Committee: University Budget Committee

Meeting Date: 4:00 P.M. – February 19, 2004

Committee Members: H. Ferrell, R. Scott, A. Rodriquez, J. Kovacs,

Ex-Officio Members: C. Christian, J. Gaddis, C. Hawkins, G. Vanderpool,

Others: L. Lee.

Professor Henry Ferrell presiding.

Item #1: Agenda Item 1 - Approval of Minutes. The minutes from the January 14, 2004 meeting were approved.

Item #2. Agenda Item 3 - Review of the State funds/close out of FY 2003-2004. Chuck Hawkins provided an overview of the close out and initiatives for State funds for FY 2003-2004. The first item was an update on the subject of Campus-Based Tuition Increases (CBTI), which were proposed at ECU and sent to the Board of Governors (BOG) this month. The Board has delayed voting on the proposal until March and the overall feeling was it stands a chance of being voted down. The discussion continued, including the Governor’s disapproval of CBTI and the possibility of a request for a 1-3% cut next year to preserve reserves for potential raises. The consensus was that a demonstration of how these cuts are weakening the academic programs could strengthen support the CBTI request by the BOG and General Assembly. It may be necessary to hire new, part-time faculty for enrollment or program expansion. Concerning the status of Banner, it was reported to be on line for July. However, without CBTI, a number of areas will not be included. Next Gary Vanderpool reported on the status of the Health Sciences Division where enrollment increases, particularly in the SOM, are not sufficient to offset the budget cuts, which were approximately 13% for 2003-2004. Due to restrictions, the passage of funds from Academic Affairs to assist with the cuts in Health Sciences is highly improbable. If things continue, it would appear that teaching faculty positions in the SOM may have to be cut next year. The upgrading of computer programs and replacing workstations or providing new faculty with workstations are not going forth which could significantly dampen creativity. It was also stated that the Practice Plan was effected by a drop in reimbursements, even thought patient activity had shown a significant increase.

The other item discussed was the request from the State Budget Office to provide them with budget reduction scenarios in 1% increments to 3% for fiscal year 2004-2005. Because ECU has absorbed $45 million in budget cuts and reversions over the last 5 years, any budget reduction would have a negative impact on the academic quality of the institution. The range of the reductions would be from $1.7 million to $5.2 and would impact faculty positions.

Item #3. Agenda Item 2 – Parameters for Faculty Salaries. A discussion of the use of Campus Based Tuition Increases (CBTI) proposed for 2004-2005 for faculty salaries occurred with a majority of the CBTI funds designated for distribution to Faculty Compensation (42%; retention and recruitment) and Student Financial Aid (30%; in the form of grants). Other areas for distribution included Advising Services (13%), and the retention and recruitment of non-EPA Teachers etc. (7%) and SPA employees (8%). In Academic Affairs, it is thought that a majority of the funds will go for across the board base increases with some merit increase. In support of the use of CBTI as proposed, it was suggested that benefits continue to be eroded in the State system when compared with other employers. It remains unclear as to what standards will be used for awards but Interim VC Smith would probably entertain suggestions from respective Deans. Regarding standards in Academic Affairs for merit increases; a three-year period has been suggested to establish standards. At the SOM, some concern exists that the 15% of CBTI Funds may not cover the need-based Student Financial Aid. CBTI will not be applied across the board for faculty raises and there are, at present, no
standards established for the distribution of this part of the CBTI Funds. Also projected at the SOM is the use of CBTI Funds (50%) to restore operating budget cuts for academic departments (in particular basic science). This category, however, may have to be a source of additional funds needed for need-based student aid. The VC for Health Sciences will review all awards. Due to the limited amount of funds related to CBTI in the SOM where the class size is small and not projected to increase, awards will probably be focused on a few, select faculty.

The discussion coming to a close, the meeting was adjourned at 5:03 P.M.