

BUDGET AND PLANNING COMMITTEE REPORT
December 6, 2005

The Budget and Planning Committee met November 29, 2005 to discuss the projected five-year operating budget and the financing for a proposed parking garage/coffee shop/meeting room structure at a site to the north of the Computer Center Building.

Five-Year Budget Projections

Using an optimistic but realistic set of assumptions, the administration projects that campus revenues from state appropriations and student fees for Fiscal Years 2007-2011 will be sufficient to fund the campus five-year action plan (\$2,316,000 for enhancing quality and delivery of undergraduate, graduate, and professional education including adding 22 tenure track/tenured faculty and \$1,157,000 for other components), provide a 4% salary raise pool each year, generate an additional 10% each year for staff benefits to maintain coverage at or near present levels, increase scholarships by \$6,632,000 (20% of gains from projected tuition/fee increases), cover projected increases in utility costs (6% for FY 2007 and 4% for each of the following fiscal years), increase the maintenance and reserve fund 2% annually to cover the increased replacement value of the campus buildings, and increase non-utilities E&E budgets by 2.5% in FY 2007 and 4% each of the following fiscal years).

The projected revenues to cover these items would come from increasing on-campus student credit hours by 13,500 each year (i.e, a 67,500 student credit hour increase for the entire five years) through recruitment and retention initiatives, increasing student tuition/fees by 3.5% in FY 2007 and 4% for each of the following fiscal years), and an state appropriation increase of 3.5% for FY 2007 and 4% annually for the remaining four fiscal years.

In addition, if UM-St. Louis receives the \$8,016,000 in “gap funding” pledged last year by President Floyd in a letter to Senate Appropriations Chair Chuck Gross, the following additional rate allocations will be made to the operations budget: \$4,000,000 for faculty hires; \$3,000,000 for scholarships; \$500,000 for recruitment/retention initiatives; and \$516,000 for other contingencies.

West Drive Parking Garage – North

Following a presentation from Vice Chancellor Reinhard Schuster, the committee discussed the need for and financing of a \$11,000,000 parking facility at the site of the former Garage N. As planned, this facility would also have included a coffee shop and meeting rooms. It was to be financed by revenue bonds backed by future parking fees from faculty, staff, and students. Professor Tom Eyssell, Committee on Physical Facilities Chair, participated in this discussion. The Budget and Planning Committee recommended that, given uncertainty about the garage’s immediate need and the high price for constructing it, the project not go forward at this time. The Chancellor has accepted that recommendation and on the day following the Budget and Planning Committee meeting, Vice Chancellor Schuster announced “a moratorium on the...project for the next 12 months.”

Winter Semester Agenda Items

In the Winter 2006 Semester, the Budget and Planning Committee will review the Proposed FY 2007 Budget for UM-St. Louis, receive an update on the development campaign, and receive a financial update on the Performing Arts Center. Depending on student action, it might review the proposal to build a Wellness Center.

Respectfully submitted,

E. Terrence Jones
Chair