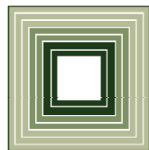


Higher Education Overview



February 11, 2009
Richard Bostic
Andrea Poole



FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Agenda

1. UNC System
 - Governance
 - Budget
2. Community College System
 - 2008 Session Actions
 - Upcoming Issues for 2009 Session
3. Questions?
 - How Are We Doing?

The University of North Carolina



What is UNC?



16 Universities



What is UNC?

- 2 high schools
- NC Cooperative Extension
- Area Health Education Centers
- UNC Health Care System
- UNC Online

What is UNC?

- Public Television
- NC Arboretum
- Agriculture Research Stations
- NC Center for the Advancement of Teaching
- Aid to private college students

UNC Governance

**General
Assembly**

**UNC Board of
Governors**

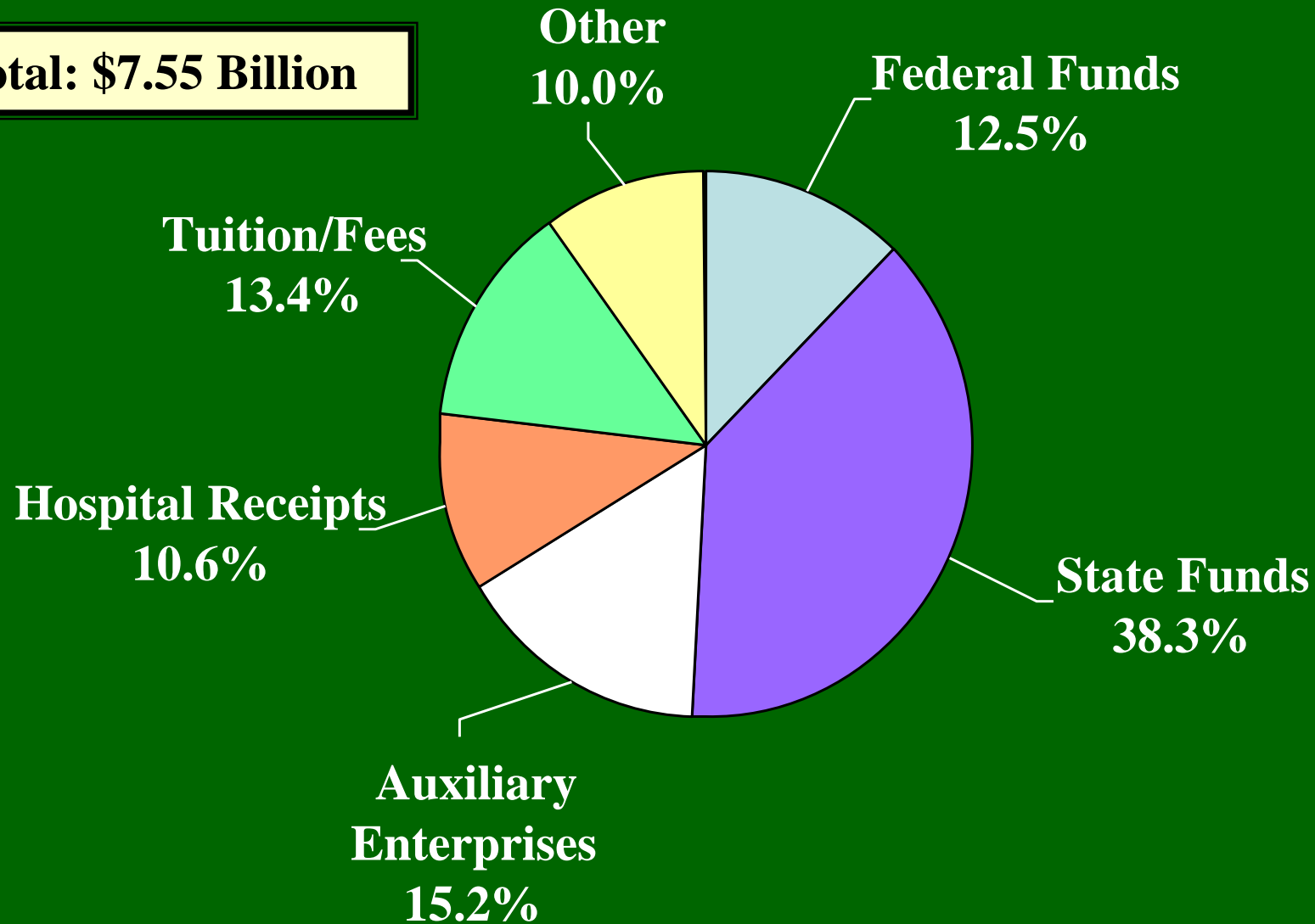
President

Institutions

Affiliates

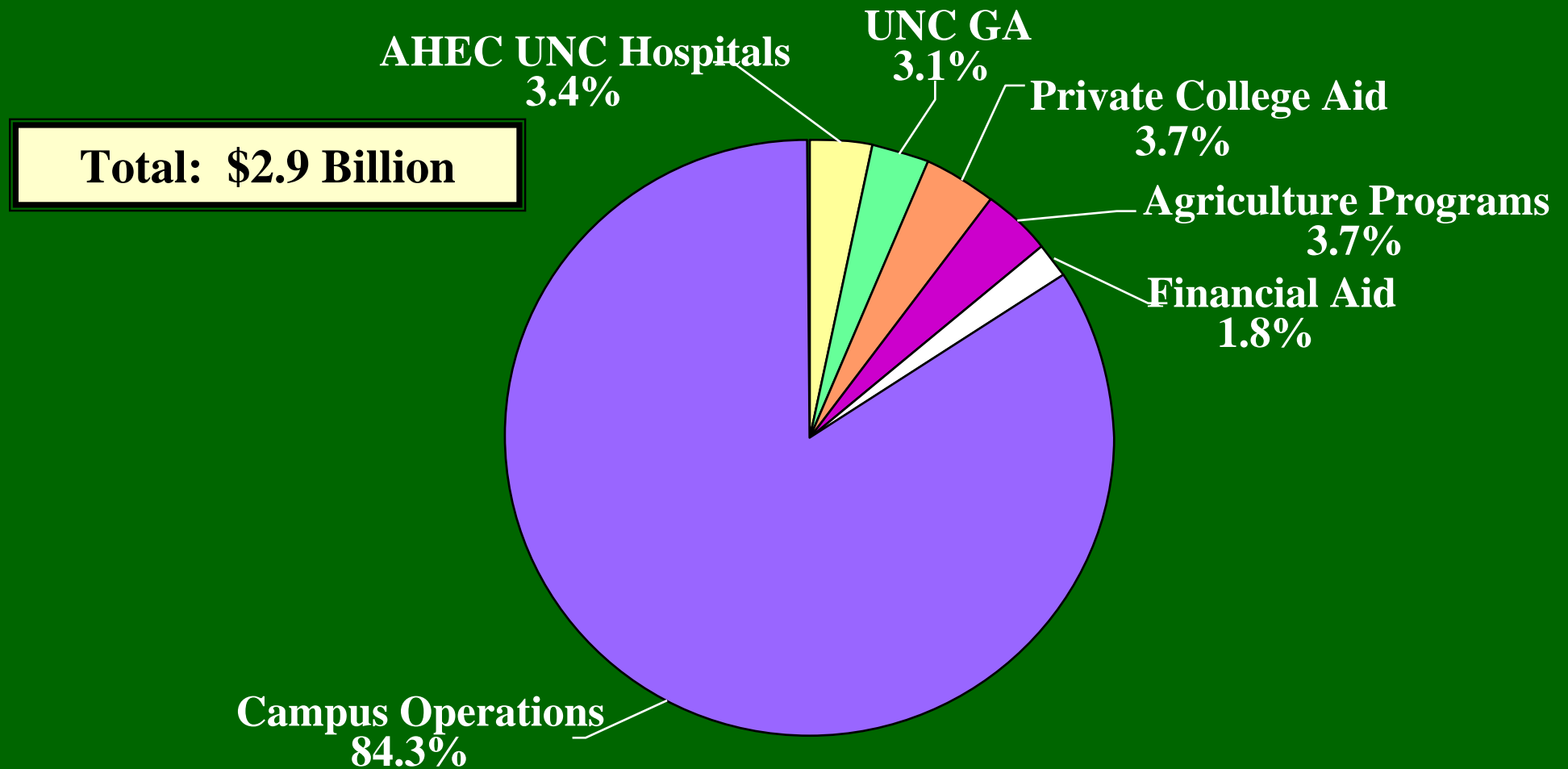
FY 07-08 Actual Operating Revenues

Total: \$7.55 Billion



Source: IPEDS Finance Survey – Part B (excluding capital)

