Budget Council Meeting Notes
May 9, 2011

Members in attendance: Susan Brooks, Ramah Carle, Chris Ervin, Elizabeth Hardin, Trey O’Quinn, Danielle Rodriguez representing Angela Gay, Ken Smith, Gary Stinnett, Charisse Turner, and Cleo Widmaier

State Budget Update:
• The North Carolina House of Representatives has passed their version of the State’s 2011-2012 Budget, which Beth suggests is virtually veto-proof because five or six Democrats voted with the House’s Republican majority.
• The House proposal includes a 15.5% cut in management flexibility, enrollment-growth funding, and money for building reserves. The issue of building reserves is more problematic for us, while enrollment-growth funding is a larger issue at the General-Administration level.
• Feedback suggests that the 15.5% number for the cut will come down before the budget is finalized.

Reductions in Force (RIF):
• You will recall that all RIF plans are due in Human Resources today and must be hand delivered to either Gary Stinnett or Jeanne Madorin prior to the close of business.
• We have been looking at a RIF involving 25 to 30 positions. The number may be materially less than originally thought.

Student Financial Aid and Tuition Waivers:
• The House budget reduced the amount of lottery funds appropriated for need-based financial aid by $8.9 million and redirected those funds to the Public School Building Capital Fund. The budget goes on to require an increase of the system’s management flexibility reduction by $8.9 million to generate the additional appropriations to restore need-based financial aid.
• The House budget also eliminates the following four specific tuition-waiver programs for nonresident students:
  1. Nonresident students with full academic scholarships
  2. Special-talent undergraduate waivers
  3. Nonresident prospective teacher/scholars program
  4. Nonresident teacher-waiver programs

These program eliminations should not be confused with the 20% reduction for non-resident graduate tuition remissions, which are being reduced, but not eliminated.
Other Items Discussed:

- Our inability to make retention offers to faculty and staff is a problem. It appears the Legislature is reaching into state agencies to tell them how they will make decisions.
- One other point that could potentially create problems involves dropping the furlough earnings threshold from an annual salary of $32,000 to $25,000. Universities may set their own thresholds, but they may not go lower than $25,000. UNC Charlotte’s current threshold is $32,000.
- The amount of tuition increase for the upcoming academic year has not yet been determined.
- The current hiring freeze will expire with the expiration of the memorandum received from the State Budget Office at the start of the current fiscal year. The only legislative freeze deals with salary increases, with the exception of in-line adjustments.
- If you hear questions about budget concerns, let Beth know. She is not hearing many questions at this time.