NGF
• SURGE SPACE BUILDING	Construction	2.9M	NGF
• CHILD DEVELOPMENT CENTER	Construction	1.8M	NGF
• ROBERTS ROAD PROPERTY	Land Acquisition	2.0M	NGF
• PW BIO-CONTAINMENT LAB	Construction	3.5M	NGF
• FAIRFAX PERFORMING ARTS CENTER	Renovation	1.0M	NGF
• MAINTENANCE RESERVE	Construction	3.2M	GF
• ADA	Construction	0.3M	GF
• All Other Projects	Construction	0.3M	NGF
TOTAL		\$104.0M	

Not included in this list of capital projects are three other capital projects (faculty/staff housing, university-based retirement center & conference center) that are currently being pursued as Public Private Educational Act (PPEA) joint initiatives. These projects require the collaboration between the University and a third party. These projects, if pursued, will be constructed on University property, and it is very possible that capital project expenditures will be made during FY 2007.

Although the University is projecting spending more on capital projects in calendar year 2006 than in any year in the history of the University, the University anticipates spending a much greater level in 2007. The current projected level of capital spending in FY 2007 will nearly triple the record-breaking level of spending in FY 2006.



UPCOMING COMPLETION DATES

The following table provides the current schedule for 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 2008.

**GEORGE MASON UNIVERSITY APPROVED PROJECTS
\$250M OF CAPITAL PROJECTS**

PROJECT	CONSTRUCT START DATE	OCCUPANCY DATE	PROJECT COST
Academic V Infrastructure	Summer 2004	Summer 2006	\$ 4,501,000
Aquatic Center Addition	Fall 2005	Fall 2006	7,630,200
NE Sector Development	Fall 2005	Summer 2008	78,929,800
Dorm Renovation (Commonwealth/Dominion)	Spring 2006	Summer 2006	2,537,700
Child Development Center	Spring 2006	Winter 2007	2,250,000
Renovation Arlington Original Building	Summer 2006	Summer 2006	1,550,000
Arlington II	Summer 2006	Winter 2008	48,533,700
Renovation King Hall, S & T I & II	Summer 2006	Winter 2006	1,942,000
Renovation West Building	Summer 2006	Winter 2007	2,769,000
Academic V Building	Fall 2006	Winter 2008	17,597,000
Patriot Center (Phase I) Renovation	Fall 2006	Winter 2008	10,050,000
Krasnow Addition	Winter 2006	Winter 2007	6,500,000
PE Building (Phase I) Addition/Renovation	Summer 2007	Winter 2008	17,003,000
Renovation President's Park	Spring 2007	Fall 2007	3,340,000
Fairfax Surge Space	Winter 2007	Fall 2007	8,700,000
Renovation Thompson Hall & Pohick	Winter 2008	Fall 2008	9,924,000
Renovation Field House (Phase I)	TBD	TBD	5,000,000

FUTURE CAPITAL PROJECTS

The following tables detail the capital projects submitted to the State in May 2005, as requests for funding for new facilities. These represent the highest priority facility needs for the University. The tables show three separate timeframes for which new facilities for the University were requested. These tables are provided as information and reminder of priorities of the University for new facilities.

GEORGE MASON UNIVERSITY SIX YEAR CAPITAL PLAN

(All Estimates in \$000)

2006 – 2008				FUNDING		
MASON PRIORITY	CAPITAL PROJECT TITLE		TOTAL PROJECT COST	GENERAL FUND	NON GENERAL FUND	PPEA FUNDING
1	Maintenance Reserve	<i>Maintenance Reserve</i>	\$9,061	\$8,761	\$300	
2	Furniture & Equipment Arlington II	<i>Furniture & Equipment</i>	\$5,000	\$5,000		
2	Furniture & Equipment Thompson	<i>Furniture & Equipment</i>	\$1,000	\$1,000		
2	Furniture & Equipment Academic V	<i>Furniture & Equipment</i>	\$4,500	\$4,500		
3	Increased Academic V Funds	<i>Add'l Construction Funds</i>	\$3,630	\$3,630		
4	Increased Thompson Hall Funds	<i>Add'l Construction Funds</i>	\$3,753	\$3,753		
5	Academic VI/Research II	<i>Construction</i>	\$56,112	\$30,681	\$25,431	
6	Fenwick Library Addition	<i>Construction</i>	\$76,385	\$76,385		
7	Fit-Out Data Center	<i>Renovation</i>	\$8,616	\$8,616		
8	Renovate Fine Arts Building	<i>Renovation</i>	\$4,933	\$4,933		
9	Physical Plant Addition	<i>Construction</i>	\$7,005	\$7,005		
10	Prince William Performing Arts		\$0	\$5,000	(\$5,000)	
11	Arlington III Planning	<i>Planning</i>	\$9,422	\$9,422		
12	West Campus Connector	<i>Construction</i>	\$10,005	\$10,005		
13	SUB II Renovation	<i>Renovation</i>	\$4,009		\$4,009	
14	Housing VII C	<i>Construction</i>	\$74,691		\$74,691	
15	PE Building Phase II	<i>Construction</i>	\$8,206		\$8,206	
16	Softball Field Amenities	<i>Construction</i>	\$2,022		\$2,022	
17	Field House Addition	<i>Construction</i>	\$4,815		\$4,815	
18	Patriot Center Addition	<i>Construction</i>	\$5,151		\$5,151	
19	Campus Entrances	<i>Construction</i>	\$2,502	\$2,502		
20	PPEA Faculty/Staff Housing	<i>PPEA</i>	TBD			
21	PPEA University Based Retirement Center	<i>PPEA</i>	TBD			
22	PPEA Conference Center	<i>PPEA</i>	TBD			
BIENNIUM TOTALS			\$300,818	\$181,193	\$119,625	\$0

GEORGE MASON UNIVERSITY SIX YEAR CAPITAL PLAN

(All Estimates in \$000)

2008 – 2010				FUNDING		
MASON PRIORITY	CAPITAL PROJECT TITLE		TOTAL PROJECT COST	GENERAL FUND	NON GENERAL FUND	PPEA FUNDING
1	Maintenance Reserve	<i>Maintenance Reserve</i>	\$11,000	\$5,000	\$6,000	
2	Academic VII/Research III	<i>Construction</i>	\$34,686	\$26,016	\$8,672	
2a	Renovate Science & Tech I	<i>Renovation</i>	\$25,886	\$25,886		
3	Renovate Fenwick	<i>Renovation</i>	\$18,800	\$18,800		
4	Fairfax Admin Building	<i>Construction</i>	\$25,140	\$25,140		
5	Renovate Robinson A	<i>Renovation</i>	\$21,641	\$21,641		
6	Arlington IIIA	<i>Construction</i>	\$61,984	\$39,409	\$22,575	
7	Telecom Infrastructure	<i>Construction</i>	\$6,377	\$6,377		
8	Renovate Performing Arts Building	<i>Renovation</i>	\$12,316		\$12,316	
9	Public Safety Building	<i>Construction</i>	\$3,400	\$3,400		
10	Prince William University Center	<i>Construction</i>	\$49,500	\$16,500	\$33,000	
11	Parking Deck IV	<i>Construction</i>	\$30,507		\$30,507	
12	Presidents Park II	<i>Renovation</i>	\$15,001		\$15,001	
13	PE Building Fields	<i>Construction</i>	\$3,594		\$3,594	
14	NE Fields	<i>Construction</i>	\$3,794		\$3,794	
15	Stadium Improvements	<i>Construction</i>	\$9,121		\$9,121	
16	Outdoor Pool	<i>Construction</i>	\$1,295		\$1,295	
17	Prince William Freedom Center Addition	<i>Construction</i>	\$5,270		\$5,270	
18	Northern Virginia Museum	<i>Construction</i>	\$11,126		\$11,126	
19	University Drive Entrance	<i>Construction</i>	\$5,476	\$5,476		
20	Daycare II	<i>Construction</i>	\$0		\$2,138	
21	PPEA Faculty/Staff Housing II	<i>PPEA</i>	TBD			
22	PPEA K-8 Magnet School	<i>PPEA</i>	TBD			
BIENNIUM TOTALS				\$193,645	\$164,409	\$0

GEORGE MASON UNIVERSITY SIX YEAR CAPITAL PLAN

(All Estimates in \$000)

2010 – 2012				FUNDING		
MASON PRIORITY	CAPITAL PROJECT TITLE		TOTAL PROJECT COST	GENERAL FUND	NON GENERAL FUND	PPEA FUNDING
1	Maintenance Reserve	<i>Maintenance Reserve</i>	\$7,000	\$5,000	\$2,000	
2	Academic VIII/Research VI	<i>Construction</i>	\$34,616	\$25,962	\$8,654	
3	Renovate King Hall	<i>Renovation</i>	\$17,353	\$17,353		
4	Renovate Enterprise, Colledge & Mason Halls	<i>Renovation</i>	\$24,800	\$24,800		
5	Satellite Cooling Plan	<i>Construction</i>	\$12,108	\$12,800		
6	Renovate Robinson B	<i>Renovation</i>	\$21,259	\$21,259		
7	Prince William IIIB/Research	<i>Construction</i>	\$30,768	\$23,076	\$7,692	
8	Prince William Physical Plant Building	<i>Construction</i>	\$9,022	\$9,022		
9	Housing VIII	<i>Construction</i>	\$76,886		\$76,886	
10	Renovate Student House – Commons	<i>Renovation</i>	\$9,529		\$9,529	
11	Renovate Student Apartments	<i>Renovation</i>	\$10,504		\$10,504	
12	South Campus Dining	<i>Construction</i>	\$3,856		\$3,856	
13	West Athletic Field Improvements	<i>Construction</i>	\$3,127		\$3,127	
14	Field House Addition Phase II	<i>Construction</i>	\$11,207		\$11,207	
15	Field House Indoor Practice Fields	<i>Construction</i>	\$9,402		\$9,402	
16	Renovate Center for the Arts	<i>Renovation</i>	\$10,136		\$10,136	
	BIENNIUM TOTALS		\$291,573	\$139,272	\$152,993	\$0

EDUCATIONAL & GENERAL

SUMMARY OF MAJOR UNITS

COLLEGE OF LIBERAL ARTS AND HUMAN SCIENCES (CLAHS)

The College of Liberal Arts and Human Sciences (LAHS) comprises 10 departments in the humanities and social sciences and 13 interdisciplinary programs. The college, which was incepted in July 2006 after transitioning from the former College of Arts and Sciences, is also home to New Century College, an innovative learning community, and Technology Across the Curriculum, a program that promotes the use of technology to enhance learning in all courses and disciplines.

