



Vice Chancellor for Business Affairs
One University Drive
P.O. Box 1510
Pembroke, NC 28372
Telephone: (910) 521-6209 FAX: (910) 521-6878

MEMORANDUM

To: UNCP Faculty and Staff

From: R. Neil Hawk *Rick*

Date: June 5, 2009

Subject: 2009-2010 Budget Update

The House Education Appropriations Subcommittee has released its proposed budget reductions. As a result, the restrictions from the April 9, 2009, OSBM memorandum will no longer apply beginning July 1, 2009. We will proceed with 2009-10 spending actions per UNCP policies without the need of exception approval from OSBM.

OSBM recommends that we should manage our spending using the lower of the 2009-10 Governor, Senate, and House budgets. The House currently has the largest proposed reduction and thus the lowest spending level (100% base budget minus the proposed 11% reduction equals 89%). This caution will be incorporated into our 2009-10 budget plan, but prior to the adoption of such a plan, we should apply this spending level assumption in making decisions that require long-term or recurring obligations of state funds.

When entering into 2009-10 contracts we must ensure that all contracts contain an availability of funds clause. Anyone having the authority to execute a contract on behalf of UNCP should pay special attention to this provision.

If a final budget is not enacted by June 30, 2009, there will be a Continuing Resolution that may impose spending/budget restrictions. We can almost assuredly expect such a resolution to be at a reduced level. Furthermore, OSBM believes it is likely that they will impose a 2009-10 allotment holdback in addition to the enacted budget. This means that an approved State budget with cuts will not be funded at 100%, perhaps at only 98% or the potential of another 2% reduction.

We will continue to keep you informed of further budget developments as they occur. As always, thank you for your continued patience as development of the 2009-11 State budget continues.