-------- Original Message --------

Subject: Re: budget cuts - CFO phone call 9:00 a.m. Tues. Dec 16
Date: Mon, 15 Dec 2008 17:42:23 -0500
From: Ginger Burks <ginger@northcarolina.edu>
To: Rob Nelson <rnelson@northcarolina.edu>
CC: ASU-Greg Lovins <lovinsgm@appstate.edu>, UNCC-Beth Hardin <eahardin@uncc.edu>, ECU-Kevin Seitz <seitzk@ecu.edu>, NCCAT-Chuck Hawkins <chuck.hawkins@nccat.org>, ECSU-Robert Gaines <rggaines@mail.ecsu.edu>, UNCSA-George Burnette <burnetteg@ncarts.edu>, NCSU-Charlie Leffler <charles_leffler@ncsu.edu>, WSSU-Gerald Hunter <hunterge@wssu.edu>, UNCG-Reade Taylor <reade_taylor@uncg.edu>, UNCP-Neil Hawk <neil.hawk@uncp.edu>, UNCW-Charles Maimone <maimonec@uncw.edu>, WCU-Chuck Wooten <wooten@wcu.edu>, UNC-CH-Richard Mann <rlmann@unc.edu>, UNCSA-Carin Ioannou <ioannouc@ncarts.edu>, UNCA-John Pierce <jpierce@unca.edu>, Sylvia Cooper <slc@northcarolina.edu>, NCSSM-Ed McBride <mcbride@ncssm.edu>, FSU-Robert Botley <rbotley@uncfsu.edu>, NCA&T-Robert Pompey <rpompey@ncat.edu>, NCCU-Alan Robertson <arobertson@NCCU.EDU>, Claudia Odom <codom@northcarolina.edu>, Karen Russell <ktr@northcarolina.edu>, Angelisa King <alking@northcarolina.edu>, Jeanine Rose <jrose@northcarolina.edu>, james smith <jassmith@northcarolina.edu>, Shari Harris <sharris@northcarolina.edu>, Terry Feravich <feravich@northcarolina.edu>, Ken Craig <craigk@northcarolina.edu>, Jonathan Pruitt <jpruitt@northcarolina.edu>, David King <dking@northcarolina.edu>
References: <4946B6AB.5010706@northcarolina.edu>

CFOs

We held the Chancellor's Administrative Council meeting this a.m. and I hope your chancellor has given you a report. We are working on two issues that have become intertwined -- tuition/fee increases and budget cuts. Erskine has a real sense of urgency about both. He asked your chancellor to provide him as soon as possible, and no later than 1/5/09, with good, valid, usable information about the impact of budget cuts. He wants to have informed conversations, backed with facts and figures with BOG members, the Governor, the Governor-Elect and legislators during the first week of the new year. I would like to have a conference call with the CFOs at 9:00 a.m. tomorrow (Tues) to discuss this further, but I wanted to get word to you right now about the task ahead. If you cannot attend, please have someone take the call for you.

The President is not asking for line item detail, but he does want to describe in very real and meaningful terms the downside of reductions. He thinks we need to tell our story at the 3 to 5% level and at the 7% level. He's interested not so much in which specific jobs might be lost but the # and type (faculty, non-faculty EPA, and SPA....as well as filled vs. vacancies). He also wants to know what those job cuts will mean in terms of teaching, research and public service. He would like to see some metrics and projections, in quantitative terms, on what will happen, such as, faculty workload, faculty/student ratios,

staff/work ratios, class size, # of class sections, retention and graduation rates, libraries, learning centers and labs, impact on student services (counseling, campus safety) and impact on financial and physical plant services. Two other points:

(1) it was mentioned this a.m. by a few chancellors that they have been working on budget cut scenarios since September, and are using what they learned from UNC Tomorrow as a guide for setting priorities, almost the opposite of how expansion items were requested, i.e., a campus shows that once cuts cross the 3 to 4% threshold, then those cuts start drastically affecting the campus's core mission, and the future of the whole state, as defined by UNC Tomorrow.

(2) we have to avoid what is commonly referred to as a Washington Monument strategy, whereby a public entity puts forth budget cuts that are unrealistic, are impossible to defend, or are impossible to implement. I hope we will not waste too much time with those kinds of ideas.

While the deadline for the OSBM assignment remains 1/14/09, to help you with the President's request, we are developing a template and a list of examples. We will send as soon as we can. I hope you can join us tomorrow and bring questions that will help us accomplish our objectives. Please respond to Sylvia if your office will not be represented on the call.