



# The University of North Carolina

GENERAL ADMINISTRATION

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Constituent Universities  
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University

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University

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State University

Fayetteville State  
University

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Technical State  
University

North Carolina  
Central University

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State University  
at Raleigh

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at Asheville

University of  
North Carolina  
at Chapel Hill

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at Charlotte

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North Carolina  
at Greensboro

University of  
North Carolina  
at Pembroke

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North Carolina  
at Wilmington

University of  
North Carolina  
School of the Arts

Western Carolina  
University

Winston-Salem  
State University

Constituent High School  
North Carolina  
School of Science  
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September 28, 2010

## 2011-13 Budget Memorandum – Number 5

**TO:** The Chancellors  
President, UNC Hospitals at Chapel Hill

**FROM:** Ernie Murphrey *Ernie P. Murphrey*

**SUBJECT:** 2011-13 Budget Reductions Planning

As you know, we received a request from the Office of State Budget and Management to put together budget reduction scenarios for consideration during the Governor's budget deliberations. Over the last few weeks, Ginger Burks and I have worked with you and OSBM to further refine the request and arrive at an overall strategy for providing this information.

At this time, we have established a good process to answer the request. We will concentrate our efforts on the 5% and 10% scenario reductions and within that, some prioritization of the reductions, allowing us to inform the Governor and OSBM of the impact of potential cuts, if finalized.

OSBM's process calls for the reduction scenarios to be completed within the IBIS system, with the 5% level = Scenario 1 and the 10% level = Scenario 2. As per Charlie Perusse's memo of September 2, 2010, the Worksheet I/Base Budget for 2011-12 is the basis for the calculation of 5% and 10%.

Many of you have asked about the inclusion of tuition as an offset to budget reductions. While there may be a tuition increase recommended or approved, that will be a part of a separate process. Therefore, tuition increases should not be a part of the submission in these scenarios.

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In order to use the IBIS system as per OSBM's instructions and to provide useful information for the University, Attachment 1 provides more explicit details on how data should be entered into the IBIS system by your campus. Also note that UNC General Administration will receive the reduction scenarios and then submit on behalf of the University to OSBM. As such, please complete your Worksheet II reduction scenarios in IBIS no later than the close of business on Monday, October 25. For each scenario, place your reduction options in priority order, with priority #1 being the reduction that you would implement first.

In addition to the IBIS entries, we ask that you submit a short narrative document (not more than one or two pages) to convey to us your campus process for arriving at the reductions under consideration, the strategy you took in approaching the process, and any further information that you think would be important for General Administration to consider as this process moves forward. That document may be emailed separately to Ginger Burks ([ginger@northcarolina.edu](mailto:ginger@northcarolina.edu)).

Attachment

cc: Chief Academic Officers  
Chief Finance Officers  
Legislative Liaisons  
Ms. Elizabeth Grovenstein, OSBM

## **Attachment 1**

### **Additional University-specific information on IBIS Entries**

#### **Special Accounts codes for use IF program reduction crosses multiple account codes**

In the interest of efficiency of data entry, OSBM has allowed the University to use two account codes IF the item proposed for reduction crosses multiple account codes. If that is the case, the campus may enter data into 5371BB – RES REDN SCENARIO OPERT and 5371BP RES REDN SCENARIO PERSNL.

**5371BB** is to be used as a reserve to capture all the estimated operational savings resulting from the proposed reduction

**5371BP** is to be used as a reserve to capture all the estimated personnel (salary + benefits) savings resulting from a proposed budget reduction

#### **Category codes to be entered in the “Request Title” section before the campus title**

In previous years, the University has used categories to identify and sort the types of reductions proposed. We will continue to use those for the 2011-13 biennium, but have out of necessity developed the following coding structure. Please enter each code preceding each request title that you enter on the Worksheet II form.

AA = Academic Administration  
AS = Academic Support  
AV = Advancement  
BA = Business Affairs  
CI = Center or Institute  
CS = Campus Safety  
FAC = Reduce/Eliminate Faculty Teaching Positions  
FWL = Faculty Workload Adjustment  
HR = Human Resources  
IT = Information Technology  
LP = Low Productivity/Low Enrollment Academic Program  
MM = Reduce Middle Management or Senior Academic & Administrative Officers  
PS = Public Service  
PP = Operation of Facilities/Physical Plant  
RAR = Restructuring Academic Programs or Research Activities  
RE = Realignment of Funding Sources  
RSP = Research/Sponsored Programs  
SS = Student Support

An example might be an instance where faculty would be required to teach more courses, to be entered as: FWL – Increase Teaching Loads in “ABC” Department.

#### **Notation of Complete Elimination of a Program or Shifting a Program Completely Away from State Funds**

Please be sure that your program descriptions clearly outline if/when a program is proposed to be completely eliminated OR if the program will continue to exist but be funded solely from non-state funds.