

**A PLAN FOR CONTINUED AND EXPANDED AVAILABILITY OF
HIGHER EDUCATION IN NORTH CAROLINA**

Final Report

EXECUTIVE SUMMARY

Expanding the Availability of Higher Education

Senate Bill 393 of the 1993 Session Laws called upon the Board of Governors of the University of North Carolina to:

. . . develop a plan for the continued and expanded availability of higher education for all citizens, focusing on the availability of opportunities in underserved areas by means other than the establishment of additional degree programs. The expanded use of video and audio distance learning technology, the expanded use of graduate centers to avoid program duplication, the potential for expanded funding of extension instruction, and increased cooperative programs with the community college system should all be considered in developing the plan.

The outcome envisioned by this legislation parallels the commitment made by the Board of Governors in its long-range planning for 1992 through 1999 to "provide opportunities for all North Carolinians to participate in higher education, consistent with their abilities and needs" by improving "access to higher education for students who, because of their location, family or work responsibilities, cannot participate in on-campus regular term instruction." The focus of that strategy is on the enhancement of extension instruction, graduate centers, and distance learning technologies.

On November 10, 1995 the Board of Governors adopted *A Plan for Continued and Expanded Availability of Higher Education in North Carolina (Phase I: Inventory of Alternative Delivery Systems)*. That report provided an inventory of various alternative instructional delivery systems, such as field-based extension instruction, graduate centers, correspondence courses, distance learning telecourses offered through the North Carolina Research and Education Network (NC-REN) and through the UNC Center for Public Television, as well as through videocassettes and computer-mediated instruction.

In an effort to meet the mandate to focus "on the availability of opportunities in underserved areas," the interim report attempted to identify the characteristics of underserved areas. Counties with a UNC going rate index between 80 and 100 (or below 80) were those in which traditional and non-traditional-age students had going rates that were between 80 and 100 percent (or below 80 percent) of the statewide average. These counties were judged to be the most underserved by these measures. However, in response to the interim report, some institutions pointed out that large urban areas (such as Charlotte/Mecklenburg and surrounding counties) have far greater numbers of non-traditional students to be served than might be found in "remote" areas. Even though these students may live within the 30-mile radius of a UNC institution, work schedules, urban traffic patterns, or family responsibilities may make it difficult for them to attend classes on-campus at the local institution. Thus, this report also

looks at the needs of urban non-traditional students, who may be better served by outreach efforts than through traditional on-campus programs.

Although the interim report attempted to identify "underserved areas," this information was not sufficient to develop a plan to expand the availability of higher education to those areas or to underserved populations in urban areas. In addition to locating potential "underserved" areas, it was necessary to identify what programs might be in demand in those areas and whether there would be sufficient demand to allow for cost effective delivery of the desired programs.

To develop this level of information, the University undertook a multi-faceted statewide needs assessment. Four separate surveys were conducted in an effort to get the broadest possible response from North Carolina's citizens. These four surveys were:

1. Telephone interviews with a random sample of over 1,200 adults.
2. Needs surveys in 20 newspapers with circulation in 54 counties.
3. Approximately 42,000 surveys sent to all North Carolina community colleges for distribution among students (especially college transfer students).
4. Surveys sent to all North Carolina public schools for distribution among approximately 72,000 K-12 teachers.

The interviews and surveys were conducted from mid-September to mid-October. All four surveys asked similar questions. All surveys asked whether the respondents were interested in taking coursework toward an undergraduate or graduate degree (or certificate, in the case of teachers). If they responded "yes," they were given a choice among 44 baccalaureate programs, 44 graduate programs, and (for teachers) 25 "A" certificate and 34 "G" certificate programs. All respondents were asked how soon they would enroll if programs were made available; what times would be most convenient; how far they would be willing to drive; whether they would like to take courses at home or work, as opposed to a centralized site; what types of telecommunications equipment were available to them (e.g., computer, Internet, VCR, public TV, etc.); why they wanted to continue their education; various demographic questions (age, gender, race/ethnicity); and whether there were any programs not on the survey list that they would like to have.

The responses to all surveys indicated that the desire for access to higher education is both deep and widespread and especially strong in those counties identified as being "underserved." The responses of those persons whose opinions were sampled through telephone interviews, when applied to the adult population as a whole, suggest that approximately 872,000 North Carolinians with educational backgrounds that would suggest readiness for a baccalaureate completion degree or master's degree were interested in taking coursework toward such a degree—if the coursework were offered at a convenient time and location.

This high level of response may be more indicative of *aspirations* than actual intentions to pursue a degree. However, responses from the other (mail) surveys (newspaper inserts, community college student surveys, K-12 teacher surveys) also indicated a strong interest in degree programs from "self-selected" respondents who had to go to some trouble to complete and return their responses. Therefore, it is assumed that their intention to enroll would be stronger than that of those surveyed by telephone.

Overall the University received over 31,000 positive responses to its three mail surveys. All surveys (including the telephone surveys) elicited a greater response from women than from men. All received responses from racial and ethnic minorities that are consistent with their percentage of the total state population. Most respondents (with the exception of community college students) represent non-traditional students (25 and older). Over 99 percent of the respondents have a high school diploma or higher, suggesting that they have the appropriate educational background to pursue higher education. A large percentage of respondents (54 percent) indicate they would enroll as soon as possible if programs of their choice were offered at a convenient time and location. An additional 44 percent say they *might* enroll. Respondents to the telephone surveys express a similarly high level of interest. As one would expect from non-traditional, working adults, most (again, with the exception of community college students) prefer that classes be offered in the evenings or, with less enthusiasm, on weekends. Sixty-seven percent are willing to drive no more than 25 miles (one-way) to attend classes; 29 percent are willing to drive 26 to 50 miles. Respondents to the telephone surveys are less willing to drive beyond 25 miles.

One surprising and heartening result from both the telephone and the mail surveys is the high degree of access to a variety of telecommunications technologies through which courses might be delivered. For example, over 63 percent of respondents to the mail surveys say they have access to a computer; 31 percent to the Internet. Almost all (94 percent) have access to a VCR; 81 percent have access to UNC TV and 72 percent to cable (two potential delivery media). Respondents to the telephone survey tend to report even higher rates of access. The large percentage of students who would prefer to take courses at home or at work (54 percent in mail surveys; 64 percent in telephone surveys) suggests a growing willingness on the part of adults to accept new modes of educational delivery.

The reasons for desiring further education given by respondents to the newspaper surveys and to the telephone surveys are quite similar, with over 70 percent of the reasons being job-related and less than 30 percent related to personal development. Community college students tend to place even more emphasis on taking courses for job-related purposes. Given their selection of degree programs, it is evident that most K-12 teachers are seeking higher education to improve their qualifications as teachers.

The most frequently requested baccalaureate-level programs are: nursing, business administration, computer/information sciences, accounting, elementary education, criminal justice, psychology, electrical engineering, biology, social work, and health care management. With respect to master's degree programs, teachers naturally expressed a preference for education-related degrees: elementary education, curriculum and instruction, counseling, special education, middle grades, and mathematics. Respondents to the telephone surveys and newspaper surveys, being more representative of the general public, express strongest preference for programs in business, health professions, engineering, and computer science, followed by education.

In general, those counties with large populations tended to return the largest number of responses to the mail surveys. (This is less of an issue in the telephone surveys, where samples were apportioned among the eight regions.) However, when the number of responses is viewed as a percentage of each county's 18 and older population, the level of interest on the part of residents of the various counties takes on a different meaning. The average statewide response rate to the mail surveys was 0.52 percent of the adult population. Those counties whose responses are above the statewide average and hence presumably express a higher level of interest in degree programs are, for the most part (70.5 percent), counties that are totally or partially outside the 30-mile radius of a UNC institution. Moreover, when measured by the UNC going rate index, 75 percent have

going rates *below* the state average. In other words, the surveys appear to have succeeded in reaching persons in "underserved" areas.

Having acquired a rich array of survey results, the challenge for the University is how to respond, especially in those cases (which are common) where demand is scattered across the state, making the selection of one or two central sites ineffective. The University's response includes several elements.

- At present UNC off-campus instruction (whether delivered on-site or by distance learning technologies) does not receive state-appropriated support, as is provided for regular term on-campus instruction. Consequently, each constituent institution offering off-campus instruction is required to set its charges at a level sufficient to cover direct instructional costs. This has greatly limited the outreach of UNC institutions in the past. (Within the 15-state Southern Regional Education Board [SREB] region, only North Carolina fails to provide full or partial state funding for off-campus instruction.) However, the legislation mandating this study, as well as special provisions enacted in 1995, instruct the University to address this issue by recommending funding for off-campus instruction and distance learning. In response, the University has proposed in its 1997-99 biennial budget request that state funding comparable to that provided for regular-term instruction be provided for off-campus and distance learning instruction.
- In lieu of regular funding of off-campus instruction, the 1995 General Assembly appropriated special funding for pilot off-campus programs to be located on community college campuses in areas distant from UNC campuses. Baccalaureate completion programs are currently being offered in eight counties as a result of this funding. Furthermore, in response to a request from the Board of Governors, the 1996 General Assembly appropriated additional funds to support the development of other distance learning initiatives. The University plans to stress experimentation with a variety of distance learning technologies in these new programs. A good example is the recently approved Master's in Public Health Practice and Leadership to be offered at approximately six locations across the state, using a combination of distance learning technologies.
- The expenditure of the remaining 1996 funds for distance learning programs will be informed by the results of the needs surveys. In selecting programs, attention will be given not only to the number of persons requesting various programs, but also to the needs of the state and the areas to be served. For example, two reports in 1994 (one submitted by AHEC and the other by the North Carolina Council for Allied Health) provided compelling evidence of the need to increase the number of graduates in various allied health fields, including speech/language pathology and audiology. One of the recommendations from those reports that the University has not, to date, been able to meet was the following: "In addition to expanding the number of graduates, the state should provide off-campus courses or degree programs to speech/language pathologists practicing in the public schools who have bachelor's degrees" The specific means recommended was the use of distance learning, delivered by a consortium of UNC institutions.
- The University will consult with the UNC deans of education and representatives of the State Department of Public Instruction to determine what other programs identified by teachers would best serve the needs of the state's schools. At the same time the University will collaborate with representatives of the North Carolina Community College System in planning for additional baccalaureate completion programs. House Bill 53, Section 17.2.(b) instructs the State Board of Community Colleges to examine ways to encourage higher education two plus two programs. Using the responses of

community college students to the baccalaureate program needs survey and NCCCS estimates of capacity on various community college campuses, the two sectors can build on the experience of the pilot off-campus programs to plan additional baccalaureate completion programs on those community college campuses willing to participate.

- The proposals that emerge from these discussions should exhaust the additional funding for distance learning initiatives provided by the 1996 General Assembly. However, the data generated by the surveys summarized in this report will provide rich information for the planning that will continue throughout 1997-98 as the University develops proposals for state funding of off-campus and distance learning programs.

Additional steps that will be taken to advance the ongoing planning of the University for off-campus and distance education include:

- Appointment of an official at UNC General Administration with specific responsibility for coordinating and facilitating off-campus and distance education.
- This official will work with an advisory council representing all UNC institutions in order to foster inter-institutional cooperation and collaboration in off-campus programming. Institutional representatives, after reviewing the needs assessment data, will be urged to collaborate in offering programs in cases where collaboration would provide more efficient delivery.
- The University will modify and streamline the policies and procedures for approval and delivery of off-campus and distance education so as to recognize the special circumstances created by distance learning technologies that make possible the delivery of courses and programs statewide. It will also address issues related to the allocation of enrollment, course credit, and funding as they are affected by distance education delivery.
- The University will develop a web site that will provide information on off-campus courses and programs. The ultimate goal is to make it possible for students, using computer telecommunications, to submit applications for admission (already possible for freshmen and under development for transfer students); send transcripts (under development); receive information from an admissions or financial aid advisor; register for courses; order books, etc.

In addition to the proposal for funding for off-campus instruction and distance learning, there are three proposals in the Board of Governors' 1997-99 budget request which will benefit all of the constituent institutions while, at the same time, strengthening distance learning efforts:

- Funding for information technology which, while campus-based, will increase faculty expertise in the use of instructional technologies and support the electronic transmission of educational materials on- and off-campus.
- Completion of the installation of fiber optics backbones at all institutions and completion of the wiring of all academic facilities, thereby enabling faculty in all academic areas to use instructional technology.
- Initiation of the electronic North Carolina Virtual Library, which will extend library access throughout the universities, the community colleges and the

public libraries, providing an essential element in support of off-campus instruction.

In mandating this study and the development of a plan for expanded availability of higher education in North Carolina, the General Assembly recognized the importance of higher education for the economic development of the state and of those regions that have not shared in the growing prosperity of North Carolina's urban areas. It also recognized the importance of higher education for the economic and social well-being of its citizens.

North Carolina is justifiably proud of the reputation of its University system and of the state's national stature with respect to support of higher education. One of the first actions of the State of North Carolina after it declared independence in 1776 was to adopt a Constitution which directed in part that "all useful Learning shall be duly encouraged and promoted in one or more Universities." The General Assembly of 1789 responded to that mandate by chartering the University of North Carolina and endowing it with the escheats to which the State as sovereign was entitled. Article IX, Section 9 of the North Carolina Constitution directs that: "The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense." And the Higher Education Reorganization Act of 1971, which placed the 16 public senior institutions under one governing board, asserted that one of the basic objectives and purposes of the University of North Carolina was to extend the benefits of education to the people of North Carolina. Distance learning technologies provide the means whereby North Carolina's commitment to extending the benefits of education to its people can be realized more completely than was ever before possible, bringing educational opportunity to even the most remote areas of the state.

In responding to these needs surveys, the people of North Carolina have confirmed their desire to enjoy the benefits of higher education enshrined in the state's constitution and statutes. This report thus represents the first of what can be expected to be a long line of plans that will address the growing array of technologies that will ultimately make it possible to expand access to higher education well beyond the physical boundaries of the 16 University of North Carolina campuses.

The University of North Carolina Board of Governors- Request for Authorization to Establish The University of North Carolina- Exchange Program (UNC-EP)

Summary

By its earlier action (March, 1996), The Board of Governors reauthorized the constituent institutions to permit student exchanges for education abroad. As an extension of this policy, the Board is requested to authorize the establishment of The University of North Carolina- Exchange Program (UNC-EP). The purpose of UNC-EP is to develop and implement inter-institutional exchange agreements for UNC. The goal is to provide an expanded range of international educational opportunities to UNC students at low cost. The efficiency of a system-wide effort will avoid the unnecessary duplication of exchange agreements, will add flexibility in meeting the needs of UNC students and institutions, and will enrich the international programs at smaller UNC campuses lacking resources to conduct extensive international student exchange programs on their own. By approval of this request, the Board directs the President to initiate the UNC-EP by issuance of appropriate administrative memoranda.

Rationale

The constituent institutions of The University of North Carolina have a long history in conducting study abroad programs. Interest in study overseas continues to grow as increasing numbers of students include international experiences in their degree programs. Academic departments (for example in foreign languages, business and international studies, and engineering) often encourage their majors to participate in such programs. The critical importance of these programs is a major priority of the University-wide Council on International Programs (UCIP), an advisory body formed to promote international education, under the aegis of the Vice President for Research.

Students currently can participate under an institutionally negotiated bilateral exchange agreement between a foreign institution and their own. Such agreements permit a balanced one-for-one exchange of students between the UNC institution and the foreign institution. There is no net increase in the number of students served, thus no net cost to the institutions in terms of tuition revenues. In- or out-of-state students from UNC are charged their normal tuition and counted for FTE purposes as if they were attending their home UNC institution. Correspondingly, students coming to the UNC institution from the foreign institution are charged their regular tuition, which is paid to the foreign institution, and counted in the foreign institution's enrollment. Credit from courses taken by all students participating in the exchange is recorded on the respective home institution's transcripts and, where it has been approved for that purpose, satisfies graduation requirements. The benefit to North Carolina is that all UNC students pay their normal UNC tuition

to participate in exchanges, and in many cases can attend foreign institutions at a much lower expense than if required to pay tuition to that institution. Indeed, students who are N.C. residents often could not participate without the financial arrangements underlying an exchange agreement.

This recommendation specifically focuses on the development of inter-institutional agreements to be made by UNC institutions involving student exchange programs. This will facilitate system-wide exchanges with individual or groups of institutions overseas. For example, a pilot program is underway involving the UNC campuses and the collection of nine universities in the state of Baden-Württemberg in Germany. A new initiative, The University of North Carolina- Exchange Program (UNC-EP), is proposed as a means to develop and implement future cooperative exchange programs on behalf of UNC.

The University of North Carolina- Exchange Program: Basic Framework

Administration and Governance. A Central Administrative Unit will be established to administer UNC-EP. It will be housed in an international programs office at one of the constituent institutions as determined by the UNC President. An institutional liaison, experienced in international program administration, will be appointed at each participating campus for assistance with program implementation for UNC-EP, and an Advisory Board appointed by UCIP will provide policy recommendations. Authority on final policy decisions rests with the UNC President, who will make an annual report to the Board of Governors.

The Exchanges. There will be a balance of incoming and outgoing UNC-EP students at each of the participating UNC institutions over the life of the exchange agreements. The UNC students will be enrolled as regular degree candidates at their home UNC institutions, with credits toward the degree awarded by the home institution.

Fees and Funding. Participating institutions will be assessed an institutional participation fee to provide basic operating support for UNC-EP. A graduated fee schedule may be implemented based on the level of institutional participation, and as a means to assure the full inclusion of the smaller UNC institutions. All such fees will be subject to the approval of the Board of Governors. If a state appropriation of \$75,000 per year for UNC-EP is received in response to the 1997-99 Expansion Budget requests approved by the Board of Governors, then a broader range of programs could be implemented in the near term. Student participants from UNC will pay for program costs based upon their home institution's regular tuition, appropriate fees for activities, and room and board as applicable. In other words, exchange students will study abroad for the same basic educational costs as if remaining at their home UNC institution.

Recommendation

It is recommended that the Board of Governors provide authorization to establish The University of North Carolina- Exchange Program (UNC-EP) as a means to extend opportunities for students to participate in academic exchange programs with institutions overseas. By this action, the Board directs the President to initiate the UNC-EP by issuance of appropriate administrative memoranda. Terms are to be consistent with the basic framework described above, and in accordance with the Board's statutory authority to set policies on tuition and fees, not inconsistent with the actions of the North Carolina General Assembly.

F. Ass-1145-96



The University of North Carolina

GENERAL ADMINISTRATION

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Telephone 919 962-4617

Appalachian State University

October 29, 1996

East Carolina University

MEMORANDUM

Elizabeth City State University

TO: Faculty Assembly

Fayetteville State University

FROM: Judith Pulley JP

North Carolina Agricultural and Technical State University

SUBJECT: Draft Revision of Long-Range Planning, 1994-99

North Carolina Central University

Attached are excerpts from the Supplement to Long-Range Planning, 1994-99 adopted by the Board of Governors on November 8, 1996. The schedule for future planning called for a revised plan to be adopted and published in 1995 in order to return to the normal cycle of revising the University's plan in odd-numbered years, a cycle that was interrupted in the early 1990s owing to the length of time required to prepare the 1992-97 plan. However, the large number of special studies mandated by the 1995 session of the General Assembly preempted preparation and adoption of a 1995 revision.

North Carolina School of the Arts

North Carolina State University at Raleigh

This "supplement" to the 1994-99 plan contains changes that could not be postponed until the preparation of the next scheduled plan, the 1998-2003 long-range plan. The special studies undertaken by the board in 1995-96 produced a large number of reports and recommendations that addressed important University needs and legislative mandates. Many of these new commitments were not clearly reflected in the strategic directions in the 1994-99 long-range plan. To remedy this and to highlight these emerging issues, an updated statement of strategic directions and strategies was developed.

Pembroke State University

The following summary notes briefly the changes contained in the draft revision:

University of North Carolina at Asheville

I. Introduction (attached)

University of North Carolina at Chapel Hill

Minor editorial changes of dates, etc.

University of North Carolina at Charlotte

II. The Context (revised pages attached)

University of North Carolina at Greensboro

Updating where possible the data and tables on demographic and educational trends in North Carolina and some rewriting of the text. There are new projections of enrollment through fall 2000 on page 22.

University of North Carolina at Wilmington

III. The Mission (attached)

Western Carolina University

Modest changes in the University's mission statement, mandated by legislation, are reflected in the revised text.

Winston-Salem State University

IV. Strategic Directions (attached)

The eight strategic directions and associated strategies in the 1994-99 plan have been replaced by six more focused strategic directions and associated strategies that reflect recent studies and commitments made by the board.

V. General Academic Missions of the Constituent Institutions (introduction attached)

Some institutional mission statements have been revised as requested by their respective chancellors.

The listings of authorized degree programs have been modified to reflect board actions since 1994.

The institutional organizational charts have been updated to reflect the academic organization in 1996.

VI. Schedule for Future Planning

The schedule for the next regular revision of the long-range plan has been updated (i.e., rolled forward).

Appendix

The tables have been updated.

I. INTRODUCTION

Continuous and flexible planning has been a major activity and concern of the Board of Governors of the University of North Carolina ever since the board was created in 1972. The board adopted its first long-range plan in 1976. The most extensive and significant revision of that original plan was adopted by the board in 1992.

A. Preparation of the Plan

Early in 1990, the President and the Board of Governors called for a comprehensive review and reassessment of the currently assigned missions of each of the institutions within the University of North Carolina. Instructions and guidelines were provided to the chancellors, who were asked to initiate the development of a long-range plan for the coming decade.

The planning exercise was to lay the basis for a statement or restatement of institutional mission and of key educational goals and objectives for the 1990s. Each institution reviewed its current academic program offerings, its research and service functions, its administrative structure, and its enrollment patterns and trends to identify areas where change was needed. The proposed institutional mission statements and related materials were submitted to the President in January 1991.

Before making his recommendations to the Board of Governors, President Spangler asked four distinguished consultants to review the materials and give him their recommendations on the institutional proposals. The consultants also reviewed extensive information on cultural, demographic and economic trends in North Carolina, as well as past and current enrollment characteristics and trends and projections for the future.

The consultants presented their recommendations to the President and the Board of Governors in November 1991. In their report, they examined and addressed almost 300 proposals for new degree programs, an additional number of tentative program proposals, nine requests for institutional reclassifications, and approximately 75 requests for various organizational and administrative changes.

Upon receipt of the report, the Board of Governors requested the President to forward it, along with his own recommendations, to the board's Committee on Educational Planning, Policies, and Programs for consideration and action. The committee submitted its report to the full board in February 1992. The

board approved the report at its March meeting and requested the President to prepare, in consultation with the chancellors, a revised long-range plan for the University of North Carolina, for the period 1992-93 through 1996-97. Long-Range Planning, 1992-97 was adopted by the Board of Governors in November 1992.

Long-Range Planning, 1994-99, a revision and updating of that 1992 document, was adopted by the board in 1994. The schedule for future planning called for a revised plan to be adopted and published in 1995 in order to return to the normal cycle of revising the University's plan in odd-numbered years, a cycle that was interrupted in the early 1990s owing to the length of time required to prepare the 1992-97 plan. However, the large number of special studies mandated by the 1995 session of the General Assembly preempted preparation and adoption of a 1995 revision.

This "supplement" to the 1994-99 plan contains changes that could not be postponed until the preparation of the next scheduled plan, the 1998-2003 long-range plan. The special studies undertaken by the board in 1995-96 produced a large number of reports and recommendations that addressed important University needs and legislative mandates. Many of these new commitments were not clearly reflected in the strategic directions in the 1994-99 long-range plan. To remedy this and to highlight these emerging issues, an updated statement of strategic directions and strategies has been adopted. Because the biennial revision of the long-range plan is the point at which constituent institutions may request authorization to plan new academic degree programs, the preparation of a "supplement" also gave them a brief "window of opportunity" in which to submit their most pressing requests for change.

B. The Scope and Content of the Plan

Part II of this plan contains an update, where available, of the demographic and educational context described in the 1994-99 plan. Enrollment projections for the University of North Carolina through the fall of 2005 are also provided.

Part III sets forth a statement of overall mission for the University of North Carolina and notes the constitutional and statutory mandates which help to shape that mission.

Part IV contains an updated statement of strategic directions which the Board of Governors

will pursue in the fulfillment of its mission during the remainder of this planning period.

Part V presents the general academic missions for the constituent institutions, including for each of them: a general statement of its educational mission; its descriptive classification; all currently authorized degree programs; all new programs authorized for planning in the period, 1996-99; and an organizational chart showing primarily the academic structure of the institution.

Part VI outlines the schedule for future planning.

The strategic directions and the programmatic thrusts contained in this plan constitute an ambitious agenda in the face of continuing fiscal constraints. Nevertheless, they reflect a deep commitment to respond to genuine needs and to contribute to the development and well being of the state and its citizens.

