

Education Reduction Options – University System

		<u>FY 2011-12</u>		<u>FY 2012-13</u>	
1. Shift Expenditures to Non-State Funds					
State dollars comprise approximately 34% of all university funding. Campuses identified some opportunities to charge expenditures to these other funding sources (when permitted by the other funding source). Examples of non-State funds include receipts, endowment funds, institutional trust funds and federal grants.					
Option 1: (UNC's 5% Reduction Package) Eight campuses identified options to use alternate fund sources for various items from classroom supplies to support positions; 47.05 FTEs would be shifted to other funding sources.		(3,309,379)	R	(3,309,379)	R
Option 2: (UNC's 10% Reduction Package) Eleven campuses identified options to use alternate fund sources for various items from classroom supplies and maintenance contracts to research, counseling and support staff positions; 87.75 FTEs would be shifted to other funding sources.		(5,800,899)	R	(5,800,899)	R
2. Reduce Middle Management or Senior Academic & Administrative Officers					
Nine items include elimination of librarians, tutor/counselors, various EPA administrators and SPA managers.					
Option 1: (UNC's 5% Reduction Package) Seven campuses identified a total of 36.9 FTEs.		(2,641,314)	R	(2,641,314)	R
Option 2: (UNC's 10% Reduction Package) Seven campuses identified a total of 56.9 FTEs.		(3,690,905)	R	(3,690,905)	R
3. Centers and Institutes					
Option 1: (UNC's 5% Reduction Package) Ten centers and institutes items include programmatic reductions to the NC Model Teaching Education Consortium, NC Teach, NC Center for School Leadership Development, MCNC, the Center for Teaching Excellence and the NC Arboretum. Would eliminate 12.54 FTEs.		(1,911,932)	R	(1,911,932)	R
Option 2: (UNC's 10% Reduction Package) Also includes the Center for Teaching Excellence and the Center for Math and Science Education. 8 campuses identified potential reductions, including 30.75 FTEs.		(4,401,443)	R	(4,401,443)	R
Option 3: Eliminate State funding for those Centers and Institutes where a State match is not required by outside funding sources. Reduction is estimated based on FY 2009-10 budget information and may need to be refined.		(59,914,671)	R	(59,914,671)	R
4. Low Productivity/Low Enrollment Academic Program					
Option: (UNC's 5% and 10% Reduction Packages) UNC-Wilmington would eliminate the M.Ed. in Special Education program, with a 0.84 FTEs.		(82,507)	R	(82,507)	R

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5. Human Resources				
Option 1: (UNC's 5% Reduction Package) Ten potential reductions to human resources offices include elimination of administrative support positions; decreased supply, contract, travel and training expenditures; and reductions to service levels. 8 campuses identified potential reductions, including 15.9 FTEs.	(1,523,836)	R	(1,523,836)	R
Option 2: (UNC's 10% Reduction Package) Seventeen potential reductions to human resources offices include elimination of administrative support positions; decreased supply, contract, travel and training expenditures; fewer resources for staff recruitment; and reductions to service levels. 10 campuses identified potential reductions, including 34.68 FTEs.	(3,052,597)	R	(3,052,597)	R
6. Business Affairs				
Option 1: (UNC's 5% Reduction Package) Twenty-four areas for reduction include elimination of business affairs staff positions, reductions to business office operating expenses and purchased services, fewer staff development opportunities and elimination of some printed publications. 13 campuses identified potential reductions, including 49.67 FTEs.	(7,956,835)	R	(7,956,835)	R
Option 2: (UNC's 10% Reduction Package) Also includes postal staff and warehouse staff positions, student and temporary workers, and delayed equipment purchases. 15 campuses identified potential reductions, including 113.95 FTEs.	(14,936,789)	R	(14,936,789)	R
7. Public Service				
Option 1: (UNC's 5% Reduction Package) Includes outreach programs, K-12 teacher mentoring programs, agriculture and other community outreach programs. 6 campuses identified potential reductions, including 31.15 FTEs.	(5,293,113)	R	(5,293,113)	R
Option 2: (UNC's 10% Reduction Package) Also includes STEM and Summer Ventures programs; lifelong learning, field faculty and operating funds for the Cooperative Extension Service, and public relations staff, printing and advertising costs. 7 campuses identified potential reductions, including 102.77 FTEs.	(10,437,670)	R	(10,437,670)	R
8. Advancement (i.e., Fundraising / Development)				
Option 1: (UNC's 5% Reduction Package) A total of twenty potential reductions were identified including lowering printing, advertising, software and travel expenses associated with marketing, public relations and annual campaigns; elimination of some SPA positions and student telephone positions (e.g., students soliciting Annual Fund donations); and fewer professional development opportunities. 10 campuses identified potential reductions, including 11.19 FTEs.	(1,444,610)	R	(1,444,610)	R
Option 2: (UNC's 10% Reduction Package) Also includes decreased supply purchases and alumni mailings; and elimination of some gift officer positions. 13 campuses identified potential reductions, including 18.56 FTEs.	(2,291,630)	R	(2,291,630)	R
Option 3: Explore moving all Advancement costs to receipt support.	Estimates pending.			

