

**NC STATE UNIVERSITY**

An Equal Opportunity/Affirmative Action Employer

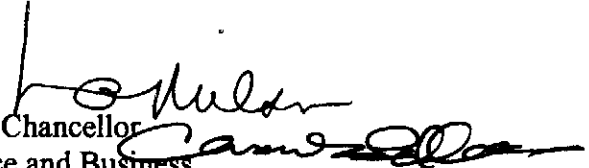
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February 11, 2009

**MEMORANDUM**

**TO:** Deans and Vice Chancellors

**FROM:** Larry A. Nielsen, Provost and Executive Vice Chancellor  
Charles D. Leffler, Vice Chancellor for Finance and Business



**SUBJECT:** Implementation Plan for Recurring 2009-11 Budget Reduction

Since our January 12, 2009 retreat, we have been working with Chancellor Oblinger to devise our approach to plan for and implement a permanent budget reduction for 2009-11 appropriation. We believe the reduction will be in the 7% range and, depending on the national and state economic situation, a higher reduction is certainly possible. We do not want to wait until the General Assembly completes the appropriation bill. Waiting would not leave us enough time to allocate the reduction strategically instead of across the board.

We have been working to identify actions that could be taken to diminish the amount of the reduction to be allocated to the colleges and divisions. We hope that up to 2% (\$10 million) of the 7% recurring reduction could be accommodated through these campuswide or cross-functional types of actions. However, to expect more than 2% from these types of actions seems unlikely at this time.

Therefore, after consultation with Chancellor Oblinger, we are initiating the 2009-11 budget reduction process by directing a 5% budget reduction for the fiscal year starting July 1, 2009. Attached is an allocation schedule for this 5% reduction that is based on the following:

1. The first 2.5% is allocated in accordance with the University Budget Advisory Committee (UBAC) principles that exempt the EPA Teaching (101/106 51310) and Utilities (53300) budget lines from the reduction. In addition, with the UBAC's endorsement, we have factored in a further adjustment for those colleges that have a significant responsibility for teaching General Education courses, representing UBAC's top priority to protect undergraduate teaching.
2. The next 2.0% of this reduction is allocated on each unit's Continuing Base Budget.
3. The final 0.5% will be allocated to central resources.

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Also attached are instructions and spreadsheet templates for submitting your budget reduction. Please submit a brief description of your planned reductions and the completed spreadsheets to your budget analyst in the University Budget Office by close of business on March 9, 2009. In developing your budget reduction plan, you are not required to adhere strictly to the information you submitted for the Governor's 3%, 5%, and 7% budget reduction plans.

We are providing these instructions to you at this time so that you may initiate plans that require implementation on July 1, 2009. Any personnel actions must be coordinated with the Human Resources Division.

Budget revision questions should be addressed to your budget analyst. Please feel free to contact us if you have questions or visit the Budget Central website: [www.ncsu.edu/budget](http://www.ncsu.edu/budget).

cc: Chancellor James L. Oblinger

2009-10 Budget Reduction Planning

2008-09 State Appropriated Continuing Base Budget

Class 212, 214, 215, 216

Purpose codes 101, 106, 110, 142, 151, 152, 160, 170, & 180

(Excludes Appropriated Receipts operations & Financial Aid)