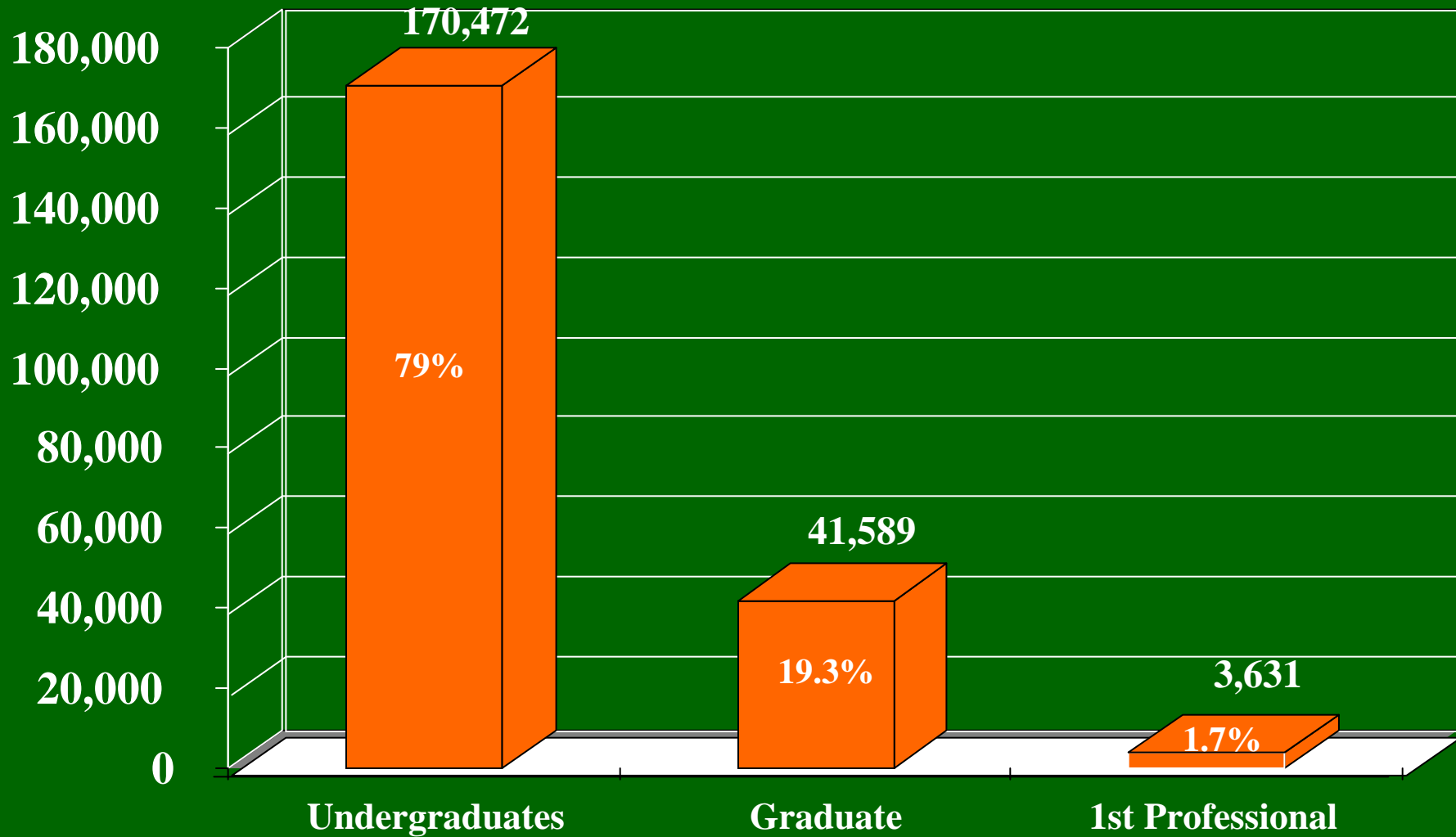
FY 08-09 Authorized GF Budget



Source: UNC-General Administration (as of 10/31/08)

Student Headcount

Undergraduate and Graduate, Fall 2008

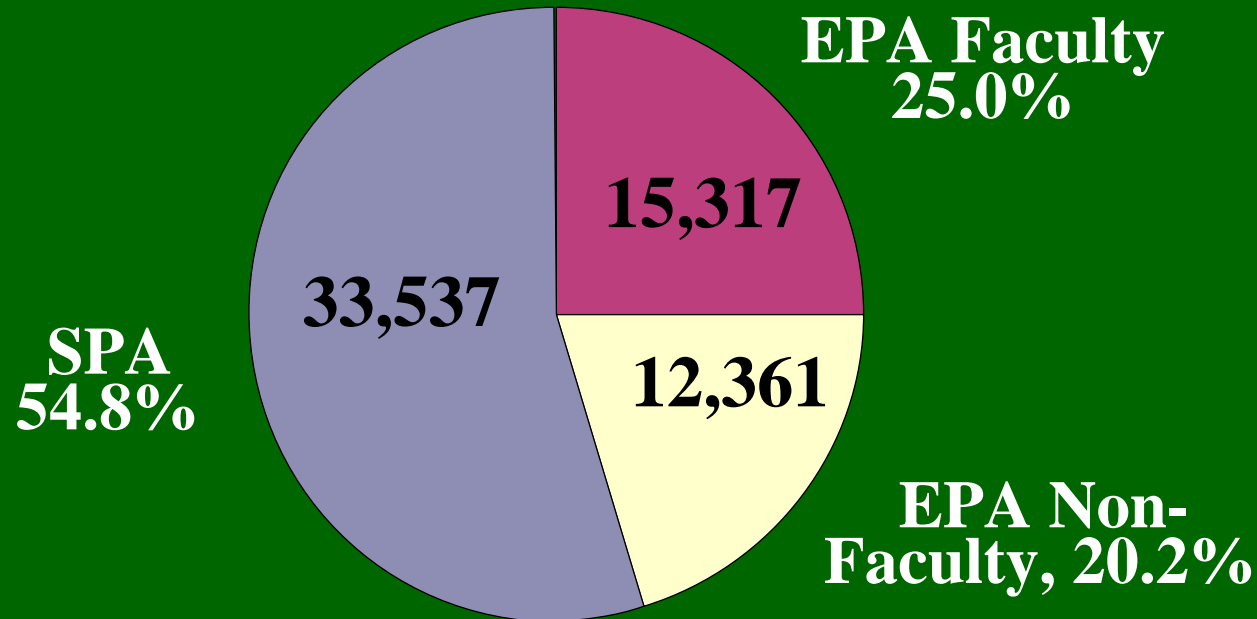


Source: UNC-General Administration

Student Profile

	<u>Undergrad</u>	<u>Grad</u>
In-State	88.7%	77.8%
Female	56.4%	61.3%
White	67.0%	76.3%
Distance Education	6.6%	24.5%
High School Students	1.7%	

