

**George Mason University
Total Budget, 2007-2008
Executive Summary**

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BUDGET SUMMARY

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

Dr. Maurice Scherrens, Co-Chair

Dr. Peter Stearns, Co-Chair

Dr. Lawrence Czarda

Dr. Sandra Hubler

Dr. Joy Hughes

Ms. Donna Kidd

Dr. Matthew Kluger

Dr. David Rossell

Dr. Linda Schwartzstein

Support Staff

Mr. Guilbert Brown

Ms. Barbara Maddox

Ms. Patrice Musco

Format

The University Budget Executive Summary, 2007 – 2008, has been designed as a summary within a summary. A budget overview is found on Pages 1 - 88, while greater unit budget detail is provided on Pages 89 – 138.

**GEORGE MASON UNIVERSITY
TOTAL BUDGET, 2007-2008**

BUDGET HIGHLIGHTS, 2007 - 2008

- Total FY 2008 University Budget of \$747.8M is made up of \$570.2M Operating, \$12.6M State Financial Aid and \$165.0M Capital. The Operating budget increases by **7.9%** over the revised FY 07 budget, while the overall budget increase with Capital and Financial Aid is **19.7%** over FY 2007.
- Student enrollment is projected to increase 2.2% from 22,700 FTE to 23,200 FTE. In terms of student headcount, George Mason University projects a Fall 2007 student headcount of approximately 30,300. There will be 350 more students living on campus in Fall 2007 and by the end of Spring semester 2008 there will be another 134 beds available.
- The Educational & General budget will increase by \$29.3M, or an annual increase of 9.0%.
 - General Fund support from the State for Educational & General (E&G) operations increases by \$10.2M, an increase of 8.0%.
 - Tuition and other non-general fund support increase by \$18.1M, or 10.3%.
 - Support from the State for Equipment Trust Fund stays the same as in FY 2007 at \$3.1M in FY 2008.
 - Faculty/staff salary increases are budgeted at 4.0% for the 2007-08 fiscal year. The University's proposed budget also includes funding to support selected salary increases to address special compensation needs.
 - Private funds supporting Educational & General operations will increase by \$1.0M to a total of \$20.0M.
- Auxiliary Enterprises revenue in FY 2008 will increase by approximately 6.9% overall, with an increase in student fees of 9.7% and in self-generated revenues of 8.3%. The University projects an increase of 0.4% for the Auxiliary Enterprise - Independent Operations, resulting in the combined increase of 6.9% for the total Auxiliary Enterprises program.
- The total price for an in-state undergraduate student including tuition, fees, room and board will be \$13,860, an increase of 5.3%. Tuition & Fees will increase 6.7% for in-state undergraduate students. The total price for an out-of-state undergraduate student will be \$26,748, an increase of 5.7%.
- Sponsored Research activity in FY 2008 will increase 5.0% as it attains a GMU record spending level of \$75.2 million.
- Capital Outlay spending in FY 2008 will be approximately \$165.0M, the largest amount ever for GMU. This is 94% higher than FY07, and nearly four times larger than the spending in 2006.

ANNUAL CHANGE: ALL PROGRAMS

This Executive Summary FY 2008 summarizes the Educational & General (E&G) and Auxiliary Enterprise budget plans for FY 2008. 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 2008 have been allocated. The Operating budget increases by 7.9%, while the Capital budget increases by 94%, for an overall FY 2008 University budget increase of 19.7% over the FY 2007 revised budget (see table below). The largest percentage increases occur in Capital Outlay and Student Financial Aid.

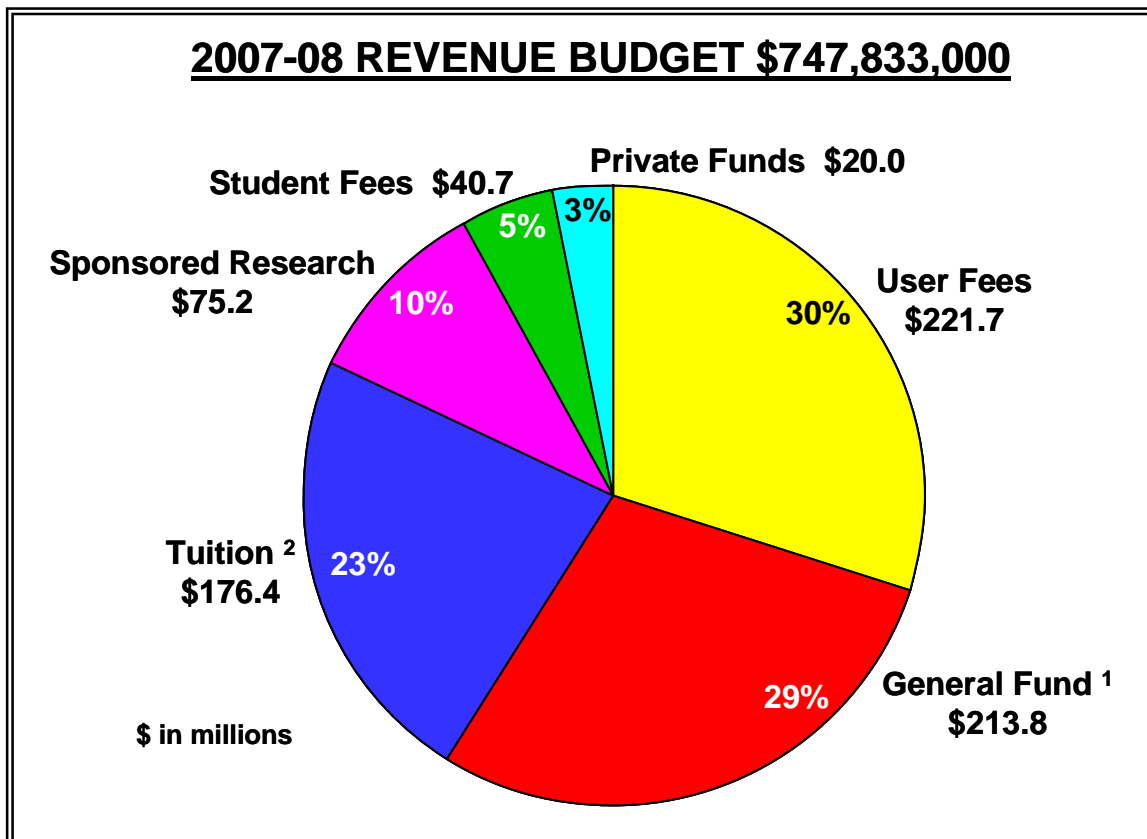
PROGRAM	REVISED BUDGET FY 2005	REVISED BUDGET FY 2006	REVISED BUDGET FY 2007	ORIGINAL BUDGET FY 2008	FY07 TO FY08 % CHANGE
Educational & General	\$257.7M	\$294.6M	\$325.8M	\$355.1M	9.0%
Auxiliary Enterprises	110.7M	121.5M	130.9M	139.9M	6.9%
Sponsored Research	64.1M	68.4M	71.6M	75.2M	5.0%
SUBTOTAL OPERATING	\$432.5	\$484.5	\$528.3	\$570.2	7.9%
Student Financial Aid	9.3M	10.0M	11.2M *	12.6M	12.5%
Capital Outlay	25.8M	35.9M	85.0M	165.0M	94.1%
TOTAL	\$467.6M	\$530.4M	\$624.5M	\$747.8M	19.7%

* Additional student financial assistance of \$860,000 for FY 2008 is provided within the Educational & General (E&G) change amount for FY 2008.

TOTAL UNIVERSITY BUDGET, FY 2008 \$747.8M

ALL FUNDS – ALL SOURCES - REVENUE

The total 2007-2008 revenue budget for George Mason University (GMU) is projected to be \$747.8 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.



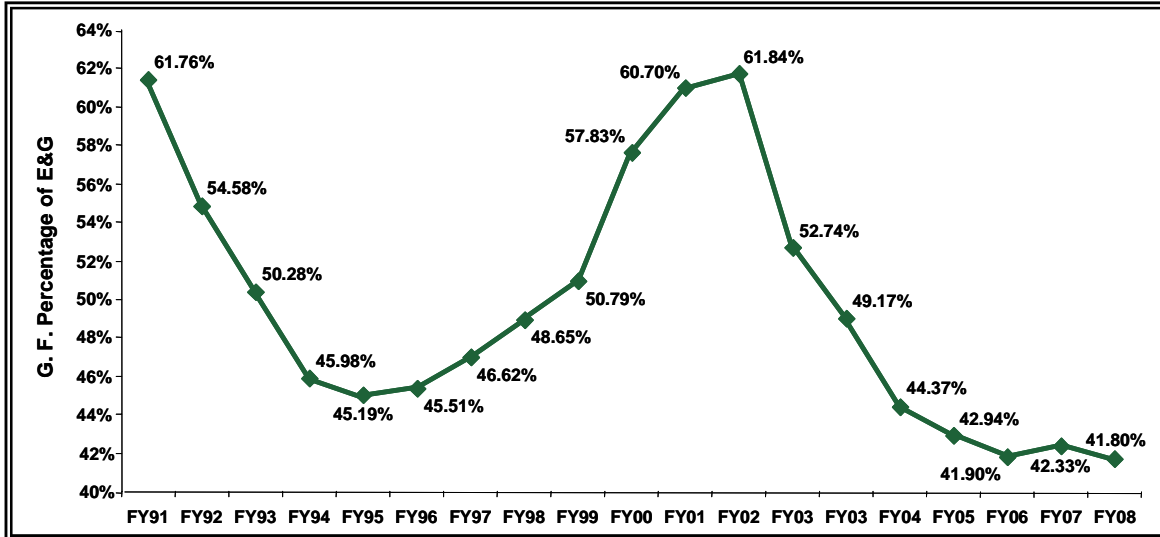
¹ Includes Educational & General (\$137.2M), Equipment Trust Fund (\$3.1M), State Financial Aid (\$11.7M), Capital Outlay (\$41.9M) and Maintenance Reserve(\$3.2M).

² Includes \$2,300,000 of tuition which will be used for Student Financial Aid

GENERAL FUND SUPPORT

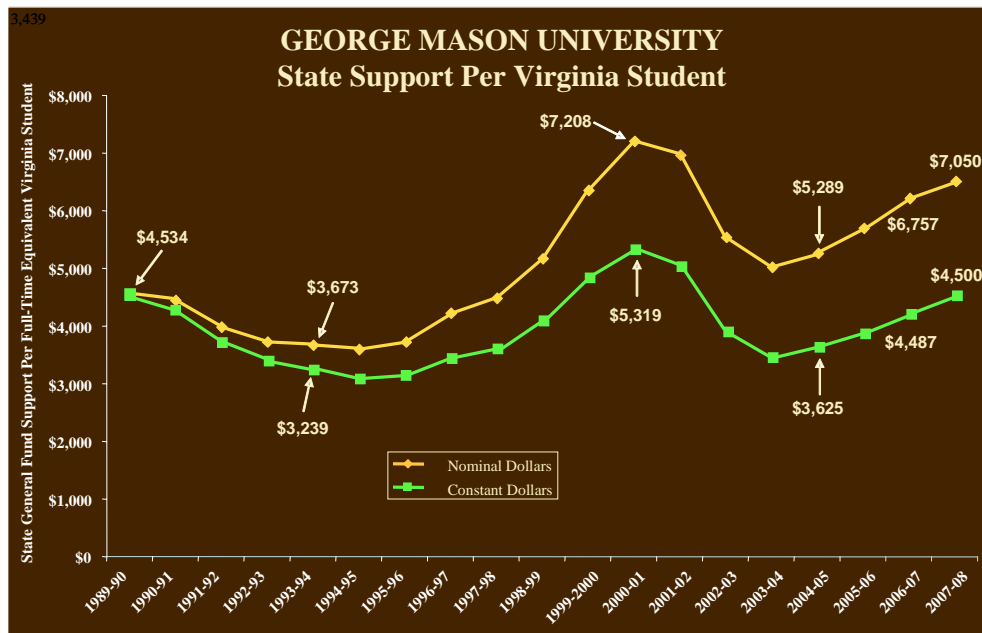
In prior years with increasing student demand, the Commonwealth of Virginia has not been in a position to provide commensurate financial support to higher education to accept this increased enrollment. The past two years have seen a slight rebound in General Fund support after several years of substantial reductions in General Fund support. The University received a nearly 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 was at a level of \$127.0M. In FY 2008, the E&G General Fund support will increase to \$137.2M. *This allocation of funds for FY 2008 reflects funding for enrollment growth through FY 2006, as well as some improvement in base budget funding. With increased General Fund support for Capital Outlay and E&G, the GF percentage of total budget has stayed constant over the prior two fiscal years.*

While the General Fund (GF) provides funding to support nearly 30% of the total operating funds of the University, this can be a misleading ratio 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 08 it is expected that the General Fund support % of total E&G will remain approximately the same as the FY 07 percentage of 42% of total E&G (see following chart).



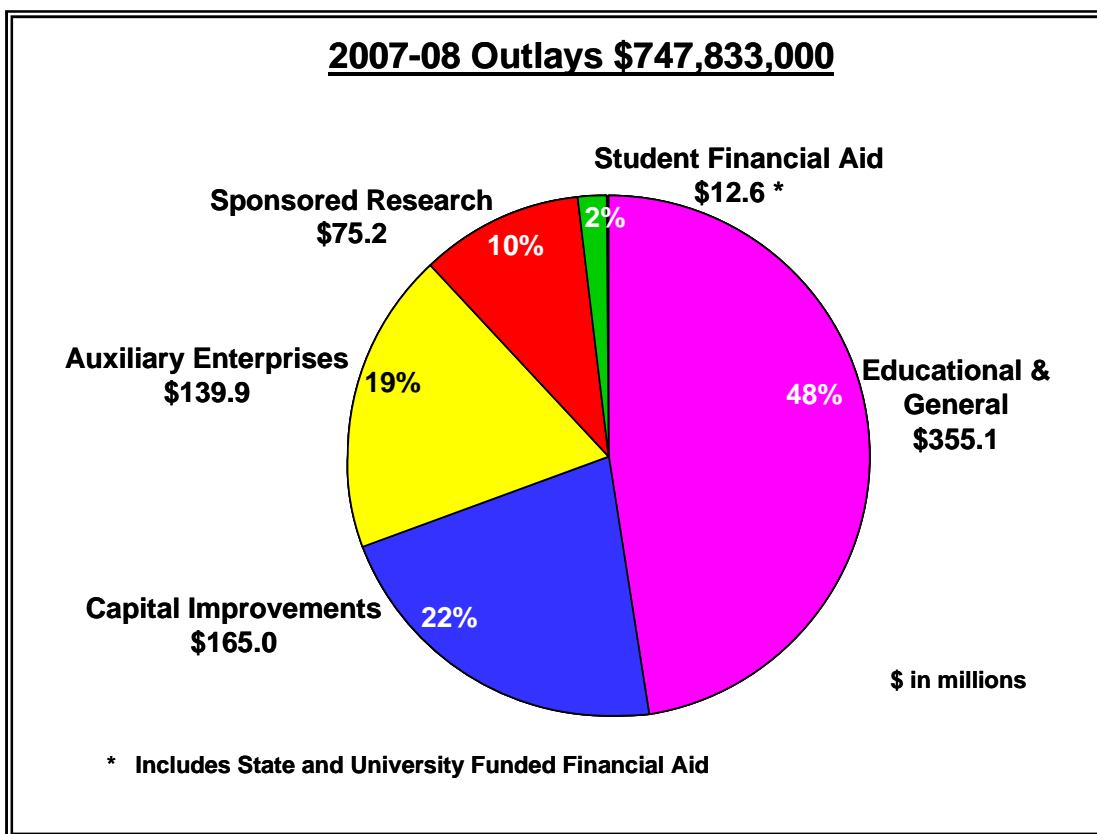
GENERAL FUND: ON THE REBOUND

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 2007 for enrollment support through FY 2004, GMU received \$5,679 per student. For FY 2007 the General Fund support per FTE student was \$6,757 (see below). In the past three years, this General Fund support per FTE student has increased 33% to \$7,050 in FY 2008.



ALL FUNDS – ALL USES - OUTLAY

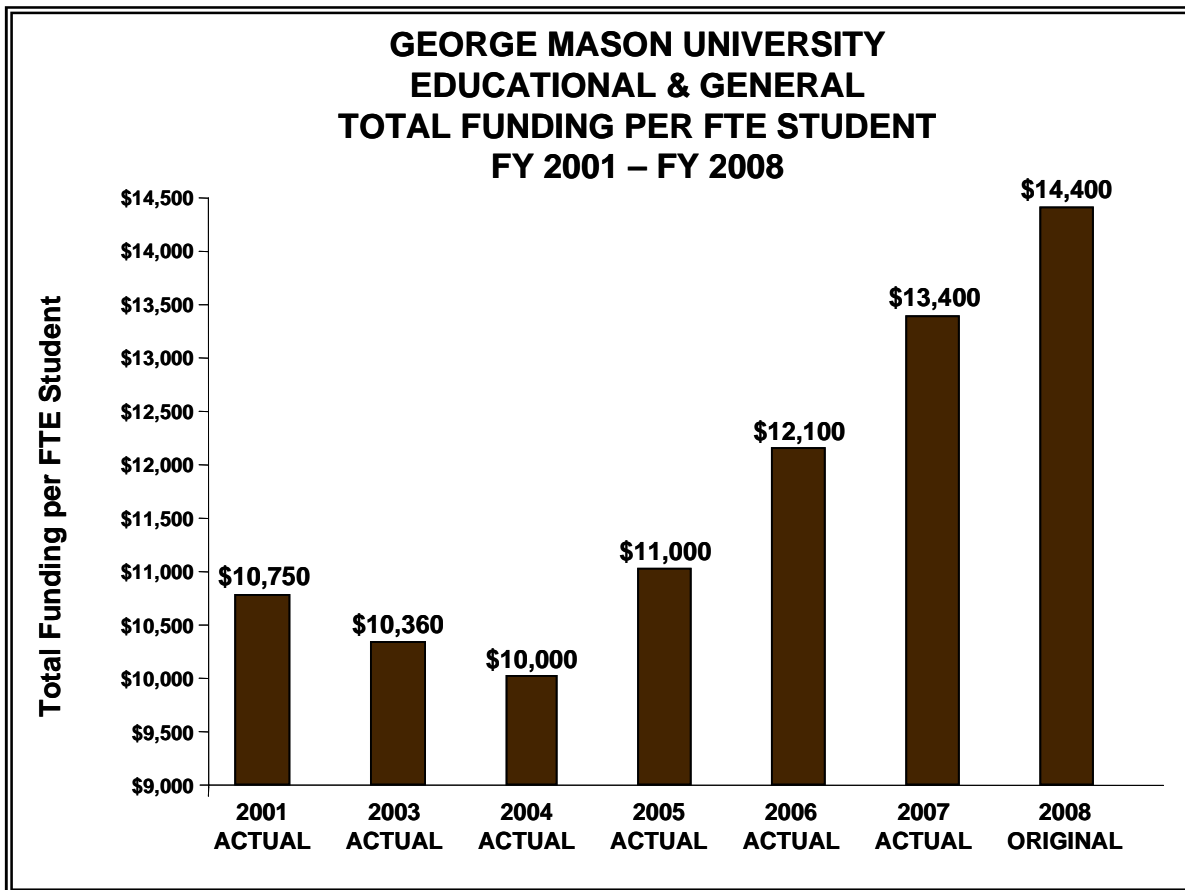
The 2007-2008 spending plan is also established at \$747,833,000 since it is anticipated that all revenues will be expended for actual operating costs and capital projects or be allocated to reserves for facility depreciation. Funds are expended within five programs recognized distinctly by the State.



BASE BUDGET ADEQUACY

TOTAL E&G FUNDS – HOLDING THE LINE

With the State Appropriation and the proposed tuition and fee package for FY 2008, the total E&G funds available will be approximately \$14,400 per FTE student. The University operated with E&G funding of \$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 \$12,900 by FY 2008. The anticipated General Fund support from the state for FY 2008, as well as tuition and enrollment increases over the last few years have helped the University meet total funding requirements.



OVERALL EDUCATIONAL & GENERAL STRATEGY

The Board of Visitors and University continue to discuss the University priorities for the future. Priorities and measures are highlighted below.

- | |
|--|
| • Add Spires of Excellence |
| • Increase Level of Research |
| • Improve Critical Thinking Skills of Undergraduate Students |
| • Increase the Number of Nationally Ranked Graduate Programs |
| • Continue Improvement in Retention and Graduation Rates |
| • Enhance Faculty/Student Ratio with Additional Full-time Faculty Positions |
| • Increase Financial Aid Support for Undergraduate and Graduate Students |
| • Maintain Commitment to the Region and Diversity |
| • Enhanced Resources – Public and Private Support |

INSTITUTIONAL EXCELLENCE: WITH OR WITHOUT STUDENT ENROLLMENT GROWTH

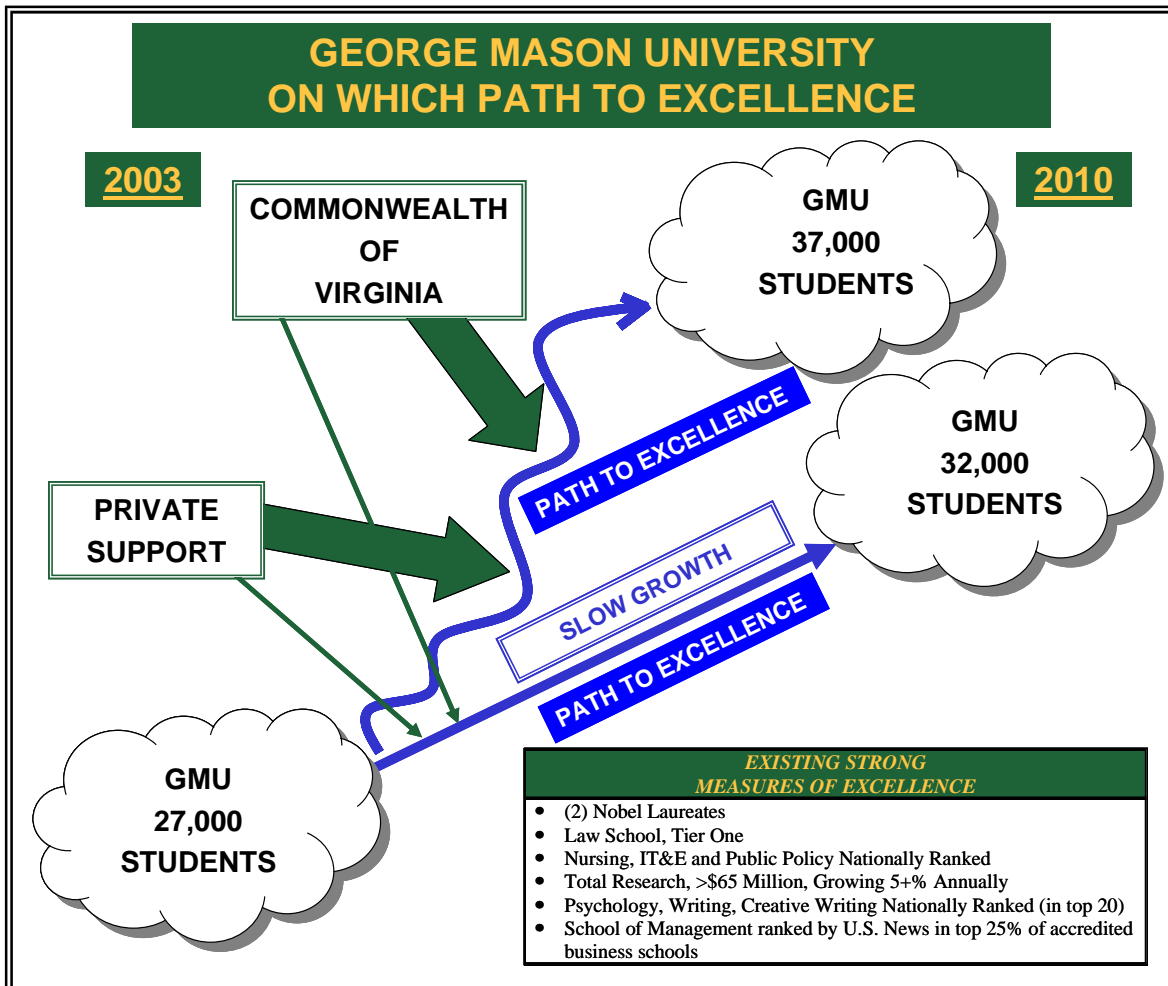
The Board of Visitors remains committed to continued modest student enrollment growth, and has advised the President and his senior staff to continue to pursue with appropriate State officials creative solutions to providing increased access to those highly qualified Virginia high school graduates projected 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 “world class 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 “world class university.”

For FY 2008, new funding is directed toward several areas of research and education that are already identified as imminent candidates for excellence as part of building a world class university. Expansion of faculty in public health; in biomedical technology; and in neuroscience (including Krasnow laboratory buildout) most obviously support these goals. Additions in global studies, both in the social science and in management, also build a clear University strength. The opportunity to collaborate in science education with the Smithsonian, though not previously identified in terms of priorities, establishes a vigorous new direction. Replenishment of indirect research funds facilitates a strategy through which units can bid for one-time research funding that will promote a significant increase in grant proposals, thus offering a multiplier effect on the University's overall research effort; already this funding has facilitated a major new appointment in environmental communication, with impressive funding potential. Other funding categories outside the academic realm per se, notably the down payment on significant library enhancement, also develop capacities directly relevant to Mason's trajectory in the world class university category.

A vital part of Mason's resource base is the private support raised for programs within the University. Private funding is generated which supports the academic and administrative units for ongoing activities and targeted initiatives and projects. Funds generated in support of the University programs go toward personnel costs as well as support for conferences, equipment, research, scholarships, travel, entertainment, etc. Included in the private funding generated is support for salaries and benefits for the University's eminent scholars.

During FY05 the funding generated and used in support of programs was approximately \$15.5 million. During FY06 the funding supported approximately \$18.6 million and the estimate for FY07 is approximately \$19.0 million. The FY08 Budget assumes private funds expense activity of \$20.0 million.

The units generating the most activity from private funds during FY06 were the Mercatus Center, the College of Humanities and Social Sciences, the School of Law, the College of Visual and Performing Arts, the Associated Writing Program, Athletics, IT&E, the Krasnow Institute, the School of Public Policy, and other University programs. As the University embarks on the next capital campaign it is anticipated that the level of private funds in support of University programs will continue to increase.



THE PROPOSED FY 2008 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 2007-2008 is \$335,100,000, and this represents an increase of \$28.3M from the 2006-2007 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 \$10.2M, and a tuition and other non-general fund revenue increase of \$18.1M. The total budget includes funding to annualize salary increases from FY07, provide salary increases for partial year FY08, 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 (\$4.5M), increased tuition rates (\$12.7M).

The table below provides an overview of the \$28.3M change in E&G revenue, by revenue source and the allocation of these new resources by intended use. The use of funds are categorized as mandatory, infrastructure improvement, and academic enhancement based upon the “slow growth” student enrollment model for FY 2008.

**GEORGE MASON UNIVERSITY
E&G CHANGE IN FUNDING
FY07 – FY08**

	FY07	FY08
TOTAL E&G BUDGET:	\$306,757,600	\$335,065,000
SOURCE OF FUNDS		
General Fund Support Base Operating, Enrl, Degree Compl, etc		\$4,968,800
General Fund Support for Salary Increases		4,557,000
General Fund Support Tuition Incentive Fund		614,700
General Fund Support for Insurance/Facilities		240,800
General Fund Reduction for Incr in Capital Fee Out-of-State Students		(197,300)
Increased Enrollment 135 FTE		3,300,000
Increased Number of Out-of-State (100)		1,200,000
Tuition Increase of \$283 FY 2008		11,853,400
Non-general Fund Support from Course Fees/Grad Prem Tuition/Oth		857,000
Interest Earnings on Non-General Fund Cash Balance		1,000,000
TOTAL NEW REVENUE		\$28,307,400
USE OF FUNDS		
Mandatory/Unavoidable		
• Salary Increase Annualize 11/25/06		\$4,667,000
• Salary Increase for FY08 effective 11/25/07		6,286,400
• Salary Funds for FY08 (adjustments and retention)		625,000
• Fringe Benefits Increase FY08		500,000
• Support for Facilities (facilities spec projects, leased space, etc.)		1,557,000
• Contract Inflation (Incl Library Materials) and Utility Increases		1,550,000
• Increases in State Allocated Costs (Insurance/eVA)		400,000
• Support for Financial Aid		1,800,000
• Enrollment Growth (funded from tuition revenue)		3,300,000
• Academic Support from Self-Generated Funds		708,000
• Safety & Security		325,000
	Subtotal Mandatory/Unavoidable	\$21,718,400
Infrastructure Improvements		
• Research Administration and Space		349,000
• Information Technology		700,000
• Enrollment Services and University Life		412,000
• Finance & Planning/Regional Campus/Equity		474,000
• Library Resources to Enhance Teaching & Research (incl library materials inflation)		600,000
• Development and University Relations		582,000
• Facilities Management Staffing		415,000
	Subtotal Infrastructure Improvements	\$3,532,000
Academic Enhancements		
• Academic Enhancements for Teaching and Research		3,057,000
TOTAL INCREASED EXPENSES		\$28,307,400

EXPLANATION OF CHANGE IN SPENDING

Overall Salary and Benefit Increases: Of the total increase for FY 2008, \$12.1M (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 2007 salary increases, as well as the partial year increase for FY 2008 and benefit cost increases to be incurred for health benefits.

Annualize Salary Increase: Funding in the amount of \$4,667,000 is allocated to annualize the salary increases for faculty, staff, and wages implemented on 11/25/06. Only partial year funding was allocated in FY07 and therefore additional funding is required to cover the full fiscal year cost of these salary and benefit expense increases.

Salary Increase: Funding in the amount of \$6,286,400 is allocated to cover salary increases for faculty (4%), administrative faculty (4%), classified staff (4%) and wages staff (4%) effective 11/25/07. The State provides half of the support for salary increases from General Fund to support the full funding required for salary and benefit expenses.

Salary Adjustments: Funding in the amount of \$625,000 is allocated to cover the cost of salary and benefits for special adjustment and retention situations. This funding will cover categories of faculty and permanent support staff (administrative faculty and classified).

Additional Leased Space: The University has set aside funds to provide additional space, either through leased space or modular units to cover pressing needs with additional staff and staff relocation from building renovations (\$500,000).

Contract Inflation and Utility Increases: Funding is allocated in the amount of \$1,097,000 to provide funds for inflationary costs for information technology contracts (\$125,000), housekeeping contracts (\$50,000), leased space contracts (\$40,000), mail services contract (\$25,000), events management (\$25,000) and increased utilities expenses (\$832,000).

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 Administration and Research Space: Funding is allocated to provide support for staff in the area of biosafety (\$90,000), staff to address administrative needs related to A-21 (\$75,000), for marketing (\$50,000), and for research lab space enhancements.

Academic Enhancements for Teaching and Learning: New funding in this category reaches toward several goals. Allocations to the College of Health and Human Services (\$300,000) and the Volgenau School (\$200,000) go directly toward supporting new spires of excellence, in public health and biomedical technology respectively. Funding for the College of Science addresses several needs, but leading components include additional strength in neuroscience (\$100,000) and the new initiative in quantum computing (\$198,000), both directed toward new claims on excellence; part of the funding for the College of Humanities and Social Sciences also builds greater heft in neuroscience (\$242,000). Other funding for the College of Humanities and Social

Sciences, and new funding in Management, will add teaching programs with an international bent, supporting a new international management track in Management for example (\$50,000), and a new minor in Middle Eastern Studies (\$50,000). Central funding is directed toward an exciting new teaching collaboration with the Smithsonian (\$78,000), in conservation studies -- again, an addition to educational range with implications for new centers of excellence. Funding will also facilitate educationally- and resource-desirable changes in the teaching schedule, toward greater use of Monday-Wednesday-Friday slots (\$108,000). Finally, several allocations (to Humanities, to ICAR, to Law) address administrative needs in fiscal services, in library, and in development (\$160,000). (See Pages 89-103.)

Facilities/Physical Plant: As Mason tackles a capital improvement program projected to expend over \$150M in FY 2008, funding is allocated to provide additional special projects support for special one-time needs related to the increased level of facility construction on campus (\$785,000); and to provide staffing and support for facility maintenance and upkeep within Physical Plant (\$515,000). (See Pages 110-114.)

