

NC STATE UNIVERSITY

August 16, 2013

MEMORANDUM

TO: Vice Chancellors and Deans

FROM: Charles D. Leffler, Vice Chancellor for Finance and Business
Warwick Arden, Provost and Executive Vice Chancellor



SUBJECT: 2013-14 Budget Reduction Allocations

As discussed during the University Council Retreat on August 12, the University is required to absorb a recurring appropriated budget reduction of \$21,066,528 for fiscal year 2013-14. Attached is the final budget reduction allocation schedule. It is slightly different than the draft schedule used during the retreat presentation as follows:

- Academic Affairs (budget code 16030 and projects 201000-249000, excluding 202XXX)
 - The recurring Distance Education benefits have been withdrawn from college and unit budgets and transferred to the Personnel Benefits pool line, as communicated in our [memo of August 8, 2013](#).
 - The transfer of budget from CALS to COS is reflected in the base budgets of the two colleges.
 - As a reminder, the total reduction is based on 5% of the total Academic Affairs continuing budget, which will generate slightly more funds than required to meet the UNC-GA budget reduction requirement. The difference will be reallocated to help meet Strategic Plan priorities.
- The Agricultural Research and Cooperative Extension (budget codes 16031 and 16032) budget reduction amounts for each code reflected on the attached schedule are the specific amounts allocated on a pro-rata basis to meet the UNC budget reduction requirement for those budget codes. Reductions are allocated proportionately to CALS and CNR.

As noted during the Retreat, the Academic Affairs reduction amount is based on a 5% state appropriated funds reduction with an adjustment of 0.5% of the base budget, \$1,945,941, being prorated to lessen the reduction to the colleges, the Graduate School, DELTA's Flexible Access budget, and DASA's credit hour producing units. To offset this adjustment,

reduction amounts for the academic support and administrative units have been increased by that corresponding amount. These adjustments in the allocations are identified on the schedule.

It appears that we will not have the instructions for preparing our budget reduction submission from UNC-GA until next week. However, we recommend you proceed with finalizing your budget reduction plan. Since the final budget reductions reflected on the attached schedule are similar to the amount you were allocated in the preliminary budget reduction planning work, we still anticipate that your budget reduction submission will be due no later than September 6.

A template and related instructions for the submission of your budget reduction plan will be sent to you by the University Budget Office once we receive UNC-GA's instructions. As you prepare your plan, please be certain to identify each area of reduction with a short descriptive title. It is our impression that there will not be a requirement for an extensive narrative for this submission.

If your reduction plan will require termination of EPA or SPA employees, please contact the Division of Human Resources to discuss required procedures, notification time-frames, and any severance pay obligations. Please remember that SPA reductions in force also require prior approval by the Office of State Budget and Management so allow sufficient time in calculating budget savings for 2013-14. Recurring savings during 2013-14 will have to be supplemented with one-time savings since 12 months of savings will only be possible on positions that have been vacant since July 1, 2013.

From September 9-22, we will review your budget reduction plans, request any additional information or clarification from you, review the reduction plans with the Chancellor, and provide final feedback to you regarding your plan. After that review, you will be notified and can then proceed with implementing your reduction plan.

Please feel free to contact your budget analyst if you have questions about the reduction schedule or completing the template when it is received. Thank you.

cc: W. Randolph Woodson, Chancellor
Steve Keto, Associate Vice Chancellor for Finance and Resource
Management
Barbara Carroll, Associate Vice Chancellor for Human Resources
College and Division Business Leads

NC State University

2013-14 Reduction Allocation

Includes State Funds & Tuition receipts

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

(Does not include Appropriated Receipts operations)

Revised 8/16/2013

Budget Code	Academic Affairs			Agricultural Research and Cooperative Extension
	State Appropriated	5.00%	0.5%	BOG Allocated Reduction
Academic Affairs	\$389,188,193	\$19,459,410	\$1,945,941	
Agricultural Research	54,911,053			\$2,095,580
Cooperative Extension	39,859,682			\$1,521,171
Total University	\$483,958,928	\$19,459,410	\$1,945,941	\$3,616,751