The college's educational foundation focuses on linking the intellectual with the practical—exploring sources of contemporary issues through actual application while relying on research and funding from philosophy through administration of justice. Goals of the newly formed LAHS include perfecting intellectual and teaching skills as scholars, building more doctoral programs, and cultivating more funded and non-funded research.

The college boasts two Nobel Prize winners in economics, including the 2002 recipient Dr. Vernon Smith, two MacArthur Prize recipients, and one Pulitzer Prize-winner, Roger Wilkins. Faculty members strive to make students rigorous thinkers and clear communicators, while encouraging experimentation with new approaches and ideas.

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
7,901	\$37,392,300	\$4,733	7,970	\$41,266,900	\$5,178	8,041	\$43,343,300	\$5,390

FY07 Highlights

New funding is allocated in FY07 to provide additional faculty across the college in support of enrollment growth, focusing on expanding programs such as global studies and improving the full-time/part-time faculty mix in certain departments. The funding will sustain approximately 20.50 additional full-time faculty positions, enhance infrastructure for the new college including research and development efforts, and provide additional graduate teaching assistantships (\$2.43M). The enrollment target for LAHS for FY 2007 is 8,041, which is 140 course FTE higher than the FY 2006 original enrollment target and 71 higher than the projected FY 2006 enrollment.

The FY 2007 Budget also includes \$3.0M allocated to cover the cost of the FY06 salary increases and fringe benefit cost adjustments. The College charges premium tuition rates for one graduate program. The unit portion of the revenue projected for the MPA program, already in the FY 2006 base budget, is estimated at \$100,000 and is used to enhance services to graduate students.

Budget Highlights

The FY 2007 Highlights (italicized) include:

- a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as*
- b) the proposed budget changes for FY 2007 over the current, revised budget of FY 2006.*

Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of proposed changes for FY 2007.

COLLEGE OF HEALTH AND HUMAN SERVICES (CHHS)

The College of Health and Human Services is the newly re-structured college previously identified as the College of Nursing and Health Sciences. Effective with July, 2006 the newly restructured college incorporates the department of Social Work into a new array of departments. The College 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. CHHS master's programs are identified as tied for 48th among master's programs for nursing, according to the latest U.S. News rankings.

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
811	\$8,660,300	\$10,679	803	\$9,775,100	\$12,173	860	\$9,918,800	\$11,533

FY07 Highlights

Funding is allocated in FY 2007 to support faculty position additions and enrollment growth (\$711,000), including faculty for the chronic disease program and a health ethicist position split with CLAHS. The funding will cover 5.00 additional faculty to support the enrollment and programming needs. Funding in the amount of \$90,000 is allocated to cover additional self-generated revenues from course fees. The enrollment target for CHHS for FY 2007 is 860 FTE, which is 49 course FTE higher than the original FY 2006 target, and 57 course FTE higher than the actual FY 2006 enrollment. Funding in the amount of \$528,000 is allocated to cover the cost of the FY 2006 salary increases and fringe benefit cost adjustments.

Budget Highlights

COLLEGE OF VISUAL AND PERFORMING ARTS (CVPA)

The mission of the College of Visual and Performing Arts is to advance the study, creation, performance, and exhibition of the arts, acting on a strong belief in their transformative influence on individuals and civilizations. To fulfill this mission CVPA 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. 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. The number of majors in Fall 2004 was 1,173. 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 annually experience the arts at GMU.

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 five masters degrees.

The FY 2007 Highlights (italicized) include:
a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as
b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.
Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
1,060	\$6,682,400	\$6,304	1,062	\$7,602,600	\$7,159	1,068	\$7,805,400	\$7,308

FY07 Highlights

New funding is allocated in FY 2007 to support 5.00 additional faculty positions and enrollment growth (\$484,000). This funding will allow the unit to cover additional full-time and part-time faculty to meet student demand, and to improve the ratios of faculty to students within CVPA courses. The enrollment target for CVPA for FY 2007 is 1,068 FTE, which is 8 course FTE greater than the original enrollment target for FY 2006 and 6 course FTE greater than the projected FTE enrollment for FY 2006. Funding is also allocated in the amount of \$521,000 to cover the cost of the FY 2006 salary increases and fringe benefit costs adjustments. Funding in the amount of \$100,000 is provided from course fee revenue from students for supplies and materials for courses.

COLLEGE OF EDUCATION & HUMAN DEVELOPMENT (CEHD)

The College of Education and Human Development is composed of three sub-units: The Graduate School of Education (GSE), The School of Recreation, Health and Tourism (RHT), and Undergraduate Studies in Education (USIE). GSE's programs are primarily focused on the broad, traditional areas of education (e.g., teacher preparation, advanced studies for teachers and school leaders, PhD in Education). RHT has undergraduate and masters programs in such areas as health, recreation resources, athletic training, and tourism. USIE is a new unit that focuses on providing undergraduate routes for teacher licensure in many areas. In total, The College of Education and Human Development has twenty programs with approximately 2600 students (2200 of whom are graduate students) and 100 full-time instructional faculty members. The College offers degree programs at the bachelors, masters' and doctoral levels.

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. CEHD 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 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 averaged over \$5M per year during the past five years.

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
2,265	\$13,936,900	\$6,153	2,216	\$16,672,406	\$7,524	2,265	\$16,713,100	\$7,379

Budget Highlights

FY07 Highlights

Funding is allocated in FY 2007 to support an additional full-time faculty split between the College and the College of Visual & Performing Arts (\$50,000), plus funding for an Assoc Dean of Research (\$90,000). Additionally, an adjustment of \$1,500,000 is made to cover increased funding realized from additional contract course enrollment. The enrollment target for CEHD for FY 2007 is 2,265 FTE, which is the same as the original FY 2006 target and approximately 49 higher than the estimated FY 2006 enrollment. Funding will be added to the CEHD budget during 2005-06 as contract course revenue associated with the enrollment target is earned. Funding is also allocated in the amount of \$876,000 to cover the cost of the FY 2006 salary increases and fringe benefit cost adjustments.

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

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
139	\$2,370,600	\$17,055	167	\$2,438,800	\$14,604	159	\$2,670,400	\$16,795

The FY 2007 Highlights (italicized) include:
a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as
b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.
Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

FY07 Highlights

New funding is allocated in FY 2007 to support additional faculty for enrollment demand (\$125,000) and for graduate student support (\$40,000). The enrollment target for ICAR for FY 2007 is 159 FTE, which is 20 course FTE higher than the original FY 2006 target and 8 lower than the actual FY 2006 enrollment. Funding is also allocated in the amount of \$172,000 to cover the cost of the FY 2006 salary increases and fringe benefit cost adjustments.

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.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005-06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$423,000	\$437,600	\$431,600

FY07 Highlights

Additional funding in the amount of \$45,000 is allocated to cover the cost of the cost of the FY 2006 salary increases and fringe benefit cost adjustments. This increase is offset by a re-allocation of .25 faculty fte position to another unit. 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 Science and College of Education and Human Development.

COLLEGE OF SCIENCE (COS)

The College of Science is the newly re-structured unit which combines the science departments from the College of Arts & Sciences and the School of Computational Sciences into a new college which is focused on providing instruction and research in the sciences. The mission of the COS is to provide quality education, research and service to meet national and international needs, emphasizing the central role of science methodologies in the biological, biomedical, physical, mathematical and data sciences. The COS has the distinction of being one of the first interdisciplinary units nationally to focus on computational methodologies as a core expertise. The COS will now combine undergraduate and graduate degrees and research for the sciences.

Budget Highlights

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
2,804	\$19,165,000	\$6,835	2,820	\$20,271,800	\$7,189	2,857	\$23,293,000	\$8,153

FY07 Highlights

New funding is allocated in FY 2007 to continue support for the commitment for faculty and staff for programs and for the restructuring of the colleges, as well as for faculty positions to support enrollment growth (\$1,154,000). Additionally, funding is allocated to support the activities within Life Sciences and to allow the unit to move forward in work to prepare for the BSL3 facility (\$1,100,000). The enrollment target for COS for FY 2007 is 2,857 FTE, which is 53 course FTE higher than the original FY 2006 target and 37 course FTE higher than the actual FY 2006 enrollment. Funding is also allocated in the amount of \$1,536,000 to cover the cost of the FY 2006 salary increases and fringe benefits cost adjustments.

VOLGENAU SCHOOL OF INFORMATION TECHNOLOGY AND ENGINEERING (IT&E)

The Volgenau 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. In addition to the IT doctorate, Ph.D. degrees are now offered in both Computer Science and Electrical and Computer Engineering.

In October 2005, alumni and friends joined together to celebrate the school's 20th anniversary and its many accomplishments. On this momentous occasion, a \$10 million gift from Ernst and Sara Volgenau was announced. The gift is the largest individual contribution in the history of the university and kicks off the newly named Volgenau School of IT&E's 2010 campaign to raise a total of \$20 million. Funds from the campaign will be used to strengthen the School's existing programs and to establish a new thrust in the area of bioengineering.

The Volgenau School now begins an exciting new phase of growth and expansion. A significant number of new faculty positions will be added to provide expanded expertise in bioengineering, biostatistics, information security, computer engineering, robotics and information systems. A new building, scheduled for occupancy in 2009, will provide a unique blend of instructional, research, and corporate leased space.

The single most critical factor in the Volgenau School's continuing success will be its commitment to quality and program improvement. The School has enjoyed significant successes in attracting world-class faculty. Future research growth will focus on the important areas of bioengineering and nanotechnology, knowledge management systems, and computer science.

The FY 2007 Highlights (italicized) include:

a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as

b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.

Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
2,136	\$17,154,100	\$8,031	2,219	\$18,618,500	\$8,390	2,195	\$19,309,100	\$8,797

FY07 Highlights

Resources allocated to the Volgenau School of IT & Engineering for fiscal year 2007 will be used to fund new faculty positions. The objective is to increase overall faculty size by at least 50% and to do so across the academic ranks of assistant to full professor. The School will continue its strong development of its undergraduate IT major and will augment this program with a graduate degree in the IT field. At the present time, faculty in the Applied Information Technology Department consist almost entirely of full-time instructors. Future faculty additions will include exceptional junior level tenure-track faculty who will develop strong research portfolios. These faculty will also play a key element in defining the department's graduate degree programs. Total funding allocated to support these areas is \$563,000.

