

Tulane University
 Staff Advisory Council
 Minutes of Thursday, May 12, 2005

I. Roll Call

Attendees	May 12		Attendees	May 12
DOWNTOWN CAMPUS			PRIMATE CENTER NORTHSHORE	
Jose Alcaine	Present		Cris Fontenot	Present
Susan Bourgoyne Barrera	EA		George Garrett	EA
Kathleen Brumfield	Present		Mary Little – Chair	Present
Kim Butler	EA		Members-at-Large	
Emanuel Cole	UA		Gilbert Estrada	EA
Glenda Folse – Recording Secretary	Present		Patricia Harrison	EA
			Elise Legrand	UA
Bobby Guntner	Present		Barbara Volo	EA
Cynthia Hayes	Present		Parliamentarian	
Manolito Martinez	UA		Eileen deHaro	EA
Barbara C. Miller	EA		Invited Guests	
Peggy Lee Williams – Corresponding Secretary	Present		Anne Baños	Present
UPTOWN CAMPUS				
Jacqueline Addison – Elections Coordinator	EA		UPTOWN – PROXY REPRESENTATIVES	
John August	UA		Charlsie Dillon	N/A
Gloria Decuir	EA		Maria Gaztambide	Present
Miriam Espinosa	Present		Arnetha Torry	N/A
Jeanny Keck	Present			
Verna Lee	Present		DOWNTOWN – PROXY REPRESENTATIVES	
Angelica Leonard	Present			
Kathryn Pierce	EA			
Griselda Young	Present		Gloria Lakatos	N/A
Raymond Vance – Vice Chair	Present		Danna Teicheira	N/A
			Lee Armand	N/A

All Officers are serving the Staff Advisory Council term 2004/2005.

The May 12, 2005 meeting was held in the Howard Tilton Library, Room 308, Uptown Campus of Tulane University. The meeting was called to order at 3:05 p.m. by Chairman, Mary Little.

Mary Little welcomed all representatives and invited guests to the meeting.

I. Review and Approval of the Minutes: The minutes of the April 14, 2005 meeting were submitted for review. The minutes were approved as written.

II. Guest Speakers:

A. Anne Baños, Vice President and Chief of Staff. Ms. Baños addressed the following questions:

1. Question: With so many changes in Human Resources occurring over the last few years (reassignment of employees, a new Associate Vice President in Human Resources) would you consider it an opportune time to send a survey to all employees regarding the services provided by Human Resources, to get feedback from employees? With a new Vice President on board, would this information be helpful in determining the wants and needs of the employees from the Human Resources standpoint?

Answer: No. Consultants were brought in during the past year to review the operation of the HR Department, and recommendations were made by those consultants. Implementation of recommendations has taken place, to include organizational changes, including the hiring of an Associate Vice President, Ann Broome. The Employment section is now under Barb Brauner, Director.

2. Question: In the past, staff pay increases have not been keeping up with inflation. Is Administration looking into possibly tying raises to the cost-of-living increases?

Answer: Anne indicated that she had reviewed pay raises over the last ten years. In 1997, there were no raises. Since 2000, the raises have been above the increase in the cost of living, as based on the Consumer Price Index (with the cost of groceries and gasoline excluded from the calculation).

3. Question: Are there plans in the near future to revise the salary structure?

Answer: Cheryl Avera, Director of Compensation and Records, indicated that her department is constantly tracking trends in the job market, and looks especially hard at positions that are difficult to fill. She also said that a review of salary bands and job descriptions is constantly taking place.

4. Question: Some of our SAC Representatives have been encountered resistance from their supervisors when they want to attend SAC meetings. All representatives are aware that their work **must** come first, and work to complete their job obligations before attending our meetings. Can your office take steps to convince supervisors that SAC meetings are as important as those of faculty and student organizations? and, if so, what?

Answer: Anne, in turn, asked what SAC is doing to counter supervisors' resistance to attendance at SAC meetings. A suggestion was made that a committee of SAC members be formed to analyze the ways in which SAC information is transmitted to their constituents, and to improve communication with constituents and management. The comment was also made that there are many people possessing computer skills who could send information to staff employees.

5. Question: Has the University spoken to representatives of Conexis about the large number of requests being made of receipts? If Conexis has been contacted recently, Benefit Managers need to be aware that things have not improved.

Answer: Yes. Communication with Conexis is on-going, but the situation continues to be disappointing.

