

UNC Faculty Assembly Meeting of November 17, 2000

Highlights related to UNC budget and revised procedures for developing academic degree programs.

Requests for Appropriation for Current Operations 2001-02 - \$2,086,901,989

Requests for Appropriations for Current Operations 2002-03 0 \$2,256,269,942

Increases in Continuing Budgets 2001-02 - \$25.1 million

Increases in Continuing Budgets 2002-03 - \$33.2 million

Schedule of Priorities:

Access

Intellectual Capital Formation

K-16 Initiatives

Creation and Transfer of Knowledge

Transformation and Change

2001 University-Wide Facilities Plan - \$2,500,000,000

Repairs and Renovations – 168,000,000

2001 University Wide Facilities Plan is a comprehensive \$2.5 billion plan for technology infrastructure, new buildings, major renovations to existing building, and land acquisition

UNC Budget Process

Board of Governors' Role:

Presents comprehensive financial plans to General Assembly

Modifies plans based on resources made available by Legislature

Established annual budgets which are administered by the constituent institutions

"A single, unified recommended budget for all of public senior higher education."

Statute prescribes form of budget requests – three categories:

Continuing Operations

Academic Salary Increases

Expansions/Improvements Items – by priority

Increases in enrollments

New and expanded programs

Capital improvements

Increases to remedy deficiencies

Statues also prescribe the manner of appropriations by General Assembly:

Continuing Operation – direct to constituent institution

Academic Salary Increases – lump sum to Board of Governors, for allocations to institutions

Expansion/Improvements – allocated to institutions according to Board's Schedule of Priorities and any directives from Legislature

Key Steps in process of budget preparation:

UNC President receives general instructions from Governor via State Budget Office.

Budget workshops are conducted separately with three groups:

Presidents Cabinet

Chancellors

Board of Governors

Key issue – linking budget request to planning priorities and strategic directions

Chancellor is responsible for preparation of budget estimates for the institution and the assignment of any institutional priorities of involvement of campus constituencies is determined by the Chancellor.

President confers throughout the process with the Chancellors.

Afterward, Vice President-Finance prepares recommendations for Board and its Budget and Finance Committee

Board takes final action, then submits to Governor and Advisory Budget Commission.

President represents University in any hearing with Governor and Advisory Budget Commission.

Governor, in consultation with Advisory Budget Commission, forwards recommendations to General Assembly.

President, or her designees, represent University in Legislative hearings.

Requests for Appropriations for Current Operations 2001-02 - \$2.087 billion

Requests for Appropriations for Current Operations 2002-03 - \$2.253 billion

Schedule of Priorities 2001-02 - \$148.9 million

Access - \$64.7 million

Transformation and Change - \$21.5 million

Intellectual Capital Formation - \$29.5

K-16 Initiatives - \$7.1 million

Creation and Transfer of Knowledge - \$26.1 million

Access Enrollment Changes –

Supports 68,392 new student credit hours and 122 new FTEs for programs not on SCH funding formula

Supports 112,223 new student credit hours and 30 new FTEs for programs not on SCH funding formula

Need-based Student Financial Aid Plan

2001-02 Request: \$26,000,000

2002-03 Request: \$28,000,000

Represents full funding for the program partially funded by the General Assembly in the 200 Legislative Session

NCSA High School Access Initiative

Request for each year of the biennium is \$1,069,802

Year-round University Pilots – Summer Term Appropriations

Focused Growth Institutions – Special Needs

Intellectual Capital Formation Libraries
2001-02 Request: \$15,000,000
2002-03 Request: \$19,000,000

Intellectual Capital Formation Distinguished Professors Endowment Trust Fund – State Matching Funds
2001-02 Request: \$7,500,000
2002-03 Request: \$4,500,000

Intellectual Capital Formation Distinguished Graduate Fellowship Program – State Matching Funds
Request is \$2,500,000 for the second year of the biennium only

Intellectual Capital Formation New Degree Program Funds – Revolving Fund
2001-02 Request: \$200,000
2002-02 Request: \$400,000
Creates a fund for financing new degree programs
Institutions would receive funds for three years
Beginning in the 4th year, programs would be fully supported by the SCH funding formula

Intellectual Capital Formation Transition of ECU to Doctoral / Research Intensive Status
Request is \$1,460,000 for each year for biennium
Completes funding required by ECU to reflect change in classification

Intellectual Capital Formation Professional Development
2001-02 Request: \$1,000,000
2002-03 Request: \$2,000,000

Intellectual Capital Formation Diversity and Internationalization

K-16 Initiatives
2001-02 Request: \$7,145,000
2002-03 Request: \$10,945,000

Creation and Transfer of Knowledge Major Research Initiatives
2001-02 Request: \$17,853,794
2002-03 Request: \$20,185,030
Biotechnology/Genomics
Environment and Marine Sciences
Optoelectronics and Optical Communication

Creation and Transfer of Knowledge Area Health Education Centers
2001-02 Request: \$4,011,000
2002-03 Request: \$3,852,000

Creation and Transfer of Knowledge Public Service
2001-02 Request: \$4,259,036
2002-03 Request: \$5,833,770

Transformation and Change Information Technology
2001-02 Request: \$19,824,000
2002-03 Request: \$45,250,000
Funding Supports:

Support Services
Research Computing
Teaching and Learning with Technology
Transformation and Change Improvements in Smaller Universities

Academic Salary Increases
6% for each year of the biennium - \$96.6/\$172 million