The enrollment target for IT&E for FY 2007 is 2,195 FTE, which is 59 FTE greater than the original FY 2006 target and 24 course FTE lower than the estimated FY 2006 enrollment. Funding is also allocated in the amount of \$845,000 to cover the cost of the FY 2006 salary increases and fringe benefit costs adjustments.

The School charges premium tuition rates for its graduate programs. The unit portion of the revenue projected for these programs is estimated at \$570,000. This includes an adjustment for FY 2007 in the amount of \$243,000 added to the prior year amount of \$327,000. The funding is used to enhance services to graduate students.

SCHOOL OF LAW (LAW)

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 2006, the Law School ranked 37th 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.

Budget Highlights

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.

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
620	\$11,954,800	\$19,282	589	\$12,162,500	\$20,649	620	\$13,500,000	\$21,774

FY07 Highlights

Funding is allocated in FY 2007 for additional support for faculty positions (\$230,000). Funding is also allocated in the amount of \$50,000 to cover inflationary costs for library reference materials. The enrollment target for Law for FY 2007 is 620 FTE, which is the same level as the original FY 2006 target and 31 course FTE higher than the actual FY 2006 enrollment. Funding is allocated in the amount of \$760,000 to cover the cost of the FY 2006 salary increases and fringe benefit cost adjustments.

The School began charging premium tuition rates for its programs beginning in Fall 2005. An additional premium is being proposed for FY 2007. The unit portion of the revenue projected for these programs is estimated at \$1,010,000 and included in the FY 2007 base budget. These funds will be used to increase the resources available per FTE student specifically for additional faculty and staff support, as well as for and student scholarships.

SCHOOL OF MANAGEMENT (SOM)

The School of Management (SOM) is educating and empowering future generations of business leaders through world-class teaching, innovative academic programs, and close partnerships with regional and global businesses. Established in 1971, SOM has grown rapidly in both its regional and international reputation. It is one of only 170 business schools world-wide whose programs in both business and accounting are accredited by the Association to Advance Collegiate Business Schools International (AACSB). SOM prepares students for increased globalization through a range of academic programs and international alliances. SOM currently enrolls over 3,250 undergraduates pursuing majors in accounting, finance, management, marketing, or management information systems and decision sciences. Over 450 graduate students are enrolled in the Mason MBA, MS in Bioscience Management, MS in Technology Management, and the Executive MBA. The MS in Accounting program is planned for 2006 to meet the educational needs and workforce challenges of the accounting profession. At the graduate level, the School of Management is one of only six business schools in the country to require international residences for its graduate students.

The FY 2007 Highlights (italicized) include:

a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as

b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.

Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

SOM is especially committed to engaging regional businesses in delivering exceptional educational opportunities to its students. 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. Business leaders and organizations are actively engaged through speaker programs, classroom lectures, case competitions, internships, and career placement. SOM also maintains close connections to the business community through its advisory board and advisory councils to academic programs. Over 90 business leaders representing 75 different companies serve as advisory board or council members.

SOM's commitment to the region balances well with the global focus of its programs and diversity of its student body. George Mason University has received national recognition for the multicultural and international diversity of its student population, with students representing over 130 different countries and all 50 states. SOM students mirror the diversity of the Mason student body, and this international focus is also represented in the school's 71 full-time faculty members, with over 33% of the faculty being bi-lingual.

SOM faculty, with expertise on topics such as corporate governance, executive compensation, effects of insider trading on stock prices and e-commerce, bring both theoretical and applied expertise to the classroom. 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 consistently rated as one of the most efficient teaching units in GMU, with the highest ratio of students to faculty.

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.

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
1,933	\$12,680,600	\$6,560	2,032	\$15,432,500	\$7,595	1,955	\$14,655,100	\$7,496

FY07 Highlights

Funding is allocated in FY 2007 for the School to support additional faculty and meet enrollment demands (\$774,000). One full-time faculty position is reallocated from SOM to CLAHS for FY 2007. The enrollment target for SOM for FY 2007 is 1,955 FTE, which is 22 course FTE higher than the original FY 2006 target and 77 course FTE lower than the actual FY 2006 enrollment. During FY 2007 funding will be allocated as the unit earns additional funds from premium tuition programs. Funding is allocated in the amount of \$942,000 to cover the cost of the FY 2006 salary increases and fringe benefit cost adjustments. Funding in the amount of \$450,000 is added as the allocation of funds from course fee revenue.

Budget Highlights

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 members of the National Academy of Public Administration. For the Fall 2004 semester, applications for admissions increased by over 25% and enrollment increased over 15% 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 50 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.

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
511	\$8,426,300	\$16,490	557	\$8,892,836	\$15,966	550	\$9,639,800	\$17,527

FY07 Highlights

New funding is allocated in FY 2007 to support additional faculty for teaching and research (\$514,000), including support for a position to be split between SPP and CHHS. The enrollment target for SPP for FY 2007 is 550 FTE, which is 39 course FTE greater than the original FY 2006 target and 7 course FTE lower than the actual FY 2006 enrollment. Funding in the amount of \$697,000 is allocated to cover the FY 2006 salary increases and fringe benefit cost adjustments.

The School charges premium tuition rates for its graduate programs. The unit portion of the revenue projected for these programs is estimated at \$1,157,000. This amount is included in the base budget for SPP. The funding is used to support additional staff, fund additional financial aid and enhance services overall for the School's students.

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 12,600 students for the 2006 summer term. This headcount will generate approximately 2,300 FTE student enrollment, of which 400 FTE are from summer term contract activity.

The FY 2007 Highlights (italicized) include:
a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as
b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006. Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

**2005 SUMMER HEADCOUNT ENROLLMENT
(ON AND OFF CAMPUS)
FROM SELECTED VIRGINIA INSTITUTIONS**

George Mason University	12,464
Old Dominion University	10,942
Virginia Commonwealth University	10,332
University of Virginia	8,070
Virginia Tech	6,834
James Madison University	5,963
William & Mary (Summer 2004 data)	1,587

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 remained stable over the last few 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).

2005-06 ORIGINAL			2005-06 REVISED			2006-07 ORIGINAL		
FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES	FTES COURSE ENRLMNT	E&G BUDGET EXPENSE	COST PER FTES
1,900	\$4,444,500	\$2,339	1,924	\$4,019,900	\$2,088	1,900	\$4,667,500	\$2,457

FY07 Highlights

New funding is allocated in FY 2007 for additional faculty support to cover the salary increase of 5.5% received by full-time faculty in FY 2006 (\$223,000). The enrollment target for Summer Term for FY 2007 is 1,900 FTE, which is the same as the original FY 2006 target and approximately the same as the actual FY 2006 enrollment.

PROVOST INSTRUCTION

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

Budget Highlights

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$3,922,100	\$4,963,300	\$4,447,500

FY07 Highlights

New funding is allocated in FY 2007 for enrollment support to expand activity at the Loudoun site. These funds will be allocated to academic units as the enrollment targets are developed and agreed upon (\$300,000). During FY 2007 adjustments will be made as the Study Abroad earning are increased beyond the initial base set in the original budget. During FY 2006 adjustments were made as revenue was generated for the activity beyond the base budget amount.

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 the Faculty Senate, Office of Sponsored Programs, Vice President for Research, and ROTC all fall within the series of accounts. The operational department of the Provost's staff also is included in this budget.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$2,794,700	\$3,254,300	\$3,706,700

FY07 Highlights

New funding is allocated in FY 2007 to support research infrastructure needs to be identified by the Vice President for Research (\$100,000). Additionally, self-generated funds are allocated to the unit to cover the position dedicated to Colonial Academic Alliance. The budget for Provost Administration continues a FY 2006 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

The FY 2007 Highlights (italicized) include:

a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as

b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.

Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

- 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.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$1,307,800	\$1,609,500	\$1,308,900

FY07 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.

ENROLLMENT SERVICES

The division of Enrollment Services includes the following departments:

- Admissions
- Assessment
- 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

Budget Highlights

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.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$8,383,000	\$8,941,300	\$9,534,200

FY07 Highlights

New funding is allocated in FY 2007 to support staff increases in Financial Aid, Academic Student Advising, and Enrollment Management (\$262,500). The funding allocated for FY 2007 will support 4.00 additional FTE staff to enhance service support to students. Funding is also allocated in the amount of \$490,000 to cover the FY 2006 salary increases and fringe benefit cost adjustments.

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.

The FY 2007 Highlights (italicized) include:

a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as

b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.

Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

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.

About \$200,000 of the FY 2007 budget increment is dedicated to supporting additional staffing within the library. This will allow the library to add three positions to staff the growing operation of the library at all campuses.

In order to maintain the current materials collection, the library has been allocated \$425,000 for inflation. An additional \$178,200 has been allocated to support additional requirements for the overall maintenance of the materials collection.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$13,259,300	\$13,721,300	\$14,578,400

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

FY07 Highlights

Funding is allocated in FY 2007 to cover inflation for library reference materials (\$425,000), funding to support additional reference materials needs (\$178,200). To help address the critical staffing issues within the Library, funding is allocated in the amount of \$200,000 to support additional staff (3.00 fte). Funding in the amount of \$478,000 is allocated to cover the FY 2006 salary increases and fringe benefit cost adjustments.

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.

Budget Highlights

The FY 2007 Highlights (italicized) include:

a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as

b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.

Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

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 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.

Increases in the IT budget are almost entirely dedicated to three themes: first, improving cybersecurity, second, support for the teaching/learning/research environment, and third, supporting the distributed campuses. In the cybersecurity category, \$600,000 in one-time and recurring funds is dedicated to continuing required phases of the security and network improvements, including adding specialized security and network engineering staff. Included is funding to begin to address security issues at the Prince William Campus. In the category of supporting the teaching/learning/research funding is allocated in the amount of \$213,800 to support staffing additions for classroom and system support. Funding in the amount of \$203,000 is allocated to cover additional staffing needed at the distributed campuses. Other critical staffing needs will be addressed through funding allocated in the amount of \$100,000. Funding is allocated in the amount of \$115,000 is to cover inflation on software and hardware maintenance contracts.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$20,398,900	\$21,748,800	\$23,213,500

FY07 Highlights

Increases in the IT budget are allocated to support cybersecurity (\$600,000), support for teaching/earning/research, including enhanced distributed campus support (\$560,000), and inflation on software and hardware maintenance contracts (\$115,000). The FY 2007 budget for ITU includes an additional 8.00 FTE positions to support the functions as noted here. Funding in the amount of \$1,120,000 is allocated to cover the FY 2006 salary increases and fringe benefit cost adjustments.