6. Question: What progress has been made with the "Promise and Distinction" Campaign?

Answer: the "Promise and Distinction" Capital Campaign is going well. Scott Cowen is spending about 70% of his time traveling on behalf of this campaign, and Yvette Jones, Senior Vice President for External Affairs, is also spending a great deal of time on the road.

7. Question: What progress is being made on electronic PAFs?

Answer: The PAF form is in the process of becoming automated for completion on line. Jason Chretien, Cyborg Project Team Director, is working with Human Resources in its development. The goal is to have the electronic PAF operational by July 1, 2005, but, as the PAF tracks information in about twelve different areas, it will be rolled out a portion at a time, and after that part is de-bugged, another area will be rolled out.

8. Question: Is there any news on negotiations for healthcare coverage for the coming year? What does Administration expect in regard to plan design, employee cost, and employer contribution level?

Answer: At present, requests for proposals are going out to Coventry, Blue Cross of Louisiana, United HealthCare, and Humana.

9. Question: Would the University consider a pre-tax deduction for parking costs or RTA bus passes? With the upcoming increase in the cost of parking, this would help the employee to handle the burden.

Answer: Anne Baños indicated that parking costs are already eligible for pre-tax payroll deduction. The University held discussions with the RTA last year, but they were not productive.

10. Question: Explain the rationale for the Holiday Schedule for the 2005-2006 school year, since the new *Staff Handbook* lists two holidays for Christmas and two holidays for New Years.

Answer: The *Handbook* is not a binding document, and items in it are subject to change. The Holiday Schedule was implemented to allow faculty, staff, and students to have the entire week between Christmas and New Years off, and not have to return in mid-week. The objection was made that having two Winter Recess days and one New Years holiday (instead of one Winter Recess day and two New Year holidays) cost some employees who would be required to work during that time overtime pay that they would otherwise earn. Anne Baños responded that Administration must do what is best for the University, and, at least, most employees were allowed the complete week off.

11. Question: Is there any plan for the University to bring contributions toward staff retirement up to match faculty levels? How does our staff retirement compare to those of our peer institutions? Do other Universities have matching employee/employer contributions?

Answer: There are no plans to date for increasing the University's contribution to staff retirement. In comparison to our peer universities and the local private universities, Tulane has a longer waiting period than the average, but offers richer-than-average employer contributions, and immediate vesting in the plan.

B.

III. Invited Guest: Present was Charlotte Corbin, guest of SAC member Glenda Folse, and Deborah Love, Vice President for Institutional Equity, guest of SAC Chair Mary Little.

IV. Officers' Reports:

- A. University Senate: The report of the University Senate Committee on Athletics and the Minutes of the University Senate meeting of April 4, 2005 are attached.
- B. Board of Administrators:

V. University Senate Committees:

- A. Benefits:
- B. Budget Review: The year-end report of the Senate Committee on Budget Review is attached.
- C. Computing:
- D. Equal Opportunity: The interim Progress Report of the Equal Opportunity Committee is attached.
- E. Physical Facilities: The May 2, 2005 report of the Physical Facilities Committee is attached.
- F. Social Issues:

VI. SAC Sub-Committees:

- A. Election Committee: Elections will take place in June 2005.
- B. Electronic Technology and Information
- C. Recognition:
- D. Staff Issues:

E. Constitution:

- VII. Human Resources Liaisons: Present from Human Resources were Cheryl Avera, Director, Compensation and Records, and Renita Bundy, Benefits Specialist.
- VIII. Next Meeting: June 9, 2005 at 3:00 p.m. in the Health Sciences Center Board Room, 24th floor, Tidewater Building.
- IX. Adjournment: The meeting was adjourned at 4:55 p.m.

The transcription of the minutes is paraphrased and/or reflects direct quotes from the participants in the meeting.

Submitted by:
Glenda Folse
Recording Secretary

Report of the Committee on Physical Facilities May 2, 2005.

The Committee on Physical Facilities had a special meeting on Friday, April 29th. The purpose of the meeting was to review and discuss the administration's proposal for parking fee increases for the next three years. The proposed parking permit fee schedule for the uptown campus for the next three academic years was presented by Senior VP for Ops. & CFO A. P. Lorino. The committee's function on this matter is advisory only.

As explained by Mr. Lorino, the revenue produced by the increases in the first year is budgeted as a part of the operational budget of the 2006 fiscal year. The revenues produced by the parking fee increases in the following two years will be saved in an account dedicated to the building of a parking garage at Uptown Square.

The committee was asked to comment on the proposed parking fee increases with the understanding that these increases will inevitably take place due to the administration's decision to double the cost of parking on the uptown campus within three years.

