

Dear Faculty, Staff and Students:

The Budget Sounding Board met on May 14, 2009, and discussed issues around the budget situation, and how best to communicate during the summer. This message summarizes what we know about the 2009-11 budget, as well as where we stand with the 2008-09 state budget.

In my last communication on May 12, 2009 concerning the budget, I indicated that the state's 15% shortfall in revenues compared to the current year budget led President Bowles to suggest the chancellors develop plans for a cut at that level. At this time, no one knows the final budget cut that we will face. The House proposal has not yet been released and there will likely be differences between the House proposal and that of the Senate and Governor, which will need to be resolved via a conference.

Budget cuts of the magnitude currently under consideration would have a significant effect on the educational experience of our students, especially in the face of anticipated record enrollment for fall 2009. We remain committed to protecting direct classroom instruction to the greatest extent possible. This commitment will necessitate a reduction in the high level of service to which we have become accustomed (e.g., some student and IT services, care of facilities, etc). I am confident we will emerge from this challenge stronger and better poised to effectively educate students with the skills needed in the 21<sup>st</sup> century.

**As background, what follows is a summary of the budget cut notifications we have received and implemented for 2008-09:**

<b>Date</b>	<b>UNCG</b>	<b>State &amp; Board of Governors</b>
4/08		Chief Academic Officers' meeting, budget reductions for 2008-09 discussed
7/08		Permanent budget cut notification from General Administration of \$1.4 million
8-9/08		Erosion of state's economy continues
9/08		Governor orders 2% holdback
10/08		Governor orders additional 1% (total 3% holdback)
10/08	Temporary reduction to address anticipated 5% cut allocated	
10/08		Governor orders additional 1% (total 4% holdback)
1/09		General Administration communicates 6% cut

1/09	Temporary reduction to address 6.5% cut allocated to units
3/09	Temporary reduction to address 7% cut allocated
4/09	Hiring freeze and spending restrictions received from Office of State Budget & Management
4/09	April tax payments due and reflect a 40% reduction from 4/15/08 collections
4/09	Executive Order #11 orders furloughs and a temporary 0.5% annualized salary cut

**Below is a brief summary of activity related to the 2009-11 biennial continuation budget:**

10/08	Notification to plan 2009-11 (1,3,5,7% permanent reduction scenarios)
10/08	Asked to identify program cuts (as opposed to across the board cuts) to meet 2009-11 permanent reductions
11/08	UNCG & other state agencies submit 2009-11 budget request
11/08	Elimination of Laptop Initiative in response to call for program cuts
12/08	Provost & Vice Chancellor for Business Affairs meet with Faculty Senate
1/09	UNCG & other state agencies submit preliminary 3-5-7% reduction proposals for 2009-11
2/09	General Administration requests additional permanent cuts for 2009-11
3/09	Governor's budget released
3/09	Deans' Council convenes to discuss

strategic cuts

3/09		6.5-7% cut scenario requested by General Administration
4/09		Senate budget released
5/09		General Administration requests plans for 15% cuts
5/09	Chancellor requests Provost & VCs submit plans for 15% cuts by June 15	
Ongoing	Provost & VCs meet with deans & senior staff to request proposals be developed for 15% cuts	
5/09		House subcommittee recommends an 11.1% cut vs. the 2009-11 continuation budget request, and a \$256 tuition increase not directly returned to the campus
6/09		Possible release of House proposal
6/09	Deans & senior staff preliminary budget cuts plans within university divisions submitted to Financial Planning & Budgets by June 15	
6/09	Budget cut plans for 2009-11 to Chancellor	
Open		Senate confers with House & Governor and pass budget bill
Open		Board of Governors allocates 2009-11 budget to UNCG and other UNC institutions
Open	Chancellor Brady allocates 2009-11 cuts and any new funds to Academic Affairs & other divisions	

The Sounding Board - <http://fsv.uncg.edu/budgetcentral/budgetsoundingboard.html> will meet throughout the summer months. Please feel free to convey your questions or suggestions to me, Provost Perrin, Vice Chancellor Taylor, or any member of the Budget Sounding Board. We will continue to apply budget principles - <http://fsv.uncg.edu/budgetcentral/> as we evaluate options.

Sincerely,  
Linda P. Brady  
Chancellor