

July 2, 2009

**MEMORANDUM**

TO: Deans and Vice Chancellors

FROM: Chancellor James H. Woodward



SUBJECT: Budget Reduction Process

As Interim Provost Arden and Vice Chancellor Leffler informed you earlier in the week, UNC General Administration is beginning the final steps toward putting permanent reductions in place for the 2009-10 budget. We have been instructed to submit by July 17 a budget reduction plan that would reduce NC State's continuing, state appropriated budget by 10%. This amounts to a total of \$53.3 million in all budget codes. The July 17 deadline is earlier than we had initially expected or planned, and we have adjusted the schedule for final decisions accordingly.

The 10% target includes the initial 5% reduction that was approved and removed from your budgets in March. The remainder will be allocated to the colleges and administrative divisions. Dr. Arden and Mr. Leffler will mail your final allocation and request for a final plan in a separate communication early next week.

We have benefited from the budget review meetings held to date; they have informed our thinking about the best way to reduce expenditures. This accelerated schedule means that the deans and vice chancellors whose sessions are scheduled for next week will have a much more focused discussion, which will also be beneficial.

Following is the timeline being implemented in order to meet the accelerated July 17 deadline:

- July 6 Deans and vice chancellors will receive their budget reduction allocation and advice on finalizing their budget plan from Arden and Leffler
- July 8 Last Budget Reduction Meetings
- July 9 University Budget Forum  
3:30 p.m., Stewart Theatre
- July 10 College and division final reduction plans due (by 5 PM)
- July 17 University submission to UNC-GA

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More specific information is forthcoming that will provide further instructions and detail as to how allocations will be distributed to individual units. It is important to remember, however, that a slightly higher reduction target is expected in the second year of the 2009-11 biennium.

I encourage you to participate in the University Budget Forum next Thursday when you will have the opportunity to share and hear your insights and reactions to the budget strategies we are pursuing.

Let me conclude by thanking you and your colleagues for the thoughtful manner in which you have dealt with the financial challenges confronted by NC State over the last year. Because of your efforts, I am confident that the impressive development of this institution will continue.

cc: Vice Provosts  
University Budget Advisory Committee