The committee members suggested several modifications to the proposed increases. The new rates will take effect in the next academic year. Senior VP for Ops. & CFO A. P. Lorino will release the new parking fee structure for the next three years after the final revision.

The committee discussed various options pertaining to the parking problem at Tulane. Mr. Lorino assured the Committee that parking at Uptown Square, along with the shuttle service, will remain available and will be free of charge, even during the construction of the new garage.

The committee does not endorse the proposed rate increases.

Asher A. Rubinstein,
Chair of the Committee on Physical Facilities

MEETING

Regular meeting of the full Senate, Diboll Center.

Presiding: The Chair, President Cowen

I. ATTENDANCE

Ex Officio: Cowen (Pres./Chair), Garcia (Vice-Chair), Lefton (Provost), Whelton (SVPHS - proxy), Lorino (CFO), Sadeghpour (Pres., ASB), Little (Chair, SAC), Forbes (Sec), Patton (Parl)

Faculty of Liberal Arts & Sciences: Soufas (Dean; proxy), Holliday, Kalka, Mullin, Shea

Paul Tulane College: Bernstein (Dean), Heins (proxy)

H. Sophie Newcomb Memorial College: Lowenthal (Dean), V. Bricker

Graduate School: Herman (Dean), Flowers

A. B. Freeman School of Business: Strong

Architecture: None present (again)

Engineering: Altiero (Dean), Hart, Mehrabadi, Mitchell

Law: Roberts

Medicine: Taylor (Dean), Batuman, Garry, Harlan, Landry, Sikka (proxy)

Public Health and Tropical Medicine: Buekens (Dean), Khan, Macintyre, Rice, Hassig

Social Work: Ager

University College: Green, Schwartz

Libraries and A.I.R.: Query (Dean)

Student Senators: Miller, Bacque, Gallen

Staff Senators: Volo

Senators at large: Culbertson; Gaver; Langston; Pritchett; Purrington, McNamara; Rubinstein

Invited Guests: Andrews (Chair, Honors); McCarren (Chair, Libraries); Gonzalez (Chair, Equal Opportunity); Levy (Assoc SVP Research); Lawson (CIO); Johnson (GC); Baños (Chief of Staff); Banker (Spec Assis to Pres)

Absent Senators: Jones, Bianchi, Cummings, Koch, McFarland, Aksoy, Page, Kroloff, Gamard, Reese, Davies, Ponoroff, Posin, Lazarus, Longo, Marks, Buttell, Marksbury, Young, Folse, Hill

II. APPROVAL OF MINUTES

The President informed the Senate that the Secretary wished to make an amendment to the March minutes, as a result of discussion with Senators Lorino and Pritchett. The circulated draft of the minutes, in the part concerning the Student Affairs report, gave the impression that the entire increase of \$33 in the Student Health Fee was for psychological testing at the ERC. A more accurate statement is the following:

Senator Shea asked why the Student Health Fee was being increased. Senator Lorino said that part of the increase was for psychological testing in the ERC. The remainder was to balance the Student Health Center's budget. [*Secretary's Note:* Senator Pritchett informs me that the total increase per student was \$33, of which \$12 goes to the ERC.]

The minutes so amended were unanimously approved.

III. ELECTIONS

An election was held to replace Professor Andrews as a faculty representative to the Board. Senator Gaver was the sole nominee and was elected by acclamation.

IV. PRESIDENT'S REPORT

In a brief report, President Cowen informed the Senate of the successful launch of the capital campaign. He said that, among other things, there is now 100% participation among board members. The Strategic Plan for the School of Medicine was presented to the Board at its most recent meeting. And the Board has acquired a new member, Christopher Medlock James, co-founder of Medlock Ames vineyard and winery. Mr. James, who is a 1991 graduate of Tulane, is the Board's youngest member. He is also chairman and CEO of Partner Fund Management, a hedge fund he started in 2004. He has given financial support to various parts of Tulane, including the Engineering School and the Innovative Learning Center.

Later in the meeting, the President said that he had forgotten to mention one item in his earlier statements. Andrew Heck had left the University earlier in the year, and Anne Baños, the President's Chief of Staff, was now Vice-President of Human Resources. However, we are also hiring an Associate Vice-President of HR. Here VP Baños took the floor, and said the new AVP would be Ann Broome, who would start on April 15th. Ms. Broome had previously been Group Vice President for Coca Cola Enterprises, Western North America Group. There would be a lunch at Human Resources welcoming her on April 15th, to which all are invited.

