

Budget Committee – Academic Affairs Division
April 27, 2010

Summary and Action Items

• **Budget Committee:**

Dr. Moore gave an overview of the current budget situation. For FY10 and FY11, state agencies are required to plan for a 5% reduction from their state appropriations which is approximately \$7.8 million for Texas State.

Texas State's cuts will include deferring maintenance, deferring the hiring of new staff positions and reducing the summer supplemental budget. Also, merit raises will be put on hold to faculty and staff until we know the next state budget. Hopefully this remains a one-time cut and does not turn into a permanent cut.

The State shortfall is now estimated by some to be conservatively between \$10-12 billion. The rainy day fund is about \$8 billion. It is unlikely that all of the rainy day fund will be used; so the State will have a deficit going into FY11.

If the deficit widens and revenues do not increase appreciably, we could be facing an additional 5% cut in FY11. We hope to have significant enrollment growth in the fall, which will help fund part of the budget cuts, but we are unsure what will happen during the next legislative session in regards to appropriations.

Options to cover an additional 5% cut were discussed. Some were:

1. Enrollment growth accounted for roughly \$4 million dollars last year and we are expecting the same this year.
2. Awarding faculty and staff merit raises of 3% accounts for approximately \$5 million. Awarding a portion of merit or awarding one-time bonuses were discussed.
3. Increase tuition
4. Use of one time funds to be replaced in future years
5. Close open faculty positions or not fill positions as they become open. This option was not recommended.
6. Review the enrollment levels of programs and courses to determine the critical faculty needs during a reallocation of open faculty positions within each college or department.
7. Cut M&O budgets or limit expenditures including, out-of-country travel.
8. Review and cut low producing degree programs and courses with low enrollments.

The budget committee discussed the public relations issues of budget cuts (no merit raises) in correlation to the increase in cost of parking permits.