

WCU's Budget

Executive Council has preliminarily reviewed the approved state budget for 2010-2011. Because of the actions taken last year, it appears that we have been able to cover the expected cuts without additional need for reductions in departmental budgets. Although the UNC system has not yet allocated the reductions among the constituent institutions and the final budget has not yet been distributed by the President, we do not believe that any layoffs of existing employees will be necessary. And, unless there is a system-wide decision to the contrary, I do not intend to implement furloughs in response to this budget.

While not a budget reduction per se, the budget bill eliminated out-of-state tuition waivers for athletes. This means that athletics faces new additional expenses of \$620 thousand. The athletics budget will have to be reconciled to manage this very significant new expense.

You should be aware that tax collections in the state remain weak. Also, Congress has not funded Medicaid overages which currently total \$500 million in North Carolina. And, the federal stimulus money will run out in 2011-2012. Therefore, it is possible that the Governor will call for an additional rescission of the current budget and that we will need to prepare for possible deeper cuts to the budget for the next fiscal year (starting in July 2011). For these reasons and others, the following actions are being taken:

1. We are working with the President and his staff to implement an additional tuition charge of \$605 per year to allow us to recoup the flexibility cut imposed by the budget bill and provide additional need-based financial aid to our students.
2. We will continue to hold funds in reserve to manage any likely rescission required by the Governor and any additional cuts required as a result of the Medicaid cost overrun. To the extent possible, we will try not to further reduce departmental budgets to manage these likely cuts. I also intend to fund faculty development and travel at current levels.
3. I have asked the Interim Provost and the vice chancellors to begin working with their divisions to develop potential reduction scenarios for 2011-2012. Please be aware that certain state funds, specifically R & R (repairs and renovations) and capital construction funds, cannot be used to off-set mandated reductions in operating budgets. I anticipate that we will be given additional guidance by the UNC system regarding preparations for next fiscal year as the situation matures.

It is very important during these difficult times that we remain focused on our core mission and on continuing to improve the quality of our programs. I also am aware that there are vacant positions that must be filled for the University to operate effectively. Therefore, we will continue the "soft freeze" on positions and require that each vacancy be reviewed by Executive Council for authorization to search. In addition, there are some academic and administrative areas that are sufficiently understaffed that will need additional resources to maintain effective operation. Consequently, I am asking each vice chancellor to bring forward a short list of requests regarding critical staffing issues. And, I am asking the Interim Provost to prepare a rank-ordered list of new, full-time faculty positions that should be searched to allow 1) expansion of enrollment; or 2) management of key issues involving accreditation or fundamental program quality. Given the State's financial situation, the number of positions that can be released will be minimal, but we must strive to maintain our institutional focus and mission.

As WCU's budget allocations are finalized by the UNC system, I have asked Chuck Wooten to share the details with you. Either of us will be happy to respond to any questions.

Please accept my sincere thanks and appreciation for how you have handled this difficult situation. WCU is known for its great, caring people. Through all of these difficult times, you have maintained your focus on quality and on the education of our students. Again, thank you!

John Bardo