V. OLD BUSINESS

The Secretary presented, for its second reading, a slightly revised version of a Constitutional Amendment concerning the membership of the Committee on

Committees. In By-Law III, under "Committee on Committees, Membership", he proposed replacing

Chair, the Vice Chair of the Senate; the past Vice Chair of the Senate; one ex officio Senator and *six faculty senators, each member of the Committee from a different academic constituency of the University*, to be elected by the Senate for 2-year terms; and the following ex officio members: the Chair of the Staff Advisory Council, The President of the Undergraduate Student Government and the President of the Graduate and Professional Student Association

with

Chair, the Vice Chair of the Senate; the past Vice Chair of the Senate; one ex officio Senator, and *one faculty senator for each academic constituency of the University to which neither the Vice-Chair nor the past Vice-Chair belong*, to be elected by the Senate for 2-year terms; and the following ex officio members: the Chair of the Staff Advisory Council, The President of the Undergraduate Student Government and the President of the Graduate and Professional Student Association.

The intent, he explained, is to allow the Committee to shrink or expand to ensure that every constituency has a representative on it, and none has more than one, independently of whether or not its Chair and its immediate past Chair are from the same school.

The amendment was uncontroversial and passed unanimously. [Secretary's Note: More than two-thirds of the voting membership was present at the meeting, so the unanimous vote satisfies By-Law V of the Constitution.]

VI. COMMITTEE REPORTS

FTFR.

Senator Strong presented a lengthy report about (1) revisions to the Fraud in Research policy (http://www.tulane.edu/~usenate/Reports/CommRprts04-05/FTFR_FraudInResearch.pdf) and (2) revisions to the Conflict of Interest policy. Under (2), there were five documents: (i) a background memo including a summary of proposed changes, (http://www.tulane.edu/~usenate/Reports/CommRprts04-05/FTFR_COIMemo.pdf); (ii) a statement of the policy (http://www.tulane.edu/~usenate/Reports/CommRprts04-05/FTFR_COIPolicy-3-24-05.pdf); (iii) a sample Disclosure of Interest form (http://www.tulane.edu/~usenate/Reports/CommRprts04-05/FTFR_COIforms.pdf); (iv) a separate policy (http://www.tulane.edu/~usenate/Reports/CommRprts04-05/FTFR_COIHumanSubjects.pdf) for investigators whose research involves human subjects; and (v) a second special policy (http://www.tulane.edu/~usenate/Reports/CommRprts04-05/FTFR_COIRB.pdf) for Institutional Review Board (IRB) members and research oversight officials.

Since these proposals, if passed, would go into the Faculty Handbook, Senator Strong noted that today's discussion constituted a first reading. The proposals had been through a

number of reviews, and FTFR was satisfied they are worthwhile, and so had agreed to present them to the Senate.

The Fraud in Research policy is a weaving-together of regulatory requirements, and Dean Herman added that the differences between current policy and the proposed one were to bring us in line with federal law. VP Levy informed the Senate that the Federal Office of Research Integrity had recently notified the University that its current policy was not in compliance.

With the floor open, discussion focussed on the Conflict of Interest proposals. Senator Purrington asked if the Conflict of Interest (CoI) Committee would have a judicial role. Ms. V. Johnson, University General Counsel, said that it would require various types of disclosure, and would manage them. Senator Purrington asked about third-party complaints, and Ms. Johnson replied that investigations would be initiated only if requested by a senior officer.

Senator Landry asked what exactly the CoI committee would do, and Senator Strong said that the assumption was that potential conflicts would be reported on the disclosure form, and the Committee would then devise a plan for managing them.

Senator Landry wondered if the Committee would exercise authority over faculty members, essentially becoming an extra entity a researcher has to report to. Senator Garry said that he never knew who managed the current plan, and asked what was being changed in the new one. Ms. Johnson responded that current policy simply has data going to the Deans at annual disclosure time.

Senator Purrington asked if there would be sanctions for non-compliance, and if so, how these would be implemented. Senator Herman said that the process would meet the same standards as for the Grievance Committee. But discussion of how to manage a conflict would begin between the relevant Dean and Department Chair.

Senator Landry predicted that the most likely outcome of a dispute would be that the department chair would be untroubled with what was going on, while the CoI Committee, having higher standards, would object, but would have no teeth. Senator Garry added that one criterion for a conflict of interest, a 5% ownership-stake in a company, set the bar quite low.

