



THE BUDGET AT NC STATE

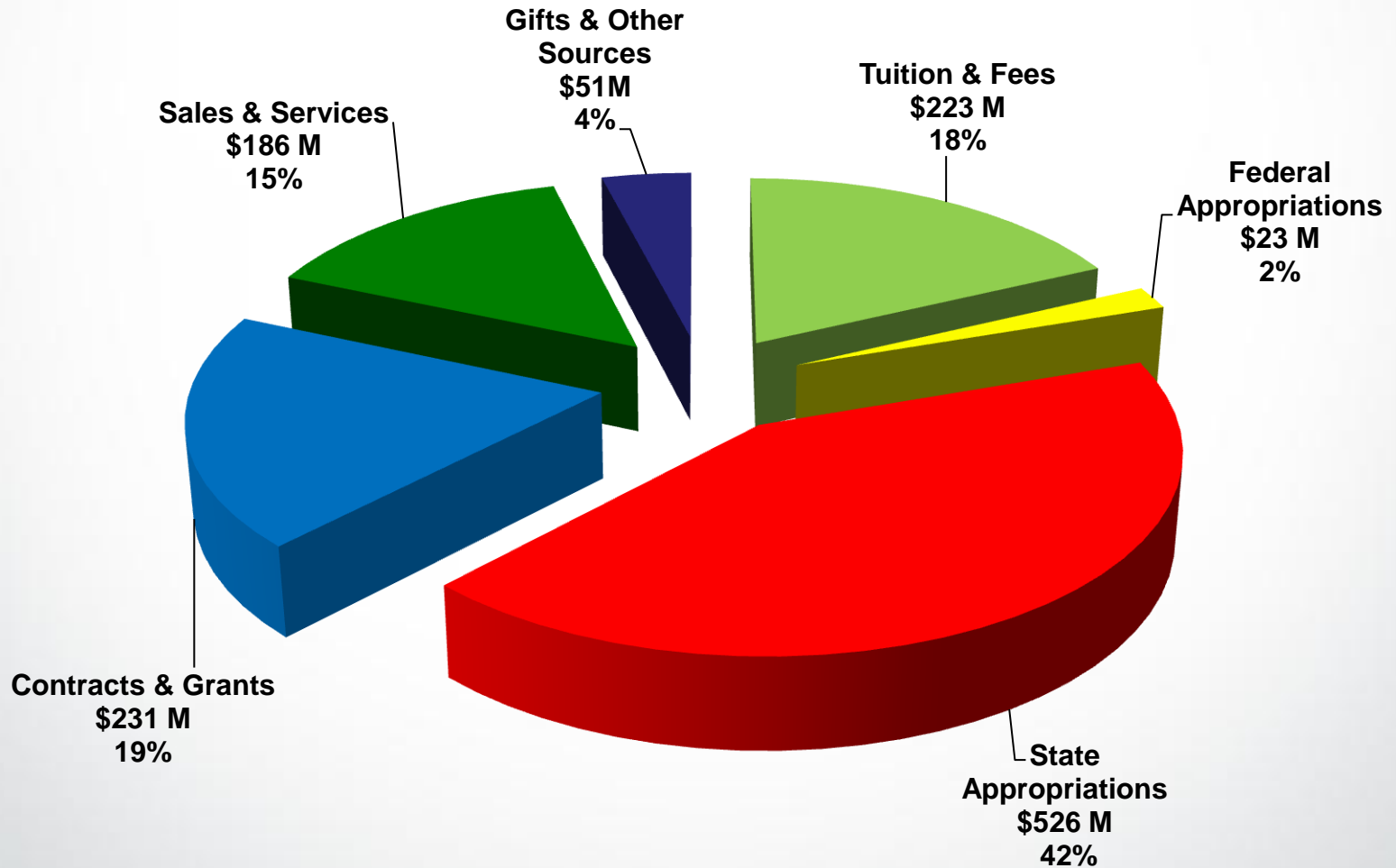
How big is the pie?