Library: Funding is allocated to address the needs to effectively serve a growing student/faculty population, as well as to meet the demands generated by increased University research activities. Funding in the amount of \$600,000 is provided for additional personnel, support for processing of library materials, and support for the WRLC storage fee. Funding is also provided to support inflation for reference materials (\$450,000). (See Pages 104-105.)

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 needs. Funding is provided to support positions and/or operational activity within Fiscal Services, Equity, and Regional Campus operations. Funding is also provided to support marketing and development efforts within the University. The allocations within this category total \$1,056,000. (See Pages 107-110.)

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 critical issues of physical access to facilities (\$150,000) and risk identification and remediation (\$175,000).

Information Technology: Funding is allocated to support staffing and technology requirements for classroom, network, and enterprise web systems support (\$700,000). (See Pages 106-107.)

CHANGE BY MAJOR UNIT

The original FY07 budget approved by the Board of Visitors, consistent with prior years, is adjusted through the year as student enrollment varies from projections, in-state/out-of-state student mix varies from estimates, revenue generating activities exceed budget targets, non-recurring expenses need 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 revised budget requirements that are projected to continue into the future. The E&G change in budget between original and revised was approximately 1% in FY 2007. The change usually varies year to year between 1% and 3%.

EDUCATIONAL & GENERAL FY 2007 CHANGES TO ORIGINAL BUDGET			
ORIGINAL BUDGET			\$303,673,400
CHANGES TO ORIGINAL REVENUE			
Increased Revenue Study Abroad Program		\$2,000,000	
Course Fees & Other Self-Generated Revenue Increases		\$1,084,200	
Sub-Total Changes			\$3,084,200
TOTAL REVISED			\$306,757,600

Some revised budget requirements were addressed during FY 2007, while other units had their budget requirements more fully addressed with FY 2008 budget adjustments. Most of the budget revisions for FY 2007 resulted in new revenues staying with the unit generating the funds. The following tables show two different perspectives on annual changes for FY 2008. Comparisons are shown based upon original FY07 budgets and current, revised FY 2007 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 (pages 87 to 112). For purposes of consistency the annual budget change used throughout this document is \$28.3M, the difference between the revised (current) FY 2007 budget and the proposed budget for FY 2008. The explanations provided in the detail section of the document allow the reader to see all changes from the original FY 2007 through the original FY 2008 budget.

**EDUCATIONAL & GENERAL BUDGET
REVISED FY07 → FY08**

UNIT	FY07 REV BUDGET	FY08 ORIG BUDGET	FY08 VARIANCE TO FY06 REV
College of Humanities & Social Sciences	\$46,814,100	\$49,423,400	\$2,609,300
College of Health & Human Services	10,517,900	12,016,100	1,498,200
College of Visual & Perf Arts	8,174,200	8,548,000	373,700
College of Educ & Human Develop	17,837,200	* 17,834,100	* (3,100)
Inst for Conflict Analysis & Resolution	3,018,300	3,281,000	262,700
School of Info Tech & Engineering	19,581,700	21,146,800	1,565,100
School of Law	13,310,200	14,340,000	1,029,800
College of Science	24,483,400	26,416,500	1,933,100
School of Management	17,130,700	* 17,019,100	* (111,600)
School of Public Policy	9,812,500	10,943,400	1,130,900
Krasnow Institute	506,800	1,386,800	880,000
RAK Campus	500,000	380,800	(119,200)
Provost Instruction	5,066,300	5,130,700	*268,100
Provost Administration	3,665,600	4,621,700	752,400
Enrollment Services	10,232,600	11,161,000	928,400
Instructional Support	338,800	4,686,000	4,347,200
Merit Scholars/Financial Aid	4,854,700	6,690,000	1,835,300
Office of Continuing & Prof Education	1,604,800	* 1,324,100	* (280,700)
University Life	7,131,000	7,537,300	406,300
Library	15,156,700	16,755,500	1,598,800
Summer	2,680,500	4,887,800	2,207,300
SUBTOTAL	\$222,418,100	\$245,530,100	\$23,112,000
Information Technology Unit	24,121,600	25,819,900	1,698,300
New Administrative Systems	1,018,300	2,070,900	1,052,600
Executive Administration	2,751,300	2,943,600	192,300
Finance & Planning	10,963,400	12,124,400	1,161,000
Operations	6,751,500	8,232,400	1,481,900
Regional Campus Administration	1,562,500	1,833,600	271,100
Facilities	24,403,200	27,102,500	2,699,300
Property Rental	4,230,700	5,878,200	1,647,500
University Development	2,423,000	2,772,500	349,500
University Relations	5,010,000	5,033,400	23,400
Central Funds	(1,961,000)	(8,541,500)	(6,580,600)
University Reserve	0	1,200,000	1,200,000
Equipment Trust Fund	3,065,000	3,065,000	0
SUBTOTAL	\$84,339,500	\$89,534,900	\$5,195,400
TOTAL	\$306,757,600	\$335,065,000	\$28,307,400

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

** Central Funds includes Auxiliary Indirect Cost Recovery to E&G, as well as anticipated fringe benefit savings on vacant positions and actual benefit plan costs.

EDUCATIONAL & GENERAL BUDGET ORIGINAL FY07 → FY08			
UNIT	FY07 ORIG BUDGET	FY08 ORIG BUDGET	FY08 VARIANCE TO FY07 ORIG
College of Humanities & Social Sciences	\$43,343,300	\$49,423,400	\$6,080,100
College of Health & Human Services	9,918,800	12,016,100	2,097,300
College of Visual & Perf Arts	7,805,400	8,548,000	742,600
College of Educ & Human Develop	* 16,713,100	* 17,834,100	*1,121,000
Inst for Conflict Analysis & Resolution	2,670,400	3,281,000	610,600
School of Info Tech & Engineering	19,309,100	21,146,800	1,837,400
School of Law	13,499,900	14,340,000	840,100
College of Science	23,293,000	26,416,500	3,123,300
School of Management	* 14,655,100	* 17,019,100	*2,364,000
School of Public Policy	9,639,800	10,943,400	1,303,600
Krasnow Institute	431,600	1,386,800	955,200
RAK Campus	166,700	380,800	214,100
Provost Instruction	*4,447,500	5,130,700	*683,200
Provost Administration	3,706,700	4,621,700	915,000
Enrollment Services	9,534,200	11,161,000	1,626,800
Instructional Support	9,038,600	4,686,000	(4,352,600)
Merit Scholars/Financial Aid	4,890,000	6,690,000	1,800,000
Office of Continuing & Prof Education	* 1,308,900	* 1,324,100	*15,200
University Life	6,161,300	7,537,300	1,376,000
Library	14,578,400	16,755,500	2,177,100
Summer	4,667,500	4,887,800	214,100
SUBTOTAL	\$219,779,300	\$245,530,100	25,750,300
Information Technology Unit	23,213,500	25,819,900	2,606,400
New Administrative Systems	1,609,200	2,070,900	461,700
Executive Administration	2,607,000	2,943,600	336,600
Finance & Planning	10,873,500	12,124,400	1,250,900
Operations	7,289,600	8,232,400	942,800
Regional Campus Administration	1,271,700	1,833,600	561,900
Facilities	22,514,100	27,102,500	4,588,400
Property Rental	4,962,300	5,878,200	915,900
University Development	2,197,100	2,772,500	575,400
University Relations	4,135,000	5,033,400	898,400
Central Funds/Indirect AE	(1,541,300)	(8,541,500)	(6,999,700)
University Reserve	1,700,000	1,200,000	(500,000)
Equipment Trust Fund	3,065,000	3,065,000	0
SUBTOTAL	\$83,896,700	\$89,534,900	5,638,700
TOTAL	\$303,676,000	\$335,065,000	\$31,389,000

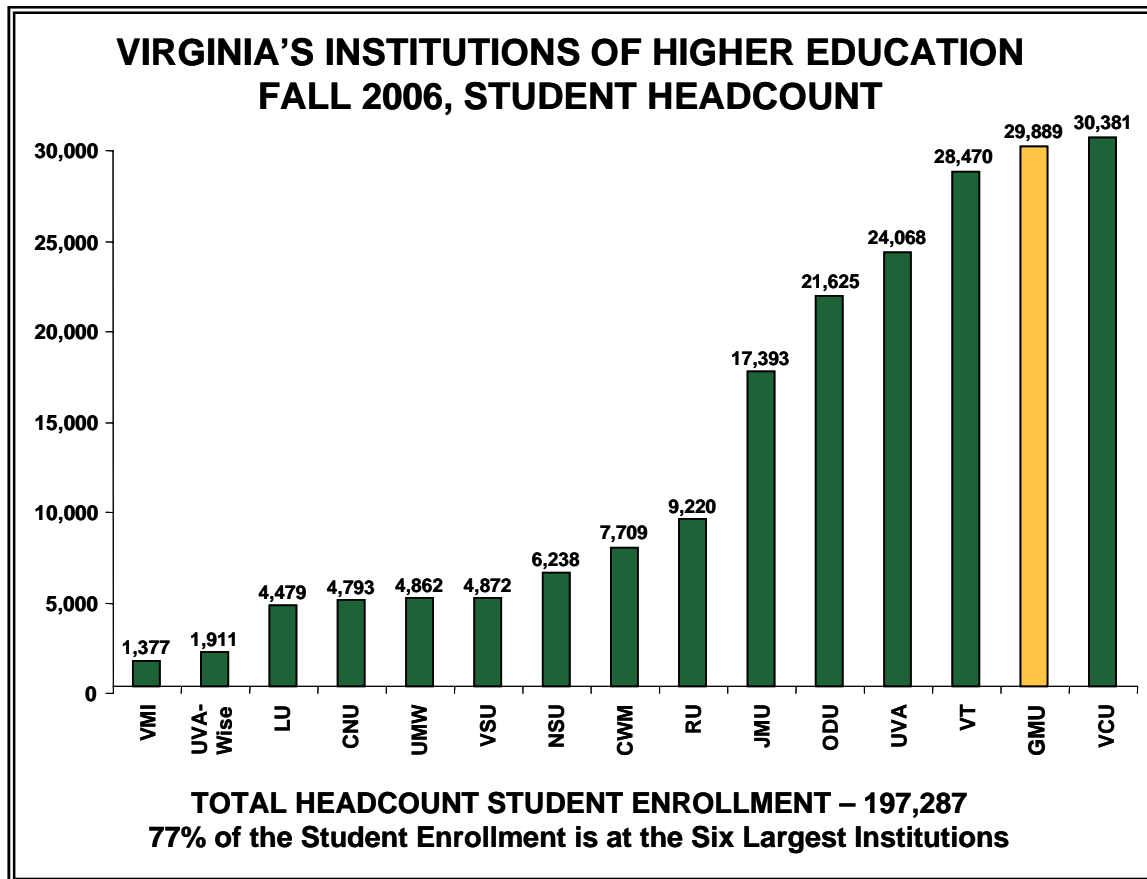
* Each of these budgets will most likely increase through their contract course offerings where additional expenditures are funded through self-generated revenue.

** Central Funds includes Auxiliary Indirect Cost Recovery to E&G, as well as anticipated fringe benefit savings on vacant positions and actual benefit plan costs.

INSTITUTIONAL PROFILE

INSTITUTIONAL SIZE: STUDENT ENROLLMENT (HEADCOUNT)

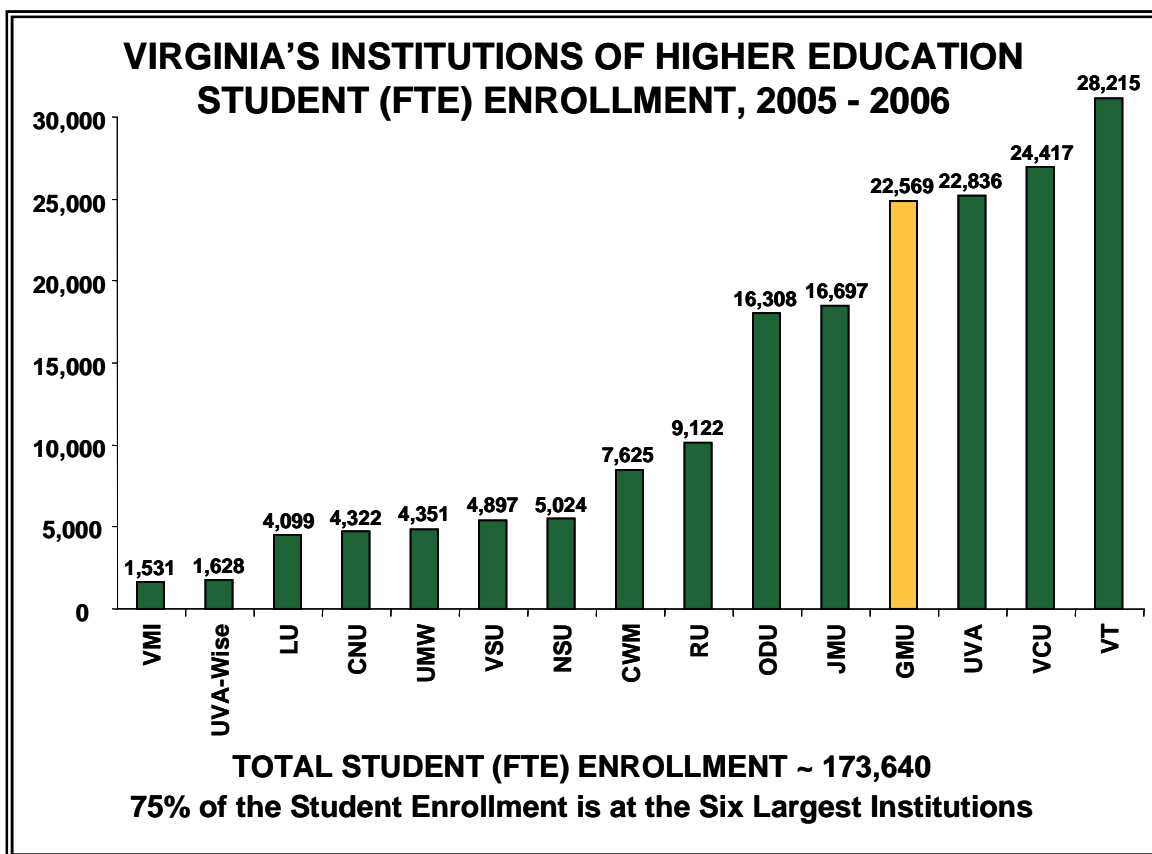
George Mason University became the largest university in the Commonwealth of Virginia in Fall 2003, with a headcount of 28,246. George Mason University continued as the largest university in Fall 2004 with a headcount of 28,874, and in Fall 2005 with a headcount of 29,724. For Fall 2006, VCU became the largest university while Mason's headcount made it second largest in the State (see graph below).



FY 2008 Change: George Mason University anticipates a Fall 2007 student headcount of 30,300, which represents an increase of 1.4% over the Fall 2006 student headcount.

INSTITUTIONAL SIZE: STUDENT ENROLLMENT (FTE)

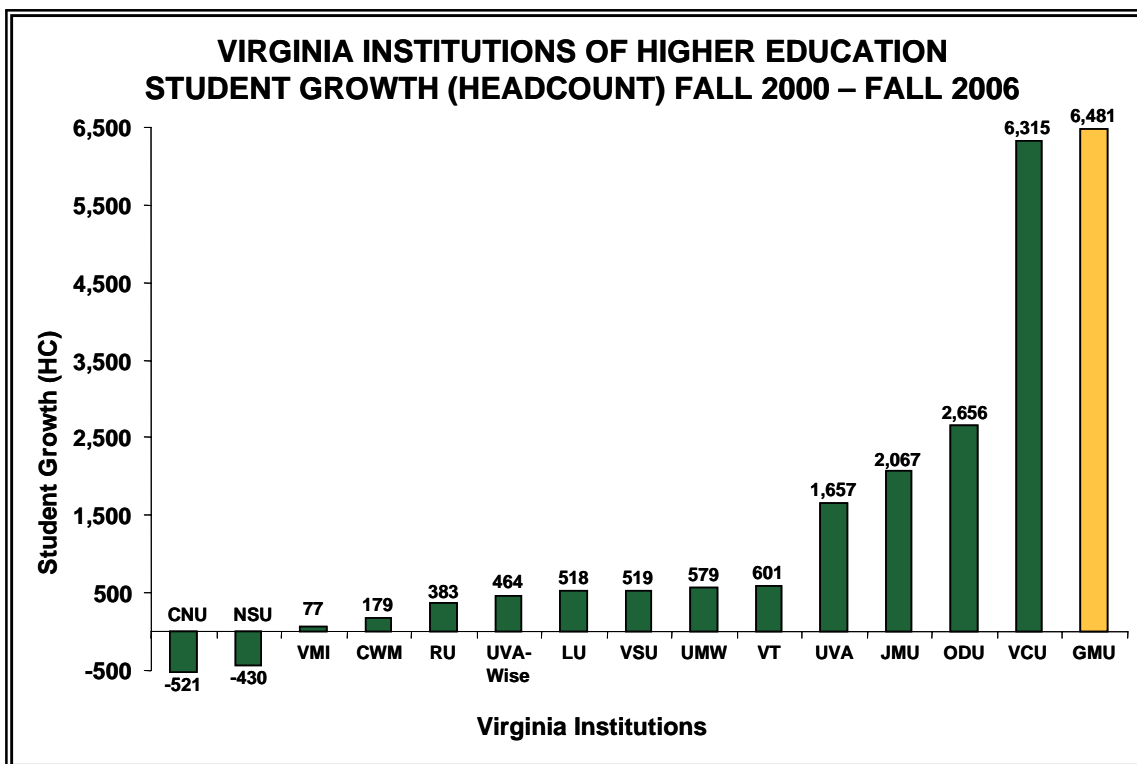
When looking at full time equivalent (FTE) enrollment, George Mason University is the fourth largest institution behind Virginia Tech, Virginia Commonwealth University, and the University of Virginia, (see below). The actual annualized enrollment for FY 2006, shown here is the most current actual enrollment data available.



FY 2008 Change: George Mason University projects an annual student FTE enrollment of 23,200 FTE during 2007-2008, which represents a 2.2% increase over the 22,700 projected FTE enrollment of 2006-2007, and 2.7% over the FY 2005-2006 actual enrollment. It is possible 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 2008.

RECENT STUDENT ENROLLMENT GROWTH

George Mason University has continued, despite certain years with General Fund budget reductions, to grow (by approximately 6,481 students since Fall 2000) 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 30.1% of the statewide enrollment growth accommodated in Virginia four-year institutions since Fall 2000 (see below).**



The net growth for all Virginia public institutions from Fall 2000 to Fall 2006 was **21,545**, and George Mason has enrolled 6,481 of this growth, or approximately 30% of the total growth at public four year institutions.

NEW STUDENT SELECTIVITY AND INSTITUTIONAL ATTRACTIVENESS

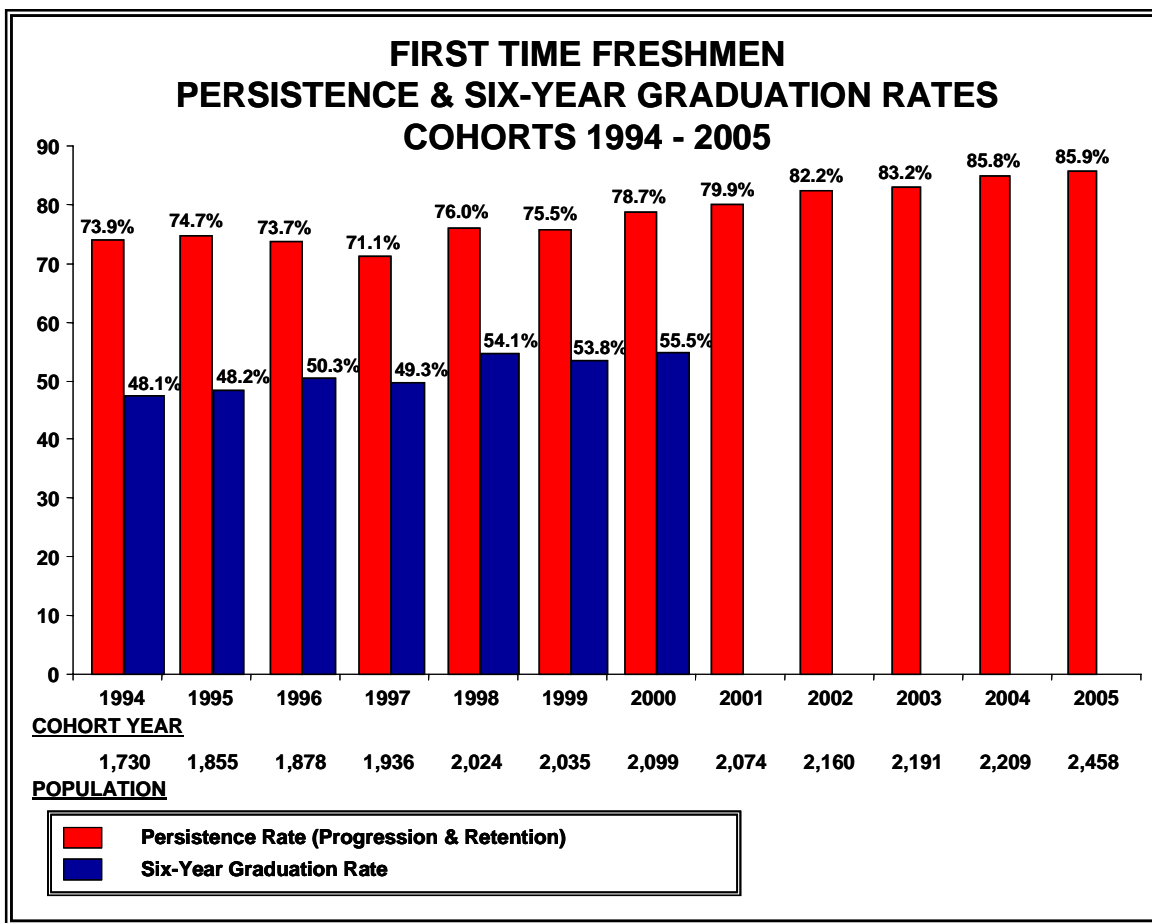
Student Quality: During this same time frame, George Mason University has become more selective in its admission policies as evidenced by the increase in both the SAT and GPA of incoming students. The second table below illustrates the growing demand for higher education.

FIRST TIME FRESHMEN QUALITY INDICATOR TRENDS FALL 2002 – FALL 2006		
FRESHMEN APPLY	AVERAGE HS GPA	AVERAGE SAT
2002	3.11	1063
2003	3.18	1078
2004	3.16	1086
2005	3.28	1092
2006	3.25	1081
FRESHMEN ADMIT	AVERAGE HS GPA	AVERAGE SAT
2002	3.32	1116
2003	3.39	1129
2004	3.36	1130
2005	3.40	1134
2006	3.48	1138
FRESHMEN ENROLL	AVERAGE HS GPA	AVERAGE SAT
2002	3.26	1100
2003	3.32	1109
2004	3.32	1103
2005	3.36	1106
2006	3.41	1110

	FALL 2002	FALL 2003	FALL 2004	FALL 2005	FALL 2006
Freshmen Applicants	8,845	9,752	10,103	10,313	11,015
Freshmen Admits	5,827	6,461	6,927	7,101	6,724
Freshmen Enrolled	2,225	2,251	2,262	2,529	2,458
Transfer Applicants	5,116	5,105	5,652	5,564	5,703
Transfer Admits	3,550	3,638	3,784	3,416	3,460
Transfer Enrolled	2,274	2,280	2,240	1,974	2,084
Graduate Applicants	6,233	6,394	6,106	6,536	7,060
Graduate Admits	3,985	4,112	3,839	3,885	4,063
Graduate Enrolled	2,553	2,599	2,226	2,298	2,463
Law Applicants	4,383	5,315	5,039	6,019	5,741
Law Admits	686	558	758	914	1,155
Law Enrolled	282	196	248	224	256

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).



The most recent comparative data available for the persistence rate for Mason's national peer group is the US News four-year average. Mason's rate for that period is 82%, and the peer group average is 81%.

TUITION CHANGES: FY 2003 – FY 2007

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 in-state undergraduate tuition and fee rates at these state schools from FY 2003 to FY 2007. George Mason's actual rate and percentage increase over that time were lower than the average of all schools (see below).

VIRGINIA COLLEGES & UNIVERSITIES ANNUAL IN-STATE, UNDERGRADUATE STUDENTS TUITION & FEE INCREASES FY 2003 – FY 2007							
SCHOOL	Adjusted FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	\$ INCREASE FY03 – FY07	% INCREASE FY03 – FY07
CNU	\$4,072	\$4,600	\$5,314	\$5,826	\$6,460	\$2,388	58.6%
NSU	3,296	3,840	4,295	4,670	5,056	1,760	53.4%
RADFORD	3,844	4,140	4,762	5,130	5,746	1,902	49.5%
VA TECH	4,736	5,095	5,838	6,378	6,973	2,237	47.2%
UVA	5,378	5,964	6,600	7,180	7,845	2,467	45.9%
W&M	5,852	6,430	7,096	7,738	8,490	2,638	45.1%
LONGWOOD	5,305	5,877	6,441	7,020	7,589	2,284	43.1%
UMW	4,444	4,688	5,127	5,634	6,084	1,640	36.9%
JMU	4,628	5,058	5,476	5,886	6,290	1,662	35.9%
VMI	7,017	7,584	8,054	8,666	9,473	2,456	35.0%
VSU	4,054	4,350	4,544	4,834	5,440	1,386	34.2%
UVA-WISE	4,244	4,496	4,782	5,081	5,692	1,448	34.1%
GMU	4,800	5,112	5,448	5,880	6,408	1,608	33.5%
ODU	4,625	4,928	5,268	5,614	6,098	1,473	31.9%
VCU	4,518	4,869	5,098	5,385	5,819	1,301	28.8%
AVERAGE	\$4,721	\$5,135	\$5,610	\$6,061	\$6,631	\$1,910	40.5%

The average annual tuition & fee increase for all institutions is 10.1%, while the average tuition & fee increase at Mason over the past four years has been 8.4%.

TUITION CHANGES: FY 2007 – FY 2008

As a part of the FY 2008 E&G budget proposal, the University will increase tuition and fees for in-state, undergraduate students by 6.7% or \$432 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 2007, and GMU will remain at that rank in FY 2008.

VIRGINIA COLLEGES & UNIVERSITIES IN-STATE, UNDERGRADUATE STUDENTS ANNUAL TUITION & FEES				
SCHOOL	FY 2007	FY 2008	\$ CHANGE FY07 – FY08	% CHANGE FY07 – FY08
VMI	\$9,473	\$10,048	\$575	6.1%
W&M	8,490	9,164	674	7.9%
UVA	7,845	8,500	655	8.4%
LONGWOOD	7,589	8,058	465	6.2%
VA TECH	6,973	7,397	424	6.1%
CNU	6,460	7,050	590	9.1%
GEORGE MASON	6,408	6,840	432	6.7%
JMU	6,290	6,666	376	6.0%
ODU	6,098	6,528	430	7.1%
UMW	6,084	6,494	410	6.7%
VCU	5,819	6,196	377	6.5%
RADFORD	5,746	5,942	196	3.4%
UVA-WISE	5,692	6,099	407	7.2%
VSU	5,440	5,655	215	4.0%
NSU	5,056	5,318	262	5.3%
AVERAGE	\$6,631	\$7,064	\$433	6.5%

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 5.3% (see below).

VIRGINIA COLLEGES & UNIVERSITIES IN-STATE, UNDERGRADUATE STUDENTS TUITION & FEE/ROOM & BOARD INCREASES, FY 2007 – FY 2008				
SCHOOL	FY 2007	FY 2008	\$ INCREASE FY07 – FY08	% INCREASE FY07 – FY08
W&M	\$15,676	\$16,819	\$ 1,143	7.3%
VMI	15,403	16,156	753	4.9%
UVA	14,754	15,559	805	5.5%
CNU	14,560	15,550	990	6.8%
LONGWOOD	13,932	14,334	402	2.9%
GEORGE MASON	13,158	13,860	702	5.3%
VCU	13,082	13,763	681	5.2%
JMU	13,046	13,774	728	5.6%
UMW	12,328	13,100	772	6.3%
VSU	12,324	12,995	671	5.4%
ODU	12,298	13,213	915	7.4%
RADFORD	12,050	12,432	234	3.2%
NSU	11,806	12,314	508	4.3%
UVA-WISE	11,798	12,606	810	6.8%
VA TECH	11,739	12,503	764	6.5%
AVERAGE	\$13,197	\$13,932	\$725	5.6%

James Madison University, University of Mary Washington, 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.

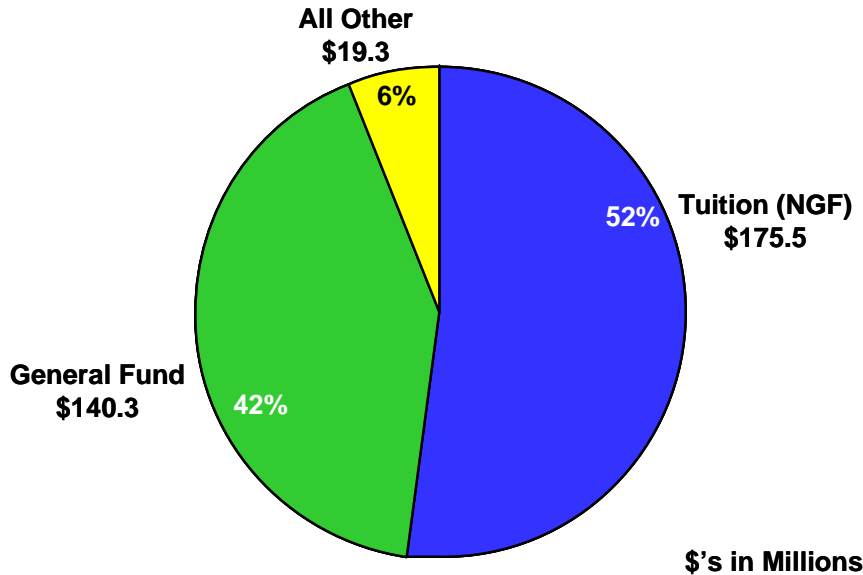
SUBPROGRAM	MAJOR ACTIVITIES
Instruction	Instructional faculty, departmental costs
Academic Support	Deans and Directors, school level costs
Libraries	Professional librarians, library reference materials
Technology	University computing – academic/administrative – new systems
Student Services	Registrar, 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 2008 are projected at \$335.1M which is approximately \$28.3M more than the revised FY 2007 budget of \$306.8M. The University will support a student enrollment of 23,200 FTE students in FY 2008 as compared to an original budgeted enrollment target of 22,620 FTE in FY 2007 and a currently projected enrollment of 22,700 for FY 2007.

In 2007-08, 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 2008 will remain at approximately the same level as FY 2007, 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 2008
Total E&G Revenue \$335,065,000



Note: Excludes \$20.0M 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 2008 fiscal year the University funding available is approximately \$14,400 per FTE student. This is made up of an average cost per FTE student of \$8,116 for academic units (primarily instruction), \$2,239 for academic support units, \$4,042 for all other non-academic units. The overall funding per FTE level compares to the actual funding available in FY 2001 of \$10,750. *This total funding per FTE student in FY 2008 represents an increase of 8% over the funding per FTE in FY 2007.*

Strength Of Student Applications/Enrollment

Freshmen applications have grown (7%) over last year, academic credentials are higher, and the University will attain the targeted enrollment for 2007-08 of 30,300 (headcount), or 23,200 FTE students. The entering class will reflect higher GPA's. The projected FY 2008 enrollment of

23,200 FTE represents an increase of 500 FTE, or 2.2% over the actual student enrollment of 22,700 in 2006-07. The 2006-07 projected enrollment of 22,700 was 80 FTE higher than the original target for FY 2007.

	ACTUAL FY 2003	ACTUAL FY 2004	ACTUAL FY 2005	ACTUAL FY 2006	TARGET FY 2007	PROJECT FY 2007	TARGET FY 2008
HEADCOUNT	26,796	28,246	28,874	29,7238	30,100	29,900	30,300
ENROLLMENT	20,224	21,307	22,009	22,569	22,620	22,700	23,200

Change: The projected change in enrollment for FY 2008 is approximately an increase of 400 headcount students, or an FTE increase of 500 students.

