

July 31, 2020

Dear NC State faculty and staff,

In mid-July, the Board of Governors of the University of North Carolina System requested that all system institutions, including NC State, conduct a worst-case scenario planning exercise related to possible budget reductions resulting from unanticipated COVID-19 revenue shortfalls. In particular, campuses were asked to provide a plan of how each could reduce its budget by 25%-50% if needed, to account for lost revenue from reduced enrollment under various degrees of closure.

The UNC System released these budget scenarios to several media outlets late this afternoon. To help clear up any potential confusion, we want to provide the campus community an update on NC State's budget planning and outlook.

First and foremost, under no foreseeable circumstances do we expect to see budget reductions anywhere near 25%. State support remains strong, our enrollment for the fall remains solid, our research enterprise is performing well and beginning today several thousand students are moving into on-campus housing. **At this time, we do not anticipate campuswide reductions to be necessary for the fall semester.**

Of course, NC State will look different this fall, which may create financial challenges in some areas. To ensure physical distancing, campus will be much less populated than normal, and as a result some of our auxiliary services areas (those that rely on sales and receipts for their funding) may be negatively affected. We don't yet know what the full cost of these impacts will be, but each of these areas — such as University Housing, Dining and Transportation — has been preparing for these changes since March and will make budget adjustments as needed.

Some units have been able to adapt in-person services to alternative online services. Most are also working with suppliers and contractors to renegotiate purchasing agreements. Unfortunately, because higher education is a personnel-intensive endeavor, any significant reductions in auxiliary services units will result in reductions to personnel. Several units are already limiting the number of service positions typically rehired for a fall startup.

Over the next few weeks we expect to have a clearer budget picture. College and unit budget officers will receive regular updates, and we will share any significant changes with the larger campus community. We remain confident that NC State will continue to provide instruction, research and extension services at high levels and will be able to make any necessary adjustments the pandemic might warrant.

Our priorities remain doing all we can to protect the safety and health of the NC State community while ensuring this university continues to achieve its mission for the benefit of our students, our state and the world. Thank you for your hard work, your passion and your commitment to NC State.

Warwick Arden, Provost and Executive Vice Chancellor
Charles Maimone, Vice Chancellor for Finance and Administration