Budget Council Meeting Notes
March 31, 2011

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

State Budget Updates:
- This week’s budget news from the Legislature is not good for us. It suggests effort will be made to protect K-12 education from significant cuts, with universities experiencing the heaviest cuts of all three components of the State’s education system, including community colleges. If this plan is approved by the legislators, our 15% scenario might not be sufficient to cover lost revenue. We could ultimately be looking at a cut of between 16% and 20%.
- The legislature will have a budget in early June; and, we could hear and read some rough news in newspapers and on radio and television news until that time.
- The Chancellor has few funds left for buying down further cuts.
- However, try not to be alarmed. Beth is reasonably optimistic things will settle back down to the 15% scenario by the time the budget is finalized.

Tuition Increase:
- Possibly, the Legislature will allow us to raise tuition above the 6-1/2% built into the current model, which would give us more headroom for increases. There is some chance we will get that latitude.
- Last year, our 16.7% tuition increase covered the entire budget cut. Beth’s guess is that an increase in next year’s tuition will be insufficient to cover the entire FY2012 cut.

Enrollment-Growth Funding:
- An enrollment-growth increase may not be funded; and, if it is, we may only get a percentage. Many of our models are predicated on enrollment-growth funding; this will present a problem for the University, and especially for its auxiliaries.
- We know current enrollment growth will slow down, as will the potential for enrollment-growth funds.
• GA could fund some enrollment growth by reallocating some monies. The new President and Vice-President for Finance at GA might look at things differently.

Other Items:
• When asked about building-reserve funding, Beth responded that it is difficult to say what will happen. She pointed out that leadership logic says if you build a building, you have to run it, especially considering there will be no capital allotments available. Her guess is that at some point in time, building reserves will be funded. President Ross will be in Charlotte on April 20 and will see the Center City Building. Perhaps that would be a good time to discuss building reserves.
• This year’s repair-and-renovation funding from the State has been withdrawn. One option being considered in Business Affairs is establishing R&R funding through a student infrastructure fee. We must keep the buildings we have operating; otherwise, we could be looking at serious problems.
• We had a good, efficient plan for managing through the recession; and now, we are being criticized because we did not hire and then lay off employees.