



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

OFFICE OF THE EXECUTIVE
VICE CHANCELLOR AND PROVOST

104 SOUTH BUILDING
CAMPUS BOX 3000
CHAPEL HILL, NC 27599-3000

T 919.962.2198
F 919.962.1593
www.unc.edu/provost

December 1, 2008

BERNADETTE GRAY-LITTLE
Executive Vice Chancellor and Provost
gray-little@unc.edu

MEMORANDUM

TO: Vice Chancellors
Deans in Academic Affairs and Health Affairs
Associate Provosts

FROM: Bernadette Gray-Little *B. Gray-Little*
Executive Vice Chancellor and Provost

RE: Budget Planning Process 2009-2010

We will begin the 2009-2010 annual budget process earlier this year to permit a more timely response to requests for information on the effects of the economy, and to equip us with additional information for our advocacy efforts. We will conduct the budget hearings with roughly the same structure but with a somewhat modified focus. Although we are not sure of the State's financial projections, we anticipate budget reductions and will plan for reductions using the framework provided by General Administration. We have attached a template for your use with that part of your discussions.

You have done a great job in responding to the efficiency reductions and the non-recurring changes this year. We have been told to expect an additional one percent non-recurring cut, which we plan to absorb from central sources. If non-recurring reductions in this fiscal year exceed one percent, however, we will need to come back to you for the additional reduction.

Please prepare a budget planning document and submit it to me electronically by the close of business on Wednesday, January 21, 2009. This is a full month sooner than last year. The document should be a maximum of five pages in length and consider the following topics as they apply to your unit:

1. Major concerns (*non-budgetary*) you face for this planning period. Please highlight elevated risks, vulnerabilities, or possible disruption to your unit that could adversely affect your programs or Carolina's reputation.
2. A brief overview of your program goals for the next year. Please note changes in your strategic goals resulting from changes in resources.
3. Opportunities for significant new or modified programs, policies, or processes, including potential for interdisciplinary collaboration.

4. A summary of how you used outcomes assessment to enhance student learning or administrative effectiveness. Please give an example of any quality improvements made in your academic programs or administrative services as a result of assessment.
5. **An itemized budget request noting recurring and non-recurring needs related to enrollment growth only.**
6. Using the attached template, explain how you would absorb 3%, 5%, & 7% budget reductions. Although it is difficult to see opportunity in a permanent budget reduction, I encourage you to be strategic in your decisions rather than recommending across-the-board reductions. Please be as detailed as possible and use the template provided. **This document (response to item 6) should be sent to Elmira Mangum.**
7. Completion of the annual report for the University's Plan for Diversity 2006-2010 (see <http://www.unc.edu/diversity/diversityplan>) which established five University-wide goals to enhance diversity at Carolina. Please use the forms on the website to prepare and submit your diversity report directly to the Office of Diversity and Multicultural Affairs. **This part of your annual report is due on February 23.**

In anticipation of receiving your budget and planning documents, I will schedule an individual meeting with each of you. Again, I plan to attend all of the hearings and if an emergency arises and I cannot attend, we can reschedule if you wish or hold the hearing as planned with the remaining team members. In addition to me, the core hearing team this year will include Vice Chancellor for Finance and Administration Richard Mann, Senior Associate Provost Elmira Mangum and Executive Associate Provost Ronald Strauss. Associate Provost Carol Tresolini will serve as an alternate, as needed. I ask that you limit your representation to three people, one of whom should be the financial manager. This meeting will be confidential and focus exclusively on items 1, 5, and 6 as noted above. We request that you not use PowerPoint presentations.

With these discussions and your budget documents in mind, I will draft a comprehensive budget plan that can be shared with the University Priorities and Budget Advisory Committee (UPBAC) in June. Based on your original budget and planning documents, our discussions, and the input of UPBAC, I will formulate a draft of the comprehensive budget and bring that version to the Vice Chancellors meeting and the Deans' Council.

Vice Chancellors, Deans, Associate Provosts
December 1, 2008
Page 3

The final proposed budget document will be presented to Chancellor Thorp for his consideration. Upon his approval and adoption of a State budget by the Governor and the Legislature, you will be notified by my office of the approved budget changes for fiscal year 2009-2010.

As we proceed through this important series of deliberations, I welcome your comments on this process.

BGL:st
Attachment (Excel File – Budget Reduction Template)

cc: Chancellor Holden Thorp
Vice Chancellor Richard Mann
Senior Associate Provost Elmira Mangum
Executive Associate Provost Ron Strauss
Associate Provost Carol Tresolini
Financial Managers