

Report from the Committee on Planning and Budget for September faculty meeting

FY '06 budget: It is currently expected that the university will have a one-time \$4 million surplus for the fiscal year ended June 30, 2006. Much of this surplus is due to lower than budgeted expenses for the retiree health care program and to a lower than expected need for contingency funds. These funds are expected to be placed in quasi-endowment to generate additional operating income for the future.

Health care increases for calendar year 2007: The university's overall health care costs for calendar year 2007 are expected to increase about 8.1% above calendar year 2006. While this increase is significant, it is somewhat less than previously forecasted and budgeted for FY 07.

Budgeting for FY '08: CPB has scheduled time this semester to concentrate on the significant budgetary implications of implementing the five course teaching load. It is expected that some combination of new revenue sources generated by the university's upcoming comprehensive campaign, budget re-balancing and expense reductions will be needed to balance the budget while implementing the five course teaching load.