NEW ADMINISTRATIVE SYSTEMS

As the University moves to the next stage of 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) were converted, resulting in students registering for Fall 2004 classes under a new system. Funding in FY 2007 will allow the University to continue activities aimed at ensuring that processes and systems are implemented to take full advantage of the integrated systems supporting students, faculty and staff.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$2,737,500	\$2,465,500	\$1,609,200

FY07 Highlights

No new funding is allocated in FY 2007 for this activity.

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 Center⁷
- 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

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$5,667,700	\$5,934,900	\$6,161,300

Budget Highlights

The FY 2007 Highlights (italicized) include:

- a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as*
- b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.*

Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

FY07 Highlights

New funding is allocated in FY 2007 to support enrollment growth as it affects the demand for counseling services, judicial/honor code, and international faculty/staff/students. The overall additional funding allocated for FY06 is \$161,700 to address the critical support needs. The FY 2007 budget includes an additional 2.35 FTE positions to support the functions as noted here. Funding in the amount of \$330,000 is allocated to cover the salary increases in FY 2006 and fringe benefit cost adjustments.

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.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$17,083,400	\$17,574,700	\$19,425,000

FY07 Highlights

For the FY 2007 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 Campus Police (\$175,000 and 3.00 FTE positions), Office of Safety (\$135,000 and 2.00 FTE positions), Legal (\$102,000 and 1.00 FTE to cover a position approved in FY 2006), Fiscal Services (\$45,000 and 1.00 FTE position). Funding is also allocated within Human Resources/Payroll to support additional training and compensation adjustments (\$51,000).

For FY 2007 funding is also provided to annualize the cost of one additional staff in Safety Office funded for ½ year in FY 2006 (\$30,000). Funding is provided for the Fiscal Services department to cover the cost of contract work for the development and negotiation of the Facilities and Admin (F&A formerly known as indirect cost rates) with DCAA/DOD (\$85,000).

Funding is provided for FY 2007 for additional wages and non-personnel support for the distributed campus administrative staff (\$45,000).

Funding in the amount of \$1,100,000 is allocated to cover the FY 2006 salary increases and fringe benefit cost adjustments.

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.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$2,364,900	\$2,507,400	\$2,607,100

FY07 Highlights

No new funding is allocated in FY 2007 for this activity. Funding in the amount of \$85,000 is allocated to cover the FY 2006 salary increases

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 \$110,000M 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.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$2,012,400	\$2,083,800	\$2,197,100

FY07 Highlights

For FY 2007 funding is provided to support University Development and Alumni Relations activities (\$57,400). Funding in the amount of \$123,000 is allocated to cover the FY 2006 salary increases and fringe benefit cost adjustments.

Budget Highlights

The FY 2007 Highlights (italicized) include:

a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as

b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.

Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

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.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$3,832,200	\$4,124,500	\$4,135,000

FY07 Highlights

For the FY 2007 fiscal year funding is allocated for the University Relations unit to support a new position of Director of Communication approved during the FY 2006 fiscal year (\$106,300). Funding in the amount of \$183,000 is allocated to cover the FY 2006 salary increases and fringe benefit cost adjustments.

FACILITIES & PHYSICAL PLANT

Operations of Facilities Planning and Facilities Management 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 Bull Run Hall at Prince William campus, the total is 1,424,900 square feet. George Mason University operates with approximately 65 NASF of E&G space per FTE student. This compares to the doctoral average in the Commonwealth of Virginia of approximately 90 NASF per FTE student.

Due to recent budget reductions there is a continuing decline in the overall facility condition. In the most recent report to SCHEV the GMU backlog of maintenance and repair projects exceeded 13.5% of the total facility value. In 1997 the backlog was only 7% of the total facility value. This rise in deferred maintenance is a direct result of reduced staffing, maintenance and repair funding. The Governor and legislature has begun to address this issue by increasing the allocation of the Maintenance Reserve funds to Universities for this biennium. George Mason receives a one-time increase in the Maintenance Reserve allocation of \$3.2M to address some of the highest needs with existing facilities.

During the FY 2007 fiscal year the University will see the largest level of construction ever. Additional staffing is allocated to Facilities in FY 2007 to support this increased activity across campus.

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$20,619,900	\$22,833,800	\$22,514,100

FY07 Highlights

Funding is allocated in FY 2007 to cover contract price escalator clauses for custodial contracts for housekeeping (\$45,000), as well as funding for increased housekeeping services (\$75,000), to support tools and equipment (\$50,000), and other maintenance contracts (\$50,000). Additionally, funding is provided to annualize the funding for staff and non-personnel requirements for the newly constructed Research I building (\$295,000).

Funding (\$177,100) is allocated to support additional staff in the Facilities area, to increase project management support through either contract or permanent staff.

Funding is also allocated to support increased costs for utilities for FY 2007 (\$300,000).

A total of \$901,000 is allocated to cover the FY 2006 salary increases and fringe benefit cost adjustments.

Budget Highlights

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, 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.).

2005-06 ORIGINAL	2005-06 REVISED	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$3,702,500	\$3,800,000	\$4,962,300

FY07 Highlights

For the FY 2007 fiscal year new funding is allocated for Property Rental to cover additional leased space costs for expansion at Arlington and Loudoun (\$1,040,000) and for escalator clauses (\$40,000) in current lease agreements.

The following pages provide a summary of the space leased by the University. Highlighted within the tables are the University Offices occupying the spaces.

The FY 2007 Highlights (italicized) include:

- a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as*
- b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.*

Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

E&G RENTAL/LEASES OFF CAMPUS

BUILDING	ANNUAL RENT \$*	\$/SF	RENTABLE AREA SF	OCCUPANTS
COMMERCE I/II (UTILS./CUSTODIAL/MAINT.)	582,838 <u>+96,815</u> 679,653	18.80 <u>+3.12</u> 21.92	30,999	General Accounting Accounts Payable Purchasing Fixed Assets Print Services HR/Payroll CEHD
TRULAND	1,391,000	22.43	62,009	Admin. Services** Arlington Ops. CEHD, School of Law ICES, ICAR, ITE, ITU Social Work Student Health ITU
TOWNHOUSE OFFICES (UTILS./CUSTODIAL/MAINT.)	148,756 <u>21,904</u> 170,660	13.37 <u>1.97</u> 15.34	11,129	CAS Computational Sci. SPP CVPA
CIT	238,700	29.49	8,093	OCPE Public Policy SOM
PATRIOT SQUARE	546,600	29.42	21,082	Internal Audit Budget, IRR, OSP Safety GMUF Office Of Lab Safety Patriot Club
DEMOCRACY LANE	184,200	26.77	6,259	Psychology Clinic/ Ctr for Cog Dev
4031 UNIVERSITY DR.	73,294 38,074	22.72 18.15	3,226 2,098	Computational Sci. Mason Enterprise
LOUDOUN COUNTY	501,900	23.72	21,158	Academic Instr
PRINCE WILLIAM LAB SPACE	250,000			
SUB-TOTAL	3,705,,400	22.31***	166,053	

* Annual Rent for 2006-2007; several leases have 3% annual cost escalation and CAM charges in addition to the annual rent

** Administrative offices for Admissions, Human Resources and Student Health

*** Average \$/SF by dividing Total Annual Rental Cost by Total Rentable Area

Budget Highlights

E&G RENTALS/LEASES ON CAMPUS				
BUILDING	ANNUAL RENT \$*	\$/SF	RENTABLE AREA SF	OCCUPANTS
WAREHOUSE DEBT	257,000			
JOHNSON CENTER	89,988			Admissions Alumni Affairs Computer Labs Internet Lab Ent Engr/Pol Lab Af Am, Global Ed, New Std Ctr Copyright Office
STUDENT UNION I/II	356,628			Counseling Career Dev Intl Prog Minority Std Serv Advising Cash Office Information Serv Univ Life ICES/CAS Mail Room SOM ****
POLICE BUILDING DEBT	27,465			
POLICE BUILDING ADDITION	150,000			
RIVANNA LANE	30,000			ITU
ALL OTHER	95,800			
TOTAL	4,712,300			

The FY 2007 Highlights (italicized) include:

a) budget revisions made during FY 2006 since the adoption of the original budget for FY 2006, as well as

b) the proposed budget change for FY 2007 over the current, revised budget of FY 2006.

Therefore, these highlights include the FY 2006 budget revisions (\$10.2M) as well as the \$27.6M of changes for FY 2007.

**** School of Management pays Unions \$100,000 per year for Space Rental in Student Union II

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 \$2,500,000 which is approximately 0.8% 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 Team.

2005-06 ORIGINAL	2006-07 ORIGINAL
2005 - 06 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE
\$8,827,300	\$9,204,300

AUXILIARY ENTERPRISES FINANCIAL/PROGRAM PROJECTIONS 2005 – 2010

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 yearly 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 2005 student headcount enrollment of approximately 30,000. The annual student FTE for FY 2007 is projected to be 22,620 FTE, and headcount greater than 30,000. The FY 2007 enrollment target is 135 greater than the FY 2006 projected annualized FTE enrollment. In future years beyond FY 2007 George Mason University projects an annual student enrollment (FTE) increase of approximately 1.11% or 250 FTE in each fiscal year through 2010.

SALARY ASSUMPTION: For purposes of this document, it is assumed that there will be an annual salary increase of 3.0% for all units. This is subject to adjustment based on economic conditions and legislative actions. The pending legislative actions could result in a salary increase of 4% for FY 2007. If that is the decision then the necessary funds will be re-allocated from the Auxiliary Enterprises reserve for the fee funded units in FY 2007. The 3% increase is built into each unit's total budget presented in the following pages. Units supported from self-generated revenues will need to cover the additional cost for salary increases from current revenues.

➤ Financial Feasibility

This \$95 million Auxiliary Enterprise operation (FY 2007) 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

Budget Highlights

The Budget Highlights for Auxiliary Enterprises captures both the budget modifications made during FY 2006 after the adoption of the original budget for FY 2006 by the Board of Visitors, as well as the proposed budget changes of \$6.8M approved for the FY 2007 budget.

The University is in the process of (and will complete during the summer) the expansion of the Auxiliary Enterprise Program/ Financial Plan through FY 2012.