UNC FTE Positions, FY 2008-09

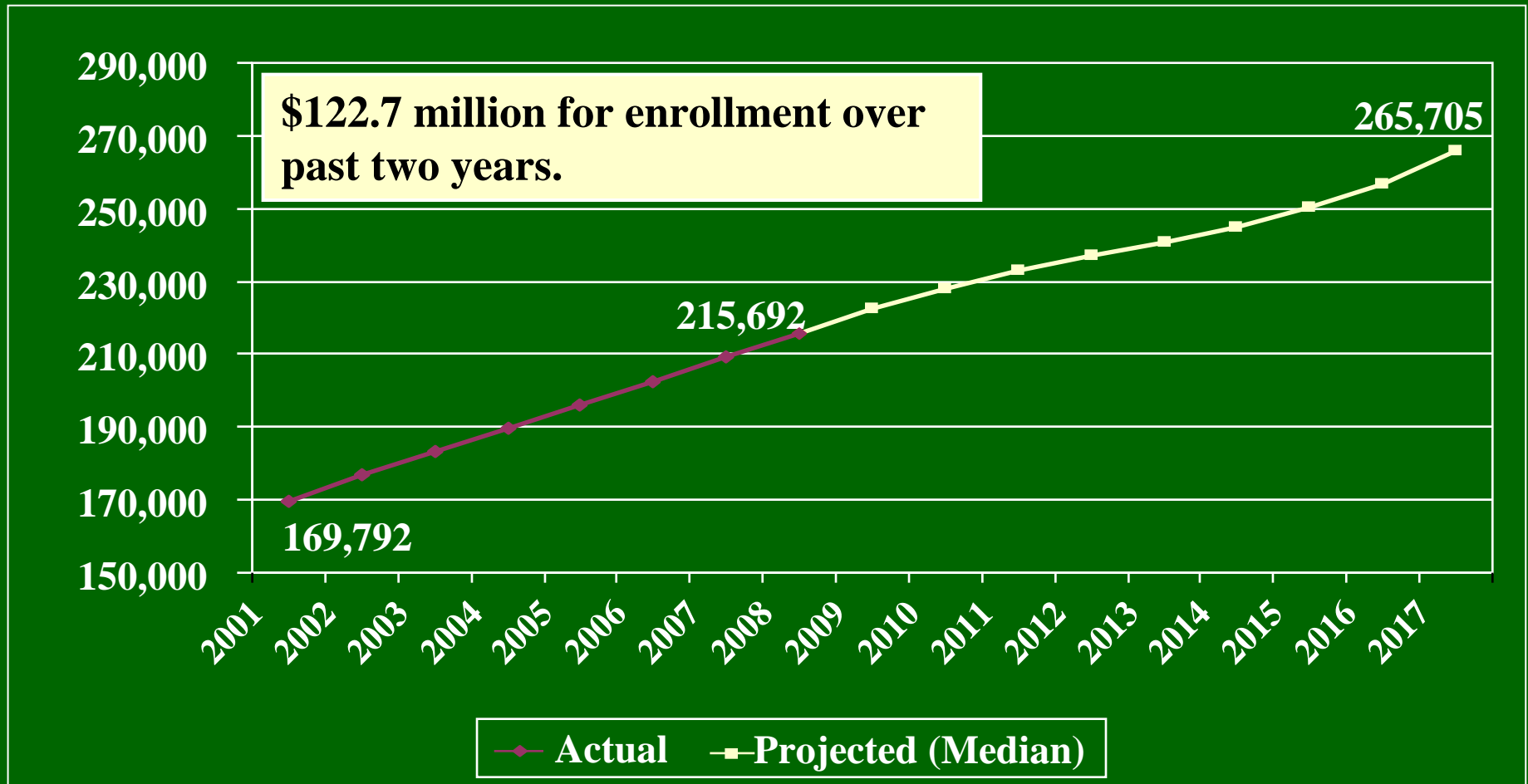


SPA: Subject to the Personnel Act / **EPA:** Exempt from the Personnel Act

Source: UNC-General Administration

FYs 2007-09 Key Budget Items

UNC Fall Headcount Enrollment Actual (through 2008) and Projected



Source: UNC-General Administration February 6, 2009

FY 2008-09 Key Budget Items

- Current Year Budget
 - \$38 million in recurring cuts
 - \$143.5 million in one-time budget reversions
- General Fund capital projects and repair and renovations on hold
 - \$99.6 million for 17 capital projects
 - \$32.1 million for R & R projects

FY 2008-09 Key Budget Items

- University Cancer Research Fund created
 - General Fund
 - Tobacco Trust Fund
 - Tax on tobacco products other than cigarettes
 - \$25 million in 2007-08 / \$40 million in 2008-09

FY 2008-09 Key Budget Items

- Campus safety programs funded
 - \$6 million recurring
 - \$9 million nonrecurring

- NC Research Campus at Kannapolis opened
 - Murdock Core Lab Building
 - NCSU Institute for Fruit and Vegetable Science
 - UNC-CH Nutrition Research Institute

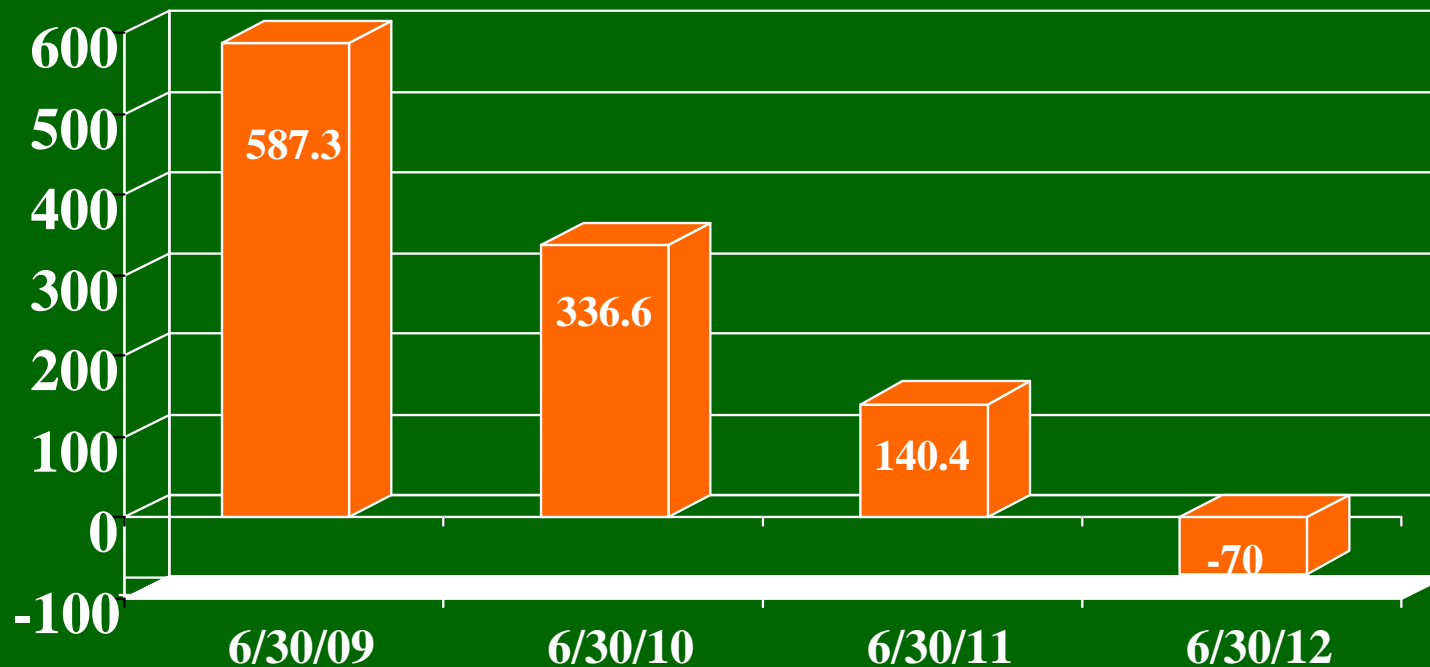
FY 2008-09 Key Budget Items

- EARN scholarship established
 - \$4,000 grants to students from families at 200% or less federal poverty level
 - 2 year grants to public and private institutions
 - Estimated 12,000 students will receive \$45.5 million in FY 2008-09

FY 2009-10 Budget Issues

- Financial Aid
 - Second year of EARN
 - UNC need-based aid to grow \$23.4 million
 - Escheat Fund – Deficit by 2012

Escheat Fund Balance \$ Million



FY 2009-10 Budget Issues

- Enrollment Growth
 - 12,399 additional students in next two years
 - \$44.8 million in FY 2009-10
 - \$54.4 million in FY 2010-11
- NC Research Campus at Kannapolis
 - \$10 million to complete funding commitment
 - Funds needed to hire researchers and provide equipment and supplies

FY 2009-10 Budget Issues

- ECU Dental School operating costs
 - First class enters in 2011
 - Request \$6 million in FY 2009-10
 - Additional \$8 million in FY 2010-11