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9. Operation of Facilities/Physical Plant				
Option 1: (UNC's 5% Reduction Package) Twenty-five potential areas for reduction include decreasing the number of repair and maintenance projects; deferring scheduled maintenance, elimination of vacant and filled plant and maintenance positions, administrative support staff positions, student worker positions and temporary contract labor; fewer supply and equipment purchases; and reducing utility costs via efficiency initiatives. 12 campuses identified potential reductions, including 69.21 FTEs.	(7,418,292)	R	(7,418,292)	R
Option 2: (UNC's 10% Reduction Package) Also includes elimination of vacant and filled custodial, grounds, and plant positions, maintenance contracts, and travel, training, memberships and contracted services. 15 campuses identified potential reductions, including 133.32 FTEs.	(14,657,438)	R	(14,657,438)	R
10. Reduce/Eliminate Faculty Teaching Positions				
Option 1: (UNC's 5% Reduction Package) Twelve campuses proposed nineteen options for decreasing faculty salary expenses by eliminating vacant and filled positions, as well as part-time and full-time adjunct positions; offering lower salaries to incoming faculty; and offering fewer sections, thereby increasing class size. 12 campuses identified potential reductions, including 229.135 FTEs.	(21,231,647)	R	(21,231,647)	R
Option 2: (UNC's 10% Reduction Package) Also includes offering fewer distance education courses and limiting growth for some programs. 16 campuses identified potential reductions, including 660.31 FTEs.	(63,516,808)	R	(63,516,808)	R
11. Academic Administration				
Option 1: (UNC's 5% Reduction Package) Twelve campuses identified twenty areas for reductions including elimination of graduate assistant and research support positions, academic and administrative support positions and some EPA non-faculty positions; reductions to campus infrastructure projects, printing of promotional materials, travel, supply and equipment purchases, and chancellor operating funds. 12 campuses identified potential reductions, including 66.93 FTEs.	(10,309,701)	R	(10,309,701)	R
Option 2: (UNC's 10% Reduction Package) Includes the same types of items outlined in the 5% option, but at a greater magnitude. 14 campuses identified potential reductions, including 78.22 FTEs.	(15,914,432)	R	(15,914,432)	R
12. Campus Safety				
Option 1: (UNC's 5% Reduction Package) Eight potential campus safety reductions include elimination of police officers, a fire and safety position and student worker positions; reduced housekeeping supplies and use of an alternate funding source for hazardous waste removal. 6 campuses identified potential reductions, including 5 FTEs.	(452,654)	R	(452,654)	R
Option 2: (UNC's 10% Reduction Package) Also includes elimination of telecommunicators, laboratory technicians, and additional fire and safety positions; decreased operating funds for emergency management and student intervention programs; fewer emergency equipment purchases. 10 campuses identified potential reductions, including 23.93 FTEs.	(1,630,888)	R	(1,630,888)	R