Randy Woodson, Chancellor

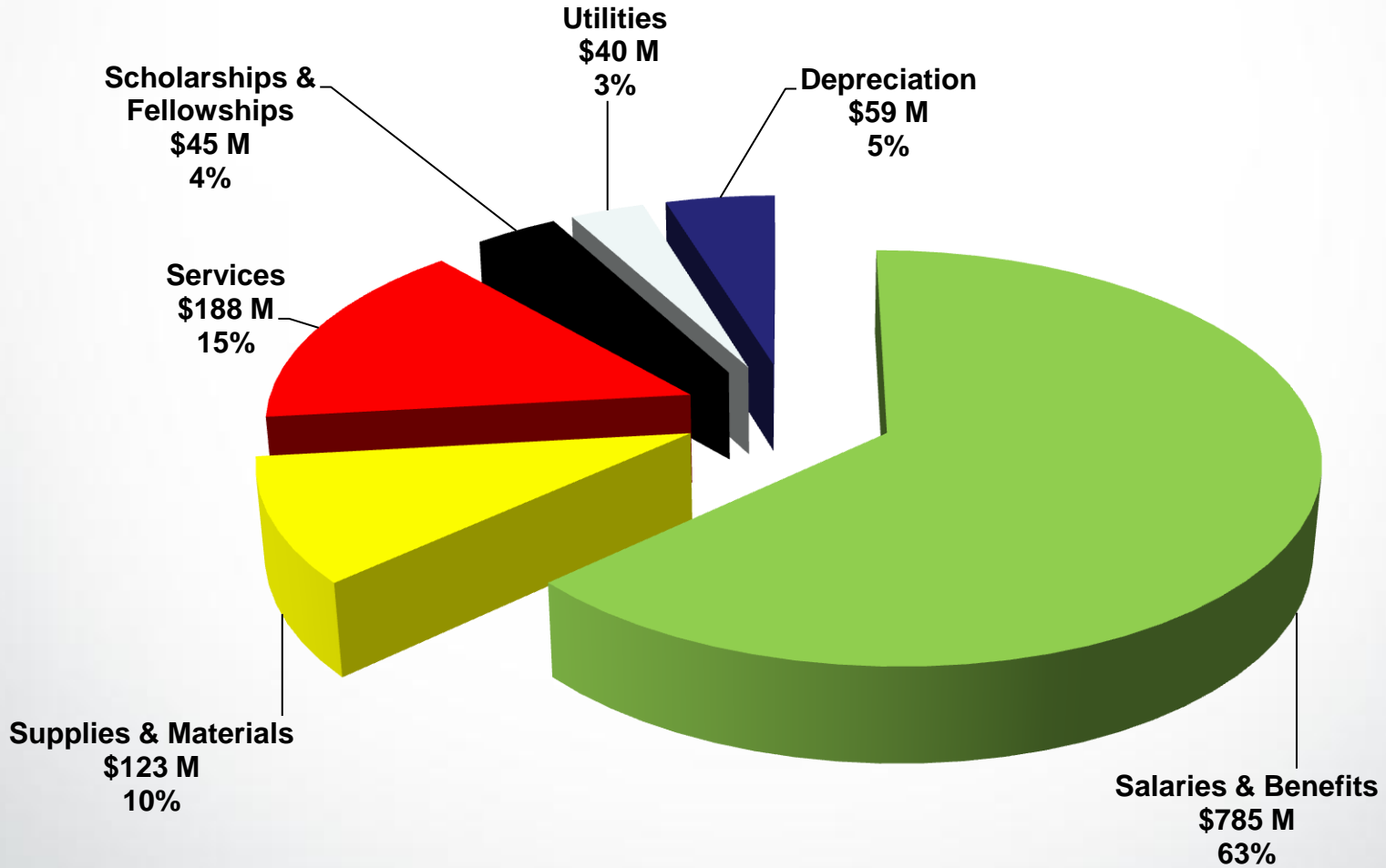
Warwick A. Arden, Interim Provost and Executive Vice Chancellor