OUC	Description	Continuing Budget (State Appropriated and Tuition)	5.0% Reduction		Allocate add'l 0.5% of cut to Admin from Academic	Total Reduction	Percent Reduction
			% of Total	Amount			
02	Vice Chancellor/Provost	\$3,741,393	0.76%	\$148,675	\$32,490	\$181,165	-4.84%
04	Graduate School	2,607,924	0.53%	103,633	(19,107)	84,527	-3.24%
24	Division of Academic and Student Affairs	8,906,122	1.82%	353,911	3,277	357,187	-4.01%
25	NCSU Libraries	27,519,308	5.62%	1,093,560	238,976	1,332,536	-4.84%
32	Division of Enrollment Management	3,385,977	0.69%	134,552	29,404	163,955	-4.84%
33	Distance Education & Learning	17,485,972	3.57%	694,856	(47,576)	647,280	-3.70%
38	Institutional Equity & Diversity	2,022,563	0.41%	80,372	17,564	97,936	-4.84%
39	Office of International Affairs	1,560,138	0.32%	61,997	13,548	75,545	-4.84%
	Total Provost/Vice Provost Units	\$67,229,397	13.73%	\$2,671,556	\$268,576	\$2,940,132	-4.37%
	Colleges:						
11	Agriculture and Life Sciences (16030 only)	\$17,097,380	3.49%	\$679,414	(125,261)	\$554,153	-3.24%
12	Design	7,424,030	1.52%	295,015	(54,391)	240,624	-3.24%
13	Education	16,663,569	3.40%	662,175	(122,083)	540,092	-3.24%
14	Engineering	67,904,157	13.87%	2,698,369	(497,489)	2,200,880	-3.24%
15	Natural Resources	8,252,540	1.69%	327,939	(60,461)	267,478	-3.24%
16	Humanities & Social Sciences	34,045,698	6.95%	1,352,905	(249,430)	1,103,474	-3.24%
17	College of Sciences	44,761,688	9.14%	1,778,736	(327,940)	1,450,796	-3.24%
18	Textiles	7,683,268	1.57%	305,317	(56,290)	249,027	-3.24%
19	Veterinary Medicine	25,734,825	5.26%	1,022,648	(188,542)	834,106	-3.24%
20	Poole College of Management	16,351,746	3.34%	649,784	(119,799)	529,986	-3.24%
	Total Colleges	\$245,918,901	50.22%	\$9,772,303	(\$1,801,686)	\$7,970,617	-3.24%
	Total Provost and Colleges	\$313,148,298	63.95%	\$12,443,859	(\$1,533,110)	\$10,910,749	-3.48%
	Other Institutional Support:						
01	Chancellor's Units	\$3,304,734	0.67%	\$131,323	28,698	\$160,021	-4.84%
06	Research & Innovation	5,544,911	1.13%	220,343	48,152	268,495	-4.84%
08	University Advancement	8,250,694	1.68%	327,865	71,649	399,514	-4.84%
09	Extension, Engagement & Econ Dev.	681,258	0.14%	27,072	5,916	32,988	-4.84%
27	Office of General Counsel	1,222,066	0.25%	48,562	10,612	59,175	-4.84%
4X	Finance & Business	61,387,026	12.54%	2,439,392	533,081	2,972,473	-4.84%
51	Office of Information Technology	24,451,384	4.99%	971,647	212,334	1,183,981	-4.84%
	Total Other Institutional Support	\$104,842,073	21.41%	\$4,166,205	\$910,442	\$5,076,647	-4.84%
XX	Utilities	26,741,801	5.46%	1,062,663	232,224	1,294,887	-4.84%
	Personnel Benefits Pool (50%)	44,961,656	9.18%	1,786,682	390,444	2,177,126	-4.84%
	Total Academic Affairs - 16030	\$489,693,828	100.00%	\$19,459,410	\$0	\$19,459,410	-3.97%
OUC	Description	Continuing Budget (State Appropriated)	% of Total	Amount		Total Reduction	Percent Reduction
11	Agricultural Research - 16031 CALS	\$53,027,418	96.57%	\$2,023,695	\$0	\$2,023,695	-3.82%
15	Agricultural Research - 16031 CNR	\$1,883,635	3.43%	\$71,885	\$0	\$71,885	-3.82%
	Total Agricultural Research State Appropriated	\$54,911,053	100.00%	\$2,095,580	\$0	\$2,095,580	-3.82%
11	Cooperative Extension - 16032 CALS	\$39,261,706	98.50%	\$1,498,350	\$0	\$1,498,350	-3.82%
15	Cooperative Extension - 16032 CNR	\$597,976	1.50%	\$22,821	\$0	\$22,821	-3.82%
	Total Cooperative Extension State Appropriated	\$39,859,682	100.00%	\$1,521,171	\$0	\$1,521,171	-3.82%
	Total University (16030, 16031, 16032)	\$584,464,563		\$23,076,161	\$0	\$23,076,161	-3.95%