

PROVOST EMPLOYEE COMMUNICATION COUNCIL
January 9, 2002
Meeting 101

Attendees: Cheryl Adams, Jan Cornell, Tom Farruggio, Susan Fogler, Kim Gregg, Vincent Kois, Doug Moseley, Louis Steve, Glenn Taylor, Bill Vining, Anda Webb

Guest Speaker: Nancy Rivers

Ms. Webb:

The University budget is awaiting the final decision on the state budget. Governor Gilmore built in a tuition increase. We would be allowed to raise undergraduate tuition @ \$200.00, and \$100 would go back to the state. Graduate tuition could be raised 6%, and all of that increase would go back to the state. Tuition increases cause greater need for financial aid, and that is not built into this plan.

It is predicted that Warner will say **let's take the hit now** and move on. We will know more about the budget situation as time goes on. Even though we are in a long session, there still is not enough time to solve every problem.

Q: Will there be employee layoffs?

A: The University is committed to keeping the workforce. Typically, layoffs have been the very last resort.

Mr. Vining can remember only 3 people who have lost their jobs because of a reduction in force.

Q: Could we see the buyouts again?

A: There were not too many people left from the last time there was a buyout. Anything is possible.

We (the University Budget Administrators) were asked to do a projection based on a 2% reduction in our general fund allocation. Our state budget is made up of general fund and non-general fund pieces. Look at the budget office Web site for more up-to-date information.

George Allen froze undergraduate tuition - @1996. When Gilmore became governor, he decided to roll back undergraduate, in-state tuition and replaced that difference with general fund money. For a long time, we held undergraduate, in-state tuition at the same level. Gilmore has built a fairly large graduate tuition increase into his budget. The increase of 6%, per year in graduate tuition would put another financial strain on the University, due to the lack of an increase in the funds available for financial aid.

Grant and gift money does not fund the base operations of the University. These funds cannot be used to fund employee raises.

The current budget on the table reduces the ETF allocations.

Q: How will this affect the Recognition and Rewards Program?

A: There is not a plan to halt this plan at the University. Units will be able to manage their workforce as they wish, as much as possible. Each Unit will be notified as to what their cut will be and they will decide where those cuts will be implemented.

Each school submitted a plan for the Rewards and Recognition program. Each plan reflected the personalities of the different schools. These plans should be available on the HR Web site.

Mr. Vining

We asked about the **new** department in HR and Mr. Vining acknowledged the formation of a Career Services Department. This group will help employees with their career choices.

Nancy Rivers, Director of Governmental Operations

Important in this session. The governor who introduces the budget will not be carrying it forward. The important thing to remember is that this is the beginning. Governor Gilmore submitted a budget and Governor Warner and the Legislature have their own ideas. Everyone is sure that Virginia has a budget **problem**.

We are going to have a long session this year. We are committed to being our bridge to Richmond. They try to translate what is going on. The Web site is the best place to go for up-to-date information.

There are several key dates for this session (60-day session)

February 12 - Cross-Over - This is the last day for each House to act on its own legislation - except for budget bills.

February 17 - Committee of Origin (House Appropriations & Senate Finance) complete action on Budget Bill by midnight.

(Uva Report will follow, usually within 24 hours).

March 7 - Last day to put remaining Bills into Conference Budget Conference Reports available by noon. We usually have a very short time to respond to these items.

March 9 - adjourn

April 17 - Reconvened Session

We should see reports on February 18th and March 8, indication where UVa stands with the budget.

There are two categories

- 1) General Fund reductions, and
- 2) New General Funds

This is the first time we have actually started out with a budget that will not meet existing needs (first one in a decade). New General Funds 2% across the board cost-of-living raises for state employees. The language was that contributors could get 1.6% to 2%. Extraordinary contributors could receive 2-5%. The fact that increases were in there was a surprise to some. If this was carried forward, the university would receive a 2% average and would have to distribute appropriately.

Reduction side - very complex. Tuition and fees - undergraduate tuition increases will be mandated - the state will take \$100 for each student. Graduate students, mandated 6% in both years, with all of that increase going back to the state. Another problem with this is that our tuition increases, but there are no more funds for financial resources for students.

Maintenance reserve reduction - \$3.2 million, both years. This could have a negative impact on the labor force.

There are capital projects in the caboose bill. Some capital projects will be funded with a general obligation bond. We will know more about our particular capital projects after February 17th.

We have to go to the state to get permission for projects, even if we do not use general funds. We have not been turned down for those projects.

Q: Who is the champion for the University for employee raises?

President Casteen is the speaker for the University. Both he and Leonard Sandridge are on the record that employees are important. We will probably have to wait and see what happens. There are not enough funds to meet the current liabilities. HB 197 - Virginia Employee's Disability Plan - Negative election. If you do not opt out, you will be part of this plan. This is a proposed bill, not a certainty, yet.

Other Business:

How should we distribute information to employees? Is there a way to notify everyone who wants to be notified?

We decided to have a work meeting in February. Goals: identify membership, determine responsibilities, etc.

Meeting was adjourned at 10:35 a.m.