

BUDGET PLANNING COUNCIL

October 1, 2008

In Attendance: Kathy Krendl, David Thomas, Chuck McWeeney, Hugh Sherman, Jeff Fulk, Betty Sindelar, Peter Wickman, Brenda Noftz, Joe McLaughlin, Dennis Irwin, Ann Tickamyer, Bill Decatur, Sergio Lopez, Kent Smith, Michael Adeyanju

Staff: Rebecca Vazquez-Skillings, Diane Lucas, Katie Quaranta, John Day, Dawn Weiser, Rebecca Watts

- I. Discussion of Hiring Freeze and Contingency Planning – President McDavis wanted this emergency meeting of BPC prior to the Resources Subcommittee meeting of the Board of Trustees.
 - a. In order to prepare for a possible cut in state subsidy during fiscal year 2009, the President would like to ensure that funds are adequately identified and segregated in the event that cuts come.
 - i. The hiring freeze is intended to generate one time savings in case budget cuts occur in FY09
 - ii. Savings targets will be develop by planning unit (PU)
 - iii. To insure that the savings are indeed set aside, we will work with planning units to establish “reserve” accounts to segregate the targeted savings. This will allow for maximum planning unit control in transferring funding to the account and if cuts do not materialize the funds stay within the planning unit
 - b. FY09 to date
 - i. Enrollments for fall were strong, particularly graduate, and estimates project approximately \$1.0 million in additional tuition. Additional analysis will be necessary to confirm the number of fee paying graduate students.
 - ii. Investment income budget of \$5.1 million is at risk due to financial conditions
 - iii. Likely net shortfall for FY09 due to loss of investment income

Discussion:

It was asked how the planning unit targets were being established. Discussion occurred that the budget office is looking at this now and a variety of factors could be considered. Final methods of calculating targets might include a combination of the following - across-the-board reductions, hold certain categories of spending exempt, weight unit's targets by their level of vacancies. The proposed methodology will be brought to meetings of the Deans/VPs and BPC for discussion.

At yesterday's IUC Provost meeting Bruce Johnson said that state cuts were inevitable.

The hiring freeze and targets put in place now will help generate one time savings, but depending on the magnitude of the state situation, we could need to look at more serious spending cuts.

NEXT MEETING: October 10, 2008