



THE UNIVERSITY OF NORTH CAROLINA SYSTEM

List of needs for early in the 2021 session

Building Reserves

In addition to our larger building reserves ask, the UNC System is also requesting \$3,985,459 NR in FY 2020-21 for four Connect NC Bond buildings coming online this fiscal year. There is a need to move a bill early in the session, to fund these four unfunded Connect NC Bond building openings in FY 2021 at ECSU (Moore Hall), UNCC (Sciences Building), UNCSA (Performance Place Renovation), and WCU (Apodaca Science Building).

Institute Efficiencies to Respond to the Impacts of COVID:

The UNC System needs authority for additional flexibilities to implement a number of cost savings initiatives. The goal would be to run a bill that is enacted prior to the end of February.

1. Support additional HR flexibilities

The UNC System needs additional tools to address the potential funding pressures to the university.

These flexibilities include:

- Expanded availability of early retirement beyond faculty positions;
- Additional authority for furloughs;
- Flexibility over reduction in force and severance payment using existing resources;
- Permission for state employees to continue using vacation and/or sick leave interchangeably through December 2021; and
- Authority for the University to cover (using non-State dollars) furloughed employees' contributions to state health plan monthly premiums.

These flexibilities are urgent needs that can minimize the harm to the University by spreading the impacts of potential cuts over an extended period of time.

2. Amend carryforward authority to allow for additional uses

In S. 212, the legislature increased carryforward authority to five percent, but limited the eligible use to repairs and renovations exclusively. We seek the authority to use identified HR and operational efficiencies to minimize the impact to our institutions. Increasing the carryforward authority would empower chancellors to find savings and reinvest those savings at their institution.

3. Retroactively extend waiver of interest charges on past due accounts (included in S. 704)

In S. 704 signed into law in May 2020, the legislature included a waiver of interest charges on past due student debt that was outstanding from March 13, 2020, through September 15, 2020. The impacts of COVID continue to be felt, and the need to financially support students through the pandemic remains critical. We seek to remove any obstacle to our students' successful completion of their educational pursuits.

2020 Record Enrollment
September 2020

For the third consecutive year, the UNC System has achieved record-breaking enrollment numbers, according to final census data for the Fall 2020 semester.

Total enrollment across the UNC System is 242,464—an increase of one percent compared to 2019's enrollment of 239,981. Undergraduate enrollment is up 0.2 percent, while graduate enrollment increased by four percent.

The record enrollment reflects the impact of ongoing efforts to put NC's college options more within reach for aspiring students, particularly those from low-income families and rural counties. Improved access and affordability are key pillars of the UNC System's five-year Strategic Plan.

Eight institutions all have record enrollments (Appalachian State University, Fayetteville State University, N.C. A&T State University, UNC-Chapel Hill, UNC Charlotte, UNC Pembroke, UNC Wilmington, and Western Carolina University). Four institutions have enrolled their largest new transfer class ever (ECSU, NC State, UNC-Chapel Hill, and UNC Pembroke).

	Fall 2018	Fall 2019	Fall 2020	Difference Between 2019 and 2020
Appalachian State University	19,108	19,280	20,023	3.9%
East Carolina University	28,718	28,651	28,798	0.5%
Elizabeth City State University	1,677	1,769	2,002	13.2%
Fayetteville State University	6,318	6,551	6,726	2.7%
N.C. A&T State University	12,142	12,556	12,753	1.6%
North Carolina Central University	8,207	8,011	8,078	0.8%
North Carolina State University	35,479	36,304	36,042	-0.7%
UNC Asheville	3,762	3,600	3,363	-6.6%
UNC-Chapel Hill	30,011	29,877	30,092	0.7%
UNC Charlotte	29,710	29,615	30,164*	1.9%
UNC Greensboro	20,106	20,196	19,764	-2.1%
UNC Pembroke	7,137	7,698	8,262	7.3%
UNC Wilmington	16,747	17,499	17,915	2.4%
UNC School of the Arts	1,042	1,086	1,070	-1.5%
Western Carolina University	11,639	12,167	12,243	0.6%
Winston-Salem State University	5,190	5,121	5,169	0.9%
UNC System	236,993	239,981	242,464	1.0%
*UNC Charlotte's Fall 2020 census data is not available yet, so its Fall 2020 beginning of term data is substituted as an estimate.				Shaded areas represent record enrollments.