Charlie Leffler, Vice Chancellor for Finance and Business

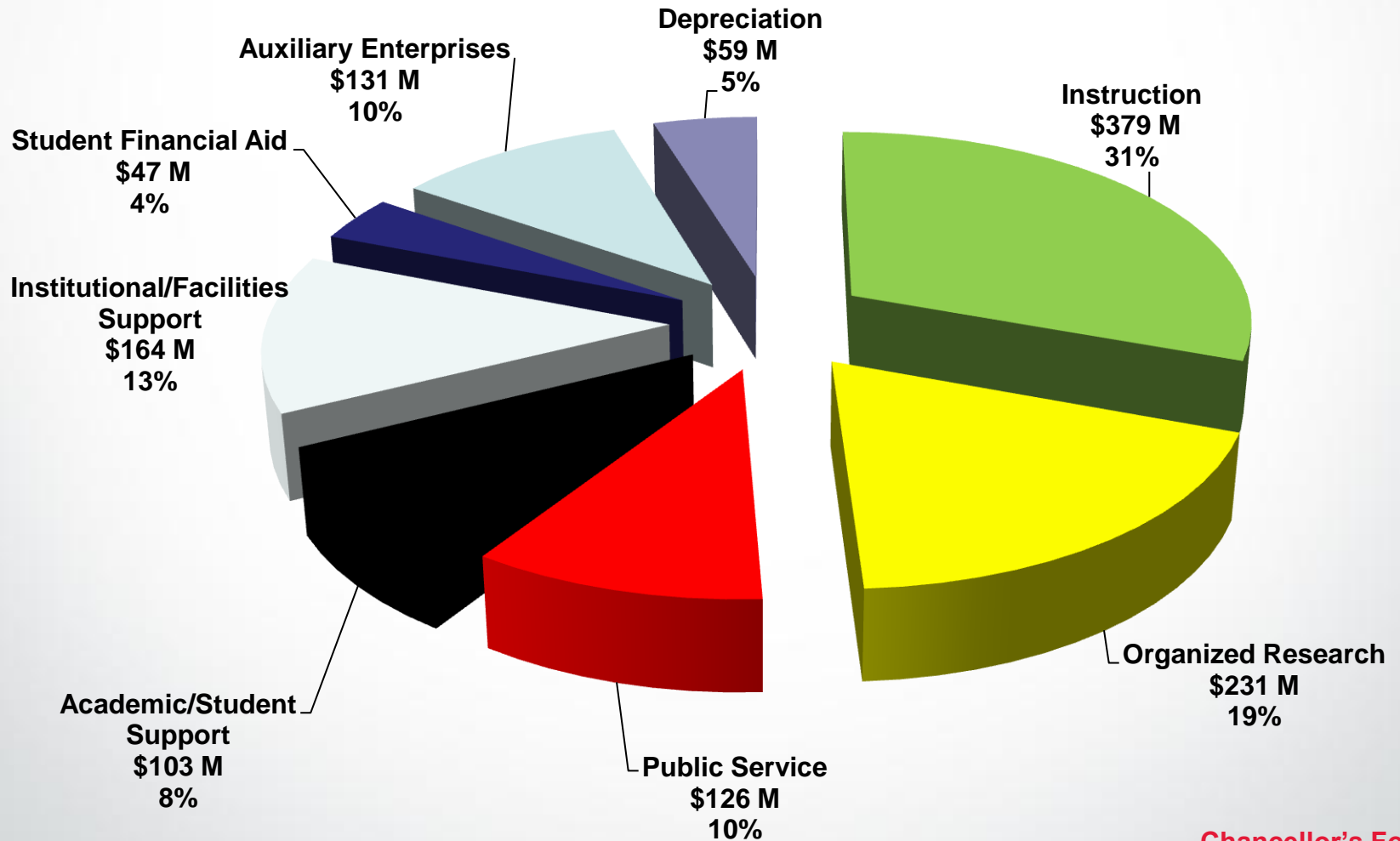
NC State University 2010-11 Revenue Budget Total \$1.24 Billion