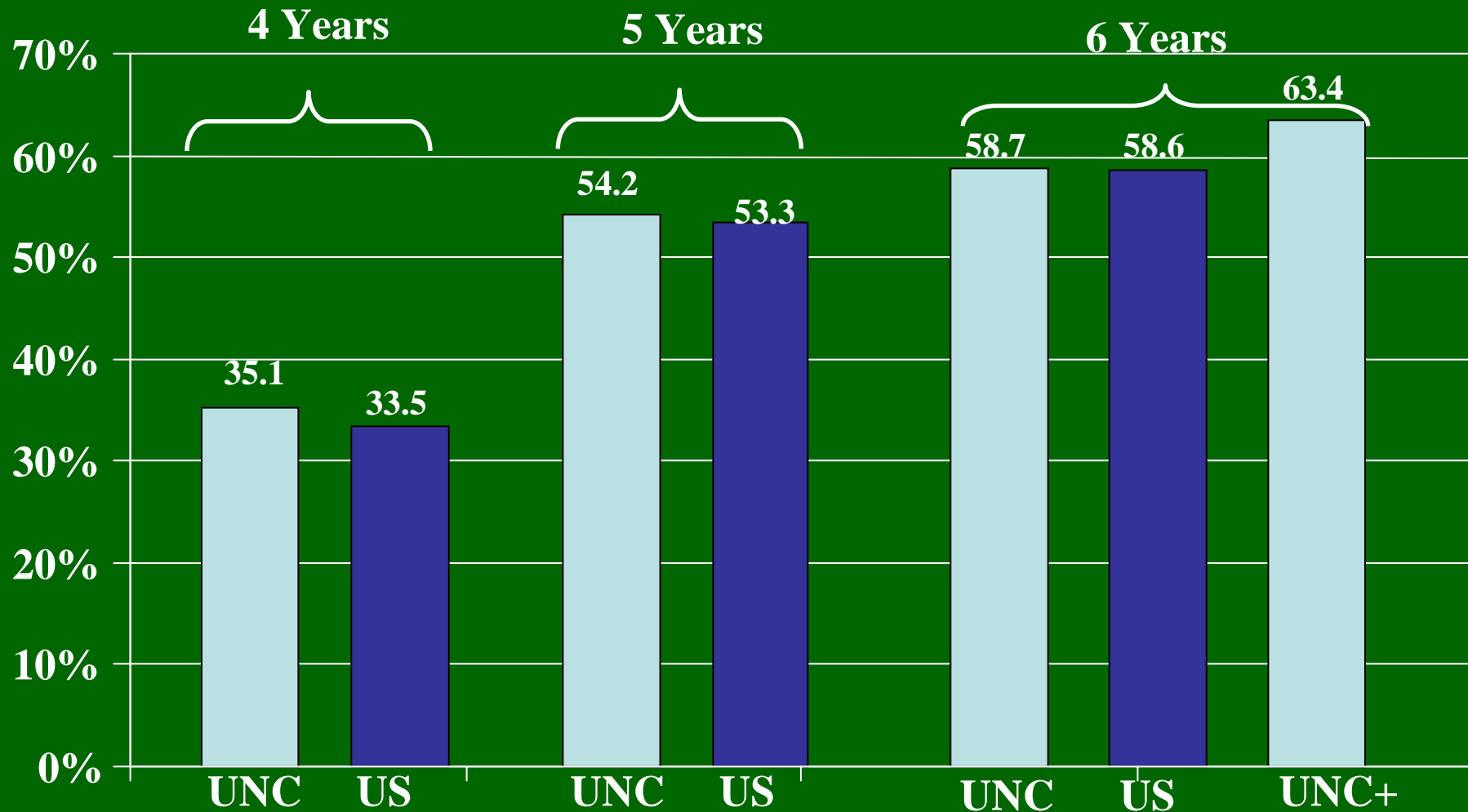
- University Cancer Research Fund
 - \$50 million annual commitment beginning FY 2009-10
 - \$11 million General Fund appropriation needed

FY 2009-10 Budget Issues

- Principals' Executive Program
 - Funding ends June 30, 2009
 - \$1.3 million needed to restore operating budget

- Distinguished Professorships
 - \$6.8 million match needed
 - \$5 million requested for backlog

UNC System Graduation Rate: Class Entering 2001



Source: UNC General Administration

UNC+ = includes transfers between UNC institutions

Quality

- Kiplinger.com rates 6 UNC campuses in top 100 “best values in public colleges” in 2009.
 - #1 UNC-CH
 - #18 NCSU
 - #25 UNC-W
 - #29 ASU
 - #43 UNC-A
 - #98 UNC-G
- Fiske Guide to Colleges 2009 includes UNC-CH and UNC-A in Best Buys – Public.

Affordability

Flagship Universities

Resident Undergrad Tuition & Fees FY 2007-08

National Average	\$7,029
SREB Average	\$6,260
UNC-CH	\$5,340

Source: Washington Higher Education Coordinating Board

Affordability

Comprehensive Universities

Resident Undergrad Tuition & Fees FY 2007-08

National Average	\$5,526
SREB Average	\$5,048
ASU, ECU, NCCU WCU, and WSSU	\$3,915

Source: Washington Higher Education Coordinating Board

Affordability

- 14 of 16 UNC institutions rank 1st, 2nd, or 3rd lowest resident tuition and fees among peers.
- UNC-CH, NCSU, ASU, and UNC-W commit to meet 100% of need for eligible students.
- On average 48.4% of UNC undergraduate students receive need-based scholarships and grants.

Community Colleges



Community Colleges: Quick Facts

- 58 community colleges
 - 28 Multi-Campuses
 - 55 Off-Campus Centers
- Faculty: 6,583 full-time; 14,786 part-time
- 829,146 Students (Headcount)
- 205,803 Full-Time Equivalent (FTE)
Students

Source: NCCCS Annual Statistical Reports and CC System Office

Financial Support of Institutions

State

G.S. 115D-31

- Operating costs for instruction, administration, and support services

Local

G.S. 115D-32

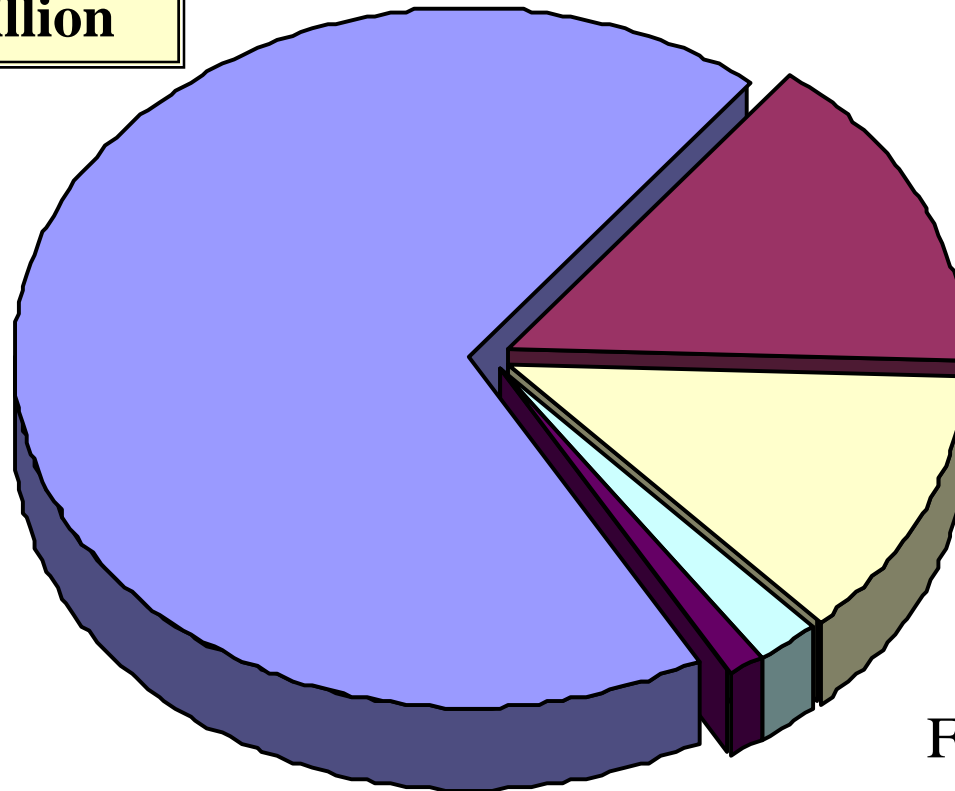
- Operation and maintenance of plant

Capital construction is the legal responsibility of the county. However, G.S. 115D-31 authorizes the State to provide capital funds to local institutions, provided that it is matched on a dollar-to-dollar basis.