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13. Research/Sponsored Programs				
Option 1: (UNC's 5% Reduction Package) Seven potential reductions include reduced support to Biomanufacturing Research Institute and Technology Enterprise and Kannapolis; reduced faculty research grants and stipends; and elimination of faculty and technical support positions at the North Carolina Research Campus. 5 campuses identified potential reductions, including 26.38 FTEs.	(3,673,439)	R	(3,673,439)	R
Option 2: (UNC's 10% Reduction Package) Also includes reduced operating support to the Brody School of Medicine, the Coastal Studies Institute, the Biomedical/Biotechnology Research Institute, and the Center for Marine Science; and fewer graduate assistantships. 7 campuses identified potential reductions, including 58.64 FTEs.	(6,919,041)	R	(6,919,041)	R
14. Information Technology				
Option 1: (UNC's 5% Reduction Package) Nineteen proposals to reduce IT expenditures include elimination of help desk support staff, temporary workers and other IT staff positions; delays to system upgrades, database design and remedy support development; extensions to classroom equipment replacement lifecycles; reductions to service maintenance contracts and software purchases; and elimination of some online technical training. 9 campuses identified potential reductions, including 28 FTEs.	(4,775,157)	R	(4,775,157)	R
Option 2: (UNC's 10% Reduction Package) Also includes centralizing campus IT functions; merging various support centers; deferred network and server replacements; extensions to PC replacement cycles; shifting software costs to academic programs; reduction in staff cell phones and staff training; and elimination of some site-licensed software. 13 campuses identified potential reductions, including 37.15 FTEs.	(7,874,905)	R	(7,874,905)	R
15. Student Support				
Option 1: (UNC's 5% Reduction Package) Twenty-eight potential student support reductions include decreased supply, travel and staff development expenditures, elimination of some graduate assistantships and student support services positions including counselors and academic tutors; decreased operating funds for student advising and support services; elimination of some honors courses; and elimination of special events such as family weekends and leadership conferences. 12 campuses identified potential reductions, including 33.777 FTEs.	(3,449,641)	R	(3,449,641)	R
Option 2: (UNC's 10% Reduction Package) Also includes elimination of some student support services positions including student advisors and financial aid counselors; and elimination of some diversity programs. 15 campuses identified potential reductions, including 71.38 FTEs.	(6,413,828)	R	(6,413,828)	R

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16. Restructuring Academic Programs or Research Activities				
Option 1: (UNC's 5% Reduction Package) Four proposed items include reductions to distance education development, delays to technology upgrades and restrictions on staff professional association memberships. 4 campuses identified potential reductions, including 59.26 FTEs.	(20,805,638)	R	(20,805,638)	R
Option 2: (UNC's 10% Reduction Package) Also includes reduced faculty start-up packages, elimination of SPA support and EPA non-teaching positions. 7 campuses identified potential reductions, including 166.98 FTEs.	(42,485,206)	R	(42,485,206)	R
17. Academic Support				
Option 1: (UNC's 5% Reduction Package) Thirty-eight potential reductions include library book purchases, journal and database subscriptions; printing, professional development travel, supplies, materials and computer equipment; student advising and financial aid administration. Includes SPA and EPA non-faculty and temporary contract positions. 16 campuses identified potential reductions, which would eliminate 74.95 FTEs.	(25,562,188)	R	(25,562,188)	R
Option 2: (UNC's 10% Reduction Package) Also includes other items such as decreasing library hours; reducing international study programs, writing assistance, and simulation training for medical students. 16 campuses identified potential reductions, which would eliminate 133.62 FTEs.	(43,649,420)	R	(43,649,420)	R
18. Faculty Workload Adjustment				
Option 1: (UNC's 5% Reduction Package) Six proposals to increase faculty workload include increasing class size due to elimination of vacant positions, adjusting department workload ratios and eliminating some distance education positions. 4 campuses identified potential reductions, including 36.99 FTEs.	(10,518,045)	R	(10,518,045)	R
Option 2: (UNC's 10% Reduction Package) Also includes increasing class size due to elimination of part-time positions. 6 campuses identified potential reductions, including 56.4 FTEs.	(17,563,344)	R	(17,563,344)	R
19. Redundant Funding for Higher Education Locations				
Beginning in FY 2008-09, the State has provided supplemental funding to higher education centers associated with ASU, UNCW and NCSU in Hickory, Rocky Mount and Onslow County. The \$500,000 in the continuation budget is in addition to the appropriation already provided to these centers for enrollment. [Note: the reduction options presented to this committee for the Community College System included \$264,833 recurring for the Hickory Metro Higher Education Center.]				
Option: (Governor's Recommendation) Eliminate supplemental appropriations.	(500,000)	R	(500,000)	R

