

**NC STATE UNIVERSITY**

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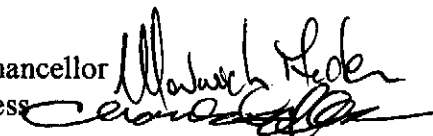
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January 28, 2010

**MEMORANDUM**

TO: Vice Chancellors and Deans

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



SUBJECT: 2010-11 Budget Reduction Plans

Due to the continuing state revenue challenges, all state agencies and institutions have been directed by the Office of State Budget and Management (OSBM) to prepare and submit budget reduction plans for fiscal year 2010-11. University plans are to be submitted to the UNC-General Administration on a form developed by UNC-GA staff. The UNC-GA staff have also calculated the amount of reduction required by each institution and program under the aegis of the Board of Governors.

The budget reduction planning target is 5% of our state general fund appropriation as follows:

16030 - Academic Affairs	\$19,608,934
16031 - Agricultural Research Service	2,924,871
16032 - Cooperative Extension Service	2,225,112
NC State University Total	\$24,758,917

You will remember that the 10% budget reductions for 2009-10 were used to cover the recurring budget reductions included in the 2009-11 Appropriation Bill and to fund essential costs for maintenance and operations in new facilities, inflationary increases for utilities and library acquisitions, and mandatory personnel benefits adjustments. In addition, these reduction funds were used for the 2009-10 one-time reversion directed by the Governor in December 2009.

It is important to remember there were further budget reductions included in the 2009-11 Appropriation Bill that will have to be met with the remainder of the 10% reduction plan from 2009-10, including an additional Management Flexibility Reduction (about \$29.1 million system-wide), lost receipts from reducing the employee tuition and senior citizen tuition waiver programs, and the 100% increase in the tuition surcharge for students who have taken more than 140 SCHs.

That said, there is funding available from the 2009-10 10% reduction plan to cover 2% of this year's 5% Academic Affairs budget reduction plan, which results in the need to identify a 3% reduction plan from the campus. As we have done for prior budget reduction plans, we have allocated the Academic Affairs reduction target to each college or division based on recurring budgets. The attached schedule allocates the 3% state general fund reduction amount proportionately to each college and division based on recurring budgets. Once the

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2010-11 budget has been finalized, allocations of any budget reductions will be made following a careful evaluation of the UBAC principles and University strategic priorities.

There will be a separate communication with the Deans of the Colleges of Natural Resources and Agriculture and Life Sciences to review the reduction planning targets for the Agricultural Research Service and Cooperative Extension Budget Codes.

In developing your budget reduction plan and priorities, please carefully assess your programs and support activities and these relate to your compact plan, UNC Tomorrow, and current enrollment demands. Pay particular attention to levels of administrative support, especially in the divisions, and, where practical, combine administrative functions among departments. If you are interested in participating in a pilot project to development regional administrative processing and support centers, please contact Steve Keto to discuss further. Make every effort to maintain your current course offerings although fewer sections and larger classes may be required.

Instructions and a template for use in submitting your budget reduction plan are attached. Please do not hesitate to contact your budget analyst if you have questions or need assistance with any part of the budget reduction planning process. Please submit your template along with a brief transmittal memorandum that discusses the process you used in developing your plan, to the University Budget Office at [budshare@gw.ncsu.edu](mailto:budshare@gw.ncsu.edu) not later than noon, Monday, February 15, 2010.

#### Attachments

cc: Chancellor Woodward  
University Budget Advisory Committee  
University Finance Officers

NC State University

2010-11 State Appropriated Budget Reduction Plan (per UNC-GA)

Class 212, 214, 215, 216

Purpose codes 101, 105, 110, 142, 151, 152, 160, 170, & 180

(Excludes Appropriated Receipts operations & Financial Aid)