Sources of Funding: FY 2008-09

Total: \$1.48 billion

State
Appropriation
\$1.0 b
69%



Local
\$222.2 m
15%

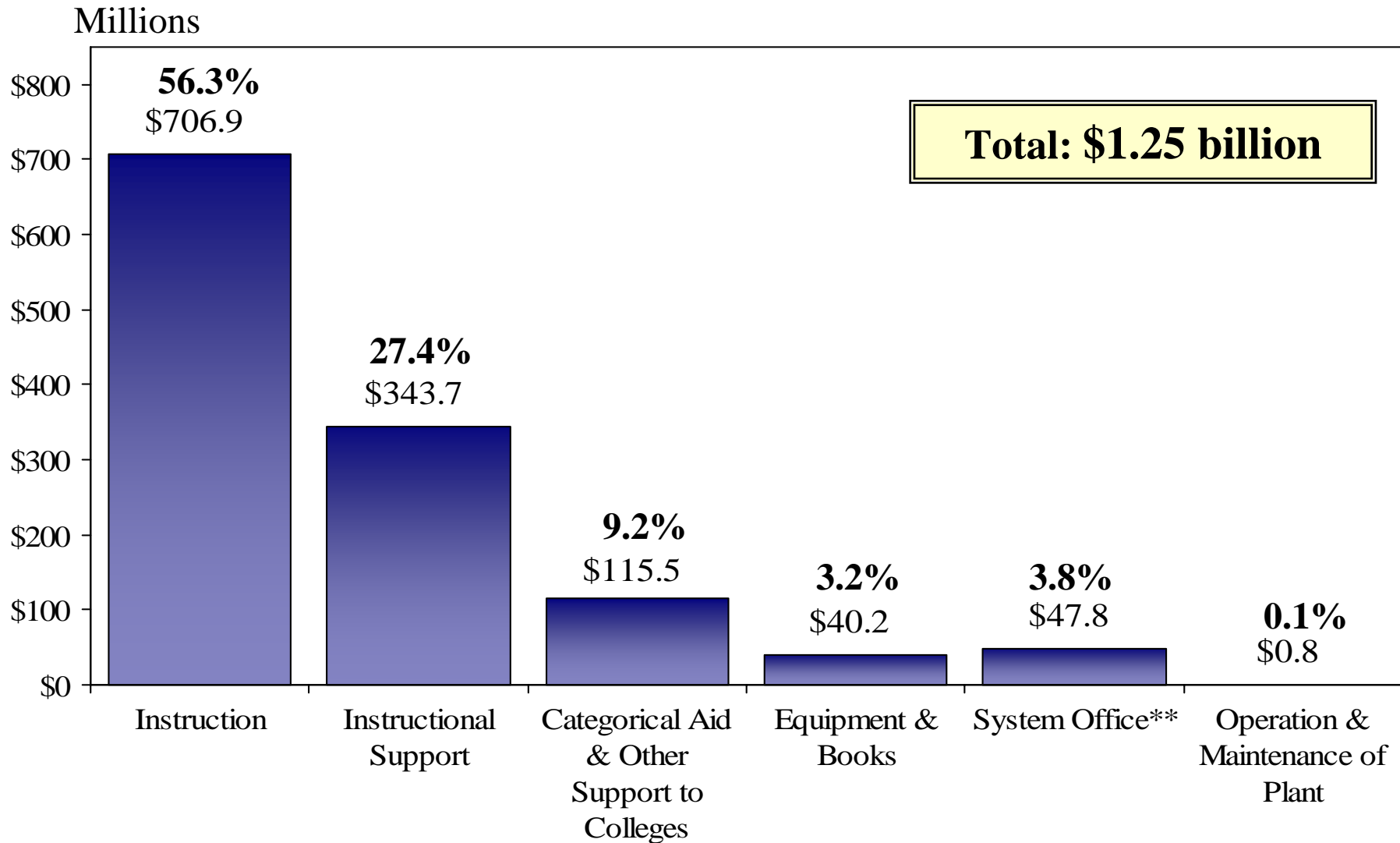
Tuition and
Fees
\$184.9 m
13%

Other
\$22.1 m
1%

Federal
\$31.2 m
2%

Source: Authorized Budget from Worksheet I dated; DCC 2-1 Summary

Allocation of Funds*: FY 2008-09

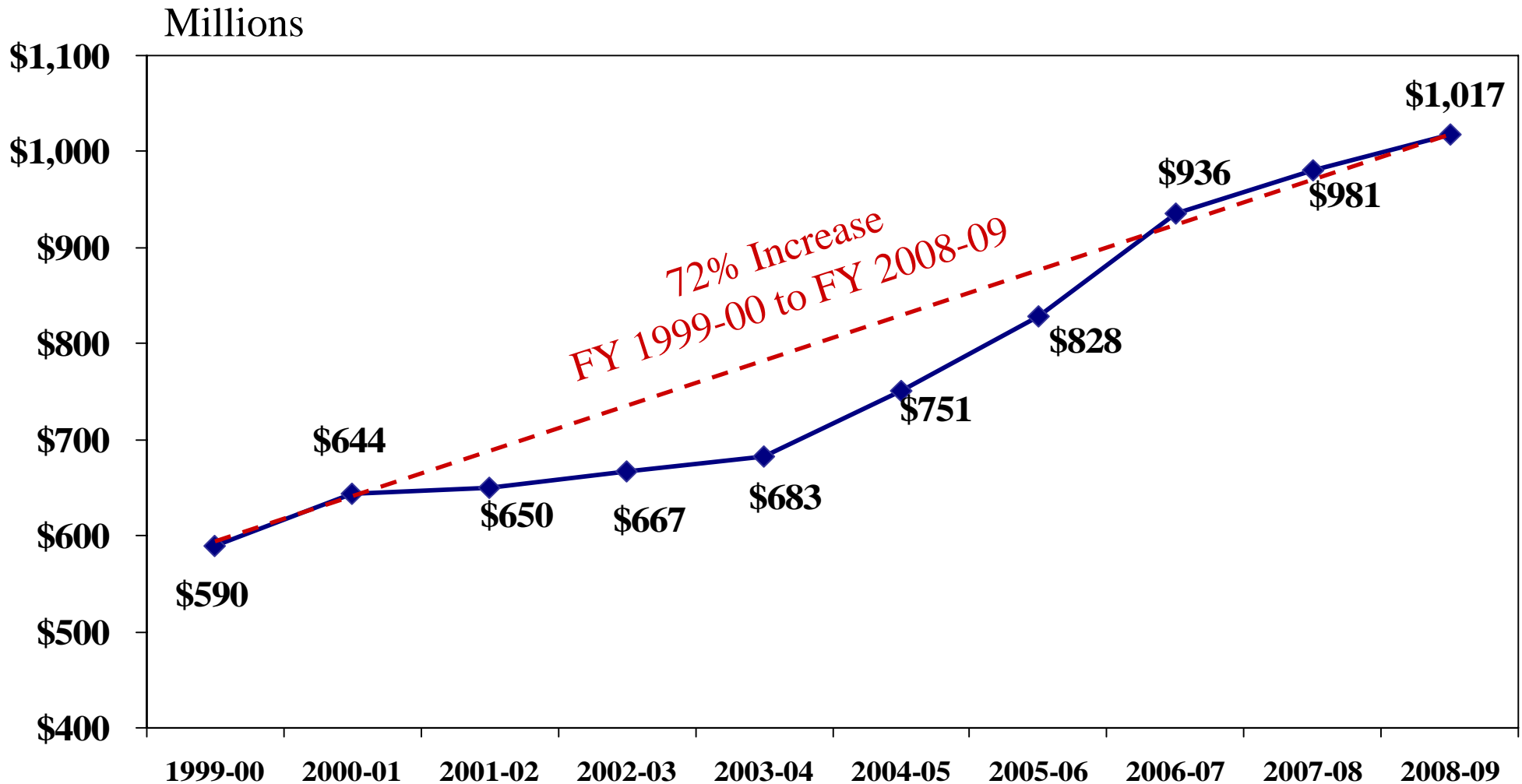


Source: Community College System Office

*Excludes local funds

**System Office includes Financial Aid funds

NCCCS General Fund Appropriations: FYs 2000-2009

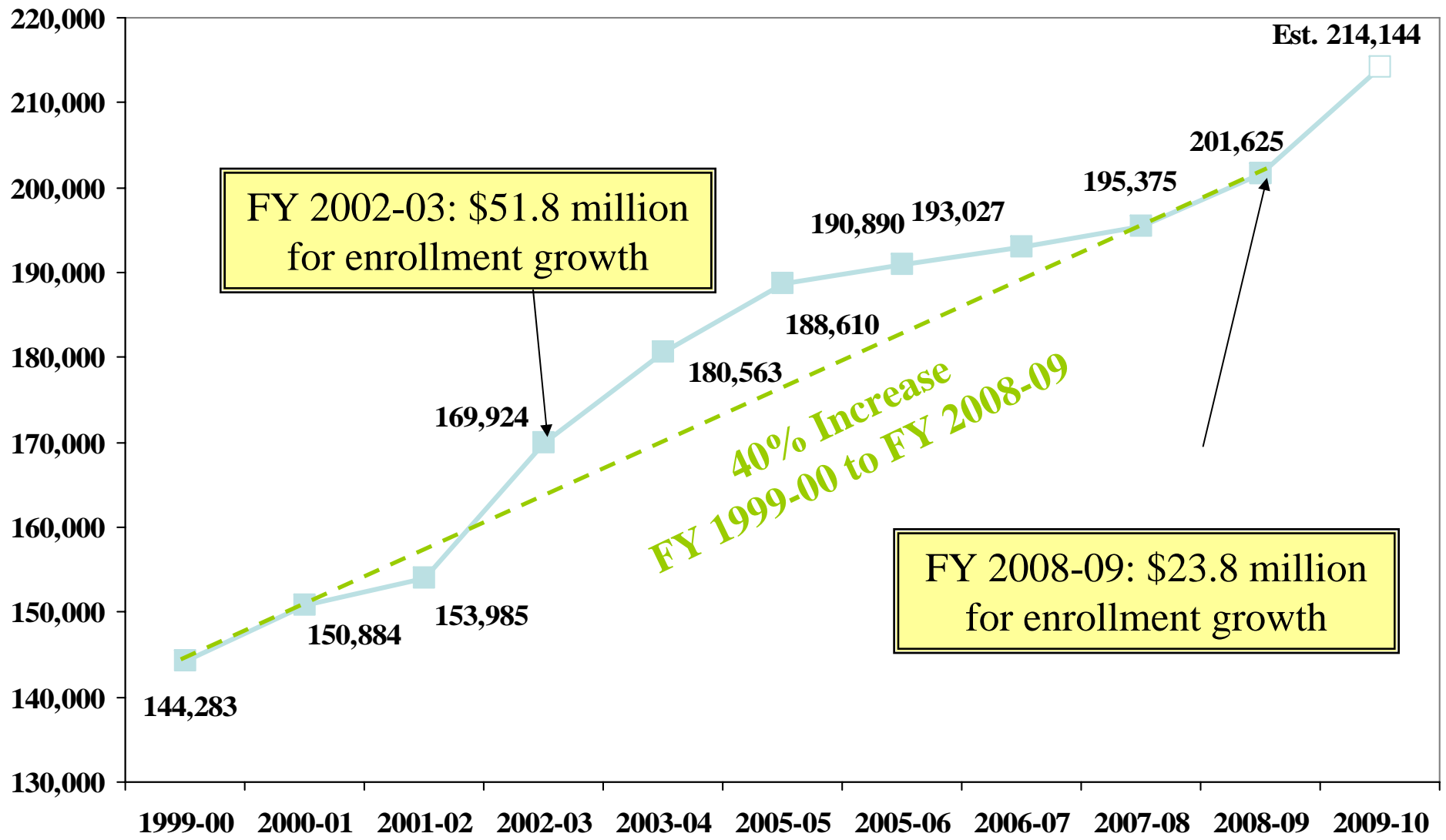


