

1. Budget Issues (Dr. Banks)

- The prognosis for general fund increase is 1.5%.
- This has led to the tuition increase that was imposed.
- There is a political move to try to resend the state tuition tax credit and give the funds saved directly to the universities.
- The tuition guarantee is still in place, but it is suspended this year.
- Budget adjustments are higher than expected: utilities (12%), health care (19%), faculty raises (5%).
- Overall impact is not clear yet, and won't be until end of physical year (June, 2002).
- The cuts have been blanket cuts; it is up to units to allocate the cuts.
- The two challenges are (a) uncertainty of out-years and (b) contain health care costs.

2. Health Care Issues (UCFA)

- Recommendation to develop a faculty "health care spending account" - before tax fund that can be used for health expenses that are uncovered.
- Recommendation for drug co-pays:
 - generic co-pay at MSU pharmacy \$8, other \$10:
 - generic but on formulary co-pay at MSU pharmacy \$15, other \$15
 - not on formulary co-pay 25% of actual cost
- Comment by President McPherson: all proposals for changes are going to be on the web; UCFA will conduct information/feedback sessions on campus

3. Important issue that is coming before academic governance: including others in the U community in academic council (e.g.; librarians, specialists)