



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

An Equal Opportunity/
Affirmative Action
Employer

August 12, 2008

2009-11 Budget Memorandum — Number 1

TO: The Chancellors

FROM: Rob Nelson *RN*

SUBJECT: Preparation of the 2009-11 Operating Budget Priorities

This Budget Memorandum provides instructions for the preparation of institutional requests required for the development of the 2009-11 Budget Priorities for Current Operations expansions and improvements. Separate memoranda will provide instructions about the preparation of priorities for capital improvements and instructions for the continuation budget process.

The basic approach for the preparation of the 2009-11 Budget Priorities will be similar to that used in preparing the 2007-09 Budget Priorities. The final budget priorities will be designed to respond to concerns of the President, the Chancellors, the Board of Governors, and the General Assembly. The request will focus on well-defined priority items. The goal is for the Budget Priorities to model the items identified by the UNC Tomorrow Commission:

- 4.1 Our Global Readiness
- 4.2 Our Citizens and Their Future: Access to Higher Education
- 4.3 Our Children and Their Future: Improving Public Education
- 4.4 Our Communities and Their Economic Transformation
- 4.5 Our Health
- 4.6 Our Environment
- 4.7 Our University's Outreach and Engagement

We will also consider additional requests for Campus Safety as indicated in the UNC Campus Safety Task Force Report.

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Factors to consider in shaping your individual campus requests:

- We will review certain items separately – continuation budgets (including enrollment increases), faculty and staff salary increases, need-based financial aid, and repairs and renovations. This review will be done in consultation with you and your staff in addition to our usual discussions at the Chancellors' Administrative Council meetings. We do not expect you to submit any expansion budget items in these categories.
- Campus requests should be consistent with your UNC Tomorrow response plans.
- Items submitted for budget consideration must already have the required Board of Governors' approval for any new degree programs or Centers/Institutes.

Your submission for items under these categories will need to contain a detailed budget for each item. In addition, you will need to submit a narrative discussion of your proposal. Within the proposal, please explain what funds the campus has reallocated towards the initiative and also describe what specific sections of the UNC Tomorrow Commission report (three digit level) are addressed by your proposal. Finally, for all expansion budget items, we ask that you and your staff submit requests via our web-based expansion budget system no later than September 15, 2008.

The items your campus submits should be prioritized by you. Your budget and finance staff has used the system before, and any questions regarding that system may be addressed to Ginger Burks at 919-962-4604 or ginger@northcarolina.edu. Please note that information submitted through the expansion budget system is considered the official submission from your campus. If you prefer, you may provide us with the name of individuals that you have designated to enter data in the system, and we can copy him or her on communications regarding the 2009-11 budget priorities.

For 2009-11, we recommend that you focus on reasonable, well-justified budget requests that have been well-vetted by you and your staff. Likewise, items submitted should have reasonable budget figures attached. Please consider, for example, that an item might need a small amount of funding in the first year of the biennium with annualization of those expenses in the second year of the biennium.

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At the end of the campus submission process, we will meet with the Chancellors to review the highest priority requests. Consistent with the Board of Governors' Budget Priorities over the last three fiscal years, we expect the final request to range from \$275 to \$350 million, including salaries, enrollment, financial aid, and other system-wide items, which traditionally account for more than 50% of the total request.

All items that have a fiscal impact to the University or to the State of North Carolina must be handled through the expansion budget process. Items that do not have a fiscal impact to the University or to the State of North Carolina should be handled through the Legislative Policy Agenda for which items will be due separately to Andy Willis and Erin Schuettpelez.

The calendar for preparation of the 2009-11 Budget Priorities has been prepared with regards to your previously scheduled Chancellors' Administrative Council meetings.

August 15, 2008	UNC Expansion Budget Web-Based System Opens for Submissions
August 25, 2008	Discussion at Chancellors' Administrative Council Meeting
September 15, 2008	Deadline for Submission of Campus Requests
September 29, 2008	Discussion at Chancellors' Administrative Council Meeting
October 27, 2008	Discussion at Chancellors' Administrative Council Meeting

Attachment

cc: Chief Academic Officers
Chief Finance Officers
Chief Information Officers
Chief Research Officers
Chief Student Affairs Officers
Legislative Liaisons

**The Board of Governors of the University of North Carolina
EXPANSION BUDGET REQUEST CALENDAR (2009-11)**

Transmittal to the Chancellors of Initial Statewide Instructions from the Office of State Budget and Management on Preparation of Budget Request (additional instructions, as needed, from UNC-General Administration)	July 31, 2008
Instructions from VP Nelson to the Chancellors for preparation of Expansion Budget estimates for Current Operations (utilizing web-based system)	August 12, 2008
Instructions from VP Nelson to the Chancellors for preparation of Expansion Budget estimates for Capital Improvements	August 15, 2008
Discussion with Chancellors of Priorities for the Expansion Budget Request (Admin. Council)	August 25, 2008
Transmittal of Enrollment Estimates from the Chancellors to the President	August 25, 2008
Transmittal of Continuation Budget Estimates from the Chancellors to the President.....	October 15, 2008
Transmittal of EPA Salary Base Data from the Chancellors to the President	September 2008
Transmittal of Operating Budget Priorities from the Chancellors to UNC-GA	September 15, 2008
Transmittal of Capital Improvements expansion budget estimates from the Chancellors to the President (appropriated projects)	September 15, 2008
Discussion with Chancellors of Priorities for the Expansion Budget Request (Admin. Council)	September 29, 2008
Board of Governors' Policy Discussion on Expansion Budget Recommendations	October 2008
Discussion with Chancellors of Priorities for the Expansion Budget Request (Admin. Council)	October 27, 2008
Transmittal of the President's Budget Recommendations to the Committee on Budget and Finance and the Board of Governors	prior to November 2008 BOG meeting
Meeting of the Board of Governors for Consideration of the Budget Recommendations....	November 2008
Transmittal of the Board of Governors' Budget Recommendations to the Governor and General Assembly.....	following BOG approval
Preparation of Governor's Budget Recommendations (supplemental information provided by President's staff and the constituent institutions to the Office of State Budget and Management as requested).....	Mid-October 2008 - Mid-January 2009
Regular Legislative Session convenes & Presentation of Governor's Budget Recommendations to the General Assembly.....	January 2009
Legislative Committee Hearings on the University's Budget Request	Feb - July 2009
Final General Assembly action on the Budget/Adjournment (estimated)	July 2009