NC State University 2010-11 Expense Category Budget \$1.24 Billion



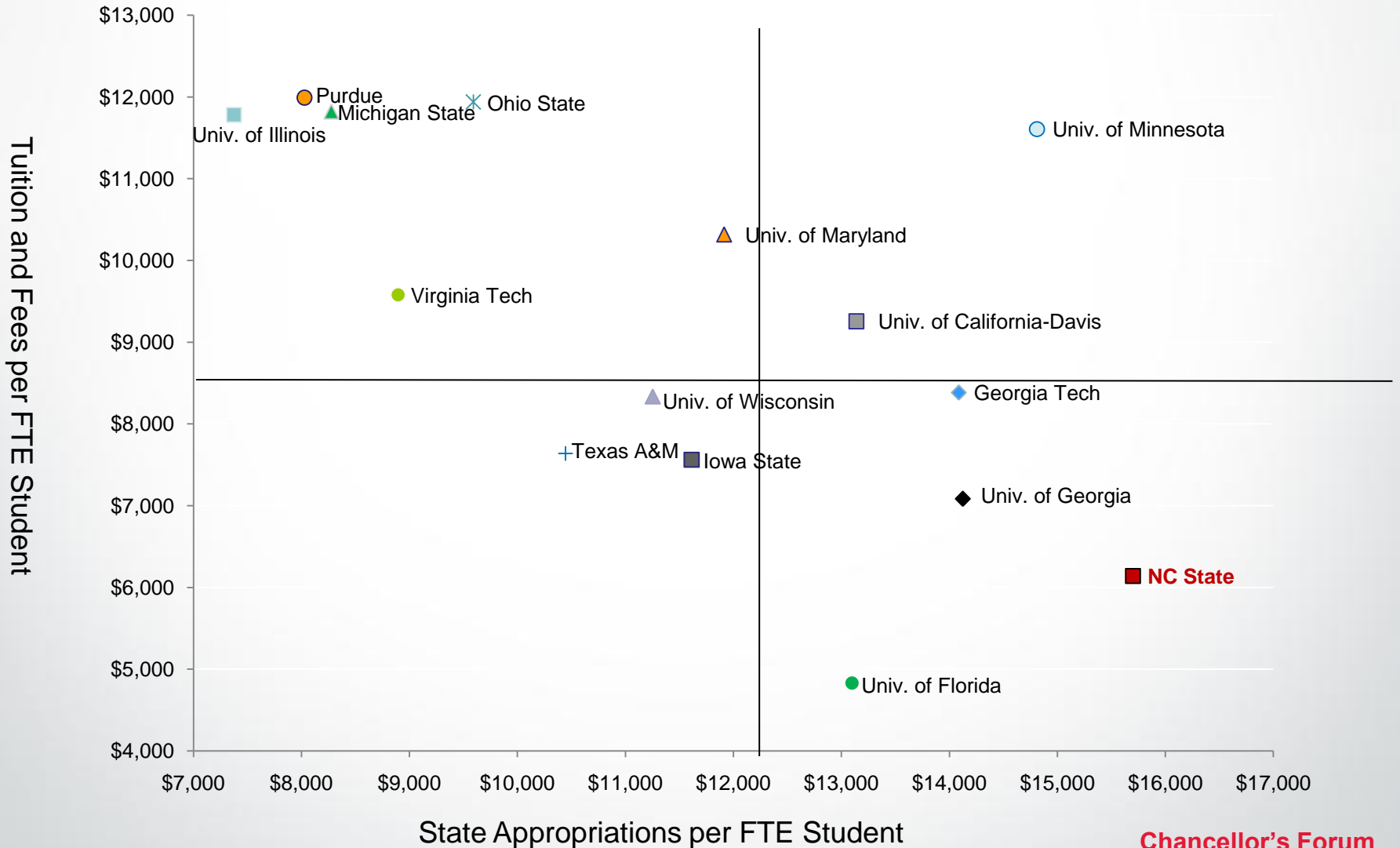
NC State University 2010-11 Program Budget \$1.24 Billion



Primary Revenue Streams: FY 2008-09

Institution Name	FTE Students	Tuition and fees after deducting discounts and allowances			State appropriations			Sum of 2 Sources of Revenue	
	Value	Value	\$ per FTE	% of Total Revenue	Value	\$ per FTE	% of Total Revenue	Value	\$ per FTE
Univ. of Florida	47,408	\$228,987,000	\$4,830	27%	\$620,968,000	\$13,098	73%	\$849,955,000	\$17,929
NC State	28,583	\$175,524,899	\$6,141	28%	\$448,754,067	\$15,700	72%	\$624,278,966	\$21,841
Univ. of Georgia	31,513	\$223,234,237	\$7,084	33%	\$445,084,744	\$14,124	67%	\$668,318,981	\$21,208
Georgia Tech	18,097	\$151,714,908	\$8,383	37%	\$254,937,701	\$14,087	63%	\$406,652,609	\$22,471
Iowa State Univ.	24,767	\$187,308,086	\$7,563	39%	\$287,611,209	\$11,613	61%	\$474,919,295	\$19,175
Univ. of California-Davis	29,640	\$274,329,000	\$9,255	41%	\$389,411,000	\$13,138	59%	\$663,740,000	\$22,393
Texas A & M	44,812	\$342,303,737	\$7,639	42%	\$468,068,131	\$10,445	58%	\$810,371,868	\$18,084
Univ. of Wisconsin	38,760	\$323,113,531	\$8,336	43%	\$436,164,702	\$11,253	57%	\$759,278,233	\$19,589
Univ. of Minnesota	41,993	\$487,391,840	\$11,607	44%	\$621,960,105	\$14,811	56%	\$1,109,351,945	\$26,418
Univ. of Maryland	33,460	\$345,239,992	\$10,318	46%	\$398,627,225	\$11,914	54%	\$743,867,217	\$22,232
Virginia Tech	28,717	\$275,056,295	\$9,578	52%	\$255,422,521	\$8,894	48%	\$530,478,816	\$18,473
Ohio State	48,889	\$583,698,851	\$11,939	55%	\$468,905,959	\$9,591	45%	\$1,052,604,810	\$21,531
Michigan State Univ.	43,130	\$509,832,044	\$11,821	59%	\$356,992,900	\$8,277	41%	\$866,824,944	\$20,098
Purdue Univ.	38,555	\$462,298,828	\$11,991	60%	\$309,545,411	\$8,029	40%	\$771,844,239	\$20,019
Univ. of Illinois at Urbana	40,951	\$482,399,788	\$11,780	61%	\$302,006,947	\$7,375	39%	\$784,406,735	\$19,155
Cornell Univ.	20,218	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank
Pennsylvania State	43,057	Blank	Blank	Blank	Blank	Blank	Blank	Blank	Blank

