



# The University of North Carolina

GENERAL ADMINISTRATION

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Constituent Universities  
Appalachian State  
University

East Carolina  
University

Elizabeth City  
State University

Fayetteville State  
University

North Carolina  
Agricultural and  
Technical State  
University

North Carolina  
Central University

North Carolina  
State University  
at Raleigh

University of  
North Carolina  
at Asheville

University of  
North Carolina  
at Chapel Hill

University of  
North Carolina  
at Charlotte

University of  
North Carolina  
at Greensboro

University of  
North Carolina  
at Pembroke

University of  
North Carolina  
at Wilmington

University of  
North Carolina  
School of the Arts

Western Carolina  
University

Winston-Salem  
State University

Constituent High School  
North Carolina  
School of Science  
and Mathematics

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July 2, 2009

**TO:** Chief Financial Officers

**FROM:** Rob Nelson *RN*

**SUBJECT:** 2009-11 Current Budget Reduction Plan

Following conversations with your Chancellors on June 29 and additional questions from you, I wanted to provide some additional guidance and clarification concerning our efforts to implement the 2009-11 budgets and to put permanent reductions in place.

The original memo requested targeted reductions at the 10% level for 2009-10 and 15% level for 2010-11. As discussed in the Chancellor's meeting, that has been modified and the data is now at the 10% level for each year. (A modified attachment is included here for your reference.)

The priority listing will be reviewed by the President, who will then provide advice and feedback to the Chancellors.

No later than July 13, an online system for the submission of the prioritized budget reductions from your campus will be in place. The system will mirror the format of the online expansion budget system used previously. As in that system, you will need to submit both narrative and line-item budgetary data for each item that you have in your priority list for reductions.

We have had questions about which items should be submitted as part of your 10% plans and, therefore, "count" as part of your target. In order to clarify and have everyone operating with the same assumptions, please note the following:

- "Base" for percentage (see attached document)
- Continuation Budget Reductions (except enrollment) – does count towards the 10%
- Enrollment – does not count
- Tuition Increase – does not count towards the 10%
- Tuition Surcharge; Faculty Staff Waivers; Sr. Citizen Waiver; Special Talent Waiver; Non-Resident Full Scholarship Provision – does not count
- Centers and Institutes – does count towards the 10%
- Specific Campus Items reduced by the House or Senate budgets – does count towards the 10%. (Submission of these items would indicate that the Chancellor agrees that they are good to consider for reduction. If the Chancellor disagrees with the item, then they should not be submitted.)

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Further Clarifications:

1. Recurring versus Non-Recurring: All reductions submitted under the 10% plan will be viewed as potential recurring reductions.
2. Priority Listing: Item 1 in your priority list would be the item that you would recommend as the first item to be reduced. The last priority item would be reductions taken under the direst circumstances (when all other options have already been exhausted).
3. Centers and Institutes: Each campus should include prioritized reductions to centers and institutes with a total of at least the amount of funding reduction proposed in the House budget plan. Specific centers and institutes to be reduced or eliminated may be adjusted as per the judgment of each Chancellor.
4. Narrative document: The narrative document will be used to present each item, explain the rationale for it being on the list, and the rationale for ranking within the list. Where applicable, please include the following information:
  - When was the program or service created?
  - What is/was the purpose of the program?
  - Has the reduction already been implemented?
  - Is the proposal to completely eliminate, marginally reduce, or substantially reduce the program or service (i.e. magnitude of the cut)?
  - What is the overall impact of reducing or eliminating this item?
  - How would the reduction affect class size, campus security, or compliance with state/federal regulations?
  - How many students, faculty, and/or staff would be affected?
  - Why is the item recommended for elimination over others that were considered?
  - How does the item adhere to the Board of Governors' Value Statement on Budget Reductions and General Administration's Guidelines on Budget Reductions?
  - How does the item affect your UNC Tomorrow goals and priorities?
  - How does the item affect your campus mission?
  - Are the positions to be reduced faculty, EPA non-faculty, SPA, or other? Are they vacant or filled? How many RIFs would occur and when?
  - Is the program or service considered to be administrative, academic, a center or institute, research, public service, advancement, student support, information technology, facilities, academic support, or other?
  - How would this impact faculty and staff workloads?
  - Would the reduction affect the academic teaching and learning mission? If so, describe why the reduction is included rather than other options. Also indicate the increase or reduction in seats available for students in classes, and any changes to the academic support services for teaching, learning, and student success.