Annual Change in E&G Budget, FY 2008

The budget for E&G in 2007-2008 is \$335,065,000, and this represents an increase of \$28,307,400 from the 2006-2007 E&G revised budget.

**GEORGE MASON UNIVERSITY
E&G CHANGE IN FUNDING
FY07 – FY08**

	FY07	FY08
TOTAL E&G BUDGET:	\$306,757,600	\$335,065,000
SOURCE OF FUNDS		
General Fund Support Base Operating, Enrl, Degree Compl, etc		\$4,968,800
General Fund Support for Salary Increases		4,557,000
General Fund Support Tuition Incentive Fund		614,700
General Fund Support for Insurance/Facilities		240,800
General Fund Reduction for Incr in Capital Fee Out-of-State Students		(197,300)
Increased Enrollment 135 FTE		3,300,000
Increased Number of Out-of-State (100)		1,200,000
Tuition Increase of \$283 FY 2008		11,853,400
Non-general Fund Support from Course Fees/Grad Prem Tuition/Oth		857,000
Interest Earnings on Non-General Fund Cash Balance		1,000,000
TOTAL NEW REVENUE		\$28,307,400
USE OF FUNDS		
Mandatory/Unavoidable		
• Salary Increase Annualize 11/25/06		\$4,667,000
• Salary Increase for FY08 effective 11/25/07		6,286,400
• Salary Funds for FY08 (adjustments and retention)		625,000
• Fringe Benefits Increase FY08		500,000
• Support for Facilities (facilities spec projects, leased space, etc.)		1,557,000
• Contract Inflation (Incl Library Materials) and Utility Increases		1,550,000
• Increases in State Allocated Costs (Insurance/eVA)		400,000
• Support for Financial Aid		1,800,000
• Enrollment Growth (funded from tuition revenue)		3,300,000
• Academic Support from Self-Generated Funds		708,000
• Safety & Security		325,000
	Subtotal Mandatory/Unavoidable	\$21,718,400
Infrastructure Improvements		
• Research Administration and Space		349,000
• Information Technology		700,000
• Enrollment Services and University Life		412,000
• Finance & Planning/Regional Campus/Equity		474,000
• Library Resources to Enhance Teaching & Research (incl library Materials inflation)		600,000
• Development and University Relations		582,000
• Facilities Management Staffing		415,000
	Subtotal Infrastructure Improvements	\$3,532,000
Academic Enhancements		
• Academic Enhancements for Teaching and Research		3,057,000
TOTAL INCREASED EXPENSES		\$28,307,400

Student Enrollment Growth

The enrollment targets for each academic unit total 23,200 FTE students, an increase of 500 FTE students over the estimated level of 22,700 for FY 2007. If the actual University-wide enrollment for FY 2008 exceeds 23,200 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. Units not meeting enrollment targets will incur a funding reduction to partially offset the loss in tuition revenue.

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 2006-07 original overall enrollment target of 22,620 FTE students to the 23,200 FTE course enrollment target for 2007-08. The units with the largest enrollment increases from the original FY 2007 target to the original FY 2008 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 2008 is 580 FTE greater than the target for FY 2007, which was the basis for resource allocations in FY 2007. Although George Mason University only experienced marginal growth from 1996 through 2001 (549 FTES), the enrollment growth of FY 2002 - FY 2008, which has resulted in an increase of nearly 4,408 FTE students, is similar to the significant growth years of 1988-1995 (2,897).

Several areas continued to show strong growth and exceeded their enrollment targets for FY07 (see below). Continued strong enrollment growth is projected in several of these areas.

UNIT	FTE OVER TARGET	ACTUAL/TARGET PERCENT
Management	180	109%
Science	76	103%
ICAR	25	115%
Law	19	103%
Visual & Performing Arts	13	101%

STUDENT ENROLLMENT (FTE) BY COURSE REGISTRATION

Unit	2004-05 ACTUAL	2005-06 ACTUAL	2006-07 TARGET	2006-07 EST	% OF TOTAL	2007-08 TARGET	% OF TOTAL	2007-08 FACULTY	STUDENT RATIO 1:
College of Humanities & Social Sciences	N/A	8,118	8,053	7,939	35.10%	8,228	35.59%	545.87	15.07
College of Science	N/A	2,816	2,850	2,926	12.94%	2,960	12.80%	219.52	13.48
College of Visual & Performing Arts	1,037	1,062	1,068	1,081	4.78%	1,073	4.64%	86.20	12.45
College of Arts & Sciences	10,439	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
School of Management	1,879	2,032	1,965	2,145	9.48%	2,115	9.15%	104.50	20.24
Institute for Conflict Analysis & Resolution	132	167	163	188	0.83%	203	0.88%	18.50	10.97
College of Education & Human Dev	2,320	2,235	2,265	2,243	9.92%	2,265	9.80%	149.26	15.17
School of Info Technology & Engineering	2,130	2,216	2,200	2,142	9.47%	2,220	9.60%	135.25	16.41
School of Law	618	589	620	639	2.82%	610	2.64%	50.24	12.14
College of Health & Human Services	718	686	864	801	3.54%	962	4.16%	110.85	8.68
School of Public Policy	502	557	550	537	2.37%	571	2.47%	58.77	9.72
School of Computational Sciences	143	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Provost (Faculty incl Robinson Professors)	181	181	122	158	0.34%	93	0.05%	13.46	N/A
Other (ELI, Krasnow)								22.91	N/A
Sub-total Academic Units	20,099	20,659	20,700	20,799	91.60%	21,219	91.78%	1,515.33	14.22
Summer Term	1,910	1,910	1,900	1,901	8.40%	1,900	8.22%	92.00	20.65
TOTAL	22,009	22,569	22,620	22,700	100.00%	23,200	100.00%	1,607.33	14.64

Note: Enrollment totals include contract course

* Student Ratio 1: Excludes Other Faculty FTE

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AREAS OF STUDENT ENROLLMENT GROWTH

ACTUAL FY07 TO TARGET FY07		TARGET FY 08 TO ACTUAL FY07	
COLLEGE/SCHOOL	FTEs GROWTH	COLLEGE/SCHOOL	FTEs GROWTH
SOM	180	CHSS	289
COS	76	CHHS	161
ICAR	25	IT&E	78
LAW	19	COS	34
CVPA	13	SPP	34
		CEHD	22

CHANGE IN FTE ENROLLMENT FY 2006 – FY 2008

Health/Human Services	40%
Conflict Analysis & Res	22%
COS	5%
Management	4%
Law	4%
Public Policy	3%
CHSS	1%
Education	1%

Budget Focus & Priority

The allocation of funds in FY 2008 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 includes a central reserve of \$1.2M.

PERCENTAGE OF BUDGET BY MAJOR PROGRAM					
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Instruction	54.5%	54.2%	54.9%	55.0%	53.4%
Academic Support	5.1%	4.9%	4.9%	5.6%	6.0%
Library	6.1%	6.0%	5.7%	5.5%	5.6%
Student Services	5.4%	5.5%	5.2%	5.1%	5.2%
Technology	8.4%	8.5%	8.7%	8.2%	8.3%
Institutional Support	9.1%	9.2%	9.2%	9.4%	9.7%
Plant	8.3%	8.5%	8.4%	8.1%	8.6%
Financial Aid	0.8%	0.8%	1.0%	1.6%	2.0%
Equipment Trust Fund	1.0%	1.2%	1.1%	1.0%	0.9%
Central	1.4%	1.2%	0.8%	0.6%	0.4%
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 most 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-six 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 **	29,889	160
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.

** Enrollment and programs for George Mason University reflects totals for Fall 2006

USE OF FUNDS

PROGRAM EXPENSES

Use Overview

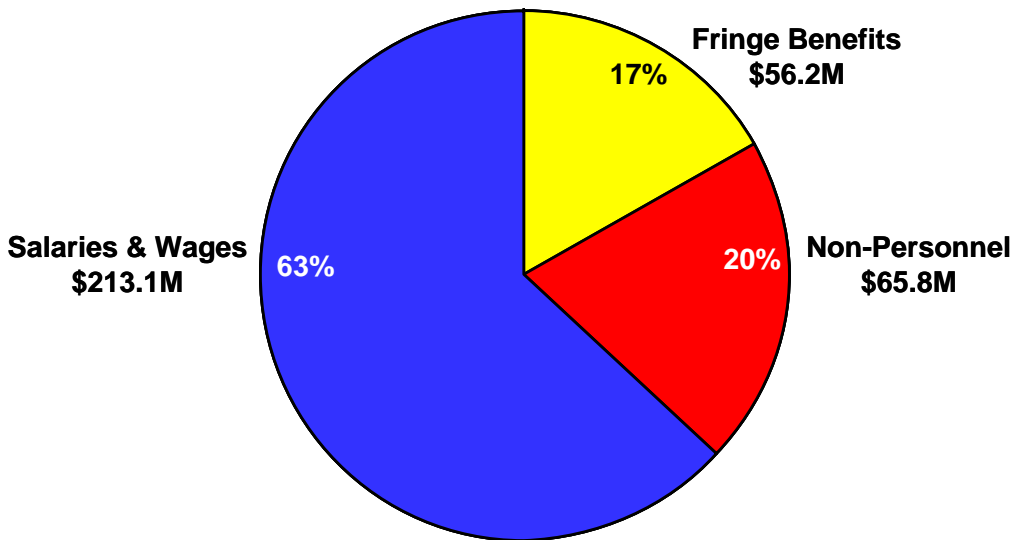
The FY 2008 budget provides for a \$28.3M increase in spending. The table below depicts the changes in the use of funds by major expense between FY 2007 and FY 2008.

	FY 2007	FY 2008	CHANGE	% CHANGE
Salaries/Wages	\$196.8	\$213.2	\$16.4	8.3%
Fringe Benefits	48.2	56.2	8.0	16.6%
Non-Personnel	61.8	65.7	3.9	6.3%
TOTAL E&G	\$306.8	\$335.1	\$28.3	9.2%

Personnel General

- For FY 2007-2008 the University budget includes funding for average salary increases for full-time faculty of 4.0%, which is the amount approved by the State for FY 2008. For administrative faculty positions the University budget includes funding for average salary increases of 4%, which is the amount approved by the State. The University budget includes funding for salary increases of 4% for classified staff, as approved by the State.
- The 2007-2008 budget allocates approximately 80% of the E&G funds for personnel costs, which include salaries, wages, and fringe benefits. This percentage dedicated to labor has been in the range of 79% to 80% during recent years.

Use of Funds – Fiscal Year 2008
\$335,065,000



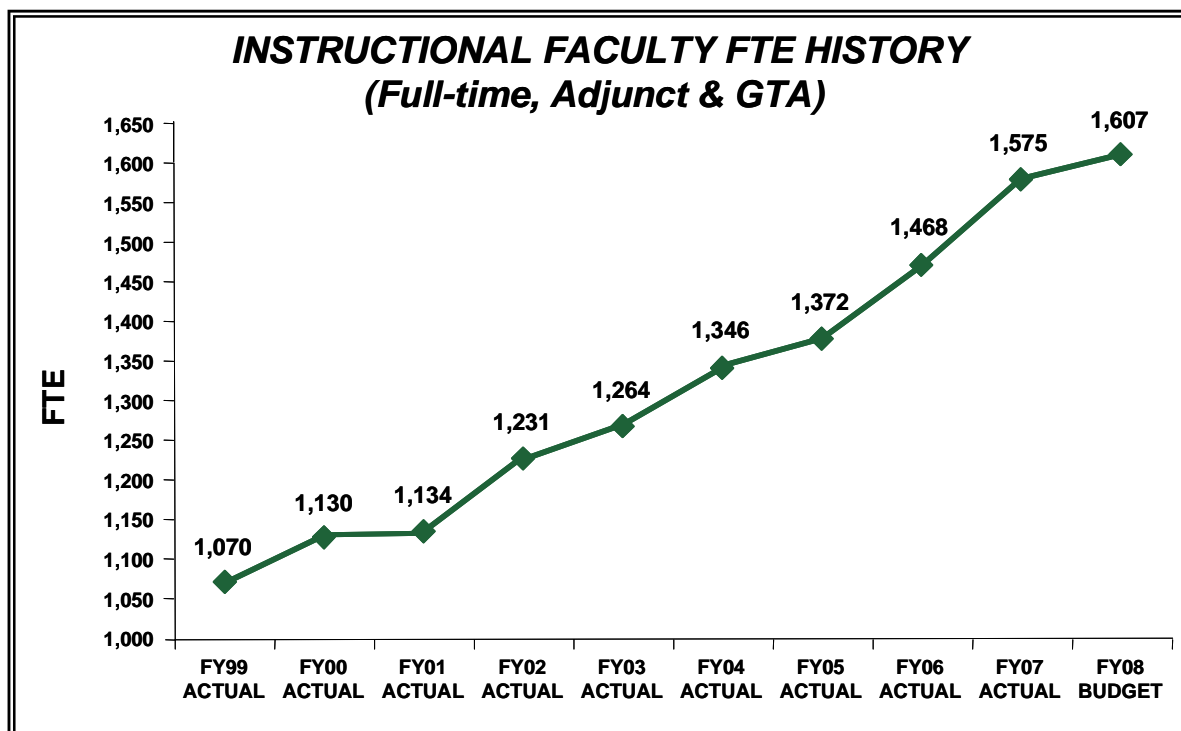
- The major expense within personnel is the compensation for instructional faculty. Approximately 53% of the cost of personnel covers the compensation paid the teaching faculty. (Budget amounts include salary and fringe benefits.)

PERSONNEL TYPE	2007 - 2008 BUDGET	% OF PERSONNEL
Teaching Faculty	\$142.2M	52.8%
Admin Faculty	45.5M	16.9%
Classified Staff	74.2M	27.5%
Wages/Student Wages	7.5M	2.8%
TOTAL PERSONNEL EXPENSE	\$269.4M	100.0%

Teaching Faculty

Actual spending in FY 2007 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 2008 Budget provides improved funding for full-time faculty, it is anticipated that actual full-time faculty FY 2008 expenditures could be less than budgeted while adjunct expenditures will likely exceed the original budget for many of the same reasons.

INSTRUCTIONAL FACULTY SALARY AND FTE HISTORY						
	FY03 ACTUAL	FY04 ACTUAL	FY05 ACTUAL	FY06 ACTUAL	FY07 BUDGET	FY08 BUDGET
FT Faculty	\$60,748,162	\$63,789,473	\$67,473,432	\$78,132,490	\$83,000,000	\$94,493,500
PT Faculty	12,004,524	\$13,064,485	\$14,868,973	18,094,853	16,018,600	16,015,800
Grad Assts	3,744,403	\$3,668,405	\$4,253,182	5,446,978	6,093,300	5,672,100
TOTAL FACULTY	\$76,497,089	\$80,522,363	\$86,595,587	\$101,674,321	\$105,111,900	\$116,181,400

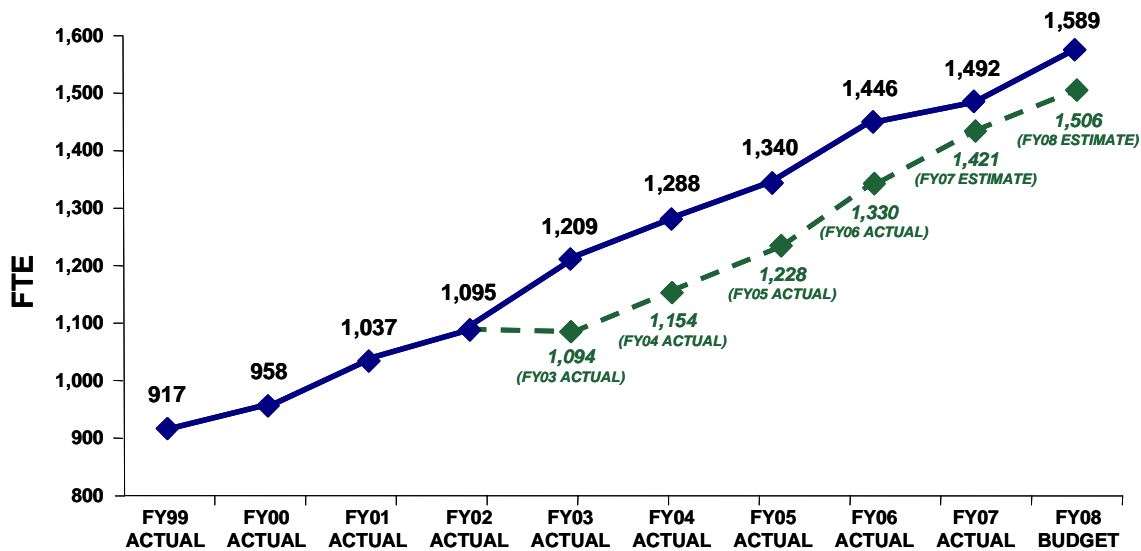


Administrative Support Staff

In FY 2008 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						
	FY03 ACTUAL	FY04 ACTUAL	FY05 ACTUAL	FY06 ACTUAL	FY07 BUDGET	FY08 BUDGET
Admin Faculty	\$20,538,085	\$21,931,713	\$23,206,355	\$27,541,299	\$32,711,500	\$35,644,800
Classified	31,173,194	33,495,851	\$37,361,416	43,295,718	50,235,800	54,330,600
TOTAL SUPPORT STAFF	\$51,711,279	\$55,427,564	\$60,567,771	\$70,837,017	\$82,947,300	\$89,975,400

SUPPORT STAFF FTE HISTORY ADMINISTRATIVE FACULTY & CLASSIFIED STAFF



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

WAGES HISTORY & BUDGET

	FY03 ACTUAL	FY04 ACTUAL	FY05 ACTUAL	FY06 ACTUAL	FY07 ESTIMATE	FY08 BUDGET
Wages	\$5,550,546	\$5,429,303	\$5,566,465	\$4,826,678	\$5,700,000	\$4,000,000
Student Wages	1,248,249	2,239,079	2,221,090	2,594,771	2,800,000	2,139,000
CWS	660,477	660,170	698,700	644,953	526,500	860,300
TOTAL WAGES	\$7,459,272	\$8,328,552	\$8,486,255	\$9,066,402	\$9,026,000	\$6,999,300

The original FY 2008 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 FY07 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.

**2007-08 EDUCATIONAL & GENERAL BUDGET
FULL-TIME EQUIVALENT STAFF POSITIONS BY MAJOR UNIT**

UNIT	TOTAL POSITIONS (FTE) FY07			NEW POSITIONS (FTE) FY08			TOTAL POSITIONS (FTE) FY08		
	FACULTY	STAFF	TOTAL	FACULTY	STAFF	TOTAL	FACULTY	STAFF	TOTAL
College of Humanities & Social Sciences	520.16	95.25	615.41	25.71	2.00	27.71	545.87	97.25	643.12
College of Health & Human Services	96.85	23.60	120.45	14.00	0.00	14.00	110.85	23.60	134.45
College of Visual & Performing Arts	86.20	23.80	110.00	0.00	0.00	0.00	86.20	23.80	110.00
College of Education & Human Dev	149.26	57.92	207.18	0.00	0.00	0.00	149.26	57.92	207.18
Inst for Conflict Analysis/Resolution	18.50	6.50	25.00	0.00	1.00	1.00	18.50	7.50	26.00
Krasnow Institute	7.07	2.75	9.82	0.00	0.00	0.00	7.07	2.75	9.82
College of Science	210.02	60.20	270.22	9.50	0.00	9.50	219.52	60.20	279.72
School of Info Tech & Engineering	132.75	43.15	175.90	2.50	0.00	2.50	135.25	43.15	178.40
School of Law	50.24	49.31	99.55	0.00	0.00	0.00	50.24	49.31	99.55
School of Management	103.50	43.05	146.55	1.00	3.00	4.00	104.50	46.05	150.55
School of Public Policy	58.77	29.10	87.87	0.00	0.00	0.00	58.77	29.10	87.87
Summer Term	92.00	0.00	92.00	0.00	0.00	0.00	92.00	0.00	92.00
Enrollment Services	0.00	130.93	130.93	0.00	0.00	0.00	0.00	130.93	130.93
Library	0.00	117.25	117.25	0.00	5.00	5.00	0.00	122.25	122.25
Professional Development	0.00	18.25	18.25	0.00	0.00	0.00	0.00	18.25	18.25
Academic Administration	13.46	52.35	65.81	0.00	1.00	1.00	13.46	53.35	66.81
University Life	15.74	73.00	88.74	0.00	0.00	0.00	15.74	73.00	88.74
Information Technology Unit	0.00	209.20	209.20	0.00	7.00	7.00	0.00	216.20	216.20
Facilities	0.00	211.10	211.10	0.00	1.00	1.00	0.00	212.10	212.10
Operations	0.00	81.00	81.00	0.00	0.00	0.00	0.00	81.00	81.00
Regional Campus Support	0.00	12.00	12.00	0.00	0.00	0.00	0.00	12.00	12.00
Finance & Planning	0.00	139.35	139.35	0.00	1.00	1.00	0.00	140.35	140.35
President/Equity/Internal Audit	0.10	21.26	21.36	0.00	1.00	1.00	0.10	22.26	22.36
University Development	0.00	26.00	26.00	0.00	0.00	0.00	0.00	26.00	26.00
University Relations	0.00	40.72	40.72	0.00	0.00	0.00	0.00	40.72	40.72
GRAND TOTAL	1,554.62	1,567.04	3,121.66	52.71	22.00	74.71	1,607.33	1,589.04	3,196.37

Non-Personnel- General

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

E&G SUBPROGRAM BUDGET PERSONNEL/NON-PERSONNEL 2007 – 2008					
SUBPROGRAM	PERSONNEL SERVICES		NON-PERSONNEL		TOTAL BUDGET
	BUDGET	% TOTAL	BUDGET	%TOTAL	
Instr/Res/Pub Service	\$164,002,300	91.7%	\$14,848,200	8.3%	\$178,850,500
Financial Aid	0	0.0%	6,690,000	100.0%	6,690,000
Equipment Trust Fund	0	0.0%	3,065,000	100.0%	3,065,000
Libraries	9,344,900	50.1%	9,323,900	49.9%	18,668,800
Academic Support	20,319,500	101.0%	(208,300)	-1.0%	20,110,200
Student Services	14,658,400	84.8%	2,618,200	15.2%	17,276,600
Technology	19,800,600	70.8%	8,169,900	29.2%	27,970,500
Institutional Support	30,469,800	93.9%	1,964,300	6.1%	32,434,100
Plant	10,811,100	37.5%	17,988,200	62.5%	28,799,300
Central	n/a	n/a	1,200,000	100.0%	1,200,000
TOTAL	\$269,406,600	80.4%	\$65,658,400	19.6%	\$335,065,000

Non-Personnel Increases

Non-personnel costs, often referred to as direct expenditures, are budgeted \$4.0M more in FY 2008 than the 2006-2007 projected spending estimate. The major changes in non-personnel budgets consist of a few specific increases: leased space for increased off-campus rentals (\$0.5M), library materials to cover inflation and new programs (\$.70 million), other inflationary support (\$.50 million), utilities increase (\$.83 million). Additionally, funding is set aside for financial aid/graduate student support (\$1.8 million).

Non-Personnel Profile

Within the non-personnel budget, fifteen major categories of expense make up almost 75% of the total budget. In 2007-2008, the top E&G expense category within non-personnel is projected to still be library reference materials.

**2007-08 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	\$13,122,000	\$3,625,000	\$284,000	\$803,100	207.18	\$17,834,100
College of Health & Human Services	8,791,300	2,600,000	54,300	570,500	134.45	12,016,100
College of Humanities & Social Sciences	37,106,300	10,147,800	458,700	1,710,600	643.12	49,423,400
College of Science	19,072,500	5,545,100	221,700	1,577,200	279.72	26,416,500
College of Visual & Performing Arts	5,967,300	1,701,200	388,600	490,900	110.00	8,548,000
Inst for Conflict Analysis/Resolution	2,289,900	667,700	35,200	288,200	26.00	3,281,000
Krasnow Institute	989,400	304,700	6,700	86,000	9.82	1,386,800
RAK	289,600	91,200	0	0	3.00	380,800
School of Info Tech & Engineering	15,710,000	4,123,800	183,500	1,129,500	178.40	21,146,800
School of Law	8,969,100	2,727,800	179,300	2,463,800	99.55	14,340,000
School of Management	10,920,600	3,216,300	150,000	2,732,200	150.55	17,019,100
School of Public Policy	8,061,200	2,358,800	25,900	497,500	87.87	10,943,400
Summer Term	4,521,800	345,900	0	20,000	92.00	4,887,700
Enrollment Services	6,672,700	2,361,600	459,800	1,666,900	130.93	11,161,000
Professional Development	786,200	300,400	40,100	197,400	18.25	1,324,100
Student Financial Aid	0	0	0	6,690,000	0.00	6,690,000
Provost Instruction and Administration	5,278,800	1,753,200	212,600	2,507,800	63.81	9,752,400
Library	5,967,700	2,092,900	385,000	8,309,900	122.25	16,755,500
University Life	4,949,100	1,573,500	251,600	763,100	88.74	7,537,300
Information Technology Unit	13,158,100	5,197,400	1,162,600	6,301,800	211.20	25,819,900
New Admin Systems	180,000	73,100	0	1,817,800	5.00	2,070,900
Facilities	9,644,900	3,827,000	570,100	13,060,500	212.10	27,102,500
Property Rental	0	0	0	5,878,200	0.00	5,878,200
Regional Campus Support	976,700	373,700	115,200	368,000	15.00	1,833,600
Finance & Planning	7,618,200	2,876,000	269,500	1,360,700	137.35	12,124,400
Operations	4,114,000	1,667,600	316,300	2,134,500	81.00	8,232,400
Executive Administration	1,720,000	613,600	85,200	524,800	22.75	2,943,600
University Development	1,671,800	566,100	0	534,500	26.00	2,772,400
University Relations	2,187,000	858,500	297,600	1,690,300	40.72	5,033,400
Central Funds/AE Indirect	6,030,200	(5,348,100)	245,000	(4,782,400)	0.00	(3,855,300)
University Reserve	0	0	0	1,200,000	0.00	1,200,000
Equipment Trust Fund	0	0	0	3,065,000	0.00	3,065,000
GRAND TOTAL	\$206,766,400	\$56,241,800	\$6,398,500	\$65,658,300	3,196.76	\$335,065,000

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 77% of the resources (on average) available to the other doctoral universities. In the previous year (FY 2007) we operated at approximately 76% of the total resource available to the other doctoral universities.

EDUCATIONAL & GENERAL TOTAL FUNDING PER IN-STATE FTE STUDENT, 2007 - 2008			
DOCTORAL INSTITUTIONS	GENERAL FUND	IN-STATE TUITION	TOTAL
University of Virginia	\$10,419	\$6,821	\$17,240
Virginia Tech	9,310	6,160	15,470
William & Mary	9,908	5,637	15,545
Virginia Commonwealth	8,982	4,525	13,507
Old Dominion	7,225	4,042	11,267
Doctoral Average	9,169	5,437	14,606
GEORGE MASON	7,060	5,035	12,095
GMU % of Average	77.0%	92.6%	82.8%

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 approval of the additional general fund support from the state for 2007-08, George Mason University will operate with 77% of the average general fund support per FTE student among the Virginia doctoral schools (see below).

INSTITUTION	2002	2008
University of Virginia	\$10,223	\$10,419
Virginia Tech	9,380	9,310
William & Mary	9,943	9,908
VA Commonwealth Univ.	8,669	8,982
Old Dominion	6,923	7,225
Doctoral Average	9,028	9,169
GEORGE MASON UNIVERSITY	7,047	7,060
GMU % of Average	78.1%	77.0%

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 the second largest percentage of its E&G resources to instruction when compared to all of the other universities within its twenty-four institution national peer group.

RANK	SELECTED INSTITUTIONS	ACADEMIC BUDGET AS PERCENT OF BUDGET FY05
1 st	Syracuse University	62.3%
2nd	GEORGE MASON UNIVERSITY	61.1%
5th	University of Missouri - Kansas City	53.5%
10 th	University of South Carolina - Columbia	49.7%
15 th	University of Iowa	48.6%
20 th	Loyola University of Chicago	40.2%
	PEER GROUP AVERAGE	48.2%

Note: FY 2005 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.

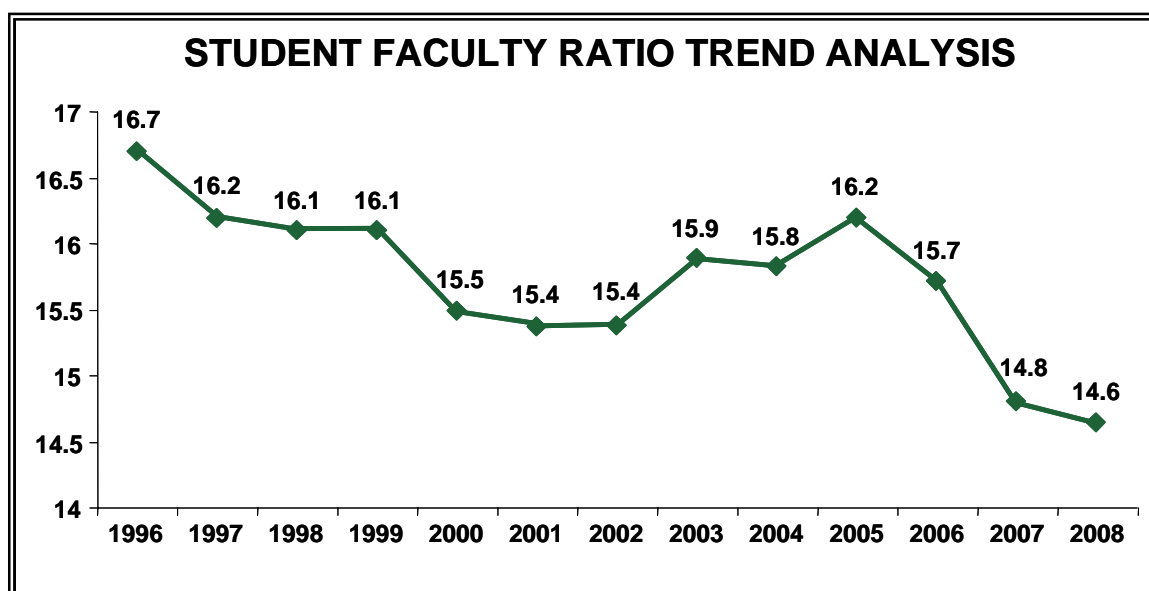
DOCTORAL INSTITUTIONS	STUDENTS (FTE) PER FACULTY/STAFF POSITIONS
University of Virginia	6.3
VA Comm. University	6.6
William & Mary	7.1
Old Dominion	7.4
Virginia Tech	7.4
Doctoral Average	6.9
GEORGE MASON UNIVERSITY	7.3

Faculty:Support Staff Ratios

- An equally impressive ratio is the relationship of non-teaching positions to teaching positions. The 2007-08 budget for George Mason University establishes this ratio of 1,586 non-teaching to 1,606 teaching positions equals a 1.013 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 2007-08 result in the University’s faculty/student ratio of 1:14.4. 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 2007-08 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.



STUDENT FINANCIAL AID

During Fiscal Year 2007 over 13,000 students at George Mason University receive financial aid in some form – chiefly grants, subsidized and unsubsidized loans, work-study, and scholarships – totaling over \$123 million or an average of more than \$9,000 per aid recipient. Within the university budget a relatively small portion of overall financial aid funds are included in the Educational and General budget, in the form of tuition set-asides to provide institutional grant support for undergraduate and graduate students, and the Commonwealth of Virginia provides additional grant funds through multiple programs not included in the Educational and General budget but included in the overall institutional budget. These institutional and state sources for financial aid are described below:

EDUCATIONAL & GENERAL FINANCIAL AID (INSTITUTIONAL GRANTS)		
2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$4,890,000	\$5,066,000	\$6,690,000

COMMONWEALTH OF VIRGINIA FINANCIAL AID (STATE GRANTS – NON-EDUCATIONAL & GENERAL)		
2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 BUDGET	2006 - 07 BUDGET	2007-08 BUDGET
\$10,300,000	\$10,300,000	\$11,700,000

FY08 Highlights

New funding is allocated in FY 2008 to support institutional grants for graduate (\$760,000) and undergraduate students (\$865,000). State grant support for graduate students is \$8.7 million for both FY2007 and FY2008, and state grant support for undergraduate students increases by \$1.4 million to a total of \$3.0 million in FY2008.

