Budget Council Meeting Notes  
March 22, 2011

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

Budget Information
- While there is not much new information regarding the budget situation, we will begin hearing more public communication, much of which will be increasingly negative. Rumors that the budget cut will exceed 15% will likely circulate. However, the people at UNC General Administration (GA) believe the budget reduction will end up within the 15% model.
- The Legislature is trying to complete the State budget by June 1.
- As a caveat, Beth recommends that budget officers spend a lot of time with their 15% models.

Efficiency Initiatives
- As one way to deal with decreased funding, GA compiled a list of efficiency initiatives designed to change state-level processes and policies, and thereby increase efficiency. The Legislature will consider GA’s proposal, and Beth feels the chances of the efficiency initiatives being approved are good. If so, we will hear much more about this.
- As a result of his recent request for suggestions from the campus community, Chancellor Dubois has been gathering ideas for improving our campus efficiency. The efficiencies we have achieved to date include the consolidation of two divisions, University Relations and Community Affairs and Development, and the elimination of six under-subscribed programs. We have no other under-subscribed programs at this time.
- North Carolina State University (NCSU) has published their plan for improving efficiency in light of current budget woes.
- UNC Charlotte is a relatively young institution; and it is inappropriate to compare us to older, larger schools in the system with their complicated infrastructures. As one example of our efficiency, we are the second-lowest institution in the system when comparing the amount of appropriations received per head count (FTE).
Enrollment Growth Funding
- We have received a clear message from GA: Enrollment growth will not be entirely funded in FY12; it might be funded at a lower rate, or possibly not funded at all. This will have a great impact on UNCC, as we have been a fast-growing university. If enrollment-growth funds are not received, we could be forced to cut off admissions.
- One clear message received due to this recession is that we should not depend on enrollment-growth funds in the future.
- Increasing attention has been given to the fact that institutions must meet their graduation and retention rates, as well as their financial-need and first-generation objectives, in order to qualify for enrollment-growth funding.

Capital Funds and Repair & Renovation (R&R)
- The general consensus among chief business officers is there will be no funds for new capital projects until FY15, given State’s financial condition. This is no surprise to Beth or the Chancellor’s Cabinet.
- We are facing a long period without new academic buildings, so we must take care of what we have. This creates a large problem when no R&R funds are available.

Other Issues
- As stated above, there will be lots of rumors spreading. Beth asks you to be in touch if you hear anything weird or interesting about the State’s budget situation or think of anything that would benefit from being the subject of another video.
- Our new GA Vice President of Finance believes there will some carry forward funds this year. This could be good news for us; however, we might not find out for sure until after the current budget year closes.
- There will not be a reversion this year; it is too late to call for one. At this point, we have what could be considered a “slushy freeze” due our hiring restraints; but, we do not anticipate a hard, “block-of-ice” freeze.
- Our problem is not this year; it will be next year.
- In ending today’s meeting, Beth provided a HUGE caveat for everyone to consider: 
  **Spend smart.** Think about the expenditures your division makes. Ask yourself if you would like to read about it on the front page of the newspaper or explain it to another State agency that has experienced deep budget cuts, for instance the Department of Corrections. Be attentive as we prepare for the worst budget of our lifetime.