

As you may know from media reports, the state budget for fiscal years 2011-12 and 2012-13 has been enacted by the North Carolina General Assembly and is now law. Because of flexibility given to the University of North Carolina Board of Governors for determining campus allocations, however, the budget impact on Western Carolina University is not yet known. The Board of Governors' finance committee has been authorized to hold a special meeting in July to recommend allocations. The meeting date has not been scheduled. We will notify you as soon as allocations have been made to WCU.

With more than \$400 million targeted in budget reductions, on top of previous cuts and reversions, the UNC system and WCU are facing dire circumstances. There will be less money available for faculty and staff salaries, campus operations, student scholarships and financial aid, and many other things. Although that is a staggering amount, it appears that cuts to the UNC system will be lower than those proposed in earlier versions of the budget. We are appreciative of our elected leaders' efforts and mindful of their difficult choices during the most challenging economy faced in several decades.

As you will recall, Western Carolina already has taken action in anticipation of the latest budget cuts. We have seen a significant reduction in operating expenses across the university, and we have instituted severe restraints on purchasing, travel and equipment. Throughout the difficult budgeting processes of the past several years, we have endeavored to minimize the impact, as much as possible, on our academic core. That must remain our focus as we go forward.

These tough financial times have affected all of us – faculty, staff, students, alumni and friends. All members of the university family are deserving of thanks for their understanding and patience, and for their continuing efforts to ensure that Western Carolina continues to produce graduates who have the skills and knowledge to help North Carolina recover from the economic downturn.

John