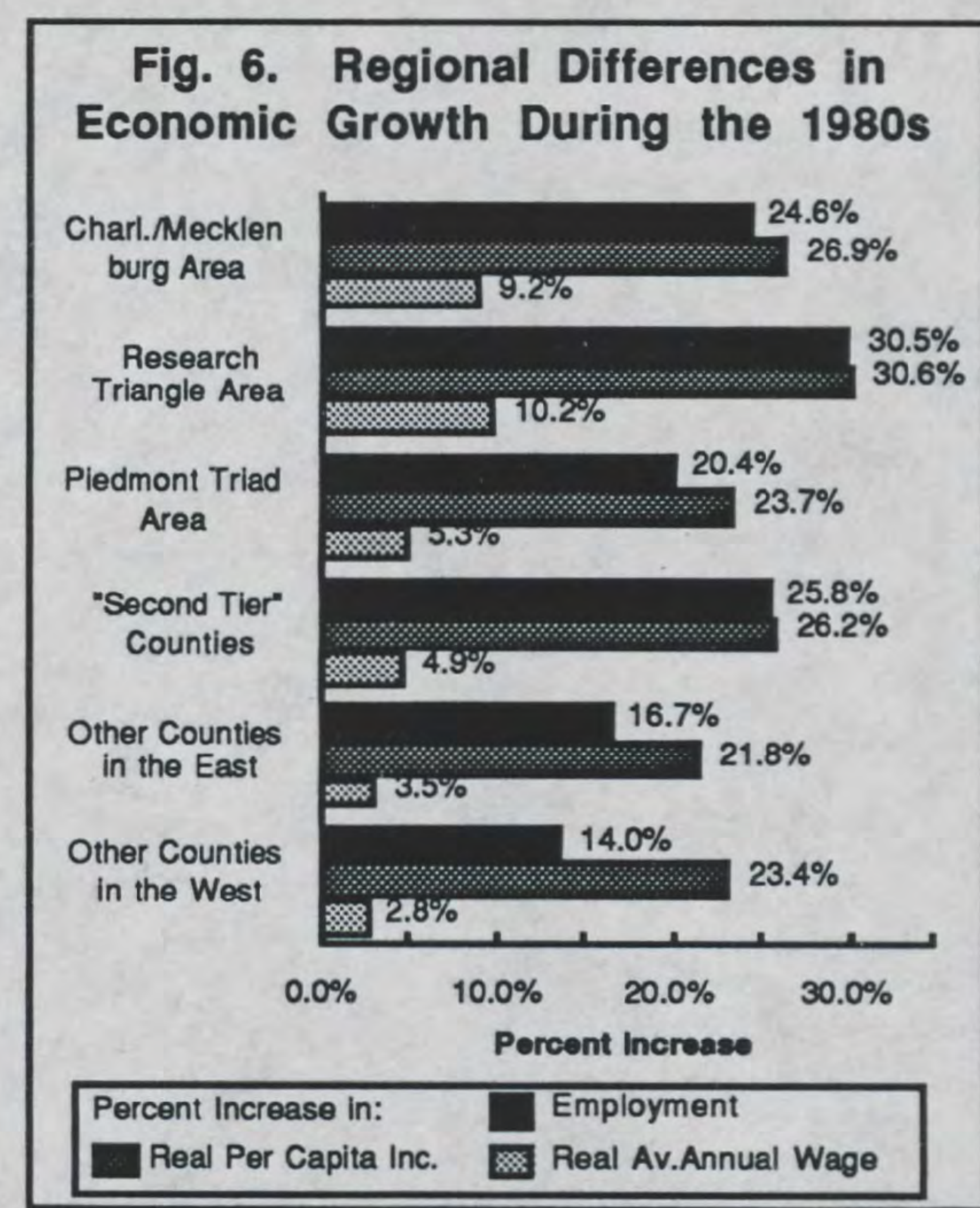
If the University is to fulfill its proper role, the chancellors, the President, and the Board of Governors must plan for the future with the confidence and hope that the citizens of North Carolina will continue their strong support for higher education.

A second implication is that North Carolina's labor force has needed, and will increasingly need, training or retraining in other languages, in foreign affairs, in foreign business practices, customs, and laws, and in the geography, history, and culture of North Carolina's trading partners. The importance of this need is underscored by a new Department of Education Research Report: What Employers Expect of College Graduates: International Knowledge and Second Language Skills, July 1994. The report notes that 26 percent of U.S. colleges and universities now require a foreign language for admission (up from 14 percent in 1982-83) and 58 percent now require a foreign language for graduation (up from 47 percent a decade ago). It encourages "internationalizing the curriculum."

It should be noted that North Carolina's economic growth, like its population growth, has been geographically uneven. A theme developed in Business North Carolina (April, 1992) is that counties that have shown the highest rates of growth are those that are clustered around a large city or group of smaller cities, seek growth aggressively, and engage in multi-county level planning. The Charlotte/Mecklenburg and Research Triangle Park areas have met these conditions and have grown most rapidly; the Greensboro/High-Point/Winston-Salem Triad, less so. A second tier of counties which enjoy a particular advantage but lack the large city or cluster of smaller cities to define a metropolitan area have also grown rapidly. In this group are Buncombe, Burke, Caldwell, Catawba, Cumberland, Edgecombe, Nash, Wilson, New Hanover and Pitt counties. The remaining counties in the eastern and western parts of the state have experienced the slowest growth.

Another important variable in state-level economic planning is the level of defense spending. North Carolina is fortunate in not having any military bases proposed for closing and, in fact, has experienced some growth in troop levels and civilian workers at one or more bases. The North Carolina economy has thus been spared the spending cuts and tax revenue losses that downsizing and consolidation have caused in other states. This means that post secondary institutions will face growing demands for education and training from three groups: (1) high school graduates who would otherwise have enlisted in the military not needed in a smaller force; (2) discharged military personnel, many of whom earned educational benefits during their service; and (3) military personnel from other states who relocate to North Carolina. On balance, therefore, the downsizing of the military is expected to strengthen the North Carolina economy and increase the demand for higher education.

What do these recent economic changes portend for the current planning period? It is clear that North Carolina's economy, as measured by per capita income, total employment and real personal income, has grown more rapidly than the nation's. To the extent that tax capacity can be measured by these variables, it follows that its tax capacity has grown faster than the nation's also. Unfortunately, the official projections of the Office of State Planning forecast a slower growth for the state than for the nation on these variables over the next five years. If true, this suggests that the economic gap between North Carolina and the nation is likely to widen over this period. The role of higher education in closing this gap is addressed in the following sections.



C. North Carolina Higher Education

There are three sectors of higher education in North Carolina: the University of North Carolina composed of 16 public universities; the Community College System composed of 58 public two-year institutions; and the private sector composed of 35 independent four-year colleges and universities and two independent junior colleges.

Institutions within all three sectors have experienced considerable growth in enrollments and in degrees conferred, as Table 4 shows. Enrollments increased by 25 percent during the period 1975-1985, and increased by another 19.5 percent during the period 1985-1995. Since 1975 fall enrollments have increased by about 52,500 in the community colleges, 49,000 in the public universities, and 14,500 in the private sector.

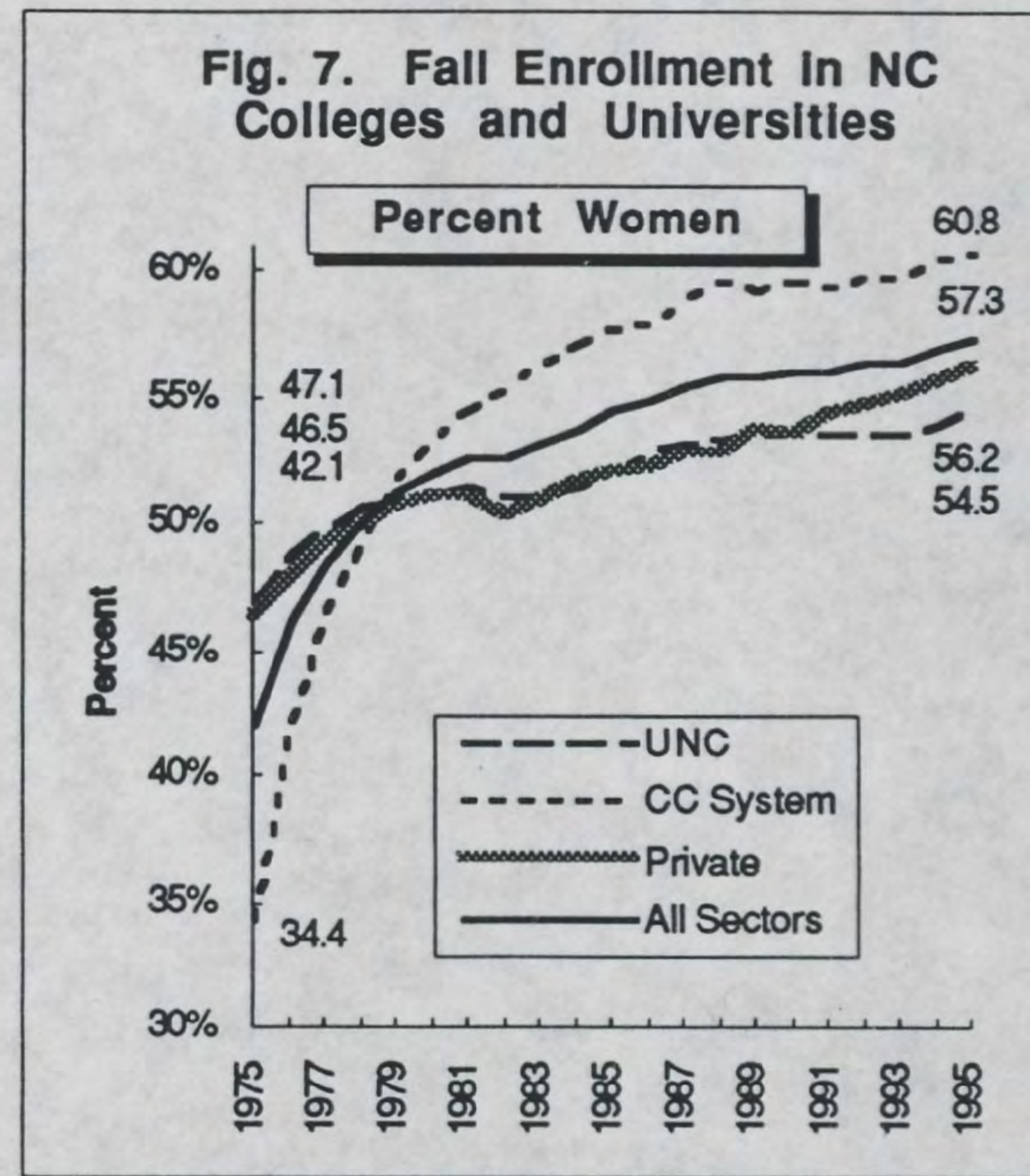
Measure	1975	1985	1995
Number of postsecondary institutions:			
Community colleges			
Total	57	58	58
College transfer	17	24	58
Private 4-yr. col. & univ.	29	31	35
Private 2-yr. colleges	9	7	2
Public 4-yr. col. & univ.	16	16	16
Total no. of institutions	111	112	111
Fall headcount enrollments:			
Community colleges			
Total curriculum	94,327	128,918	146,842
College transfer	10,938	19,325	37,469
Private 4-yr. col. & univ.	42,345	50,648	61,676
Private 2-yr. colleges	5,659	4,233	776
Public 4-yr. col. & univ.	104,786	125,274	153,825
Total	247,117	309,073	363,119
Degrees conferred:			
	1974-75	1984-85	1994-95
Sub-baccalaureate cert.	4,390	5,652	8,980
Associate degrees	8,065	10,527	13,977
Baccalaureate degrees	23,344	24,747	32,317
Master's degrees	4,464	5,285	7,516
Doctoral degrees	773	678	1,001
First professional degrees	1,003	1,423	1,589
Law	575	784	789
Dentistry	73	77	72
Pharmacy	-	6	91
Medicine	289	431	459
Veterinary medicine	-	37	70
Theology	66	88	108
Total degrees conferred	42,039	48,312	65,380

UNC-GA Planning/LRP.AT001A/8-19-96

Although college transfer program enrollments in the community colleges have more than tripled since 1975, they still represent only 26 percent of the curriculum enrollment in the community colleges. The drop in enrollments at private junior colleges reflects a decline in the number of such institutions: one closed and six others have become four-year institutions.

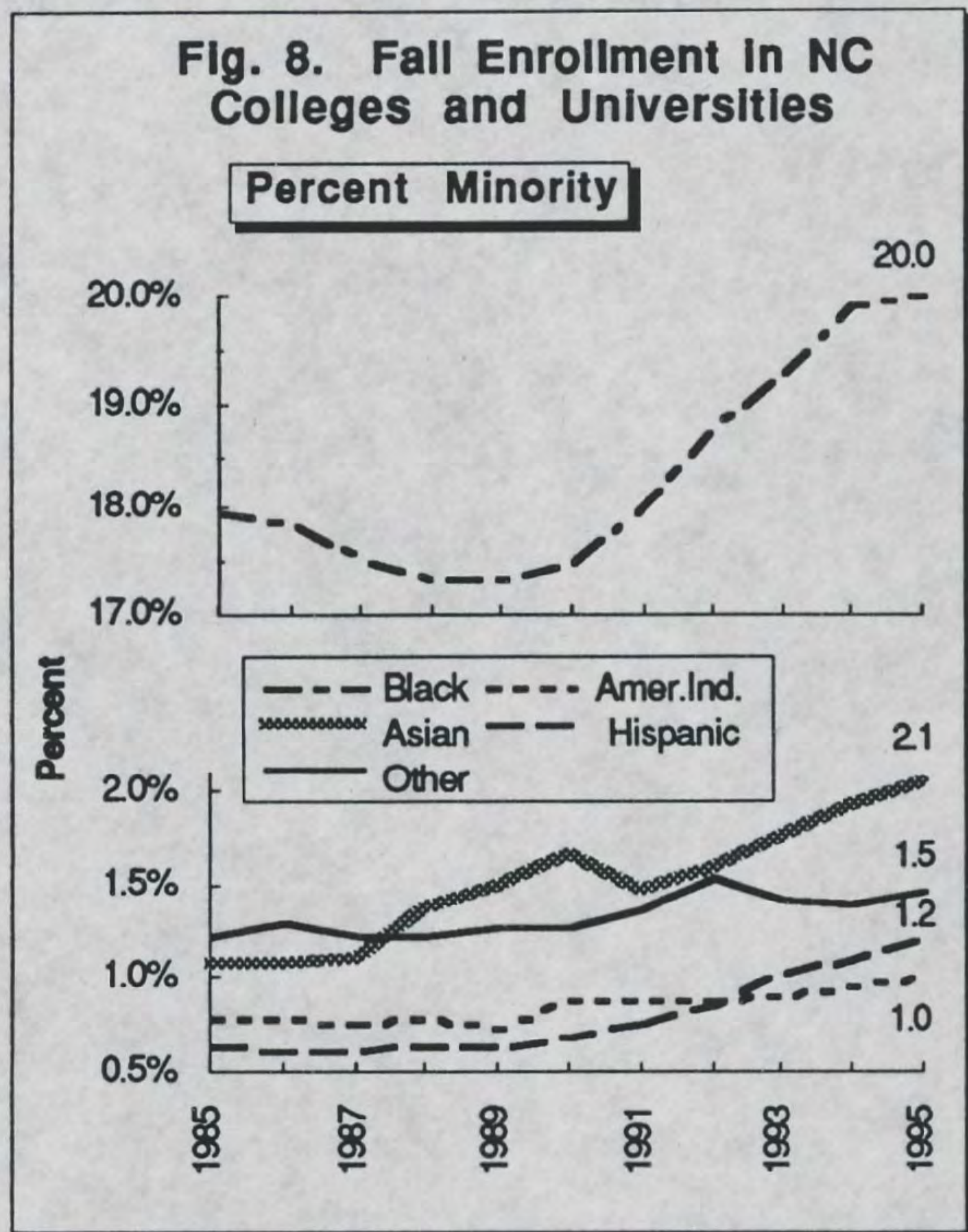
Degree production over the past 20 years has increased by 56 percent. In percentages, the increases have been greatest at the associate level, followed by master's degrees. The lowest percentage increase has been at the doctoral level (29 percent).

Propelling the increases in enrollments and degrees conferred over this period have been greater rates of college participation by women, minorities, non-traditional students, and college graduates returning for post graduate studies. A disproportionate number of those students, particularly non-traditional students who faced competing demands on their time at work and home, chose to attend college on a part-time basis. These trends are charted in Figures 7 through 11.



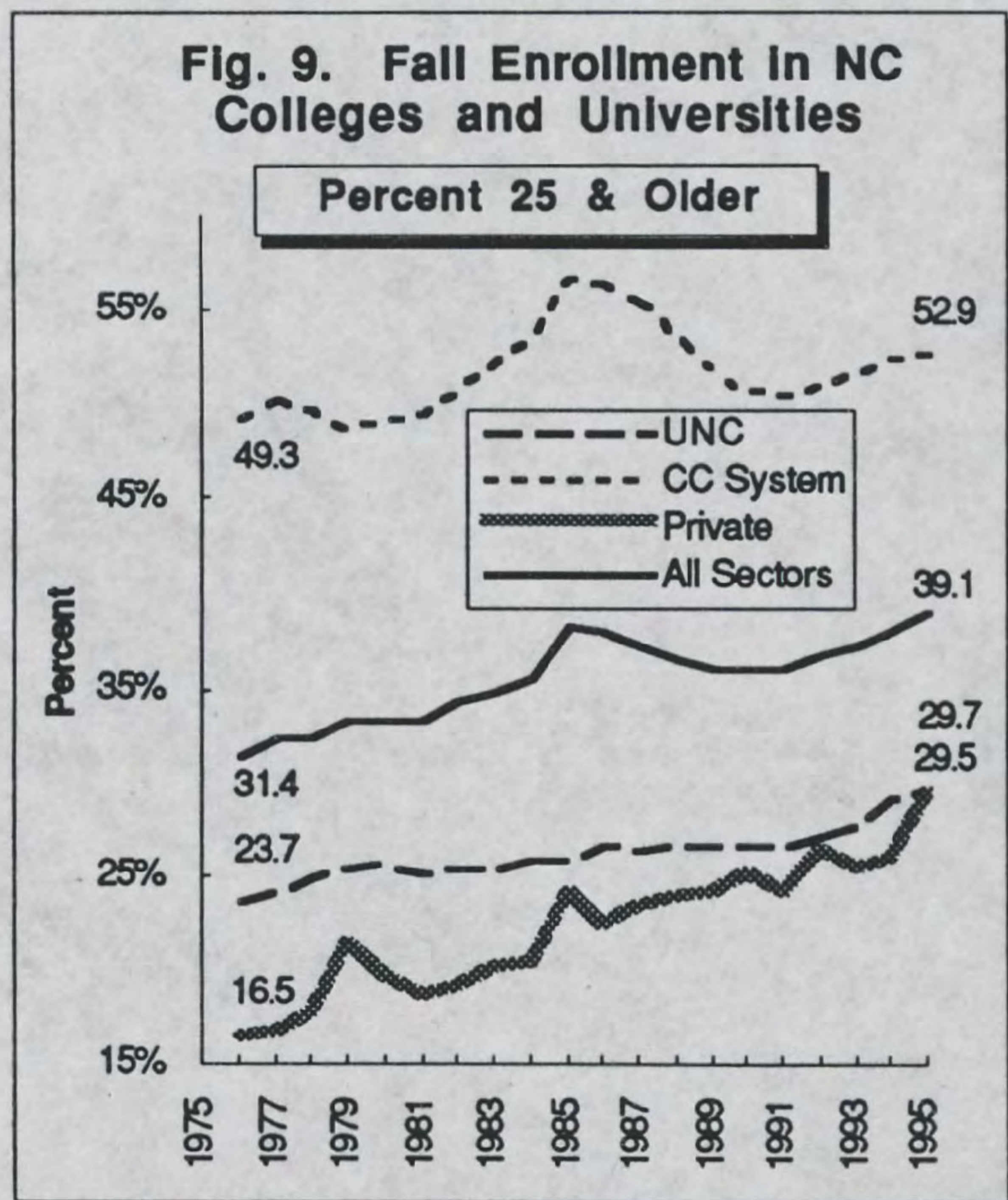
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Figure 7 shows a striking increase in women's college enrollments from 42.1 percent of total enrollments in 1975 to 54.5 percent in 1985, and to 57.3 percent in 1995. There was little variation in this trend among sectors, except for the dramatic increase in the enrollment of women in community colleges following the recession of 1975-76, and it has slowed in all three sectors.



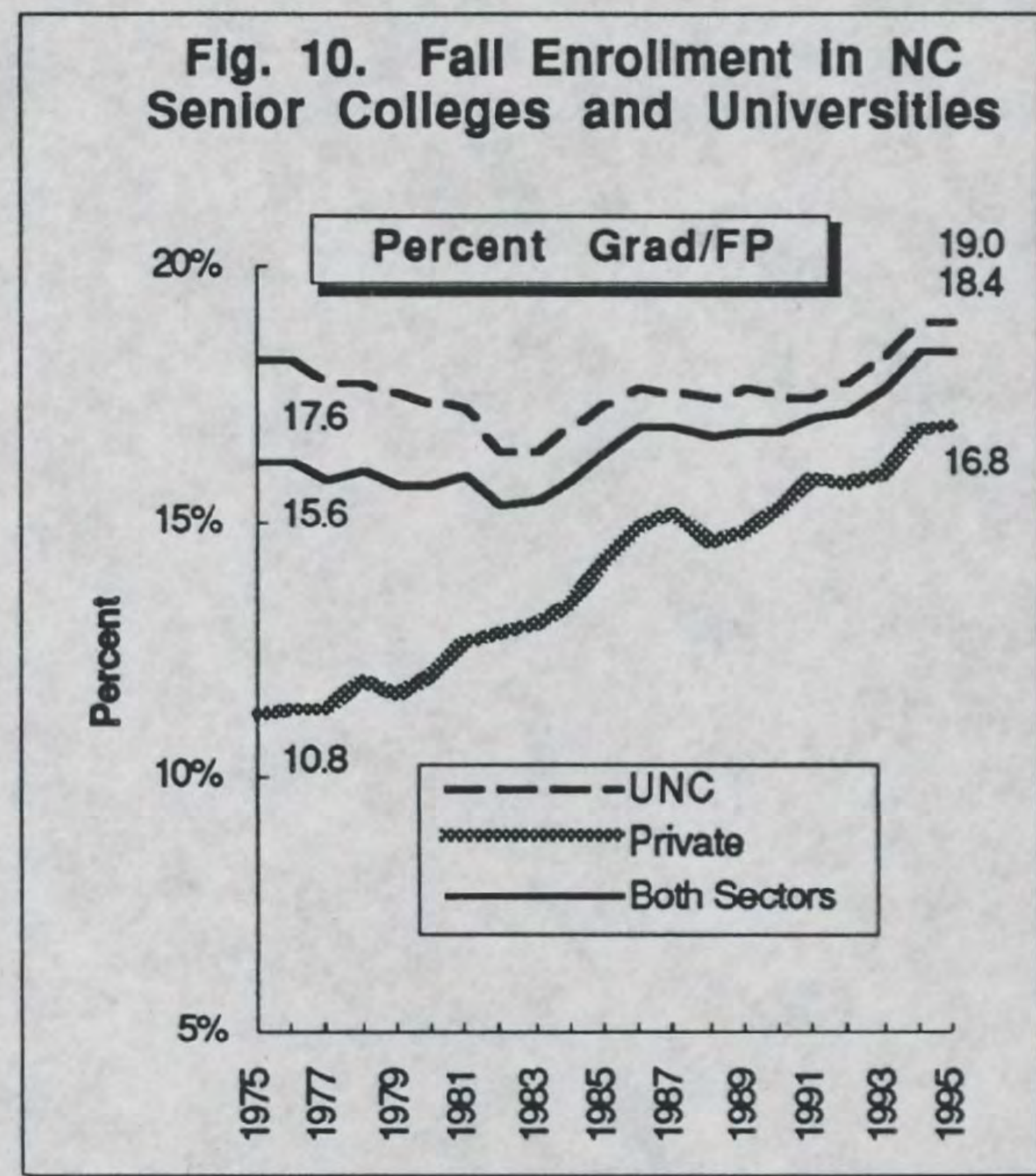
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Figure 8 reveals that the increase in minority enrollments has been somewhat erratic over this period. Enrollment of blacks, North Carolina's largest minority group, decreased from below 18 percent of total enrollment in 1985 to 17.3 percent in 1989, and then increased to 20 percent in 1995. The increase since 1991 has been striking.



