Budget Council Meeting Notes  
December 13, 2010

Members in attendance: John Bland, Charles Bodkin, Susan Brooks, Ramah Carle, Chris Ervin, Alan Freitag, Elizabeth Hardin, Trey O’Quinn, Jay Raja, Ken Smith, Darin Spease, Gary Stinnett, Clarisse Turner, and Cleo Widmaier

Guests in attendance: Paula Rinnix, Human Resources; Doug Pierce, Materials Management; Edna Dash, Constituent Relations

Beth Hardin called today’s meeting for the purpose of sharing information that recently came to light regarding State budget issues, as follows:

Possible Hiring Freeze:

- As many present are probably aware from information in newspapers and on television and radio, Governor Perdue announced plans to restructure and streamline State government earlier this fiscal year. Then, toward the end of last week, our best intelligence predicted a freeze on State government hiring will be enacted effective January 1, 2011. (It occurred in December 2010.)
- Several times, Beth emphasized the fact that we have no official information on a hiring freeze at this point. We do not know whether all positions will be affected regardless of the funding source, as occurred in the 2009 hiring freeze, or if it will be limited only to General-Fund positions. Nothing is known for sure right now; however, Beth’s best guess is that a hiring freeze would apply to all fund sources, with only “essential personnel” considered for exception.
- She further stated that this could be a completely different type of freeze, not specifically cash driven.

Budget Freeze:

- We have had two major cash freezes in recent years, the first on May 3, 2002, and the other in 2009; each was different. In 2002, all spending was cut; however, while we experienced an initial hard budget freeze of all funds in 2009, more latitude in spending was given as confidence was gained with better-than-anticipated receipts. It was not just about people, it was also about spending, which could happen again in the potential 2011 freeze.
• Right now, everything is just speculation; we do not know anything for certain. The Governor may deploy special powers as she did in 2009. We are in a different place today with more knowledge, but still uncertain.

• We have no way of knowing how another freeze might look; however, do not be surprised if you spend money, and then we have to come back and say the check cannot be written due to cash concerns.

Reversion

• In the past, reversion was a common technique for dealing with cash shortages at the State level. In a reversion, government departments and institutions are required to return a percentage of their budget allocations to the State for their use in funding budget shortfalls.

• We do not have a reversion in place at this time, which suggests the predicted freeze is based on issues other than a lack of cash in this fiscal year.

Recommended Actions:

• Beth advises that if you have money, spend it or get it committed

• Gary Stinnett reported that currently 33 open SPA positions were referred to the hiring departments, but no responses regarding hiring have been received. Given the news of recent days, the University’s best interest would be served by moving rapidly to extend as many employment offers prior to winter break as possible. Applicants should be interviewed quickly, but the process should not change due to the short timeline. He further stated that he can foresee making employment offers contingent on our receiving positive background checks, since that process often takes longer to complete. The job offers would be rescinded if the background checks were unsatisfactory.

• Further, it would be impossible to complete the hiring process on time if open positions were not already posted and already in the interview/selection stage.

• A question was asked: Will a hiring freeze apply to temporary employees? Beth responded that temps are an option; however if we have a certain type of freeze, it could wrap around temps as well.

• Our time should be re-prioritized to place more emphasis on the 33 SPA openings that could be filled prior to winter break. The individuals hiring for those openings will be contacted after the meeting to assure they are aware of the need to move quickly in an effort to fill as many of these positions as possible prior to year-end. Human Resources has committed it efforts to make filling these positions a priority.