Budget Council Meeting Notes
June 10, 2011

Members in attendance: John Bland, Susan Brooks, David Broome (for Krista Newkirk), Chris Ervin, Frank Fleming, Elizabeth Hardin, Niki Moseley (for Ramah Carle), Trey O’Quinn, Danielle Rodriguez (for Angela Gay), Carrie Smith, Ken Smith, Gary Stinnett, Charisse Turner, and Cleo Widmaier

Cash Management for Remainder of FY11:

- The first of this week, we received news regarding cash management for the remainder of this budget year. The OSBM cut our cash allotment for June 2011 by $14.8 million. While we will receive funds for payroll and minimum operating costs, we will not have enough cash to pay our anticipated expenditures.

- Beth talked about the mechanics of acquiring cash by stating that the University does not keep large amounts of cash on campus, although we can keep and spend money received on campus in the form of tuition, fees, and other receivables. We also request cash to pay our bills from the State Treasurer. Normally, we request cash for an entire month; however, as we move toward the end of a fiscal year, we might be required to make requests weekly or even daily as the State’s cash tightens. We requested $55 million in cash for this month (June 2011); but, the amount we received was $14.8 million less than expected. Essentially, we look a $14.8 million budget cut for FY11.

- We are allowed to keep the receipts from Continuing Education’s summer program and the 2011 First Summer Session, but that money will fund only part of the remaining FY11 allocation requests.

- Why this happened is not easily explained, but Beth had heard that the Legislature told the Governor it needed $540 million at the beginning of FY12. Perhaps actions were taken to aggregate that amount, and the universities were caught in the middle.

- This action was not expected, and it appears to have been a surprise to General Administration as well. The good news is that we can request exceptions, and we will begin work on that immediately.

- We had just under $26.6 million in planned expenditures, not including payroll, to make by June 30. Now, due to the $14.8 million cut, we will have cash to pay for only half.

New Salary Legislation

- The State Legislature recently passed new restrictions on salary increases into law for all State employees, EPA, SPA, and faculty, regardless of the funding source. This important legislation
requires off-campus preapproval for any salary adjustment exceeding 10%, including increases due to promotions and job changes within the University.

- Gary Stinnett pointed out that we will have hiring effective dates after July 1 in only a few days, and it is very important that we understand the new requirements.
- This new legislation does not mean we cannot grant increases in excess of 10%; it means any increases in excess of 10% will require approval beyond the campus level.

**Update on FY12 State Budget:**
- The rumor mill says the Governor will veto the legislative budget proposal next Tuesday, which may not be good for the universities. Of course, she could change her mind.
- No lay-off issues can be resolved until a FY12 State Budget is in place.

**Update on Reductions in Force (RIF):**
- Communications with General Administration are not always direct; but when we have questions about RIFs, we are communicating real numbers. We have already lost 272 positions for FY12. Many of those jobs were not filled and actual employee layoffs were not necessary; however, those positions are needed for operating of our growing institution.
- Due to receiving enrollment-growth funding, UNC Charlotte is different from schools without growth; however, that does we are not scrambling because we have already taken the cut. We are not hurting any less because the mechanics are slightly different.