**Implementation Plan for  
Recurring 2009-11 Budget Reduction**

02/11/2009

UBAC Exempt 1310/3300 & adj for GER 2.50%

UBAC Across the board 2.00%

Central Resources 0.50%

OUC	Description	12/31/08		Central Resources	Minimum Reduction	%
		Continuing Base Budget	UBAC Principles			
			Exempt	AcrossTheBoard		
02	Vice Chancellor/Provost	\$12,609,360	\$797,268	\$215,829	\$1,368,814	\$2,381,911 18.89% *
25	NCSU Libraries	23,639,179	462,938	404,621	0	867,559 3.67% *
31	Undergraduate Academic Program	4,985,570	149,522	85,336	0	234,858 4.71%
32	Division of Enrollment Management	3,921,756	181,727	67,127	0	248,854 6.35%
33	Distance Education & Learning	14,086,316	412,780	241,109	0	653,889 4.64%
35	Diversity and Inclusion	1,141,596	50,154	19,540	0	69,694 6.10%
38	Equal Opportunity & Equity	1,048,276	48,512	17,943	0	66,455 6.34%
39	Office of International Affairs	<u>1,366,898</u>	<u>63,339</u>	<u>23,397</u>	<u>0</u>	<u>86,736</u> <u>6.35%</u>
	Total Provost/Vice Provost Units	\$62,798,951	\$2,166,240	\$1,074,901	\$1,368,814	\$4,609,954 7.34%
<b>COLLEGES:</b>						
11	Agriculture and Life Sciences	\$23,655,278	\$53,204	\$404,897	\$0	\$458,100 1.94%
12	Design	7,483,247	70,959	128,087	0	199,047 2.66%
13	Education	15,593,281	192,272	266,903	0	459,175 2.94%
14	Engineering-excl SolarHouse fr Dept of Energy	65,460,205	1,003,411	1,120,452	0	2,123,864 3.24%
15	Natural Resources	7,721,681	101,354	132,168	0	233,523 3.02%
16	Humanities & Social Sciences	33,888,169	0	580,048	0	580,048 1.71%
17	Physical & Mathematical Sciences	34,334,098	0	587,681	0	587,681 1.71%
18	Textiles	7,948,513	217,956	136,051	0	354,007 4.45%
19	Veterinary Medicine	27,233,870	679,634	466,150	0	1,145,784 4.21%
20	Management	<u>19,464,270</u>	<u>134,790</u>	<u>333,161</u>	<u>0</u>	<u>467,951</u> <u>2.40%</u>
	Total Colleges	<u>\$242,782,612</u>	<u>\$2,453,581</u>	<u>\$4,155,599</u>	<u>\$0</u>	<u>6,609,179</u> <u>2.72%</u>
	Total Provost and Colleges	\$305,581,563	\$4,619,821	\$5,230,500	\$1,368,814	\$11,219,134 3.67%
<b>Other Institutional Support</b>						
01	Chancellor's Units	\$4,262,517	\$192,332	\$72,960	\$0	\$265,291 6.22%
05/22	Student Affairs/Housing	5,439,443	161,510	93,104	0	254,614 4.68%
06	Research-excludes Marine Fisheries	3,367,318	156,035	57,637	0	213,672 6.35%
04	Graduate School-excludes GSHI	2,617,282	100,690	44,799	0	145,489 5.56%
08	University Advancement	6,012,185	278,593	102,908	0	381,501 6.35%
09	Extension, Engagement & Econ Dev.	3,420,089	158,480	58,540	0	217,021 6.35%
27	Office of Legal Affairs	916,539	42,471	15,688	0	58,159 6.35%
4Y	Utilities	30,558,575	0	523,057	0	523,057 1.71%
4X	Finance & Business	58,523,678	2,711,877	1,001,723	437,260	4,150,860 7.09%
51	Office of Information Technology	<u>23,579,821</u>	<u>1,083,841</u>	<u>403,605</u>	<u>95,057</u>	<u>1,582,503</u> <u>6.71%</u>
	Total Other Institutional Support	<u>\$138,697,447</u>	<u>\$4,885,830</u>	<u>\$2,374,021</u>	<u>\$532,316</u>	<u>\$7,792,167</u> <u>5.62%</u>
	<b>Sub-Total Academic Affairs</b>	\$444,279,010	\$9,505,651	\$7,604,520	\$1,901,130	\$19,011,301 4.28%
	<b>Personnel Benefits Budget</b>	<u>69,737,748</u>	<u>691,752</u>	<u>553,401</u>	<u>138,350</u>	<u>1,383,503</u> <u>1.98%</u>
	<b>Total Academic Affairs</b>	\$514,016,758	\$10,197,402	\$8,157,922	\$2,039,480	\$20,394,804 3.97%
	<b>Agricultural Research Service</b>	71,944,242	1,532,165	1,225,732	306,433	3,064,329 4.26%
	<b>Cooperative Extension Service</b>	<u>60,903,931</u>	<u>1,134,708</u>	<u>907,766</u>	<u>226,942</u>	<u>2,269,415</u> <u>3.73%</u>
	<b>Total University</b>	\$646,864,931	\$12,864,274	\$10,291,420	\$2,572,855	\$25,728,549 3.98%

\* - Library allocation adjusted to be average reduction of Colleges and Provost's Units