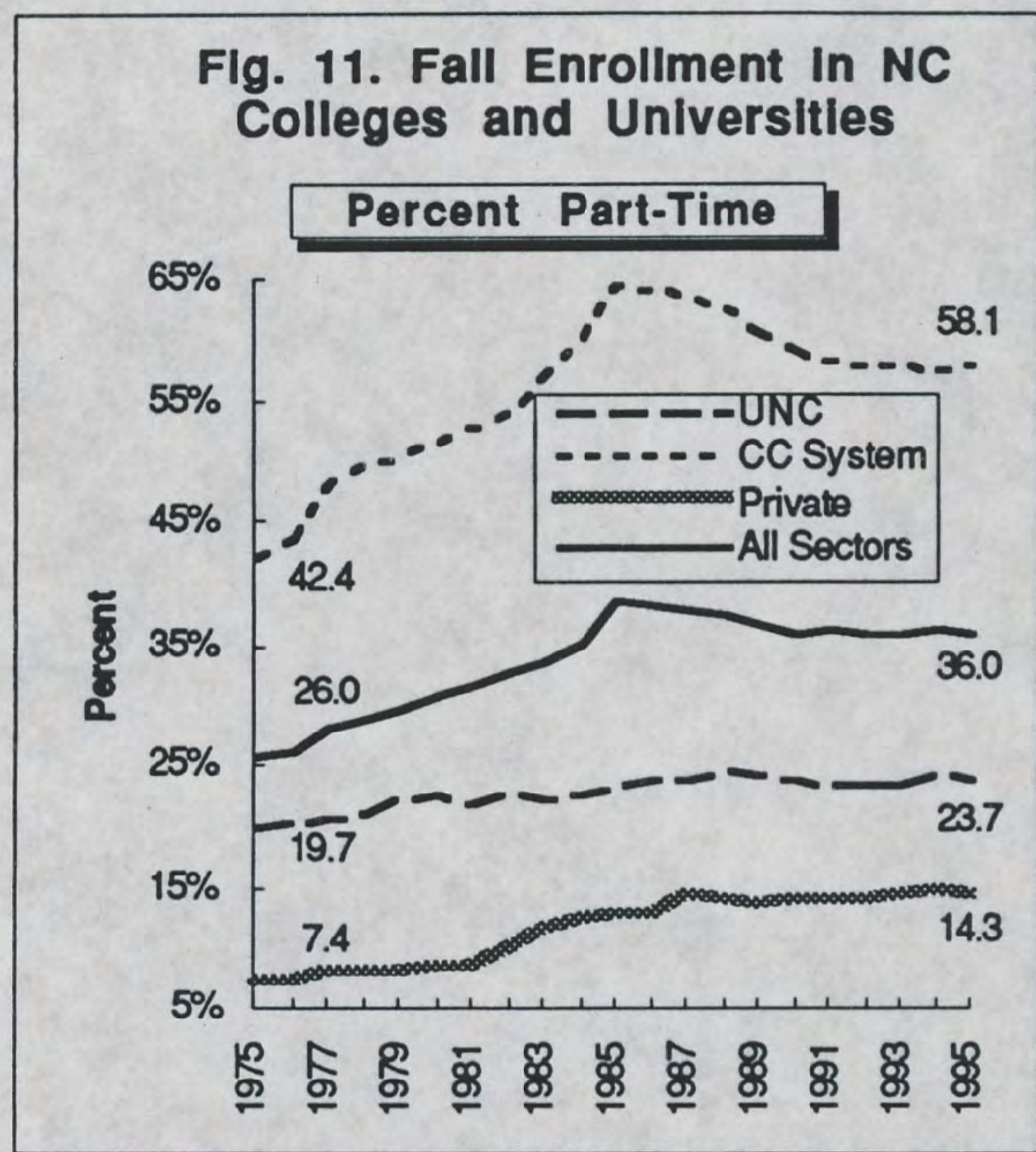
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Figure 9 shows an overall increase in the enrollment of students 25 and older from 31.4 percent of total enrollment in 1976, when data on the age of students was first collected, to 39.1 percent in 1995. In the private institutions, the proportion of non-traditional students is now about the same as that of the public universities. The percentage of students 25 and older in the community colleges ranged from 49 to 57 percent over this period and was at 53 percent in 1995.



UNC-GA Planning/LRP.AG001E/8-22-96

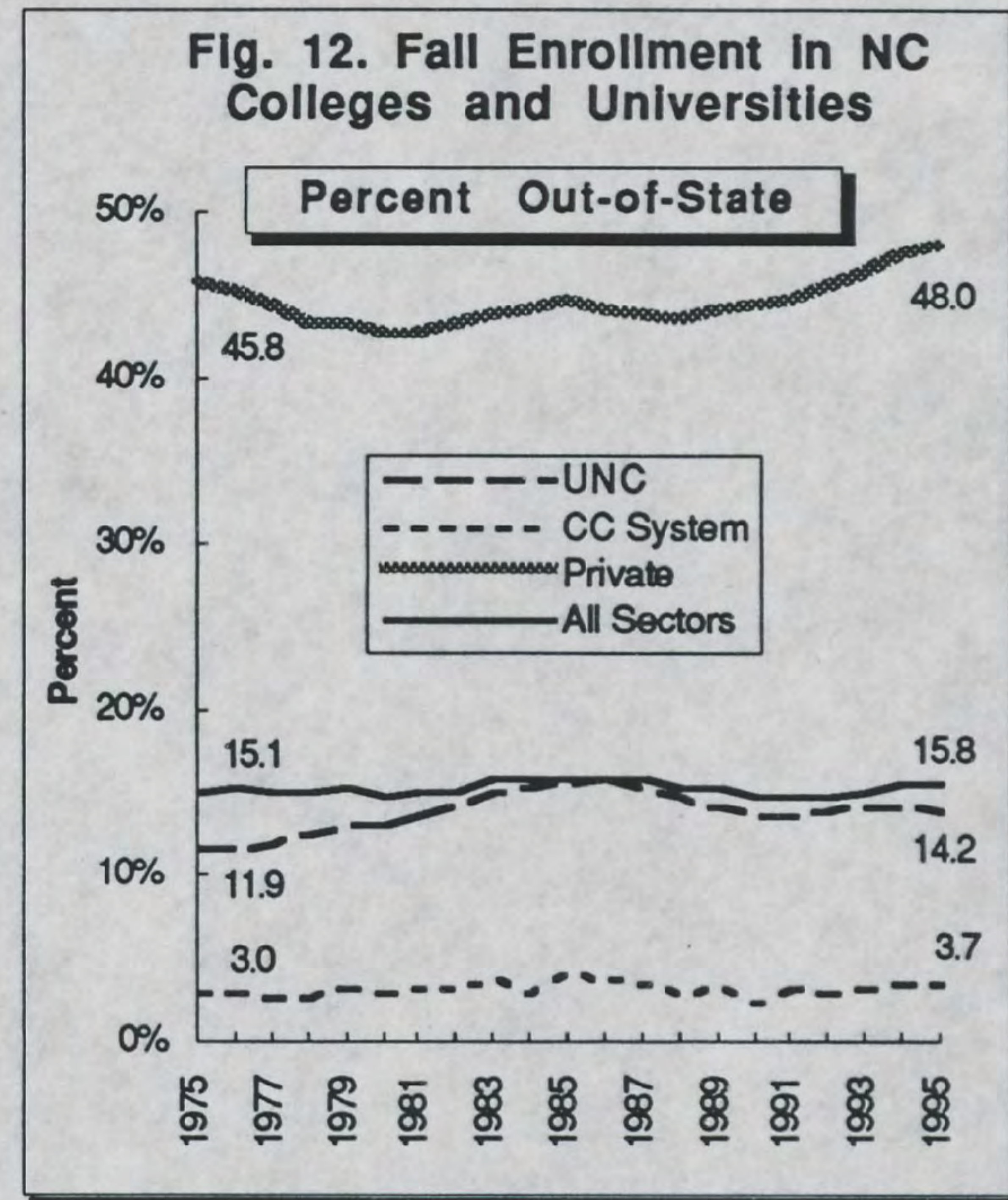
Figure 10 plots the percentage of enrollments at the graduate or first professional level. Enrollments at this level increased from 15.6 percent of total enrollment in 1975 to a level of 18.4 percent in 1995. The increases in the private sector have exceeded those at the public universities largely because of the growing number of private institutions now offering master's level programs. Campbell University has also added professional programs in law and pharmacy. Doctoral level enrollments, largely concentrated at UNC institutions, have been restrained as an overproduction of doctorates nationwide was corrected during the 1980s. Projections of faculty shortages in response to projections of record numbers of faculty retirements in the late 1990s are now bolstering doctoral level enrollments.



UNC-GA Planning/LRP.AG001C/8-22-96

Enrollments of part-time students increased from 26 percent of total enrollments in 1975 to 36 percent in 1995. Increases were greatest in the community colleges where almost two out of three students attended part-time in 1985. Since then, part-time student enrollments have grown more slowly than full-time enrollments and their percentage of total enrollments has fallen 2.6 points since the 1985 peak.

Another significant trend has been the drop in the percentage of out-of-state students enrolled at UNC institutions—from over 15 percent in 1986 to 14.2 percent in 1995. In the private sector the percentage increased from 45.8 in 1975 to 48 in 1995.

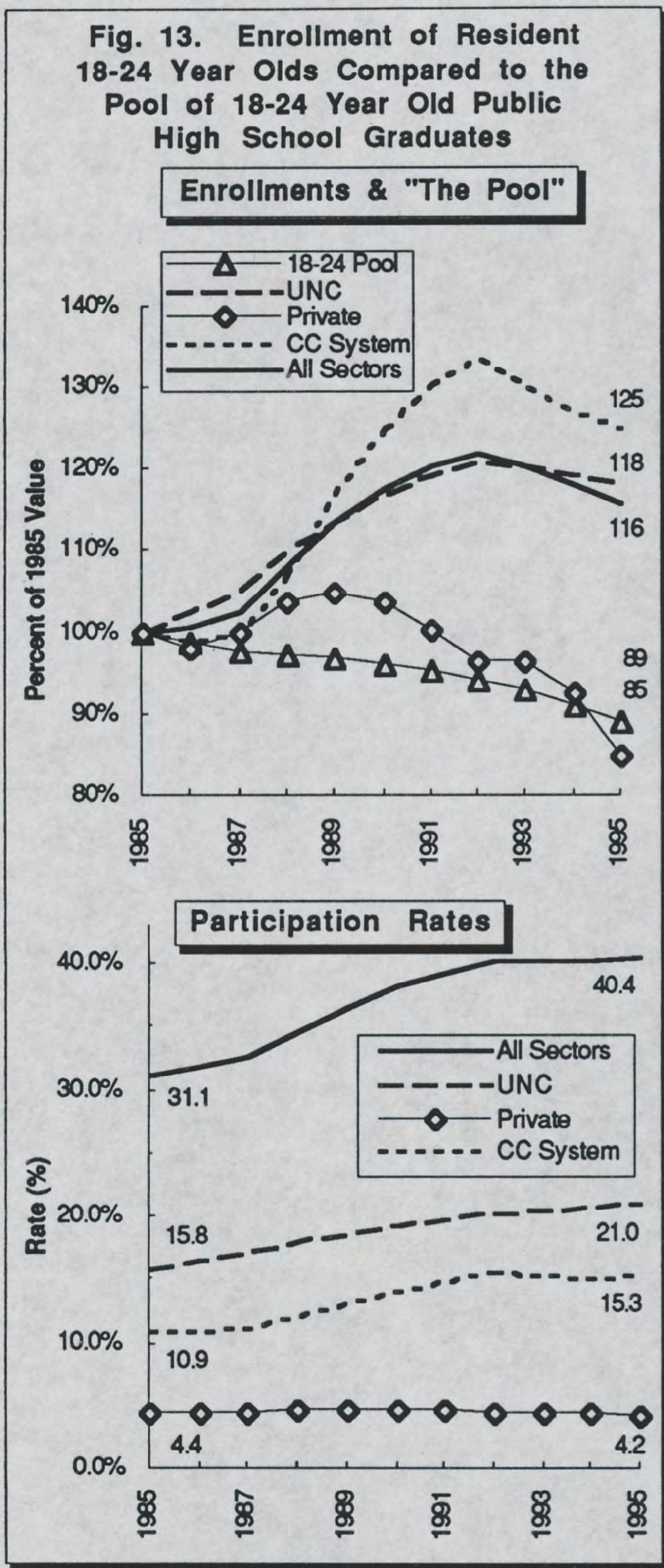


UNC-GA Planning/LRP.AG001I/8-22-96

Between 1985 and 1995, total enrollments increased by 54,046, with 46,495 from North Carolina and 7,551 from elsewhere. At the same time, the number of 18-24 year old North Carolina public high school graduates decreased by 52,350. Thus, the number of enrolled North Carolinians increased significantly in the face of a large decrease in the primary pool of traditional college-aged students.

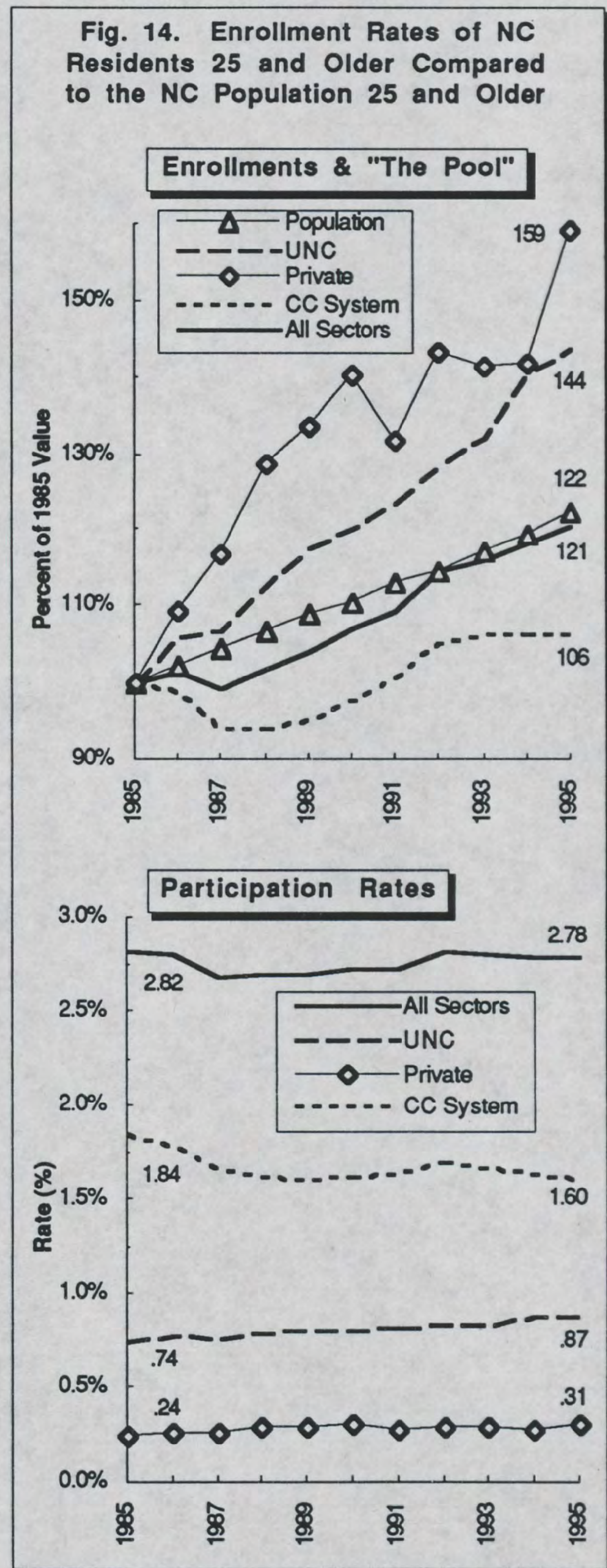
A partial explanation for this divergence between enrollments and their primary source is enrollment growth from the pool of persons 25 and older, a group which accounts for about half the growth in total enrollment. The other half, however, is due to a marked improvement in the college participation rates of 18-24 year olds.

The relationship between total enrollments of 18-24 year olds in North Carolina postsecondary institutions and the pool of 18-24 year public high school graduates is shown in Figure 13. The derived college participation rates of 18-24 year old high school graduates for each sector are also plotted in Figure 13. It is clear from these data that college enrollments depend on both the pool of potential students and on their participation rates. The significance of this statement is underscored by the realization that *each percentage point increase in the college participation rate of the 18-24 year old pool adds approximately 4,500 students to postsecondary enrollments in North Carolina.*



UNC-GA Planning/LRP.AG003A/8-24-96

Although the overall trend in participation rates has been upward, from 31.1 percent in 1985 to 40.5 percent in 1995, it should be noted that this rate has remained stable since 1992. Whether this stability persists or growth in participation rates resumes will have a significant impact on the number of students enrolling in higher education during the next decade. Similarly, enrollment projections (or extrapolations) will vary significantly, depending upon the relative weights given to the growth period versus the last three years of stability.



UNC-GA Planning/LRP.AG003B/8-24-96

Figure 14 presents similar data for persons 25 and older. There are two important differences between data in Figures 13 and 14. First, the pool of potential students 25 and older increased steadily since 1985 in contrast to the decrease in the pool of 18-24 year olds. Second, the participation rates of persons 25 and older have been lower than have those of 18 to 24 year olds and have actually posted a slight decrease in 1995. Nevertheless, if past trends in the

participation rates of persons 25 and older were to continue through the 1990s, and if the given population projections for this group are realized, the number of non-traditional students enrolled in North Carolina's postsecondary institutions will increase by more than 17,000 students by the year 2000 and by another 15,000 by 2005. Even if participation rates for this group did not change from their 1995 value, enrollments of older students would still increase by about 20,000 over the next ten years.

Enrollment levels are determined by participation rates of a pool of potential students. Those pools depend upon the size of the population and the number of high school graduates — variables influenced by the demography and economy of the state. Participation rates, however, are influenced by more complex variables ranging from the educational preparation of high school graduates, to the financial benefits and costs associated with college attendance, to social forces affecting attendance.

There is considerable evidence that high school graduates are better prepared for postsecondary coursework than they were in the 1980s. For example, Table 5 presents data on SAT scores that serve to put North Carolina's low ranking among the states in a more favorable light. Average scores in North Carolina increased during the 1980s as the percentage of high school graduates taking the test—over 62 percent in 1995-96—increased. The difference between average SAT scores for the state and for the nation has fallen steadily over the past 20 years. By 1995-96, the North Carolina average had increased to 96.3 percent of the national average, even though the state continued to rank near the bottom in the nation. Because state averages have moved closer to the national average in all states, state rankings have lost some of their relevance. While North Carolina should continue efforts to match and eventually exceed the national average SAT score, the significant progress made by the state should be recognized.

Table 5. Recentered SAT Trends in North Carolina and the Nation

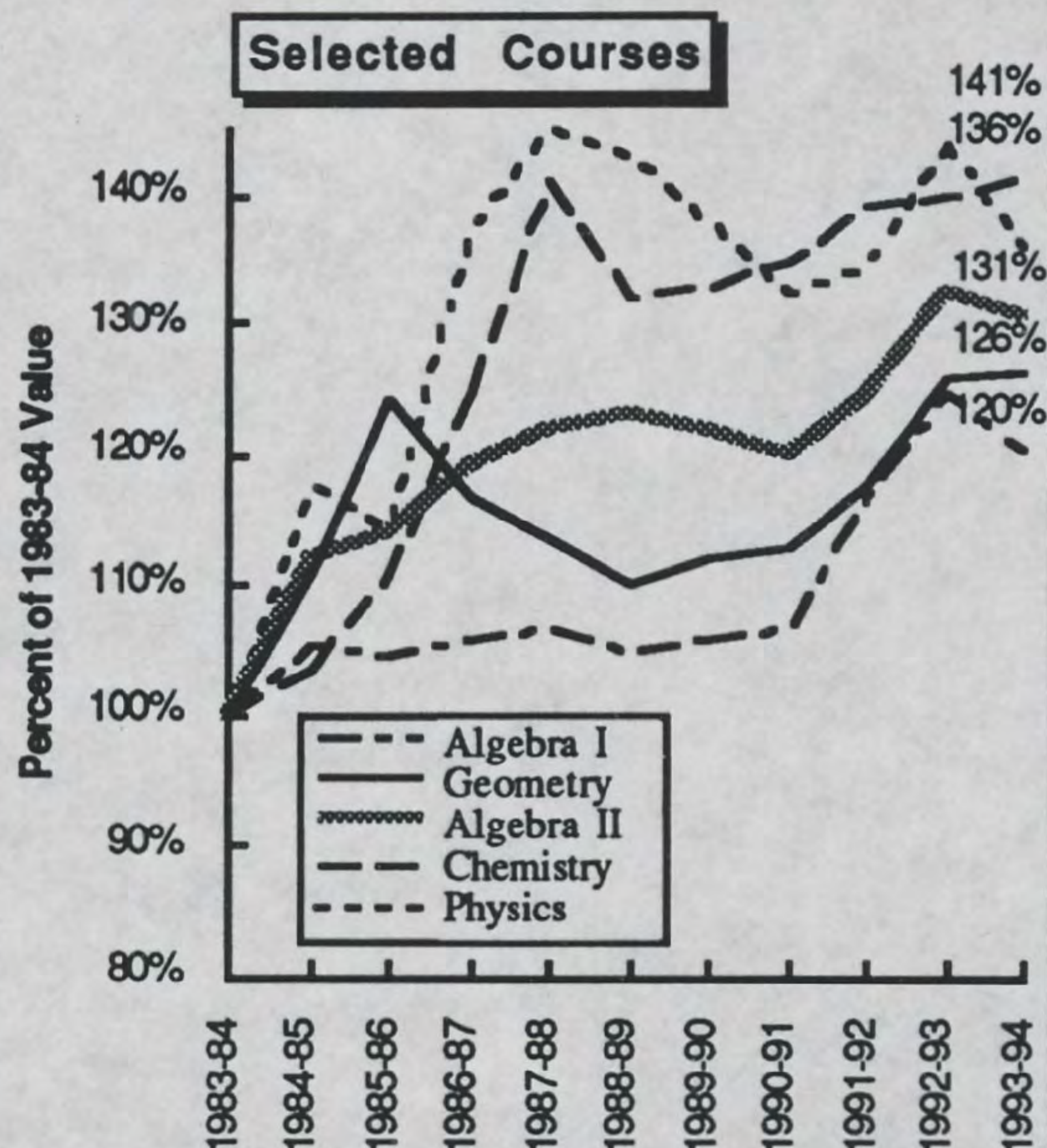
Measures	1975-76	1985-86	1995-96
North Carolina			
Recentered SAT Avg.	932	946	976
Number of Test-takers	34,593	35,921	37,574
Number of HS Grads	73,498	69,081	60,372 *
Percent Taking SAT	47.1%	52.0%	62.2%
United States			
Recentered SAT Avg.	1006	1009	1013
Number of Test-takers	999,829	1,000,748	1,084,725
Number of HS Grads	3,153,000	2,643,000	2,588,000 *
Percent Taking SAT	31.7%	37.9%	41.9%
N.C. vs. U.S. Comparisons			
SAT Difference	-74	-63	-37
N.C. Ave. SAT as a % of U.S. Ave. SAT	92.6%	93.8%	96.3%

*Projected.

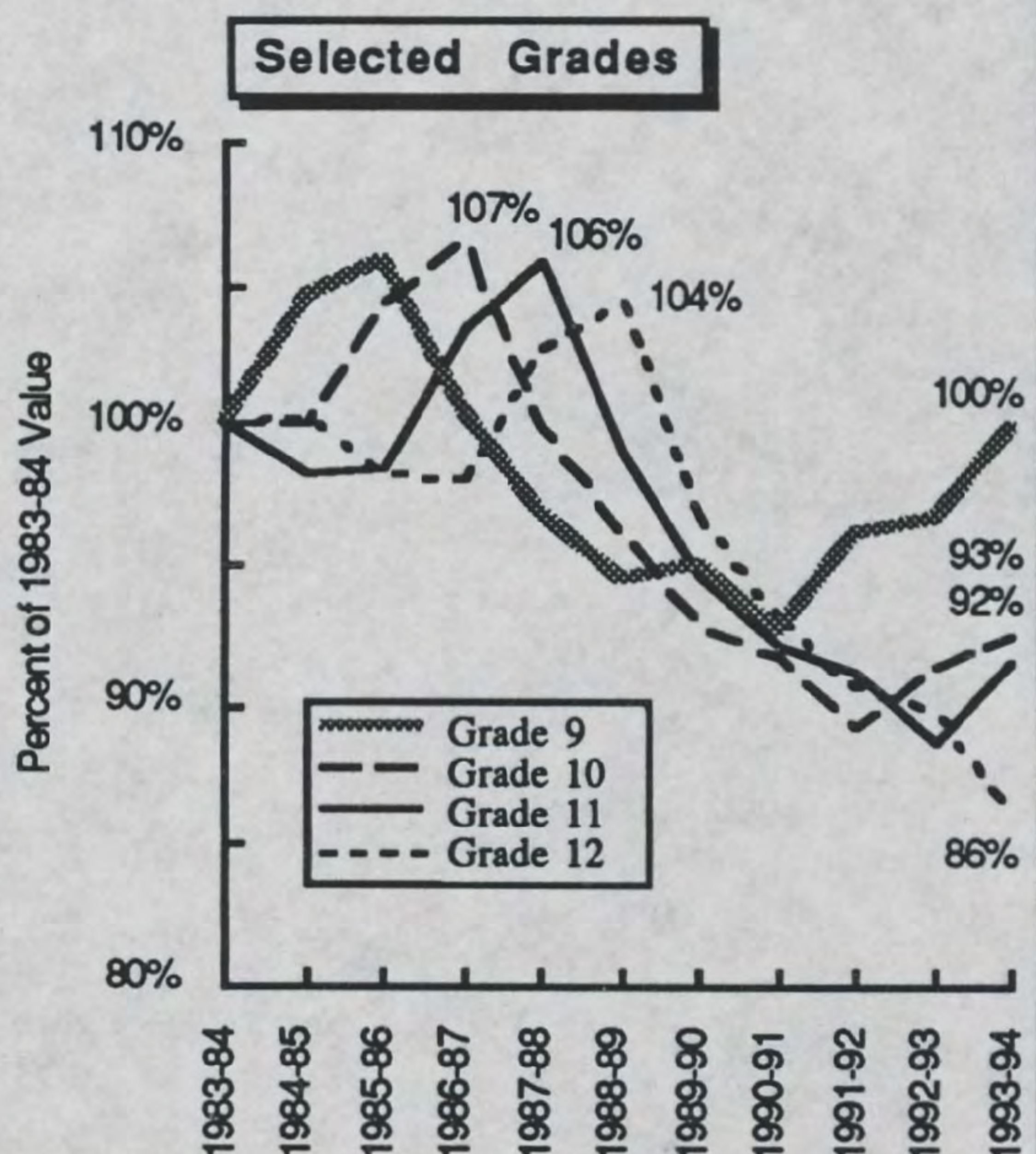
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Another indication of improved preparation for college comes from the course membership data collected by the State Department of Public Instruction. The graph at the top of Figure 15 shows the upward trend in course enrollments in Algebra I, Geometry, Algebra II, Chemistry, and Physics since 1983-84. The graph below it shows a downward trend in overall enrollments in grades 10 through 12, when those courses (except Algebra I) are typically taken. Taken together, it is clear that while grade enrollments *decreased* by up to 14 percent, enrollments in these key college preparatory courses *increased* by 20 to 41 percent.

