

Budget Principles
NC State University

These principles apply to state-appropriated funds and tuition receipts and are intended to guide budgetary decisions. These principles are distributed in an effort to help keep the NC State community and other interested parties informed as to how and why choices are made regarding the allocation of funds. They are intended to focus budgeting decisions on maintaining and enhancing excellence in the pursuit of the University's mission, vision and goals.

I. Core Principles

- A. The University strives to provide a world-class education at an affordable cost by being good stewards of funding, responsibly controlling administrative costs, and by maximizing benefits to constituents.
- B. Our budget, including reductions, increases and reallocations, should be consistent with our University vision and goals as articulated by the chancellor and expressed in strategic planning documents.
- C. Our budget should be readily accessible and understandable to the entire University community.
- D. All NC State faculty, staff and students should have the opportunity to offer suggestions.
- E. The University Budget Advisory Committee is a primary vehicle through which faculty and staff receive information, foster understanding and offer advice about the University budget and budgetary principles.

II. Budget Reduction Principles

- A. Unless mandated, avoid arbitrary budget reduction strategies.
- B. Anticipate and plan for the impact of future cuts without awaiting notification.
- C. To the extent possible, protect the following budget priorities:
 - 1. Academic Programs
 - a. Courses essential to the core of academic programs, such as general education and curriculum majors
 - b. High-demand and emerging courses and programs
 - c. Tenure-track faculty positions
 - d. Learning technologies required for effective teaching and learning models
 - e. Professional accreditation
 - 2. Critical Academic Support Services

- a. Student advising, counseling and support
 - b. Library resources
 - c. Facilities, services, classrooms and laboratories
 - d. Services required for accreditation
 - e. Financial aid and the Graduate Student Support Plan (GSSP)
3. Critical Campus Services
- a. Environmental health and public safety
 - b. Essential facility, infrastructure and information technology services and support
 - c. Services necessary to maintain a clean financial audit

III. Budget Expansion and Reallocation Principles

- A. Investments in existing and new programs and reallocations should help accomplish the University's stated strategic vision and goals.
- B. Special consideration should be given to requests for budget expansion, where the expansion generates additional revenue to support the strategic vision and goals.
- C. Expenditures for research and scholarship infrastructure and support should be consistent with merit and performance.
- D. Expenditures for new programs and activities should be based on full and realistic budget projections.
- E. Best efforts will be made to provide need-based financial aid.
- F. Enrollment increase funds should first accommodate the increased costs where growth has occurred.
- G. Tuition and fee strategies should consider the practice of peer institutions.

IV Budget Efficiency Principles

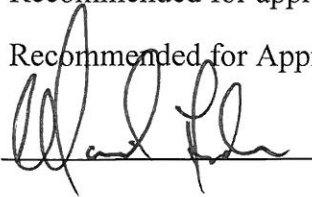
- A. All academic and administrative processes should be periodically reviewed to reduce costs and increase effectiveness.
- B. Consolidation may be implemented if substantial cost savings would occur without loss of effectiveness.
- C. All budget decisions should consider long-term implications.
- D. Lifecycle rather than immediate costs should direct infrastructure and facilities investments.

- E. Periodic consideration of peer institutions should be used to assess our consistency with current and/or best practices.
- F. Units should retain resources equivalent to the new efficiencies achieved.
- G. Energy conservation and sustainability should be priorities in the operation of our physical facilities.
- H. Collaboration among units on campus and among other UNC institutions should be encouraged.

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Recommended for approval by the University Budget Advisory Committee

Recommended for Approval:


Date 8/26/10

Provost and Executive Vice Chancellor

Approved:


Date 8/26/10

Chancellor