				1/27/10			
		Budget Code	Base Budget	5% Reduction	Assigned to	Pers.Benefits	3.00%
					2009-10 Cvl	Reserve	Allocation
		Academic Affairs	\$392,178,886	\$19,608,934	(\$7,843,574)	(\$1,188,753)	\$10,576,807
		Agricultural Research	58,497,411	2,924,871	(1,169,948)		1,754,923
		Cooperative Extension	<u>44,502,242</u>	<u>2,225,112</u>	<u>(690,045)</u>		<u>1,335,067</u>
		Total University	\$495,178,339	\$24,758,917	(\$9,903,567)	(\$1,188,753)	\$13,666,597
OUC	Description	Recurring	General	Reduction %			
		Base Budget	<u>(\$10,576,807)</u>				
02	Vice Chancellor/Provost	8,156,331	(200,515)	-2.46% *			
25	NCSU Libraries	24,271,731	(596,695)	-2.46% *			
31	Undergraduate Academic Program	3,737,663	(91,887)	-2.46%			
32	Division of Enrollment Management	3,518,402	(86,496)	-2.46%			
33	Distance Education & Learning	15,442,667	(379,642)	-2.46%			
35	Diversity and Inclusion	1,026,902	(25,245)	-2.46%			
38	Equal Opportunity & Equity	940,521	(23,122)	-2.46%			
39	Office of International Affairs	<u>1,517,431</u>	<u>(37,304)</u>	-2.46%			
	Total Provost/Vice Provost Units	\$58,611,648	(\$1,440,906)	-2.46%			
<u>Colleges:</u>							
11	Agriculture and Life Sciences	\$23,439,367	(576,232)	-2.46%			
12	Design	\$7,657,736	(188,257)	-2.46%			
13	Education	\$16,289,579	(400,462)	-2.46%			
14	Engineering	\$65,612,522	(1,613,016)	-2.46%			
15	Natural Resources	\$7,536,702	(185,282)	-2.46%			
16	Humanities & Social Sciences	\$33,111,361	(814,008)	-2.46%			
17	Physical & Mathematical Sciences	\$34,529,179	(848,864)	-2.46%			
18	Textiles	\$7,665,498	(188,448)	-2.46%			
19	Veterinary Medicine	\$25,604,091	(629,450)	-2.46%			
20	Management	<u>\$18,892,645</u>	<u>(464,456)</u>	-2.46%			
	Total Colleges	<u>\$240,338,678</u>	<u>(\$5,908,475)</u>	-2.46%			
	Total Provost and Colleges	\$298,950,328	(\$7,349,381)	-2.46%			
<u>Other Institutional Support</u>							
01	Chancellor	\$4,009,982	(98,581)	-2.46%			
05/22	Student Affairs/Housing	4,946,739	(121,810)	-2.46%			
06	Research	3,465,136	(85,187)	-2.46%			
04	Graduate School	2,356,383	(57,929)	-2.46%			
08	University Advancement	6,036,459	(148,400)	-2.46%			
09	Extension, Engagement & Econ Dev.	3,437,434	(84,506)	-2.46%			
27	Office of Legal Affairs	917,617	(22,559)	-2.46%			
4Y	Utilities	30,540,330	(750,802)	-2.46%			
4X	Finance & Business	53,509,783	(1,315,482)	-2.46%			
51	Office of Information Technology	<u>22,053,674</u>	<u>(542,167)</u>	-2.46%			
	Total Other Institutional Support	\$131,273,537	(\$3,227,223)	-2.46%			
	Personnel Benefits *	<u>\$79,250,215</u>	<u>(\$1,188,753)</u>	-1.50%			
	Total Academic Affairs	\$509,474,078	(\$11,765,357)	-2.31%			
16031	Agricultural Research**	70,097,859	(\$1,754,923)	-2.50%			
16032	Cooperative Extension**	<u>60,038,974</u>	<u>(\$1,335,067)</u>	-2.22%			
	Total University	\$639,610,911	(\$14,855,347)	-2.32%			

\* - Reduction allocation for Academic Affairs is reduced by 1.5% assessed to Personnel Benefits Budget.

\*\* - Assessment of the 2009-10 reduction balance in view of future 2010-11 budget reductions, and unfunded continuation budget requirements will be required