Fig. 15. Trends in Selected N.C. Public High School Enrollments



Note: Algebra I includes enrollments in Introduction to Algebra, Part II. All data for 1989-90 have been estimated.

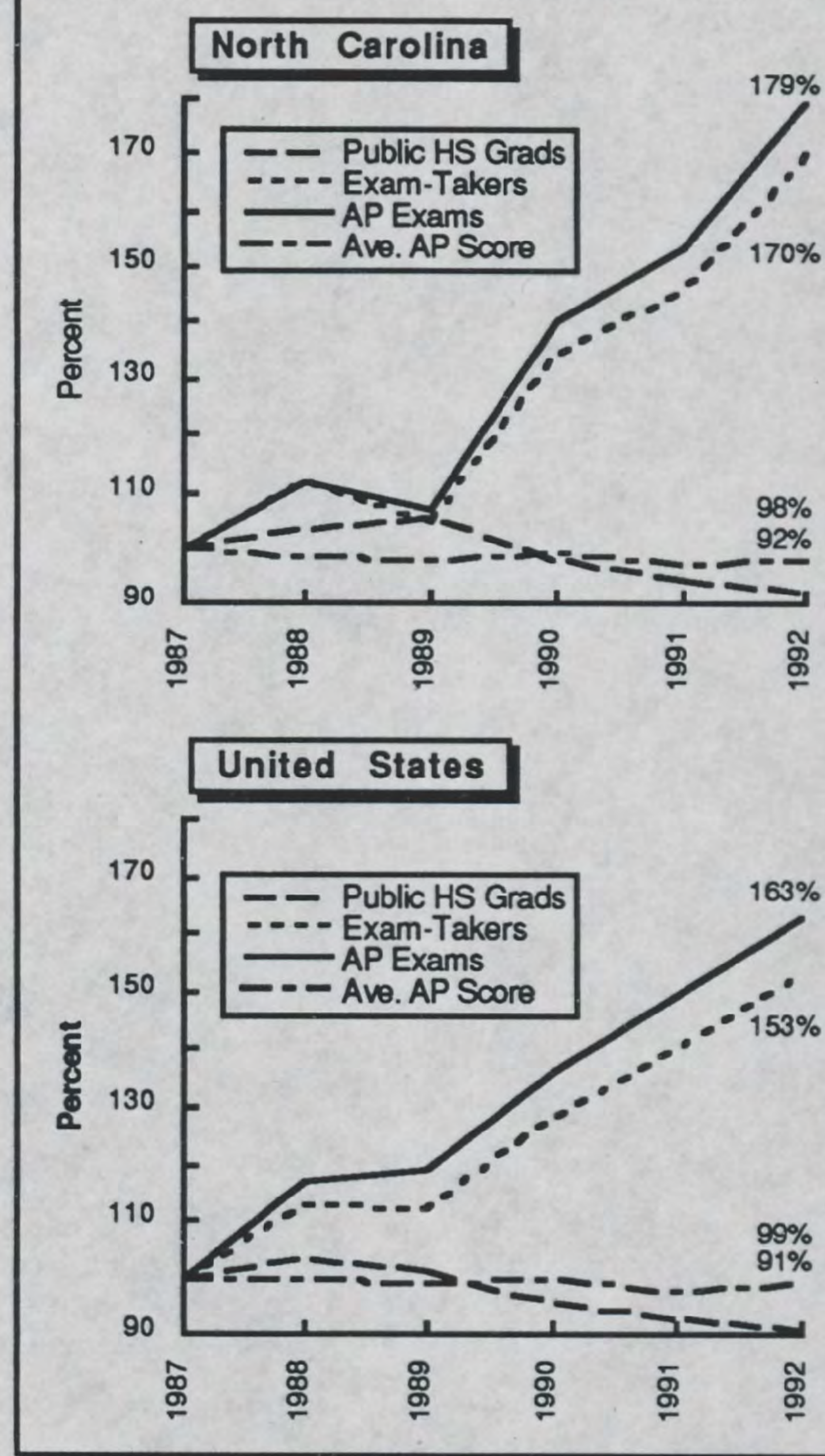


UNC-GA Planning/LRP.AG015C/8-12-94

Enrollment in Advanced Placement (AP) courses offered by North Carolina public high schools has grown rapidly since 1987. Figure 16 plots the growth in the number of AP exams taken and the number of students taking AP exams against the number of high school graduates in the public schools. It is clear from these trends that growing proportions of public high school graduates are taking AP courses in preparation for college. The growth in North Carolina has exceeded that of the nation, especially since 1989. Because all AP courses are college-level this trend is further evidence

that students in North Carolina's public high schools are improving their preparation for college.

Fig. 16. AP Data for Public High Schools: North Carolina and the Nation



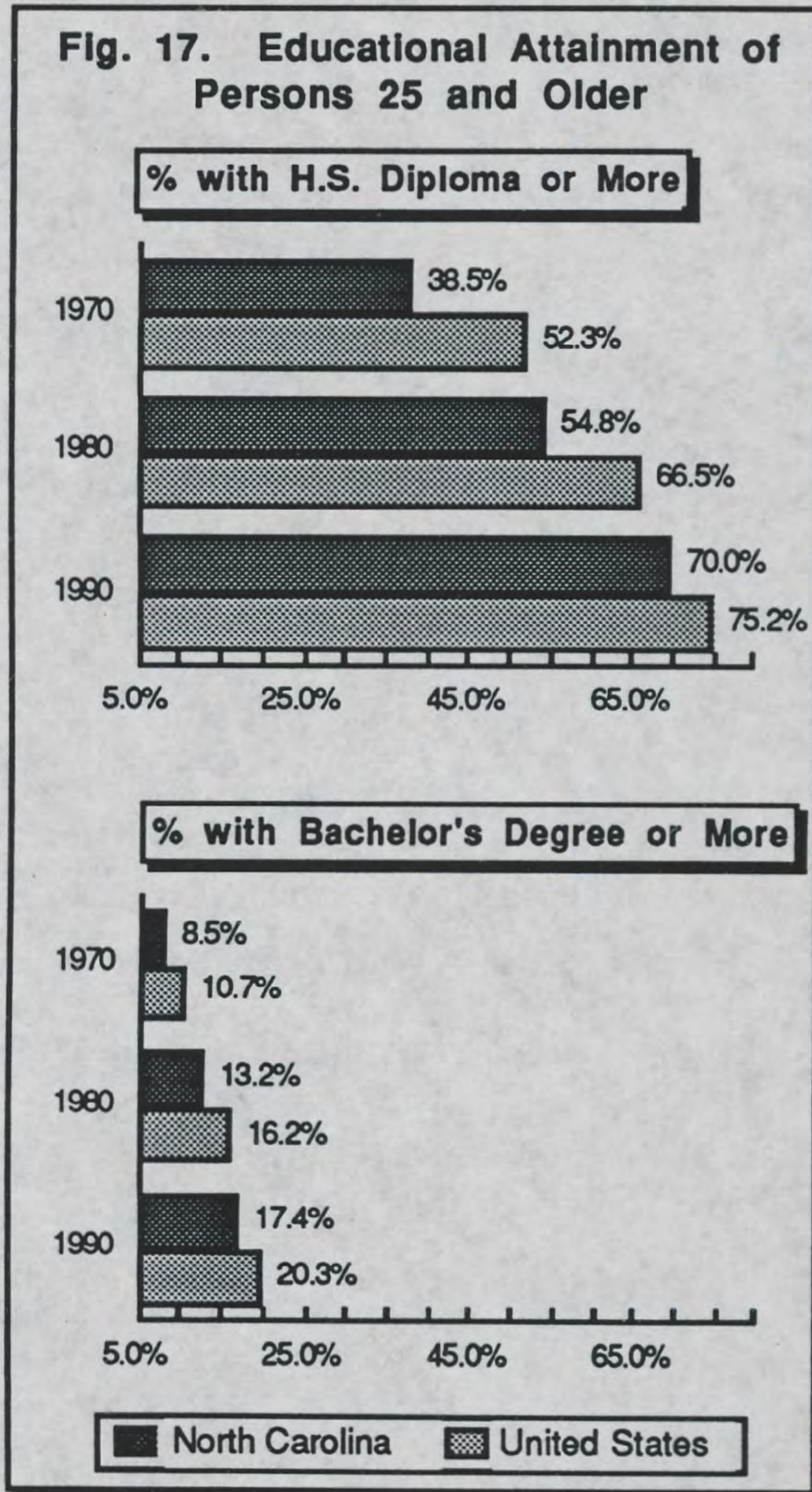
UNC-GA Planning/HSGrads.AG102A/10-10-94

It should be noted that these improvements stem from a number of state-level initiatives including: increases in high school graduation requirements, establishment of the University of North Carolina Minimum Admissions Requirements, establishment and revision of the state's Standard Course of Study with End-of-Grade and End-of-Course tests, and various efforts to strengthen mathematics and science education.

The impact of these initiatives is reflected in two telling statistics regarding freshmen in public universities: (1) the number of freshmen from North Carolina public high schools who enrolled in one or more remedial courses during their fall semester at UNC institutions decreased by 19 percent between 1987 and 1995; and (2) the percentage of freshmen returning for a second year of study increased from

78 percent for the class entering in 1982 to 81 percent for the class entering in 1994.

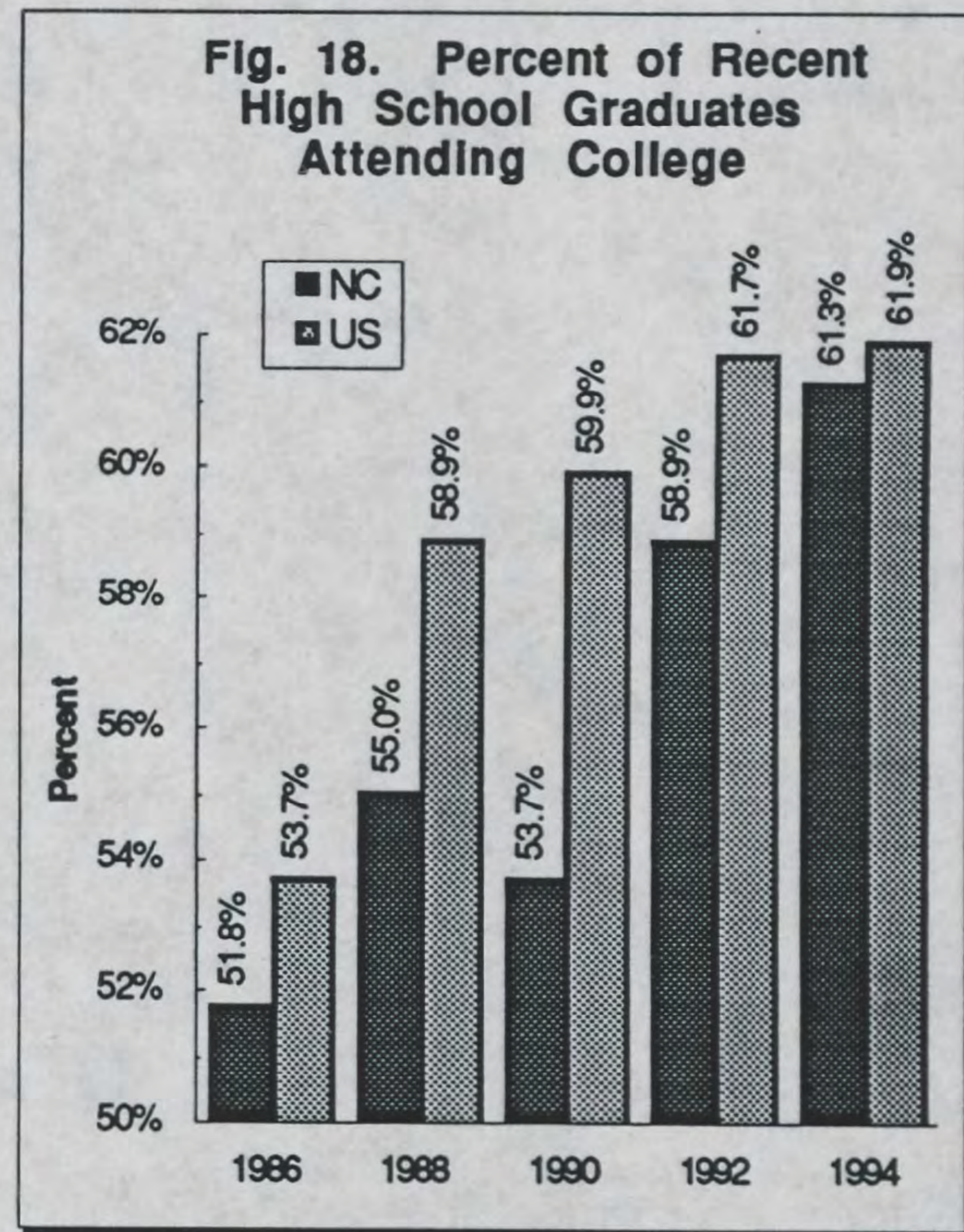
These are encouraging signs of progress in the struggle to close the educational gap between the state and the nation. The level of educational attainment of persons 25 and older as revealed in census data is displayed in Figure 17. The gap in the percentage of persons completing high school dropped from 11.7 in 1980 to 5.2 in 1990, but the gap in the percentage of persons graduating from college fell slightly from 3.0 in 1980 to 2.9 in 1990.



UNC-GA Planning/LRP.AG006A/10-10-94

The relative lack of progress in attainment of the baccalaureate degree is both cause and consequence of North Carolina's relatively low college-going rates. Figure 18 presents comparisons of freshmen college-going rates for North Carolina and the nation since 1986, when national data on residence and migration first made this calculation possible. It shows that North Carolina's freshmen college-going rate has fluctuated between 90 and 97 percent of the national rate between 1986 and 1992. However, by 1994 it reached 99 percent of the national average, reflecting the rising participation

rates depicted in Figures 13 and 14. It remains to be seen whether North Carolina's progress will be reversed as a result of the stabilization of participation rates observed since 1992. Both the national and state data are subject to some sample variability, and the measured gaps in college-going rates should thus be treated as approximate rather than precise values. Nevertheless, there is much room for further improvement.

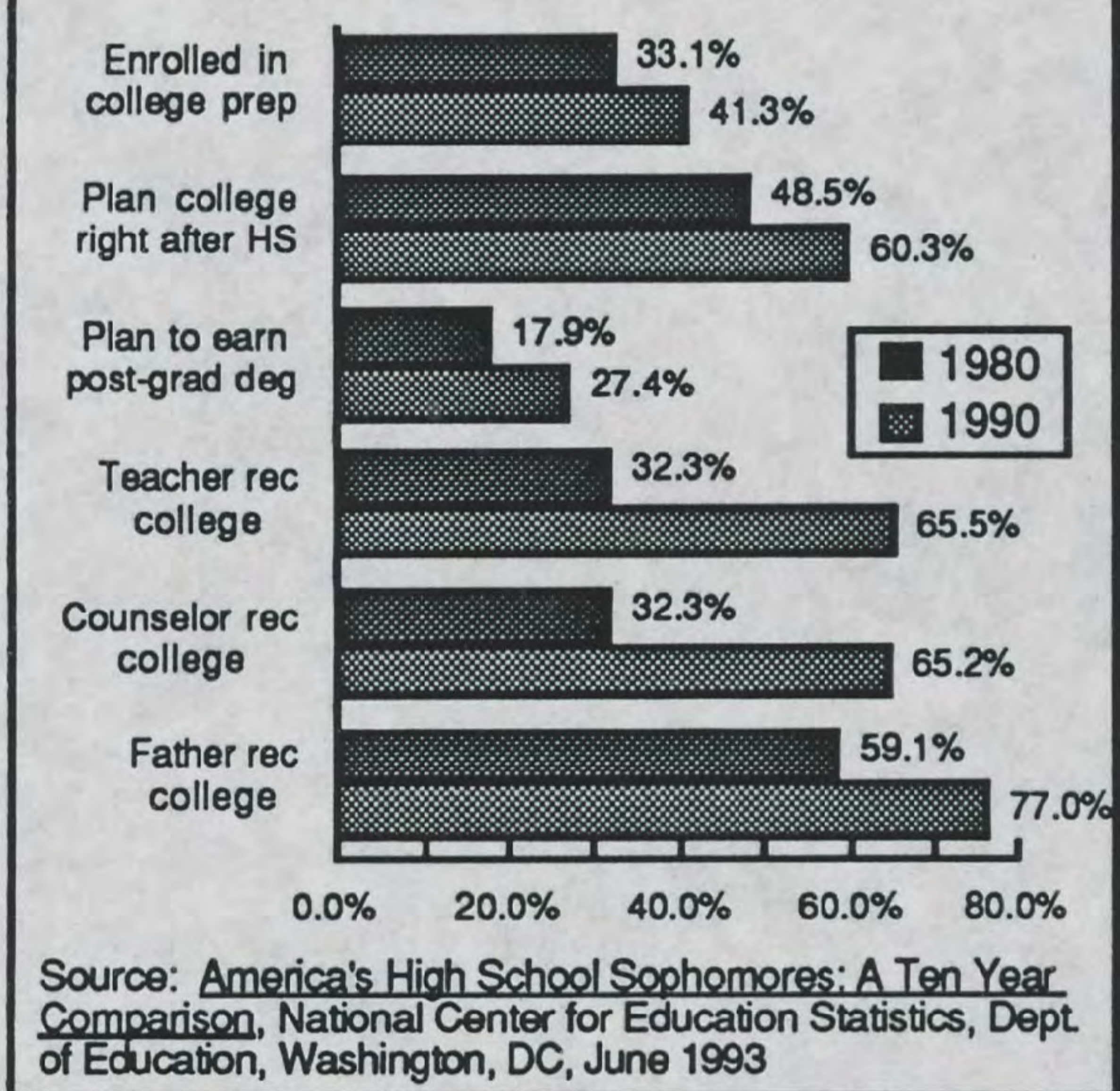


UNC-GA Planning/LRP.AG004A/8-24-96

Growing evidence that educational expectations have changed to favor college attendance is contained in two national surveys of high school sophomores. In the High School and Beyond Survey of 1980 and the National Education Longitudinal Survey of 1988, sophomores in 1980 and 1990 were asked about their high school curriculum (college prep, general or vocational), their plans to attend college following graduating, their degree aspirations, and the recommendations they had received from parents, counselors, and teachers about whether to attend college. Their responses are summarized in Figure 19.

By any measure it is clear that growing numbers of high school graduates are preparing to attend college in response to recommendations of parents and educators. In addition more students are planning to seek a postgraduate degree. These data suggest that the upward trend in college going rates in North Carolina is part of a national trend and is likely to continue for the near term.

Fig. 19. Responses of High School Sophomores to National Surveys Conducted In 1980 and 1990



UNC-GA Planning/LRP.AG025/9-13-94

Given the strong correlation between levels of education and of income, and given the growing demands for a more highly-trained and better-educated workforce, there is still a compelling need for North Carolina to raise the level of education of its citizens.

Senior institutions of higher education provide the education and training for North Carolina's advanced and professional workforce. With the exception of law, most training in professional areas is done in UNC institutions. For example, in nursing, UNC institutions conferred 87 percent of bachelors degrees and 83 percent of master's degrees in 1994-95. In dentistry and veterinary medicine it conferred all of the degrees, and in pharmacy, at all degree levels, it conferred 72 percent of the degrees. Other calculations, based on degrees conferred at all levels in 1994-95, show the UNC share in selected fields:

- agriculture and natural resources — 79 percent
- biological and physical sciences — 70 percent
- business — 58 percent
- computer science and mathematics — 72 percent
- education — 84 percent
- engineering — 89 percent
- physical therapy — 63 percent

Enrollment in these and other graduate disciplines are likely to rise as growing numbers of students prepare to replace the large number of faculty who were hired during the 1960s and are now retiring in the 1990s.

D. Fall Headcount Enrollment Projections, 1996-2005

Regular session fall headcount enrollments in the 16 constituent institutions of the University of North Carolina are projected to increase from 153,649 in 1995 to 186,714 in 2005, a growth of 33,065. This projection is somewhat lower than the extrapolation of enrollment trends that was presented in the *Plan To Expand Educational Opportunity* (April 15, 1995).

The downward revision is principally the result of 1) downward revisions in the State Department of Public Instruction projections of public high school graduates for the years 1997-2006, and 2) the estimated change in students' UNC attendance rates associated with an expected enrollment shortfall currently estimated to be roughly 2,400 students below the number that were expected to enroll in the fall of 1996. The current projections are based on the most recent projections of population prepared by the State demographer (July, 1996). They reflect changes in the UNC attendance rates of students in certain age subgroups considered in the University's statistical projection model. Data underlying these projections are presented below.

Projections of UNC enrollments are built on two elements: 1) extrapolations of the pools of potential students; and 2) extrapolations of their UNC attendance rates. Figure 20 plots data on the actual and projected pools of potential in-state students. The data show that the primary pool of potential students — 18-21 year old public high school graduates — is expected to decrease until 1997-98 and then begin increasing through the remainder of the projection period. By 2005, the number in this pool will reach approximately the same level as was experienced in 1985. Similarly, the pool of 22-24 year old public high school graduates, a primary source of non-traditional undergraduates and beginning graduate students, is projected to decrease through 2002 and begin increasing steadily after that year. By 2005, the number in this age group will have increased to a level that is still below the level experienced in 1995 and 1996 and considerably below the level experienced in 1985. In addition, the pool of 25-35 year old North Carolina residents is projected to decrease gradually over the next decade, reaching a level in 2005 that is slightly below the levels experienced in 1995 and 1996. Only the pool of North Carolinians 36 and older, a group that accounts for only 11 percent of the University's current headcount enrollment, is projected to increase significantly during this period. Taken together, the data in Figure 20 suggest that enrollment growth will come disproportionately during this period from older students and — in the latter years of the decade — traditional college going high school graduates.

