Budget Council Meeting Notes
October 12, 2010

Members in attendance: John Bland, Susan Brooks, Ramah Carle, Chris Ervin, Frank Fleming, Elizabeth Hardin, Trey O’Quinn, Carrie Smith, Ken Smith, Darin Spease, Gary Stinnett, Clarisse Turner, and Cleo Widmaier

Budget Cuts to State Appropriations

- Since the Council last met, Trey O’Quinn received additional information from the OSBM on the degree of detail required for the 5% and 10% budget reduction plans requested by General Administration (GA) and provided target amounts for cuts to all units.
- Because Academic Affairs is the University’s largest user of funds, it would potentially have to absorb the brunt of the budget cuts in absolute dollars. Steps are being taken to somewhat lessen the cuts’ impact on Academic Affairs; and, under any scenario, other units must be called upon to plan cuts in excess of the 5% and 10% requested.
- Trey will have everyone’s information by Thursday (October 14); and, at that point, we will pull everything together and submit our plan on what will be cut to GA on October 25. We will also have a plan for buy-downs.
- The universities have been favorably treated in the State’s budget process; however, our cut could still be on the high side of the 5-10% range. We could also see additional cuts as a result of the upcoming elections and/or lower than anticipated sales-tax receipts during the holiday season.
- We are in the same kind of cycle as FY2009 and will know much more in January 2011.
- Beth stated that this year’s budget situation is not as bad as what the University faced in 2009. We will have to submit our plan on what will be cut on October 25. We have a better plan for reversion and centrally held funds to use for a buy-down if necessary.

Hiring and Layoffs

- The most recent employment report is disappointing. The numbers show employment is up in the private sector; however, the public sector employment rates are lagging behind. This is not surprising.
- We may experience situations in which we must lay off employees in certain positions while hiring for different jobs. For example, Business Affairs plans to add a tech person, which may occur while managing layoffs in other areas. We hope to have minimal layoffs.
At this afternoon's Cabinet meeting, they will discuss communication about budget reductions. This is especially important because divisions have handled the cuts differently, and many people do not understand the big picture.

**Communications:**
- So far, communication regarding GA’s request for 5% and 10% budget-cut plans has been handled internally at the vice-chancellor level and within the Budget Office, with many on campus unaware of the issue.
- At the point our information is pulled together, an internal communication on the issues will be prepared with guidance from John Bland. We have a lot to talk about; a cut at the 5% level could cause change in employment status, although it should be small.
- To assure our campus knows about the budget situation prior to hearing it from another source or reading it in *The Observer*, we need to distribute a letter from the Chancellor or Beth Hardin to provide information on the 5% and 10% plans.
- At this point, there are no plans to hold a budget convocation similar to last year's.

**Other Issues:**
- Beth urges all managers to take care of themselves during this period, as dealing with employment issues can be very stressful. You should be prepared to go beyond your normal efforts to let people know that you, as their supervisor, understand their stress during periods of budget cuts and potential layoffs.
- John Bland will be looking for positive things to include in our budget communications.
- Beth is open to any suggestions you might have on things that would be helpful in managing our stress levels.