Ms. Johnson said that CoI management was more of a disclosure process. For example, if you publish a paper, you must make all relevant disclosures in it.

Senator Landry commented that while there appeared to be a lot of latitude in deciding what's a conflict of interest, the department chair usually decides. He could easily imagine a scenario in which a student's research gets buried because it runs counter to the interest of some faculty member's company. In response to a question, he thought there was "no chance" that the student would pursue a complaint. The new policy will work, he said, only if the Committee takes its role seriously and has the power to pursue matters.

Ms. Johnson replied that the Committee would not be bound by department chairs' recommendations. Senator Strong said that the proposed committee was an experiment in the making, and Senator Herman said that there are many committees on campus which do exercise authority. The President added that while a CoI Committee was an experiment for us, having such a body is becoming a common practice at major research universities.

Senator Rubinstein noted that a conflict of interest could arise out of a relationship with a vendor, but he had little idea who was a vendor to the university and who was not. CFO Lorino said that an extensive list was kept, and it distinguishes between active and inactive vendors. Senator Strong said individuals would need access to it, but Senator Lorino saw no insurmountable problem with that (later, Senator Herman pointed out that the coi form asks you to answer "to the best of your knowledge"). Senator Purrington asked if the one-day-a-week limitation on outside consulting was still in effect, and Senator Strong said it was.

The Secretary observed that the focus of the Fraud in Research document is to a certain extent on externally funded research in the sciences. He wanted to point out that it includes all research, and classifies plagiarism as a form of fraud, the one that is most common in the humanities. So the same investigative procedures would apply.

Senator Herman moved as a friendly amendment to the FiR policy that under (e), Disposition, in item (d), "suspension or exclusion" should read "suspension or expulsion". This was accepted. Senator Shea asked if there was any procedure to ensure that someone who makes an allegation of fraud is acting in good faith. Senator Herman said that it would be up to the Dean to look into this.

This brought the first reading of the proposed amendments to the Faculty Handbook to a close. The Senate then went into executive session to vote on nominations from the Honors Committee for honorary degrees. The meeting adjourned at 4.50p.m.

Respectfully submitted,
Graeme Forbes, Secretary

Year End Report of the Senate Committee on Budget Review (SCBR)

May 2, 2005

The SCBR met three times this semester: on March 9, jointly with Athletics on April 4, and most recently on April 28. The chair met prior to each of these meetings with the Chief Financial Officer and the Sr. VP for External Affairs to review material to be presented to the committee and to establish an agenda.

SECOND QUARTER FINANCIAL RESULTS: At the end of two quarters, the revised FY05 expenditures figure of \$596,732,000 was only marginally different from the projected figure at the end of the first quarter (\$597,125,000). Similarly, revenues are now projected to be \$598m, \$1m less than projected at the end of the first quarter (and \$18m more than originally budgeted for the fiscal year). The most significant variances from budgeted figures are from two line items highlighted in the committee's report on the first quarter: net tuition and fees (which are now expected to yield \$218.6m, rather than the budgeted figure of \$213.3m), government grants and contracts (projected to yield revenue of \$125m, rather than the budgeted figure of \$115m), and one additional item: the SIS (Student Information System) Matrix, a university-wide software development project. SIS costs are now projected to be \$3.5m for the year, not the originally budgeted \$4.5m. The reduction is the result of a decrease in the pace of the project, and not a reduction in the project's overall anticipated cost.

These changes, plus other smaller adjustments, resulted in a new projected operating deficit of \$2.194m, compared to a projected deficit of \$3.7m after the first quarter, and a budgeted deficit of \$4.5m.

Updated projections for the university's cash balance included significant but offsetting increases in receipts and disbursements. There was no change from the first quarter in the projected cash position of the university at the end of FY05, \$7.4m.

The market value of Tulane's endowment (excluding gift annuities and life income trusts valued in excess of \$31m) was \$747.146m at the end of the second quarter, up from \$707.903m at the end of the first quarter.

At the same meeting at which the SCBR reviewed second quarter results, it received a report on the Eminent Scholarship Chairs and Professorships. Eminent Scholars, a program of the Louisiana Board of Regents, provides matching funds for chairs and professorships. For the coming fiscal year, expenditures for approximately five chairs and 38 professorships across campus will be limited, due to Board of Regents requirements which set a baseline for the corpus of each chair and professorship. The overall financial result of these limits will be negligible for the university as a whole, but not necessarily for those academic units most affected (Business, Medicine and Law).

