



Provost and Executive
Vice Chancellor
and
Vice Chancellor for
Finance and Business

Holladay Hall
Raleigh, NC 27695

September 17, 2014

MEMORANDUM

TO: Executive Officers and Deans

FROM: Warwick A. Arden, Provost and Executive Vice Chancellor
Charles D. Leffler, Vice Chancellor for Finance and Business

SUBJECT: 2014-15 Budget Reductions and EPA Increase Guidelines

The Board of Governors has taken final action on the 2014-15 budget and on EPA salary guidelines. For the Academic Affairs budget code (16030), budget reductions related to Management Flexibility and the BOG Strategic Directions Initiatives total \$4,513,294 and the Regular Term Instruction enrollment change reduction totaled \$2,926,398. This total recurring budget reduction will be met with allocations from the University, Provost, and Finance and Business. For the Agricultural budget codes (16031 and 16032), the recurring budget reductions total \$521,175 for Agricultural Research Services and \$378,318 for the Cooperative Extension Services with the allocations proportionate to the colleges providing these services.

As you are aware, a \$1,000 per employee increase was approved for SPA employees, effective July 1, 2014, and was paid in the August monthly paycheck.

EPA salary increases, which will also be effective July 1, 2014, will be self-funded by the University, and will total 3.0% of the total EPA base. There will be a \$1,000 cost-of-living increase for eligible EPA faculty and staff, which will come from the 3% pool. The balance of the 3% is to be used to provide market, equity, and/or merit increases as warranted to faculty and staff. These increases apply to EPA positions paid from all funding sources and will be awarded in accordance with the attached guidelines.

Please note that any salary adjustment that results in a net increase of 9.9% or above an individual's June 30, 2014, salary must be pre-approved by the Chancellor and UNC General Administration.

The 16030 State Appropriated EPA salary increases will be funded 75% from college or division budget resources and 25% from central university resources. For non-16030 state appropriated EPA increases, 100% is to be funded from the respective funding source.

Attached you will find the EPA salary allocation guidelines for NC State. The salary administration instructions from UNC General Administration will be posted on Budget Central. The University Budget Office will provide the calculation of your specific 3% total via separate email. Please contact the University Budget Office if you have budget questions. Please contact University Human Resources if you have questions about market or equity adjustments.

cc: W. Randolph Woodson, Chancellor
Duane Larick, Senior Vice Provost for Academic Strategy and Resource Management
Steve Keto, Associate Vice Chancellor for Finance and Resource Management
Barb Carroll, Associate Vice Chancellor for Human Resources
Barbara Moses, University Budget Director
Vicki Pennington, Assistant Vice Provost
Business and HR Leads