



Office of the Chancellor

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March 31, 2009

Dr. Catherine Rigsby, President
ECU-AAUP Chapter
c/o Department of Geosciences
Graham Building
CAMPUS

Dear Dr. Rigsby,

Thank you for your letter of March 30. We face extraordinary fiscal challenges and I appreciate your concerns and recommendations.

I do not know how to address these concerns without first describing key elements of the context within which decisions will have to be made. At a minimum, our context includes these facts:

- The fiscal challenges are the worst we've faced in at least 50 years. ECU lost \$20 million in state appropriations this year and faces the real possibility of losing \$20-25 million in each of the next two fiscal years. Some forecasts call for higher losses;
- The Board of Governors has passed a value statement and we will do everything in our power to be consistent with it;
- The ECU Board of Trustees adopted a new policy, referred to as "The Budget Framework," on March 17 and it was distributed to campus the same day. I am committed to implementing it, and it is this framework that I presented at the Board of Governors meeting to which you refer; and
- We have an effective campus-wide Budget Task Force that represents all campus constituencies, that is getting close to making initial recommendations, and that provides excellent balance to our budget discussions. It is chaired by Provost Sheerer and Faculty Chair Tovey.

The Budget Framework makes the criteria for ECU budget decisions very clear (page 1) and I call your attention to the demand that we maximize flexibility. The reason is simple: we cannot predict the length or severity of fiscal crisis. Hence, we will not make any guarantees regarding budget cuts. I agree with President Bowles that the cuts will reach all parts of the campus and are likely to cause layoffs and other negative effects on our workforce.

That said, the Board policy is also very clear about the priorities and the order in which we will proceed. We will do everything in our power to protect the academic core and to avoid reductions in academic programs if at all possible. Academic programs are the last of nine priorities. We will look at performance, and when we have underachieving or no-longer-viable majors, concentrations, or programs, we will take appropriate actions, as Provost Sheerer has already done this year. We are not currently contemplating a financial exigency; if we do, that would require approval of President

Bowles and the Board of Governors.

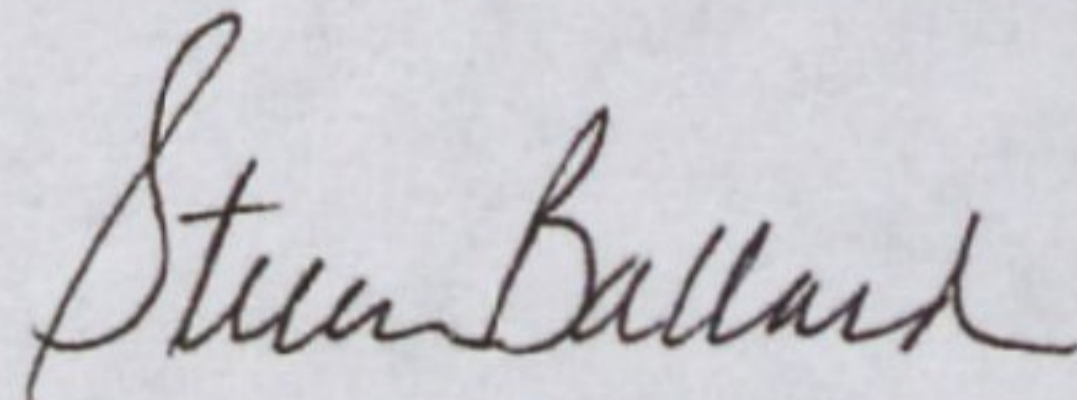
The first three priorities are ones we have concentrated on and have been successful in addressing: administrative reductions, non-academic functions, and cost savings. President Bowles can speak to our work in PACE; we are proud of the efficiencies achieved in that program. Similarly, we have identified approximately \$9 million in reductions in administrative positions, offices, and functions over a three-year period. Within a few days, I will announce task forces for mandatory consolidation of non-academic services; this will represent a new way of doing business at ECU. In the chancellor's office, for instance, I have recently consolidated three positions (policy analyst, legislative affairs, and federal relations) into one position. Vice Chancellor Horns has identified about \$500,000 in savings from associate vice chancellor and other administrative positions within the past 12 months. These are examples; many other reductions have been made.

Our administration is fully committed to open and transparent budget discussions. We have met with each campus constituency, nearly all colleges, faculty groups, and many individual faculty members. The Chancellor's View has twice updated the campus on the fiscal crisis facing ECU. The Budget Task Force has disseminated numerous materials and conducted several open forums. We meet with Faculty and Staff Senates monthly. We continue to meet with SGA and other student groups and will do so throughout the end of the spring semester. Every one of my six presentations to the Faculty Senate this year has addressed the budget. There have been numerous additional budget discussions and presentations.

We will take each of the seven recommendations of the ECU-AAUP Chapter under advisement and evaluate them in accordance with Board of Trustees and UNC policy. With respect to furloughs and other potential actions affecting personnel, we have an HR Task Force, chaired by University Attorney Donna Payne. That Task Force works closely with General Administration to ensure full compliance with the UNC Code, legislative directives and other relevant guidelines. Ms. Payne would be happy to meet with the ECU AAUP Chapter to discuss the work of this Task Force.

Thank you again for your letter. It will take the best and most collaborative efforts of all ECU constituencies to bring us through the coming months in a stronger position to embrace the future.

Sincerely,



Steve Ballard
Chancellor

Pc: Erskine Bowles, President, University of North Carolina
Bob Greczyn, Chair, ECU Board of Trustees
David Brody, Vice Chair, ECU Board of Trustees
Hannah Gage, Chair, UNC Board of Governors
Judith Wegner, Chair, UNC Faculty Assembly
Robert Lucas, Chair, ECU Board of Trustees University Affairs Committee
Jan Tovey, Chair, Faculty Senate
Drew Griffin, President, Student Government Association
Paula Daughtry, Chair, Staff Senate

Marilyn Sheerer, Provost and Senior Vice Chancellor for Academic
and Student Affairs

Donna Payne, University Attorney

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