Fig. 20. Pools of Potential In-State Students (Actual and Projected)

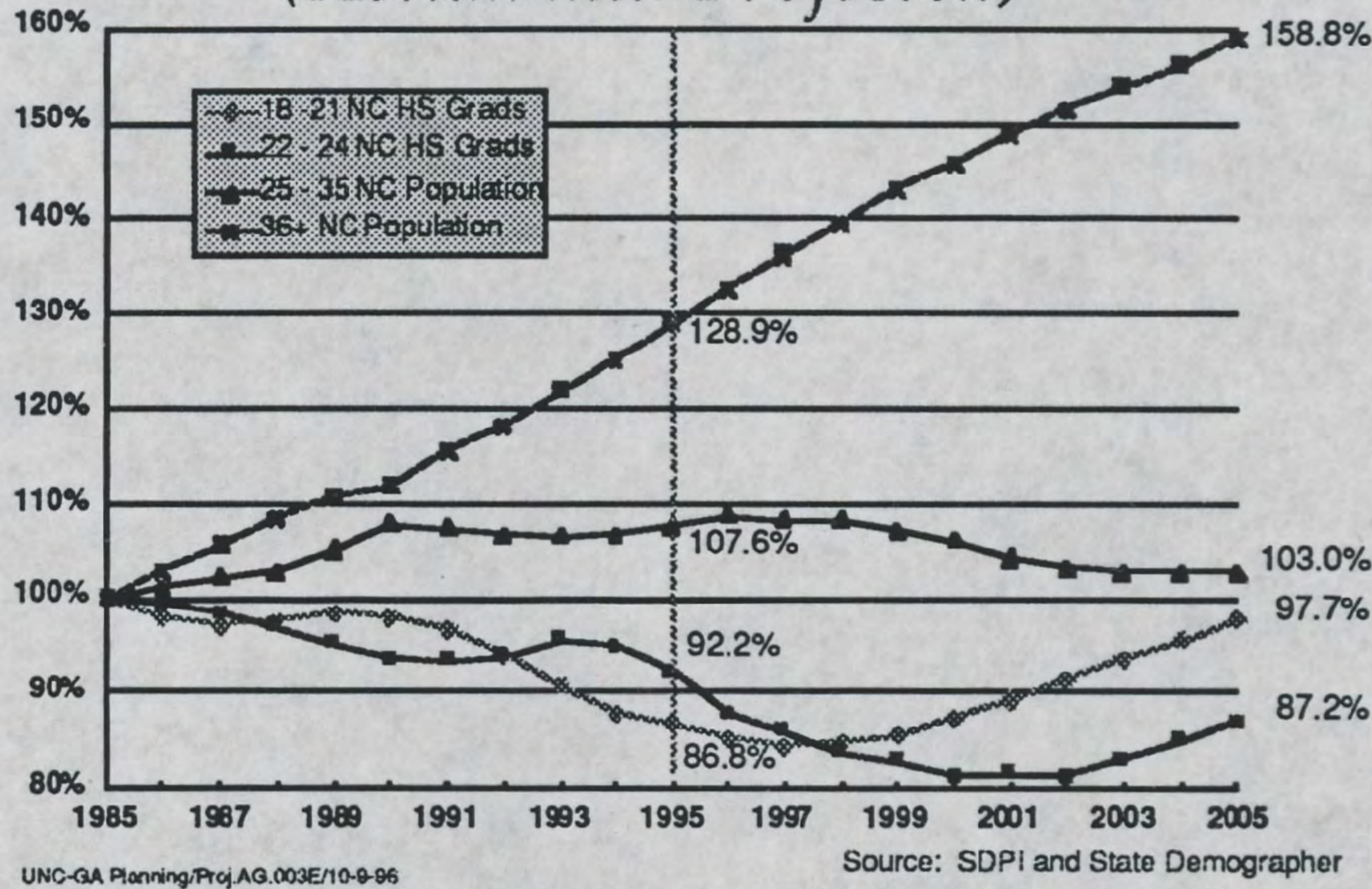
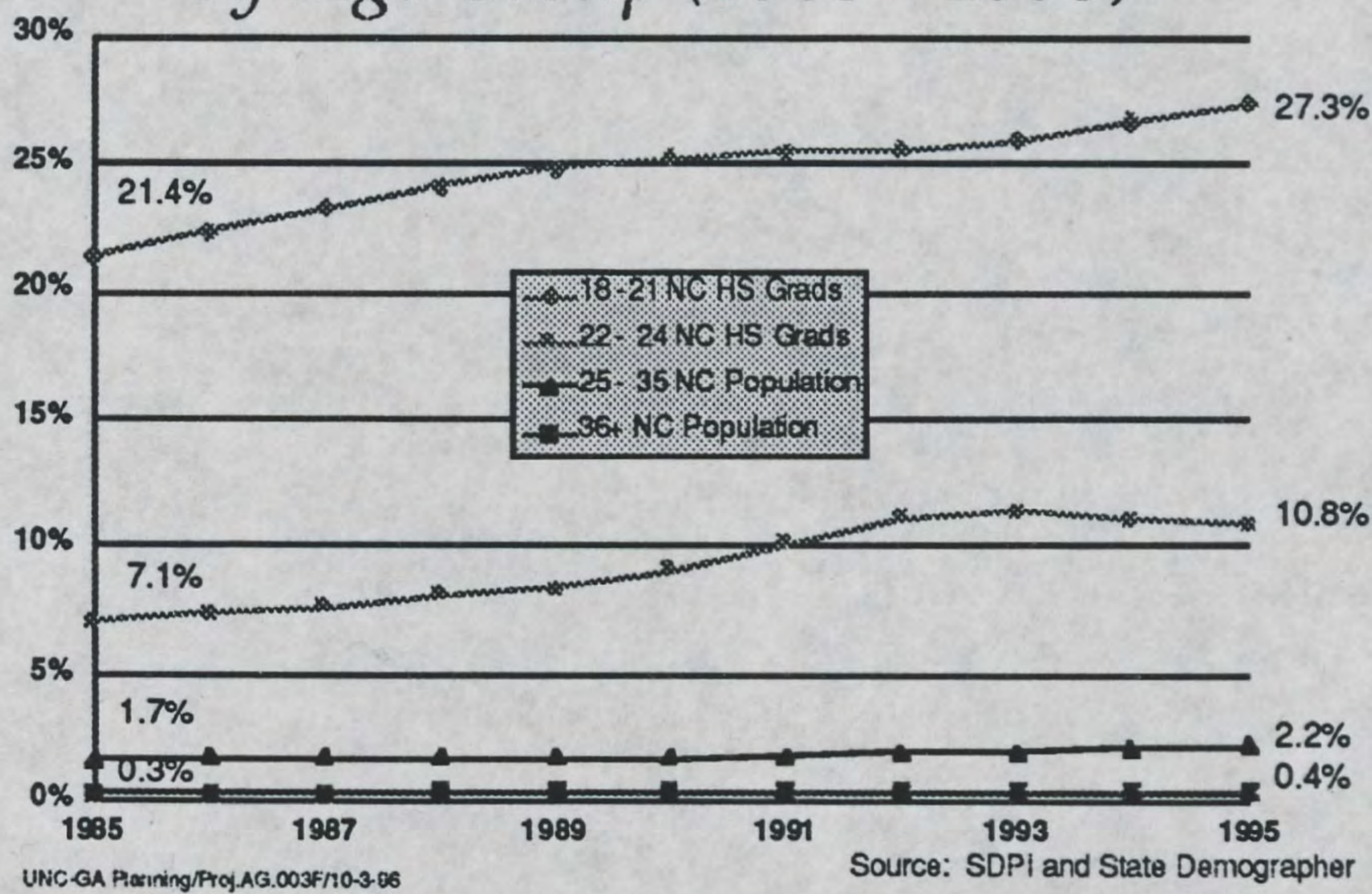


Figure 21 plots trend data on the UNC attendance rates of each of the four subgroups of potential students shown in Figure 20. Although the rates of attendance have increased for each of the four subgroups, the rates of increase have tended to

moderate somewhat in the past three years for all groups except the 18-21 year old public high school graduates. Preliminary data for the fall of 1996 suggest that further moderation has occurred in the attendance rates for all age groups.

Fig. 21. UNC In-State Attendance Rates by Age Group (1985 - 1995)



These trends and projections lead to the conclusion that growth in enrollments is likely to be weak by historic standards through the next four years, gaining momentum in the year 2001, and

increasing vigorously to the end of the decade when enrollments may increase by over 7000 students per year. Fully three-fourths of the projected enrollment growth is expected to occur in the latter half of the

decade. An important factor in this pattern of growth is the pattern of growth that is forecast for public high school graduates over this period. Figure 22 shows this pattern graphically and Figure 23 plots three different paths that University enrollments might follow in response to the projections. Figure 23 makes clear that unless UNC freshmen attendance rates continue to increase at the same rate as in the

last ten years, enrollment growth due to projected increases in high school graduates will be less than 19,395. Because the rate of increase in UNC freshmen attendance rates was especially rapid during the past ten years, it seems doubtful to expect that the same rate of increase will occur during the next ten years.

Fig. 22. Pools of N.C. Public High School Graduates (Actual and Projected - as of 1996)

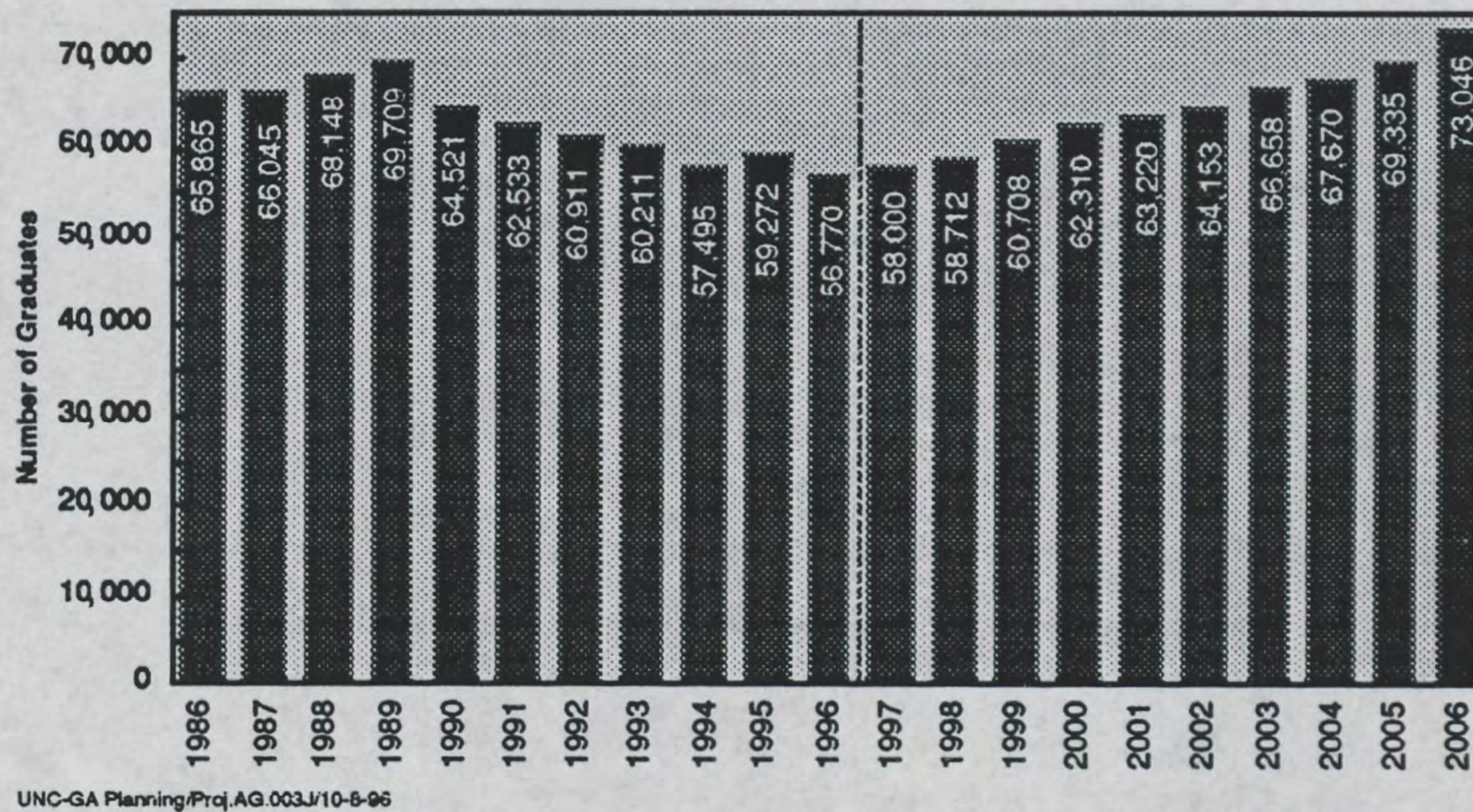
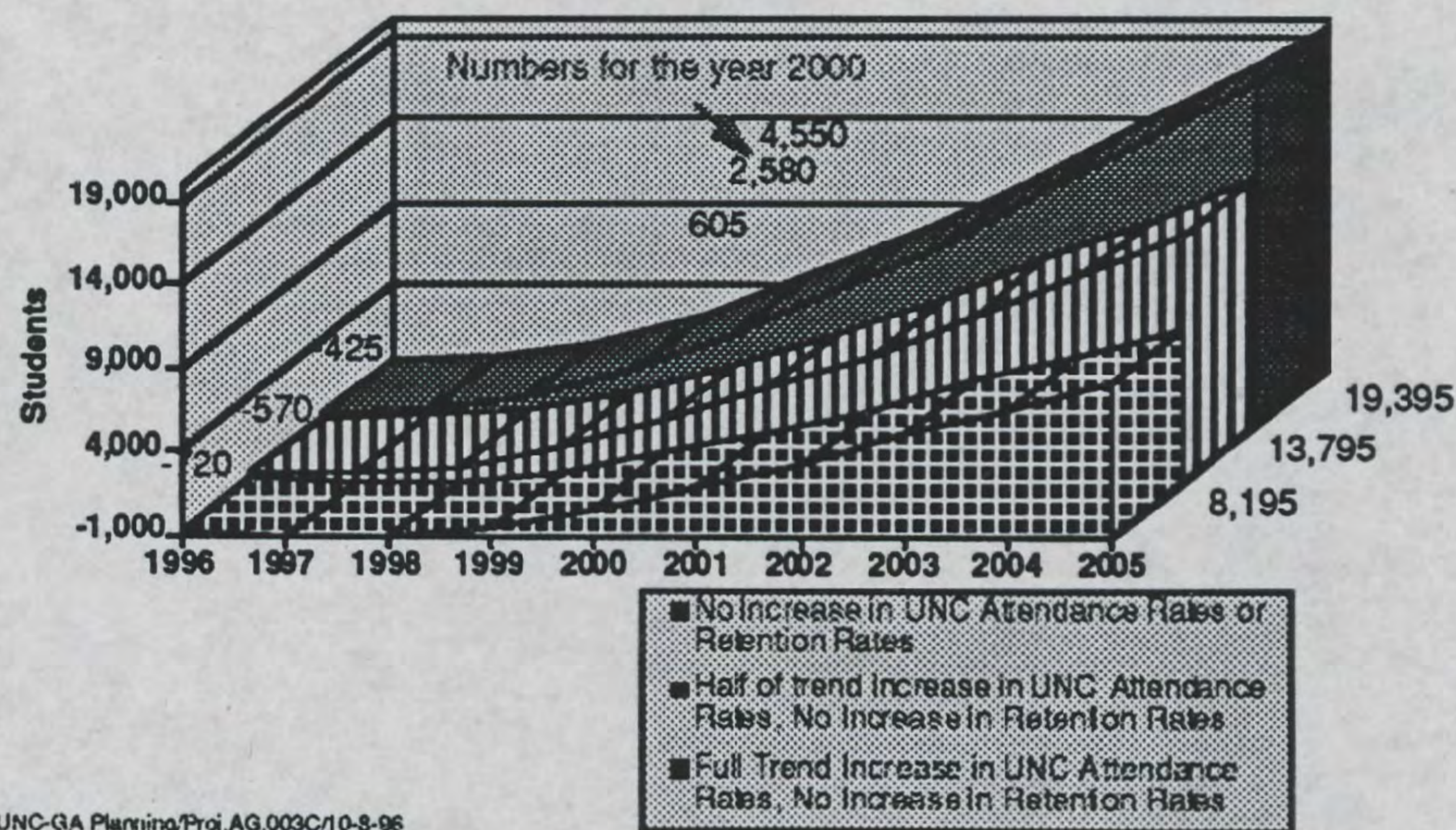


Fig. 23. Projected Enrollment Growth in UNC Institutions Due to Projected Increases in NC High School Graduates



There is some reason to believe that the observed increases in freshmen attendance rates may be due more to decreases in the denominator than to increases in the numerator. The data in Table 6 illustrate a pattern of downward revisions in short-term forecasts of high school graduates that could be explained by either the decrease in students' promotion rates in grades K-12 that began in 1992-93 or to the increase in high school drop out rates that began in 1987 and has accelerated in recent years. Since the public schools have increased requirements for promotion and graduation in recent years, it is likely that these changes explain the decreased yield in graduates from K-12 enrollments. If this is the case, the actual number of high school graduates in recent years would consist of students who were academically stronger than past cohorts and therefore more likely to attend college following graduation. The trend in UNC attendance rates over the past ten years is shown in Figure 24. The increases in attendance rates over the entire period have been noteworthy (from 22.5 percent in 1985 to 27.9 percent in 1995), but it is likely that the strong

increases in the last three to five years are statistically overstated for the reasons cited above.

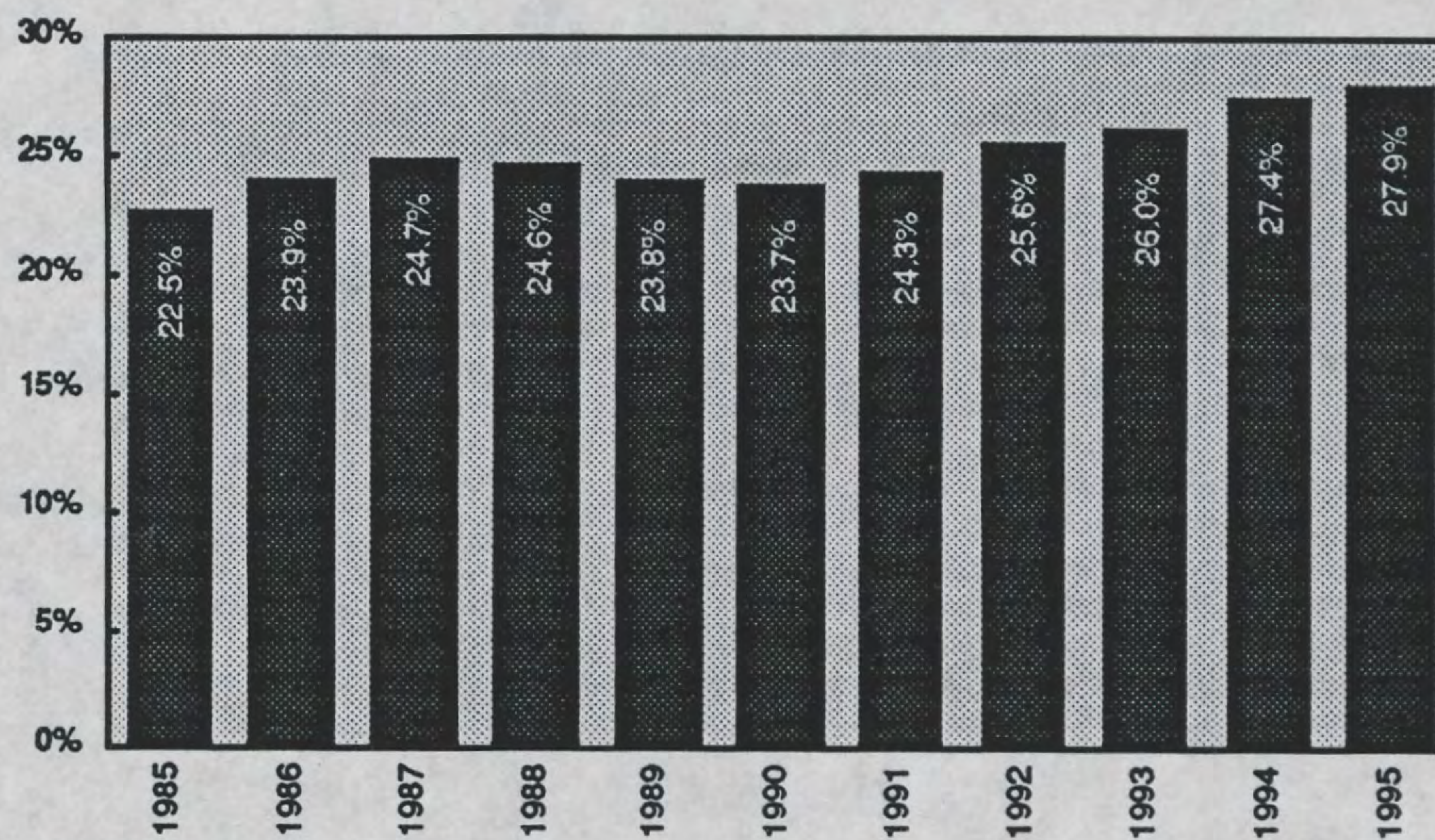
Table 6. Public High School Graduate Projections

Year	Date of Projection			
	1993	1994	1995	1996
1996	60,650	58,701	57,432	56,770 (Actual)
1997	62,200	61,270	59,370	58,000
1998	63,334	62,454	61,038	58,712

Source: N.C. Department of Public Instruction

UNC-GA Planning Proj. AG.003B/10-9-96

Fig. 24. UNC Going Rate for N.C. High School Graduates (1985 - 1995)

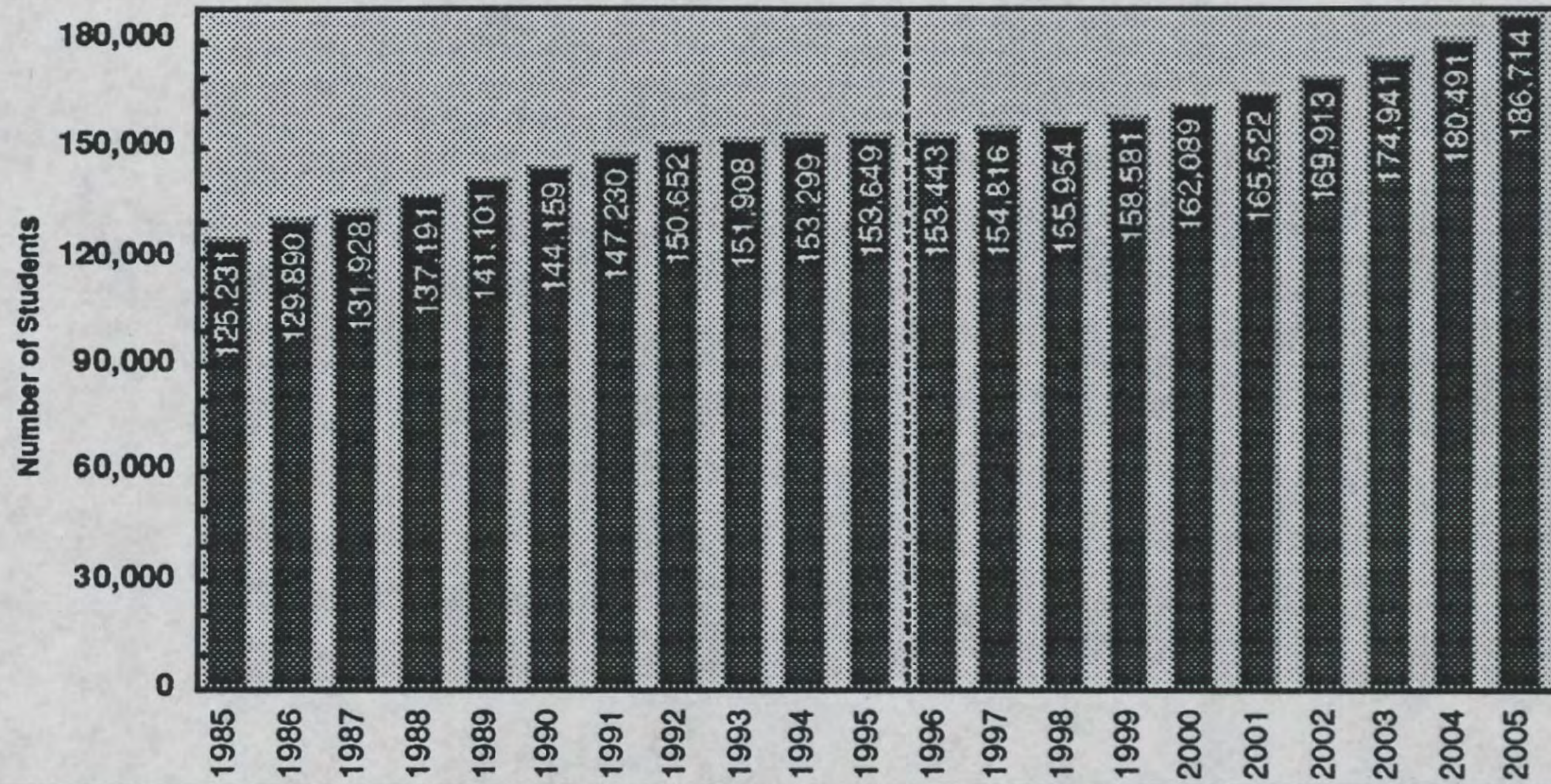


UNC-GA Planning Proj. AG.003B/10-9-96

University-wide enrollments are plotted in Figure 25. Based on the trends and forecasts discussed above, the University's projection of regular session fall headcount enrollment shows a growth of 33,065 students, from 153,649 in 1995 to 186,714 in 2005. The estimate for 1996 is 206 students below the 1995

count. The increases in enrollments in the first five years average 1688 students per year, while the increases for the last five years average 4925. In the last year of the period, enrollment growth is projected to be 6223 students with larger increases likely to occur in the years following 2005.

*Fig. 25. Total UNC Headcount Enrollments
(Actual and Projected)*



These projections do not include students enrolled in fall courses offered through degree-credit extension, graduate centers or at pilot sites (established in 1996). Since these enrollments are currently relatively small and subject to special funding arrangements, their levels are more dependent on likely changes in technology, funding

strategies and an analysis of statewide need for distance learning that is currently underway within the University. These data, along with enrollment data from pilot site programs, degree-credit extension and graduate centers will be incorporated into projections prepared for the next plan.

Table 7 contains the breakdown of regular session fall headcount enrollment by degree level and residency status. Detailed campus-by-campus breakdowns are presented in the appendix.

