

**Academic Planning Group (Academic Subcommittee)**  
**July 7, 2009**

Attendees: Denise von Herrmann, Bob Bateman, Bill Powell, Jeff Evans, Elizabeth Haynes, Steve Oshrin, Bob Lyman, David Walker, Tom Lansford, Sabine Heinhorst, Ernie King, Brett Kemker, Allyson Easterwood, Joe Morgan, Michelle Arrington, Heather Annulis

Chief Financial Officer Joe Morgan presented updated and unsettling news on the budget scenario. While the budget for FY2010, which began on July 1, is relatively flat after the application of stimulus monies, the 4.5% reduction was applied to cover fixed costs and other increases. Especially because the Educational Enhancement Fund is expected to continue to underperform due to decreased sales tax revenues, there may be a 5% mid-year budget cut. It is possible that FY2011 stimulus monies could be moved to cover that cut, but that would mean there would be no stimulus monies for FY2011, meaning that the budget 'cliff' is moved forward to that fiscal year. Mr. Morgan estimates that most of any tuition increase next year would basically cover expected fixed cost (e.g. utilities, insurance, employee benefits, and similar obligations) increases. Indeed, he estimates that a 19-20% increase in tuition would be needed to cover the loss of stimulus monies, with the assumption of an unchanged state appropriation. Unfortunately, there could also be another appropriations cut.

Mr. Morgan targeted a need for at least \$11 million, with the units reporting to the Office of the Provost responsible for as much as \$7.5 million, given that academic and related support programs and offices account for right at 75% of the overall budget.

Some ongoing, preliminary discussion centered on possible program eliminations and the need to inform those faculty members affected by any eliminations by the September 1 deadline. When asked about contracts for the 09-10 year, Mr. Morgan said they probably wouldn't go out until mid-August due to the delay in a budget approval from IHL, that process itself delayed by the lateness of a state budget approval by the Legislature and Governor.

The plan is for the APG to generate and prioritize its recommendations, make those recommendations public, and present them to the Executive Cabinet, though timing and order of the latter two actions are still to be determined. It was stressed again that a real opportunity for appeal must be given to faculty who would be informed of a terminal contract by September 1. Because of that deadline, it might occur that such appeals would occur after that date, as the recommendations would be revocable as late as June 30, 2010.

Further discussions occurred on possible APG recommendations. As noted in the June 30 meeting, given the sensitiveness and preliminary nature of these discussions, details are not included in these notes. In the academic areas the

discussions dealt with programs suggested by the deans, particularly those in the College of Arts and Letters and the College of Health, though additional discussions centered on programs of relatively recent development that had not been included on the deans' recommendations. There was also some review of and discussion of various academic centers that are both grant- and university-funded. In the other academic support areas, discussion focused on programs that need to be self-supporting, possibilities for budget reductions in support units, and E&G support in the form of out-of-state tuition waivers for graduate students whose assignments are in auxiliaries.