

## **Faculty Senate**

January 27, 2004

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**Committee:** University Budget Committee

**Meeting Date:** 4:05 PM, December 18, 2003

### **Attendance**

**Elected Committee Members:** H. Ferrell, R. Scott.

**Ex-Officio Members:** A. Harrell, C. Hawkins, J. Gaddis, R. Niswander, B. Thompson.

**Others:** L. Lee.

Chairman Ferrell called the meeting to order at 4:05 P.M. The chair next noted that a quorum was not present, and Prof. Ferrell suggested that unless there was objection, we would meet as a special subcommittee to receive such business as might come before the committee. He noted that he had used this method of proceeding in the past and that it enabled the committee to continue with its work without a quorum. There was no objection.

C. Hawkins distributed to members a copy of the East Carolina University Financial Report 2002-2003.

Chair Ferrell next asked about SERS.

C. Hawkins responded that revenue projections were optimistic at this stage of the budget cycle. He noted that there was a good possibility that the last 2% reversion "will not happen." If this does in fact occur, the ECU administration would most likely "pull the managed freeze." C. Hawkins next spoke to budget concerns for next year: the Capital Loss Carryover by corporations may adversely effect tax revenue, but we are not sure yet to what degree. While the economy is in a recovery mode, we are not sure the increasing revenue stream will cover all of the state's needs.

Chair Ferrell noted that questions had been raised about the transfer of funds from personnel lines to operating funds. How much money had actually been transferred this fiscal year?

C. Hawkins stated that these transfers have historically been part of the budget re-allocation process. He noted that \$5.6 million in unfilled faculty and staff positions were reallocated to operating accounts and used for first time start up funds and other needs. This was how we were able to fund a number of new initiatives this fall.



B. Thompson reminded the committee that we should keep in mind that this was a one-time transfer. The transfer was predominately from salary funding for new faculty hires that could not be filled in the current fiscal year. He noted that we ended up borrowing these funds from lines that would have to be paid back. Discussion continued among committee members on how the salary lines are "re-infused" at the beginning of each fiscal year. Toward the end of a fiscal year funds are used for one-time purchases so that the salary funding not used for new faculty hires does not go to waste.

C. Hawkins noted that 2.5% of allocated funds had been allowed to carry over to the next year's budget in past years. However in the last two years the state has swept these funds back into the treasury, and we did not have access to these funds for startup issues in the new fiscal year.

Chair Ferrell asked if any other lines could be switched?

C. Hawkins noted that SPA and EPA non-teaching faculty funds could be transferred to operating funds. He noted however that this had not happened yet this budget cycle.

B. Thompson noted that "it had been the pattern to fill all the positions you can."

Chair Ferrell again called for further business or questions. There being no other official business, the Chair wished member the best of the Holiday Season. He noted that the acting secretary was to distribute a copy of the draft minutes to those present, and if approved, then on to the full University Budget committee, followed by the Faculty Senate (together with any budget updates that may come available by the time of the Senate meeting in January 2004.)

Chair Ferrell adjourned the meeting at 4:24 P.M.

Respectfully submitted,

R. Scott, Vice Chair and secretary for a day.