1. STUDENT HOUSING

George Mason University's housing program is the largest Auxiliary Enterprise Program at George Mason. University housing has been out-sourced for approximately ten years, and Century Campus Housing Management is in the fourth year (FY 2007) 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 will be housing more on-campus (residential) students in Fall 2006, than ever before in the history of George Mason University. The University anticipates the need to house approximately 200 students in nearby hotels/motels during the Fall 2006, as demand will exceed available on-campus housing. The University's current Housing capacity is 4,050. During the Fall 2005, the University housed slightly over 4,000 students. Additional new on-campus housing will be added in Fall 2007 and Fall 2008, thereby providing nearly 5,000 beds on campus for residential students. This on-campus residential student target will increase the percentage of residential students to approximately 15% of the total projected headcount enrollment. Budget projections are as follows:

FISCAL YEAR	BUDGET	ASSUMPTIONS
2005 actual	\$13,990,000	2.5% rate increase; add Housing VI (504),
2006 estimate	\$14,840,000	3.0% rate increase; reallocate \$200K debt service;
2007 estimate	\$15,234,000	4.0% rate increase; reallocate \$525K debt service; Dominion Renovation
2008 estimate	\$17,966,000	4.0% rate increase; add Housing VII A, President's Park Renovation I
2009 estimate	\$21,766,300	4.0% rate increase; add Housing VII B, President's Park Phase II Renovation
2010 estimate	\$22,831,200	4.0% rate increase, Student Apartment Renovation

Major Assumptions: Housing V, VI, VII-A, and VII-B are priced to be self-sufficient. Historically the Housing operation has expended \$750,000 per year for renovations and renewals. For FY 2006 and FY 2007 \$800,000 per year is budgeted; \$850,000 is planned for FY 2008 and FY 2009; and \$900,000 is planned for FY 2010. Major capital improvements of \$3.0M were completed in FY03 with another \$6.0M planned through FY08. Occupancy actuals and projections are as follows:

FISCAL YEAR	FALL OCCUPANCY	SPRING OCCUPANCY
2005 actual	4,007	3,922
2006 estimate	4,044	3,932
2007 estimate	4,050	3,950
2008 estimate	4,524	4,424
2009 estimate	4,984	4,824
2010 estimate	4,984	4,824

Budget Highlights

Facility Reserve: The following table summarizes the projected facility reserve balance through FY 2010. Decreases in the balance in FY 2008 and FY 2009 are the result of funds being used for major capital projects. The facility reserve funds will be used instead of incurring additional debt service for the projects. Effective FY 2011 debt service requirements will be reduced by approximately \$1.0M and will provide additional funding to be allocated to the facility reserve balance (see below).

FISCAL YEAR	BALANCE
FY 2005 (actual)	\$2,897,000
FY 2006 (estimated)	\$3,090,000
FY 2007 (estimated)	\$3,261,700
FY 2008 (estimated)	\$2,830,600
FY 2009 (estimated)	\$1,914,800
FY 2010 (estimated)	\$2,690,100
FY 2011 (estimated)	\$4,000,000

2. CAMPUS ACCESS AND TRANSPORTATION

This self-supporting activity includes a variety of services that support parking and transportation requirements on all of the University campuses. Campus Access funds are generated primarily from decal fees, deck revenue, fines and student fees. These revenues cover parking lot and deck construction debt service, lot repairs and maintenance, lighting repairs and installations, and the management fee for the parking contractor. Standard Parking is in its first year as the outsourced partner for managing parking operations. They manage the decal sales programs, provide parking technicians, manage the parking deck and lots, and run the Motorist Assistance Programs. Funded activities include: staffing of the Parking Services administrative office; the monitoring of the traffic rules and regulations; 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; the City University Energysaver (CUE) Bus system, in conjunction with the City of Fairfax and the Fairfax-Prince William Shuttle Bus/Taxi System. The following table projects the Campus Access budget through FY 2010:

FISCAL YEAR	BUDGET	ASSUMPTIONS
2005 actual	\$5,767,700	Enrollment growth; add Fairfax Deck II (no debt payment until FY06)
2006 estimate	\$6,232,400	Enrollment growth, Deck II (no rate increase)
2007 estimate	\$6,451,500	\$20 rate increase; enrollment growth; reallocate \$265k PW Phase I debt service, GMUF Parking
2008 estimate	\$7,077,400	\$20 rate increase; enrollment growth
2009 estimate	\$7,550,200	\$20 rate increase; add partial year of Deck III, Arlington II and PW IIIA parking, reallocate \$484K PW and Arlington Debt
2010 estimate	\$8,130,415	\$20 rate increase; enrollment growth; full year Deck II/Arl II

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

FISCAL YEAR	BALANCE
FY 2005 (actual)	2,687,300
FY 2006 (estimated)	2,877,500
FY 2007 (estimated)	2,749,500
FY 2008 (estimated)	2,635,500
FY 2009 (estimated)	1,358,400
FY 2010 (estimated)	302,900

The primary reason for the small declining balances in FY 2007 and FY 2008 is due to the number of one time projects planned for the Fairfax’s west campus. In FY 2009 and FY 2010 the large declines are due to the projected opening of a third parking deck on the Fairfax Campus. The University is in the early planning stages for this third 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 \$30M, requiring an annual debt service of \$1.9M per year. In addition, there will be additional 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 \$2.1M per year with new revenue limited to permit price increases and enrollment growth. This facility is projected to open fall 2008, but the University will only proceed if the financial and operational feasibility of this project in the context of the parking system in general can be verified. The University is currently reviewing the financial information on the parking decks and will revise the plans for the third parking deck over the next few months.

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 Fairfax parking deck that was added in FY 2002. Sufficient funds will be accumulated by FY 2012 to pay off the remaining balance. The annual amount being allocated to this fund from operations is approximately \$184,500.

Operations of the Sandy Creek Parking Deck (Deck II) began in spring 2005. This project required approximately \$14M (which includes planning, design, and construction costs), financed through revenue bonds supported by parking revenue. Annual debt payments are approximately \$1.0M per year. The deck is designed to be a premium, reserved parking garage with 400 hourly visitor spaces. Annual revenue from the reserved passes and hourly visitors is estimated to be approximately \$850,000. The deck will be nearly self-supporting and will not require a large contribution from other campus access funding.

The existing shuttle system provides transportation between the Fairfax campus and the Prince William campus on a schedule based during the academic year. This system is supplemented with taxi service when needed. The shuttle service costs approximately \$300,000 annually. This is funded through parking fees and a student fee allocation. For FY 2006, the University provided \$112,000 in total fee 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.

Budget Highlights

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. These transportation needs and potential enhancements are being reviewed by University staff.

During the timeframe of FY 2007-2010, the debt service payments associated with several surface lots will be eliminated, thereby increasing available funding by approximately \$250,000. 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 FY 2009.

As the campus grows, an emphasis on additional traffic and transportation improvements will be necessary. In FY 2006 a transportation department began with a budget of \$250,000. An additional \$50,000 has been allocated to the department in FY 2007 and it is scheduled to increase by the same amount each year through FY 2010. Additional improvements such as roadway improvements, and potential sign and signal additions/changes will also be explored between now and FY 2010. The source of funding for these types of improvements is not yet defined, but can include campus access funds, student fees, educational and general funding, or general fund appropriation.

Prince William Campus The University opened Academic III-A in Summer 2004. Parking will remain adequate at the Prince William Campus until Academic III-A is occupied and fully utilized. It is not anticipated that Academic III-B will open prior to FY 2010 since funding authorization is unlikely prior to FY 2008. 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 2009.

FY 2007 Campus Access Operations on the Prince William campus are not self-supporting and require a contribution of over \$400,000 from other campus access funding sources to maintain the current level of service.

Arlington Campus Campus Access operations expenses for the Arlington campus are not self-supporting and require a contribution of over \$70,000 to maintain current level of service.

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 Arlington campus where the GMUF building will open June, 2006. Beginning in FY 2007 the University will make an annual payment of \$356,000 per year. Additional parking will be built on GMU property with the construction of the Arlington II facility, due to begin construction this spring. 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 \$750,000 per year. These undertakings may require a campus access system contribution to supplement actual parking revenue.

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3. INTERCOLLEGIATE ATHLETICS

The Intercollegiate Athletic program received a great deal of well-deserved attention in FY 2006 due to the success of the men’s basketball team. By reaching the Final Four of the NCAA Men’s Basketball Tournament the program is nationally recognized more than ever 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. The FY 2007 projects on athletic scholarship budget increase of \$200,000. 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.

ATHLETIC SCHOLARSHIP BUDGET	
	FY 2007 BUDGET
Athletic Scholarship Cost	\$3,100,000
Source of Funds	
• Athletic Department Revenue	692,000
• Patriot Center Commission	632,000
• Student Fee	500,000
• Beverage, Vending Commission	480,000
• Ticket Sales	294,000
• NCAA	326,000
• Patriot Club (Fundraising)	176,000

The ICA budget for FY 2007 is \$11,461,900. Student fee support is \$8.8M per year and self-generated revenue is budgeted at \$2.7M per year. In FY 2007 additional fee support to ICA is allocated to provide additional staffing and space for the Patriot Club (\$218,900), to allow for all CAA sports to have a full-time assistant coach (\$47,200), and to provide for additional

Budget Highlights

compensation for the men's basketball staff (\$277,400). The following budgets assume no change in the mix and/or number of sports. The average annual budget requirement for 3.0% salary increases (included below) is approximately \$200,000. The following summarizes the actual budget and the best estimate for future year budgets:

FISCAL YEAR	BUDGET	ASSUMPTIONS
2005 actual	\$10,132,700	S & O increase, Salary increase 3.0%
2006 estimate	\$10,395,100	S & O increase 2.25%; Salary increase 3.0%
2007 estimate	\$11,555,100	S & O increase 2.25%; Salary increase 3.0%
2008 estimate	\$11,684,700	S & O increase 2.25%; Salary increase 3.0%
2009 estimate	\$11,913,700	S & O increase 2.25%; Salary increase 3.0%
2010 estimate	\$12,149,100	S & O increase 2.25%; Salary increase 3.0%

The breakdown of fee support and self generated revenue support is presented below:

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2005 actual	7.6M	2.5M	\$10.1M
2006 estimate	7.9M	2.5M	\$10.4M
2007 estimate	8.8M	2.7M	\$11.5M
2008 estimate	9.0M	2.7M	\$11.7M
2009 estimate	9.2M	2.7M	\$11.9M
2010 estimate	9.5M	2.7M	\$12.2M

In FY 2005, the Auxiliary Enterprises Management Council (AEMC) recommended and the University provided \$25,000 to be allocated for a pilot project between Intercollegiate Athletics and University Life to increase student attendance at athletic events. This amount was continued in FY 2006, and for FY 2007 the funding has been made permanent. Additionally for FY 2007, one-time funding will be allocated to Athletics for a study to be conducted on mascot enhancement/development.