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 2008 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 2008 will be exceeded with actual enrollments.

**GEORGE MASON UNIVERSITY
ACTUAL AND PROJECTED ENROLLMENT**

FALL HEADCOUNT	Actual						Budget	Projected					
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
First-Time Freshmen	2,146	2,225	2,251	2,262	2,529	2,427	2,375	2,425	2,500	2,525	2,550	2,575	2,600
Transfers				2,240	1,974	2,084	2,150	2,125	2,150	2,200	2,275	2,350	2,400
Other Freshmen	1,571	1,596	1,470	1,402	1,501	1,457	1,491	1,503	1,523	1,552	1,588	1,629	1,672
Sophomore	3,362	3,436	3,651	3,719	3,659	3,833	3,960	3,949	4,002	4,077	4,171	4,281	4,393
Juniors	3,853	4,062	4,110	4,165	4,441	4,568	4,697	4,731	4,779	4,859	4,971	5,102	5,236
Seniors	4,380	4,832	5,097	5,340	5,399	5,494	5,560	5,695	5,746	5,844	5,979	6,136	6,297
Non-Degree	490	537	523	520	562	409	410	410	410	410	410	410	410
Undergraduate	15,802	16,688	17,102	17,408	18,091	18,188	18,493	18,713	18,960	19,268	19,669	20,133	20,608
Law	763	832	796	778	742	762	760	760	760	760	760	760	760
Master	5,115	5,908	6,567	6,406	6,758	6,785	6,812	6,881	6,965	7,065	7,162	7,265	7,368
Doctoral	1,303	1,342	1,435	1,612	1,748	1,776	1,791	1,809	1,831	1,857	1,883	1,909	1,937
Non-Degree	1,914	2,026	2,346	2,670	2,389	2,345	2,345	2,345	2,345	2,345	2,345	2,345	2,345
Graduate	8,332	9,276	10,348	10,688	10,895	10,906	10,948	11,035	11,141	11,267	11,390	11,519	11,650
UNIVERSITY SUB-TOTAL	24,897	26,796	28,246	28,874	29,728	29,856	30,201	30,508	30,861	31,295	31,818	32,412	33,017
RAK						33	120	325	550	825	1,150	1,500	1,700
OVERALL TOTAL						29,889	30,321	30,833	31,411	32,120	32,968	33,912	34,717

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ANNUALIZED FTE	Actual						Budget	Projected					
	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
First-Time Freshmen	1059.3	1096.7	1106.4	1111.8	1238.7	1197.8	1181.2	1187.8	1224.5	1236.7	1249.0	1261.2	1273.5
Other Freshmen	1917.1	1973.5	1906.3	1969.9	2008.8	2007.2	2062.6	2011.7	2038.6	2077.0	2124.8	2180.7	2237.9
Sophomore	2963.2	3060.2	3273.2	3369.9	3292.8	3407.6	3530.8	3553.8	3601.4	3669.2	3753.7	3852.4	3953.4
Juniors	3417.3	3738.0	3830.1	3953.2	4133.5	4219.5	4348.9	4403.4	4448.0	4522.6	4626.8	4748.4	4873.0
Seniors	4032.3	4367.2	4727.5	4877.2	5122.0	5225.2	5298.1	5402.8	5451.1	5544.3	5672.0	5821.1	5973.8
Non-Degree	327.8	338.3	314.3	323.6	321.3	250.0	254.9	234.4	234.4	234.4	234.4	234.4	234.4
Undergraduate	13716.9	14573.7	15157.8	15605.5	16116.9	16307.3	16676.6	16793.8	16998.0	17284.2	17660.8	18098.1	18546.0
Law	628.5	687.0	650.6	645.0	615.9	638.6	640.0	640.0	640.0	640.0	640.0	640.0	640.0
Master	2979.4	3464.5	3874.1	4015.6	4084.0	4040.0	4080.1	4158.3	4209.0	4269.5	4328.1	4390.3	4452.6
Doctoral	578.0	615.5	656.9	680.8	801.4	800.3	807.1	829.4	839.5	851.5	863.1	875.4	887.8
Non-Degree	809.0	883.1	967.8	1003.1	942.5	900.0	902.7	925.1	925.1	925.1	925.1	925.1	925.1
Graduate	4366.3	4963.0	5498.8	5699.5	5827.8	5740.3	5789.8	5912.7	5973.6	6046.1	6116.3	6190.8	6265.5
UNIVERSITY SUB-TOTAL	18711.7	20223.6	21307.2	21950.0	22560.6	22686.2	23106.4	23346.5	23611.7	23970.2	24417.0	24928.9	25451.5
RAK						27.2	104.0	305.8	530.0	786.3	1086.3	1417.5	1598.8
OVERALL TOTAL						22713.4	23210.4	23652.3	24141.7	24756.5	25503.3	26346.4	27050.3

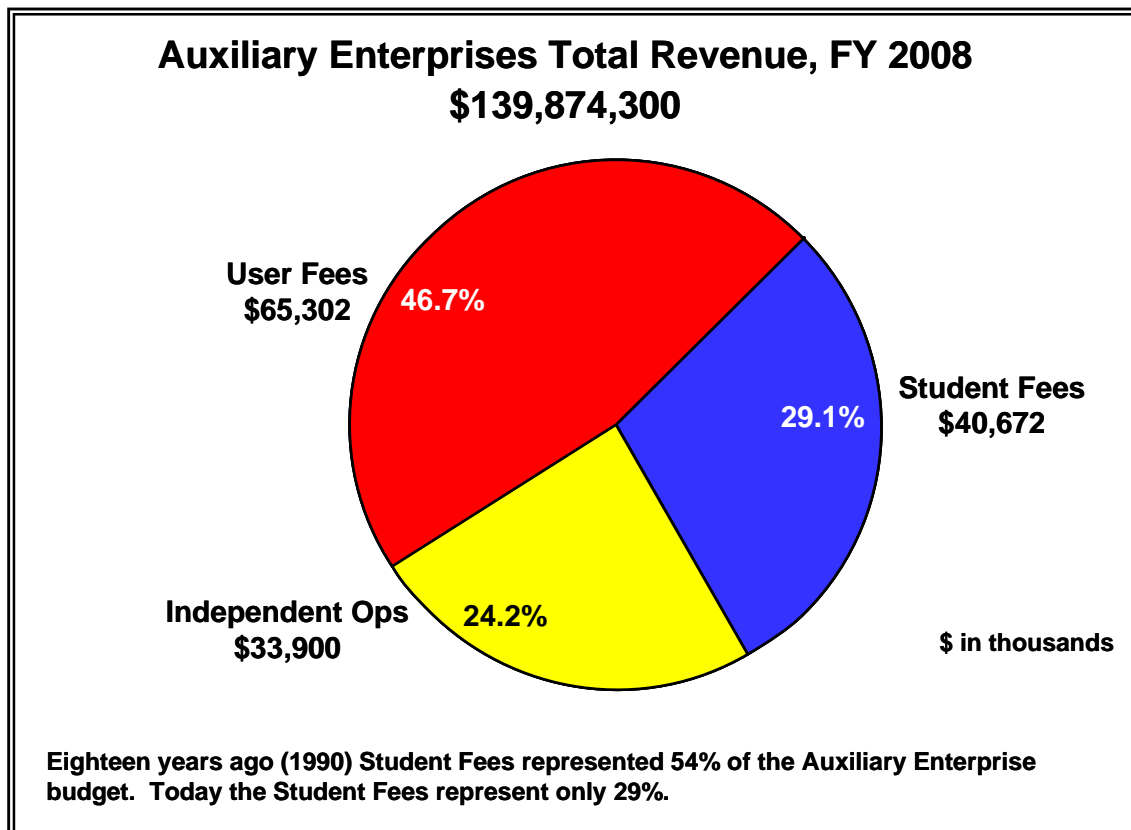
AUXILIARY ENTERPRISES

PROGRAM REVENUES

The activity of Auxiliary Enterprises is the second largest program of the University's operation. The projected Auxiliary Enterprise revenue for 2007-08 represents approximately 19% of the University's \$747.8 million total revenue budget. The Auxiliary Enterprise program includes activities that are ancillary to the University's central mission of instruction, service, and research. The Auxiliary Enterprises include operations and activities that are: a) self-supporting through revenues that they generate; b) supported by revenues that they generate and student fees; and c) activities that are funded exclusively through student fees.

The Auxiliary Enterprise revenues (inclusive of all independent operations) are budgeted at \$139,874,300 in 2007-08. This represents approximately 6.7% revenue growth over FY 2007.

Graphically, the Auxiliary Enterprise revenue looks like shown below:



For 2007-08 the revenue growth in all of the Auxiliary Enterprises is projected to be approximately \$8.9M. Of this total growth, \$5.2M is generated from self-generated revenue including user fees, \$3.6M is from increased student fee revenues, and \$0.1M is from independent operations.

- Within user fees activities, the units generating the largest increases in revenues are Student Housing (\$2.90M), Child Development Center (\$0.44M), Freedom Aquatic & Fitness Center (\$0.26M), Student Board (\$1.40M), Athletics (\$0.50M), Center for the Arts (\$0.05M).
- The student fee revenue increases by approximately \$3.6M with additional revenue from increased enrollment of 500 FTE students (\$0.80M), and from an annual student fee rate increase of \$144 (\$2.8M).

SOURCE	2004-05	2005-06	2006-07	2007-08	CHANGE, FY 07-08	
					AMOUNT	PERCENT
Student Fees	\$31,136,000	\$33,848,300	\$37,085,800	\$40,672,000	\$3,586,200	9.7%
User Fees	51,087,000	54,576,700	60,086,200	65,302,300	5,216,100	8.7%
Independent Operations	28,515,000	33,065,000	33,756,000	33,900,000	144,000	0.4%
TOTALS	\$110,738,000	\$121,490,000	\$130,928,000	\$139,874,300	\$8,946,300	6.8%

The table below identifies the nine largest programs and activities included within the program of Auxiliary Enterprises, and they represent over 75% of the Auxiliary Enterprise revenue.

ACTIVITY	INDEPENDENT OPERATION	USER FEE REVENUE	STUDENT FEES	TOTAL REVENUE
Food Service	\$17,000,000	\$9,553,000	\$0	\$26,553,000
Student Housing	0	18,950,000	0	18,950,000
Bookstore	14,000,000	0	0	14,000,000
Intercollegiate Athletics	0	3,305,000	10,098,175	13,403,175
Unions/Johnson Center	0	3,113,000	4,812,778	7,925,778
Center for the Arts (CVPA)	0	2,443,760	4,392,800	6,836,560
Freedom Aquatic Fitness Center	0	6,230,300	66,000	6,296,300
University Life	0	1,458,500	4,193,285	5,654,285
Campus Access	0	5,376,900	0	5,376,900

Independent Operations

Auxiliary Enterprises includes 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 \$33,900,000 and includes \$3.95 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 \$175!***

INDEPENDENT OPERATIONS COMMISSION INCOME, FY 2008		
ACTIVITY	OPERATING BUDGET	GEORGE MASON COMMISSION
Bookstore	\$14,000,000	\$1,400,000
Food Service	17,000,000	1,350,000
Arena Management	2,900,000	1,200,000
TOTAL	\$33,900,000	\$3,950,000

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 FY08 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
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 (actual)	1,573,000	315,000
2008 (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 2008, the University expects to receive about \$1,400,000 from this contract in addition to other cash and merchandise considerations.

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

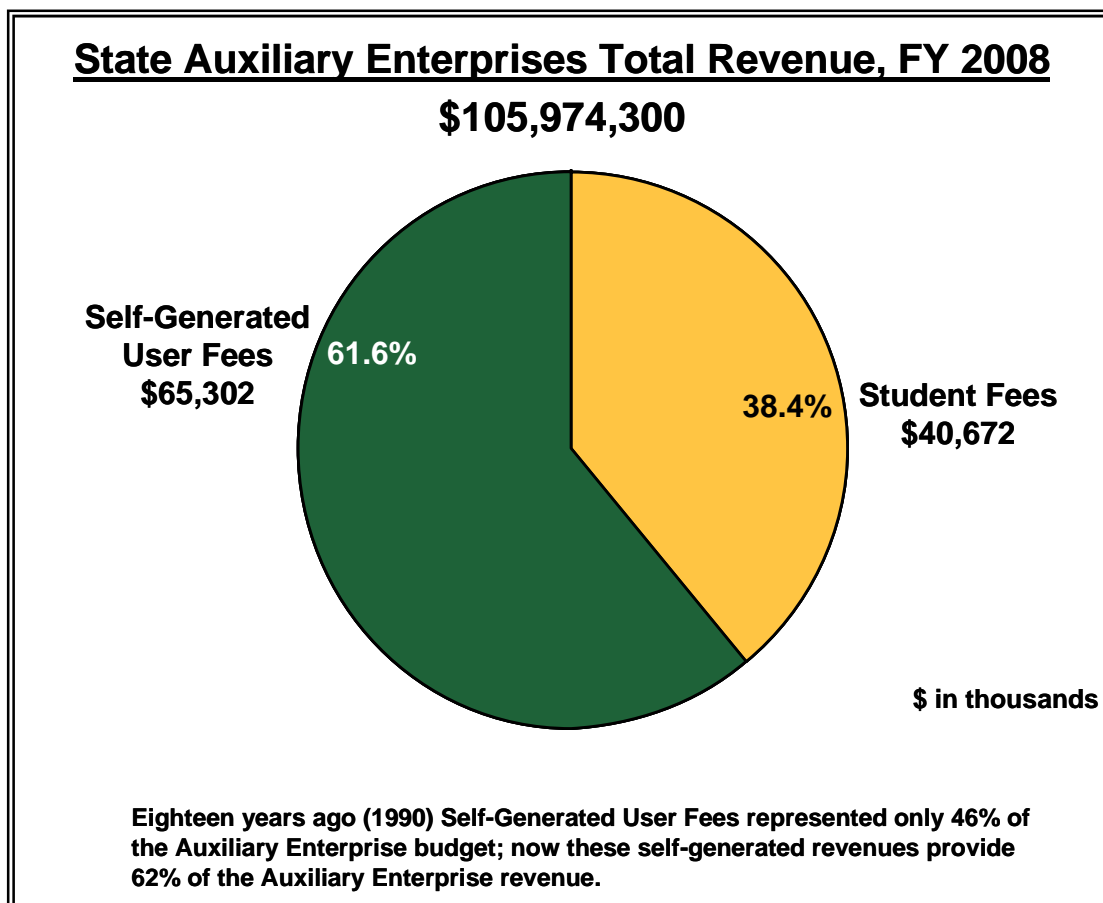
Summary *Although these independent operations are critical to University life, they are not generally included as part of the State Auxiliary Enterprise program for reporting purposes. As noted above, these three commissions result in net income to the University that allows the University to set the annual student fee \$175 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 2008 at \$105,974,300. This revenue is achieved through self-generated user fees, as well as student fees (see following table).

SOURCE OF FUNDING 2007-2008		
	2007	2008
Student Fees	\$37,085,800	\$40,672,000
Self-Generated User Fees	60,086,200	65,302,300
TOTAL FUNDS	\$97,172,000	\$105,974,300

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).



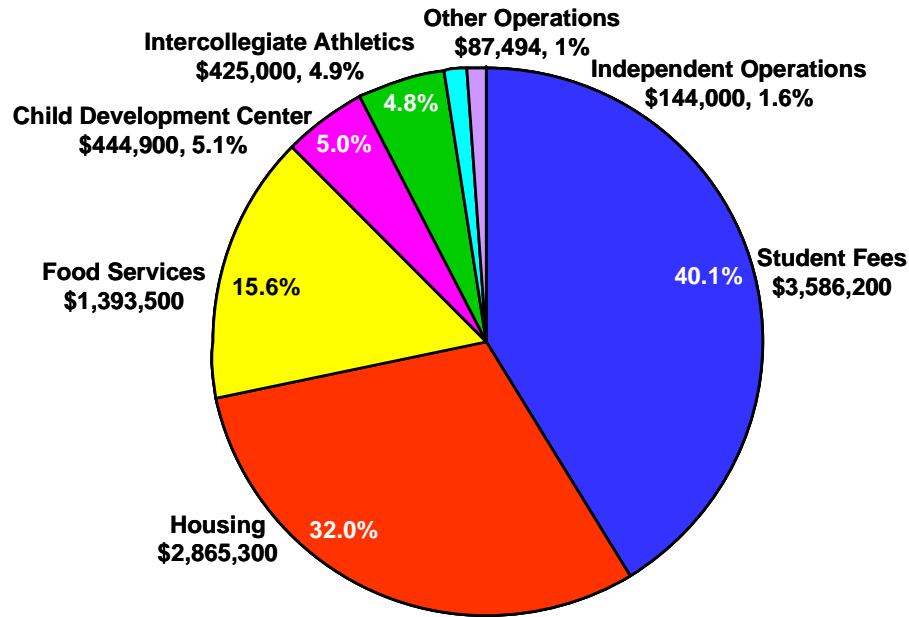
Revenue Changes

The table below illustrates, by specific auxiliary enterprise, where the \$8.9 million increase in revenue for FY 2008 is budgeted (listed in order of fiscal year total change).

AUXILIARY ENTERPRISES FY08 REVENUE BUDGET CHANGES IN REVENUE FY08 OVER FY07					
AUXILIARY	FY07 TOTAL REVENUE	FY08 TOTAL REVENUE	CHANGES IN REVENUE, FY08		
			STUDENT FEES	SELF-GEN REVENUE	TOTAL CHANGE
Housing	\$16,084,700	\$18,950,000	\$ 0	\$2,865,300	\$2,865,300
Food Services/Meal Plans	8,159,500	9,553,000	0	1,393,500	1,393,500
Unions/JC	7,188,477	7,925,778	897,301	(160,000)	737,301
Print Services	1,800,000	1,778,400	25,000	(46,600)	(21,600)
Hemlock Overlook	1,163,600	1,293,600	20,000	110,000	130,000
University Services	1,001,355	1,206,498	205,143	0	205,143
All University Card System	856,109	760,763	23,654	(\$119,000)	(95,346)
Child Development Center	584,600	1,024,500	(5,000)	444,900	439,900
Patriot Center	491,835	617,935	126,100	0	126,100
AE Regional Campus	110,945	108,000	(2,945)	0	(2,945)
AE Mail Services	8,000	14,000	0	6,000	6,000
Student Health	2,531,217	2,895,527	353,710	10,600	364,310
University Life	5,298,839	5,654,285	251,545	103,900	355,446
Campus Access	6,451,500	5,011,735	(112,000)	(1,327,765)	(1,439,765)
Transportation	304,330	2,409,903	712,408	1,393,165	2,105,573
Police Cadets	97,411	99,108	1,697	0	1,697
AE Operations	89,100	159,865	70,765	0	70,765
Center for the Arts	6,513,981	6,836,561	270,530	52,050	322,580
Freedom Center	6,059,045	6,296,300	(23,638)	260,895	237,253
Intercollegiate Athletics	12,590,245	13,403,175	387,930	425,000	812,930
Fairfax Aquatic Center	3,072,745	3,576,460	466,865	36,850	503,715
Rec Sports Complex (Fieldhouse)	1,252,471	1,525,867	273,396	0	273,396
Intramurals/Club Sports	447,627	596,258	110,131	38,500	148,631
Athletic Fields Improvement	200,000	200,000	0	0	0
Telecommunications	3,288,543	3,293,535	4,992	0	4,992
Patriot Computer Store	2,400,000	2,400,000	0	0	0
Indirect Costs	3,915,000	3,960,000	338,100	(293,100)	45,000
Auxiliary Central Reserves	3,220,425	1,761,135	(1,459,290)	0	(1,459,290)
Facility Reserves	1,118,000	1,118,000	0	0	0
University Scholars	635,000	740,000	105,000	0	105,000
Warehouse	237,300	259,300	0	22,000	22,000
Salary Increases	0	544,812	544,812	0	544,812
TOTAL AUX. ENT. REVENUE BUDGET	\$97,171,900	\$105,974,300	\$3,586,200	\$5,216,100	\$8,802,300
INDEPENDENT OPERATIONS	\$33,756,000	\$33,900,000	0	\$144,000	\$144,000
GRAND TOTAL	\$130,927,900	\$139,674,300	\$3,586,200	\$5,360,100	\$8,946,300

The specific details for all revenue changes are provided in the enterprise-specific section found on pages 113 – 136.

Auxiliary Enterprises Revenue Changes by Category (\$8.95M)



NEW STUDENT FEE REQUIREMENTS

In 2007-2008, 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 2007-2008 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.

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 enhancements for outdoor courts used for Rec Sports and Clubs.
- Support increased number of students participating in group fitness classes.
- .Support additional student groups participating in activities at Hemlock Overlook

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 enhancements to University Life programming for student activities.
- 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 enhancements in lighting in Student Union II space to support events and activities.
- Provide support for outdoor tables and chairs to increase interaction among students.

Prince William Campus

- Provide funding for stage in Randall's Café for student activities and events.
- Provide funding for table tennis equipment for student activities.
- Provide funds for Improvement Fund available to address other enhancements for student programming as identified.

Arlington Campus

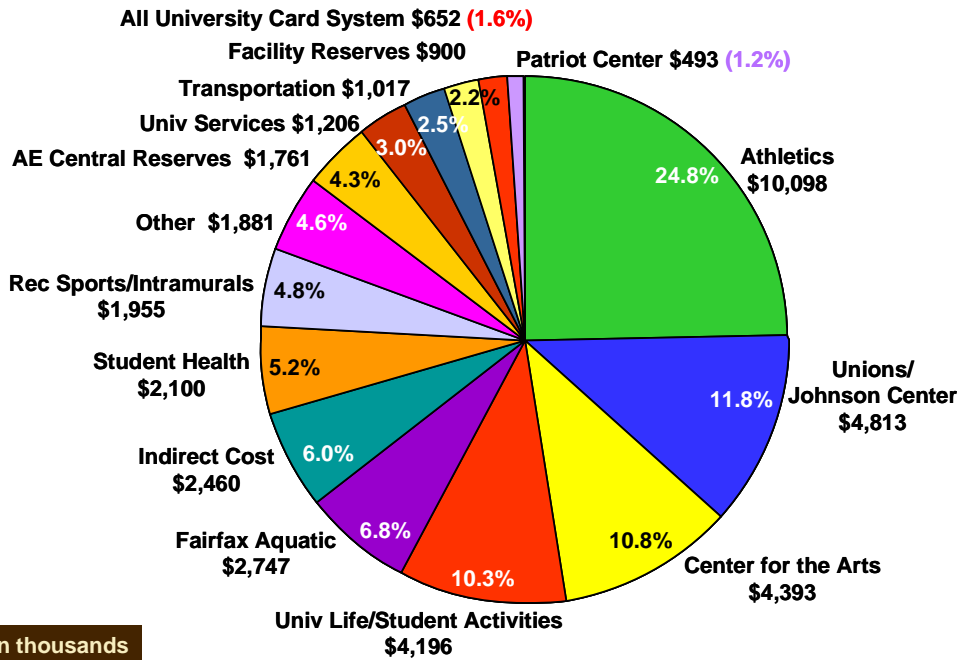
- Support for equipment for student activities at Arlington campus.

ALLOCATION OF INCREASED STUDENT FEE, 2007-2008

- To set aside funds for salary increases for staff in 2007-08 and annualize the salary increase from FY 2007. Because the Auxiliary Enterprises salary increases are not supported through state funds, fee funds must be set aside for potential salary increases as approved. [**\$931,400**]
- To provide support for Transportation to cover the costs of shuttles, CUE bus, etc. [**\$591,000**]
- To provide funding for increased debt service for new Student Unions space in Northeast Sector. [**\$386,000**]
- To provide support to fee-funded units for increased costs for utilities and insurance. [**\$351,000**]
- To provide support for operating expenses and equipment with the opening of the Fairfax Aquatic Center expansion. [**\$329,000**]
- To provide support for inflationary costs across all units. [**\$240,000**]
- To provide support for temporary facilities and other construction issues related new construction on campus. This includes the move of Athletic Academic Advising displaced as a result of renovation of the PE Building. [**\$230,000**]
- To provide support for University Life Programming and for Student Activities. [**\$240,000**]
- To support FY08 additional academic scholarship costs. This includes ongoing allocation for funding of scholarships for Debate, Forensics, and Music within the allocation for academic scholarships. [**\$105,000**]
- To provide support for Student Bar Association activities. [**\$100,000**]
- To provide support to hire financial support staff for University Services. [**\$80,000**]
- To provide support for Rec Sports & Clubs for Intramurals Coordinator and other program enhancements [**\$95,000**].
- To provide support for the College of Visual and Performing Arts to enhance current GMU Spirit Band; arts support umbrella; and Great Performances non-personnel support. [**\$95,000**]
- To provide support for University Life for a position for Diversity/Multicultural support. [**\$53,600**]
- To provide support for Student Health positions for Prince Williams and Fairfax. [**\$92,000**].
- To provide support to hire admin support staff for University Services. [**\$71,000**]
- To provide support for Intercollegiate Athletic enhancements in team travel and advertising. [**\$60,000**]

STUDENT FEE REQUIREMENTS **\$4,050,000**

Auxiliary Enterprise Fee Allocation, FY 2008
Student Fee Allocation: \$40,672,000



Note: Athletics and Recreational Activities are allocated approximately 36% of the student fee.

USE OF FUNDS

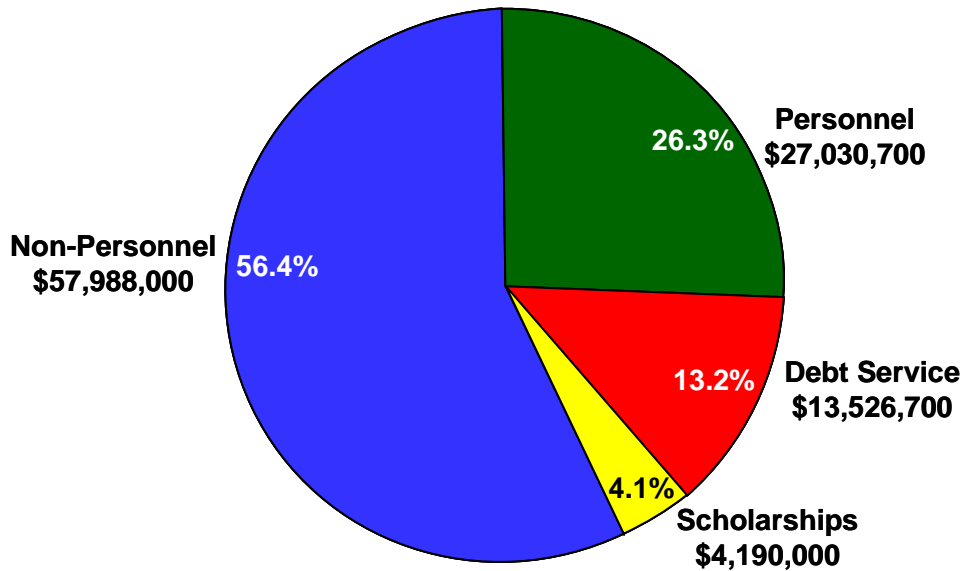
Budget by Major Category

The Auxiliary Enterprise expense budget of \$102.7M is \$3.2M lower than the revenue budget (\$105.9M) in order to set aside funds for future programming requirements and to establish adequate facility depreciation/renovation reserves. Of the total balance projected, \$1.5M will be allocated to facility reserves (including Housing), \$1.0M will be held centrally for future capital needs, and all other balances will remain with the operations generating the funds.

Within the Auxiliary Enterprises expense budget of \$102.7M, personnel costs total \$27.0M (or 26% of the total) and all non-personnel costs make up the remaining 74% of the budget. Within the \$75.7M non-personnel budget, approximately \$17.7M of the expenses cover scholarships and debt service. The remaining \$58.0M cover other non-personnel costs. Some of the major items within this are board plan payments (\$9.6M), utilities (\$5.6M), repair and maintenance (\$2.9M), contracted management (\$8.5M), the telecommunications activity (\$3.1M), and the indirect charge (\$4.0M) to Auxiliary Enterprises from Educational & General.

State Auxiliary Enterprises Expense Budget by Category FY 2008

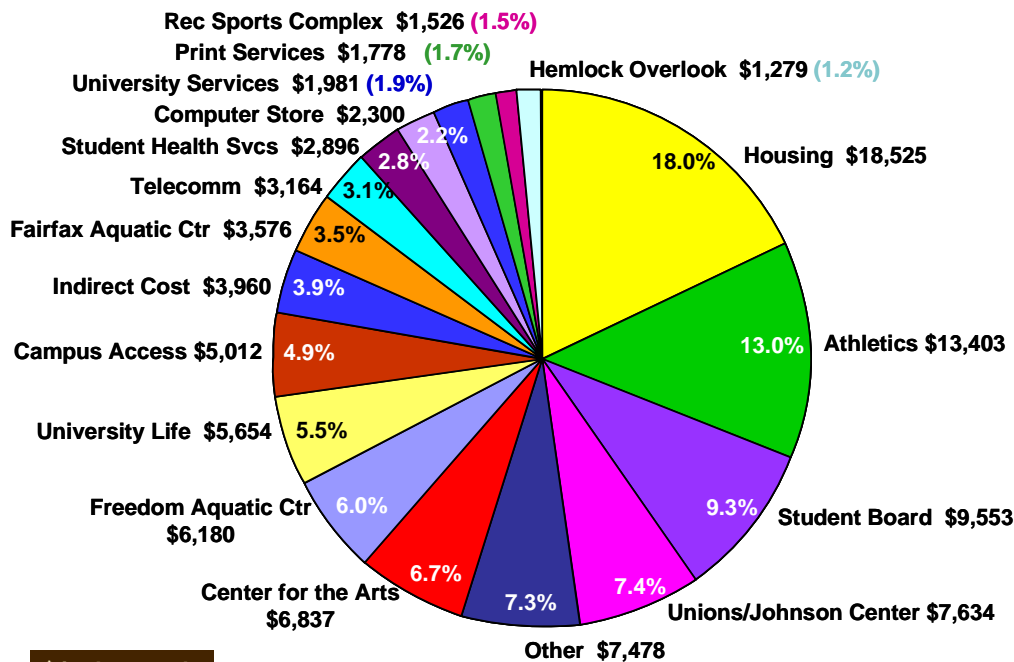
\$102,735,400



By major unit, Housing, Athletics, Meal Plan (Board), Unions/JC, Center for the Arts, and the Prince William Freedom Center are the largest enterprises.

Auxiliary Enterprise Expense by Unit, FY 2008

\$102,735,400



\$ in thousands

Personnel – Adding 17 FTE Positions

The Auxiliary Enterprises personnel budget of \$27.0M is based upon an FTE position level of 322.80 FTE plus wages hourly staff. Of the total FTE positions, 162.98 (50.5%) are for classified staff, 159.02 (49.3%) are for administrative faculty, and 0.80 (0.2%) are for instructional faculty. The total FTE of 322.80 is 26.98 FTE greater than the revised budget for 2006-07. Positions will be established in various Athletic/Recreational activities, University Life, Student Health, Center for the Arts, ITU, and other University Services.