ATHLETICS: FY 2005 is Year 2 of the Board-Approved Plan for Tulane's remodeled Division I-A Athletics Program. Under that plan, Athletics was budgeted to bring in revenue of \$9.819m in FY05, and to expend \$12.129m, to achieve a cash deficit of

\$4.2m. At a joint meeting with Athletics, revised figures were discussed. Using the most current data (revenue through February, expenditures to March 23, and encumbrances through June), revenues for FY05 are now projected to be \$8.524m. This \$1.3m revenue variance from the budget results from decreased projections in several categories, including football (\$343k variance), men's basketball (\$496k variance), women's sports (\$55k), and the Tulane Athletics Fund (\$400k variance). Athletics expenditures are anticipated to be \$437k less than the budgeted figure of \$12.129m. The adjusted gross deficit for Athletics is now projected to be \$4.740m, up from \$4.2m, the figure budgeted for FY05 in the Board Approved Plan.

In conversation with the SCBR and the Athletics Committee, the Athletics Director, Rick Dickson, articulated his perception that athletics budgeting is "fragile" and "volatile," but expressed confidence in the program's ability to reach a revised fundraising projection of \$2.3m. The AD stated, however, that in his opinion it would require a "moderate miracle" to achieve the Board Approved Plan's goal of an allowable annual deficit of \$2.1m by FY08.

At its joint meeting with Athletics, there was discussion of the \$2.1m figure, and the five-year time frame of the Board-Approved Plan. At both the joint meeting with Athletics and at its April 28 meeting, there was no sentiment within the SCBR to revisit either the target or the time frame of the Plan.

Finally, with respect to Athletics, the SCBR expressed its approval for the Chief Financial Officer's proposal to utilize updated projections in future Athletics budgeting. Rather than merely inserting figures from the Board-Approved Plan into future budgets (beyond FY06, already prepared and reported on below), even when those figures depart—as discussed above—from projections based on actual results, the budget office will use their best estimates of actual expenditures and revenues, as it does for all other units of the university. This in no way signifies, either explicitly or implicitly, an intention to recalculate the allowable deficit targets contained in the Board-Approved Plan. Any variance with the figures approved by the Board will be duly noted as they are now.

DEVELOPMENT and CAPITAL CAMPAIGN: Fundraising proceeded apace through the second quarter and into the third. The total of new gifts and pledges received in the first two quarters of this year was over two and a half times greater than the total raised in the first half of the prior fiscal year. Total cash received was 34% higher. In the Annual Fund, cash receipts for the first two quarters of FY05 were slightly below last year's comparable time frame (down 1.6%).

In the ongoing capital campaign, begun July 1, 1998, \$477,602,492.03 has been raised as of March 31, 2005. With three years remaining in the campaign, 69% of the identified needs of the university (the campaign goal) had been raised. A breakdown of gifts and pledges indicates that of the total amount of money committed in the campaign thus far, 72.1% represents cash received, i.e., is "in hand." A breakdown of gifts by size shows

that 16 donors have given gifts of \$10m or more, another 67 have given in the \$1-5m range, while 41,933 donors have given up to \$1m.

FY2006 OPERATING BUDGET: The FY06 budget has been prepared with the revenue and expenditure assumptions previously reported on.

Total revenues are budgeted at \$625.556m. Net tuition and fees represent \$228m of that total, government grants and contracts \$125m, the Tulane medical practice \$74.5, and auxiliary enterprises \$40m. With regard to net tuition and fees, it should be noted that the ratio of tuition and fees to institutional scholarships is anticipated to change in the coming year. For FY05, \$86m of institutional support was budgeted, as was \$299m in tuition and fees. For FY06, institutional support is budgeted to increase by \$12m, relative to an increase in tuition and fees of only \$26m, resulting in a one percentage point increase—to 30 percent—in the institutional “discount rate.” Endowment income is projected to decline from \$6.025m to \$5.281m, due to the progressive reduction in the payout rate.

Total expenditures are budgeted at \$625.556m, meaning the budget is in balance before a one-time charge of \$3.5m for the SIS Matrix software program. The resultant operating deficit for FY06 is budgeted at \$3.5m. Increases in expenditures are budgeted for all line items except interest on the university’s line of credit. Significant increases over last year’s budgeted amounts appear in government grants and contracts, the medical practice, instruction and academic support (from \$125.178m to \$132.443m), and operations and maintenance (\$35m to \$39m).

The SCBR recommends to the Senate that it approve the FY2006 operating budget.

Respectfully submitted,

Thomas S. Langston
Chair, Senate Committee on Budget Review