4. RECREATIONAL FACILITIES

The FY 2007 budget for all of recreational facilities is approximately \$13.7M with nearly \$2.5M 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 split between student fees and self-generated revenue. The University contracted with Brailsford-Dunlavey and Ewing Cole for a recreational facility master plan, and the result of this study identified several high priority projects to be pursued during 2007-2010. Below is the estimated budget for the recreational facilities:

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FISCAL YEAR	BUDGET	ASSUMPTIONS
2005 actual	\$13,628,750	2% enrollment growth; \$325k debt for artificial field
2006 estimate	\$13,399,970	2% enrollment growth; 3.0% salary increase –PC debt retired (\$1.0M), establish PC Debt Service Savings , Add Portion of Aquatic Ctr Debt (\$165K), Add Robinson Field exp (\$200K) and Tennis Court project (\$200K); move \$300K to Freedom Center Reserve (-\$300K),
2007 estimate	\$13,704,670	2% enrollment growth; 3.0% salary increase, remove Robinson Fields and Tennis Court Allocations (-\$400K) Add remaining Fairfax Aquatic Center Renovation Debt & Ops (\$469K)
2008 estimate	\$14,467,570	2% enrollment growth; 3.0% salary increase, Add Wrestling/Volleyball PE and Ops (\$632K)
2009 estimate	\$16,528,500	2% enrollment growth; 3.0% salary increase, add Patriot Center Renovation (\$810K) & PE Center I (1.5M) (offset with Pat Ctr Savings -1.0M)
2010 estimate	\$19,659,070	2% enrollment growth; 3.0% salary increase, Add Softball Fields (\$204K Debt/\$20K ops); PE Fields (\$200K Debt/\$50K ops) & Pat Ctr. Addition ½ year (\$205K Debt/\$75K Ops), PE Renovation Phase II (\$814K Debt/\$282K Ops), Outdoor Pool (\$175K Debt/\$150K Ops), Field House Addition (\$496K Debt/\$100K Ops)

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

In FY 2005 the \$1.2M yearly debt service payment for the Patriot Center was retired. This debt retirement continues to be kept in “escrow” to be used to offset partial requirements for the Patriot Center Renovation in FY 2009. The \$10M renovation project will require cash and a yearly debt payment of \$810,000 effective in FY 2009.

In FY 2007 the University will complete a renovation of the Fairfax Aquatic Center. By FY 2009, the University will incur \$1.5 in annual debt service related to a major expansion and renovation (\$25M) 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. ICA wrestling and volleyball will move to the Fieldhouse to make way for the renovation.

Funding sources for the Recreational Sports Facilities are presented below:

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2005 actual	5.3M	8.3M	\$13.6M
2006 estimate	5.8M	7.6M	\$13.4M
2007 estimate	5.6M	8.1M	\$13.7M
2008 estimate	6.1M	8.4M	\$14.5M
2009 estimate	7.3M	9.2M	\$16.5M
2010 estimate	10.1M	9.6M	\$19.7M

Budget Highlights

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 1999, has been such a success and so long overdue that the demand for access exceeds the capacity of the facility. An addition to the facility (primarily fitness space and locker space) was begun in FY2006. This facility addition will address the needs of the residential student increase associated with Housing V and Housing VI. This addition increases debt service and operating costs in FY 2007, but will also result in increased revenue, including rental income. This project will add fitness space, locker facilities, and other recreational opportunities. The project will be funded through user fees and a small student fee increase.

Fieldhouse 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.

The 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 was completed in October 1985. 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. 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

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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 opened for operation in October 1995. Activities opened or relocated to the facility in the last several years include the Admissions Office, the student radio station (WGMU), the Center for Teaching Excellence, a retail mail shop and a variety of franchise eateries. Overall use of the center continues to be strong with individual visits to the building reaching nearly three million in 2004.

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. 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 was completed in Spring 2004, when the SUB I lobby renovation was completed.

Johnson Center/Unions budget will be \$7.0M in FY 2007 with approximately \$3.8M of student fee support and \$3.2M of self-generated revenue. Debt Service payments are budgeted at \$2.3M. There is currently \$2.8M in facility reserves for the Johnson Center and both Unions. An annual allocation to these reserves of \$250,000 is budgeted through FY 2010. The 2010 Plan includes an annual average 3.0% salary increase (included below annual cost: \$100,000). The following page provides the budget projection:

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2005 actual	3.3M	3.0M	\$6.3M
2006 estimate	3.6M	2.9M	\$6.5M
2007 estimate	3.8M	3.3M	\$7.1M
2008 estimate	4.4M	3.4M	\$7.8M
2009 estimate	4.5M	3.4M	\$7.9M
2010 estimate	5.2M	3.4M	\$8.6M

The current capital plan for the next 1,100 beds of Housing, a portion of which are currently under construction, will require additional resident dining services. This dining services area (approximately 25,000 s.f.) will be combined with a 15,000 s.f. recreational facility and will be constructed as part of the Housing VIIA project, but will have separate financing and accounting from the Housing portion. The project is being carried at \$10M with annual debt of \$850,000.

Budget Highlights

Planning is currently underway for the creation of a “One-Stop Shop” for Advising, Registrar, Financial Aid, Student Accounts and the Cash Office. The plan is to renovate the Ciao Hall space in SUB II once the Housing VII-A project, which includes expanded dining services, is completed (est. Fall 2010). Annual Debt Service on this SUB II project is expected to be near \$540,000.

For FY 2007, the University proposes \$200,000 in Johnson Center/Student Unions additional funding. This amount will address special lighting in areas of student programming (\$60K), the creation of 2 operations assistant positions to improve event efficiency (\$60K) and to eliminate the need to charge student groups fees for early opening and late closing of the buildings (\$15K). Also allocations are recommended to enhance food service hours (\$35,000) and provide outdoor seating near Unions/Food Service locations (\$25,000).

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 recent years, Student Health Services saw approximately 10,000 patients annually, of whom approximately 2,500 received shots for either immunization or allergies. Other common reasons for visits include respiratory, dermatology, reproductive systems, urology, and psycho-mental problems. Patients with more serious problems are referred to specialists, 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 5,000 immunization and/or insurance records were reviewed for compliance with federal or state regulations. Through optional group health and dental insurance plans, the University provides more than 1,500 students with adequate health insurance at modest cost. Related health 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 2006, responding to growth on our distributed campuses, the University added one-time funding for a Student Health Clinic on the Prince William Campus. The total funding for this project was \$150,000.

In 2007-2010, 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.

In FY07 the University proposes additional on-going funding of \$150,000 for Student Health to continue addressing the needs of our growing student population.

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FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2005 actual	1.4M	.60M	\$2.0M
2006 estimate	1.6M	.60M	\$2.2M
2007 estimate	1.7M	.80M	\$2.5M
2008 estimate	1.8M	.80M	\$2.6M
2009 estimate	1.8M	.80M	\$2.6M
2010 estimate	1.9M	.80M	\$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; and our own multi-disciplinary series – Great Performances at Mason.

In its sixteen 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 Theater Space 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 an annual season with 35-40 professional artist performances in the Concert Hall of classical music, opera, soloists, jazz, classical and modern dance.

CFA offers 500 free tickets to each CFA event in the Concert Hall and a similar number (25%) in Harris Theater Space 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, colleges 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 attend the Concert Hall and Theater Space annually.

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 2006, the ticket revenue generated is projected to be slightly above \$1.8M, the highest since the opening of the facility.

Budget Highlights

The projected budget for the Center for the Arts through FY 2010 includes an annual salary increase (3.0%) estimated at \$75,000 (see below):

FISCAL YEAR	STUDENT FEES	OTHER REVENUE	TOTAL BUDGET
2005 actual	3.6M	2.2M	\$5.8M
2006 estimate	3.8M	2.2M	\$6.0M
2007 estimate	4.0M	2.3M	\$6.3M
2008 estimate	4.2M	2.3M	\$6.5M
2009 estimate	5.2M	5.4M	\$10.6M
2010 estimate	4.5M	5.5M	\$10.0M

The reason for the large increase in FY 2009 is due to the anticipated opening of a Community Performing Arts Center on the University's Prince William Campus. This is a \$40 million project and will feature a tri-party agreement with city and county governments similar to that of the Freedom Center. GMU's portion of debt is expected to be \$900,000. In FY 2010 the student fee funding will decrease due to the Fairfax Performing Arts Center debt service ending.

For FY 2007, funding has been allocated for the establishment of a GMU Spirit Band (\$127.5K). Additionally, the Auxiliary Enterprises Management Council (AEMC) recommends and the University proposes that \$54,000 be set aside for additional funding of Music & Performing Arts faculty directed programs. Although these funds are included in the budget of University Life, they directly affect CVPA students and programming.

8. UNIVERSITY LIFE

The projected FY 2007 University Life Activities auxiliary enterprise budget of \$5.2M 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.

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The University is in the process of (and will complete during the summer) the expansion of the Auxiliary Enterprise Program/ Financial Plan through FY 2012.

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.

Community-Building Social Activities includes activities like Homecoming, Mason Day, Patriots' 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.

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. To better match programs to student and faculty interest, in 2007-2010 the University will plan for a phased increase in this area. AEMC has recommended, and the University proposes, an additional \$74,000 for faculty directed programs (\$54K Music/Dance/Theater and \$20K Forensics) in FY07.

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 \$240,000 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 2007-2010, 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 nearly \$350,000 in fee funding. The remaining budget is Broadside & other 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.

Budget Highlights

New initiatives for FY 2007 include the establishment of a comprehensive leadership program (\$50,000) for students to develop valuable leadership skills that can be used during their time on campus and applied throughout their careers. Funding is also recommended for a full-time position to be established as an advisor for student government on Mason's campus (\$55,000). Finally, additional programming support to improve retention has been recommended (\$71,850).

For FY07, Auxiliary Enterprise Management Council (AEMC) recommends and the University proposes that an additional \$104,500 be allocated for University Life programs. This includes \$25,000 for Welcome & Senior Week programming, \$34,500 for PW University Life (Direct TV Access/Sand Volleyball Court/Visiting Presenter Fund, etc.), and \$40,000 for Arlington University Life. \$5,000 has also been recommended as "seed" money for student programming on the Loudoun Campus. This \$104,500 is in addition to the \$74,000 for faculty directed enhancements that was already mentioned above.