AUXILIARY ENTERPRISES POSITION BUDGET					
	FY 2005-06	FY 2006-07	Variance	FY 2007-08	Variance
Classified	138.75	148.98	10.23	162.98	14.00
Admin Faculty	134.40	145.04	10.64	159.02	13.98
Faculty	1.80	1.80	0.00	0.80	(1.00)
TOTALS	274.95	295.82	20.87	322.80	26.98

The total personnel services budget within Auxiliary Enterprises is \$27.0M. This is approximately 26% of the overall Auxiliary Enterprises budget. Of this total, 81% covers salaries and benefits for permanent staff, while 19% 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 FY05-06		Budget FY06-07		Budget FY07-08	
Salaries	\$12,589,907	56.6%	\$14,338,592	59.4%	\$15,906,864	58.8%
Wages	5,559,234	25.0%	4,873,982	20.2%	5,164,278	19.1%
Fringe Benefits	4,105,355	18.4%	4,934,892	20.4%	5,959,512	22.1%
TOTAL	\$22,254,496	100%	\$24,147,466	100%	\$27,030,654	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 2008 Auxiliary Enterprises personnel budget includes an additional 26.98 FTE positions greater than the original FY 2007 Auxiliary Enterprises budget, and the distribution of the total 322.80 FTE positions within the Auxiliary Enterprises program is shown below:

AUXILIARY ENTERPRISES FY08 BUDGETED FTE				
UNIT	FACULTY	ADMIN FACULTY	CLASSIFIED	TOTAL 07-08 FTE
Intercollegiate Athletics	0.00	71.50	17.00	88.50
Recreational Sports Complex	0.00	3.89	4.00	7.89
Rec Sports Clubs	0.00	2.25	1.00	3.25
Fairfax Aquatic Center	0.00	5.64	5.00	10.64
TOTAL ATHL/REC FTE	0.00	83.28	27.00	110.28
Freedom Aquatic & Fitness Center	0.00	8.79	14.40	23.19
Hemlock Overlook	0.00	1.00	9.00	10.00
Student Unions/Johnson Center	0.00	5.00	30.28	35.28
Student Health Services	0.00	10.00	11.00	21.00
University Life	0.50	22.75	8.00	31.25
CVPA/Center for the Arts	0.30	12.70	20.55	33.55
Print Services	0.00	0.00	15.00	15.00
ITU Telecomm	0.00	0.00	11.75	11.75
Computer Store	0.00	0.00	3.00	3.00
Transportation	0.00	1.00	2.00	3.00
Child Development Center	0.00	6.00	6.00	12.00
University Services Administration	0.00	7.00	1.00	8.00
AE Operations	0.00	0.50	1.00	1.50
All University Card System	0.00	1.00	3.00	4.00
TOTAL FY 2008 FTE	0.80	159.02	162.98	322.80
TOTAL FY 2007 FTE	1.80	145.04	148.98	295.82
ANNUAL CHANGE	(1.00)	13.98	14.00	26.98

The table below highlights the areas with increased staff positions for FY08. Position changes within units reflect needs related to enhanced service levels for increased student enrollment.

AUXILIARY ENTERPRISES FY08 FTE CHANGE FROM FY07				
ENTERPRISE	FACULTY	ADMIN FACULTY	CLASSIFIED	TOTAL FTE
Student Health Services	0.00	0.00	1.00	1.00
University Life	0.00	(1.25)	(1.00)	(2.25)
CVPA/Center for the Arts	(1.00)	0.73	2.00	1.73
Intercollegiate Athletics	0.00	9.00	0.00	9.00
Recreational Sports Complex	0.00	0.89	0.00	0.89
Rec Sports Clubs	0.00	(0.15)	1.00	0.85
Fairfax Aquatic Center	0.00	0.26	0.00	.26
Freedom Aquatic & Fitness Ctr	0.00	0.00	0.00	0.00
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	1.00	2.00
Print Services	0.00	0.00	0.00	0.00
AE Operations	0.00	0.50	1.00	1.50
All University Card System	0.00	0.00	1.00	1.00
University Services	0.00	1.00	0.00	1.00
Hemlock Overlook	0.00	0.00	1.00	1.00
Transportation	0.00	0.00	1.00	1.00
Child Development Center	0.00	2.00	5.00	7.00
TOTAL FTE CHANGE	(1.00)	13.98	14.00	26.98

Non-Personnel - Operating

Within the Auxiliary Enterprises activities, approximately \$58.0M is expended on non-personnel, excluding debt service and scholarships. The major expense categories in non-personnel are:

Meal Plan	\$9,553,000
Housing Operations (Contract)	8,508,430
Utilities	5,604,640
Indirect Cost	3,960,000
Athletics (sports, events)	3,148,385
Telecommunications	3,055,030
Building Maintenance, Housekeeping, Grounds	2,910,170
Computer Store Equipment	2,300,000
Transportation	2,174,892
Campus Access/Parking (Contract)	1,757,500
Center for the Arts Performances	1,650,000
Student Activities	1,224,715
Housing Renovations	1,100,000
Insurance (Student Health)	575,540
SUB-TOTAL	\$47,522,302

These fourteen items make up over 81% of the non-personnel budget (excluding debt & scholarships) within Auxiliary Enterprises.

Non-Personnel - Debt Service

During the 2007-08 fiscal year, the University will make \$13.5M in debt service payments for parking, residential, and student activity facilities. This represents 13.2% 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 \$1.4M 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 \$4.2 million of debt service payments cannot be overstated.

DEBT SERVICE REDUCTIONS, 2008 – 2012					
LAST YEAR DEBT	DEBT-FINANCED FACILITY	SOURCE OF FUNDING		STUDENT HOUSING	TOTAL DEBT SERVICE ELIMINATED
		STUDENT FEE	CAMPUS ACCESS		
2007-08	Parking Lot	---	235,300	---	235,300
2008-09	Parking Lot	---	247,900	---	247,900
2008-09	President's Park (Res III)	---	---	987,400	987,400
2009-10	President's Park (Res IV)	---	---	916,200	916,200
2010-11	Student Apts Renovations	---	---	462,800	462,800
2008-09	Concert Hall	867,600	---	---	867,600
2011-12	Student Union Renovations	328,000	---	---	328,000
2011-12	Student Union II Addition	204,700	---	---	204,700
TOTALS		\$1,400,300	\$483,200	\$2,366,400	\$4,249,900

Facility Renovation/Depreciation

- The State provides no General Fund support for the construction or renovation of Auxiliary Enterprise facilities. Additionally, student tuition cannot be used to support these facilities.
- Annual allocations are made each year to establish sufficient funds to address issues of facility repair, 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 2008, and the table which follows also shows the projected facility depreciation fund balance for 6/30/07 and 6/30/08.
- 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.
- During the summer 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, 2006	PROJECTED BALANCE JUNE 30, 2007	PROJECTED BALANCE JUNE 30, 2008	% OF COST
Patriot Center	1985	\$16.1M	\$2,567,481	\$2,717,481	\$2,867,481	17.8%
Unions/ Johnson Center	1974/1996	48.9M	2,737,466	2,977,466	3,111,466 ^(b)	6.4%
Fairfax Pool	1998	11.1M	763,710	913,710	897,710 ^(c)	8.1%
Student Housing Center for the Arts	1977/2004 ^(a)	77.3M	4,385,489	5,109,119	5,434,119	7.0%
Field House	1990	9.5M	533,626	683,626	833,626	8.8%
	1982	6.5M	1,084,176	1,234,176	1,384,176	21.3%
TOTALS		\$169.4M	\$12,071,948	\$13,635,578	\$14,528,578	8.6%

Many of these facilities will be undergoing major capital improvements during the 2008 – 2012 timeframe. These capital improvements include additions as well as renovations.

(a) Does not include Potomac Heights Building (owned by GMU Foundation)

(b) Assumes use of \$166K for planned SUB II roof repairs in FY08

(c) Assumes use of \$400K for planned filter replacements in FY08

SUMMARY

The following table summarizes the overall budget by major activity for the Auxiliary Enterprises in 2007-08. The revenue is all-inclusive (self-generated revenue, student fee allocations, etc.).

AUXILIARY ENTERPRISES BUDGET, FY08			
AUXILIARY	FY08 BUDGETED REVENUE	FY08 BUDGETED EXPENSE	FY08 OPERATING BALANCE
Student Housing	\$18,950,000	\$18,525,000	\$425,000 ¹
Intercollegiate Athletics	13,403,175	13,403,175	---
Student Board (Food Services)	9,553,000	9,553,000	---
Student Unions/JC	7,925,778	7,633,518	292,260 ²
CVPA/Center for the Arts	6,836,561	6,836,561	---
Freedom Aquatic Center	6,296,300	6,179,800	116,500 ²
University Life	5,654,285	5,654,285	---
Campus Access	5,011,735	5,011,735	---
Indirect Cost Charge	3,960,000	3,960,000	---
Fairfax Aquatic Center	3,576,460	3,576,460	---
Telecommunications (ITU)	3,293,535	3,163,580	129,955 ²
Student Health Services	2,895,527	2,895,527	---
Computer Store	2,400,000	2,300,000	100,000 ²
Transportation	2,409,900	2,409,900	---
Print Services	1,778,400	1,778,400	---
Auxiliary Central Reserves	1,761,135	718,550	1,042,585 ³
Rec Sports Complex	1,525,867	1,525,867	---
Hemlock Overlook	1,293,600	1,279,000	14,600 ²
University Services	1,206,498	1,206,498	---
Facility Reserves	1,118,000	---	1,118,000 ¹
Child Development Center	1,024,500	1,024,500	---
All University Card System	760,763	760,763	---
University Scholars	740,000	740,000	---
Patriot Center	617,935	617,935	---
Intramurals	596,258	596,258	---
FY08 Salary Increases	544,812	544,812	---
Warehouse – Debt	259,300	259,300	---
Athletic Facility Improvements	200,000	200,000	---
AE Operations	159,865	159,865	---
AE Regional Campus Support	108,000	108,000	---
Police Cadets	99,108	99,108	---
AE Mail Services	14,000	14,000	---
Sub-Total Aux Ent Budget	\$105,974,300	\$102,735,400	\$3,238,900
Independent Operations	\$33,900,000	\$33,900,000	---
GRAND TOTAL	\$139,874,300	\$136,635,400	\$3,238,900

¹ To be transferred to facility depreciation/renovation fund

² To remain with operation for future one-time expenses, etc.

³ To be used to offset future renovation costs

TUITION AND FEES, FY 2008

ON-CAMPUS, RESIDENTIAL STUDENTS - TOTAL ANNUAL PRICE

Most on campus residential students are undergraduate students. The table below compares the actual total price for FY 2007 and FY 2008 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 \$702 (or 5.34%), while the out-of-state students will pay \$1,446 (or 5.71%) more in FY 2008.

TOTAL PRICE COMPARISON FY 2007 & FY 2008			
IN-STATE, UNDERGRADUATE	FY 2007	FY 2008	INCREASE
Tuition (Includes Tech Fee)	\$4,752	\$5,035	\$283
Fees	1,656	1,805	149
Room & Board	6,750	7,020	270
TOTAL	\$13,158	\$13,860	\$702
PERCENT INCREASE, FY 2008			5.34%

TOTAL PRICE COMPARISON FY 2007 & FY 2008			
OUT-OF-STATE, UNDERGRADUATE	FY 2007	FY 2008	INCREASE
Tuition (Includes Tech Fee)	\$16,896	\$17,923	\$1,027
Fees	1,656	1,805	149
Room & Board	6,750	7,020	270
TOTAL	\$25,302	\$26,748	\$1,446
PERCENT INCREASE, FY 2008			5.71%

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

The total price increase proposed for FY 2008 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 undergraduate student rates for tuition and fees.

TOTAL PRICE INCREASE IN-STATE	
INSTITUTION	FY08 INCREASE
Old Dominion University	7.4%
College of William & Mary	7.3%
Univ of Va - Wise	6.8%
Christopher Newport Univ	6.8%
Virginia Tech	6.5%
Univ Mary Washington	6.3%
James Madison University	5.6%
University of Virginia	5.5%
Virginia State University	5.4%
GEORGE MASON UNIV	5.3%
Virginia Commonwealth	5.2%
Virginia Military Institute	4.9%
Norfolk State University	4.3%
Radford	3.2%
Longwood Univ	2.9%
AVERAGE	5.6%

TOTAL PRICE INCREASE OUT-OF-STATE	
INSTITUTION	FY08 INCREASE
College of William & Mary	7.3%
Old Dominion University	6.9%
Univ of Va – Wise	6.7%
James Madison University	6.5%
Virginia State University	6.4%
Univ of Mary Washington	6.2%
University of Virginia	6.0%
Virginia Military Institute	5.9%
GEORGE MASON UNIV	5.7%
Virginia Commonwealth	5.7%
Norfolk State University	5.0%
Radford	4.9%
Longwood Univ	4.9%
Christopher Newport Univ	4.7%
Virginia Tech	4.5%
AVERAGE	5.8%

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 (\$6,840) at George Mason University as compared to the average price (\$7,083) within the state.

ANNUAL TUITION & FEE INCREASE, FY 2008 UNDERGRADUATE, IN-STATE STUDENTS					
RANK	INSTITUTION	2006-07	2007-08	INCREASE AMOUNT	% CHANGE
1	VMI	\$9,473	\$10,048	\$575	6.1%
2	William & Mary	8,490	9,164	674	7.9%
3	UVA	7,845	8,500	655	8.3%
4	Longwood	7,589	8,058	469	6.2%
5	Virginia Tech	6,973	7,397	424	6.1%
6	CNU	6,460	7,050	590	9.1%
7	GEORGE MASON	6,408	6,840	432	6.7%
8	James Madison	6,290	6,666	376	6.0%
9	Old Dominion	6,098	6,528	430	7.1%
10	Mary Washington	6,084	6,494	410	6.7%
11	VCU	5,819	6,196	377	6.5%
12	Radford	5,746	5,942	196	3.4%
13	Univ of Va – Wise	5,692	6,099	407	7.2%
14	VSU	5,440	5,655	215	4.0%
15	Norfolk State	5,056	5,318	262	5.2%
	AVERAGE	\$6,631	\$7,064	\$433	6.4%

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 and Old Dominion, while Virginia Commonwealth University is even substantially lower than the rates of Mason and Old Dominion.

TUITION AND FEE TRENDS

IN-STATE RATES

INSTITUTION	2003-04	2004-05	2005-06	2006-07	2007-08
George Washington University	\$29,350	\$35,030	\$36,370	\$37,790	\$39,210
University of Pennsylvania	29,318	30,716	32,364	34,156	35,916
Georgetown University	28,209	30,338	31,656	34,110	35,568
American University	24,839	26,335	28,019	29,673	31,425
Pennsylvania State	9,706	10,856	11,480	12,169	N/A
University of Pittsburgh, Main Campus	9,274	10,830	11,436	12,138	N/A
Temple University	8,594	9,102	9,520	10,180	N/A
Rutgers University	7,927	8,869	9,557	9,958	N/A
University of Maryland	6,899	7,550	7,821	7,906	7,969
University of Delaware	6,498	6,954	7,403	7,825	N/A
GEORGE MASON UNIVERSITY	5,112	5,448	5,880	6,408	6,840
University of North Carolina	4,072	4,450	4,606	5,034	5,340
West Virginia University	3,548	3,938	4,164	4,476	4,722

OUT-OF-STATE RATES

INSTITUTION	2003-04	2004-05	2005-06	2006-07	2007-08
George Washington University	\$29,350	\$35,030	\$36,370	\$37,790	\$39,210
University of Pennsylvania	29,318	30,716	32,364	34,156	35,916
Georgetown University	28,209	30,338	31,656	34,110	35,568
American University	24,839	26,335	28,019	29,673	31,425
Pennsylvania State	19,328	20,784	22,004	22,712	N/A
University of Maryland	17,433	18,850	20,145	21,345	22,208
University of Pittsburgh, Main Campus	18,586	19,086	20,784	21,456	N/A
University of North Carolina	15,920	17,549	18,404	19,682	20,988
GEORGE MASON UNIVERSITY	14,952	15,816	17,160	18,552	19,728
Rutgers University	14,441	15,904	17,156	18,463	N/A
University of Delaware	16,028	16,640	17,559	18,306	N/A
Temple University	15,354	16,268	17,116	18,224	N/A
West Virginia University	10,768	12,060	12,874	13,840	14,600

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, nevertheless, 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 significantly lower, but remains lower than competitor institutions.

REGIONAL LAW SCHOOL TUITION AND FEES						
	IN-STATE			OUT-OF-STATE		
	FY07	FY08	% INC	FY07	FY08	% INC
Georgetown University	37,220	\$39,390	5.8%	37,220	\$39,390	5.8%
George Washington University	36,310	38,198	5.2%	36,310	38,198	5.2%
American University	35,104	37,190	5.9%	35,104	37,190	5.9%
Catholic University	32,655	34,525	5.7%	32,655	34,525	5.7%
University of Virginia	30,700	33,500	9.1%	35,700	38,500	7.8%
University of Richmond	28,390	30,010	5.7%	28,390	30,010	5.7%
Howard University	18,870	20,445	8.4%	18,870	20,445	8.4%
University of Maryland - Baltimore	19,105	20,535	7.5%	30,384	31,814	4.7%
College of William & Mary	16,600	18,336	10.5%	26,800	28,536	6.5%
GEORGE MASON UNIVERSITY	15,274	16,716	9.4%	26,502	28,532	7.7%

The following table summarizes the tuition and fee rates being proposed as the FY 2008 academic year rates for George Mason University.

GEORGE MASON UNIVERSITY ACADEMIC YEAR, 2007-08 TUITION & FEE RATES ANNUAL RATE				
	CURRENT 2006-07	APPROVED 2007-08	ANNUAL CHANGE	% CHANGE
IN-STATE UNDERGRADUATE:				
Tuition	\$4,752	\$5,035	\$283	
Fees	1,656	1,805	149	
Total	6,408	\$6,840	\$432	6.7%
IN-STATE GRADUATE:				
Tuition	\$5,724	\$6,283	\$559	
Fees	1,656	1,805	149	
Total	\$7,380	\$8,088	\$708	9.6%
OUT-OF-STATE UNDERGRADUATE:				
Tuition	\$16,896	\$17,923	\$1,027	
Fees	1,656	1,805	149	
Total	\$18,552	\$19,728	\$1,176	6.3%
OUT-OF-STATE GRADUATE:				
Tuition	\$16,896	\$18,475	\$1,579	
Fees	1,656	\$1,805	149	
Total	\$18,552	\$20,280	\$1,728	9.3%
LAW, IN-STATE:				
Tuition	\$13,636	\$14,924	\$1,288	
Fees	1,638	1,792	154	
Total	\$15,274	\$16,716	\$1,442	9.4%
LAW, OUT-OF-STATE				
Tuition	\$24,864	\$26,740	\$1,876	
Fees	1,638	1,792	154	
Total	\$26,502	\$28,532	\$2,030	7.7%

**GEORGE MASON UNIVERSITY
ACADEMIC YEAR, 2007-08
TUITION & FEE RATES
HOURLY RATE**

	CURRENT 2006-07	APPROVED 2007-08	HOURLY CHANGE	% CHANGE
IN-STATE UNDERGRADUATE:				
Tuition	\$198.00	\$209.79	\$11.79	
Fees	69.00	75.21	6.21	
Total	\$267.00	\$285.00	\$18.00	6.7%
IN-STATE GRADUATE:				
Tuition	\$238.50	\$261.79	\$23.29	
Fees	69.00	75.21	6.21	
Total	\$307.50	\$337.00	\$29.50	9.6%
OUT-OF-STATE UNDERGRADUATE:				
Tuition	\$704.00	\$746.79	\$42.79	
Fees	69.00	75.21	6.21	
Total	\$773.00	\$822.00	\$49.00	6.3%
OUT-OF-STATE GRADUATE:				
Tuition	\$704.00	\$769.79	\$65.79	
Fees	69.00	75.21	6.21	
Total	\$773.00	\$845.00	\$72.00	9.3%
LAW, IN-STATE:				
Tuition	\$487.00	\$533.00	\$46.00	
Fees	58.50	64.00	5.50	
Total	\$545.50	\$597.00	\$51.50	9.4%
LAW, OUT-OF-STATE				
Tuition	\$888.00	\$955.00	\$67.00	
Fees	58.50	64.00	5.50	
Total	\$946.50	\$1,019.00	\$72.50	7.7%

PREMIUM PRICING FOR SELECT GRADUATE PROGRAMS

Starting Fall 2004 several graduate programs implemented premium pricing tuition rates at levels 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 2007 the School of Public Policy proposes to increase their premium rate to \$175.00 per credit hour, for in-state and to \$75 per credit hour for out-of-state students. This constitutes an increase of \$25 per credit hour over the prior year rates. The premium rates by unit for Fall 2007 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 Humanities & Social Sciences

Master's Degree in Public Administration	\$100 per credit hour above regular rates In-state students only
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M.S. and Ph.D. in Biodefense	\$100 per credit hour above regular rates In-state students only
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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	\$175 per credit hour above regular rates For In-state students \$75 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 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 rates 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.

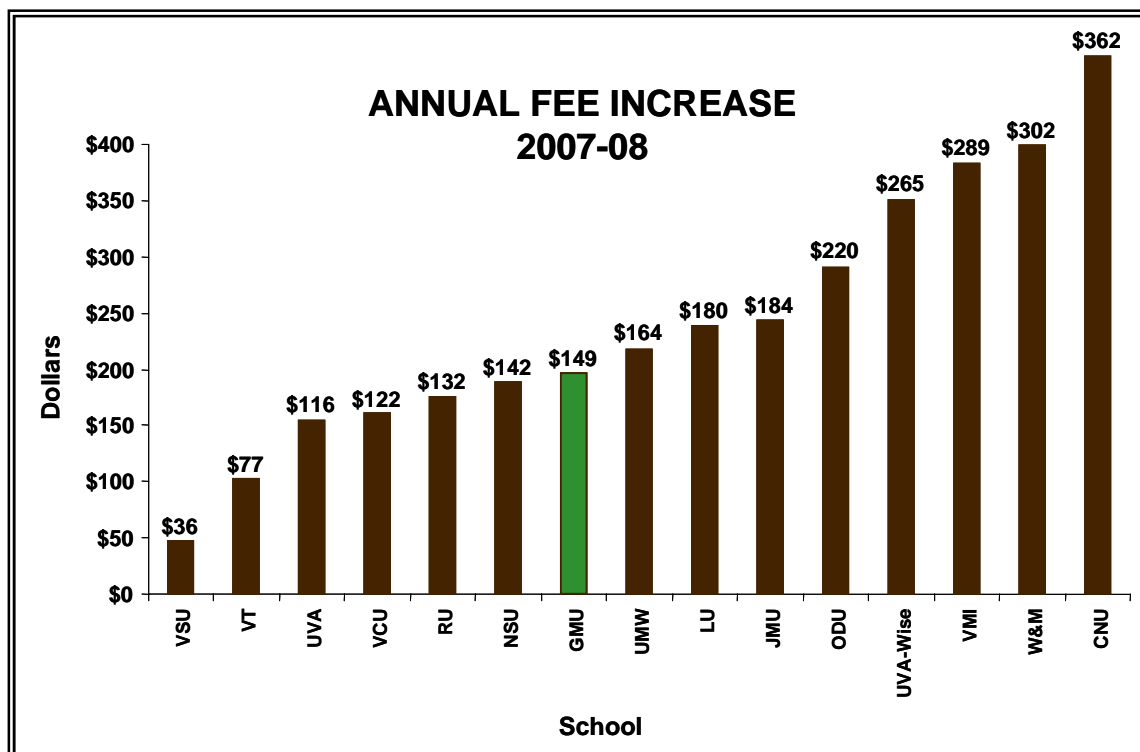
TUITION ONLY				
TYPE STUDENT	TUITION 2006-07	TUITION 2007-08	AMOUNT CHANGE	PERCENT INCREASE
In-State, Undergraduate	\$4,752	\$5,035	\$283	6.0%
In-State, Graduate	5,724	6,283	559	9.8%
Out-of-State Undergraduate	16,896	17,923	1,027	6.1%
Out-of-State Graduate	16,896	18,475	1,579	9.4%
In-State, Law	13,636	14,924	1,288	9.4%
Out-of-State, Law	24,864	26,740	1,876	7.6%

Student Fee Increase

George Mason University proposes a \$149.00 annual increase in the student fee for FY 2008. This raises the annual student fee for full-time students from \$1,656 to \$1,805. Part-time students will see a fee increase of \$6.21 per student credit hour from \$69.00 per student credit hour to \$75.21 per student credit hour.

Student Fee Increase – State Comparison

The proposed \$149.00 per year increase represents a 9.0% increase over the FY 2007 student fee, which is the seventh 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 2008 remains in the 12th position among fifteen state supported colleges and universities. **In 1985 GMU had the fifth highest student fee among these same colleges and universities.**

ANNUAL STUDENT FEE, FY 2008		
RANK	SCHOOL	AMOUNT
1	Virginia Military Institute	\$4,986
2	Longwood	3,720
3	William & Mary	3,527
4	James Madison	3,246
5	Christopher Newport	3,004
6	University of Virginia – Wise	2,645
7	Norfolk State	2,618
8	Old Dominion	2,486
9	Virginia State	2,469
10	Radford	2,150
11	Mary Washington	1,974
12	GEORGE MASON	1,805
13	University of Virginia	1,679
14	Virginia Commonwealth	1,671
15	Virginia Tech	1,237
	AVERAGE	\$2,614

STUDENT FEE, FY 2008 % Increase		
RANK	SCHOOL	% INCR
1	Christopher Newport	13.7%
2	University of Virginia - Wise	11.1%
3	Old Dominion	9.7%
4	William & Mary	9.4%
5	Mary Washington	9.1%
6	GEORGE MASON	9.0%
7	Virginia Commonwealth	7.9%
8	University of Virginia	7.4%
9	Virginia Tech	6.6%
10	Radford	6.5%
11	Virginia Military Institute	6.2%
12	James Madison	6.0%
13	Norfolk State	5.7%
14	Longwood	5.1%
15	Virginia State	1.5%
	AVERAGE	7.7%

Student Fee Increases – Nine Year Trend/Comparison

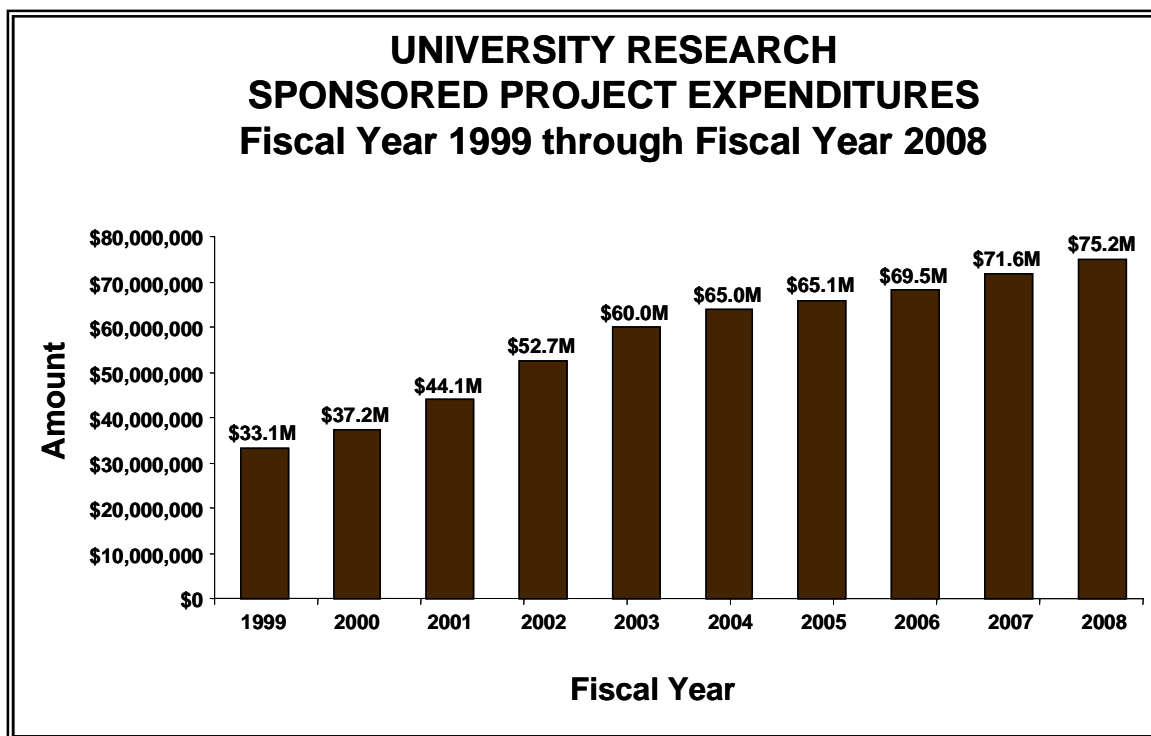
Student fee increases are typically associated with the construction of new facilities funded from revenue bond, new student activity facilities or the introduction of expanded student activities/organizations. Since George Mason University has been experiencing financially successful Auxiliary Enterprise 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 3.7% 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	10.9%
Virginia Tech	9.1%
University of Virginia	7.6%
Virginia Commonwealth University	6.9%
Old Dominion University	6.7%
College of William & Mary	6.6%
James Madison	4.7%
AVERAGE FOR ALL SCHOOLS (excluding GMU)	9.7%
GEORGE MASON UNIVERSITY	3.7%

SPONSORED RESEARCH

BACKGROUND

George Mason University's sponsored research activity is projected to increase slightly in FY07 when compared to the prior fiscal year actual. For the 2006-07 fiscal year, it is projected that the actual expenditures will total approximately \$71.6M, which is about 3% higher than the level of research expenditures in FY06. The University is projecting another 5% increase in research expenditures in FY08 to \$75.2M.



George Mason's overall ranking for research spending when compared to other universities dropped during FY 2004. For total research spending, George Mason was number 164 in FY 2004, as compared to number 155 in FY 2003, 160 in FY 2002 and 173 in FY 2000. This ranking for FY 2004 represents a move down of 9 positions compared to the preceding year. For federal research spending, George Mason's ranking also fell, to 144 for FY 2004, as compared to 137 in FY 2003, 139 in FY 2002 and 151 in FY 2000. Federal research is research which is funded by the federal government directly.

The following tables compare changes in Mason’s rankings and research expenditure growth with other Virginia institutions:

NATIONAL RANKINGS OF VIRGINIA INSTITUTIONS IN 2004		
INSTITUTION	TOTAL RESEARCH	FEDERAL RESEARCH
Virginia Tech	55 (Stays same)	91 (Down 11)
University of Virginia	67 (Stays same)	46 (Stays same)
Virginia Commonwealth	101 (Down 1)	100 (Down 1)
College of William & Mary	159 (Down 2)	171 (Up 5)
George Mason University	164 (Down 9)	144 (Down 7)
Old Dominion University	181 (Up 6)	182 (Down 3)
James Madison University	312 (Up 5)	322 (Up 38)

TOTAL RESEARCH EXPENDITURE GROWTH 1998 – 2004	
INSTITUTION	GROWTH %
George Mason University	105%
College of William & Mary	90%
Old Dominion University	73%
Virginia Commonwealth University	65%
University of Virginia	64%
Virginia Tech	61%
ALL UNITED STATES	66%
TOP 100 SCHOOLS	66%

EXPENDITURES BY UNIT

The units with the largest sponsored research expenditures are the College of Science, College of Humanities and Social Sciences, the School of Information Technology & Engineering, the School of Public Policy, the School of Law, and the College of Education and Human Development. These schools make up 90% of total sponsored research spending. Approximately 80% of these expenditures are incurred within five units, the College of Science, the College of Humanities and Social Sciences, the School of Information Technology & Engineering, and the School of Public Policy, and the School of Law.

Research activity at the University generates indirect cost earnings to cover facilities and administrative costs resulting from the activity. Approximately \$11.6M will be earned from indirect cost reimbursements in FY07. Of these total earnings, 30% is directed to offset costs within the Educational & General program, and the remaining 70% is used to directly support additional 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 College of Science, the College of Humanities and Social Sciences, the School of Information Technology & Engineering, and the School of Law. These four units earn approximately 83% of the total indirect earned.

