

# Chancellor's Open Forum: State Budget Reductions



**APRIL 15 AND 16, 2009**

# Agenda



- Chancellor's Opening Remarks
- FY 2008-09 Budget Restrictions
- Questions / Discussion
- FY 2009-11 Biennial Budget Planning
- Questions / Discussion

# FY 2008-09 Restrictions



Office of State Budgets restricts **General Fund** spending through June 30, 2009

- Purchasing of goods and services
- Travel
- Hiring
- Promotions / reallocations / career banding / in-range adjustments

# FY 2008-09 Restrictions



- “Allotments will only be approved for mandatory obligations”
  - ✦ Payroll
  - ✦ Utilities
  - ✦ Financial Aid
  - ✦ Debt Services
  - ✦ State Aid (compulsory or required for public safety and welfare)
  - Contracts
  - Leases

# FY 2008-09 Restrictions



- Instructions have been sent to all Vice Chancellors, Deans, Directors and Department Chairs
- Instructions have been sent to Budget Managers
- Email notice sent to all Faculty and Staff
- Details available on the Budget Web Site:  
<http://www.uncw.edu/ba/finance/Budget/index.html>

FY 2008-09 Restrictions



**QUESTIONS  
and  
DISCUSSION**



# FY 2009-11 Biennial Budget

# UNCW's Guiding Principles



- Use the university's seven strategic goals to drive the decision-making process
- Focus on sustaining quality, as well as positioning UNCW for the future
- Cuts will be strategic, responding to current and future university needs
- Individual divisions may be asked to absorb a larger share of the reduction

# Time Line



- **January /February/March**
  - Each division evaluates the 7% reduction plans required by Governor Easley in December 2008
  
- **April/May**
  - Evaluation and prioritization of all proposed reductions
  
- **June**
  - Prepare for implementation if necessary

# Biennium Reductions



- UNCW has prepared for and has managed the budget reduction process starting in September of 2008.
- Each division has been working on a base budget reduction plan since October 2008

# Biennium Reductions



- The strategic reductions center around state appropriations
- The Division's reduction is presented as a percent of total general fund budgets
- The plan is based on the best available information we have right now. Please remember that we do not know the actual reduction amount

# Budget Reductions Strategy by Division



• Academic Affairs	5.0%
• Student Affairs	6.3%
• Information Technology	7.6%
• Business Affairs	7.7%
• Advancement	9.4%
• Chancellor*	14.8%
• Public Service	23.6%

\*(Marketing and Communications, Athletics, Human Resources, Legal Affairs, Internal Audit, Chancellor's Office)

# Positions



- A 7% reduction in state appropriations could result in the loss of 96 positions
- Due to planning this year, 54 of the 96 positions are currently vacant
- Beyond the 54 vacancies, 15 positions could move off state funds, be reduced in term or not renewed
- Leaving us with a possibility of 27 employee RIFs

# Positions



- Work realignment, restructuring of positions and managing vacancies has and will continue to reduce the impact of a reduction in force (RIF)

# Positions



- Continue to work with vacancies
- Reassignments are a priority over RIFs
- Currently filled faculty positions are not part a reduction scenario
- Both EPA-non faculty and SPA positions would be affected in a RIF scenario
- Any RIF could be effective July 1, 2009

# 2010 – 2011 Biennium Budget Unknowns



- Budget Cut Amount?
- Flexibility to manage the cuts?
- Time line for final budget decision?
  - Governor's budget
  - The Senate budget
  - House budget
  - Conference Committee
  - Signed into law
- Expect to know in August, but it could be as late as October

# Information



- Budget Website:
  - [www.uncw.edu/budget](http://www.uncw.edu/budget)
- Comments and Suggestions
  - VCBA@UNCW.EDU



# QUESTIONS and DISCUSSION