



To: Faculty and Staff

From: Chancellor Kenneth E. Peacock

Subject: University Budget

Date: January 27, 2011

On Tuesday of this week, Governor Beverly Perdue announced that she would be seeking authority from the Legislature for a five percent reversion from all state agencies for the fiscal year ending June 30, 2011. The General Assembly convened yesterday, and I expect this to be one of the first legislative issues addressed.

Although information is limited at this time, this much is certain: five percent of our current budget is significant. While it is not entirely clear how these on-going budget negotiations and decisions at the state level will ultimately impact our campus, it would be irresponsible not to implement spending restrictions at this time.

In response, as of today, January 27, 2011, the following spending restrictions are effective:

Hiring and Salary Adjustments:

1. All hiring requests, with the exception of instructional personnel, must be approved by the appropriate Vice Chancellor who will determine if they are "mission critical."
2. Allowable compensation adjustments only include promotions and reclassifications. No career banding adjustments, in-range adjustments or other salary adjustments may be approved. All compensation adjustments must be approved by the appropriate Vice Chancellor.

Purchasing:

1. All requests for purchases (purchase orders, procurement card requests, check requests, etc.) of goods or services shall be limited to the greatest extent possible (only minimum inventories for necessary items should be maintained).

2. Purchase of supplies, materials and equipment for classroom instruction are exempt from this restriction at this time. However, departments should limit these purchases when at all possible.
3. All employees are asked to continue to place a high priority on the stewardship of University resources when making decisions about purchases.

Travel:

1. Travel and training expenditures will be restricted unless they are essential to meet documented job requirements. The appropriate Vice Chancellor may grant exceptions.
2. Travel must be approved by the appropriate Vice Chancellor prior to making any arrangements or commitments.
3. All employees are asked to continue to place a high priority on the stewardship of University resources when making decisions about travel.

All expenditures funded with non-state funds may proceed in accordance with existing policies and procedures.

There is no doubt these budgetary restrictions profoundly hinder the operation of our campus. As I learn more, I will communicate and work with you on our plans to meet these requirements.

For the most up-to-date information concerning the 2011-12 Budget visit www.chancellor.appstate.edu/budget.