Budget Council Meeting Notes  
February 1, 2011

Members in attendance: John Bland, Charles Bodkin, Kathy Buckingham, Chris Ervin, Frank Fleming, Elizabeth Hardin, Nikki Moseley (representing Ramah Carle), Lucy Mullens, Trey O’Quinn, Carrie Smith, Ken Smith, Darin Spease, Gary Stinnett

The following is a budget update was presented at today’s meeting:

- UNC General Administration (GA) and the Office of State Budget Management (OSBM) have been going back and forth about the reversion percentage. Initially, the plan was for a 3.5% reversion; however, over the past week, 5% has been discussed. We do not know what will happen.
- The University is prepared for a 3.5% reversion, as a reversion up to 4% was built into our FY11 budget plan; however, meeting a 5% reversion will present a challenge.
- If approved by OSBM, universities are allowed to carry 2.5% of our appropriated funds forward into the next fiscal year. Carry-forward dollars are very important to UNC Charlotte since they are the only general fund dollars that can be spent on capital projects (e.g., building roads to access new housing projects, installing/repairing chillers and roofs, etc.) Because of this and the fact that we may not get R&R funds next year, we have planned to carry forward the maximum 2.5%. However, as of right now, we are only “reading tea leaves” to determine if we will be allowed to make this carry forward. Thus, if the University decides not to plan for this carry-forward option, we may shift the funds we are holding for carry-forward and use them to help meet a potential 5% reversion.
- Everyone should continue spending their current-year money, while being good stewards of these funds.
- We have heard a rumor about the possibility that the Governor will be (or possibly has already been) granted special powers. Some think she will be given the power to furlough. Potentially, she will be given everything she wants.
- The Board of Governors did not take the position to allow a tuition increase above the 6.5% level.
- A communication will come out from the Chancellor, the first part of which will be about reversion. The second part will state that we have made cuts by not doing things, by not adding people, etc; however, with a 15% cut, the game changes and becomes about not
doing some things. In the good ole days, we were doing more with more. For the past three
years, we have been doing more with less. He will also invite campus to identify ways we
can become more effective and efficient.

- If we cannot do everything, we should do the more important things and those with the best
  impact. We must think differently about priorities.
- We are starting Project Portfolio Management (PPM) to address a centralized fixed amount
  of capacity that has more demand than capacity. Prioritization and collaboration across the
  entire University will be important. For example, if we have the capacity to do 10 projects,
  but have 50 in that mix, we must prioritize. Adding capacity in one place means it will have
to come from another source.
- An email emphasizing efficiency will likely go out this week; but, it does not have to be
  depressive. We will serve our students, faculty, and staff better, although it will not be easy
  and will require a level of trust. The email will also say that we think we can get to a 15%
  reduction with very limited layoffs because we have been holding positions open.
- Goals are still a priority. Long-range goals stay the same; how to get there will change.
- We are probably going to do video podcasts as another method for communicating budget
  news. Not everyone gets their news via email.
- The first reduction-in-force (RIF) packages are complete and ready for Business Affairs’
  review. We are starting with the worst-case scenario and peeling back as better news
  develops. Planning for severance costs is complicated by not knowing if the State will
  absorb any of the costs.
- Things could improve with building reserves and tuition increases.
- Two divisions, Business Affairs and URCA, completely redid their 15% plans. My
  suggestion is to find out what happened last week in the Cabinet if your VC did not tell you.
  Each division’s plan was reviewed.
- You must have a plan.