

Budget Council Meeting Notes
April 21, 2009

Members in Attendance: Kathy Buckingham, Chris Ervin, Frank Fleming, Alan Freitag, Margo Gross, Elizabeth Hardin, Sherrie High, Steve Selby, Gayle Sims, Ken Smith, Darin Spease, Gary Stinnett, Hong Vu, and Cleo Widmaier

Budget updates and answers to some questions:

- The 17 campuses in the University of North Carolina System were asked to forward their questions regarding the directives contained in the Office of State Budget Management's (OSBM) April 9 memorandum to General Administration (GA). GA then presented the entire group of questions to the OSBM in a 35-page document without editing or grouping similar questions from several institutions together. The OSBM responded on Friday, April 17; however, some responses were inconsistent or unclear. Sherrie High convened a group to review the responses and found 85% were consistent school to school, but the other 15% were inconsistent and/or lacked clarity. Those questions were combined, focused, and returned to GA, forwarded to the OSBM, and clearer responses on items such as educational supplies for classrooms, worker's compensation claims, contracted services, and hiring-decision issues for people starting work after July 1 are forthcoming.
- Any problems that come up on our campus should first be directed to Sherrie High or Ken Smith in the Budget Office. They will forward them to GA, and GA will take them to the OSBM. (This routing of questions will change to start with division and unit business managers as soon as possible.)
- In general, we will go forward with the entire summer school schedule. The OSBM will not allow us to retain summer school receipts; however, summer school expenditures do fall under the OSBM's directives and payroll is covered as well. The due dates for summer school will not have to be changed.
- The OSBM has shown a willingness to fund direct instructional expenses for faculty, including travel to teaching locations. In general, there are few or no travel exceptions, including trips for purpose of presenting research papers at national meetings, unless they are funded by other than state-appropriated dollars. If trips must be cancelled, the State will pay cancellation fees from general funds. The OSBM simply does not have a lot of cash, and a bright line has been drawn on travel.

- We did receive some good news. Contracted services in place prior to April 9 can continue. These are such things as our software licenses and maintenance fees. As current contracted services expire, they must be reviewed and an exception requested. For anything else, we must request an exception.
- The months of April, May, and June will be difficult, and May's allotment of cash is expected to be tight. Things will become less permeable as the OSBM manages cash for a balanced budget on June 30. We are identifying what needs to be paid as soon as possible; the first deadline is Friday, April 24.
- The reins should loosen somewhat after July 1; however, it is not yet clear we can hire for general-funded positions starting as of July 1. Only positions with official offers made by April 9 can be hired.
- We can hire faculty for the classroom; however, travel associated with faculty recruitment will not be reimbursed from general funds. Other funding must be found.
- We cannot pay for student recruitment expenses. Two thousand people attended the Explore program presented by Admissions last weekend, but the OSBM will not pay the associated expenses. Other funding sources must be identified. SOAR sessions are scheduled beginning in May. Decisions must be made on what to cancel and what to continue.
- Commencement can occur, but expenses must be minimized.
- All employees received guidance regarding copying and mailing. Both services are available, but use must be kept at a minimum. UPS and FedEx accounts used for paying shipping fees from general funds are frozen. Convenience copiers will be available through the exam period, we will then shift to the copy center in the library.
- Student refunds may be issued.
- Telecommunications is not considered a utility; however, it is a contractual service and will be dealt with in that manner. The problem will be renewal.
- Law enforcement personnel may be hired following approval by the chancellor.
- Fees on equipment orders that must be cancelled can be paid; however, if a piece of custom equipment has been ordered, we should first request an exception through the OSBM before considering cancellation.
- In any given year, we have approximately 200 informal construction projects (those falling under the State's statutory limit of \$500,000). Some are funded with auxiliary dollars; however, 50 projects are funded with through general funds derived from departmental budgets, the Provost, or the Chancellor. That cash is gone, and we have been instructed to

cancel the projects. Phil Jones and his staff are contacting the vendors telling them to cease work. We will make decisions on which projects are critical, prioritize them, and see what needs to continue. Other funding sources will be found for as many of the general-funded priority projects as possible, and the others will be moved to next year.

General comments:

We have a long way to go in synthesizing everything in the OSBM's responses. We will be pushing out emails to everyone and working on oral responses to some concerns. The Budget Convocation on Friday will be held in McKnight Auditorium and the Lucas Room. We would like to see as many of our University faculty and staff members attend as possible.