Source: June 30 Authorized budgets (BD 701) FY 1999-2008; December 31, 2008 Authorized budget

Enrollment Growth

- Funds are allotted on a full-time equivalent (FTE) basis.
- Community college enrollment funding is based on the prior years' enrollment numbers.
- A college's budgeted FTE is determined by calculating the higher of
 - the prior year; or
 - the average of the three previous years' enrollment.

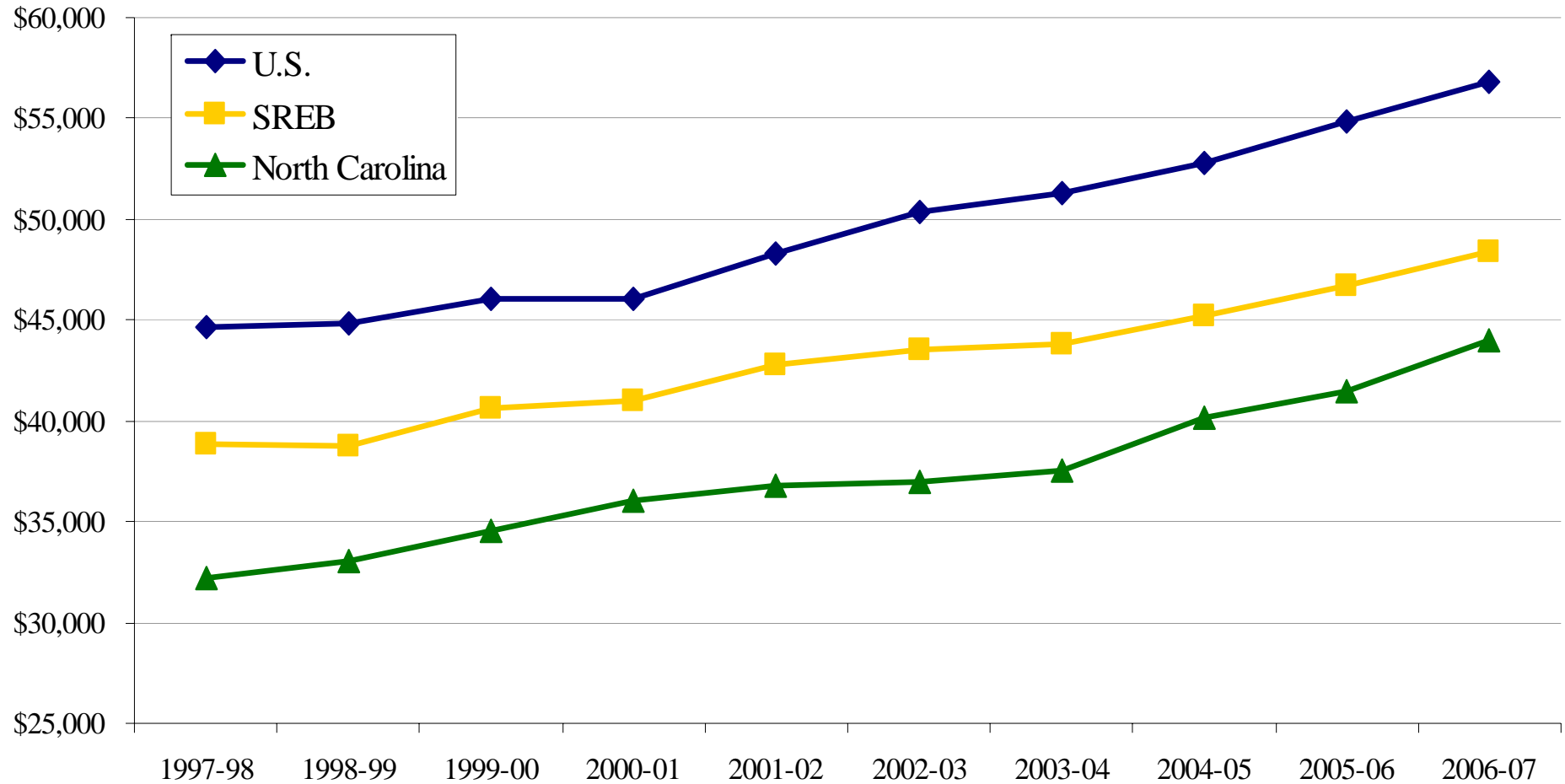
Budgeted FTE: FYs 2000-2009



Source: NCCCS Formula Budget Sheets, Fiscal Research Budget Highlights, Estimated Enrollment Growth from CC System Office

