Budget Council Meeting Notes
June 17, 2011

Members in attendance: Charles Bodkin, Susan Brooks, Chris Ervin, Frank Fleming, Elizabeth Hardin, Teresa Newnan (for Gary Stinnett), Trey O’Quinn, Jay Raja, Carrie Smith, Ken Smith, Charisse Turner, and Cleo Widmaier

FT11 Budget Update:

- Yesterday, we submitted our request to OSBM for the return of our entire $14.8 million cut made earlier this month to our FY11 budget. There was some discussion about whether we should ask them to return of the full amount; but, in the end, we did. It is hard to get a sense of what may happen.
- We will pay out every penny available, but there still may be things we cannot pay from this year’s money. We will have to wait and see what OSBM does with our exception request before the full impact is known.
- Rumors about cuts taken by other campuses are circulating, a certain level of which seems to be misinformation. Beth is writing to Charles Perusse at UNC General Administration (GA) for clarification on the level of reductions required at the other campuses. She would like to understand what appear to be discrepancies in OSBM’s process for determining the cuts at various universities. Disproportionate cuts would be negative for us.
- Other institutions have different cash processes. We tend to be more receipt dependent, while they are more appropriation dependent. Questions about cash flow suggest there may be a lack of agreement on policy or lack of compliance. There is no obvious explanation as to why Chapel Hill lost $3 million, we lost $15 million.
- One explanation for a possible discrepancy involves OSBM’s method for determining the amount of each university’s cut. We have heard OSBM took the average expenditures in the first ten months at each school, and used the average of that number to determine the cuts. We spent more money at the end of the year, which made it appear we were not using all the funds allocated to us in the first ten months.
- The urgent thing now is getting back as much of the $14.8 million cut as possible. We expect to hear about our request on Monday. Every institution except Chapel Hill is making an exception request.
- Beth commented on the excellent work done by everyone in preparing our exception request. They produced an exceptional document within a very limited timeframe
**FY12 Budget Update:**

- When asked if the campus would do anything different next year to avoid the same situation, Beth responded that we will do things earlier, make earlier commitments, and make earlier decisions on capital projects.
- We will not know the amount of our allocation until the third or fourth week of July, which presents a challenge on the RIF side. We will not notice RIFs until we know the amount of our allocation.