

Minutes of the July 10, 2012 Meeting
of the Board of Governors' Committee on Budget and Finance

The Committee on Budget and Finance met in the Executive Conference Room of the Spangler Center in Chapel Hill, North Carolina, on Tuesday, July 10, 2012, at 11:30 a.m. Most members joined via teleconference.

Committee members in attendance were Mr. W. Louis Bissette, Jr., Mr. John M. Blackburn, Mr. Walter C. Davenport, Dr. Fred N. Eshelman, Mr. Paul Fulton, Governor James E. Holshouser, Jr. and Mr. David W. Young. Necessarily absent were Mr. Fred G. Mills and Mr. J. Bradley Wilson. Other Board of Governors' members, UNC General Administration staff, Chancellors and staff, and press were also in attendance.

At its June meeting, the Committee on Budget and Finance was delegated the authority to allocate funds made available by the General Assembly, if the State budget was ratified prior to the next Board meeting. There would be a special meeting for this purpose and the entire Board would be invited to participate, either in person or via telephone.

Chair Young convened the special meeting and President Tom Ross addressed the group. He offered special thanks to Senior Advisor to the President Lyons Gray, Director of State Government Relations Lesley Cates, and Vice President Charles Perusse for their work with the General Assembly and legislative staff. In light of the current economic conditions, the 2012-13 state budget adopted by the N.C. General Assembly was fair to the University of North Carolina and supported the highest priority needs. Funds were provided for enrollment growth and operating reserves for new buildings. An additional \$25 million was provided to support financial aid for North Carolina students. \$9 million of management flexibility cuts imposed by the 2011 General Assembly were restored, as well as most of the funding to UNC-TV.

Then Vice President Perusse discussed other details in the Current Operations Allocations for 2012-13. Questions from the Committee were answered.

It was recommended that the proposed Allocations for Current Operations for 2012-13 be approved. (Attachment) It was further recommended that the President be authorized to make refinements in the interest of accuracy and completeness. It was also recommended that the President be authorized to seek such concurrence as may be required of the Director of the Budget in the allocation of Budget Priorities.

On the motion of Mr. Davenport, seconded by Dr. Eshelman, the recommendations were approved.

Next the Committee considered the allocation of funds for University Personnel (EPA and SPA) Salaries. The General Assembly appropriated funds to support a 1.2% annual salary increase for EPA and SPA employees. \$3,000,000 was also appropriated in recurring funds for the Faculty Recruiting and Retention Fund. Senate Bill 187 also provided five days of Special Annual Leave Bonus days to all state employees. Any unused days on June 30, 2013 would expire.

It was recommended that the proposed Allocations for Salary Increases appropriations for 2012-13 be approved. (Attachment) It was further recommended that the Vice President for Finance be authorized to make refinements in the interest of accuracy and completeness. It was also recommended that the President be authorized to seek such concurrence as may be required of the Director of the Budget in the allocation of these funds.

On the motion of Mr. Blackburn, seconded by Mr. Bisette, the recommendations were approved.

Finally, the Committee considered the 2012-13 Allocations for Capital Improvements. Vice President Perusse explained the allocations from the Reserve for Repairs and Renovations.

It was recommended that the proposed Allocations for Capital Improvements for 2012-13 be approved. (Attachment) It was also recommended that the President be authorized to make refinements in the interest of accuracy and completeness. It was further recommended that the President be authorized to seek such concurrence as may be required of the Director of the Budget in the foregoing allocations.

On the motion of Mr. Davenport, seconded by Mr. Blackburn, the recommendations were approved.

There being no further business, on the motion of Mr. Bisette, seconded by Mr. Davenport, the meeting was adjourned.

Mr. Paul Fulton, Chair
Committee on Budget and Finance

Mr. Fred G. Mills, Secretary
Committee on Budget and Finance

Note: Due to bulk, the Attachments are omitted. They may be found on the Board of Governors' August Meeting website.