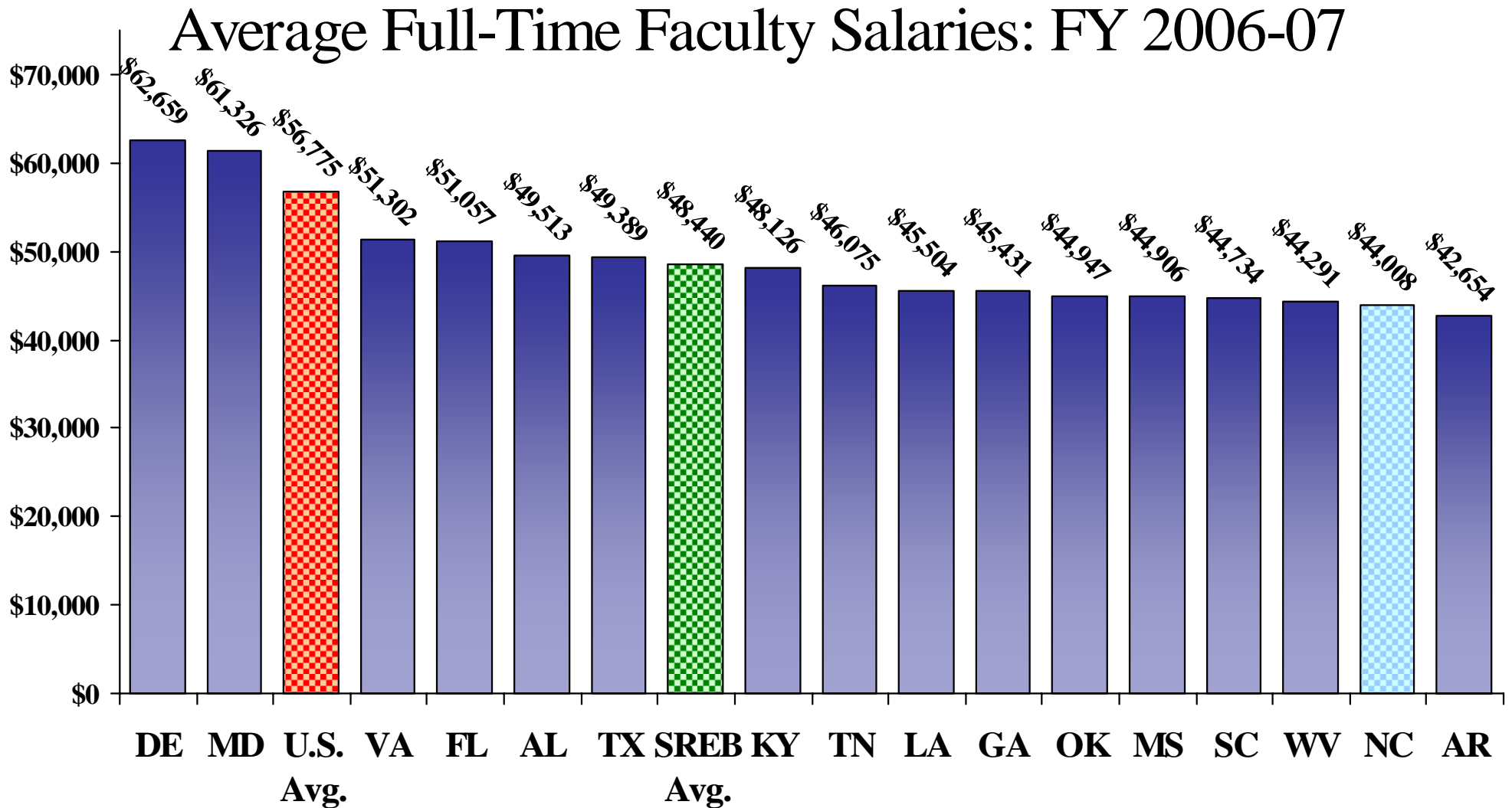
National, SREB, and NC Comparisons

Average Full Time Faculty Salaries: FYs 1998-2007



Source: SREB State Data Exchange

National, SREB, and NC Comparisons



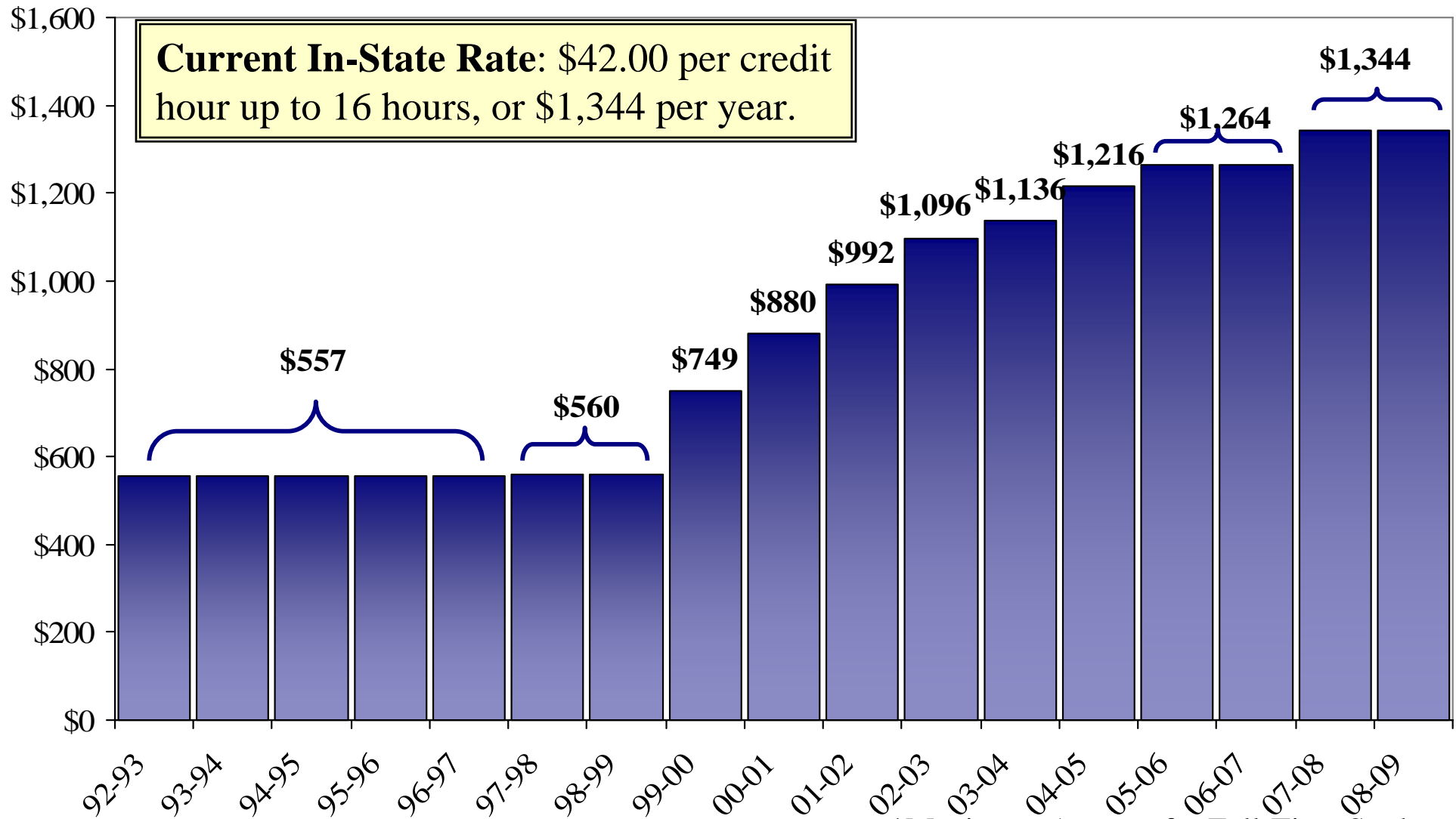
Source: SREB State Data Exchange

Average Faculty Salaries: FY 2008-09

- System-wide Average: \$47,571
 - 3% Increase over FY 2007-08
- Range:
 - Highest: Richmond CC - \$55,704
 - Lowest: McDowell CC - \$39,874
 - See attachment for list of all colleges' average salaries