2001-03 Budget Request Capital Improvements
Line 1: 2001 University-Wide Facilities Plan (Bond Projects)
Line 2: Repairs and Renovations

Goals for New Funding Model
Adequacy
Goal-Based
Performance-Based
Simplicity
Equity
Responsiveness
Stability
Validity and Reliability
Balance

Old Funding Model for Enrollment Change
Based on FTEs, where one FTE=
Undergraduate student taking 12 or more SCHs per regular semester
Graduate students taking 9 or more SCHs per regular semester
No recognition of cost differences across academic disciplines or different degree levels
FTE funding rate for projected change based on each campus' current dollar budget per average FTE students
Summer enrollments funded at a much lesser rate
No funding of extension enrollments

Key Components of New Enrollment - Change Model
Instructional Salaries
Other Academic Costs
Library
General Institutional Support
Student Financial Aid

Calculation of Funding Requirements
SCH Projections by academic discipline and instructional level
Instructional-Position Funding Factors
Funded Instructional Positions
Specific Undergraduate Factors
Other Academic Costs
Library
General Institutional Support
Student Financial Aid

Instructional-Position Funding Factors
Recognize relative costs of providing instruction at different levels and in different programs
Based on:
Calibrated to current funding levels at 1996-97

Campus-Specific Undergraduate Costs Factors
Public Liberal Arts College Mission
Undergraduate Class Size
Diseconomies of Scale
Service to Disadvantaged Students

Benefits of New Enrollment-Change Funding Model
Meets criteria outlines in special provision
Builds on past successful budgeting practices
Achieves balance of simplicity and equity
Uses consistent funding approach for regular –term an extension instruction

Board Resolution Related to Lapsed Salary Funds

REVISED PROCEDURES FOR DEVELOPING ACADEMIC DEGREE PROGRAMS

Each Institution must have a clearly defines process for campus review and approval of proposals to plan and, once planning is completed, a process for approving requests to establish new academic degree programs. The appropriate campus committees and authorities must approve any notification or request to plan or establish a new degree program before submitting it to the Division of Academic Affairs at the Office of the President (OP).

Institutions wishing to plan new degree programs at the undergraduate or master's level or Certificates of Advanced study (C.A.S.) must send a notification of intent to plan to the Division of Academic Affairs (OP). Such notification may be sent at any time, but at least six months prior to the proposed date of establishment, using the form developed for this purpose.

To assist institutions, a link to the CIP taxonomy, an up-to-date Academic Program Inventory for UNC institutions, and a 10-year history of enrollment of majors and degrees awarded by program and institution within the UNC system.

Upon receipt of the notification of intent to plan, Academic Affairs will 1) acknowledge receipt of the notification; 2) provide any additional information not yet posted regarding location of similar programs; and 3) add this program-planning activity to a list that will be maintained by Academic Affairs. All UNC institutions will be expected to consult this list periodically to remain informed about programs being planned by other UNC institutions.

Following notification of intent to plan, the institution will have one year to complete planning and submit a request to establish the proposed program.

The program planning activity is intended as an opportunity for an institution to make the case for need and demand and for its ability to offer an quality program.

Institutions wishing to plan new degree programs at the doctoral or first professional level must seek authorization to plan the program, using the appropriate form. Campus requests must be the result of comprehensive strategic planning. Requests for authorization to plan may be submitted annually by a fixed date. The Senior Vice President, after appropriate consultation with the Graduate Council, will present recommendations regarding authorization to plan doctoral and first professional programs to the Committee on Educational Planning, Policies, and Programs for approval.

Authorization to plan a new degree program does not in any way constitute a commitment on the par of the Committee on Educational Planning, Policies, and Programs or the Board of Governors to approve a subsequent request to establish the program. Such authorization constitutes clearance for the institution to document and further justify the need and demand for the proposed program.

Following authorization to plan, the institution will have two years to complete its planning and submit a request to establish the proposed program.

An institution may not initiate a degree program at a more advanced level without prior approval from SACS. The commission on Colleges also requires prior notification and prior approval if an institution is adding a degree at the same level for which the institution is already accredited and the new program will result in a "significant modification in the nature and scope of the institution."

The UNC Academic Program Inventory (API) classifies all university degree programs into 30 major discipline divisions.

Requests for authorization to establish a new degree program may be submitted at any time after "notification of intent to plan" has been submitted for undergraduate and master's programs and after planning authorization has been granted for doctoral and first professional programs.

In general, it is expected that funding to support new degree programs will be provided through a combination of internal reallocations, enrollment increase funds, and external grants. When appropriate (i.e., in cases where there is convincing evidence of potential for program success if initial support is provided) and when central funds are available, start-up funds will be provided, generally for no more than three years, with the expectation that the program will ultimately be self-sustaining and the start-up funds will be returned and recycled for the use of other UNC programs.

After an institution receives authorization, it must submit two progress reports to the Senior Vice President. The first such report will cover the first one to two years of implementation, and the second report will cover the first three to four years of operation of the program. Both reports will include information on the extent to which an institution has met projected enrollments and degrees conferred and, if start-up funds were provided, will report on the readiness of the program to continue once start-up funds are discontinued.

Requests for authorization to establish a new program that would be properly classified with the same six-digit CIP code as a currently authorized program at the same level, provided it will require no additional resources, may be made at anytime by letter from the chancellor to the Senior Vice President for Academic Affairs.

Authorization to establish new Certificates of Advanced Study is delegated to the chancellor.