

The following item was approved by the Committee on Finance and Facilities and included with the other budget request items in the CHE mail-out for consideration at the October meeting. The other budget items were considered and approved. However, this item was deferred until the November meeting.

The Committee on Finance and Facilities recommends approval of the operating budget request for the public institutions of higher education as outlined below:

FISCAL YEAR 2006-07 BUDGET PLAN

Public Institutions of Higher Education

Priority 1 of 4: Institutional Operating Funds – Increase of \$50,000,000 in Recurring Funds

Higher Education's greatest need is for increases in operating funds. One of the direct results of the budget reductions in recent years has been a corresponding increase in tuition levels across all sectors of institutions. Institutions have reduced programs, implemented efficiencies, and eliminated unnecessary expenditures. Further, institutions have been held accountable for the past eight years through performance funding measures and standards. While the higher education community recognizes the fiscal constraints of the state's economy, there remains a significant need for increases in higher education operational funding. This requested increase will allow institutions to mitigate the need for further tuition increases. As a related issue, disparity in funding levels has evolved that is not related to institutional performance or accountability for state resources. The requested funds would be used to address a portion of the current disparity provided institutions continue to maintain acceptable performance levels.