Comparison of State Appropriations to Revenues, FY 2008-09



Legislative Actions 2010-2011

- NC State budget reduction of \$19.7 M
- Universities given ability to raise tuition by additional \$750. NC State generated \$20.7 M (\$4.1 M to need-based financial aid)
- Remaining budget shortfall: \$3.1 M
- Previously approved campus initiated tuition increase (CITI): \$150 for in-state undergraduates, \$200 for all other students
- Resulting total tuition increase: \$900-\$950



2010-11 BUDGET REALITIES

Warwick A. Arden, Interim Provost and Executive Vice Chancellor

2009-2010 State Appropriations Reductions

2008-2009 Base Budget	\$650 million*
Minus 10% Reduction	(\$53 million)
Plus Unfunded Continuation Budget	\$10 million
Plus Budget Allocations	\$33 million
2009-2010 Base Budget	\$640 million*



	Base Budget	Total Reduction
Colleges	55%	39%
Admin	39%	58%
Utilities	6%	3%

* Includes appropriated receipts (tuition)

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IMPACTS
117 faculty positions eliminated
323 staff positions eliminated
300 class sections canceled (9,750 seats)
3% drop in instructional capacity
Larger classes & teaching loads
Reduced funding for Centers & Institutes
Less frequent building maintenance
New construction & major R&R stopped

* Includes appropriated receipts (tuition)

Highlights of 2010-11 Appropriated Budget

- Increased Management Flexibility reduction from \$5.7 M to \$19.7 M
- Required 1% of appropriated fund budget for reversion
- Increased tuition \$900/yr for undergraduates and \$950/yr for graduate students and non-residents
- Funded enrollment change budget request of \$19.5 M

Highlights of 2010-11 Appropriated Budget

- Provided additional \$3 M in recurring funds for College of Engineering
- Approved \$309,000 one-time for Emerging Issues and \$200,000 recurring for Veterinary Medicine Research
- Funded \$8.9 M for maintenance and operation of new facilities coming online in 2009-10 and 2010-11
- Provided \$11.2 M for facility repairs and renovations

UBAC Budget Principles

- Avoid arbitrary budget reduction strategies
- Protect academic programs and support services, and critical campus services
- Invest and reallocate in support of strategic vision and goals
- Make best efforts to provide need-based financial aid
- Consider practices of peer institutions
- Review all academic and administrative processes periodically
- Units should retain resources equivalent to new efficiencies achieved
- Prioritize energy conservation and sustainability

2010-11 Reinvestment Priorities

- Increasing seats and sections in high-demand courses
- Rebuilding capacity and hiring faculty
- Protecting library access and resources
- Student advising, counseling, career planning
- Providing infrastructure to enable the above

2010-11 Reinvestment Allocations

One-Time Academic Allocations

Faculty Startup & Enhancement	\$3,755,025
Faculty/GA Salary & Support	\$1,246,974
Equipment	\$1,551,376
Post Docs	\$75,660
Classroom Upgrades	\$1,377,488
Temporary Salaries	\$129,243
Maintenance & Operating	\$560,500
Graduate Student Support Plan	\$2,327,867
Student Support	\$343,257
TOTAL	\$11,367,390

2010-11 Reinvestment Allocations

Continuing Academic Allocations

25.5 Faculty Positions	\$3,000,000
74 Graduate Assistants	\$1,800,000
3 Post Doc Fellows	\$200,000
TOTAL	\$5,000,000

Enrollment Growth Planning

- Campuses received increased funding for approved growth in on-campus and DE enrollment
- Funding model heavily weighted by discipline
- Overall strategy will be to limit growth in undergraduate enrollment (new freshmen) and focus on moderate graduate growth
- Going forward, enrollment funding will be tied to performance in key areas of student success