FISCAL YEAR	STUDENT FEES	OTHER REVENUE	TOTAL BUDGET
2005 actual	3.5M	1.0M	\$4.5M
2006 estimate	3.4M	1.3M	\$4.7M
2007 estimate	3.8M	1.4M	\$5.2M
2008 estimate	3.9M	1.4M	\$5.3M
2009 estimate	4.0M	1.4M	\$5.4M
2010 estimate	4.2M	1.4M	\$5.6M

9. PRINT SERVICES

This department provides a variety of printing and photocopying services to the University. The four copy centers, 25 coin/card operated copiers and 129 administrative convenience copiers produce more than 25 million copies per year. The copy centers produced 16.4 million copies, coin/card copiers produced 1.7 million, and the administrative copiers produced 7.3 million copies. A new service provided by Print Services is printing on demand in the computer labs. Last year, 2.7 million copies were produced in the labs. 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 required an increase in the service level at Prince William in FY 2005, and the part-time position was upgraded to full-time.

FISCAL YEAR	BUDGET	CUMULATIVE FUND BALANCE	COMMENTS
2005 actual	\$1,772,700	\$142,000	2.25% Inc; 3.0% Sal Incr
2006 estimate	\$1,797,000	\$142,000	2.25% Inc; 3.0% Sal Incr
2007 estimate	\$1,800,000	\$142,000	2.25% Inc; 3.0% Sal Incr
2008 estimate	\$1,846,600	\$142,000	2.25% Inc; 3.0% Sal Incr
2009 estimate	\$1,894,400	\$142,000	2.25% Inc; 3.0% Sal Incr
2010 estimate	\$1,943,500	\$142,000	2.25% Inc; 3.0% Sal Incr

The Budget Highlights for Auxiliary Enterprises captures both the budget modifications made during FY 2006 after the adoption of the original budget for FY 2006 by the Board of Visitors, as well as the proposed budget changes of \$6.8M approved for the FY 2007 budget.

The University is in the process of (and will complete during the summer) the expansion of the Auxiliary Enterprise Program/ Financial Plan through FY 2012.

10. STUDENT BOARD PLAN

In FY 2006 approximately 5,830 meal plans will be sold (approximately 2,915 per semester) and are projected to generate \$7.4 million in revenue. These meal plans offer the student body with a variety of options, from traditional meal plans (in varying amounts from 10 to 19 meals) to more flexible plans such as the fully declining balance Freedom Plans. With the anticipated campus growth, new on-campus dining options added in FY 2006 (Damon's, Chick-fil-A, etc.), and growing popularity among our off-campus partners (Brion's, Papa John's, McDonald's, etc.), the board plan is expected to increase meal plan revenues to \$7.8 million in FY 2007. Board Plan revenues through FY 2010 are presented below:

FISCAL YEAR	REVENUE	CUMULATIVE FUND BALANCE	COMMENTS
2005 actual	\$6,093,800	\$149,200 **	2% Price Increase
2006 estimate	\$7,436,300	\$0	2% Price Increase
2007 estimate	\$7,819,000	\$0	3% Price
2008 estimate	\$7,991,000	\$0	3% Price; Housing VII-A
2009 estimate	\$8,166,300	\$0	3% Price; Housing VII-B
2010 estimate	\$8,345,000	\$0	3% Price

** The reduction in the cumulative fund balance of FY 2005 reflects a re-allocation of those funds to supplement the All University Card operation that is the vehicle for student board plan.

Board plan expenses are at an agreed upon per meal rate with Sodexo, the campus food service operator. The University has made it a point to keep the board plan costs at a reasonable rate, and charge the student only enough to recover costs and maintain a modest reserve. Since the All University Card is the vehicle for the board program, in recent years a significant portion of this reserve (\$150,000 in FY05) has been transferred to the All University Card operation to maintain equipment. As the board plan costs continue to rise, the University has made an effort to identify other sources of funds for All University Card equipment maintenance so that meal plans will remain at a reasonable cost to students. Board Plan transfers to All University Card are presented below:

FISCAL YEAR	BALANCE
FY 2005 (actual)	\$150,000
FY 2006 (estimated)	\$1900,000
FY 2007 (estimated)	\$100,000
FY 2008 (estimated)	\$100,000
FY 2009 (estimated)	\$100,000
FY 2010 (estimated)	\$100,000

Budget Highlights

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 (approximately \$130 per student) earmarked to cover the cost of the telecommunications for students.

This activity is estimated at \$3.2M in FY 2007. 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 3.0% salary increases (included below) is \$12,000.

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	COMMENTS
2005	\$3,159,700	Actual
2006	\$3,152,400	2.25% inflation; 3.0% sal inc.
2007	\$3,286,000	2.25% inflation; 3.0% sal inc..
2008	\$3,363,00	2.25% inflation; 3.0% sal inc..
2009	\$3,442,000	2.25% inflation; 3.0% sal inc..
2010	\$3,523,000	2.25% inflation; 3.0% sal inc..

The Patriot Computers store is a full service computer outlet located on the Fairfax campus which offers the entire campus community computers and technology selections from Apple, Dell, Microsoft & Adobe (to name a few). The computer store is completely self-supporting, relying on computer, software and other related sales to sustain its budget. The Computer store budget for FY 2007 is projected to be approximately \$2.4 million. Future budgets (through FY 2010) are presented below:

FISCAL YEAR	COMPUTER STORE REVENUE	COMMENTS
2005	\$2.3M	Actual
2006	\$2.4M	2.25% inflation; 3.0% sal inc.
2007	\$2.4M	2.25% inflation; 3.0% sal inc..
2008	\$2.5M	2.25% inflation; 3.0% sal inc..
2009	\$2.5M	2.25% inflation; 3.0% sal inc..
2010	\$2.6M	2.25% inflation; 3.0% sal inc..

The Budget Highlights for Auxiliary Enterprises captures both the budget modifications made during FY 2006 after the adoption of the original budget for FY 2006 by the Board of Visitors, as well as the proposed budget changes of \$6.8M approved for the FY 2007 budget.

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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 covered the debt service for this project. The final year for payment on the debt was FY 2005, and the annual amount was \$511,700. A next phase of infrastructure development was proposed in the last capital outlay budget but not funded. A data center construction project was submitted in the 2006 – 2008 capital budget proposal, but not approved. The University has proposed self-funding the project in order to move forward with this critical item. The previous debt service savings will need to be reapplied to this project beginning in FY 2008. Other infrastructure upgrades will be necessary in the future as campus facilities are added and student enrollment increases.

12. OTHER ACTIVITIES

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 will serve up to 70 children in FY 2007 and has expanded to three classrooms. The center is located in modular buildings in the Patriots Village housing complex. The center serves faculty, staff and student families at the University. This self-sufficient operation has an annual operating budget of approximately \$554,600 for FY 2007. The average annual amount for 3.0% salary increases (included below) is \$10,000. The University has received authorization to construct an 8,000 s.f. facility at a total project cost of \$1.8M. Current plans project completion of this project for Fall 2007. The new facility is projected to accommodate approximately 120 children; and is expected to have annual debt service of \$225,000 and additional operating costs of \$100,000. Once the new facility is constructed the overall activity budget will increase to approximately \$900,000. At this time it is projected that increased student enrollment will be able to cover most of these increases. Minimal additional funding from student fees or E&G funds may be required. The activity’s budget follows:

FISCAL YEAR	REVENUE	CUMULATIVE BALANCE	COMMENTS
2005	\$484,200	\$(42,000)	2.25% inflation; 3.0% sal inc.
2006	\$492,600	\$(50,000)	2.25% inflation; 3.0% sal inc.
2007	\$554,600	\$(50,000)	2.25% inflation; 3.0% sal inc.
2008	\$897,200	\$(50,000)	2.25% inflation; 3.0% sal inc. (facility \$225K / Ops \$100K)
2009	\$915,400	\$(40,000)	2.25% inflation; 3.0% sal inc.
2010	\$934,100	\$(30,000)	2.25% inflation; 3.0% sal inc.

Facility Reserves: Good business practices 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, Fairfax Fieldhouse, Patriot Center, Fairfax Aquatic Center, Housing, Freedom Aquatic Center and the Center for the Arts. The FY 2007 budget provides for a Student Fee allocation for Facility Reserves of \$900,000, a new Athletics Capital Facilities Reserve of \$453,000 from additional Patriot Center Commission funds, as well as a Housing self-generated contribution of approximately \$200,000. These various operations draw upon the

Budget Highlights

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, but it is anticipated that during FY 2007 specific requests may be approved for allocation of a portion of the funds.

13. UNIVERSITY SERVICES CENTRAL

This includes a variety of operations including the activities of the Office of University Services Administration, All University Card Office/Photo ID, Indirect Cost, Interest Income, Campus Police Cadets, and University Scholars Program. The following paragraphs describe each cost center.

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. The approximate total contract employees are 239 full-time, 375 part-time, and 156 student employees. Due to the increased importance of revenue generation by Auxiliary Enterprises, funding has been allocated for a new business development position in FY 2007 (\$90,000 for salary and benefits). The average annual amount for 3.0% salary increases for GMU employees (included below) is \$18,000.

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2005 actual	765.7K	\$0	\$754.0K
2006 estimate	804.5K	\$0	\$772.2K
2007 estimate	895.3K	\$0	\$895.3K
2008 estimate	919.0K	\$0	\$919.0K
2009 estimate	944.9K	\$0	\$944.9K
2010 estimate	970.8K	\$0	\$970.8K

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 of funds from the Student Board Plan.

In FY2007, the AUCS budget will to be funded from self-generated revenue of \$28,000, and student fees of \$622,000. Also in FY2007, a contribution of \$100,000 will be made from Sodexo-generated funds to provide support for new equipment needs. The board plan transfer will also increase from 40,000 to \$100,000 in FY 2007 and beyond.

The Budget Highlights for Auxiliary Enterprises captures both the budget modifications made during FY 2006 after the adoption of the original budget for FY 2006 by the Board of Visitors, as well as the proposed budget changes of \$6.8M approved for the FY 2007 budget.

The University is in the process of (and will complete during the summer) the expansion of the Auxiliary Enterprise Program/ Financial Plan through FY 2012.

The projected AUCS budget through FY 2010 is as shown below:

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2005 actual	225.2K	274.5K*	\$499.7K
2006 estimate	372.6K	28.0K	\$400.6K
2007 estimate	622.0K	228.0K	\$850.0K
2008 estimate	630.5K	128.0K	\$758.5K
2009 estimate	639.0K	128.0K	\$767.0K
2010 estimate	647.5K	128.0K	\$775.5K

* *At year end, FY05 Board Plan reserve was transferred to All University Card to address a deficit balance*

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 an expense to the Auxiliary Enterprises, and currently the source of funds for paying this indirect cost assessment is the Auxiliary Enterprise interest income as well as a student fee allocation. The current ratio is approximately 25% interest income and 75% student fees. Projected indirect cost estimate through FY 2010 is shown below.

