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MEMORANDUM

To: UNCP Faculty and Staff
From: R. Neil Hawk *Rue*
Date: May 1, 2009
Subject: 2009-2010 Budget Reduction Plan

Current year budget reductions, freezes, and even salary reductions have contributed to everyone's stress level, but these obstacles haven't stifled the successes of yet another great year at UNCP. Students, faculty, and staff have all contributed to the many accomplishments of FY09. UNCP succeeded in spite of the state and the nation's financial crisis. We thank you all for your hard work, perseverance, and dedication to the success of UNC Pembroke.

Now it is time to look forward to our next academic year, 2009-10. The good news is that we have plans for new initiatives, for improving many of the things we already have in place, for modest continued student enrollment growth, and for continued excellence in our academic programming. Unfortunately, the state and nation's financial woes will continue into at least part of next year. What does this mean for UNCP? As communicated in January 2009, we have in place a budget reduction plan for three (3), five (5), and seven (7) percent reductions. With the Governor and Senate's budget in place and a soon-to-be-announced House budget plan, we are encouraged and focused on our five (5) percent reduction plan. This five (5) percent reduction affects our base budget, it is not an additional five (5) percent reduction on top of what we have already experienced. We do expect the 2009-10 budget to include enrollment growth funding.

The budget reduction plan was developed across each division and was guided by our Budget Principles (attached). Items reviewed included non-academic or non-core operations, administrative personnel reductions, a search for new revenue sources, academic support areas, and, finally, the academic core. Each of our divisions proportionally contributed to the overall plan. The five (5) percent plan calls for approximately \$2.9M in cuts--about \$900,000 in non-personnel cuts and \$2M in personnel cuts. The personnel reductions include reducing contract labor, cutting 18.05 FTE vacant positions and 17.74 positions currently filled. Actions planned for the filled positions include moving some to non-state funding sources, some incumbents retiring, some phased retirees completing their assignments, some annual contracts. Less than five individuals will be impacted by the budget reduction plan. Any effected individuals will be supported and provided appropriate extended benefits.

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It is very important to note that this plan and the information above are based on the latest State information available. Should the State reduce our budget in any amount that is greater than 5%, more programs and more employees will be impacted.

Everyone has worked very hard to develop a plan that is best for the University and all those that we serve. We understand the pain associated with any budget reductions and therefore made every effort to protect programs and individuals as much as possible. We ask for your understanding and cooperation as we implement this plan. We will continue to be a great university and serve all our students to the best of our abilities.