**SPONSORED PROGRAMS EXPENDITURES
2003-04 THROUGH 2006-07**

TOTAL EXPENDITURES BY UNIT

UNIT	2003-04	2004-05	2005-06	Projected 2006-07	% INCREASE FY04 TO FY07
COS	N/A	N/A	N/A	\$15,813,000	N/A
CHSS	N/A	N/A	N/A	14,279,800	N/A
SCS	\$12,577,388	\$13,181,646	\$15,352,448	N/A	N/A
CAS	13,187,716	11,989,409	13,863,857	N/A	N/A
IT&E	9,568,454	10,208,849	10,457,924	10,771,700	13%
SPP	9,665,509	8,158,791	8,140,533	8,384,700	-13%
LAW	7,473,417	10,668,982	8,111,792	8,355,100	12%
CEHD	4,995,187	5,412,665	6,466,877	6,660,900	33%
CHHS	798,384	817,208	1,233,953	1,271,000	59%
KRASNOW	796,994	946,488	1,023,584	1,054,300	32%
ICAR	458,361	484,155	511,611	527,000	15%
CVPA	147,872	166,309	153,997	158,600	7%
SOM	134,825	180,713	63,313	65,200	-52%
ITU	1,125,693	1,147,710	1,292,307	1,331,100	18%
PROV/OCPE	3,763,212	1,277,734	2,686,366	2,767,000	-26%
UNIV LIFE	204,736	180,471	115,235	118,700	-42%
OTHER	56,553	312,760	50,982	52,500	-7%
TOTAL	\$64,954,301	\$65,133,890	\$69,524,779	\$71,610,600	10%

% OF TOTAL

UNIT	2003-04	2004-05	2005-06	2006-07
COS	N/A	N/A	N/A	22.1%
CHSS	N/A	N/A	N/A	19.9%
SCS	19.4%	20.2%	22.1%	N/A
CAS	20.3%	18.4%	19.9%	N/A
IT&E	14.7%	15.7%	15.0%	15.0%
SPP	14.9%	12.5%	11.7%	11.7%
LAW	11.5%	16.4%	11.7%	11.7%
CEHD	7.7%	8.3%	9.3%	9.3%
CHHS	1.2%	1.3%	1.8%	1.8%
KRASNOW	1.2%	1.5%	1.5%	1.5%
ICAR	0.7%	0.7%	0.7%	0.7%
CVPA	0.2%	0.3%	0.2%	0.2%
SOM	0.2%	0.3%	0.1%	0.1%
ITU	1.7%	1.8%	1.9%	1.9%
PROV/OCPE	5.8%	2.0%	3.9%	3.9%
UNIV LIFE	0.3%	0.3%	0.2%	0.2%
OTHER	0.1%	0.5%	0.1%	0.1%
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: Office of Sponsored Programs

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

**TOTAL INDIRECT EARNINGS
2003-04 THROUGH 2006-07**

INDIRECT EARNED BY UNIT

UNIT	2003-04	2004-05	2005-06	Projected 2006-07	% INCREASE FY04 TO FY07
COS	N/A	N/A	N/A	\$3,131,100	N/A
CHSS	N/A	N/A	N/A	2,562,300	N/A
SCS	\$2,796,636	\$2,744,736	\$3,039,905	N/A	N/A
CAS	1,640,458	2,141,270	2,487,669	N/A	N/A
IT&E	2,088,943	2,413,474	2,452,110	2,525,700	21%
LAW	1,382,600	1,536,155	1,293,739	1,332,600	-4%
SPP	1,357,157	864,941	855,230	880,900	-35%
CEHD	472,737	458,737	673,211	693,400	47%
KRASNOW	459,786	355,618	199,541	205,500	-55%
CHHS	161,309	33,211	174,077	179,300	11%
ICAR	0	12,417	33,733	34,700	N/A
SOM	23,680	24,250	11,641	12,000	-49%
CVPA	0	0	0	0	N/A
PROVOST	2,577	17,379	9,071	9,300	263%
UNIV LIFE	7,269	2,352	352	400	-95%
ITU	1,525	0	0	0	N/A
OTHER	23,298	0	0	0	N/A
TOTAL	\$10,417,975	\$10,604,540	\$11,230,279	\$11,567,200	11%

% OF TOTAL

UNIT	2003-04	2004-05	2005-06	2006-07
COS	N/A	N/A	N/A	27.1%
CHSS	N/A	N/A	N/A	22.2%
SCS	26.8%	25.9%	27.1%	N/A
CAS	15.7%	20.2%	22.2%	N/A
IT&E	20.1%	22.8%	21.8%	21.8%
LAW	13.3%	14.5%	11.5%	11.5%
SPP	13.0%	8.2%	7.6%	7.6%
CEHD	4.5%	4.3%	6.0%	6.0%
KRASNOW	4.4%	3.4%	1.8%	1.8%
CHHS	1.5%	0.3%	1.6%	1.6%
ICAR	0.0%	0.1%	0.3%	0.3%
SOM	0.2%	0.2%	0.1%	0.1%
CVPA	0.0%	0.0%	0.0%	0.0%
PROVOST	0.0%	0.2%	0.1%	0.1%
UNIV LIFE	0.1%	0.0%	0.0%	0.0%
ITU	0.0%	0.0%	0.0%	0.0%
OTHER	0.2%	0.0%	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 facilities and administrative support of sponsored research.

INDIRECT EARNINGS REVERTING TO E&G 2003-04 THROUGH 2006-07					
INDIRECT EARNED BY UNIT					
UNIT	2003-04	2004-05	2005-06	Projected 2006-07	% INCREASE FY04 TO FY07
COS	N/A	N/A	N/A	939,300	N/A
CHSS	N/A	N/A	N/A	768,700	N/A
SCS	\$838,991	\$823,421	\$911,972	N/A	N/A
CAS	492,137	642,381	746,301	N/A	N/A
IT&E	626,683	724,042	735,633	757,700	21%
LAW	414,780	460,847	388,122	399,800	-4%
SPP	407,147	259,482	256,569	264,300	-35%
CEHD	141,821	137,621	201,963	208,000	47%
KRASNOW	137,936	106,685	59,862	61,700	-55%
CHHS	48,393	9,963	52,223	53,800	11%
ICAR	6,496	3,725	10,120	10,400	60%
SOM	7,104	7,275	3,492	3,600	-49%
CVPA	0	0	0	0	N/A
PROVOST	773	5,214	2,721	2,800	263%
UNIV LIFE	2,181	706	106	100	-95%
ITU	458	0	0	0	N/A
OTHER	493	0	0	0	N/A
TOTAL	\$3,125,392	\$3,181,362	\$3,369,084	\$3,470,200	11%
% OF TOTAL					
UNIT	2003-04	2004-05	2005-06	2006-07	
COS	N/A	N/A	N/A	N/A	27.1%
CHSS	N/A	N/A	N/A	N/A	22.2%
SCS	26.8%	25.9%	27.1%	27.1%	N/A
CAS	15.7%	20.2%	22.2%	22.2%	N/A
IT&E	20.1%	22.8%	21.8%	21.8%	21.8%
LAW	13.3%	14.5%	11.5%	11.5%	11.5%
SPP	13.0%	8.2%	7.6%	7.6%	7.6%
CEHD	4.5%	4.3%	6.0%	6.0%	6.0%
KRASNOW	4.4%	3.4%	1.8%	1.8%	1.8%
CHHS	1.5%	0.3%	1.6%	1.6%	1.6%
ICAR	0.2%	0.1%	0.3%	0.3%	0.3%
SOM	0.2%	0.2%	0.1%	0.1%	0.1%
CVPA	0.0%	0.0%	0.0%	0.0%	0.0%
PROVOST	0.0%	0.2%	0.1%	0.1%	0.1%
UNIV LIFE	0.1%	0.0%	0.0%	0.0%	0.0%
ITU	0.0%	0.0%	0.0%	0.0%	0.0%
OTHER	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

CAPITAL OUTLAY

BACKGROUND

George Mason University covers in excess of 800 acres, with 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 occupies a total of 141 buildings on-campus, in addition to 19 off-campus or leased facilities. During 2006-07 the University completed a new facility (Research I) on the Fairfax campus. This is George Mason's first facility dedicated exclusively to research activity. 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, 2007-2008

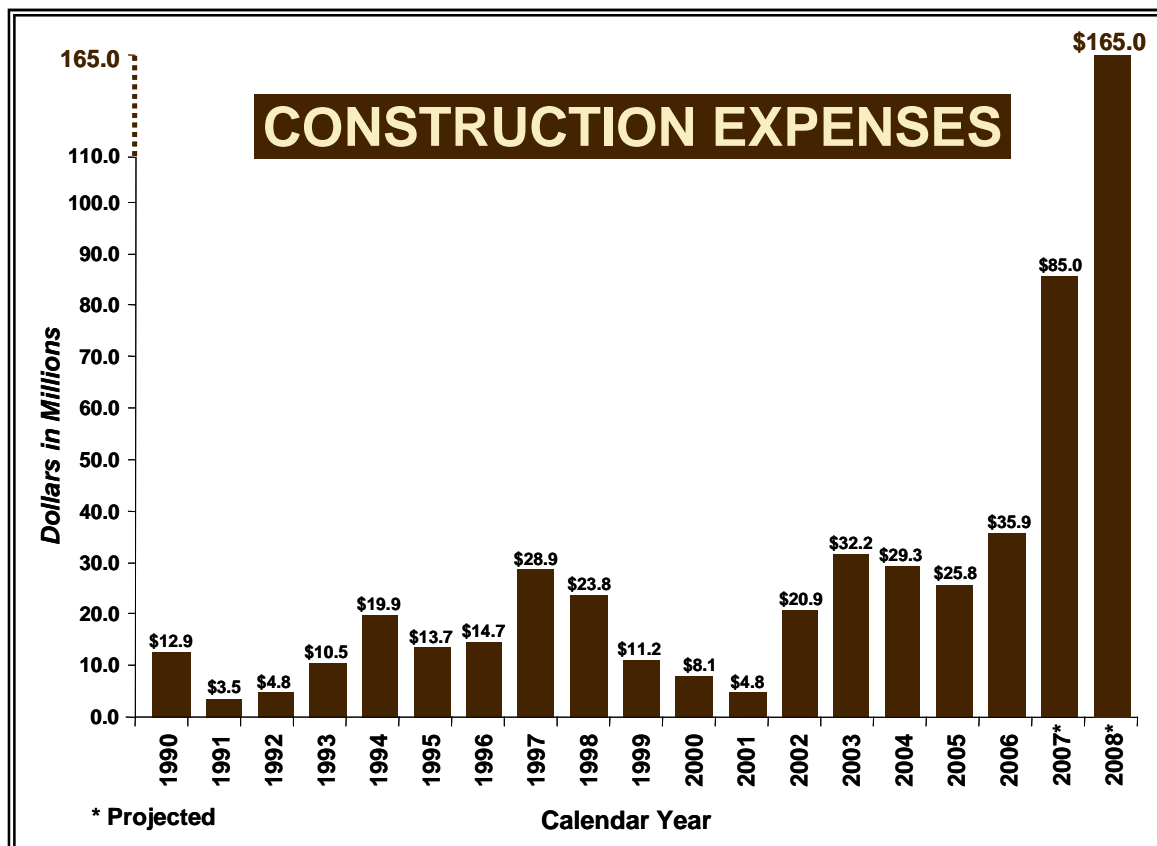
The University projects that capital spending in FY 2008 will be approximately \$165M; this represents the greatest level of annual capital expenditures in the history of the University.

Much of the capital construction currently underway will continue into FY 2008, while other major capital outlay projects will initiate capital spending during the 2007-2008 fiscal year. The University anticipates FY 2008 annual capital spending of approximately \$60M of General Funds and \$105M of Non-general Fund capital spending. The following projects, which are currently approved, will incur costs in FY 2008 as noted on the following page:

PROJECT	STATUS	PROJ SPEND	FUND SOURCE
• ARLINGTON II	Construction	\$20.0M	GF
• RENOVATE WEST BUILDING	Renovation	0.4M	GF
• PRINCE WILLIAM IIIA SUPPLEMENT	Construction	0.4M	GF
• RESEARCH I	Construction/Equipment	0.5M	GF
• ACADEMIC V	Construction/Infrastructure	11.8M	GF
• THOMPSON RENOVATION	Renovation	0.8M	GF
• RENOVATE S&T I & II, DAVID KING HALL	Renovation	0.6M	GF
• NORTH LOOP INFRASTRUCTURE	Construction	0.2M	GF
• ACADEMIC VI/RESEARCH II	Construction	17.5M	GF
• PW PERFORMING ARTS	Construction	4.0M	GF
• CONFLICT ANALYSIS – POINT OF VIEW	Planning	0.5M	GF
• PW POWER LINE RELOCATION	Construction	1.2M	GF
• FAIRFAX PERFORMING ARTS ADDITION	Construction	0.2M	GF
• PATRIOT CENTER RENOV/ADDITION	Renovation	7.8M	NGF
• KRASNOW INSTITUTE ADDITION	Construction	1.0M	NGF
• HOUSING RENOVATIONS	Renovation	0.7M	NGF
• FAIRFAX AQUATIC CENTER ADDITION	Construction	0.8M	NGF
• PRINCE WM PERFORMING ARTS CENTER	Construction	13.5M	NGF
• STUDENT UNION BUILDING III	Construction	1.9M	NGF
• RENOVATE PE BUILDING	Renovation	10.2M	NGF
• STUDENT HOUSING VII	Construction	20.5M	NGF
• SURGE SPACE BUILDING	Construction	10.4M	NGF
• CHILD DEVELOPMENT CENTER	Construction	0.2M	NGF
• SOFTBALL FIELD IMPROVEMENTS	Construction	1.9M	NGF
• PW BIO-CONTAINMENT LAB	Construction	13.8M	NGF
• PARKING DECK III/ROAD RE-ALIGN	Construction	10.5M	NGF
• RESEARCH I	Construction/Equipment	0.4M	NGF
• HOTEL CONFERENCE CENTER	Construction	9.5M	NGF
• MAINTENANCE RESERVE	Construction	3.3M	GF
• ADA	Construction	0.5M	GF
TOTAL		\$165.0M	

Not included in this list are two additional capital projects (faculty/staff housing and a university-based retirement 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 highly probable that expenditures in support of these capital projects will be made during FY 2008.

Although the University is projecting spending more on capital projects in FY 2007 than in any year in the history of the University, the University anticipates spending a much greater level in FY 2008. The current projected level of capital spending in FY 2008 will almost double the amount in FY 2007 and nearly triple the level of spending in FY 2006.



FUTURE CAPITAL PROJECTS

The following table details the capital projects submitted to the State in April, 2007, as part of the 6-Year Capital Outlay Request for funding for new facilities. It represents the highest priority facility needs for the University. The table shows the 2008 – 2010 Biennium for which new facilities for the University were requested. This table is provided as information concerning current priorities of the University for new facilities.

GEORGE MASON UNIVERSITY SIX YEAR CAPITAL PLAN

(All Estimates in \$M)

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>	\$12.4	\$12.4		
2	Arlington II FF&E	<i>Furniture & Equipment</i>	\$8.6	\$8.6		
3	Academic V FF&E	<i>Furniture & Equipment</i>	\$5.9	\$5.9		
4	Academic VI/Research II FF&E	<i>Furniture & Equipment</i>	\$5.5	\$5.5		
5	Thompson FF&E	<i>Furniture & Equipment</i>	\$1.5	\$1.5		
6	Renovate Science & Tech II, New Lab Bldg (COS)	<i>Renovation/Construction</i>	\$51.2	\$51.2		
7	Renovate Fine Arts (CVPA)	<i>Renovation</i>	\$9.8	\$9.8		
8	Krasnow Addition – Phase II	<i>Construction</i>	\$12.6	\$6.3	\$6.3	
9	Renovate Finley (CEHD)	<i>Renovation</i>	\$9.4	\$9.4		
10	Renovate Presidents Park #2	<i>Renovation</i>	\$15.6		\$15.6	
11	Renovate Commons	<i>Renovation</i>	\$17.6		\$17.6	
12	Campus Library Improvements (Phase I)	<i>Construction</i>	\$57.4	\$57.4		
13	Physical Plant Addition (Essential Operations)	<i>Construction/Renovation</i>	\$12.2	\$12.2		
14	Satellite Cooling Plant (Supports Development)	<i>Construction</i>	\$17.9	\$17.9		
15	Loudoun Site Development	<i>Planning</i>	\$1.1	\$1.1		
16	Parking Deck IV (SW)	<i>Construction</i>	\$27.2		\$27.2	
17	Housing VIII (SW Sector)	<i>Construction</i>	\$102.5		\$102.5	
17.1	Southwest Campus Dining	<i>Construction</i>	\$14.6		\$14.6	
18	ARE – Prince William Campus	<i>Capital Lease</i>	\$12.0		\$12.0	
19	Academic VII/Research III – Phase I (CHHS)	<i>Construction</i>	\$60.7	\$53.3	\$7.4	
20	Increase Point of View	<i>Construction</i>	\$7.0	\$5.0	\$2.0	
21	Bull Run IIIB (Research/Teaching)	<i>Construction</i>	\$43.1	\$43.1		
22	Smithsonian CRC Housing/Dining	<i>Construction</i>	\$20.0		\$20.0	
23	Land Acquisition	<i>Land Acquisition</i>	\$15.0	\$15.0		
24	Fairfax Administration	<i>Construction</i>	\$50.0		\$50.0	
25	Parking Deck IIIB	<i>Construction</i>	\$25.8		\$25.8	
26	Belmont Bay	<i>Capital Lease</i>	\$20.0		\$20.0	

GEORGE MASON UNIVERSITY SIX YEAR CAPITAL PLAN

(All Estimates in \$M)

2008 – 2010 (Continued)				FUNDING		
MASON PRIORITY	CAPITAL PROJECT TITLE		TOTAL PROJECT COST	GENERAL FUND	NON GENERAL FUND	PPEA FUNDING
27	Renovate Robinson A (CHHS) (2-3 Phases)	<i>Renovation</i>	\$26.9	\$24.2	\$2.7	
28	Increase - Performing Arts Building Addition	<i>Construction</i>	\$2.0		\$2.0	
29	Increase Funding – PE Building Addition	<i>Construction</i>	\$1.0		\$1.0	
30	West Campus Connector and Campus Entrances	<i>Construction</i>	\$13.9		\$13.9	
31	PE Building	<i>Construction</i>	\$3.2		\$3.2	
32	Track & Field Stadium	<i>Construction</i>	\$8.3		\$8.3	
33	Renovate West Fields	<i>Renovation</i>	\$3.2		\$3.2	
34	Expand – Freedom Center (PPEA)	<i>PPEA</i>	\$63.3			\$63.3
	<i>BIENNIUM TOTALS</i>		<i>\$724.5</i>	<i>\$327.4</i>	<i>\$355.3</i>	<i>\$63.3</i>

EDUCATIONAL & GENERAL

SUMMARY OF MAJOR UNITS

COLLEGE OF HUMANITIES AND SOCIAL SCIENCES (CHSS)

The College of Humanities and Social Sciences (CHSS) comprises 11 departments in the humanities and social sciences and over 20 interdisciplinary programs. The college, which was incepted in July 2007 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 CHSS 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, one MacArthur Prize recipient, and two Pulitzer Prize-winners. Faculty members strive to make students rigorous thinkers and clear communicators, while encouraging experimentation with new approaches and ideas.

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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
8,053	\$43,343,300	\$5,382	7,939	\$46,814,094	\$5,897	8,228	\$49,423,400	\$6,007

FY08 Highlights

New funding is allocated in FY 2008 to provide additional faculty across the College in support of enrollment growth (\$1,102,500), focusing on expanding programs such as global studies and improving the full-time/part-time faculty mix in certain departments. Of the 25.5 new instruction-related positions sustained with new funding, 11 faculty positions are associated with enrollment growth funding. Enrollment growth funding will also enhance infrastructure for the new College including research and development efforts, and provide additional graduate teaching assistantships (\$110,000). The enrollment target for CHSS for FY 2008 is 8,228 which is 175 course FTE higher than the FY 2007 original enrollment target and 289 higher than the projected FY 2007 enrollment.

The FY 2008 Budget also includes \$3,200,000 allocated to cover the cost of the FY07 salary increases and fringe benefit cost adjustments, \$751,000 in salary and fringe to increase faculty salary minimums and staff pay band increases, and \$212,000 to fund the Center for Service Learning expenses previously classified as Auxiliary Enterprises. The College anticipates

Budget Highlights

The FY 2008 Highlights (italicized) include:

- a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as*
- b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.*

receiving premium tuition of \$110,000 for the Biodefense program and \$132,000 for the MPA program. Compared to the FY 2007 original budget, FY 2008 funding per student FTE increases by \$625 or 11.6%.

COLLEGE OF HEALTH AND HUMAN SERVICES (CHHS)

The College of Health and Human Services includes the Departments of Social Work, Global and Community Health, Health Administration and Policy, and the School of Nursing. The College professional programs prepare graduates for important workforce contributions in nursing, health systems management, health administration, social work, gerontology, epidemiology, and assisted living administration. 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 new Center for the Study of Chronic Illness and Disability seeks to understand functioning and to improve the lives of the disabled. Center faculty are currently laying the research foundation for emerging programs in rehabilitation science for the College. CHHS enjoys strong partnerships with regional and international agencies in several important areas:

1. Faculty from the College serve as research and educational consultants and colleagues in settings such as Inova Health System, Vinson Hall, the DC School System, WHO, Project Hope, the World Bank, and NIH;
2. Undergraduate, master's, 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 provides undergraduate and graduate programs, including numerous graduate certificate and non-degree study options for specialized areas of study and advanced preparation. Enrollment overall is very strong with the addition of new programs in health and human services. CHHS master's degree program in nursing tied for 48th among U.S. programs, according to the latest *U.S. News* rankings.

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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
864	\$9,918,800	\$11,480	801	\$10,517,923	\$13,131	962	\$12,016,100	\$12,491

FY08 Highlights

Funding is allocated in FY 2008 to support faculty position additions (\$300,000) and enrollment growth (\$680,800). This funding will cover 14 additional faculty to support enrollment and programming needs. One-time funding for support of cooperative programs with NVCC (\$300,000) and Skillsource (\$150,000) are also included in the FY 2008 budget. The enrollment

target for CHHS for FY 2008 is 962 FTE, which is 98 course FTE higher than the original FY 2007 target, and 161 course FTE higher than the projected FY 2007. Funding in the amount of \$657,000 is allocated to cover the cost of the FY 2007 salary increases and fringe benefit cost adjustments. Compared to the FY 2007 original budget, FY 2008 funding per student FTE increases by \$1,011 or 8.8%.

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 Arts Management, Art and Visual Technology, Dance, Film and Video Studies, 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 on many fronts. The number of arts majors has grown more than 20% in the past five years, and 300% since the mid-1990s. In 2006-07, The Great Performances at Mason series had a banner year (breaking records for both numbers served and revenue) and saw strengthened community support from the Friends of the Center for the Arts. General student attendance at performances and exhibitions is strong and growing; some 24,000 students annually experience the arts at GMU.

With increased size has come increased quality. Recognition of student and faculty achievement is strong. Mason alumni perform with prestigious dance, opera, and theater companies, play in prominent bands and orchestras, work as arts managers in top institutions, exhibit their work in galleries across the country, create graphic design for leading corporations, and hold teaching positions at every level from pre-K through higher education. Faculty perform, direct, exhibit, and publish in professional venues regionally, nationally, and internationally.

CVPA is proud of its role as a "front door" of the University, annually serving as a point of inspiration, education, and connection with well over 100,000 members of Mason's extended communities. As a unit that reflects a unique interweaving of the academic, the professional, and the community, CVPA sees itself as a wellspring of campus culture – a creator, importer, and exporter of a strand of practice that speaks to the best impulses of the human condition as expressed by the great artists of the past and the vital, emerging, and challenging voices of the present day and the future.

The principal challenges and opportunities facing CVPA in the next several years involve an exciting constellation of building projects, both in-progress and prospective, to bring the college's physical environment more in line with its current size and level of achievement and aspiration. CVPA's active and growing volunteer community (represented most comprehensively by the Arts at Mason Board) is vigorously pursuing philanthropic opportunities that, in partnership with State and University resources, will transform the landscape of the arts for generations to come.

The college offers undergraduate degrees (B.A., B.M., B.F.A.) within four departments and one program, as well as five masters degrees (M.A., M.A.T., M.M., M.F.A.) and a variety of professional certificates.

Budget Highlights

The FY 2008 Highlights (italicized) include:
a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as
b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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
1,068	\$7,805,400	\$7,308	1,081	\$8,174,264	\$7,562	1,073	\$8,548,000	\$7,966

FY08 Highlights

The enrollment target for CVPA for FY 2008 is 1,073 FTE, which is 5 course FTE greater than the original enrollment target for FY 2007 and 8 course FTE below the projected FTE enrollment for FY 2007. Funding in the amount of \$29,000 is allocated for the budgeted enrollment growth. Funding is also allocated in the amount of \$137,000 in salary and fringe to increase faculty salary minimums and staff pay band increases, and \$467,000 to cover the cost of the FY 2007 salary increases and fringe benefit costs adjustments. Additional funding in the amount of \$77,000 is provided from course fee revenue from students for supplies and materials for courses. Compared to the FY 2007 original budget, FY 2008 funding per student FTE increases by \$658 or 9.0%.

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 focuses on providing undergraduate routes for teacher licensure in many areas. In total, The College of Education and Human Development has over twenty programs with approximately 3000 students (2500 of whom are graduate students) and 105 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 \$6M per year during the past five years.

Budget Highlights

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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	\$16,713,100	\$7,379	2,243	\$17,837,220	\$7,952	2,265	\$17,834,100	\$7,874

FY08 Highlights

The enrollment target for CEHD for FY 2008 is 2,265 FTE, which is the same as the original FY 2007 target and approximately 22 FTE higher than the estimated FY 2007 enrollment. Funding will be added to the CEHD budget during 2005-07 as contract course revenue associated with the enrollment target is earned. Funding is also allocated in the amount of \$1,015,000 to cover the cost of the FY 2007 salary increases and fringe benefit cost adjustments. Compared to the FY 2007 original budget, FY 2008 funding per student FTE increases by \$595 or 8.1%.

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;
- 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

The FY 2008 Highlights (italicized) include:

a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as

b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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
163	\$2,670,400	\$16,383	188	\$3,018,349	\$16,055	203	\$3,281,000	\$16,163

FY08 Highlights

New funding is allocated in FY 2008 to support additional faculty for enrollment demand (\$246,200). The enrollment target for ICAR for FY 2008 is 203 FTE, which is 40 FTEs higher than the original FY 2007 target and 15 higher than the projected FY 2007 enrollment. Funding is also allocated in the amount of \$184,000 to cover the cost of the FY 2007 salary increases and fringe benefit cost adjustments. With a 24.5% projected enrollment growth, FY 2008 funding per student FTE is decreases by \$220 (1.3%) when compared to the FY 2007 original budget.

KRASNOW INSTITUTE

The Krasnow Institute for Advanced Study is a research institution focusing on the intersection of neurosciences, behavioral biology and computer sciences. The Institute's 50 staff members conduct their basic research within a dedicated 33,000 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 \$19.7M in sponsored research funds to the University from federal agencies such as the 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 neurosciences to the University.

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006-07 E&G BUDGET EXPENSE	2006-07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$431,600	\$506,766	\$1,386,800

FY08 Highlights

Additional funding in the amount of \$39,000 is allocated to cover the cost of the FY 2007 salary increases and fringe benefit cost adjustments. Beginning in FY 2008 the Center for Social Complexity will be housed in the Krasnow Institute, transferred from CHSS, and several neuroscience faculty positions are also transferred to Krasnow. Full time faculty positions in the Institute increase by 5.11 FTE. Approximately \$837,000 is added to the Krasnow budget for FY 2008 to support these positions and transfer of the CSC. Although the Institute does not get direct credit for any course enrollment, its faculty teach various courses in the College of Humanities and Social Sciences, School of Information Technology & Engineering, School of Science, and College of Education and Human Development.

Budget Highlights

The FY 2008 Highlights (italicized) include:

a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as

b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.

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.

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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
2,850	\$23,293,000	\$8,173	2,926	\$24,483,362	\$8,368	2,960	\$26,416,500	\$8,924

FY08 Highlights

New funding is allocated in FY 2008 to continue support for the commitment for faculty and staff for programs and for the restructuring of the College, as well as for faculty positions to support enrollment growth (\$686,800). The FY 2008 budget includes approximately 10.35 FTE in additional full-time faculty positions. Additional revenue of \$310,000 for laboratory fees is included in the FY 2008 budget. The enrollment target for COS for FY 2008 is 2,960 FTE, which is 110 course FTE higher than the original FY 2007 target and 34 course FTE higher than the actual FY 2007 enrollment. COS increased Graduate Research and Teaching Assistants stipend to \$12,000 per year, an initiative funded within the existing base budget. Funding is also allocated in the amount of \$154,000 in salary and fringe to increase faculty salary minimums and staff pay band increases, and \$1,815,000 to cover the cost of the FY 2007 salary increases and fringe benefits cost adjustments. Compared to the FY 2007 original budget, FY 2008 funding per student FTE increases by \$751 or 9.2%.

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 Computer Science, Electrical and Computer Engineering, and Statistical Science.

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.

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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
2,200	\$19,309,100	\$8,777	2,142	\$19,581,743	\$9,142	2,220	\$21,146,800	\$9,526

FY08 Highlights

Resources allocated to the Volgenau School of IT & Engineering for fiscal year 2008 include \$219,500 allocated for enrollment growth and \$200,000 to support new biomedical engineering faculty positions. These funds support 6 FTE additional full-time faculty positions in FY 2008.

The enrollment target for IT&E for FY 2008 is 2,220 FTE, which is 20 FTE greater than the original FY 2007 target and 78 course FTE greater than the estimated FY 2007 enrollment. Funding is also allocated in the amount of \$1,295,000 to cover the cost of the FY 2007 salary increases and fringe benefit costs adjustments. The funding is used to enhance services to graduate students. Compared to the FY 2007 original budget, FY 2008 funding per student FTE increases by \$749 or 8.5%.

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.

SCHOOL OF LAW (LAW)

George Mason University School of Law is a dynamic intellectual community and one of the finest law schools 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 2007, the Law School ranked 34th out of 184 ABA accredited law schools in the country. The law school offers a Juris Doctor degree, an LL.M. in Law & Economics and an LL.M. in Intellectual Property. With an acceptance rate of 20%, the Law school has become one of the most selective law schools in the country. Over the past 18 years the Law & Economics Center has educated hundreds of federal judges in multi-day institutes concentrating on humane, scientific and philosophical subjects.

Budget Highlights

The Information Economy Project in the National Center for Technology & Law focuses research and teaching resources on studies of telephony, broadcasting and the Internet.

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 Project (CIPP), the CIPP 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 CIPP has allowed for collaboration on projects between the law school, the School of Public Policy, ICAR, and the School of Information Technology & Engineering.

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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	\$13,499,900	\$21,774	639	\$13,310,232	\$20,830	610	\$14,340,000	\$23,508

FY08 Highlights

Funding is allocated in FY 2008 in the amount of \$50,000 to cover inflationary costs for library reference materials. The enrollment target for Law for FY 2008 is 610 FTE, which is 10 FTE below the original FY 2007 target and 29 course FTE below the actual FY 2007 enrollment. Funding is allocated in the amount of \$759,000 to cover the cost of the FY 2007 salary increases and fringe benefit cost adjustments.

The School began charging premium tuition rates for its programs beginning in fall 2005. No additional premium is being proposed for FY 2008. The unit portion of the revenue projected for this is \$1,010,000. Compared to the FY 2007 original budget, FY 2008 funding per student FTE increases by \$1,734 or 8.0%.

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 strategic 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 171 business schools world-wide whose programs in both business and accounting are accredited by the Association to Advance Collegiate Schools of Business (AACSB) International. The School of Management is also ranked in the top 100 AACSB accredited business schools by *US News and World Report*. SOM prepares students for professional success through a range of academic programs, business community partnerships, and international alliances. SOM currently enrolls over 3,250 undergraduates pursuing majors in accounting, finance, management, marketing, or information management systems and operations management. Over 450 students are enrolled in graduate programs leading to an MBA, MS in Accounting, MS in Bioscience Management, MS in Technology Management, or the Executive MBA. The School of Management is one of a select few business schools to require international residencies for its graduate students.

The FY 2008 Highlights (italicized) include:

a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as

b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.

SOM is especially committed to the involvement of the greater Washington area business community 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 actively participate 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 100 business leaders representing 80 different companies serve as advisory board or council members. SOM also meets a regional need through the accounting certificate program, which enables individuals to qualify for the CPA examination in Virginia.

SOM's commitment to the region integrates 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 74 full-time faculty members, with over 33% of the faculty being bilingual.

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 one of the highest ratios of students to faculty. Five School of Management faculty members in the past five years have also been recognized with "Excellence in Teaching Awards".

SOM communicates regularly with its 18,000 alumni, with over 13,000 living and working in the greater Washington metropolitan area. A range of educational and social events occur for alumni throughout the year, with most activities being developed by the School of Management's alumni chapter leadership. In addition, the School of Management maintains regular communication with its alumni through the annual *SOMTIMES* magazine, along with monthly e-newsletters spotlighting achievements and events at the business school.