**Table 7. Projections of Fall Headcount Enrollments*
In the University of North Carolina by Residency Status and Degree Level**

		1995	1996	1997	1998	1999	2000
Residents:	High School	156	160	171	171	171	171
	Undergraduate	108,319	108,750	109,608	110,307	112,061	114,466
	Grad./First Prof.	23,306	23,267	23,669	23,984	24,412	25,002
Resident Subtotal		131,781	132,177	133,448	134,462	136,644	139,639
Non-Residents:	High School	99	102	109	109	109	109
	Undergraduate	15,836	15,314	15,484	15,589	15,914	16,270
	Grad./First Prof.	5,933	5,850	5,775	5,794	5,914	6,071
Non-Resident Subtotal		21,868	21,266	21,368	21,492	21,937	22,450
High School Subtotal		255	262	280	280	280	280
Undergraduate Subtotal		124,155	124,064	125,092	125,896	127,975	130,736
Graduate/First Prof. Subtotal		29,239	29,117	29,444	29,778	30,326	31,073
Total UNC		153,649	153,443	154,816	155,954	158,581	162,089

*Excludes students enrolled in the NCSU Agricultural Institute.

UNC-GA Planning/LRP.AT006/10-28-96

III. THE MISSION

The mission of the University is shaped in large measure by the constitutional and statutory mandates by which public higher education is established and maintained. Article IX of the Constitution of the State declares:

Sec. 8. Higher education. The General Assembly shall maintain a public system of higher education, comprising The University of North Carolina and such other institutions of higher education as the General Assembly may deem wise

Sec. 9. Benefits of public institutions of higher education. The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense.

This constitutional mandate for a public system of higher education is effected by Chapters 115 and 116 of the General Statutes. Chapter 115A, enacted in 1963, provides for a statewide network of community and technical colleges and institutes which offer two-year college transfer and technical and vocational programs. Chapter 116 of the statutes, as amended by the General Assembly effective July 1, 1972, provides in Section 3 that:

The board of trustees of the University of North Carolina is hereby redesignated, effective July 1, 1972, as the 'Board of Governors of the University of North Carolina.' The Board of Governors shall be known and distinguished by the name of 'the University of North Carolina' and shall continue as a body politic and corporate and by that name shall have perpetual succession and a common seal.

Section 4 of the statute provides for the University of North Carolina to be composed of the 16 public senior institutions in the state.

The Higher Education Reorganization Act of 1971, which placed those 16 institutions under one governing board, asserted the basic objectives and purposes for the University of North Carolina: to foster the development of a well-planned and coordinated system of higher education, to improve the quality of education, to extend its benefits, and to encourage an economical use of the state's resources.

Central to the process of strategic planning is the clarification of the overall mission of the University as a whole and the role and scope of the constituent institutions within that overall mission. As a part of the comprehensive mission review of 1992, the Board of Governors adopted a general mission statement for the University. This statement, with minor modifications, was given statutory status in 1995 when the General Assembly amended Chapter 116-1 of the General Statutes to include the following as the official mission statement of the University of North Carolina:

Statement of Mission

The University of North Carolina is a public, multi-campus university dedicated to the service of North Carolina and its people. It encompasses the 16 diverse constituent institutions and other educational, research, and public service organizations. Each shares in the overall mission of the University. That mission is to discover, create, transmit, and apply knowledge to address the needs of individuals and society. This mission is accomplished through instruction, which communicates the knowledge and values and imparts the skills necessary for individuals to lead responsible, productive, and personally satisfying lives; through research, scholarship, and creative activities, which advance knowledge and enhance the educational process; and through public service, which contributes to the solution of societal problems and enriches the quality of life in the State. In the fulfillment of this mission, the University shall seek an efficient use of available resources to ensure the highest quality in its service to the citizens of the State.

Teaching and learning constitute the primary service that the University renders to society. Teaching, or instruction, is the primary responsibility of each of the constituent institutions. The relative importance of research and public service, which enhance teaching and learning, varies among the constituent institutions, depending on their overall missions.

IV. Strategic Directions

The Board of Governors has selected six interrelated strategic directions to pursue in the fulfillment of its mission during this planning period.

- Expand access to higher education for both traditional and nontraditional students through:
 - continuation of efforts to keep costs of tuition and fees low
 - State funding for degree-credit instruction offered off-campus, via distance education, and in the summer at levels comparable to that provided for regular term on-campus instruction
 - continued efforts to increase minority participation on every campus through implementation of recommendations adopted in the revised Program for Further Increases in Minority Presence Enrollment (1995-2000)
 - uniform policies for the transfer of credit from community colleges to constituent institutions
 - more efficient use of space on campus to enable institutions to accommodate more students
 - expanded summer school enrollment to facilitate more timely degree completion
 - expansion of off-campus instruction sites, especially on community colleges and military bases
 - expansion of distance education courses and programs
 - development of electronic information systems on transfer policies, off-campus instruction, and distance education
 - improved services to facilitate enrollment of off-campus and distance education students
 - increased collaboration with other education sectors
 - resolution of administrative issues related to off-campus and distance education (e.g., allocation of credits, FTEs, and expenses; dual enrollment; faculty workloads; etc.)
- Preserve and heighten the excellence and competitiveness of the University of North Carolina through:
 - competitive salaries and Distinguished Professorship Endowments to recruit and retain outstanding faculty
 - strengthening of libraries through implementation of measures recommended by the comprehensive study of UNC libraries
- maintenance of exemplary graduate and professional programs, including attracting the best graduate assistants by offering competitive compensation
- continued discovery and dissemination of basic and applied research
- continued growth in the amount of external funding for research and creative activities
- public services and knowledge transfer that enhance the quality of life of North Carolina citizens
- Improve the quality of education on-campus and off-campus through:
 - continuing focus on the delivery of effective instruction
 - recognition and reward of outstanding teaching
 - support for centers for teaching and learning
 - strengthening of undergraduates' academic skill development
 - preparation of baccalaureate graduates to be successful in post graduate studies and/or in the workplace
 - satisfactory access to library and digital information and services and to laboratory resources
 - academic advising and other academic support services that enable students to maximize their educational opportunities and to graduate on a timely schedule
 - student services that foster student development
 - strengthening of academic programs through regular University-wide and institutional academic program review
- Identify and implement the most promising applications of technology in support of:
 - more effective teaching, learning, and research
 - improved student/teacher and student/student interaction
 - ready access to worldwide sources of information
 - development of graduates able to use technology effectively

- delivery of instruction to placebound students
 - delivery of instruction and continuing education to the workplace
 - efficient and user-friendly administrative services
- Promote increased efficiency in the use of University resources through:
 - a revised funding model and funding equity
 - consideration of the potential of incentive funding
 - refinement of expected outcomes, objectives, and measures for the State's Performance/Program Budget (P/PB) system
 - improvement in the ability of the General Administration to collect, process, and analyze university-wide data for accountability and assessment
 - dissemination of information about teaching workloads and development of teaching workload standards
 - increased linkage between planning and budgeting
- study of opportunities for privatization of certain support services
 - implementation of a revised process for determining capital improvements priorities
 - complete phase-out of reversion rates and overhead receipts offset to the General Fund
 - continued use of flexibility funding and related integrity of financial operations
- Continue to propose and support initiatives to serve the needs of the State's public schools, such as:
 - opportunities for academic enrichment for students in grades K-12
 - direct services by constituent institutions to the public schools, particularly those with low performance
 - the North Carolina Center for the Prevention of School Violence
 - assistance to the schools in the use of new teaching technologies
 - development of a statewide network of professional-development partnerships

V. GENERAL ACADEMIC MISSIONS OF THE CONSTITUENT INSTITUTIONS

The planning responsibility of the Board of Governors serves both a comprehensive and a specific purpose. The comprehensive purpose is found in the statutory responsibility to "plan and develop a coordinated system of higher education in North Carolina." The specific purpose is found in the further statutory responsibility to "determine the functions, educational activities and academic programs" of each institution. It is this specific responsibility for each of the institutions that is addressed in this section of the supplement to the long-range plan.

For each of the constituent institutions, the section presents the general academic mission containing the following: a general statement of the educational mission of the institution; its descriptive classification; all currently authorized degree programs in the institution, by degree level and by discipline division and discipline specialty; all new programs that the institution is authorized to plan during the remainder of this planning period; and an organizational chart showing primarily the academic structure of the institution.

A. Institutional Classification

The descriptive classification of the institutions used by the University of North Carolina is that developed by the Carnegie Foundation for the Advancement of Teaching.¹ The Carnegie classification system includes all institutions listed in the National Center for Education Statistics' Education Directory.

It is important to recognize that this classification system does not *rank* institutions. It is not a hierarchy of merit, a listing of institutions from superior to inferior, or from more worthy to less worthy. It is, instead, a grouping of colleges and universities according to their shared characteristics and functions. The criteria for the groupings include: level and type of programs offered, enrollments, number of degrees awarded by level and discipline areas, the emphasis placed on research, and the annual amount of federal research support received. The listing of authorized degree programs by level and by discipline division and specialty further defines the institution in terms of program array.

To encompass all colleges and universities in the United States, the classification system established 11 categories. Six of these categories include all of the constituent institutions of the University of North Carolina. They are as follows:

Research Universities I

North Carolina State University at Raleigh
The University of North Carolina at
Chapel Hill

Doctoral Universities I

The University of North Carolina
at Greensboro

Master's (Comprehensive) Universities and Colleges I

Appalachian State University
East Carolina University
Fayetteville State University
North Carolina Agricultural
and Technical State University
North Carolina Central University
The University of North Carolina
at Charlotte
The University of North Carolina
at Pembroke
The University of North Carolina
at Wilmington
Western Carolina University

Baccalaureate (Liberal Arts) Universities and Colleges I

The University of North Carolina at Asheville

Baccalaureate (Liberal Arts) Universities and Colleges II

Elizabeth City State University
Winston Salem State University

Schools of Art, Music, and Design

The North Carolina School of the Arts

¹ Carnegie Foundation for the Advancement of Teaching, A Classification of Institutions of Higher Education. Revised edition. (Berkeley, Calif.: 1994)

B. Academic Program Development

A necessary element in the University's planning is the definition of the educational mission of each of the constituent institutions, including the specification of degree programs each of them is authorized to offer. It is in academic program development that one gets to the heart of crucial decisions in higher education, and it is in this area that the Board of Governors has been most responsible and responsive to the public interest.

The general principles and priorities defined and pursued by the Board thus far in academic program development include the following:

- *Institutional diversity must be maintained.* Universities need not, and should not, all be alike. Neither the demands of the labor market, nor the needs of society, nor available resources require or permit the homogenization of institutions. The need is to strengthen and improve each of the constituent institutions in carrying out *its* assigned mission.

- *Greater access to educational opportunity must be provided.* In extending the benefits of education, it is the objective of the Board of Governors to provide needed higher educational opportunities for all citizens of North Carolina who have the aptitude, motivation, and desire to pursue programs of higher education. Only in this way can we hope to cultivate the truly educated citizenry that a changing society and economy demand.

- *Quality is the critical ingredient in all effective education.* It should not be diluted by over-expansion when funds, equipment, program base, or facilities are inadequate to the task. For this reason, the Board has emphasized the strengthening of existing programs that are needed over the initiation of new programs, especially when current programs are deemed sufficient to meet the state's needs for qualified professionals.

- *The University has a primary obligation to provide undergraduate education of high quality.* The majority of students enrolled in the University are undergraduates, and this imposes on all institutions the responsibility to provide for those students an educational experience of high quality. This is a *basic* obligation of every campus, and institutions are urged to improve and strengthen their undergraduate and general studies programs.

- *With respect to the development of new graduate programs, it is essential to recognize an important distinction between the master's level and doctoral programs.* Many master's degrees tend to be professionally or occupationally oriented and to be sought by students who are bound to a region or locality. Such programs are less demanding in terms of faculty, facilities and equipment, and can be mounted less expensively than doctoral programs. Proposed new doctoral programs should be evaluated in terms of demonstrated need, the capacity to offer a high quality program, the availability of funding, and the economical use of the state's resources.

- *Good management requires the application of priorities and the judicious allocation of resources.* Academic programs and course offerings must be up-to-date and must be responsive to legitimate needs, but the counterpart of change is the discontinuation of programs no longer needed. Low quality, low productivity, and low priority programs must be eliminated in order to redirect resources to higher needs and priorities. Fiscal constraints are particularly important in initiating programs at the doctoral and first professional levels, where program costs and specialized facilities and other resources are required. These considerations also apply in certain areas of undergraduate education such as engineering, the sciences, and health professions.

In keeping with these principles and priorities, the Board of Governors has defined a general academic mission for each of the UNC institutions, setting forth those continuations and alterations in institutional programs and activities that in the judgment of the Board should take place over a given planning period.

Through its biennial academic program planning process the Board of Governors, between July 1972 and October 1995, approved the establishment of 322 new academic degree programs and the discontinuation of 199 academic degree programs.

The 1993 Session of the General Assembly passed legislation to implement a Government Performance Audit Committee's recommendations for a review of academic degree programs in the University of North Carolina. In response to that legislation, the Board of Governors initiated a comprehensive review of all degree programs.

The Committee on Educational Planning, Policies, and Programs developed criteria and guidelines for the review. Applying those criteria and guidelines, 285 degree programs were identified for review. After verification of data on enrollments and degrees conferred, 15 programs were exempted from further review. The remaining 270 programs were reviewed not only in terms of low enrollments and degree productivity, but also in terms of such factors as low quality, high costs, low occupational demand, or a low level of centrality to the institutional mission. Some campuses also reviewed a few other academic degree programs with respect to productivity, institutional priorities, and unnecessary duplication.

Recommendations for program discontinuations were approved by the board in January, 1996. Overall of a total of 104 academic degree programs and an additional 19 degree program tracks were discontinued. A total of 39 degree programs were deleted from the Academic Program Inventory as separate, stand-alone programs and consolidated or merged with other related degree programs. Taken together, the recommended discontinuations and consolidations resulted in a total reduction of 143 in the number of separate, stand-alone degree programs in the University's Academic Program Inventory.

As a result of the review associated with the preparation of this long-range planning supplement, authorization is given for the planning of four new programs at the baccalaureate level, seven at the master's level, and three at the doctoral level. In addition, 24 previous new planning authorizations are reconfirmed: 11 at the baccalaureate level, eight at the master's level, and five at the doctoral level. It must be emphasized that the eventual establishment of these programs will be dependent upon the availability of resources.

A total of six existing programs are discontinued: two at the baccalaureate level and four at the master's level. In addition, nine previous authorizations to plan academic degree programs are withdrawn: four at the baccalaureate level and five at the master's level. These planning authorizations and program discontinuations are listed in the general academic mission section for the respective institutions.

Table A-2-1
Regular Session Fall Headcount Enrollments*: 1995 - 2000

Enrollment and Degree Level	Actual Fall 1995			Estimated Fall 1996			Projected											
	Resident	NR	Total	Resident	NR	Total	Fall 1997			Fall 1998			Fall 1999			Fall 2000		
							Resident	NR	Total	Resident	NR	Total	Resident	NR	Total	Resident	NR	Total
Appalachian State University																		
Undergrad.	9,709	1,274	10,983	9,660	1,267	10,927	9,736	1,276	11,012	9,791	1,292	11,083	9,937	1300	11,237	10,149	1315	11,464
Grad/FP	917	120	1,037	911	121	1,032	920	124	1,044	933	124	1,057	933	125	1,058	942	125	1,067
Total	10,626	1,394	12,020	10,571	1,388	11,959	10,656	1,400	12,056	10,724	1,416	12,140	10,870	1,425	12,295	11,091	1,440	12,531
East Carolina University																		
Undergrad.	12,181	2,161	14,342	12,259	2,096	14,355	12,291	2,097	14,388	12,363	2,097	14,460	12,502	2137	14,639	12,889	2206	15,095
Grad/FP	2,827	276	3,103	2,895	273	3,168	2,945	275	3,220	2,959	280	3,239	3,000	290	3,290	3,075	300	3,375
Total	15,008	2,437	17,445	15,154	2,369	17,523	15,236	2,372	17,608	15,322	2,377	17,699	15,502	2,427	17,929	15,964	2,506	18,470
Elizabeth City State University																		
Undergrad.	1,760	221	1,981	1,721	189	1,910	1,762	196	1,958	1,805	201	2,006	1,863	225	2,088	1,942	236	2,178
Grad/FP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,760	221	1,981	1,721	189	1,910	1,762	196	1,958	1,805	201	2,006	1,863	225	2,088	1,942	236	2,178
Fayetteville State University																		
Undergrad.	2,938	275	3,213	3,073	297	3,370	3,084	306	3,390	3,102	306	3,408	3,173	310	3,483	3,250	315	3,565
Grad/FP	761	35	796	713	27	740	715	28	743	723	28	751	750	30	780	790	35	825
Total	3,699	310	4,009	3,786	324	4,110	3,799	334	4,133	3,825	334	4,159	3,923	340	4,263	4,040	350	4,390
North Carolina Agricultural & Technical State University																		
Undergrad.	5,688	1,166	6,854	5,510	1,099	6,609	5,564	1,119	6,683	5,592	1,124	6,716	5,800	1210	7,010	6,000	1275	7,275
Grad/FP	815	177	992	794	148	942	812	152	964	834	158	992	843	170	1,013	851	188	1,039
Total	6,503	1,343	7,846	6,304	1,247	7,551	6,376	1,271	7,647	6,426	1,282	7,708	6,643	1,380	8,023	6,851	1,463	8,314
North Carolina Central University																		
Undergrad.	3,500	534	4,034	3,384	495	3,879	3,426	516	3,942	3,454	533	3,987	3,531	540	4,071	3,596	555	4,151
Grad/FP	1,308	128	1,436	1,408	109	1,517	1,424	119	1,543	1,496	130	1,626	1,500	135	1,635	1,515	145	1,660
Total	4,808	662	5,470	4,792	604	5,396	4,850	635	5,485	4,950	663	5,613	5,031	675	5,706	5,111	700	5,811
North Carolina School of the Arts																		
High School	156	99	255	160	102	262	171	109	280	171	109	280	171	109	280	171	109	280
Undergrad.	327	299	626	383	283	666	381	286	667	381	286	667	385	295	680	390	300	690
Grad/FP	27	26	53	28	28	56	28	28	56	35	33	68	37	35	72	39	38	77
Total	510	424	934	571	413	984	580	423	1,003	587	428	1,015	593	439	1,032	600	447	1,047
North Carolina State University																		
Undergrad.	18,688	2,218	20,906	19,000	2,062	21,062	19,085	2,051	21,136	19,122	2,027	21,149	19,140	2100	21,240	19,250	2175	21,425
Grad/FP	4,841	1,359	6,200	4,739	1,310	6,049	4,872	1,250	6,122	4,906	1,210	6,116	5,085	1270	6,355	5,300	1350	6,650
Total	23,529	3,577	27,106	23,739	3,372	27,111	23,957	3,301	27,258	24,028	3,237	27,265	24,225	3,370	27,595	24,550	3,525	28,075

Table A-2-1
Regular Session Fall Headcount Enrollments*: 1995 - 2000

Enrollment and Degree Level	Actual Fall 1995			Estimated Fall 1996			Projected											
	Resident	NR	Total	Resident	NR	Total	Fall 1997			Fall 1998			Fall 1999			Fall 2000		
							Resident	NR	Total	Resident	NR	Total	Resident	NR	Total	Resident	NR	Total
University of North Carolina at Asheville																		
Undergrad.	2,821	354	3,175	2,854	328	3,182	2,924	328	3,252	2,950	328	3,278	2,980	330	3,310	3,015	334	3,349
Grad/FP	46	1	47	52	1	53	50	0	50	50	0	50	50	1	51	50	1	51
Total	2,867	355	3,222	2,906	329	3,235	2,974	328	3,302	3,000	328	3,328	3,030	331	3,361	3,065	335	3,400
University of North Carolina at Chapel Hill																		
Undergrad.	12,817	2,856	15,673	12,507	2,797	15,304	12,656	2,839	15,495	12,656	2,839	15,495	12,900	2,856	15,756	13,040	2,875	15,915
Grad/FP	5,526	2,945	8,471	5,511	2,959	8,470	5,597	2,910	8,507	5,597	2,910	8,507	5,610	2,915	8,525	5,615	2,920	8,535
Total	18,343	5,801	24,144	18,018	5,756	23,774	18,253	5,749	24,002	18,253	5,749	24,002	18,510	5,771	24,281	18,655	5,795	24,450
University of North Carolina at Charlotte																		
Undergrad.	11,605	1,602	13,207	11,659	1,608	13,267	11,742	1,644	13,386	11,862	1,687	13,549	12,050	1,695	13,745	12,375	1,705	14,080
Grad/FP	2,315	373	2,688	2,361	374	2,735	2,395	382	2,777	2,395	395	2,790	2,450	405	2,855	2,550	415	2,965
Total	13,920	1,975	15,895	14,020	1,982	16,002	14,137	2,026	16,163	14,257	2,082	16,339	14,500	2,100	16,600	14,925	2,120	17,045
University of North Carolina at Greensboro																		
Undergrad.	8,797	1,134	9,931	8,683	1,013	9,696	8,772	1,028	9,800	8,900	1,040	9,940	9,200	1,065	10,265	9,575	1,085	10,660
Grad/FP	2,368	345	2,713	2,348	345	2,693	2,357	348	2,705	2,396	354	2,750	2,425	360	2,785	2,460	365	2,825
Total	11,165	1,479	12,644	11,031	1,358	12,389	11,129	1,376	12,505	11,296	1,394	12,690	11,625	1,425	13,050	12,035	1,450	13,485
University of North Carolina at Pembroke																		
Undergrad.	2,595	62	2,657	2,673	67	2,740	2,704	72	2,776	2,734	77	2,811	2,790	79	2,869	2,850	83	2,933
Grad/FP	342	1	343	329	2	331	343	5	348	352	5	357	365	6	371	390	7	397
Total	2,937	63	3,000	3,002	69	3,071	3,047	77	3,124	3,086	82	3,168	3,155	85	3,240	3,240	90	3,330
University of North Carolina at Wilmington																		
Undergrad.	7,025	1,082	8,107	7,355	1,131	8,486	7,376	1,129	8,505	7,433	1,145	8,578	7,530	1,150	8,680	7,675	1,160	8,835
Grad/FP	433	61	494	440	72	512	445	74	519	499	82	581	525	85	610	565	90	655
Total	7,458	1,143	8,601	7,795	1,203	8,998	7,821	1,203	9,024	7,932	1,227	9,159	8,055	1,235	9,290	8,240	1,250	9,490
Western Carolina University																		
Undergrad.	5,271	414	5,685	5,347	419	5,766	5,400	418	5,818	5,428	418	5,846	5,500	427	5,927	5,610	446	6,056
Grad/FP	780	86	866	738	81	819	746	80	826	782	80	862	810	80	890	830	82	912
Total	6,051	500	6,551	6,085	500	6,585	6,146	498	6,644	6,210	498	6,708	6,310	507	6,817	6,440	528	6,968
Winston-Salem State University																		
Undergrad.	2,597	184	2,781	2,682	163	2,845	2,705	179	2,884	2,734	189	2,923	2,780	195	2,975	2,860	205	3,065
Grad/FP	-	-	-	-	-	-	20	0	20	27	5	32	29	7	36	30	10	40
Total	2,597	184	2,781	2,682	163	2,845	2,725	179	2,904	2,761	194	2,955	2,809	202	3,011	2,890	215	3,105
UNC System Total																		
High School	156	99	255	160	102	262	171	109	280	171	109	280	171	109	280	171	109	280
Undergrad.	108,319	15,836	124,155	108,750	15,314	124,064	109,608	15,484	125,092	110,307	15,589	125,896	112,061	15,914	127,975	114,466	16,270	130,736
Grad/FP	23,306	5,933	29,239	23,267	5,850	29,117	23,669	5,775	29,444	23,984	5,794	29,778	24,412	5,914	30,326	25,002	6,071	31,073
Total	131,781	21,868	153,649	132,177	21,266	153,443	133,448	21,368	154,816	134,462	21,492	155,954	136,644	21,937	158,581	139,639	22,450	162,089

11-15-96 Faculty Assembly meeting

East Carolina

UNC FACULTY BUDGET INVOLVEMENT -- FACULTY ASSEMBLY RESPONSE

School	Priority Setting: Department	Departmental Faculty Budget Committee	University-Wide Priority Setting	University - Wide Faculty Budget Committee	Miscellaneous Comments
Appalachian State	Faculty input into the budget process begins at the departmental level. Department committees or individuals make recommendations to each department's chairperson, who makes recommendations to the dean of the college and then to the Vice Chancellor for Academic Affairs. Unit planning is used.	Department level budget planning and requests are sometimes generated by committees who make recommendations to the department's budget chairperson. Unit planning is used.	The administration makes ultimate budget decisions. The faculty senate has a standing budget committee that makes recommendations to the administration. Committee recommendations have been implemented in the past. Appalachian also has a standing long-range planning committee: The University Strategic Planning Commission.	Faculty are included on the standing budget committee of the faculty senate and the University Strategic Planning Commission.	The Appalachian Office of Academic Affairs generates an annual report of salaries which summarizes faculty salaries by college, department, and rank. Administrative salaries not included. Each department has a library representative who works closely with the library staff on budget decisions.
East Carolina	The ECU response does not mention any department level budget planning. Deans from each college submit prioritized budget requests to the appropriate vice chancellors.	Each unit's code of operations provides procedures that allow faculty to discuss the annual budget with the unit administrator. Level of input varies in units based on specific language in each unit code.	Deans submit change budget priority requests to vice chancellors. These requests are combined and sent to the Chancellor and then to the UNC General Administration. The change budget for ECU is derived from a pool of monies allocated to the UNC General Administration by the state legislature.	The faculty Educational Policies and Planning Committee annually reviews with the Chancellor and Vice Chancellor for Academic Affairs the proposed university budget of prior to its submission to General Administration.	Flexible funding is permitted based on availability of funds from unfilled faculty and staff salary lines and attendant fringe benefits. The Chancellor, acting in concert with the vice chancellors and the Director of Institutional Planning and Research makes allocation decisions.
Fayetteville State	Faculty submit requests to department chairpersons, who in turn submit their requests to the dean of the school, who submits requests to the Vice Chancellor of Academic Affairs.	The FSU response does not mention departmental budget committees. Requests go directly from faculty members to department chairpersons.	A University Planning Committee recommends institutional priorities. Faculty members are included on this committee. The administration makes the ultimate budget decisions.	A Faculty Senate Budget Committee conveys budget concerns through the Faculty Senate to the administration.	The Faculty Senate Budget Committee does not see the entire budget and is not involved in the decision-making process.