Source: Annual Faculty Salary Survey of Colleges

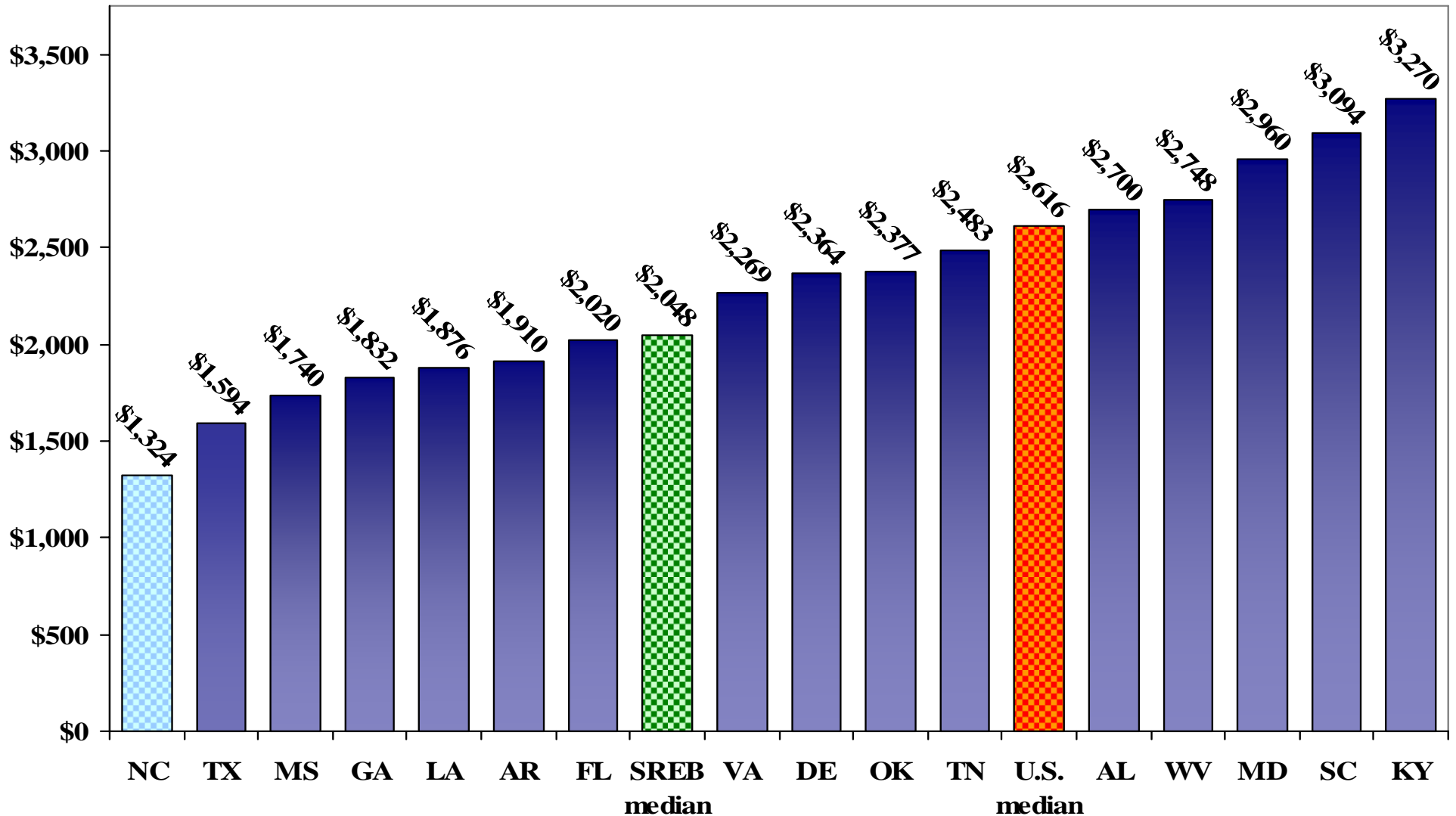
Curriculum In-State Tuition Rates*



Source: NCCCS Fact Books

*Maximum Amount for Full-Time Student

SREB States Resident Tuition & Fees: FY 2006-07



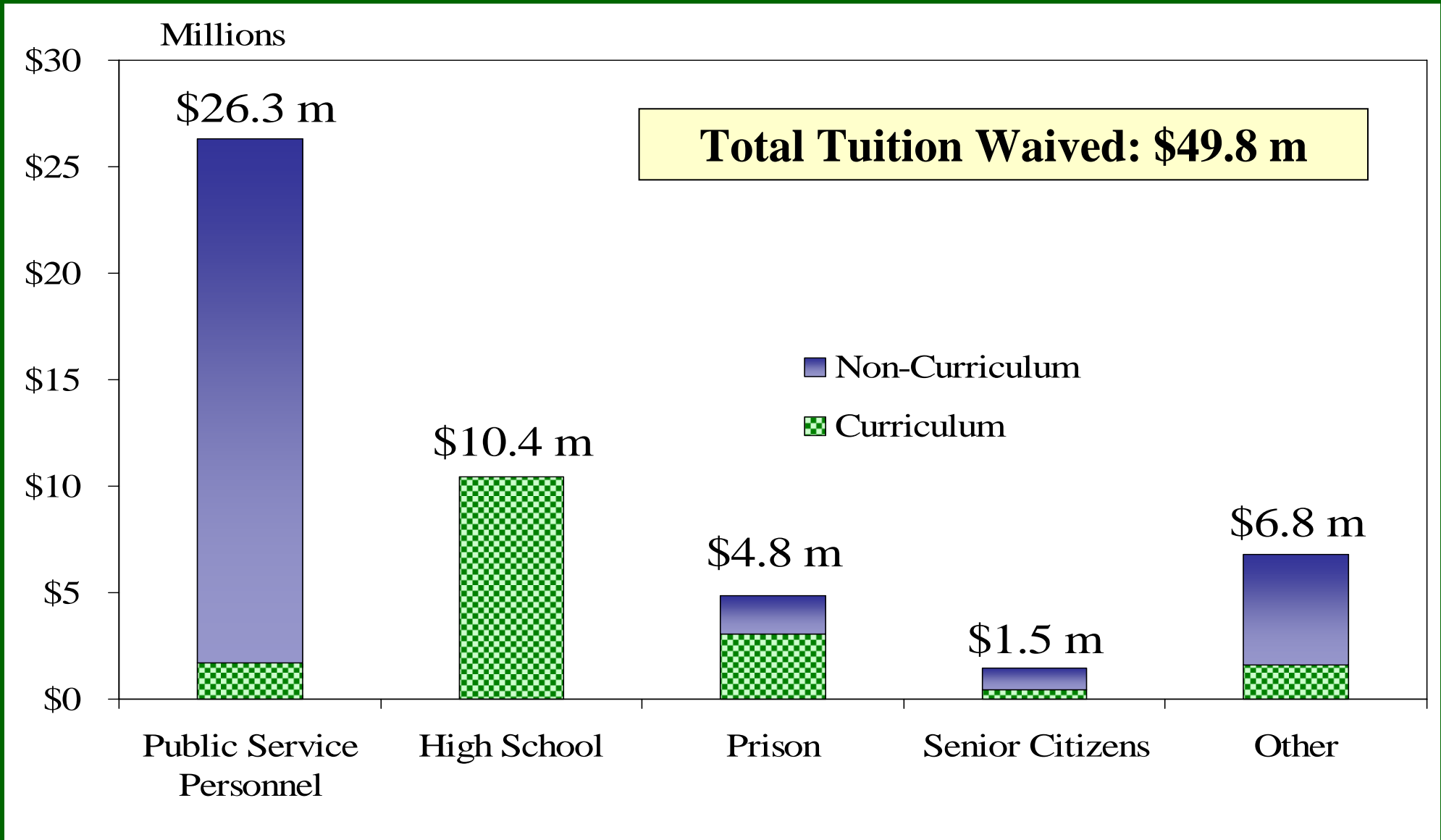
Source: SREB State Data Exchange

Curriculum In-State Tuition: FY 2008-09

- In-State Tuition Covers **24%** of Avg. Cost per FTE
 - Full-Time, In-State Tuition = \$1,344/year
 - Expenditures per regular curriculum FTE: \$5,501
- Estimated receipts per curriculum FTE = \$1,116

**1% Tuition Increase = \$1.85 million
(Curriculum: \$1.75 million)**

Tuition Waivers: FY 2007-08



Major Budgetary Actions: FY 2008-09

- Enrollment Growth: \$23.8 million R
- Enrollment Growth Reserve: \$2.5 million NR
- Allied Health: \$4.0 million R
- Technical Education: \$1.0 million R
- Equipment: \$5.0 million NR
- NC Research Campus: \$1.0 million R

- Consolidated workforce development programs into the Customized Training Program (Section 8.7).

FY 2009-10 Budget Issues

- Enrollment Growth – estimated \$47.7 million based on Fall 2008 enrollment
- NC Military Business Center Continuation Review (\$1.25 million)
- Faculty and Staff Salaries
- Technology and Equipment
- Healthcare Education
- Technical Education
- Customized Training

How are the Community Colleges Doing?

- Progress Made by Basic Skills Students
 - Standard: 75% of composite measure
 - Average: 80%
 - 55 colleges met the standard in FY 2006-07
- Licensure and Certification Passing Rates
 - Standard: 80% aggregate passing rate
 - Average: 83%
 - 33 colleges met the standard in FY 2006-07

How are the Community Colleges Doing?

- College Transfer Students
 - Standard: 83% had GPA ≥ 2.0 after 2 semesters
 - Average: 84%
 - 37 of 56 colleges met the standard in FY 2006-07
- College-level Performance of Developmental Students
 - Standard: 80% had a “D” or better on a subsequent college-level course.
 - Average: 88%
 - 45 out of 53 colleges met the standard in FY 2006-07

Questions?

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CC System: andrea.poole@ncleg.net

733-4910

February 21 - FAFSA Day

www.cfnc.org/fafsaday

866-866-CFNC