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20. Management Flexibility Reduction				
NCGS 116 30.2.(a) provides that appropriations to UNC campuses "shall be made in the form of a single sum to each budget code of the institution for each year of the fiscal period for which the appropriations are being made." This gives the UNC system extensive budget flexibility; consequently, reductions to the system have historically been in the form of management flexibility reductions (that is, a lump sum reduction that the system allocates as it sees fit).				
Option 1: (Governor's Recommendation) 9.5% cut for campus operating budgets and UNC-General Administration. Direct Board of Governors to offset cuts with campus-initiated tuition increases. OSBM estimated that this level of reduction would eliminate 1,900 positions.	(252,623,664)	R	(252,623,664)	R
Option 2: Twelve percent management flexibility reduction to match Joint Full Appropriations Chairs' spending target for the Education subcommittee.	(346,499,096)		(346,407,646)	
21. UNC Hospital Subsidy				
The General Fund contributes \$44,011,882 annually to subsidize operations of the UNC hospital system. As of December 31, 2010, UNC Hospitals Consolidated Operations showed an operating income of \$56.7 million and overall net income (after adjustments for transfers and investments) of \$98.2 million.				
Option 1: (Governor's Recommendation) Reduce the subsidy by 25%.	(11,002,971)	R	(11,002,971)	R
Option 2: Completely eliminate the hospital subsidy.	(44,011,882)	R	(44,011,882)	R
22. UNC Hospital Fund Balance				
As of December 31, 2010, UNC Hospitals fund balance totaled approximately \$722 million.				
Option: Explore whether 1% of the fund's cash balance can be transferred to the General Fund.	(7,220,000)	NR		
23. Overhead Receipts ("Facilities and Administrative Receipts")				
In FY 2009-10, UNC institutions earned a total of \$195.1 million in overhead receipts, excluding those temporary receipts attributable to the American Recovery and Reinvestment Act.				
Option 1: Require 10% of all overhead receipts ("facilities and administrative receipts") earned by the two major research campuses to be transferred to the General Fund.	(16,834,300)	R	(16,834,300)	R
Option 2: Require 10% of all overhead receipts ("facilities and administrative receipts") earned by all campuses to be transferred to the General Fund.	(19,514,000)	R	(19,514,000)	R

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24. Tuition Increase				
Each campus has four tuition rates: in-State undergraduate, out-of-State undergraduate, in-State graduate and out-of-State graduate. FY 2010-11 current rates ranges from a low of \$2,129 for in-State undergraduates at Fayetteville State to a high of \$23,430 for out-of-State undergraduates at Chapel Hill.				
Option 1: Increase tuition for all students by 1% and take a corresponding General Fund reduction. Tuition increase is estimated based on current rates.	(11,437,000)	R	(11,437,000)	R
Option 2: Increase out-of-State tuition by 5% and leave in-State tuition as-is; take a corresponding General Fund reduction. Tuition increase is estimated based on current rates.	(23,300,000)	R	(23,300,000)	R
Option 3: The 2010 Appropriations Act permitted campuses to seek tuition increases of up to \$750 (over two academic years) in order to raise revenue to cover the budget shortfall produced by management flexibility reductions; a portion of the funds were required to be used for need-based financial aid. Take a General Fund reduction to recoup the tuition revenue, excepting the funds used for need-based aid. Budget reduction is estimated and may need to be refined.	(90,000,000)	R	(90,000,000)	R
25. University Cancer Research Fund				
Created by NCGS 116-29.1; funds may only be used for cancer research under UNC Hospitals or the Lineberger Comprehensive Cancer Center. Statutes appropriate \$50 million annually to the fund: \$8 million from the Tobacco Trust Fund; partial revenue from the Other Tobacco Products tax; and General Fund "gap funding" to bring the funding up to \$50 million. Currently, the UNC budget includes \$16,020,000 in General Fund dollars.				
Option 1: Eliminate the University Cancer Research Fund. Would require a statutory change to G.S. 116-29.1. Of the \$50 million annual funding, \$16.02 million is General Fund dollars; remaining funds come from non-General-Fund sources, primarily the Tobacco Trust Fund.	(50,000,000)	R	(50,000,000)	R
Option 2: Eliminate annual General Fund contribution to University Cancer Research Fund. May require a statutory change to G.S. 116-29.1.	(16,020,000)	R	(16,020,000)	R
26. Distinguished Professor Endowment Fund				
Authorized by General Assembly in 1985 via NCGS 116-41.18. State funds are used to match private donations, including funding from C.D. Spangler Foundation that began in 2007-08. The continuation budget totals \$8,000,000.				
Option 1: Eliminate State funds for the Distinguished Professor Endowment. Would require change to statutes.	(8,000,000)	R	(8,000,000)	R
Option 2: Temporarily cease State match for the program; would require language to notwithstanding the statutes.	(8,000,000)	NR	(8,000,000)	NR
Option 3: Provide only enough State funds to match the C.D. Spangler Foundation funding (that is, do not provide match for other private donations).	(1,169,000)	R	(1,169,000)	R