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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
1,965	\$14,655,100	\$7,458	2,145	\$17,130,653	\$7,986	2,115	\$17,019,100	\$8,047

FY08 Highlights

Funding is allocated in FY 2008 for the School to support additional faculty and meet enrollment demands (\$917,000). One full-time faculty position is reallocated from SOM to CHSS for FY 2008. The enrollment target for SOM for FY 2008 is 2,115 FTE, which is 150 course FTE higher than the original FY 2007 target and 30 course FTE lower than the actual FY 2007 enrollment. During FY 2008, funding will be allocated as the unit earns additional funds from premium tuition programs. Funding is allocated in the amount of \$1,025,000 to cover the cost of the FY 2007 salary increases and fringe benefit cost adjustments. Funding in the amount of \$315,000 is

added as the allocation of funds from course fee revenue. Compared to the FY 2007 original budget, FY 2008 funding per student FTE increases by \$589 or 7.9%.

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, five are University Professors, two are Distinguished Service Professors and four are members of the National Academy of Public Administration. SPP currently enrolls nearly 950 students in its six graduate degree programs. This is nearly a 65% increase over the past 5 years. 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 eleven research centers. In the most recent ranking by the National Science Foundation of research expenditures by discipline, SPP ranked 6th 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 master's programs and student services offices are headquartered on the Arlington campus.

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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
550	\$9,639,800	\$17,527	537	\$9,812,499	\$18,273	571	\$10,943,400	\$19,165

FY08 Highlights

New funding is allocated in FY 2008 to support additional faculty for teaching and research (\$142,800) and one-time funding to support the Center for Regional Analysis (\$100,000). The enrollment target for SPP for FY 2008 is 571 FTE, which is 21 course FTE greater than the original FY 2007 target and 34 course FTE greater than the actual FY 2007 enrollment. Funding in the amount of \$681,000 is allocated to cover the FY 2007 salary increases and fringe benefit cost adjustments. Compared to the FY 2007 original budget, FY 2008 funding per student FTE increases by \$1,638 or 9.3%.

The School charges premium tuition rates for its graduate programs. The unit portion of the revenue projected for these programs increases by \$307,000 in FY 2008, to a total amount of \$1,464,000. The funding is used to support additional staff, fund additional financial aid and enhance services overall for the School's students.

Budget Highlights

The FY 2008 Highlights (italicized) include:
a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as
b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.

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 2007 summer term. This headcount will generate approximately 2,300 FTE student enrollment, of which 400 FTE are from summer term contract activity.

2007 SUMMER HEADCOUNT ENROLLMENT (ON AND OFF CAMPUS) FROM SELECTED VIRGINIA INSTITUTIONS	
GEORGE MASON UNIVERSITY	12,352
Old Dominion University	10,970
Virginia Commonwealth University	10,775
University of Virginia	8,784
Virginia Tech	6,844
James Madison University	6,164
William & Mary (Summer 2005 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).

2006-07 ORIGINAL			2006-07 REVISED			2007-08 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
1,901	\$4,667,500	\$2,455	1,901	\$2,680,499	\$1,410	1,900	\$4,887,800	\$2,573

FY08 Highlights

New funding is allocated in FY 2008 for additional faculty support to cover the salary increase of 5.5% received by full-time faculty and 4.0% received by part-time faculty in FY 2007 (\$220,000). Excluding contract activity, the enrollment target for Summer Term for FY 2008 is 1,900 FTE, which is approximately the same as the original target and actual FY 2007 enrollment levels. The funding is used to enhance services to graduate students. Compared to the FY 2007 original budget, FY 2008 funding per student FTE increases by \$118 or 4.8%.

The revised budget for FY 2007 reflects the decision by the state to pay the 7/1/2006 payroll in FY 2006, instead of FY 2007. While the expenses were split between FY 2006 and FY 2007, the total enrollment is counted in FY 2007.

Budget Highlights

The FY 2008 Highlights (italicized) include:

- a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as*
- b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.*

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 Humanities and Social Sciences (CHSS).

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$4,447,500	\$4,862,624	\$5,130,700

FY08 Highlights

New funding is allocated in FY 2008 to support research laboratory costs for Krasnow Institute (\$234,000) and other academic program needs (\$328,000). The FY 2008 budget includes funding in the amount of \$100,000 for FY 2007 salary and fringe benefit adjustments. During FY 2008 adjustments will be made as the Study Abroad earnings are increased beyond the initial base set in the original budget. During FY 2007 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 Office of Sponsored Programs, Vice President for Research, and ROTC fall within the series of organizations. The operational department of the Provost's staff also is included in this budget.

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$3,706,700	\$3,869,300	\$4,621,700

FY08 Highlights

Funding of \$230,000 is allocated in FY 2008 to support research infrastructure and safety needs, including a biosafety officer position (\$95,000). Funding for FY 2007 salary increases and fringe benefits is included in the amount of \$447,000.

OFFICE OF CONTINUING PROFESSIONAL EDUCATION (OCPE)

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

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

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

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

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

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$1,308,900	\$1,604,841	\$1,324,100

FY08 Highlights

Of this total budget level, approximately \$328,000 is University support, while the remaining \$996,000 budget must be generated from self-generated revenues. Since the level of activity and revenue generated varies year to year, the FY 2008 budget may be adjusted as additional revenues are generated.

ENROLLMENT SERVICES

The division of Enrollment Services includes the following departments:

- Admissions
- Institutional Effectiveness
- Registrar
- Office of Financial Aid
- Student Academic Affairs and Advising
- Enrollment Management and Summer Term

Budget Highlights

The FY 2008 Highlights (italicized) include:

a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as

b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.

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

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$9,534,200	\$10,232,629	\$11,161,000

FY08 Highlights

New funding is allocated in FY 2008 to support staff increases in Financial Aid, Academic Student Advising, and Enrollment Management (\$484,000). The funding allocated for FY 2008 will enhance service support to students and prepare for the University's upcoming reaccreditation process. Funding is also allocated in the amount of \$1,030,000 to cover the FY 2007 salary increases and fringe benefit cost adjustments.

STUDENT FINANCIAL AID

During Fiscal Year 2007 over 13,000 students at George Mason University received financial aid in some form – chiefly grants, subsidized and unsubsidized loans, work-study, and scholarships – totaling over \$123 million or an average of more than \$9,000 per aid recipient. Within the university budget a small portion of overall financial aid funds are included in the Educational and General budget, in the form of funding set-aside to provide institutional grant support for undergraduate and graduate students, and the Commonwealth of Virginia provides additional support for undergraduate and graduate students, included in the Financial Aid fund of the overall institutional budget. These institutional and state sources for financial aid are described below:

EDUCATIONAL & GENERAL FINANCIAL AID (INSTITUTIONAL SUPPORT)		
2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$4,890,000	\$5,066,000	\$6,690,000

COMMONWEALTH OF VIRGINIA FINANCIAL AID (STATE GENERAL FUND SUPPORT WITHIN STATE FINANCIAL AID FUND – NON-EDUCATIONAL & GENERAL)		
2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 BUDGET	2006 - 07 BUDGET	2007-08 BUDGET
\$10,594,711	\$10,594,711	\$12,013,093

FY08 Highlights

New Educational & General funding is allocated in FY 2008 to support institutional grants for graduate (\$760,000) and undergraduate students (\$865,000).

State general fund support for graduate students is \$1.6 million for both FY2007 and FY2008, and state general fund support for undergraduate students increases by \$1.4 million to a total of \$10.4 million in FY2008.

LIBRARIES - ITU

The George Mason University Libraries, as a core academic function, serve as both a repository of and digital portal to the wider universe of knowledge. The Libraries foster innovation, originality, and imagination by qualitatively managing access to scholarship and information, providing expert consultation in the research process, and actively teaching the effective and critical use of information.

The Libraries' resources, services and programs benefit all students, faculty and staff of the University; these 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:

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

Expanded academic support services of the University Libraries include:

- University Copyright Assistance Office
- University Thesis and Dissertation Services
- Statistical Research Services
- University Records Management
- Mason Archival Repository Service (MARS)

Budget Highlights

The FY 2008 Highlights (italicized) include:

a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as

b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.

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

- The Libraries' Web site (and the set of locally-developed discovery tools offered there), which provides access to a variety of networked resources and services;
- Voyager, an online integrated library management system;
- Synchronous online reference service, providing research assistance to students, faculty, and staff remotely;
- A Web-based Electronic Reserves module, allowing students to access materials on course reserve online;
- Microform to digital format output technology, quantitative and qualitative analysis statistical software packages, Geographic Information System (GIS) software, and bibliographic citation management software;
- Approximately 250 public access networked computer workstations; and
- Three (3) electronic instruction rooms, used to teach students information literacy skills and online research techniques.

In order to better meet the needs of the University's growing and diverse academic and research programs, the University Libraries is a member of, and active participant in, several regional and national academic research library 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 24x7 operation, and needs to serve effectively a growing student and faculty population, as well as meet the demands generated by increased University research activities.

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$14,578,400	\$15,156,712	\$16,755,500

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

FY08 Highlights

Funding is allocated in FY 2008 to cover inflation for library research materials and electronic access to scholarly resources (\$450,000), funding to support increased workloads relating to acquisition and cataloging of library materials and e-resources (\$198,000), and WRLC storage fees and other operational needs (\$200,000). To help address critical library programmatic needs identified by the President's Library Task Force report (2005), funding is allocated in the amount of \$202,000. Part of the above overall funding increase will support additional staff (5.00 FTE). Funding in the amount of \$738,000 is allocated to cover the FY 2007 salary increases and fringe benefit cost adjustments.

INFORMATION TECHNOLOGY UNIT - 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 ITU also includes The Capitol Connection and the Security and Project Office, which also includes the Patriot Computer Store. The Patriot Computer Store is a totally self-supporting Auxiliary Enterprises operation.

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

A particular strength of the ITU is its support of instruction. The Southern Association of Colleges and Schools, Mason’s accrediting agency, 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 Technology across the Curriculum (TAC) initiative, a joint project of the ITU and the former 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.

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2005 - 07 E&G BUDGET EXPENSE	2005 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$23,213,500	\$24,121,634	\$25,819,900

FY08 Highlights

Increases in the ITU budget are allocated to support teaching/earning/research (\$125,000), administrative and enterprise wide system enhancement and support (\$575,000), and inflation on software and hardware maintenance contracts (\$125,000). Funding in the amount of \$1,556,000 is allocated to cover the FY 2007 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 2008 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.

Budget Highlights

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$1,609,200	\$1,018,253	\$2,070,900

Actual increase in new funding for FY 2008 is \$490,621 which represents new positions to support the Administrative systems. FY 2007 Revised figures reflect temporary fund transfers to the Contract account to cover high value Oracle/SunGard/Bearing Point contracts.

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 Services
- Early Identification Program
- Counseling Center
- Learning Services
- English Language Institute

Leadership, Education & Development

- Student Activities
- Diversity Programs & Services
- Multicultural Research & Resource Center
- Office of International Programs and Services
- International Faculty & Employee Programs & Services
- Orientation & Family Programs & Services
- Women's Studies Research and Resource Center
- Student Media
- Judicial Affairs
- Dean of Students Office

Health and Wellness

- Student Health Services
- Alcohol, Drug & Health Education
- Health Education Services
- Sexual Assault Services
- Wellness Education Resource Room

The FY 2008 Highlights (italicized) include:

- budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as*
- the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.*

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$6,161,300	\$7,131,004	\$7,537,300

FY08 Highlights

The overall additional funding allocated for FY 2008 is \$450,000 to address critical support needs. New funding is allocated in FY 2008 to support enrollment growth as it affects the demand for counseling services, judicial/honor code, and international faculty/staff/students. The FY 2008 budget includes an additional 6.20 FTE positions to support the functions as noted here. Funding in the amount of \$530,000 is allocated to cover the salary increases in FY 2007 and fringe benefit cost adjustments. Funding of \$250,000 is allocated as a result of ELI increased revenues.

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
- Regional Campus Administration

The purpose 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.

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$19,434,800	\$19,277,363	\$22,190,400

FY08 Highlights

For the FY 2008 fiscal year additional funding is allocated to enhance critical support services within Finance and Administration. Funding for the Safety Office supports insurance cost increases (\$210,000) and fire safety contracts and equipment (\$105,000); Regional Campus budget additions include laboratory maintenance costs for Prince William County (\$200,000), Arlington campus operations, events and university life funding (\$70,000), Loudoun campus staffing (\$81,000), and other Regional Campus operational and staffing support (\$317,000); Fiscal Services budget additions include funding to provide training to university units (\$65,000) and additional accounts payable technicians (\$96,000); funding to support 1 FTE staff within

Institutional Research hired during FY 2007 (\$83,000); Operations adds 1 FTE (\$109,000); the Mail Service contract increases by \$25,000. In addition to these budget increases, funding in the amount of \$1,321,000 is allocated to cover the FY 2007 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.

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$2,607,000	\$2,751,332	\$2,943,600

FY08 Highlights

The FY 2008 budget includes \$113,000 to implement the IT Accessibility Plan and \$43,000 for salary and other expenses. An additional 1.13 administrative faculty FTE are included in the FY 2008 budget. Funding in the amount of \$180,000 is allocated to cover the FY 2007 salary increases and fringe benefit costs.

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.

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$2,197,100	\$2,422,955	\$2,772,400

Budget Highlights

The FY 2008 Highlights (italicized) include:
a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as
b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.

FY08 Highlights

For FY 2008 additional funding of \$100,000 is provided to address needs associated with increasing numbers of alums. Funding of \$260,000 is allocated to fund critical staffing support. Funding in the amount of \$145,000 is allocated to cover the FY 2007 salary increases and fringe benefit cost adjustments.

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.

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$4,135,000	\$5,010,036	\$5,033,400

FY08 Highlights

For the FY 2008 fiscal year funding is allocated for the University Relations unit to support marketing efforts (\$260,000) and contract inflation (\$25,000). Funding in the amount of \$376,000 is allocated to cover the FY 2007 salary increases and fringe benefit cost adjustments.

FACILITIES

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, Innovation Hall, and Research I. 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.

Budget Highlights

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 Maintenance Reserve allocation of \$3.2M to address some of the highest needs with existing facilities.

During the FY 2008 fiscal year the University will see the largest level of construction ever.

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$22,514,100	\$24,403,182	\$27,102,500

FY08 Highlights

Funding is allocated in FY 2008 to cover contract price escalator clauses for custodial contracts for housekeeping (\$50,000), vehicle replacement (\$100,000), and a sustainability officer position (\$85,500). Additionally, funding is provided to support a wide range of infrastructure maintenance and improvement projects (\$750,000), facilities management costs (\$415,000) and housekeeping contract renewal (\$250,000).

Funding (\$400,000) 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 2008 (\$832,000).

A total of \$1,257,000 is allocated to cover the FY 2007 salary increases and fringe benefit cost adjustments.

The FY 2008 Highlights (italicized) include:

a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as

b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions of \$3.1M, as well as the \$28.3M of proposed changes for FY 2008.

FACILITIES SPECIAL PROJECTS FY 2008	
Braddock/Roberts Road Intersection	\$250,000
Access Improvements Off Ox Road/Route 123	100,000
South of Research I Building	100,000
Quad Section of Academic V/VI/Research I	100,000
Robinson A&B Backfill from West Hall Moves	75,000
Finley Hall Programming	50,000
Arlington II Programming	50,000
Quad Section of Academic V/VI/Research I Survey	13,000
Miscellaneous Contingency for Projects	12,000
TOTAL	\$750,000

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.).

2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
2006 - 07 E&G BUDGET EXPENSE	2006 - 07 E&G BUDGET EXPENSE	2007-08 E&G BUDGET EXPENSE
\$4,962,300	\$4,230,652	\$5,878,200

FY08 Highlights

For the FY 2008 fiscal year new funding is allocated for Property Rental to cover additional leased space costs for (\$875,000) 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.

E&G RENTAL/LEASES OFF CAMPUS				
BUILDING	ANNUAL RENT \$*	\$/SF	RENTABLE AREA SF	OCCUPANTS
COMMERCE I/II (UTILS./CUSTODIAL/MAINT.)	585,000 <u>+100,000</u> 685,000	18.80 <u>+3.12</u> 21.92	30,999	General Accounting Accounts Payable Purchasing Fixed Assets Print Services HR/Payroll CEHD
TRULAND	1,891,000	22.43	83,000	Admin. Services** Arlington Ops. CEHD, School of Law ICES, ICAR, ITE, ITU Social Work Student Health ITU
TOWNHOUSE OFFICES (UTILS./CUSTODIAL/MAINT.)	150,000 <u>22,000</u> 172,000	13.37 <u>1.97</u> 15.34	11,129	CHSS COS SPP CVPA
CIT	240,000	29.49	8,093	OCPE Public Policy SOM
PATRIOT SQUARE	600,000	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.	75,000 40,000	22.72 18.15	3,226 2,098	COS Mason Enterprise
LOUDOUN COUNTY	600,000	23.72	21,158	Academic Instr
PRINCE WILLIAM LAB SPACE	250,000			
SUB-TOTAL	4,615,200	22.31***	187,044	

* Annual Rent for 2007-2008; 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

E&G RENTALS/LEASES ON CAMPUS				
BUILDING	ANNUAL RENT\$*	\$/SF	RENTABLE AREA SF	OCCUPANTS
WAREHOUSE DEBT	257,000			
JOHNSON CENTER	90,000			Admissions Alumni Affairs Computer Labs Internet Lab Ent Engr/Pol Lab Af Am, Global Ed, New Std Ctr Copyright Office
STUDENT UNION I/II	360,000			Counseling Career Dev Intl Prog Minority Std Serv Advising Cash Office Information Serv Univ Life ICES/CHSS Mail Room SOM ****
POLICE BUILDING ADDITION	150,000			
RIVANNA LANE	30,000			ITU
ALL OTHER	376,000			Includes funding for additional modular space needed as renovations occur
TOTAL	5,878,200			

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

AUXILIARY ENTERPRISES

SUMMARY OF MAJOR UNITS

HOUSING

George Mason University's housing program is the University's largest Auxiliary Enterprise. University housing has been out-sourced for over ten years, and Century Campus Housing Management is in the fifth year (FY 2008) of a ten-year contract. Century has 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. 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 house more on-campus (residential) students in FY 2008 than ever before. During FY 2007 students occupied nearly all of the 4,050 beds available. During FY 2008 the University, with the completion of the newest housing facility, expects to house nearly 4,500 students. Expansion will continue during FY 2008 and by FY 2009 nearly 5,000 beds are expected to be available on campus for residential students. The entire housing budget is supported with self generated revenues, primarily in the form of student rental income.

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$15,234,000	\$16,084,700	\$18,950,000
LESS: Expenses	14,601,100	15,361,070	18,525,000
Annual Operating Balance	\$632,900	\$723,630	\$325,000

FY08 Highlights

Revenue: *The FY2007 revised budget reflects increased revenue related to housing additional students in temporary off campus housing for the first semester of the year (~\$.600M) and revenue from the agreement with the GMU Foundation related to the Potomac Heights housing project (~\$.200M). For FY 2008 Housing revenues are expected to be \$18.950M which is a \$2.865M increase over the FY 2007 revised budget. This increase is primarily related to approved rate increase of approximately 4% over FY 2007 rates (\$.615M) as well as revenue related to opening of the newest housing facility (\$.2250M).*

Expense: *The FY2007 revised budget reflects increased costs related to temporary off campus housing (~\$.750M). For FY 2008 Housing expenses are expected to be \$18.525M which is a \$3.164M increase over FY 2007 revised budget. This increase is primarily related to the operation of the new building, including debt service (\$1.870M) and operating costs (\$.959M) as well as debt service related to renovation of existing housing facilities (\$.341M)*

Budget Highlights

The FY 2008 Highlights (italicized) include:

a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,
b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.

Other: Housing relies on annual operating surpluses to fund its facility reserve/renovation fund. As existing buildings age and the overall size of the Housing operation expands it is increasingly important to maintain adequate reserves.

INTERCOLLEGIATE ATHLETICS

The Intercollegiate Athletics program at Mason is recognized for both departmental quality and depth. George Mason University is a founding 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	

Like the majority of the eleven CAA member institutions, the administrative operations of the Intercollegiate Athletics program are funded through student fee allocations. However, the Intercollegiate Athletic program depends upon external revenue to cover the costs of athletic scholarships. Since generating sufficient funds has been difficult throughout the history of the program, alternative-funding strategies are often explored. 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. The Intercollegiate Athletics Program will continue to strengthen its efforts to secure external funding not only to cover tuition and fee increases set forth by the University, but also to fund facility and other enhancements for the overall program.

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$11,555,100	\$12,590,245	\$13,403,200
LESS: Expenses	11,555,100	12,376,751 *	13,403,200
Annual Operating Balance	\$---	\$213,494	\$---

In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for athletics was \$213,494.

Budget Highlights

The FY 2008 Highlights (italicized) include:

- a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,*
- b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.*

FY08 Highlights

Revenue: *The FY 2007 revised budget reflects increased student fee allocations of \$.820M. For FY 2008 ICA revenues are expected to be \$13.403M which is a \$.813M increase over the FY 2007 revised budget. Nearly half of this increase (\$.388M) is in the form of additional fee support. The remaining \$.425M increase is in the form of self-generated revenues associated with increased marketing and external development efforts (\$.200M) as well as increased Patriot Center commission (\$.225M).*

Expense: *The FY 2007 revised budget reflects increased expenses related to enhancements made to ICA for academic support, non-revenue sports support, external fundraising activities (~\$.645M) as well as expenses related to mid-year raises (~\$.175M). For FY 2008 ICA expenses are expected to be \$13.403M which is a \$.608M increase over the FY 2007 permanent revised budget. This increase in expenses is related to annualizing FY 2007 mid year raises and changes in fringe rates (\$.297M), inflationary/other changes on current expenses and additional travel (\$.091M) and additional expenses associated with increased marketing and external development efforts (\$.425M).*

FOOD SERVICE/MEAL PLANS

George Mason Dining Services is managed by Sodexo. Throughout their long standing relationship with Mason, their focus on collaboration across campus, and their active membership in the University community, year after year management and staff of Sodexo have consistently produced dining experiences that focus on quality and variety. Although Sodexo offers a number of services on campus (such as catering) there is no aspect of food service that touches students more than through delivery of meal plans. These meal plans offer the University community 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, planned on-campus dining options, and growing popularity among our off-campus partners (Brion's, Papa John's, McDonald's, etc.), the Food Service revenues are expected to grow annually.

Board plan expenses are held to an agreed upon per meal rate with Sodexo. 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 meal plan program, in recent years a significant portion of this reserve 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.

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$7,819,600	\$8,159,500	\$9,553,000
LESS: Expenses	7,819,600	8,159,500	9,553,000
Annual Operating Balance	\$---	\$---	\$---

FY08 Highlights

Revenue: The FY 2007 Revised budget reflects an increase of over 150 meal plans sold (at various levels) over the original budget (due to additional students in housing and overall growing popularity of flexible meal plans). For FY 2008 Food Services revenues are expected to be \$9.553M which is a change of \$1.393M over the FY 2007 revised budget. This change is due to a slight approved rate increase (approximately 4%) as additional meal plan sales. Because of additional residential students on campus (due to new housing) and overall campus growth, nearly 340 additional (annual) meal plans (over FY 2007 Revised Budget) are expected to be sold in FY 2008.

Expense: The FY 2007 Revised budget reflects the increased expenses for the additional 150 meal plans sold (at various levels) over the original budget (due to additional students in housing and overall growing popularity of flexible meal plans). For FY 2008 Food Services expenses are expected to be \$9.553M which is a change of \$1.393M over the FY 2007 revised budget. This change is due to cost associated with the expected additional meal plans sold (nearly 340 (annual) meal plans over FY 2007 Revised Budget).

JOHNSON CENTER/UNIONS

The operation of the Johnson Center (JC) and other student unions serves to integrate all aspects of campus life at George Mason University. More than just facilities that house meeting space and dining space, the JC/Unions operation offers program and support services to students, faculty and staff. The JC/Unions staff aims to support and complement the academic process; provide excellent customer service to the Mason community and visitors; promote diversity and campus spirit through cooperative participation; and encourage student development, social competency, and responsibility.

The Johnson Center opened for operation in 1995. Activities located in the facility include the Admissions Office, the cinema, library space, the student radio station (WGMU), the Center for Teaching Excellence, a retail mail shop, a full service bank and a variety of franchise eateries. Millions have visited the building since its opening and the overall use of the center continues to grow. Also playing an important role in offering programming and support services to the Mason community, the Student Unions have been undergoing a series of renovations since the opening of the Johnson Center. These renovations have been 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. Construction of additional Unions space in the northeast sector of campus will occur during FY08. Upon completion, this space will offer additional dining, meeting, recreation and retail space to an increased number of students living on campus and the overall campus community. The Unions/JC operations budget is supported through a mix of student fee allocations and self-generated revenues (primarily food service and bookstore commissions).

Budget Highlights

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$7,094,400	\$7,188,477	\$7,925,800
LESS: Expenses	6,422,900	6,756,581*/**	7,633,500
Annual Operating Balance	\$671,500	\$431,896	\$292,300

* In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for JC/Unions was \$58,200.

** Additional one-time expenses of \$242,000 related to facilities upgrades are included

FY08 Highlights

Revenue: The FY2007 revised budget reflects increased fee support of \$.094M over the original budget. For FY 2008 revenues are expected to total \$7.926M which is an increase of \$.737M over the FY 2007 revised budget. This increase is made up of \$.897M of increased fee allocation and a decrease in self-generated revenue related to bookstore commission of \$.160M.

Expense: The FY2007 revised permanent budget reflects increased expenses related to mid-year raises and other compensation items (\$.094M). For FY 2008 expenses are expected to total \$7.634M which is an increase of \$1.117M above the permanent portion of the revised budget. Major expense increases are related to utility increases (\$.285M) and debt service (\$.383M) and partial year operating costs (\$.113M) related to the northeast sector union. The remaining amount is related to annualizing mid-year raises and changes in fringe rates (\$.223M), inflation on existing expenses (\$.065M) and Auxiliary Enterprises Management Council (AEMC) related program support (\$.048M).

The AEMC program support expenses reference above consist of the following: efforts to purchase equipment to reduce the need for rentals (\$.018M), purchase of event support panel van (\$.030M), additional lighting for SUB II ballroom (\$.060M) and the removal of one time AEMC funding from the previous year (\$.060M).

Other: In FY 2008, JC/Unions expense increases exceed the expected revenue increases. Over the past few years, JC/Unions have utilized annual operating balances to help build up adequate operating reserves and fund one-time expenses. Believing that operating reserves are now at an appropriate level, and in effort to maximize the availability of resources throughout auxiliary enterprises, the decision was made to fund recurring expenses (beginning in FY 2008) from existing JC/Unions resources. While this reduces the amount of amount of on-going annual operating balance, it has enabled the University to make additional student fee allocations.

The FY 2008 Highlights (italicized) include:

- a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,
- b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.

CENTER FOR THE ARTS

The Center for the Arts (CFA) is the professional presenting and producing arm of the College of Visual and Performing Arts. Since October 1990, when the doors to the Concert Hall opened, the mission of CFA has been to make the arts an intrinsic part of the lives of every George Mason student and area resident. The Center plays a key role in the cultural vitality of the Washington Metropolitan region, attracting more than 150,000 patrons each year to performances by local artists and ensembles; community and University events; student and faculty productions; and our own multi-disciplinary professional series – Great Performances at Mason, which set another in a series of attendance and revenue records in 2006-7, with ticket sales of more than \$1.9 million. CFA has received national recognition as “a paradigm of educational and community involvement” (Alan Kriegsman, Washington Post critic).

Through master classes, open rehearsals, classroom visits, and other engagement activities, CFA intertwines professional artists throughout the academic life of Mason, reaching arts majors and the general student body, and extending opportunities to our partner schools in Fairfax County. The Arts Support Umbrella, a joint CVPA-CFA project, provides professional staff support for student ensembles and University users of arts venues. CFA offers 500 free tickets and large numbers of discounted tickets to each CFA event in the Concert Hall, and a similar number (25% of capacity) in Harris Theater, Theater Space, Dance Performance Lab, and the Black Box Theater. Each year, throughout its venues, CVPA/CFA plays to nearly 30,000 Mason students. Even accounting for multiple student users, CFA reaches at least 16-18,000 students per academic year. Students come from all areas and campuses of the University.

The Center hosts a large number of University events, from the highly successful Vision Series (a Provost office lecture series inaugurated in 2006-7) to Fall for the Book and other special speakers, seminars, and meetings. CFA has several regular rental clients, most notably, the Fairfax Symphony, Fairfax Choral Society, American Youth Philharmonic, and several major military bands/orchestras including the Marine Band, Army Blues, and the Airmen of Note. Some forty thousand K-12 students attend performances at CFA each year. The CFA operating budget is supported by student fee allocations as well as self generated revenues in the form of ticket and rental income, private philanthropy (primarily through the Friends of the Center for the Arts, representing more than 600 households), a modest but growing base of corporate sponsorships (PNC Bank recently signed a three-year commitment as Season Sponsor for the Great Performances series) and merchandise sales commissions.

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$6,388,200	\$6,513,981	\$6,836,600
LESS: Expenses	6,388,200	6,445,050 *	6,836,600
Annual Operating Balance	\$---	\$68,931	\$---

* *In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for Center for the Arts was \$68,931.*

Budget Highlights

FY08 Highlights

Revenue: The FY 2007 revised budget reflects increased fee allocations of \$.074M as well as increased one –time self-generated income of \$.052M related to foundation contributions for Prince William Community Performing Arts Center planning efforts. For FY 2008 revenues are expected to total \$6.837M which is an increase of \$.322M over the FY 2007 permanent revised budget. Of that amount \$.271M is in additional fee allocation and \$.52M is expected to come from increased ticket sales.

Expense: The FY 2007 revised budget reflects increased expenses related to mid-year raises (\$.074M) as well as increased expenses related to foundation contributions for Prince William Community Performing Arts Center planning efforts (\$.052M). For FY 2008 expenses are expected to total \$6.837M which is an increase of \$.322M over the FY 2007 permanent revised budget. This increase is made up of the following: annualizing mid-year raises and fund changes to fringe rates (\$.122K), increased talent/support expenses for Great Performances at Mason (\$.50M), additional utility expenses (\$.020M), increased support costs for the arts support umbrella (\$.020M), additional student pep band for uniforms, instrument rental, etc. (\$.025M), inflation on existing expenses (\$.034M) and funding an additional position related to the Prince William Community performing arts Center (\$.052M).

FREEDOM AQUATIC AND FITNESS 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 groups, including, but not limited to, the general public, youth, school and community groups, the elderly and persons with disabilities.

Located on the Prince William campus of George Mason University, The Center is the result of an innovative joint partnership between George Mason University, Prince William County and the City of Manassas and has been heralded as a national model for such endeavors. Freedom opened in September 1999 and remains one of the largest aquatic and fitness centers in the region. As part of the agreement, George Mason University is responsible for all aspects of the daily administration and operation of the Freedom Aquatic & Fitness Center.

The 110,000 square foot facility features two pools; a whirlpool; family locker rooms; a full gymnasium; cardio, aerobic and strength studios; racquetball courts; a child care center and a full range of adult and youth programming.

The Freedom Center budget is funded primarily through self-generated revenues in the form of memberships, daily admissions (aquatics and other fitness classes) and contributions from Prince William County and the City of Manassas. Additionally a small amount of student fees (\$66,000) are allocated to cover the University's portion of the overall debt service.

The FY 2008 Highlights (italicized) include:

- a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,*
- b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.*

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$6,000,000	\$6,059,045	\$6,296,300
LESS: Expenses	5,684,700	5,647,122 *	6,179,800
Annual Operating Balance	\$315,300	\$411,923	\$116,500

* In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for Freedom Center was \$52,015.

FY08 Highlights

Revenue: The FY2007 revised budget reflects increased one- time transfers for student visits and tent purchase (\$.024M) as well as increased expectations for membership and daily admissions revenue (\$.035M). For FY 2008 revenues are expected to total \$6.296M which is an increase of \$.261M over the FY 2007 permanent revised budget. This increase is expected to come from self-generated revenue sources such as increased memberships, daily admissions, facility rentals and children’s camps.

Expense: The FY 2007 revised budget reflects increased one- time expenses related to a tent purchase (\$.014M). For FY 2008 expenses are expected to total \$6.180M which is an increase of \$.495M over the FY 2007 permanent revised budget. This increase is related to funding and annualizing FY 2007 mid year raises (~\$.240M) as well as increased utilities (\$.078M) and other maintenance/facility related costs (\$.177M).