School	Priority Setting: Department	Departmental Faculty Budget Committee	University-Wide Priority Setting	University - Wide Faculty Budget Committee	Miscellaneous Comments
North Carolina A&T	Department heads receive budget information from faculty; however, faculty do not participate, recommend, approve, or even receive a copy of the budget requests submitted by departments or schools.	The information provided by NC A&T does not mention the existence of a faculty budget committee.	Deans and division heads hold budget hearings. The senate chairperson is invited to these hearings. There is no indication of faculty involvement.	The NC A&T response does not mention a university wide faculty budget committee.	
North Carolina Central	Each department with active faculty input develops a budget which is submitted simultaneously to the appropriate dean and the Vice Chancellor for Academic Affairs.	NC Central does not indicate the presence of any formal department level faculty budget committees.	Prioritized budget requests go from the Academic Planning Committee to the University Planning Committee, which recommends the budget to the Trustees, who ultimately determine the budget. Three faculty members, including the chair of the faculty senate and two appointed by him or her are members of the University Planning Committee	Budgets from each department are reviewed by the Academic Planning Committee, which includes nine faculty members appointed by the faculty senate and Provost. This committee prioritizes budget requests based on the university's goals.	The chair of the faculty senate is also a member of the chancellor's cabinet and has budget input at this level. Budgets for Administrative Services are reviewed by the Administrative Services Committee. Three faculty members appointed by the chair of the faculty senate serve on this committee. The faculty senate receives monthly reports from each of the University Planning Committees and makes recommendations to the committees.
North Carolina School of the Arts	The Dean of each school is encouraged to establish the school's own priorities. This is done on a school-by-school basis at the Dean's discretion. There is no institution-wide, written guideline for this process.	Since department heads obtain budget information directly from faculty members, NCSA does not have any mandated department level faculty budget committees. Deans may organize a faculty committee within a school to implement their own budget process.	The NCSA Long Range Plan is the instrument used to assist the administration in establishing long-range priorities for budgeting process and fund-raising goals. There is an annual meetings of Administrators to outline priorities.	Each Vice Chancellor has a process for his area of responsibility, but there is no institution-wide written procedure for the budget planning priorities.	Various Vice Chancellors assist the Chancellor in preparation of the budget estimates and assignment of priorities. The Vice Chancellor for Art and Academic Programs advises the Chancellor on needs and priorities for the various schools through his communications with the Deans, faculty and staff.

School	Priority Setting: Department	Departmental Faculty Budget Committee	University-Wide Priority Setting	University - Wide Faculty Budget Committee	Miscellaneous Comments
North Carolina State	Faculty participation in budgetary matters occurs at the departmental level only at the discretion of the department head. All faculty are expected to participate in departmental planning efforts.	The department head decides whether there is any faculty participation in budgetary matters. Department heads are encouraged to share budgetary information with their faculties.	Seven faculty members (including the Chair and Chair-Elect of the faculty Senate) plus four other faculty who are administrators serve on the University's Strategic Planning Committee. This group identifies the mission, vision and goals for the University which, in turn, drives the budgeting process.	In 1995, the Faculty Senate established a Budget Committee of faculty members which meets regularly with the Assistant to the Vice Chancellor for Finance and Business. Answers to all questions about the budget are freely provided by this person. The Budget Committee has taken the lead in developing resolutions on the proposed tuition increase, faculty salaries and tuition remissions for graduate students. The Chair of the Faculty Senate is a member of the administrative team that reviews the strategic plans for all units -- the initial stage in the budgeting process.	
Pembroke State	Faculty submit requests to department chairmen, who submit requests to the Vice Chancellor of Academic Affairs.	No formal faculty budget committees exist.	All of the University's budgets are made available to and reviewed by the University Budget Committee. The committee also makes recommendations regarding both the continuation and the expansion budgets.	The University Budget Committee is composed of four faculty members, two classified employees, the four vice chancellors, and the Controller, and the Accountant.	
UNC - Asheville	Departments generate budget requests. UNCA does not have deans, so the requests go from departments to the Council of Chairs, which reviews the requests and submits them to the Vice Chancellor for Academic Affairs.	The UNCA response does not mention formal departmental budget committees, but it does state that full faculty participation in budget policy varies by department, indicating some faculty participation.	The faculty participate in university-wide priority setting through the University Planning Council.	The faculty participate in university wide budget planning through the University Planning Council.	The library submits its budget requests after consultation with a faculty advisory committee.

School	Priority Setting: Department	Departmental Faculty Budget Committee	University-Wide Priority Setting	University - Wide Faculty Budget Committee	Miscellaneous Comments
UNC - Chapel Hill	The call for budget requests from the vice chancellors are sent to deans and directors with ample lead time to permit faculty review. Whether such review occurs depends on the dean, the department chair, or the director.	Some department chairs have an advisory committee which offers general input to the chair, deals with budget policy matters, and may even deal with specifics in the requests. In other departments, budget requests are the sole province of the chair.	The Chancellor uses his Advisory Committee, an elected faculty committee, to discuss budget matters. The focus of these matters includes items such as environmental safety, OSHA mandates, etc. The ECFC also is involved.	The Chancellor's Advisory Committee is one place where faculty participate in university wide budget matters. The ECFC is consulted on the pan - university budget.	At the school level, some deans have an advisory committee comprised of faculty and administrators and may use that group for overall review of change budget requests as well as for budget policy advice. Some deans also have faculty committees that advise the on salary policies.
UNC - Charlotte	Normally department chairs ask for faculty input into the budgeting process. The Chairs must prioritize their lists and forward them to their respective deans. Priorities are developed in consultation with the department's equipment committee or graduate and undergraduate coordinators.	The UNCC r esponse does not discuss department level budget committees.	The Board of Trustees makes university budget decisions. The faculty president is on the Board, but has no vote. When budget matters arise at Board meetings, they are removed to executive sessions where faculty are excluded. The Chancellor does not discuss budget matters with the faculty council.	A budget subcommittee was established three years ago. It is a subcommittee of the faculty executive committee and includes the current and past presidents of the faculty and two elected members of the faculty executive committee. The subcommittee meets with the Chancellor two or three times per year to discuss budget matters in an advisory capacity.	A new Academic Planning and Budget Advisory Committee provides advice to the Provost in various areas. The president, president-elect and past president of the Faculty plus two members of the Faculty Executive Committee elected by that body plus one senior faculty appointed by the faculty president of the faculty along with the Provost and Vice Chancellor for Academic Affairs serve on the committee.
UNC - Greensboro	The UNCG response does not discuss department level budget priority setting.	The UNCG response does not discuss department level faculty budget committees.	The administration makes university wide budget decisions without prior approval by any faculty budget committee.	A budget committee under supervision of the faculty senate meets with the Chancellor and other officials for information purposes.	
UNC - Wilmington	Standard faculty requests are made at the department level which then flow "through the university" to the administration.	There is no mention of department level budget committees. Given the standard request procedure, such committees probably do not exist.	The administration makes the ultimate budget decisions.	A committee which reports to the faculty senate reviews the university budget reactively. The faculty senate presents resolutions to the administration.	

School	Priority Setting: Department	Departmental Faculty Budget Committee	University-Wide Priority Setting	University - Wide Faculty Budget Committee	Miscellaneous Comments
Western Carolina	<p>Faculty participation in the budget process is normally confined to the department level. Budget recommendations originate with department heads and move through the college deans to the Vice Chancellor for Academic Affairs.</p> <p>Each department head also submits an annual budget request to the college dean, who endorses and submits the request to the Vice Chancellor for Academic Affairs.</p>	<p>Department heads are usually the only faculty members who participate in the budget process. Department faculty budget committees are the exception rather than the rule. For example, the English department has a steering committee which advises its department head concerning budget matters before requests are submitted.</p>	<p>The WCU report mentions a strategic planning committee which participates in budget revision every four years. The extent of participation and who makes ultimate decisions are not discussed in the report.</p>	<p>The faculty senate has no direct involvement in the budget process. The Council on Institutional Effectiveness with 15 faculty members reviews and recommends policies for the development of annual updates of the university's major planning documents. Faculty also serve on the ad hoc university and college level strategic planning committees.</p>	<p>Since 1988, each department has been required to prepare a unit strategic plan every four years for the purpose of reexamination of departmental budgets. These plans are drafted by department heads and normally presented to the entire department for approval before submission to the respective deans.</p>

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11-15-96

Faculty Assembly
meeting

1997-99 BUDGET REQUEST

The Board of Governors
of
The University of North Carolina

Budget Summary

THE REQUEST OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA
TO THE GOVERNOR, THE ADVISORY BUDGET COMMISSION AND THE GENERAL ASSEMBLY
FOR GENERAL FUND APPROPRIATIONS FOR THE 1997-99 BIENNIUM

PART I - UNIVERSITY OPERATIONS

Funds for the Continuing Operation of Each Constituent Institution

<u>For Appropriation to:</u>	<u>Budget Code</u>	<u>1997-98</u>	<u>1998-99</u>
Appalachian State University	Academic Budget 16080	62,191,017	62,444,541
East Carolina University	Academic Affairs 16065	85,439,989	85,867,635
East Carolina University	Health Affairs 16066	40,713,373	40,756,339
Elizabeth City State University	Academic Budget 16086	17,839,966	17,956,656
Fayetteville State University	Academic Budget 16088	23,331,584	23,500,084
North Carolina A & T State University	Academic Budget 16070	49,719,299	49,589,441
North Carolina Central University	Academic Budget 16090	35,879,267	36,355,941
North Carolina School of the Arts	Academic Budget 16092	11,804,064	11,845,548
North Carolina State University	Academic Budget 16030	209,623,520	210,719,510
University of North Carolina at Asheville	Academic Budget 16055	20,194,509	20,268,276
University of North Carolina at Chapel Hill	Academic Affairs 16020	161,324,352	162,839,348
University of North Carolina at Chapel Hill	Health Affairs 16021	130,868,363	131,567,595
University of North Carolina at Chapel Hill	Area Health Education Centers 16022	38,444,468	38,426,128
University of North Carolina at Charlotte	Academic Budget 16050	68,269,687	68,462,769
University of North Carolina at Greensboro	Academic Budget 16040	62,150,061	62,890,991
University of North Carolina at Pembroke	Academic Budget 16082	18,330,530	18,210,280
University of North Carolina at Wilmington	Academic Budget 16060	39,067,636	40,590,832
Western Carolina University	Academic Budget 16075	43,088,947	43,148,283
Winston-Salem State University	Academic Budget 16084	19,902,848	19,953,046
UNC - General Administration	Operating Budget 16010	37,196,757	37,418,264
UNC - General Administration	Institutional Programs 16011	10,014,079	10,014,079
Total		1,185,394,316	1,192,825,586

Funds for Salary Increases for Employees Exempt from the State Personnel Act

For Appropriation to:

The Board of Governors			
UNC - General Administration	Institutional Programs 16011	48,156,062	99,649,400

Funds Requested Without Reference to Constituent Institutions, Itemized as to Priority and Covering Such Areas as New Programs and Activities, Expansions of Programs and Activities, Increases in Enrollments, Increases to Accommodate Internal Shifts and Categories of Persons Served, Capital Improvements, Improvements in Levels of Operation and Increases to Remedy Deficiencies (Expansions and Improvements)

For Appropriation to:

The Board of Governors			
UNC - General Administration	Institutional Programs 16011	926,629,757*	95,989,784

TOTAL - UNIVERSITY OPERATIONS 2,160,180,135 1,388,464,770

* Includes 1997-99 request for capital improvements of \$842,629,200 and 1997-98 request for current operations of \$84,000,557

(Continued on next page)

THE REQUEST OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA
TO THE GOVERNOR, THE ADVISORY BUDGET COMMISSION AND THE GENERAL ASSEMBLY
FOR GENERAL FUND APPROPRIATIONS FOR THE 1997-99 BIENNIUM

PART II - AGRICULTURAL PROGRAMS

<u>For Appropriation to:</u>	<u>Budget Code</u>	<u>1997-98</u>	<u>1998-99</u>
North Carolina State University			
Continuing Operations			
Agricultural Research Service	Operating Budget 16031	40,475,987	40,877,875
Cooperative Extension Service	Operating Budget 16032	32,272,198	32,396,147
Total		72,748,185	73,274,022
Funds for Salary Increases for Employees			
Exempt from the State Personnel Act	-	2,493,636	5,114,922
Expansions and Improvements			
Current Operations	-	6,000,000	6,000,000
TOTAL - AGRICULTURAL PROGRAMS		81,241,821	84,388,944

PART III - UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL

<u>For Appropriation to:</u>			
University of North Carolina Hospitals at Chapel Hill			
Continuing Operations	Operating Budget	45,195,273	45,262,762
Funds for Salary Increases for Employees			
Exempt from the State Personnel Act	Operating Budget	285,330	585,918
TOTAL - UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL		45,480,603	45,848,680

PART IV - RELATED EDUCATIONAL PROGRAMS

<u>For Appropriation to:</u>			
The Board of Governors			
UNC - General Administration			
Continuing Operations	Related Educational Programs	60,185,233	60,265,509
TOTAL - RELATED EDUCATIONAL PROGRAMS		60,185,233	60,265,509

PART V - NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS

<u>For Appropriation to:</u>			
North Carolina School of Science and Mathematics			
Continuing Operations	Academic Budget	9,627,094	9,579,301
Funds for Salary Increases for Employees			
Exempt from the State Personnel Act	Academic Budget	233,709	481,436
Expansions and Improvements			
Current Operations	Academic Budget	1,114,486	1,090,486
Capital Improvements	-	7,317,200	-
TOTAL - NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS		18,292,489	11,151,223

TOTAL GENERAL FUND APPROPRIATIONS REQUESTED **\$2,365,380,281*** **\$1,590,119,126**

* Includes 1997-99 requests for capital improvements of \$849,946,400 and 1997-98 requests for current operations of \$1,515,433,881.

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

REQUESTS FOR APPROPRIATIONS FOR CURRENT OPERATIONS

	Authorized 1996-97	For Continuing Operations		For Academic Salary Increases		For Expansions and Improvements		TOTAL CURRENT OPERATIONS	
		1997-98	1998-99	1997-98	1998-99	1997-98	1998-99	1997-98	1998-99
University Operations	1,167,205,830 ^a	1,185,394,316	1,192,825,586	48,156,062	99,649,400	84,000,557	95,989,784	1,317,550,935	1,388,464,770
Agricultural Programs	72,680,956	72,748,185	73,274,022	2,493,636	5,114,922	6,000,000	6,000,000	81,241,821	84,388,944
UNC Hospitals	44,948,299 ^b	45,195,273	45,262,762	285,330	585,918			45,480,603	45,848,680
Related Ed. Programs	59,408,461	60,185,233	60,265,509					60,185,233	60,265,509
NCSSM	9,203,610	9,627,094	9,579,301	233,709	481,436	1,114,486	1,090,486	10,975,289	11,151,223
TOTAL	1,353,447,156	1,373,150,101	1,381,207,180	51,168,737	105,831,676	91,115,043	103,080,270	1,515,433,881	1,590,119,126

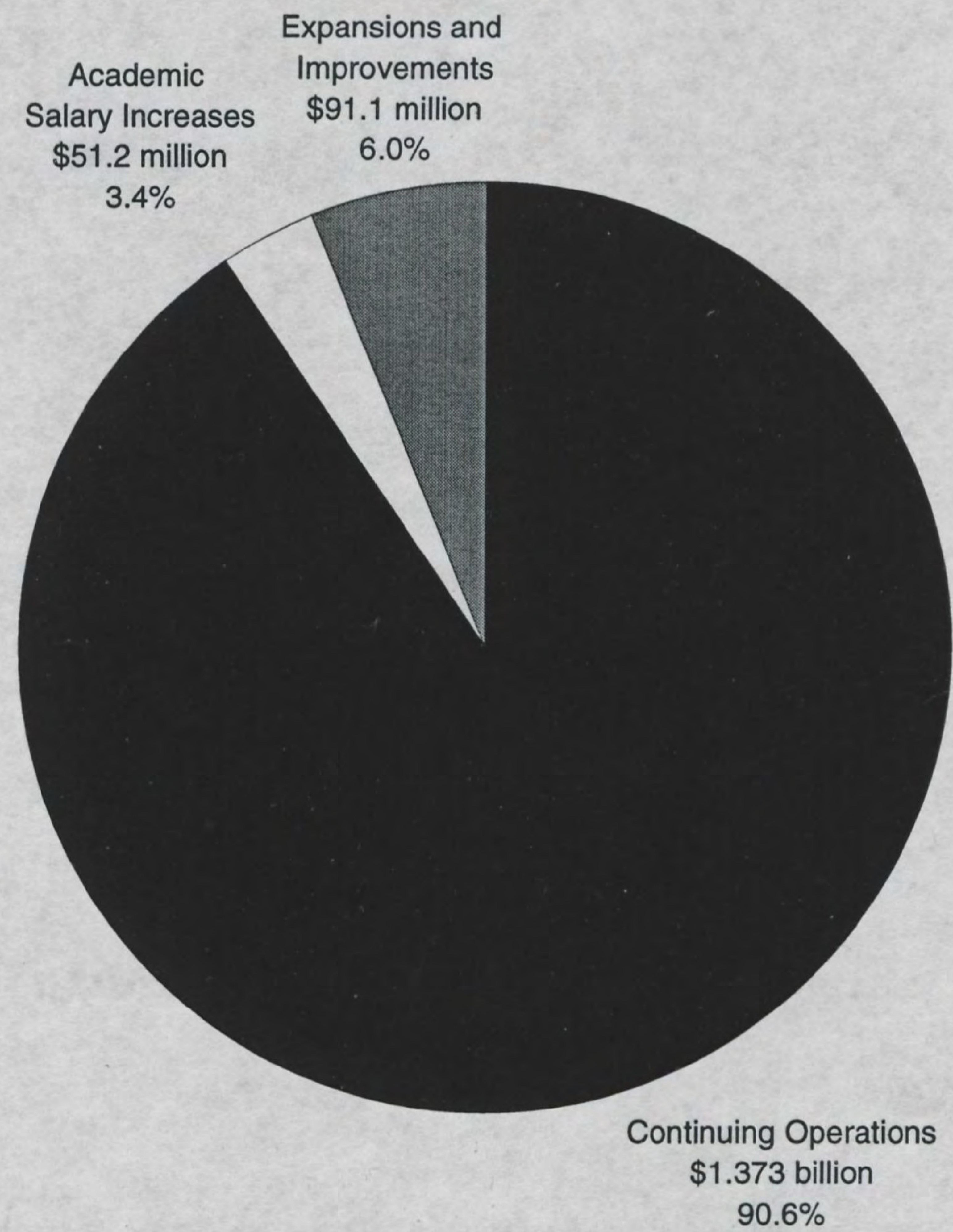
INCREASE OVER 1996-97:

1997-98 AMOUNT	19,702,945			51,168,737		91,115,043		161,986,725	
PERCENTAGE	1.46%			3.78%		6.73%		11.97%	
1998-99 AMOUNT		27,760,024		105,831,676		103,080,270		236,671,970	
PERCENTAGE		2.05%		7.82%		7.62%		17.49%	

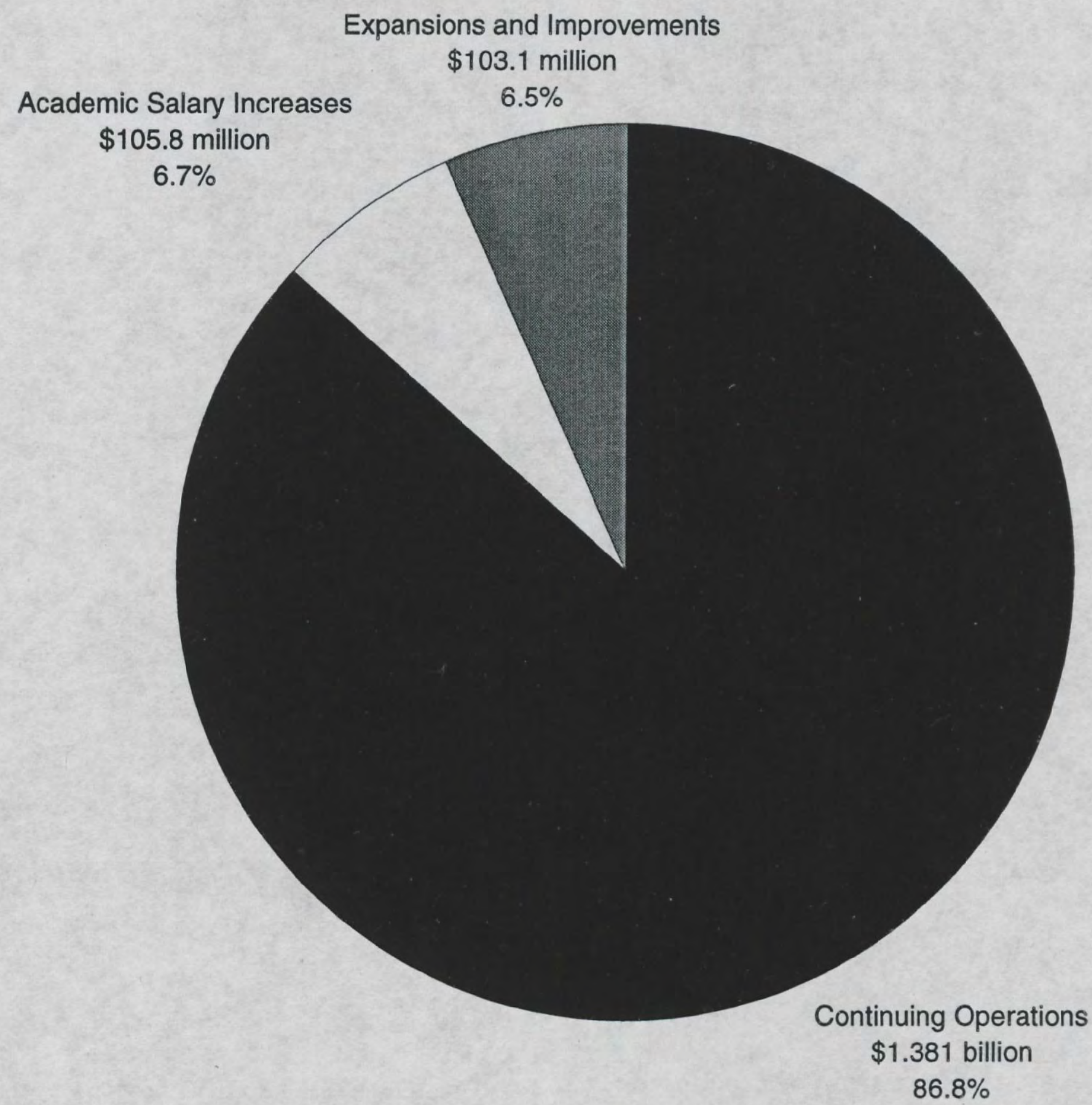
^a Excludes non-recurring appropriations of \$7,241,000.

^b Excludes non-recurring reduction due to use of \$20,000,000 in cash balances.

Requests for Appropriations for Current Operations 1997-98
\$1,515,433,881



Requests for Appropriations for Current Operations 1998-99
\$1,590,119,126



1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

The Board of Governors' recommendations to the Governor, the Advisory Budget Commission, and the General Assembly for financial support of public senior higher education in the next biennium are presented in a *1997-99 Budget Request* consisting of five parts. These are: (I) requests for University Operations; (II) requests for Agricultural Programs; (III) requests on behalf of the University of North Carolina Hospitals at Chapel Hill; (IV) recommendations for Related Educational Programs for which the Board of Governors is responsible; and (V) requests for the North Carolina School of Science and Mathematics as transmitted to the Board of Governors by the Board of Trustees of the School.

UNIVERSITY OPERATIONS

The recommendations for University Operations cover the basic educational programs carried out by the 16 constituent institutions and the General Administration of the University. Recommendations are forwarded in three parts for support of: (i) the continuing costs of maintaining the institutions, Continuing Operations; (ii) salary increases for employees exempt from the State Personnel Act, Academic Salary Increases; and (iii) other expansions and improvements in both current operations and capital improvements, Expansions and Improvements.

