

MINUTES  
UNIVERSITY ADVISORY COUNCIL ON  
STRATEGIC BUDGETING AND PLANNING

December 3, 2009

PRESENT: Martin Daniel, Kyrille Goldbeck, Dixon Hanna, Bill Huckle, Scott Hurst, Ben Johnson, Lonnie Johnson, Patricia Lavender, Gary Long, Steve McMullin, Don Rimstidt, Dwight Shelton, Linda Tegarden, Tom Tucker, Joey Zakutney

ABSENT: Gilles Divoux, Erik Ervin, Muhammad Hajj, Mark McNamee

1. CALL TO ORDER

Mr. Dwight Shelton, Vice President for Finance and Chief Financial Officer, called the meeting to order at 3:00 p.m.

2. APPROVAL OF THE SEPTEMBER 24, 2009 MINUTES

Mr. Shelton announced that the minutes of the September 24, 2009 meeting have been approved and sent to University Council for posting on the web.

3. UPDATE ON THE STATUS OF THE STATE BUDGET

Mr. Shelton provided an update on the status of the state budget. In early September, state administration announced that state revenues would be nearly \$1.2 billion short of the approved 2009-10 state budget. Together with the \$300 million revenue shortfall in 2008-09, the total impact to the biennial budget is approximately \$1.5 billion. After using a roughly \$150 million balance included in the 2009 Appropriation Act, a \$1.35 billion shortfall remains to be addressed during the remainder of 2009-10. In mid-November the state administration reviewed adjusted revenue projections and projected a next biennium shortfall of \$1.4 – 1.5 billion per year, which was larger than the state had expected. On December 18, the Governor will present his proposed budget for 2010-2012 to the General Assembly Money Committees. Given the higher-than-anticipated budget shortfall announced in November, another budget adjustment in the remainder of 2009-10 is expected, as well as additional budget reductions for the 2010-12 biennium. Mr. Shelton will send out an email the week after the Governor's Proposed Budget is released summarizing the document and how the proposals would affect the university.

4. UPDATE ON UNIVERSITY ACTIONS TO ADDRESS BUDGET REDUCTIONS

In addition to realigning some central funds and by contributions from units, the university is also addressing budget reductions by offering academic and administrative programs the option to explore using the Alternative Severance Option (ASO) as a means of addressing their areas' targeted budget reductions. Employees may voluntarily submit an application requesting they be considered for ASOs. Decisions will be made by mid-January whether or not to accept an employee's proposed ASO. Salary savings from ASOs would then be available to deans and departments to address next year's budget reductions. Additional means of addressing budget reductions will be considered in the spring once the General Assembly finalizes the budget for the 2010-12 biennium.

There being no further business, the meeting adjourned at 4:10 p.m.