

**The University of North Carolina
Governor Hunt's Budget Recommendations
Appropriations
1999-2001**

CURRENT OPERATIONS

	1999-2000	2000-01
Recommended Continuing Operating (Base) Budgets	\$1,589,402,360	\$1,595,487,506
Recommended Salary Increase Funds:		
SPA Employees – 3%	12,739,298	12,739,298
EPA Employees – 3% (Plus 2% for salary increases to reward teaching excellence; \$14.2 million is included in Schedule of Priorities recommendations for 1999-2001 below)	28,955,619	29,325,113
Nonrecurring bonus for SPA and non-teaching EPA employees – .5% <i>(The Board's request included a 6% salary increase for each year of the biennium and an additional Schedule of Priorities request for a 1% salary increase for each year of the biennium to reward teaching excellence.)</i>	3,351,474	–
Total – Salary Increase Funds	45,046,391	42,064,411
Recommended Expansion and Improvements:		
Schedule of Priorities –		
1. ACCESS		
a. Regular Term Enrollment Changes	19,493,004	19,493,004
f. Efforts to Improve College Going Rate (PATHWAYS)	585,000	585,000
2. PRODUCTIVITY AND EFFICIENCY		
d. Strategic Initiatives Reserve (nonrecurring)	5,000,000	–
3. COMPETITIVENESS		
a. Rewarding Teaching Excellence (see Salary Increases above)	14,200,000	14,200,000
4. COLLABORATIVE UNIVERSITY/SCHOOLS PROGRAMS		
UNC School Services Matching Incentive Fund K-16	975,000	975,000
UNC Center for School Leadership Development		
High Performance Lighthouse Schools	260,000	260,000
NC Center for International Understanding		
International Educator Exchange Initiative for K-12	112,000	112,000
International School Partnerships through Technology	68,053	68,053
5. PUBLIC SERVICE AND UNIVERSITY OUTREACH		
b. Public Service		
NC Center for International Understanding – Hispanic Initiative	100,000	100,000
The Institute on Aging (UNC-CH, Health Affairs)	200,000	200,000
International Music Program (NCSA)	250,000	250,000
Total – Schedule of Priorities (see attached)	41,243,057	36,243,057

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Other Expansions and Improvements		
Aid to Students Attending North Carolina Private Colleges and Universities	8,022,850	8,022,850
<i>State Contractual Scholarships – Increase from \$900 to \$1,050 per student; Legislative Tuition Grants – Increase from \$1,600 to \$1,750 per student; Total Increases of \$300 from \$2,500 to \$2,800 per student.</i>		
Center for Alcohol Studies Endowment Fund	500,000	500,000
Total – Expansions and Improvements	49,765,907	44,765,907
Recommended Tuition Increase	(6,500,000)	(6,500,000)
<i>A tuition increase is recommended for students at all of the 16 University of North Carolina campuses in support of recommendations by the Board of Governors' Task Force on Tuition Policy. These funds help to offset the increasing cost of higher education, projected enrollment increases, and salary increases in the Board's Schedule of Priorities for 1999-2001.</i>		
Recommended Reductions	(7,233,554)	(7,233,554)
Operating Efficiencies		
<i>A 0.5% decrease in operating budgets for the 16 campuses and University of North Carolina General Administration is recommended. This reduction will be accomplished through operating efficiencies throughout the UNC system. The reduction for Area Health Education Centers (AHEC) is recommended at 0.25%. Student financial aid is not included in the reduction. Similar to the requirements of G.S. 116-11(9), this reduction will be allocated to the Board of Governors in a "lump sum" for distribution to the campuses.</i>		
Recommended Continuing Operating Budgets	1,670,481,104	1,668,584,270

Note: The Governor's budget recommendations also include a \$12.7 million Reserve for Salary Reduction – Positions Vacated by Retirees. This recommendation is to reduce the salaries of departments by 30% of the salaries of the positions vacated due to retirement during the 1999-2000 fiscal year. This recommendation excludes public school teachers, employees whose salaries are set by statute, and teaching faculty at the University and Community Colleges.

Reductions in appropriations are shown in parentheses.

Special Note: Recommendations for capital improvements and other nonrecurring items are being deferred, pending the resolution of court-ordered and statutory nonrecurring liabilities of the State.

UNC-GA
Finance
2/16/99

**The University of North Carolina
Schedule of Priorities
1999-2001**

Line	Budget Request for Current Operations	1999-2000		2000-2001	
		Board's Request	Gov. Recom.	Board's Request	Gov. Recom.
1.	Access				
	a. Regular Term Enrollment Changes	\$19,493,004	\$19,493,004	\$30,140,084	\$19,493,004
	b. Distance Education/Extension Enrollment Changes	5,518,025	-	13,734,535	-
	c. New Degree Programs	2,400,000	-	2,400,000	-
	d. Transition of East Carolina University to Doctoral II Status	1,500,000	-	4,460,000	-
	e. Additional Need-Based Student Financial Aid	1,000,000	-	1,000,000	-
	f. Efforts to Improve College Going Rate (PATHWAYS)	1,169,722	585,000	1,136,970	585,000
	Access - Total	31,080,751	20,078,004	52,871,589	20,078,004
2.	Productivity and Efficiency				
	a. Information Technology	20,000,000	-	40,000,000	-
	b. Improvements at Smaller Universities for Operating Efficiencies	2,350,000	-	2,350,000	-
	c. UNC-General Administration Organizational Changes	1,998,082	-	1,705,082	-
	d. Strategic Initiatives Reserve	5,000,000	5,000,000 ^{NR}	5,000,000	-
	Productivity and Efficiency - Total	29,348,082	5,000,000^{NR}	49,055,082	-
3.	Competitiveness				
	a. Rewarding Teaching Excellence	7,077,639	14,200,000	14,489,588	14,200,000
	b. Distinguished Professors Endowment Trust Funds - State Matching Funds	3,000,000	-	3,000,000	-
	c. Professional Development/Teaching and Learning Centers	2,040,130	-	2,028,806	-
	d. Graduate Assistants Tuition Remissions and Other Support	4,000,000	-	4,000,000	-
	e. Libraries	9,000,000	-	11,874,980	-
	Competitiveness - Total	25,117,769	14,200,000	35,393,374	14,200,000
4.	Collaborative University/Schools Programs	4,423,341	1,415,053	4,939,111	1,415,053
5.	Public Service and University Outreach				
	a. Area Health Education Centers	3,000,000	-	3,000,000	-
	b. Public Service	6,478,471	550,000	6,730,041	550,000
	Public Service and University Outreach - Total	9,478,471	550,000	9,730,041	550,000
	TOTAL REQUEST	99,448,414	41,243,057	151,989,197	36,243,057
	NR Nonrecurring				