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27. Coastal Wave Energy Research				
The 2010 Appropriations Act funded Coastal Wave Energy Research as an expansion; the continuation budget totals \$2,000,000.				
Option: Eliminate funding for the Coastal Wave Energy Research project.	(2,000,000)	R	(2,000,000)	R
28. Center for Public Television (UNC-TV)				
The FY 2010-11 State appropriation for the Center for Public Television (UNC-TV) totals \$11.9 million and supports 123.42 full time equivalent (FTE) positions. In FY 2009-10, State dollars accounted for 50% of the Center's \$24.4 million budget. In comparison, WUNC radio does not receive any direct State appropriations; appropriations were phased out over a two-year period from 1991-1993.				
Option 1: (UNC's 5% and 10% Reduction Packages) Includes programmatic reductions in UNC-TV broadcast and emerging media operations; defer equipment replacements; eliminate 2 positions.	(599,895)	R	(599,895)	R
Option 2: Eliminate UNC-TV subsidy.	(11,997,888)	R	(11,997,888)	R
Option 3: Put UNC-TV under Continuation Review (that is, remove recurring funding and provide non-recurring funding contingent on results of a review), or provide only non-recurring funding and require UNC-TV to submit a plan for phased-out State subsidy over a designated time period, such as 5 years.	(11,997,888)	R	(11,997,888)	R
	11,997,888	NR		
29. East Carolina Dental School				
The ECU Dental School is slated to enroll its first class of students in fall 2011. The program could be eliminated and the building under construction could be repurposed for another use, such as to replace the Life Sciences Building, which is the next planned project on the ECU master plan. The continuation budget totals \$11,500,000.				
Option 1: Continue dental school with no additional operating funds, but eliminate planned satellite dental clinics (Community Service Learning Centers) across the State.	-		-	
Option 2: Halt Dental School opening; reappropriate the new building as the planned replacement for the ECU Life Sciences Building.	(11,500,000)	R	(11,500,000)	R

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INFORMATION-ONLY ITEMS (OUTSIDE COMMITTEE PURVIEW)				
30. State Energy Office Funds to Universities (Natural and Economic Resources Subcommittee)	(2,690,000)	R	(2,690,000)	R
The State Energy Office provides funding to ASU, NC A&T and NCSU to conduct energy efficiency, conservation and renewable energy programs. The Governor's Recommended Budget eliminates these funds, which fall under the purview of the Natural and Economic Resources Appropriations Subcommittees.				
31. Employee Retirement Incentive Program (Joint Full Appropriations Committee)	(12,248,768)	R	(30,541,211)	R
The Governor's Recommended Budget proposes a retirement incentive program estimated to generate up to \$30 million in savings in the University System by the second year of the biennium. This potential budget reduction falls under the purview of the full chairs of the Joint Appropriations Committees.				
32. Fishery Resource Grant Program (Natural and Economic Resources Subcommittee)	(300,000)	R	(300,000)	R
The Fishery Resource Grant program provides an annual \$300,000 transfer from the Department of Environment and Natural Resources to NCSU's SeaGrant program. These funds fall under the purview of the Natural and Economic Resources Appropriations Subcommittees; committee staff included this program as a reduction option for that committee to consider.				