Key Milestones

- ECSU enrollment exceeds 2,000 students for the first time since 2013.
- Appalachian enrollment exceeds 20,000 students for the first time ever.
- UNC Charlotte enrollment exceeds 30,000 students for the first time ever.

University of North Carolina

FY 2021-23 Operating Budget Priorities

2021-23 Base Budget <i>(Excludes Aid to Private Institutions)</i>		FY 2021-22	FY 2022-23
		\$2,962,056,895	\$2,962,173,367
UNC System Enrollment Funding			
Despite the pandemic, the UNC System had the highest student enrollment in the System's history. Funding for enrollment growth will support high-quality education for new students across the state, including at the NCSSM Morganton campus.	NR to R*	\$29,392,231	\$29,392,231
	FY 2021-23	40,176,497	83,998,971
		1,334,264 NR	347,412 NR
	Total	\$69,568,728	\$113,391,202
		\$1,334,264 NR	\$347,412 NR
NC Promise Program			
The NC Promise program has been a tremendous benefit to students at some of our most rural institutions, demonstrating North Carolina's unparalleled commitment to affordability. Enrollment at ECSU, UNCP, and WCU is expected to continue to grow.	NR to R*	\$15,000,000	\$15,000,000
	FY 2021-23	—	5,000,000
	Total	\$15,000,000	\$20,000,000
Building Reserves			
The Connect NC bond significantly increased the number of new appropriated capital projects in the UNC System. As these buildings begin to reach completion, there are substantial needs for maintenance and operation funding. The UNC System is also requesting \$3,985,459 NR in FY 2020-21 for buildings coming online this fiscal year.	NR to R*	\$15,143,629	\$15,143,629
	FY 2021-23	10,904,122	20,480,657
		2,804,782 NR	1,242,230 NR
	Total	\$26,047,751	\$35,624,286
		\$2,804,782 NR	\$1,242,230 NR
		\$110,616,479	\$169,015,488
		4,139,046 NR	1,589,642 NR
Total Requested Increase		\$114,755,525	\$170,605,130
Total Percent Change		3.87%	5.76%

* Total request includes the conversion of FY 2021 nonrecurring to recurring, as well as new funding for FY 2021-23.

Faculty and Staff Salaries

UNC System faculty and staff have been working hard educating, promoting student success, and producing groundbreaking research. We have seen the results of these efforts in our steadily increasing graduation rates and nationally recognized research on treatment and prevention of COVID-19.

UNC System requests equity with state agencies

UNC System employees have not had a salary increase in two years and have not received an increase that was equivalent to that of other state agencies in three years.

Note: All items are recurring unless specified as nonrecurring.



THE UNIVERSITY OF NORTH CAROLINA SYSTEM

2021 LEGISLATIVE PROPOSALS

SUMMARY OF PRIORITY PROPOSALS

Institute Efficiencies to Respond to the Impacts of COVID

1. Support additional HR flexibilities

The UNC System needs additional tools to address potential funding pressures to the university. These flexibilities include:

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2021 LEGISLATIVE PROPOSALS

University Efficiencies

1. Consolidate and simplify the UNC Need-based Grant, Education Lottery Scholarship, and Community College Grant into one North Carolina Scholarship

The existence of three separate programs, with three different eligibility criteria, makes state-based grant programs more complex to navigate and understand for students and families. Consolidating these three programs into a single North Carolina Scholarship would create a simpler, more user-friendly state aid system.

2. Exempt finance and auditor officers from most of the NC HR Act

In an effort to be competitive in hiring and retaining finance and auditor officers, we seek legislative support for exempting these personnel. Exempting these positions from NC HR Act (EHRA non-faculty) would allow for better hiring and compensation practices. Existing employees will have the ability to opt in to EHRA classification, while new employees will be hired as exempt employees. This is consistent with our change to IT employees three years ago.

3. Report consolidation or eliminations

Over the years, the UNC System has been required to submit reports on a number of different activities within the University. In some cases, the usefulness of individual reports isn't apparent. We need to eliminate or reduce the frequency of those reports that are of limited value. While we value transparency, many reports require a significant investment of time at the System Office and/or across the 17 constituent institutions, and, in some cases, these reports have outlived their usefulness. We are actively working with Fiscal Research Division to identify reports which may fall into these categories.