2011-13 BUDGET PROCESS

Charlie Leffler, Vice Chancellor for Finance and Business

State of North Carolina Outlook

as of August 2010

- 2009-10 revenues \$290 M short of budgeted \$18.8 B
- Projected 2010-11 revenue growth down from 3.2% to 2.7%
- Sales tax collections slowly recovering after 2 years of losses
- Withholding payments beginning to rebound
- Most forecasts expect uptick in economic growth by mid-2011

Source: Fiscal Research Division, NC General Assembly

Preliminary 2011-13 Budget Planning

- Expected state shortfall between \$3.5 B and \$4 B
- Conservative enrollment growth request is encouraged
- Plan for 5% and 10% reduction scenarios
- Campus Initiated Tuition Increase being developed
- Legislative tuition increase unknown

Types of Budget Requests

- Continuation Budget
- Expansion Budget
- Capital Improvement Budget
- Tuition

Continuation Budget

- Personnel benefits increases
- Maintenance and operation of new facilities
- General inflationary increases
 - Utilities
 - Library acquisitions
 - Medical supplies and drugs
 - Financial aid (new for 2011-13)
- Enrollment change request

2011-13 Expansion Budget Request

New or Expanded Programs - Three Priorities:

(1) College of Engineering - \$5 M / \$5 M

(2) Interdisciplinary Life and Biomedical Sciences - \$5 M / \$5 M

(3) Enhance library services to support student success - \$1.35 M / \$570 K

Capital Improvement Budget Request

- Major Projects – Two Priorities:
 - (1) Engineering Complex & Backfill
(EB IV, EB V, Broughton, Mann, Page, Daniels)
 - (2) Life Sciences Teaching and Research Facilities
(Dabney, Gardner, Plant Sciences Building)
- Repair and Renovations
(6 Year Plan - \$171 Million Need)

Tuition

Types of Increases:

- Campus Initiated Tuition Increase (CITI)
 - CITI is retained at NC State to enhance campus programs and instruction
- Other tuition increases
 - The legislature may authorize other tuition increases
 - Revenue generated may offset state appropriations and are not returned to campus

Budget Reduction Scenarios

POTENTIAL REDUCTIONS	Base Budget	5% Reduction	10% Reduction	15% Reduction
Academic Affairs 16030	\$422,976,007	\$21,148,800	\$42,297,601	\$63,446,401
Agricultural Research 16031	\$59,239,461	\$2,961,973	\$5,923,946	\$8,885,919
Cooperative Extension 16032	\$43,539,609	\$2,176,980	\$4,353,961	\$6,530,941
Total University	\$525,755,077	\$26,287,754	\$52,575,508	\$78,863,262

Budget Planning Process Schedule

September 15, 2010	Expansion Budget Priorities
September 15, 2010	6-Year Plan for Capital Projects
September 22, 2010	6-Year Plan for Non-Appropriated Projects
September 24, 2010	Campus Safety / Security Priorities
September 29, 2010	6-Year Plan for Repair and Renovations
October 12, 2010	Campus 3% & 6% Reduction Plan Due
October 25, 2010	Reduction Scenarios Due to UNC-GA



RESOURCE STRATEGIES TASK FORCE

Strategic Planning

Randy Woodson, Chancellor

Resource Strategies Task Force

David Bristol, Co-Chair

Roby Sawyers, Co-Chair

Charlie Coe

Paul Cohen

Cindy DeLuca

Lance Fusarelli

Barry Goldfarb

Christopher Gould

Richard Gould

Kevin Howell

Nevin Kessler

Steve Keto

Charlie Leffler

Rick Liston

Tim Luckadoo

Raj Narayan

Matt Peterson

Rob Stevenson

Resource Strategies Task Force

- How can we increase our capacity for teaching, research, and service in light of resource constraints?
- What are realistic goals and strategies for reducing our reliance on state funding?
- Should we consider Resource-Centered Management (RCM) or other alternative resource allocation methods?
- What is the best strategy for allocating instructional resources, including distance education?

QUESTIONS?

Randy Woodson, Chancellor

Warwick Arden, Interim Provost and Executive Vice Chancellor

Charlie Leffler, Vice Chancellor for Finance and Business

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