UNIVERSITY LIFE

University Life (Auxiliary Enterprises) 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, training and workshops, 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.

Budget Highlights

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

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

Community-Building Social Activities includes activities like Homecoming, Mason Day, Patriots' Day, Every Freakin' Friday, 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. Budgets for these activities are funded primarily through student fee allocations.

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. Budgets for these activities are funded through student fee allocations

Student Organization Funding is disbursed through two student-run organizations. The Student Bar Association (SBA) disburses funds annually to the approximately 40 student organizations and journals in the School of Law. The Student Funding Board (SFB) distributes funding to the approximately 150 other student organizations in the University, and sets aside funding for graduate student travel requests. These budgets are funded primarily with student fee allocations, however many groups also generate their own revenue.

Student Media Programs include the Broadside, five student journals, WGMU radio, and Mason Cable Network. The student media budget is funded partially by student fees; however a large amount is funded through Broadside revenue & other self-generated income.

University Life Activities Related Units include all personnel and direct expense in the University Life Administration, Student Activities Office, Orientation, Student Media, Johnson Center and University Life Programs, 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 administrative and community building activities. The budgets related to these units are primarily fee funded; however the Orientation operation is self supporting with significant revenues being generated through new student fees.

The FY 2008 Highlights (italicized) include:
a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,
b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$5,169,800	\$5,296,339	\$5,654,300
LESS: Expenses	5,169,800	5,942,187**	5,654,300
Annual Operating Balance	\$---	(\$645,848)	\$---

* In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for University Life was \$79,475.

** Approximately \$724,400 in additional one time expenses related to construction of office space and other program enhancements are being funded through accumulated carryforward funds.

Revenue Highlights

Revenue: The FY 2007 revised budget reflects increased fee allocations for mid-year raises (\$.048M) as well as temporary transfers related to facilities (\$.120M) and other programming (reduction of \$.042M). For FY 2008 revenues are expected to total \$5.654M which is an increase of \$.436M over the FY 2007 permanent revised budget. Of this amount self-generated revenues related to Orientation are expected to increase to enrollment growth (\$.104M) and the remaining \$.332M will be in the form of increased student fee allocation.

Expense: The FY 2007 revised budget reflects increased expenses for mid-year raises (\$.048M) as well as temporary expenses related to facilities (\$.160M), other programming initiatives (\$.564M). For FY 2008 expenses are expected to total \$5.654M which is an increase of \$.436M over the FY 2007 permanent revised budget. The changes to expenses are as follows: multicultural/diversity position (\$.054M), additional student bar association programming expenses (\$.100M), distributed campus program/recreation expenses (\$.065M), expenses related to programming enhancements to be determined by VP/University Life (\$.175M), expenses associated with Auxiliary Enterprises Management Council (AEMC) Allocations for University Life (\$.088M), inflation on existing expenses (\$.020M), and annualizing FY 2007 raises and increased fringe rates (\$.054M). Expenses related to the Center of Service and Leadership (\$.224M) will be removed in FY 2008 as this operation will move to E&G resources. Finally, Orientation expenses are expected to increase due to increase level of support to new students and the additional number of new students on campus (\$.104M)

AEMC expenses referenced above were made for the following initiatives: faculty directed program enhancements (\$.035M), University Life Programming Committee Increases (\$.030M), support for efforts to restore plaster casts donated by various Nationally-acclaimed museums (\$.020M), and Direct TV support for University Life Areas on the Prince William Campus (\$.003M).

Budget Highlights

The FY 2008 Highlights (italicized) include:

- a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,*
- b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.*

AUXILIARY ENTERPRISES OPERATIONS

This newly created division includes a variety of activities including Auxiliary Operations Administration, the Police Cadet Program, Campus Access and Transportation. The following paragraphs describe each activity.

Auxiliary Operations Administration: This area provides central management oversight and guidance of both E&G (Police, Risk Management) and Auxiliary Enterprises (Police Cadets, Campus Access, Transportation) activities. Additionally the Associate Vice President for Operations also provides some direction to University Services. The Operations Administration office collaborates with other University offices such as University Life, Academic Affairs, Operational Services, and Physical Plant on programs of common interest. The Auxiliary Operations Administration is funded with student fees. *(FY 2008 Revenue Budget totals \$.160M)*

Police Cadet Program: 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 Police Cadet program is funded with student fees. *(FY 2008 Revenue Budget totals \$.099M)*

Campus Access: This self-supporting activity includes a variety of services that support parking on all of the University campuses. Campus Access funds are generated primarily from decal fees, deck revenues and fines. 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 second 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. These services are offered on all campuses of George Mason University. In previous years the Campus Access budget also housed the City University Energysaver (CUE) Bus system, in conjunction with the City of Fairfax and the Fairfax-Prince William Shuttle Bus system. In FY2008 the CUE/ shuttle operations will move to transportation and will be partially supported by a transfer from Campus Access (with the remaining amount funding from allocation of the transportation fee.)

In addition to expenses mentioned above, the Campus Access budget also allows for 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. *(FY 2008 Revenue Budget totals \$5.012M)*

Transportation: The Transportation Office provides administrative oversight of the parking operation, acts as liaison with the City of Fairfax as it relates to the CUE Bus, administers campus shuttle programs, and provides strategic direction to the campus regarding parking and transportation decisions. The existing shuttle system provides transportation between the Fairfax campus and the Prince William campus on a schedule based during the academic year. Also

shuttle services have recently been added to connect students to various shopping areas (Manassas Mall) as well as provide express transit to and from the Vienna Metro. The shuttle system is not self-supporting. Beginning in FY 2008 a transportation fee will be included within the overall annual student fee. This allocation will be used to fund the CUE bus as well as partially fund the expanding shuttle program. Additional funding for the shuttles will come from transfers from the Campus Access operation. As the campus grows, an emphasis on additional traffic and transportation improvements will be necessary. The Transportation Office is currently working towards formulating a long-range Campus Access and Transportation Masterplan. **(FY 2008 Revenue Budget totals \$2.045M)**

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$6,846,930	\$6,942,341	\$7,680,600
LESS: Expenses	6,974,930	7,063,915 */**	7,680,600
Annual Operating Balance	(\$128,000)	(\$121,574)	\$0

* In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for Auxiliary Operations was \$6,426.

** Original budget deficit of \$128,000 is related to nearly \$500,000 of one-time campus access project expenses.

FY08 Highlights

Revenue: The FY 2007 revised budget reflects increased fee allocations of \$.095M. For FY 2008 revenues are expected to total \$7.681M which is an increase of \$.738M over the FY 2007 permanent revised budget. Of this amount self-generated revenues related to Campus Access are expected to increase modestly due to enrollment growth (\$.065M) the remaining \$.673M will be in the form of increased student fee allocation.

Expense: The FY 2007 revised budget reflects increased expenses related to mid-year raises (\$.006M) as well as expenses related to the establishment Auxiliary Enterprises portion of the Operation Administration division (\$.089M). For FY 2008 expenses are expected to total \$7.681M which is an increase of \$1.199M over the FY 2007 permanent revised budget (\$7.315M FY 2008 Original -\$6.974M FY 2007 original budget + \$.500M one-time expenses included in FY 2007 original budget-\$\$.006 Mid Year Raises in FY07 Revised Budget). The majority of the change in expenses is related to increased shuttle operations (\$1.117M). Additionally an administrative position has been funded within Operations Administration (\$.071M). The remaining change in fee allocation is related to annualizing FY 2007 mid-year raises and changes to fringe rates (\$.011M).

Budget Highlights

The FY 2008 Highlights (italicized) include:

- a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,*
- b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.*

AUXILIARY ENTERPRISES CENTRAL FUNDS

Auxiliary Enterprises Central Funds includes a variety of budgetary divisions including Indirect Cost, Interest Income, Facility Reserves, Warehouse, University Scholars, Salary and Other Auxiliary Reserves. The following paragraphs describe each division.

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. *(FY 2008 Revenue Budget totals \$2.460M)*

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. As mentioned above, the University uses the interest income to partially pay the indirect cost charge assessed for E&G support. *(FY 2008 Revenue Budget totals \$1.500M)*

Facility Reserves: Prudent business practices require that adequate reserves be maintained to address facility repairs and renewals. Because the state provides no General Fund support for the maintenance of Auxiliary Enterprises facilities and no student tuition will be used to maintain these buildings, annual student fee allocations are made to facility reserves funds. In addition to student fee allocations, when possible, excess self generated revenues related to Patriot Center commissions are moved to a facility improvement fund that falls under the facility reserves division. All of these funds are then utilized for approved capital improvements with the balance remaining in “escrow” to address future needs. *(FY 2008 Revenue Budget totals \$1.118M)*

Warehouse: This budgetary division is related to the warehouse building that is utilized by the Office of Facilities. Annual debt service is charged to this division and is covered by a space rental transfer from E&G. The debt service total fluctuates each year between \$255,000 - \$290,000. *(FY 2008 Revenue Budget totals \$.259M)*

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. Funding for the University Scholars budget comes from a mix of student fees as well as self-generated revenues (primarily vending commissions). *(FY 2008 Revenue Budget totals \$.740M)*

Salary and Other Reserves: Each year Auxiliary Enterprises is required to set aside an amount of funding to cover the mid-year raises for fee funded areas. Additionally a number of other reserves have been set up to address such issues as utility and equipment increases, required payments to the Freedom Center for student visits, and capital construction expense overruns. Student fee allocations fund these reserves. *(FY 2008 Revenue Budget totals \$2.306M)*

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$9,392,500	\$9,125,696	\$8,383,200
LESS: Expenses	5,915,900	6,254,300	6,222,600
Annual Operating Balance	\$3,476,600	\$2,871,396	\$2,160,600

FY08 Highlights

Revenue: The FY 2007 revised budget reflects decreased student fee allocation of \$.267M. This is a result of increased student fees due to additional student enrollment /student mix changes as compared to original budget (\$.464M), and allocations from reserves such as ICA enhancements, establishment Auxiliary Operations Administration, Hemlock Grant, etc (\$.731M) For FY 2008 revenues are expected to total \$8.383M which is a decrease of \$.742M over the FY 2007 permanent revised budget. The reallocation of self-generated revenues related to Patriot Center commission contribution from facilities reserves to Intercollegiate Athletics (\$.225M) and increased E&G space rental for the warehouse (\$.022M) explains approximately 27% of the total change. The remaining change can be explained due to reallocating central unallocated reserves (\$.517M) to other operations for program enhancements. For FY 2008 the unallocated reserve contribution is expected to be minimal.

Expense: The FY 2007 revised budget reflects increased expenses primarily related to mid-year raises and slight increases to expected indirect costs. For FY 2008 expenses are expected to total \$6.223M which is decrease of \$.032M over the FY 2007 revised budget. This net decrease is due mostly reduced expected costs for the utility and equipment reserve and increases within the salary reserve and indirect costs.

Other: Annual operating balances are made up primarily of debt savings (to be used to offset future capital projects), facility reserves, and unallocated Auxiliary Reserves. For FY 2008 the \$2.161M is made up of the following: debt savings (\$1.042M), facility reserves (\$1.118M), unallocated reserves (.001M).

RECREATIONAL SPORTS - PROGRAMS & FACILITIES

Recreational Sports includes Intramurals, Club Sports, Informal Recreation, the Physical Education (PE) Building, Robinson Field and Tennis Courts, the Fairfax Aquatic and Fitness Center, the Recreation Sports Complex (Fieldhouse) and the West Campus Intramural Fields. The following paragraphs describe each budgetary division.

Intramurals: Intramural Sports are recreational or sporting contests played between members of the Mason community. The current program consists of a comprehensive and diverse offering of competitive sports (flag football, softball, soccer, volleyball, basketball etc), tournaments (Texas Hold Em', dodgeball, etc) and special events (bike trips, white water rafting, etc). ***(FY 2008 Revenue Budget totals \$.158M)***

Budget Highlights

The FY 2008 Highlights (italicized) include:

- a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,*
- b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.*

Club Sports: Club Sports offer students an opportunity to play against other schools in a highly competitive atmosphere but on a less demanding schedule than a NCAA Division I varsity team. Club sports are added in response to student interest and support, and new sports are considered on an ongoing basis. As our facilities continue to expand, the club sports menu will continue to grow. All club teams are open to all interested students regardless of skill, ability, or experience in a particular activity. Many clubs require participants to provide their own equipment and pay dues to supplement their budgets. Men's crew, equestrian, field hockey, football, lacrosse, rugby, synchronized swimming, trap and skeet and ultimate frisbee are examples of our club sports. These budgets are primarily funded by student fees, although some events and clubs do raise a limited amount of self generated revenue (entry fees, fundraisers, etc.) *(FY 2008 Revenue Budget totals \$.377M)*

Physical Education Building: The PE Building and Linn Gymnasium are located on the west side of Patriot Circle on the Fairfax Campus. Linn Gym is the home to George Mason intercollegiate men's and women's teams as well as our club sports offices. Linn Gym is also open for recreational use and is home to many of our intramural events. *(FY 2008 Revenue Budget totals \$.061M)*

Robinson Field and Tennis Courts: Robinson Field is located adjacent to the PE Building. Robinson Field is a multipurpose turf facility that is home to many of our Intramural and Recreational Sports programs. In addition six (6) new tennis courts are located adjacent to Robinson Field and are used by both Intercollegiate Athletics and Intramurals and the general Mason community.

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 exceeded the capacity of the facility within a few years of opening. An addition to the facility (primarily fitness space and locker space) will be completed during FY 2008. This facility addition will address the needs of the increasing residential student population. This operation is funded with a mix of student fee allocations as well as self generated revenues, primarily in the form of outside memberships and facility rentals. *(FY 2008 Revenue Budget totals \$3.576M)*

Recreation Sports Complex (Fieldhouse): The Field House is located at the corner of Ox Road (Rte. 123) and University Drive on the Fairfax Campus. The George Mason University Department of Intercollegiate Athletics makes its home at the Field House. Many of the intercollegiate administration and coaches offices can be found here. The Field House offers four indoor basketball courts, racquetball courts, and 1/8 mile indoor track, a weight room, and the ability to accommodate indoor volleyball, tennis, or futsal (indoor soccer). *(FY 2008 Revenue Budget totals \$1.526M)*

Athletic Field Improvement Funds : In an effort to keep well maintained fields that address the changing recreational needs of students, the University sets aside funds for annual maintenance of fields on the "west campus." This four field complex includes a lighted artificial turf field, a

lighted Bermuda grass field and two unlighted Bermuda grass fields. Our club sports practice and compete at these fields and intramurals host several leagues, tournaments and special events at these fields. This budget helps to assure that a recreation venue is available to the student population year-round. The budget for athletic field improvements is supported by student fees. *(FY 2008 Revenue Budget totals \$.200M)*

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$4,939,000	\$4,972,843	\$5,898,600
LESS: Expenses	4,939,000	4,934,079 *	5,898,600
Annual Operating Balance	\$---	\$38,764	\$---

* *In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for Club Sports and Athletics Facilities was \$38,764.*

FY08 Highlights

Revenue: *The FY 2007 revised budget reflects increased fee allocations for mid-year raises (\$.034M). For FY 2008 revenues are expected to total \$5.899M which is an increase of \$.926M over the FY 2007 revised budget. Of the total increase, \$.037M is expected to come from additional Fairfax Aquatic Center self-generated funds and an additional \$.39M is expected to come from intramurals and club sport self-generated funds. The remaining amount (\$.850M) will be funded through additional student fee allocation.*

Expense: *The FY 2007 revised budget reflects increased expenses for mid-year raises (\$.034M). For FY 2008 expenses are expected to total \$5.899M which is an increase of \$.926M over the FY 2007 permanent revised budget. The total increase is made up of the following: Increased utility costs (\$.176M), expenses related to opening of Fairfax Aquatic Center addition such as custodial costs, building maintenance, extended hours, and new equipment (\$.327M), lease-purchase of temporary facilities required due to PE Building renovation (\$.130M), intramural improvements, to include the addition of an intramural coordinator (\$.095M), expenses related to Auxiliary Enterprises Management Council recommendations of outdoor court enhancements (\$.010M) and group fitness classes for students (\$.025M), inflation on existing expenses (\$.021M), and annualizing FY 2007 raises and changes in fringe rates (\$.066M).*

AUXILIARY ENTERPRISES INFORMATION TECHNOLOGY

Auxiliary Enterprises Information Technology includes Telecommunications as well as the Patriot Computer Store. The following paragraphs describe each unit.

Telecommunications: This activity provides 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 operation is funded primarily from chargebacks to student housing and to departments within the University as well as a small amount of student fee to

support an Auxiliary Enterprise dedicated support position. (*FY 2008 Revenue Budget totals \$3.294M*)

Patriot Computer Store : 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. (*FY 2008 Revenue Budget totals \$2.400M*)

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$5,685,900	\$5,688,543	\$5,693,500
LESS: Expenses	5,455,900	5,411,139 *	5,463,600
Annual Operating Balance	\$230,000	\$277,404	\$229,900

* *In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for Auxiliary Enterprises Information Technology was \$47,404.*

FY08 Highlights

Revenue: *The FY 2007 revised budget reflects increased fee allocations for mid-year raises (\$.003M). For FY 2008 revenues are expected to total \$5.694M which is an increase of \$.005M over the FY 2007 revised budget. This entire amount will be in the form of increased student fee.*

Expense: *The FY 2007 revised budget reflects increased expenses for mid-year raises (\$.003M). For FY 2008 expenses are expected to total \$5.464M which is an increase of \$.005M over the FY 2007 permanent revised budget. This increase is related to annualizing FY 2007 mid-year raise and funding changes to fringe rates (\$.005M).*

STUDENT HEALTH SERVICES

Student Health Services address 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 5000 immunization and/or insurance records were reviewed for compliance with federal or state regulations. Through optional group health and dental insurance plans, the University provides more than 1500 students with adequate health insurance at modest cost. Related health services offices are Health Education, Substance Abuse Programs and Services, and Sexual Assault Services

Budget Highlights

The FY 2008 Highlights (italicized) include:
a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,
b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.

Responding to growth on our distributed campuses, the University recently enhanced the Student Health Clinic on the Prince William Campus. Efforts to continue to enhance Student Health on all campuses will continue.

Funding for Student Health Services comes primarily from student fee allocations. However, significant self generated revenue is collected and expensed related to insurance premiums as well as for immunizations and other clinical services.

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$2,482,400	\$2,531,217	\$2,895,500
LESS: Expenses	2,482,400	2,663,208 */**	2,895,500
Annual Operating Balance	\$---	(\$131,991)	\$---

* In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for Student Health was \$72,975.

** Approximately \$205,000 in additional expenses related to the Prince William Health Center program are being funded through accumulated carryforward funds.

FY08 Highlights

Revenue: The FY 2007 revised budget reflects increased fee allocations for mid-year raises (\$.049M). For FY 2008 revenues are expected to total \$2.896M which is an increase of \$.364M over the FY 2007 revised budget. Of that amount, \$.354M is an additional fee allocation and \$.010M is expected to come from clinic-related self-generated revenue.

Expense: The FY 2007 permanent revised budget reflects increased expenses for mid-year raises (\$.049M). For FY 2008 revenues are expected to total \$2.896M which is an increase of \$.364M over the FY 2007 revised budget. Of that amount, \$.354M is in additional fee allocation and \$.010M is expected to come from clinic-related self-generated revenue. The \$.354M of additional fees is related to allocations to annualize mid year raises and changes to fringe rates (\$.83M), increased funding for Prince William student health operation (\$.131M), funding for part time Registered Nurse and Immunization Support Specialist the Fairfax campus (\$.093M), Auxiliary Enterprise Management Council recommended student health enhancements (\$.040M) and an allocation for inflation on existing expenses (\$.007M).

PRINT SERVICES

The Print Services Department of George Mason University, established in 1978, was created to facilitate and centralize duplicating operations on campus. In order to provide a high level of service to the campus community, Print Services utilizes leading edge of technology to fulfill the needs of all academic, administrative and affiliated departments of the University. Through its copy centers, coin/card operated copiers and administrative convenience copiers, Print Services

Budget Highlights

The FY 2008 Highlights (italicized) include:

a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,

b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.

works diligently to support the educational mission of the University. Additionally Print Services offers copyright assistance to professors to allow for use of copyrighted materials in course packets.

The department employs a customer-oriented management style that strives for excellence in quality and service. Print Services currently operates four full-service Copy Centers on its three campuses as well a Copyright Assistance Office. All public coin and card-operated copiers, as well as Pay-for Print services, on campus are also owned and maintained by Print Services. Print Services operates almost completely on self-generated revenues. Beginning in FY 2008 a small fee allocation (\$25,000) will be made to Print Services to help address equipment needs.

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$1,800,000	\$1,800,000	\$1,778,400
LESS: Expenses	1,753,400	1,727,165 *	1,778,400
Annual Operating Balance	\$46,600	\$72,835	\$---

* In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for Print Services was \$26,235.

FY08 Highlights

Revenue: The FY2007 revised budget is consistent with original budget expectations. For FY 2008 Print Services revenues are expected to be \$1.778M which is a \$.022M decrease over the FY 2007 revised budget. This change is made up of a small decrease in self-generated revenues (\$.047M) that is primarily related to the declining use of coin operated print services. That self-generated decrease is offset by a student fee allocation beginning in FY 2008 (\$.025M).

Expense: The FY2007 revised permanent budget is consistent with original budget expectations. For FY 2008 Print Services expenses are expected to be \$1.778M which is a \$.025M increase over the FY 2007 permanent revised budget. This increase is primarily related to increased equipment maintenance expenses.

HEMLOCK OVERLOOK

Hemlock Overlook Center for Experiential Education is jointly operated by George Mason University and the Northern Virginia Regional Park Authority. The Center provides an opportunity for people of all ages to participate in Experiential and Outdoor Education activities. Hemlock Overlook is located within 5,000 acres of Regional Park land along the western border of Fairfax County, Virginia. The center is rich in regional Civil War history along the banks of Bull Run and offers overnight accommodations and hiking trails in addition to our 42 element Low and High Challenge Course including our newest high element: Total Team Challenge™.

The Center is open six days a week throughout the year to serve public and private groups. Each year more that 25,000 people from public and private schools, religious groups, community groups, sports teams, corporations, and professional organizations, as well as local, state, and federal government and military agencies participate in Hemlock Overlook programs.

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$1,153,600	\$1,163,600	\$1,293,600
LESS: Expenses	1,139,000	1,120,530 *	1,279,000
Annual Operating Balance	\$14,600	\$43,070	\$14,600

* In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for Hemlock Overlook was \$18,470.

FY08 Highlights

Revenue: The FY2007 revised budget reflects a temporary increase of \$.010M in student fee allocation. For FY 2008 Hemlock Overlook revenues are expected to be \$1.294M which is a \$.130M increase over the FY 2007 permanent revised budget. This change is made up of an additional student fee allocation of \$.030M and a \$.110M in self-generated revenue due to expanded efforts of the corporate services program

Expense: The FY2007 revised permanent budget reflects is consistent with the original budget. For FY 2008 Hemlock Overlook expenses are expected to be \$1.279M which is a \$.140M increase over the FY 2007 permanent revised budget. This includes increased general center expenses (\$.030M) as well as additional expenses related to the corporate services program (\$.110M).

UNIVERSITY SERVICES

This includes a variety of operations including the activities of the Office of University Services Administration, All University Card Office/Photo ID, Auxiliary Mail Services, and Auxiliary Regional Campus. The following paragraphs describe each cost center.

Office of University Services Administration: This area 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. This operation is supported by student fees. *(FY 2008 Revenue Budget totals \$1.206M)*

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 Meal Plan. *(FY 2008 Revenue Budget totals \$.761M)*

Auxiliary Mail Services: This operation has been set up as a service for students as a location to purchase stamps and packaging materials as well as send packages by parcel. The Auxiliary Mail Services operation is funded solely through self-generated revenues. *(FY 2008 Revenue Budget totals \$.014M)*

Budget Highlights

The FY 2008 Highlights (italicized) include:

a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,

b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.

Auxiliary Regional Campus: This budgetary division allows for allocations made to distributed campuses through Auxiliary Enterprises Management Council (AEMC) recommendation process to be authorized, monitored, and reported distinctly in a more efficient manner. Prior to the establishment of this division, AEMC allocations were held within University Services Administration and required authorization by the Assistant VP of University Services. By establishing the Auxiliary Regional Campus division, decisions and approvals are now able to be delegated to representatives of each distributed campus. AEMC recommendations are supported by student fees. *(FY 2008 Revenue Budget totals \$.108M)*

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$1,980,270	\$1,978,909	\$2,089,300
LESS: Expenses	1,980,270	1,945,720 *	2,089,300
Annual Operating Balance	\$---	\$33,189	\$---

* *In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for University Services was \$33,189.*

FY08 Highlights

Revenue: *The FY 2007 revised budget reflects a decrease of student fees totaling \$.001M. This is explained by increased fee allocations for mid-year raises (\$.031M) as well as transfers out of the Auxiliary Regional Campus funds to University Life initiatives (\$.018M –permanent) and Prince William Campus Tent (\$.014M – one time). For FY 2008 revenues are expected to total \$2.089M which is an increase of \$.095M over the FY 2007 permanent revised budget. Of this amount self-generated revenues are being reduced by approximately \$.113M and fee support is being increased by \$.208M.*

Expense: *The FY 2007 permanent revised budget reflects expenses for mid-year raises (\$.031M) as well as expenses transferred out of the Auxiliary Regional Campus to University Life (\$.018M –permanent) and Prince William Campus Tent (\$.014M – one time). For FY 2008 expenses are expected to total \$2.089M which is an increase of \$.095M over the FY 2007 permanent revised budget. The change in expenses are related to removal of All University Card office equipment expenses (\$.119M), increase Auxiliary Mail Services expenses (\$.006M). Expenses related to a financial analyst position within University Services (\$.070M), expenses related to current year Auxiliary Enterprise Management Council allocations (\$.143M), removal of one-time AEMC expenses related to FY 2007 (\$.072M), inflation on existing expenses (\$.019M) and annualizing FY 2007 raises and changes in fringe rates (\$.048M).*

The AEMC expenses listed above (\$.143M) consist of additional food service hours (\$.085M), additional outdoor furniture (\$.030M), Arlington University Life and technology enhancements (\$.023M), and PW campus stage and table tennis equipment (\$.005M).

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 25 years of age in two classrooms. The Center is known throughout the University and local community for its strong developmental curriculum and dedicated staff. In early FY 2008 the center will move from its current location in modular buildings in the Patriots Village complex to a newly constructed facility in the northeast sector of the Fairfax Campus. The “new” Child Development center will eventually be able to accommodate up to 120 children of University faculty, staff and student, as well as children of the local community. The Child Development Center is expected to remain a self supporting operation with funding for its budget coming from student tuition as well as various educational workshops held throughout the year.

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$554,600	\$584,600	\$1,024,500
LESS: Expenses	554,600	577,041 *	1,024,500
Annual Operating Balance	\$---	\$7,559	\$---

* In June of FY 2006, the State processed an additional payroll. This resulted in 25 payrolls for FY 2006 and 23 payrolls for FY07. The additional expenses incurred in FY 2006 have been covered with savings from FY 2007. The amount associated with the extra FY2006 payroll for University Services was \$7,559.

FY08 Highlights

Revenue: The FY2007 revised budget is reflects and increase of \$.030M due to the success of the Child Development Center (CDC) workshop program. For FY 2008 CDC revenues are expected to be \$1.025M which is a \$.440M increase over the FY 2007 revised budget. This increase is related to additional self-generated revenues related to the operation of the new Child Development Center facility with the ability to register another 40-60 children, and a small rate increase of approximately 5% (\$.445M). Because of new facility and the expectation of self-sufficiency, the small student fee allocation for facility maintenance (\$.005M) will be removed.

Expense: The FY2007 revised budget is reflects and increase of \$.030M related to additional workshop costs and the need to utilize additional wage staff. For FY 2008 CDC revenues are expected to be \$1.025M which is a \$.440M increase over the FY 2007 permanent revised budget. This increase is related to the operation of the new Child Development Center including debt service on the new facility (\$.227M), additional staffing and other increases (\$.213M)

Budget Highlights

The FY 2008 Highlights (italicized) include:

a) budget revisions made during FY 2007 since the adoption of the original budget for FY 2007, as well as,

b) the proposed budget changes for FY 2008 over the current, revised budget of FY 2007. Therefore, these highlights include the FY 2007 budget revisions (\$2.58M) as well as the \$8.60M of proposed changes for FY 2008.

PATRIOT CENTER

The Patriot Center is a 10,000-seat venue located on Mason's Fairfax campus. The only facility of its kind in Northern Virginia, the Patriot Center has evolved from a home for Mason Basketball and commencements to a functional university and community assembly space. Each year the Patriot Center welcomes popular musicians, family entertainment such as Ringling Brothers and Barnum and Bailey Circus and Disney on Ice, craft and bridal fairs, and local high school graduation ceremonies. Faculty and staff receive discounted tickets to many Patriot Center events.

The Patriot Center is operated by Centre Management. In return for their services Centre Management receives an annual fee and a small percentage of overall revenues. Remaining revenues are returned to the University and used to fund athletic scholarships, facility reserves, and a portion of the Patriot Center operating costs (primarily utilities). The remaining operating costs not covered by Patriot Center revenues are funded by student fee allocation.

	2006-07 ORIGINAL	2006-07 REVISED	2007-08 ORIGINAL
Revenues	\$491,800	\$491,835	\$617,900
LESS: Expenses	491,800	491,835	617,900
Annual Operating Balance	\$---	\$---	\$---

FY08 Highlights

Revenue: *The FY2007 revised budget is consistent with original budget expectations. For FY 2008 Patriot Center revenues are expected to be \$.618M which is a \$.126M increase over the FY 2007 revised budget. This increase is related to additional utility costs (as projected by the Facilities Office) and will be covered with an additional student fee allocation.*

Expense: *The FY2007 revised budget is consistent with original budget expectations. For FY 2008 Patriot Center expenses are expected to be \$.618M which is a \$.126M increase over the FY 2007 revised budget. This increase is related to additional utility costs (as projected by the Facilities Office).*

**SSUMMARY OF CHANGES IN REVENUES
FY 2006-07 ORIGINAL BUDGET TO FY 2007-08 ORIGINAL BUDGET**

UNIT	2006-07 ORIGINAL BUDGET	2006-07 REVISED BUDGET	CHANGE FROM 2006-07 ORIGINAL BUDGET	2007-08 ORIGINAL BUDGET	CHANGE FROM 2006-07 REVISED BUDGET	TOTAL CHANGE
Housing	\$15,234,000	\$16,084,700	\$ 850,700	\$18,950,000	\$2,865,300	\$3,716,000
Intercollegiate Athletics	11,555,100	12,590,245	1,035,145	13,403,175	812,930	1,848,075
Food Service/Meal Plans	7,819,600	8,159,500	339,900	9,553,000	1,393,500	1,733,400
Johnson Ctr/Unions	7,094,400	7,188,477	94,077	7,925,778	737,301	831,378
Center for the Arts	6,388,200	6,513,981	125,781	6,836,561	322,580	448,361
Freedom Center	6,000,000	6,059,045	59,045	6,296,300	237,255	296,300
University Life	5,169,800	5,296,339	126,539	5,654,285	357,946	484,485
Aux. Ent. Operations	6,846,930	6,942,341	95,411	7,680,611	738,270	833,681
Aux. Ent. Central Funds	9,392,500	9,125,725	(266,775)	8,383,247	(742,478)	(1,009,253)
Club Sports/Facilities	4,939,000	4,972,843	33,843	5,898,585	925,742	959,585
Aux. Ent. Info. Tech.	5,685,900	5,688,543	2,643	5,693,535	4,992	7,635
Student Health	2,482,400	2,531,217	48,817	2,895,527	364,310	413,127
Print Services	1,800,000	1,800,000	0	1,778,400	(21,600)	(21,600)
Hemlock Overlook	1,153,600	1,163,600	10,000	1,293,600	130,000	140,000
University Services	1,980,270	1,978,909	(1,361)	2,089,261	110,352	108,991
Child Development Ctr.	554,600	584,600	30,000	1,024,500	439,900	469,900
Patriot Center	491,800	491,835	35	617,935	126,100	126,135
TOTAL	\$94,588,100	\$97,171,900	\$2,583,771	\$105,974,300	\$8,802,300	\$11,386,200