

University Budget Discussion

Campus Leadership

May 28, 2009

2008-09 Fiscal Year

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- ❖ Reductions/Reversions = \$37,798,675
- ❖ Cash Flow Limitations
- ❖ OSBM Exception Process
- ❖ Furlough Implementation

2009-2011 Biennium Budget

Legislative Budget Activities

Governor , Senate and House Budget Differences

- ❖ Adjustment to Continuation Budget
- ❖ Enrollment Growth (only first year)
- ❖ Management Flexibility Cut
- ❖ Tuition Increase displacing approved CITI

Legislative Budget Activities

Governor , Senate and House Budget Differences

- ❖ Employee Tuition Waiver Reduction
- ❖ Line item Reductions
- ❖ Centers and Institutes Reductions
- ❖ Changing almost hourly

Accelerated evaluation of each center/institute:

- Part of continued budget planning for 2009-10 with new budget targets
- Data will be provided, should be checked by centers:
 - General information: origin, mission, charter, website
 - Organizational structure
 - Budget, supported positions, staffing, students, space
- Results should be incorporated into budget reduction proposals
- Savings/reductions will accrue to responsible units

Criteria for Review (from Reg.10.10.4):

- Is current funding sufficient to continue?
- Do support, training, and graduation rates meet stated goals?
- Is faculty participation sufficient to continue?
- Is the quality of scholarly activity by faculty, staff, students reflected in output?
- Is it meeting its goals and objectives? Does it duplicate other centers?
- Do financial audit and professional evaluation demonstrate effective management?
- Is it financially sustainable (matching, start-up, and capital funding)?
- Are adequate facilities available?
- Are the Center or Institute clients being served?

Centers/Institutes to be Dis-established (out of 68)

- Center for Excellence in Curricular Engagement
- Kenan Center for the Utilization of Carbon Dioxide in Manufacturing
- Encore Center for Lifelong Enrichment
- Center for the Biology of Nematode Parasitism
- Silicon Wafer Engineering and Defect Science Center
- Engineering Research Center for Advanced Electronic Materials Processing
- Combining into a single institute:
 - Center for Advanced Computing & Communication
 - Center for Efficient, Scalable, and Reliable Computing
 - Network Technology Institute

Centers/Institutes to be Dis-established (cont'd)

- Combining under the FREEDM Center
 - Advanced Transportation Energy Center
 - Semiconductor Power Electronics Center
- Southern Center for Sustainable Forestry
- Brandon P. Hodges Wood Products Laboratory
- Institute of Statistics

Discontinuing Planning (out of 6)

- North Carolina Coastal Resources Law, Planning, and Policy Center
- Cooperative Tourism Research Center
- Center for Research of the Nano/Bio Material Interface

Review may lead to changes in status:

- The responsible administrator(s) makes a recommendation
- The Vice Chancellor for RGS (in consultation with Provost) recommends to Chancellor action by Trustees
- Instructions in the *Guide for Creating and Managing NC STATE Centers and Institutes*

Effective Immediately: Moratorium on Submission of New Centers and Institutes

(Exception: those already submitted for consideration by the Chancellor/Board of Trustees for Authorization to Plan/Establish)

Budget Planning Process

Previous 2009-10 Budget Planning State Appropriated Funds

- 7% Total Recurring Strategy
- Protect Financial Aid
- 2% Strategic Reductions
- 5% Targeted Reductions
 - **.5% Central Sources**
 - **2.5% UBAC* Principles**
 - **2% Across-the-Board**

* University Budget Advisory Committee

2009-10 Budget Reduction Impact

State Appropriated Funds

5% Level

Budget Code	Continuing Base Budget	Budget Reductions
Academic Affairs (16030)	\$514,016,758	\$20,394,804
Agricultural Research Service (16031)	\$71,944,242	\$3,064,329
Cooperative Extension Service (16032)	\$60,903,931	\$2,269,415
University Total	\$646,864,931	\$25,728,549

Budget Reduction Planning Target (Academic Affairs 16030)

- ❖ Total Appropriation Planning Target is 18%
- ❖ University-Level Reduction Target is 2%
- ❖ Previous Budget Reduction was 5%
- ❖ Additional Budget Target is 11%
- ❖ Additional Target Adjusted for Tuition is 9%

2009-10 Reduction Planning Schedule

(Subject to Change)

- ❖ Submit Reduction Proposals: June 15
- ❖ Review Meetings: June 18 – July 8
- ❖ Approved State Budget: Mid-Late July
- ❖ Final Reduction Allocations Based on Approved State Budget: Mid-Late July

2009-11 Budget Considerations

- ❖ Endowment Returns Are Down
- ❖ Cash Flow Restrictions Likely To Continue
- ❖ One-time Reversions Possible
- ❖ Future Tuition and Fee Rules Unknown



Questions?

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