My original memo requested that your Chancellor submit a priority listing of the current budget reduction plan by July 15. We have modified that to request the information by July 17.

Thank you for your cooperation. Please let me or Ginger Burks know if you have additional questions or comments.

Attachment

c: President Erskine Bowles  
The Chancellors

<b>UNC System</b>					
		<b>Base</b>		<b>Base</b>	
<b>Budget</b>		<b>2009-10</b>	<b>10%</b>	<b>2010-11</b>	<b>10%</b>
<b>Code</b>	<b>UNC Campuses</b>	<b>Appropriations</b>	<b>Reduction</b>	<b>Appropriations</b>	<b>Reduction</b>
16080	Appalachian State	150,473,218	(15,047,322)	151,462,454	(15,146,245)
16065	ECU-Academic Affairs	246,737,425	(24,673,743)	249,599,373	(24,959,937)
16066	ECU-Health Affairs	55,376,911	(5,537,691)	55,274,716	(5,527,472)
16086	Elizabeth City State	38,229,894	(3,822,989)	38,635,535	(3,863,554)
16088	Fayetteville State	60,836,844	(6,083,684)	61,307,306	(6,130,731)
16070	NC A and T State	106,709,868	(10,670,987)	106,877,430	(10,687,743)
16090	NC Central	95,419,982	(9,541,998)	95,320,156	(9,532,016)
16094	NC School of Science & Math	19,375,686	(1,937,569)	19,433,037	(1,943,304)
16030	NCSU-Academic	425,238,811	(42,523,881)	431,551,300	(43,155,130)
16031	NCSU-Agricultural Research	61,973,204	(6,197,320)	60,819,340	(6,081,934)
16032	NCSU-Coop. Extension Svc.	46,259,104	(4,625,910)	45,985,262	(4,598,526)
16055	UNC Asheville	40,193,501	(4,019,350)	40,504,000	(4,050,400)
16021	UNC-CH Health Affairs	225,558,578	(22,555,858)	228,896,957	(22,889,696)
16020	UNC-CH-Academic	320,356,993	(32,035,699)	324,297,674	(32,429,767)
16022	UNC-CH-AHEC	52,367,039	(5,236,704)	52,373,355	(5,237,336)
16050	UNC Charlotte	202,112,995	(20,211,300)	203,062,875	(20,306,288)
16040	UNC Greensboro	173,198,319	(17,319,832)	173,851,779	(17,385,178)
16082	UNC Pembroke	61,813,209	(6,181,321)	62,943,149	(6,294,315)
16092	UNC School of the Arts	28,987,162	(2,898,716)	29,473,824	(2,947,382)
16060	UNC Wilmington	105,566,657	(10,556,666)	107,223,082	(10,722,308)
16075	Western Carolina	97,066,699	(9,706,670)	97,235,345	(9,723,535)
16084	Winston-Salem State	74,491,102	(7,449,110)	74,035,134	(7,403,513)
16010	UNC Board of Governors	43,654,041	(4,365,404)	43,638,071	(4,363,807)
16011	UNC Institutional Programs	52,234,396	(5,223,440)	104,737,715	(10,473,772)
16012	UNC Related Educ. Programs	91,052,820	(9,105,282)	91,397,909	(9,139,791)
16015	Aid to Private Colleges	104,888,915	(10,488,892)	104,922,915	(10,492,292)
16095	UNC Hospitals	46,011,882	(4,601,188)	46,011,882	(4,601,188)
	<b>Total UNC System</b>	<b>3,026,185,255</b>	<b>(302,618,526)</b>	<b>3,100,871,575</b>	<b>(310,087,160)</b>