University Budget Committee

August 2nd, 2005

Special Called Meeting by Provost Smith

Regular Members in Attendance: Cal Christian, Henry Ferrell, Michael Poock, Ralph Scott

Ex-officio Members in Attendance: William “Andy” Beamer (SGA Treasurer), Andrea Harrell, Kevin Seitz, James LeRoy Smith.

Person Presiding: Professor Henry Ferrell

Professor Ferrell called the meeting to order at 3:03 P.M in the Chancellor’s Conference Room 105 Spilman. He next made introductions as the group consisted of members of both the old and new University Budget Committees.


Provost Smith opened with by reporting that the administration had been working over the summer on the compensation plan for ECU employees especially SPA staff. They had been looking into a plan that would provide each employee with $25 a week increase. The details of this plan would be mailed to committee members today by Lori Lee. Another plan under consideration would be to set aside $300,000 each year into a special fund that would be used for salary enhancements. This would of course be subject to approval of the Office of the President.

Vice Chancellor and CFO Seitz noted that the $300,000 would have to come from “somewhere” in the budget. He next addressed the current “legislative perspective”. He noted that the General Assembly was still discussing revenue and tax enhancements and how these would impact the budget. He noted that enrollment increase funding was in the current continuing budget bill for 05/06.

Smith next noted that President Broad and new Board of Governor members had toured the campus yesterday. President Broad has given the university recognition of our mission driven agenda. Smith left the meeting at this point to obtain copies of the PowerPoint and bulleted handouts that were given to Broad and the Board members.

Seitz noted that the legislature was conducting two special research studies: Enrollment Growth and the Cost of Distance Education. He noted that we still don’t fund distance education the same as regular classes. His impression is that DE classes as much or more that regular classes.
Professor Ferrell noted that the committee had asked in the spring for more information on the cost of DE classes. The basic response was that no one knows the cost at this time. He stressed that we continue to have a need to nail down these cost figures.

Seitz noted that we currently do not know the exact size of the budget reductions for the coming year. He passed out a hand out entitled “Budget Planning Process – Spring 2005” copies of which had been shared earlier with the old committee members. This handout noted the context, principles, and possible strategic directions for handing reductions.

A second handout “ECU Budget Reduction History” chronicled reductions from 1999/00 through 2004/05. A third handout “Senate/House 2005/06 Proposed Budget Reductions” was shared with the committee. Discussion on these handout followed by committee members and Vice Chancellor Seitz

Provost Smith returned with his set of handouts.

Seitz next distributed copies of the “2005/06 Resource Allocation Plan” as developed by the administration. Major points of the plan are:

1. Begin review and evaluation of all divisions – base budget and programs
2. Distribute 2005/06 reduction according to schedule in plan
3. Vice Chancellor to determine further reductions in accordance with strategic directions or other appropriate criteria such as historical inequities
4. Prioritize and implement cost reduction/revenue enhancement ideas
5. Develop “safety net” funding from lapsed salary reallocation
6. Increase auxiliary overhead according to schema
7. Distribute all new funding in accordance with strategic directions with emphasis on rewarding performance and quality
8. Distribute lapsed salary funding in accordance with strategic directions ...
9. Hold divisions accountable for use of funding
10. Include all new funding when making resource allocation decisions.

Seitz next handled out a chart entitled “Distribution of Divisional Budget Reductions”

Discussion followed on the materials Seitz presented the committee.

Provost Smith supplied the committee with materials presented to President Broad and the new Board members: 1) “Distance Education@ECU” – a bulleted info sheet. 2) “Distance Education at East Carolina University” – a PowerPoint presentation to the UNC Board of Governors New Member Orientation Visit – August 1, 2005. These were developed with the assistance of Henry Peel.

Seitz noted that the task before us was to come with a “game plan” for reductions.
Professor Ferrell opined that there was a need to predict out 4/6/8 years in terms of enrollment and budget projections. He noted that Community Colleges were now developing programs to certify teachers and that this type of development needs to be looked at with regard to the impact it will have on our programs. He also noted that studies have shown that costs vary by disciplines and that for example engineering programs can be very costly.

Discussion continued on these topics with some emphasis on the perceived differences between “regular face to face” classroom instruction and distance education courses.

Professor Scott asked if there was any information on the Reduction in Force that he had heard about in the Medical School among Clinical Support Staff (CSS). Scott noted that he has been approached by a CSS staff member who had been notified 1 July that their contract would be terminated in thirty days with a cash “buyout.” This staff member noted that persons who had been hired recently would be retained but that older CSS staff were being RIFed. Scott asked what protections CSS staff with regard to Reductions in Force and if they were the same as “career” SPA staff and tenure tract faculty. Seitz stated that there had been some administrative re-alignments in the Medical School. Scott expressed the hope that measures such as these would be at least mentioned to the committee at some point in the future if they were to be implemented.

It was noted that inquiry into the “Metaphysics of Positions” might be an appropriate topic to end the meeting on.

Professor Ferrell stated that he appreciated the willingness of Provost Smith and Vice Chancellor Seitz to listen to and update the committee on these matters. He also noted that the time was now 4:15 and there being not further business he adjourned the committee into the August summer heat.

Respectfully submitted,

Ralph Scott
Secretary, University Budget Committee