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2002 actual	\$1.6M	\$0.7M	\$2.3M
2003 actual	2.5M **	0.8M	\$3.3M
2004 actual	1.9M	0.4M	\$2.3M
2005 actual	2.6M **	0.8M	\$3.4M
2006 estimate	2.6M	0.9M	\$3.5M
2007 estimate	2.8M	0.9M	\$3.7M
2008 estimate	2.9M	0.9M	\$3.8M
2009 estimate	3.0M	0.9M	\$3.9M
2010 estimate	3.1M	0.9M	\$4.0M

** *Allocation increase was approved to Indirect Cost 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 FY 2002 and FY 2003 was retained by the Commonwealth. Initially, the earnings for the 4th quarter of FY 2004 were also retained by the Commonwealth. Those 4th quarter funds for FY 2004 were subsequently allocated to the agencies as earned and were recorded in FY 2005 revenues. In all subsequent years it is assumed that George Mason University will retain interest income for all twelve months of each fiscal year. The University uses the interest income to partially pay the indirect cost charge assessed for E&G support. The interest income estimates are as follows:

Budget Highlights

FISCAL YEAR	INTEREST INCOME
2005 actual	\$693,358
2006 estimate	\$900,000
2007 estimate	\$900,000
2008 estimate	\$900,000
2009 estimate	\$900,000
2010 estimate	\$900,000

Campus Police Cadet Corps: 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 support campus police activity and events on campus as needed 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 annual operating projections are as follows:

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2005 actual	81.8K	\$0	\$80.3K
2006 estimate	95.3K	\$0	\$95.3K
2007 estimate	95.4K	\$0	\$95.4K
2008 estimate	95.6K	\$0	\$95.6K
2009 estimate	95.7K	\$0	\$95.7K
2010 estimate	95.9K	\$0	\$95.9K

For FY 2006 the Auxiliary Enterprises Management Council (AEMC) recommended and the University provided an allocation of \$12,600 to support student support within the Police operation to provide student cadets at some University events. This budget continues at level funding in FY 2007.

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 a University scholar program with the anticipation of funding the scholarships from endowment funds generated from a capital campaign. The University has been unsuccessful in raising sufficient funds to have a direct source of funds to cover these scholarships. Over the last few years the program has been funded 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 and reduced to a scholarship level of varying amounts per student and 26 - 28 students admitted per year, or an average of 104 - 112 at any point in time. The annual operating budget in FY 2007 is \$715,000. Of this total budget, \$635,000 is supported from Auxiliary Enterprises and \$80,000 is supported from Educational & General operations. Beginning in FY 2007 through FY 2010, \$105,000 will be added annually for additional scholarships.

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The University is in the process of (and will complete during the summer) the expansion of the Auxiliary Enterprise Program/ Financial Plan through FY 2012.

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2005 actual	295.0K	155.0K	\$450.0K
2006 estimate	325.0K	205.0K	\$530.0K
2007 estimate	430.0K	205.0K	\$635.0K
2008 estimate	535.0K	205.0K	\$740.0K
2009 estimate	640.0K	205.0K	\$845.0K
2010 estimate	745.0K	205.0K	\$950.0K

Other Activities Summary:

The total projected budget for these miscellaneous and central Auxiliary Enterprise activities in FY 2007 is approximately \$8.3M. The expense budgets are as shown below:

MISCELLANEOUS	
	FY 2007
Child Development Center	\$ 554,600
University Services Administration	895,300
Warehouse Rental/Debt Service	237,300
All University Card System	850,000
Indirect Cost (Student Fee Portion)	2,760,000
Indirect Cost (Interest Income Portion)	900,000
Campus Police Cadets	95,400
University Scholars	635,000
SUBTOTAL	\$6,927,600
Annual Facility Reserve	1,353,000
TOTAL MISCELLANEOUS	\$8,280,600

These budgets are supported with \$5.7M of student fees and \$2.6M of other revenue. The revenue budgets for these activities are summarized in the following table:

FISCAL YEAR	STUDENT FEE	OTHER REVENUE	TOTAL BUDGET
2004 actual	6.2M **	1.8M	\$8.0M
2005 actual	5.5M **	1.9M	\$7.4M
2006 estimate	5.1M	1.9M	\$7.0M
2007 estimate	5.7M	2.6M	\$8.3M
2008 estimate	6.0M	2.8M	\$8.8M
2009 estimate	6.2M	2.9M	\$9.1M
2010 estimate	6.5M	2.9M	\$9.4M

**** 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 made a contribution to the Educational & General budget reduction effort in the amount of \$1.35M. This contribution did not continue beyond FY 2005.**

George Mason University
Auxiliary Enterprises Projected Annual Budget Through FY2010

Unit	2006 (Projected)			2007 (Budget)			2008 (Plan)			2009 (Plan)			2010 (Plan)		
	Student Fees	User Fees	Total	Student Fees	User Fees	Total	Student Fees	User Fees	Total	Student Fees	User Fees	Total	Student Fees	User Fees	Total
Housing	-	14,840,000	14,840,000	-	15,234,000	15,234,000	-	17,966,000	17,966,000	-	21,766,300	21,766,300	-	22,831,200	22,831,200
Campus Access	112,000	6,120,400	6,232,400	112,000	6,339,500	6,451,500	112,000	6,965,400	7,077,400	112,000	7,438,200	7,550,200	112,000	8,018,415	8,130,415
Unions/JC	3,624,100	2,872,100	6,496,200	3,821,400	3,273,000	7,094,400	4,427,445	3,398,200	7,825,645	4,530,745	3,398,200	7,928,945	5,183,745	3,398,200	8,581,945
Print Service	-	1,797,300	1,797,300	-	1,800,000	1,800,000	-	1,846,600	1,846,600	-	1,894,400	1,894,400	-	1,943,500	1,943,500
Student Board	-	7,436,300	7,436,300	-	7,819,600	7,819,600	-	7,991,000	7,991,000	-	8,166,300	8,166,300	-	8,345,500	8,345,500
CDC	5,000	487,600	492,600	5,000	549,600	554,600	5,000	892,200	897,200	5,000	910,400	915,400	5,000	929,100	934,100
University Services^	1,310,300	302,600	1,612,900	1,754,700	473,300	2,228,000	1,805,800	495,300	2,301,100	1,858,200	522,900	2,381,100	1,912,100	524,700	2,436,800
Athletics	7,945,080	2,450,020	10,395,100	8,888,900	2,666,200	11,555,100	9,023,880	2,660,820	11,684,700	9,252,880	2,660,820	11,913,700	9,488,280	2,660,820	12,149,100
Rec Sports Facilities*	4,814,600	7,585,370	12,399,970	4,560,900	8,101,170	12,662,070	5,023,000	8,401,970	13,424,970	7,323,200	9,205,270	16,528,470	10,141,700	9,517,370	19,659,070
Patriot Center Savings	1,042,600	-	1,042,600	1,042,600	-	1,042,600	1,042,600	-	1,042,600	-	-	-	-	-	-
Student Health	1,593,150	600,150	2,193,300	1,695,150	787,250	2,482,400	1,763,750	787,250	2,551,000	1,834,250	787,250	2,621,500	1,906,750	787,250	2,694,000
University Life	3,413,940	1,254,960	4,668,900	3,756,340	1,413,460	5,169,800	3,891,240	1,413,460	5,304,700	4,029,840	1,413,460	5,443,300	4,172,140	1,413,460	5,585,600
CVPA	3,807,600	2,244,700	6,052,300	4,048,200	2,340,000	6,388,200	4,189,900	2,340,500	6,530,400	5,235,800	5,434,500	10,670,300	4,517,600	5,457,800	9,975,400
Telecom	72,300	3,080,100	3,152,400	75,800	3,210,100	3,285,900	78,100	3,285,000	3,363,100	80,500	3,361,800	3,442,300	83,000	3,440,400	3,523,400
Telecom Infrastruct.	-	-	-	-	-	-	700,000	-	700,000	700,000	-	700,000	700,000	-	700,000
Computer Store	-	2,400,000	2,400,000	-	2,400,000	2,400,000	-	2,453,500	2,453,500	-	2,508,200	2,508,200	-	2,564,200	2,564,200
Facility Reserves	900,000	-	900,000	900,000	443,000	1,343,000	900,000	453,000	1,353,000	900,000	453,000	1,353,000	900,000	453,000	1,353,000
Indirect Cost	2,635,000	900,000	3,535,000	2,760,000	900,000	3,660,000	2,885,000	900,000	3,785,000	3,010,000	900,000	3,910,000	3,135,000	900,000	4,035,000
University Scholars	325,000	205,000	530,000	430,000	205,000	635,000	535,000	205,000	740,000	640,000	205,000	845,000	745,000	205,000	950,000
Salary Increases	-	-	-	388,300	-	388,300	391,300	-	391,300	402,900	-	402,900	414,800	-	414,800
Utilities & Equipment	173,000	-	173,000	600,000	-	600,000	750,000	-	750,000	900,000	-	900,000	1,050,000	-	1,050,000
AE Central Initiatives	80,000	-	80,000	392,500	-	392,500	1,380,000	-	1,380,000	2,215,000	-	2,215,000	3,050,000	-	3,050,000
AE Contrib. To E&G	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	250,000	-	250,000	300,000	-	300,000	350,000	-	350,000	400,000	-	400,000	450,000	-	450,000
Fairfax Surge Space	-	-	-	-	-	-	-	1,112,000	1,112,000	-	1,121,000	1,121,000	-	1,130,200	1,130,200
TOTALS	\$32,103,670	\$54,576,600	\$86,680,270	\$35,531,790	\$57,955,180	\$93,486,970	\$39,254,015	\$63,567,200	\$102,821,215	\$43,430,315	\$72,147,000	\$115,577,315	\$47,967,115	\$74,520,115	\$122,487,230

Fee Revenue	\$33,848,300		\$36,622,000		\$39,656,000		\$42,828,000		\$46,063,000
Unalloc. Cent. Res.	\$1,744,630		\$1,090,210		\$401,985		(\$602,315)		(\$1,904,115)
Cum Ending Balance	\$5,907,445		\$6,997,655		\$7,399,640		\$6,797,325		\$4,893,210
Student Fee Incr Amt	\$60		\$132		\$120		\$120		\$120