The requests for funds for Continuing Operations provide for regular session enrollments of 132,280 FTE students and for continuation of related institutional activities at present levels of service. The amounts proposed for appropriation to the institutions for Continuing Operations are \$1 billion, 185 million for 1997-98; and \$1 billion, 193 million for 1998-99.

The Continuing Operations requests are \$18.2 million and \$25.6 million more, in successive years of the biennium, than continuing appropriations budgeted for the current fiscal year. The requested increases were developed by the constituent institutions in response to guidelines established by the Office of State Budget and Management. The following schedule provides a summary of the increases requested.

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

Item	1997-98	1998-99
Operating reserves for new facilities	\$ 7,686,803	\$12,830,271
Utilities	2,790,809	4,228,000
Library acquisitions	1,326,946	2,582,482
Required staff benefits and continuing personnel costs	2,865,627	3,218,989
Replacement of motor vehicles	3,193,902	2,206,759
Other adjustments (net)	324,399	553,255
Total	18,188,486	25,619,756

The requests for Academic Salary Increases are for a 6% increase for 1997-98 and an additional 6% for 1998-99. The recommended appropriations for this purpose are \$48.2 million for 1997-98 and \$99.6 million for 1998-99. The increases address the continuing need for maintaining the competitive position of the University in the recruitment and retention of its faculty. *Special note regarding continuation of 1996-97 salary increases: The Office of State Budget and Management has directed all state agencies to exclude the continuation of the 1996-97 salary increases into their 1997-99 biennial budgets. Due to the effective date of the 1996-97 salary increases (September 1, 1996), these funds will be included in the Governor's recommendations as a part of a 1996-97 Legislative Salary Increases Reserve.*

The requests for all other changes in the levels of support (Expansions and Improvements) for educational activities, University-wide, total \$84 million and \$96 million for the two years respectively for current operations and \$842.6 million for capital improvements. These recommendations, as summarized on the next page in a two-part **Schedule of Priorities**, present to the Governor, the Advisory Budget Commission, and the General Assembly a comprehensive expenditure plan for the constituent institutions of the University of North Carolina.

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

SCHEDULE OF PRIORITIES

Line	Budget Request for General Fund Appropriations for <u>Current Operations</u>	1997-98	1998-99
1.	Enrollment Changes	\$ (1,895,403)	\$ 3,744,391
2.	Funding Equity	21,000,000	21,000,000
3.	Information Technology – Computing and Telecommunications	19,311,078	19,583,866
4.	Libraries	12,803,652	11,782,276
5.	Rewarding Teaching Excellence	6,322,760	12,781,584
6.	University Outreach to the Public Schools	5,466,101	5,978,301
7.	New Degree Programs	3,000,000	3,000,000
8.	Graduate Education and Research	9,103,699	9,103,699
9.	Area Health Education Centers	4,000,000	4,000,000
10.	Administrative Support for New Processes	906,795	915,466
11.	Remove 2% Reversion Requirement	no appropriation	no appropriation
12.	Distinguished Professors Endowment Trust Fund – State Matching Funds	2,000,000	2,000,000
13.	Interinstitutional Programs	1,981,875	2,100,201
	TOTAL	84,000,557	95,989,784

Parentheses denote a reduction.

Line	Budget Request for General Fund Appropriations for <u>Capital Improvements</u>	1997-99
1.	Repairs and Renovations	\$ 130,000,000
2.	Fire Safety Improvements, Student Residence Halls	69,734,400
3.	1997 University-wide Facilities Plan	642,894,800
	TOTAL	842,629,200

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

The first request in the **Schedule of Priorities** for current operations is for funding Enrollment Changes. The funds requested on Line 1 are to provide for projected enrollment changes during the 1997-99 biennium. (\$1.9 million reduction for 1997-98 and \$3.7 million increase for 1998-99)

	1995-96 Actual	1996-97 Budgeted	1996-97 Estimated	1997-98 Projected	1998-99 Projected
Appalachian State University	10,941	10,960	10,886	10,975	11,050
East Carolina University	15,005	15,060	15,053	15,115	15,180
Elizabeth City State University	1,857	1,945	1,790	1,835	1,880
Fayetteville State University	3,264	3,360	3,360	3,380	3,400
North Carolina A & T State University	6,978	7,170	6,717	6,800	6,850
North Carolina Central University	4,582	5,025	4,501	4,575	4,675
North Carolina School of the Arts	885	920	934	945	970
North Carolina State University	20,730	21,000	20,750	20,830	20,830
UNC-Asheville	2,566	2,625	2,570	2,625	2,635
UNC-Chapel Hill, Academic	17,265	17,350	16,927	17,200	17,200
UNC-Chapel Hill, Health	5,110	5,030	5,102	5,056	5,056
UNC-Charlotte	12,721	13,100	12,800	12,925	13,075
UNC-Greensboro	10,521	10,400	10,300	10,400	10,550
UNC-Pembroke	2,436	2,515	2,498	2,540	2,575
UNC-Wilmington	7,468	7,535	7,814	7,835	7,940
Western Carolina University	5,705	5,850	5,744	5,795	5,845
Winston-Salem State University	2,378	2,435	2,430	2,480	2,525
TOTAL	130,412	132,280	130,176	131,311	132,236

The preliminary enrollment estimate for 1996-97 is 130,176 average annual full-time equivalent students (FTEs), about 2,100 FTEs below the currently budgeted level. Enrollments are projected to grow to 131,311 FTEs in 1997-98 and to 132,236 FTEs in 1998-99, a growth of 2,060 FTEs, or 1.6 percent, over the biennium.

UNIVERSITY OPERATIONS (Continued)

Since the 1996-97 budgeted enrollment is already 132,280 FTEs, on a budget-to-budget basis, there is no growth projected over the biennium. By the second year of the biennium, 1998-99, the projected enrollment of 132,236 is 44 FTEs less than the current budget. However, there is a need for additional funding by the second year of the biennium because there is projected growth at some institutions and also there is an overall shift between in-state and out-of-state enrollment. In-state enrollment estimates increase and out-of-state enrollment estimates decrease over this period. Since the nonresident tuition rates are substantially higher than resident rates and there are projected to be fewer nonresidents enrolled, additional appropriations support is required to replace the reduced level of receipts. The following table shows the enrollment by classification.

	1996-97 Budgeted	1997-98 Projected	1998-99 Projected	Net Change over Biennium
In-State Students	113,375	112,856	113,671	296
Out-of-State Students	18,905	18,455	18,565	(340)
Total	132,280	131,311	132,236	(44)

Parentheses denote a reduction.

Over the 1997-99 biennium, significant growth (100 FTE students or more increase on a budget-to-budget basis) is projected for only three institutions (East Carolina University, UNC-Greensboro, and UNC-Wilmington). In all cases of enrollment increases, the appropriations request is based on the traditional method of calculating the cost of enrollment growth which has been modified to include 100 percent of support costs in accordance with the 1996 legislative directive.

The request on Line 2, Funding Equity, (\$21 million for each year) is for additional funding for the five constituent institutions (Appalachian State University, \$3.4 million; East Carolina University, \$3.1 million; UNC-Charlotte, \$5.1 million; UNC-Greensboro, \$6.8 million; and UNC-Wilmington, \$2.6 million) whose funding rates fall below equitable levels as identified in the Board of

UNIVERSITY OPERATIONS (Continued)

Governors' study, *An Analysis of Funding Equity in the University of North Carolina, Phase I Final Report*. The 1996 Extra Session provided partial funding, but on a non-recurring basis for 1996-97 only.

Line 3 seeks funding for Information Technology – Computing and Telecommunications at all of the constituent institutions (\$19.3 million in 1997-98 and \$19.6 million in 1998-99). Each institutional request reflects the point at which that institution is in adoption of information technology and what it sees as its priorities in integrating technology into the educational mainstream. This request focuses on two broad outcome areas – heightened effectiveness of teaching and learning and improvements in services and cost effectiveness. There is a related infrastructure capital improvements request of \$32.3 million to complete the installation of fiber optics backbones at all institutions and to complete the wiring of all academic facilities.

The Line 4 request is directed to improvements in University Libraries (\$12.8 million in 1997-98 and \$11.8 million in 1998-99). Funds are requested for expansion of library resources of the 16 constituent institutions and the initiation of the electronic North Carolina Virtual Library, which will extend library access through the universities, the community colleges and the public libraries. During 1995-96, the University has undertaken a University-wide study of library resources to ensure that UNC libraries meet national standards for library resources and services as they enter the 21st century. The institutional funding priorities are consistent with preliminary findings in that study.

Line 5 seeks funds to Reward Teaching Excellence (\$6.3 million and \$12.8 million). In order to carry forward the initiative begun by the 1996 Second Extra Session, a one percent salary increase fund is requested for each year of the biennium to be distributed to faculty members who have demonstrated excellence in teaching. In 1996, the General Assembly made available a sum of one-half percent of salary increase funds for this purpose. These funds, which were awarded to teaching faculty according to strict guidelines, provided the opportunity to reward these effective teachers.

UNIVERSITY OPERATIONS (Continued)

The request on Line 6 seeks funding to further the University Outreach to the Public Schools (\$5.5 million in 1997-98 and \$6 million in 1998-99). These program increases are directed to enhancing the preparation of teachers and administrators and to putting the resources of the University at the service of the public schools. These activities represent part of the University's plan to forge stronger links between the University and other educational sectors in order to improve the quality of education in the state. The priority program in this category, University-School Teacher Education Partnerships, is an innovative model for teacher education that expands the field experience and clinical practice of pre-service teachers and increases the involvement of practicing teachers in the preparation of beginning teachers. Two of the technology-related requests are in support of recommendations of the School Technology Users Task Force Report of October, 1995. Four of the programs focus on the initial preparation and continuing professional development of public school administrators: the Master of School Administration, the Principal Fellows Program, the Principals Executive Program, and the School Leadership Academy. The North Carolina Center for the Advancement of Teaching, the Mathematics and Science Education Network, and "Late Night Learning" and Learning Link services by the UNC Center for Public Television provide continuing professional development and support for public school teachers. Also, three programs - Early Mathematics Placement Test, Summer Ventures in Science and Mathematics, and the Mathematics and Science Education Network Pre-College program - are targeted to support the development of pre-college students. In addition, funding is requested to support the North Carolina Center for the Prevention of School Violence.

On Line 7 a request is submitted for the additional funding required for New Degree Programs (\$3 million for each year of the biennium). Although significant resources were appropriated by the 1995 General Assembly to fund allied health programs, needs remain to fund additional new programs and to strengthen existing programs, especially those recently established. In addition to allied health, advanced programs in biomedicine, computer and information sciences, chemical and civil engineering, occupational safety, and marine sciences are planned. Most new program costs will be met by reallocation of existing internal resources and enrollment increase funds. Some programs, however, will require additional appropriations support.

UNIVERSITY OPERATIONS (Continued)

Funds on Line 8, Graduate Education and Research, are requested to eliminate the remaining 10 percent overhead receipts offset to General Fund appropriations (\$7.3 million each year of the biennium) and to provide additional tuition remissions for nonresident graduate teaching and research assistants (\$1.8 million for each year of the biennium), (a total of \$9.1 million for each year of the biennium). Management flexibility legislation enacted in 1990 expressed the legislative intent that the practice of using reimbursements of indirect costs on contracts and grants as offsets to General Fund appropriations be phased out. However, a 10 percent offset requirement remains. Additional appropriation support would make these overhead receipts available to enhance research programs and graduate education. Additional tuition remissions will enable additional nonresident graduate teaching and research assistants to pay tuition at the in-state rate. This provides an important competitive tool for recruiting the best graduate students nationwide.

The request on Line 9 for Area Health Education Centers (\$4 million for each year of the biennium) addresses the next phase of a plan to expand the number of primary care residences and to increase student clinical training in community sites for medical schools and programs for training nurse practitioners, physicians assistants, and certified nurse midwives. Funds are also included to support a community-based clinical component of a new entry level Doctor of Pharmacy (Pharm D) degree program and to expand information access for students and preceptors in community settings. The request is consistent with a legislative directive for the health sciences schools and the AHECs to develop plans for providing an increased number of generalist physicians and other primary care providers for the state.

Funds are requested on Line 10 to provide Administrative Support for New Processes (\$907 thousand in 1997-98 and \$915 thousand in 1998-99). Additional support positions and equipment are required University-wide in campus institutional research offices to meet data requirements related to assessment measures, transfer articulation and performance agreements, public service contributions of the University, and developing and maintaining a new funding model. The data demands are too great to be addressed only through a redeployment of staff and other campus resources; additional support is required.

UNIVERSITY OPERATIONS (Continued)

Legislative approval is requested to Remove the 2% Required Reversion on Line 11 of the Schedule. Action taken in the 1995 Regular Session reduced the required reversion rate for Special Responsibility Constituent Institutions to a uniform 2% rate. Elimination of the remaining required reversion would increase spending availability by approximately \$25 million annually without increases in appropriated dollars. However, at the end of the fiscal year, reversions to the General Fund would be reduced by the same amount.

Additional State Matching Funds for the Distinguished Professors Endowment Trust Fund are requested on Line 12 (\$2 million each year). Under this program instituted in 1985 by special legislation, every \$2 in private funds raised by the constituent institutions are matched with \$1 of state funds to establish endowments of \$500 thousand and \$1 million in order to provide funds to attract distinguished professors to the faculties.

Funding for special Interinstitutional Programs involving two or more constituent institutions or educational sectors is requested on Line 13 (\$2 million in 1997-98 and \$2.1 million in 1998-99). These inter-institutional programs are diverse and include the Water Resources Research Institute, the Sea Grant Program, the North Carolina Health Careers Access Program, the North Carolina Center for Nursing, the University Council on International Programs, the Summer Institute of the North Carolina School of the Arts on Roanoke Island, and the North Carolina Scholastic Media Association Program. This request also seeks funds for the North Carolina Arboretum, the UNC Press, the State Education Assistance Authority, and for additional support of the Board's doctoral study assignment program.

The second part of the **Schedule of Priorities** presents the capital improvements requests of the Board of Governors for the 16 constituent institutions of the University and the UNC Center for Public Television and Agricultural Programs. The request for the biennium is \$842.6 million.

Line 1, Repairs and Renovations, identifies the high priority needs for general repairs and renovations; utilities repairs and improvements; roads, walks, and drives; occupational safety and health act projects; automated energy management systems; and projects to meet requirements of the Americans with Disabilities Act. The Line presents institutional five-year plans for repairs

UNIVERSITY OPERATIONS (Continued)

and renovations that total \$329,427,900 and requests \$130 million for repair and renovation projects for the biennium.

Line 2, Fire Safety Improvements, Student Residence Halls, presents a request, based on a comprehensive survey at each constituent institution, for the installation of centrally monitored smoke detection and alarm systems and sprinkler systems in all student residence facilities that are not so equipped. In 1996, the General Assembly directed the Board of Governors to survey student residence facilities and to include a request for unfunded fire safety needs within the *1997-99 Budget Request*. In accordance with House Bill 53, Sec. 16.4(c), this Line seeks \$69.7 million to address fire safety needs in all student residence facilities.

Line 3, 1997 University-Wide Facilities Plan, is a comprehensive, \$642.9 million plan for new buildings, major renovations and extensive remodeling of existing buildings, technology infrastructure, and land acquisition. For the first time, the projects within the Plan are categorized, and the categories are prioritized to provide explicit information on the priorities of the Board of Governors. The highest priority category of the Board is that which provides for new facilities or major renovations to existing facilities to meet the needs of students currently enrolled in the University. The second highest priority category addresses facilities which would accommodate enrollment growth. The remaining five categories request funds for technology infrastructure, projects for facilities to improve program quality, projects for facilities to serve special purposes, projects for support facilities, and land acquisition.

While the projects represent current needs, it is recognized that it is not likely that all of this Plan can be funded in a single Session of the General Assembly. The Board therefore commends the approach that was followed in response to the presentation of similar University-wide Facilities Plans in previous biennia. In those instances, successive Sessions funded some projects for construction, others for partial or phased construction and others for advanced planning. This permitted a methodical program for completion of all projects, with the responsibility for the timing and sequence appropriately shared by the Board, the Governor and the Advisory Budget Commission, and the General Assembly. A complete list of the projects in the 1997 University-wide Facilities Plan is shown below:

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

Category: Current Capacity

<u>Appalachian State University</u>	
Renovation of Rankin Science Building	\$ 6,666,000
Addition and Renovation to Belk Library	10,629,400
<u>East Carolina University</u>	
Science Laboratories and Technology Building	47,997,600
Health Sciences Library Expansion	6,106,600
<u>Elizabeth City State University</u>	
G. R. Little Library Addition and Renovation	10,723,600
Addition to the Academic Computer Center	3,557,600
<u>Fayetteville State University</u>	
Fine Arts and General Classroom Facility	15,524,400
<u>North Carolina Central University</u>	
Lee Biology Building Renovation	1,359,200
Repairs to Five Academic Buildings	10,515,000
Robinson Science Building	946,000
<u>North Carolina School of the Arts</u>	
Basic Education Complex	6,133,400
Filmmaking Office/Classroom Post Production Complex	2,000,000
<u>North Carolina State University</u>	
Nelson Hall Renovation - Phase II	6,914,900
Toxicology Building	14,566,700
College of Veterinary Medicine, Main Building Addition	24,262,000
David-Clark Laboratory Renovation and Addition	9,990,800

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

Category: Current Capacity (Continued)

<u>The University of North Carolina at Asheville</u>	
Asheville Graduate Center - Phase II	\$ 792,700
Highsmith Center Renovation and Addition	8,782,000
<u>The University of North Carolina at Chapel Hill, Academic Affairs</u>	
R. B. House Library	6,629,400
Student Services Building	18,857,500
<u>The University of North Carolina at Chapel Hill, Health Affairs</u>	
Addition to Beard Hall - School of Pharmacy	8,824,600
Medical Biomolecular Research Building	29,493,800
<u>The University of North Carolina at Charlotte</u>	
Academic Facilities - Humanities	20,597,300
Academic Facilities - Sciences	32,371,700
<u>The University of North Carolina at Greensboro</u>	
North Campus Infrastructure Development	5,681,600
<u>The University of North Carolina at Wilmington</u>	
General Classroom Building	8,465,500
School of Education Building	16,656,100
Fine Arts Building	14,041,400
<u>Western Carolina University</u>	
Fine and Performing Arts Center	25,422,100
Renovate Camp Lab School - Phase II	2,226,600
<u>Winston-Salem State University</u>	
Addition and Renovation to the F. L. Atkins Building	5,198,500
Computer Science Facility	6,316,000

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

Category: Future Capacity

Appalachian State University
Science/Mathematics Complex, Phase II \$27,495,500

East Carolina University
Third Floor Addition to the Home Economics/Nursing Building 6,700,700

Category: Technology

Infrastructure for all Sixteen Institutions 32,340,600

Category: Program Quality

North Carolina A & T State University
General Classroom and Laboratory Building Complex #1 31,526,200

North Carolina Central University
B. N. Duke Auditorium, Renovations and Addition 2,962,500

North Carolina State University
Undergraduate Science Teaching Laboratories - Phase I 21,228,900
Riddick, Mann, Daniels, and Burlington Hall Renovations 8,644,100

The University of North Carolina at Chapel Hill
Hill Hall Music Library 7,170,900

The University of North Carolina at Greensboro
Science Instructional Building 37,099,400

The University of North Carolina at Pembroke
Regional Center for Economic, Professional, and Community
Development 6,157,600

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

UNIVERSITY OPERATIONS (Continued)

Category: Special Purpose

<u>North Carolina State University</u> Research and Teaching Feed Mill	\$ 2,604,400
<u>The University of North Carolina at Asheville</u> Conference Center (partial)	3,000,000
<u>The North Carolina Arboretum</u>	10,681,000
<u>The University of North Carolina at Chapel Hill</u> Addition and Renovation of the Knapp Building - Institute of Government	16,102,700
<u>The University of North Carolina - Center for Public Television</u> Replacement and Upgrade of WUND-TV, Channel 2, Columbia Transmitter, Tower and Ancillary Equipment	7,144,500
Replacement and Upgrade of WUNK-TV, Channel 25, Greenville Transmitter and Ancillary Equipment	2,372,000
Mobile Satellite Uplink	743,700
Replace and Upgrade Studio Production Equipment	3,747,200

Category: Support Facilities

<u>North Carolina Central University</u> New Admissions Building	5,943,400
<u>The University of North Carolina at Pembroke</u> New Residence Hall	5,979,500

Category: Land Acquisition	15,000,000
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AGRICULTURAL PROGRAMS

The Board recommendations for the Agricultural Programs, which are conducted by North Carolina State University in cooperation with the U. S. Department of Agriculture and the State Department of Agriculture, are described in Part II of the *1997-99 Budget Request*. Like those for University Operations, the recommendations are composed of three parts: Continuing Operations, Academic Salary Increases, and Expansions and Improvements. The requests are designed to meet the requirements of both the North Carolina Agricultural Research Service and the North Carolina Cooperative Extension Service.

The requests for funds for Continuing Operations are \$72.7 million in 1997-98 and \$73.3 million in 1998-99, including net allowable increases of \$67,000 in 1997-98 and \$593,000 in 1998-99.

The requests for Academic Salary Increases based on a 6 percent increase for each year of the 1997-99 biennium would require appropriations of \$2.5 million for 1997-98 and \$5.1 million for 1998-99.

The requests for Expansions and Improvements total \$6.0 million for each year of the biennium for current operations. The current operations requests represent a number of proposed expansions and improvements identified by the Agricultural Research Service and the North Carolina Cooperative Extension Service in cooperation with the College of Agriculture and Life Sciences and the agricultural community which these programs serve. The requests are for research and extension program enhancements with special emphasis on compensation and operating support for a dedicated campus and field faculty (\$3.1 million each year), development of agricultural and life sciences industries (\$1.4 million each year), enhancement of the State's natural resources and the environment (\$900,000 each year), and the development of programs focusing on the needs of communities and rural areas (\$600,000 each year). *Note: Capital improvements requests for Agricultural Programs are included in the Schedule of Priorities.*

UNIVERSITY OF NORTH CAROLINA HOSPITALS AT CHAPEL HILL

The Board recommendations for the University of North Carolina Hospitals at Chapel Hill, the primary clinical teaching facility of the School of Medicine of the University of North Carolina at Chapel Hill, are described in Part III of the *1997-99 Budget Request*. The recommendations propose appropriations support for Continuing Operations and Academic Salary Increases.

The recommendations for funds for Continuing Operations are \$45.2 million for 1997-78 and \$45.3 million for 1998-99. The one-time use of \$20 million in cash balances to reduce appropriations support for UNC Hospitals affected only the 1996-97 fiscal year.

The recommendations for Academic Salary Increases based on a 6 percent increase for each year of the 1997-99 biennium would require appropriations of \$285,330 and \$585,918.

1997-99 BUDGET REQUEST – Board of Governors of The University of North Carolina

RELATED EDUCATIONAL PROGRAMS

The Board recommendations for support of Related Educational Programs constitute Part IV of the *1997-99 Budget Request*. The appropriations requests on behalf of these programs for Continuing Operations total \$60.2 million for 1997-98 and \$60.3 million for 1998-99.

	1997-98	1998-99
Regional Education Programs	\$ 927,583	\$ 951,133
Private Medical School Aid	2,760,000	2,796,000
Aid to Independent Colleges	15,073,800	15,073,800
Legislative Tuition Grants	28,946,417	28,946,417
Medical Scholarships	1,251,688	1,257,678
Incentive Grants Program	1,688,698	1,688,698
Dental Scholarships	405,696	420,432
Incentive Grant and Scholarship Program for Native Americans	745,200	745,200
Need-Based Loan Program	853,351	853,351
Nurse Scholars Program	3,553,800	3,553,800
Nurse Education Scholarship Loan Program	900,000	900,000
Strengthen Teacher Education – Private Colleges	79,000	79,000
Principal Fellows Program	3,000,000	3,000,000
TOTAL	60,185,233	60,265,509

Note: Funds to provide for the further implementation of the Principal Fellows Program are included in the Board's Schedule of Priorities, Line 6, University Outreach to the Public Schools.

NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS

The requests for the North Carolina School of Science and Mathematics, as approved by the Board of Trustees of the School and transmitted to the Board of Governors, are described in Part V of the *1997-99 Budget Request*. The requests are composed of three parts: Continuing Operations, Academic Salary Increases, and Expansions and Improvements.

The requests for funds for Continuing Operations are \$9.6 million for 1997-98 and \$9.6 million for 1998-99. The annual requests are \$423,000 and \$375,000 more than appropriations available for the current year.

The recommendations for Academic Salary Increases are based on a 6 percent increase for each year of the biennium and would require appropriations of \$234,000 for 1997-98 and \$481,000 for 1998-99.

The requests for Expansions and Improvements are \$1.1 million for each year of the 1997-99 biennium for current operations and \$7.3 million for capital improvements.

The Expansions and Improvements current operations requests include funds to enhance residential programs; to establish a student leadership development program with Israel; to improve outreach, residential, and support services; and to increase the teachers' salary schedule.

The capital improvements requests of the Board of Trustees are:

Renovate Bryan Center	\$ 3,603,900
Renovate the Royall Outreach Center (Wyche House)	2,579,700
Track and Soccer Field	459,500
Computerized Energy Management System	478,200
Demolish Old Boiler Plant	195,900
TOTAL	7,317,200