

NC STATE UNIVERSITY

An Equal Opportunity Affirmative Action Employer

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July 3, 2013 **REVISED July 8, 2013 (Updates in strikethrough and RED)**

MEMORANDUM

TO: Vice Chancellors and Deans

FROM: Charles D. Leffler, Vice Chancellor for Finance and Business



SUBJECT: Continuing Resolution for 2013-14 Budget Operations

On June 28, State Budget Director Pope issued a revised memorandum on continuing budget authority for 2013-14 (*attached*). This memorandum constitutes the implementing guidelines for the Continuing Resolutions that has been passed by the General Assembly and signed by the Governor: Please be aware of the following:

- From a budget standpoint, spending for 2013-14 shall not exceed 95% of your recurring 2012-13 state appropriated budget and should be consistent with the spending guideline issued by the Provost and Vice Chancellor for Finance and Business on March 20, 2013 – see <http://budget.ncsu.edu/budgetcentral/documents/2012-13SpendingGuidelines.pdf>
- The memorandum applies to HR actions with effective dates of July 1, 2013 or later
- Item 2 (on certain vacant positions) and Item 3 (on certain employees in positions subject to elimination) do not appear to directly impact the University.
- Item 6 of the OSBM memorandum notes that "State employees, including those exempt from the classification and compensation rules established by the State Personnel Commission, shall not receive any automatic step increases, annual, performance, merit, bonuses, or other increments until authorized by the General Assembly

~~On July 2, Suzanne Ortega and William Fleming at UNC General Administration issued the attached memorandum on the processing of personnel actions with effective dates of July 1, 2013 or later, based on guidelines issued by Neal Alexander, director of the Office of State Personnel (also attached).~~

On July 3, Neal Alexander, director of OSP, issued a revised memorandum (*attached*) superseding his initial June 28 memorandum – and, as a result, Suzanne Ortega and William

Fleming at UNC-General Administration also issued a July 8 memorandum (*attached*) replacing their July 2 memo.

As stated in both revised communications, under the continuing budget resolution, salaries are frozen and the only allowable salary increases are to be for promotions. Other reasons identified in their earlier correspondence – reclassifications, banding changes, retention offers, and other adjustments that would be committed after July 1-- are prohibited.

UNC-GA's revised memo does allow that a job offer committed to a transfer job applicant before June 30 but with a start date of July 1 or later can be honored. The UNC-GA memo also clarifies that July 1 changes in salary of less than 10% as a result of promotions in faculty rank – as well as supplements of less than 10% for assuming a department head role – can proceed; any such adjustments over 10% would need to be submitted for BOG approval.

~~Those memos require the~~ Even once the final 2013-14 State budget is approved, UNC institutions **will still be required** to submit to UNC-GA for pre-approval all salary adjustments of 10% and more above the June 30, 2013, salary. When we were last required to engage in the same pre-approval process, FY 2011-12 actions approved by the UNC President or Board of Governors were typically effective on the date approved. However, we recognize that some good-faith commitments have already been made before all these instructions were issued, and we will make every effort to work with UNC-GA to honor such commitments that were extended and accepted before ~~July 2~~ **July 8**.

As of the issuance of this letter, ~~please condition any proposed adjustment of 10% or more beyond an individual's June 30, 2013 salary (including transfer hires from other state agencies and universities) upon pre-approval by UNC-GA, and assume the effective date would be the date of such pre-approval~~ **please do not make any commitments of salary adjustments for any reason other than promotions (moving to another position).**

When the General Assembly does authorize the final 2013-14 budget, the rules may change yet again. These interpretations are our best understanding, but may change when further guidance from the State or UNC-GA is forthcoming. **We regret that the information has been a moving target, but we will keep you updated as we learn more.**

Enclosures: Office of State Budget and Management Memorandum of 6/28/13
Office of State Personnel Memorandum of ~~7/1/13~~ **7/3/13**
UNC-General Administration Memorandum of ~~7/2/13~~ **7/8/13**

cc: W. Randolph Woodson, Chancellor
Warwick Arden, Provost and Executive Vice Chancellor
Duane Larick, Senior Vice Provost for Academic Strategy & Resource Management
Steve Keto, Associate Vice Chancellor for Finance and Resource Management
Barbara Carroll, Associate Vice Chancellor for Human Resources
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