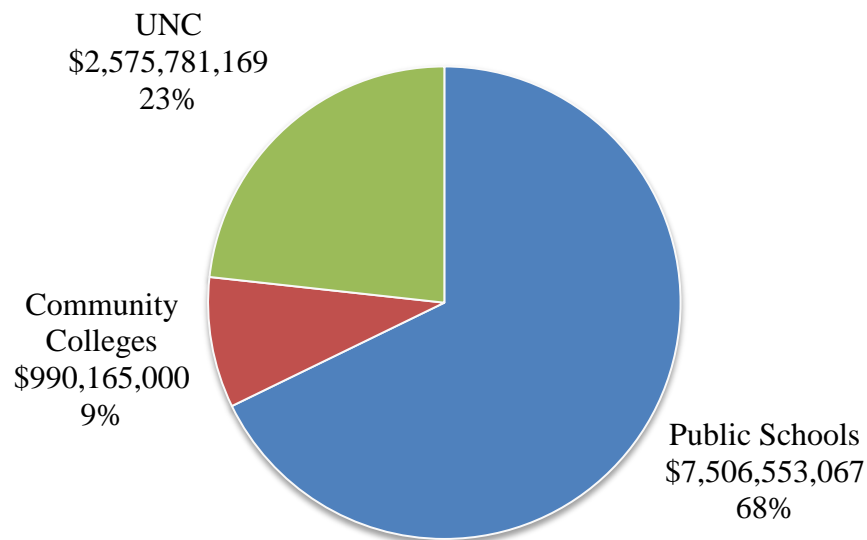


FY 2012-13 Education Budget Summary

Total State Budget by Source

	Public Schools	Community Colleges	UNC
Net State General Fund Appropriations	7,506,553,067 76%	990,165,000 70%	2,575,781,169 64%
Tuition Receipts	- 0%	363,415,758 26%	1,190,193,584 30%
Federal Funding	1,987,438,061 20%	33,132,056 2%	<i>Included in "Other"</i>
Other Receipts and Transfers	440,049,101 4%	19,722,833 1%	250,986,848 6%
Total	\$9,934,040,229	\$1,406,435,647	\$4,016,961,601

Net State General Fund Appropriations



Source: BD 307 Certified Budget

Public Schools FY 2012-13 Summary

How Much Is There?

FY 2012-13 Certified Budget

State Appropriations:	\$7,506,553,067
Federal Funding:	\$1,987,438,061
Other Receipts and Transfers:	\$440,049,101
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	\$9,934,040,229

Source: BD 307 Certified Budget

Where Does It Go?

Nearly all of the funds appropriated to public schools are allotted to local education agencies (LEAs) for the operation of K-12 classrooms, with the exception of funding for the Residential Schools for the Deaf and Blind and related services, the North Carolina Center for the Advancement of Teaching, and the operating budgets for the Department of Public Instruction (DPI) and State Board of Education. Direct support to LEAs is over 99% of the total public schools budget.

The five largest State funding allotments are:

- **Classroom Teachers** (\$2.986 B): Provides LEAs guaranteed teaching positions based on recommended class size levels. This budgeted amount supports 71,400 positions.
- **Children with Disabilities** (\$636.6 M): Funds a program of support for students with an identified disability (CWD) in the public schools. The eligible CWD headcount for FY 2012-13 is 170,710 students and the allotment provides roughly \$3,700 per student.
- **Teacher Assistants** (\$549.0 M): Provides LEAs with roughly \$1,170 per student in grades K-3. Funds may be used to support TAs or classroom teachers only.
- **Noninstructional Support** (\$351.1 M): Provides LEAs with roughly \$231 per student in grades K-12. Funds may be used to support clerical, custodial, substitute, or other staff.
- **Instructional Support** (\$343.3 M): Provides LEAs 1 guaranteed position for every 210 ADM to fund nurses, counselors, psychologists, media specialists, social workers, and librarians. This budgeted amount supports 7,153 positions.
- **Note:** The above amounts do not include related costs for guaranteed benefits such as Social Security, nor do they reflect amounts returned by districts to meet the LEA Adjustment.

What Happened Last Biennium?

- **Excellent Public Schools Act:** The FY 2012-13 budget enacted several components of S795, including: the **Read to Achieve** program that provide additional supports for early literacy and end 3rd grade social promotion, letter-based **School Performance Grades**, school calendar adjustments, as well as other miscellaneous changes.
- **Federal Support:** Temporary federal funding (Education Stabilization Fund and Edujobs) partially offset State funding reductions. However, these sources were unavailable after September 30, 2012.
- **LEA Adjustment:** The “flex cut” was set to increase to \$503 million, but NCGA action reduced it to \$359 million.
- **Local Flexibility:** Maintained extensive flexibility for use of funds amongst different allotments, with the exception of a new limitation on Classroom Teachers and Teacher Assistants transfers.

North Carolina Community College System FY 2012-13 Summary

How Much Is There?

FY 2012-13 Certified Budget

State Appropriations:	\$990,165,000
Federal Funding:	\$33,132,056
Tuition Receipts:	\$363,415,758
Other Receipts and Transfers:	\$19,722,833
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	\$1,406,435,647

Source: BD 307 Certified Budget

Where Does It Go?

Ninety-eight percent (98%) of the NC Community College System budget flows to the community colleges either directly or as student aid. The majority of that funding goes out as formula funding, based on the number and type of full-time equivalent (or FTE) students each college has.

Major allocations include:

- **Tiered Instruction Funding** (\$777.7 M): Curriculum (\$687 M) and continuing education (\$90 M) funding is allocated on a tiered funding basis. Tier 1 includes curriculum budget FTE in high cost areas of health care, technical education, lab-based science, and college-level math. Tier 2 is all other curriculum budget FTE and continuing education courses mapped to a third-party credential, certification, or industry-designed curriculum. Tier 3 includes all other continuing education.
- **Basic Skills Block Grant** (\$82.1 M): Basic skills FTE are funded at the Tier 2 rate. Additionally, colleges receive additional funds based on the number of GEDs and Adult High School diplomas awarded.
- **Institutional & Academic Support** (\$496.9 M): Funding allocated for the management and administration costs of the institution, including student support and academic program support. Funding includes a base allotment, an enrollment allotment, and a multi-campus allotment.
- **Categorical Allocations** (\$72.4 M): There are a number of smaller, categorical allocations that fund the following: Equipment and instructional resources, Federal Vocational Education, child care, small business centers, Customized Training program.
- **Specific Program Allocations** (\$6.4 M): Several colleges receive specific allocations for specialized programs, including: Marine Technology (Cape Fear), Manufacturing Solutions Center (Catawba Valley), Botanical Lab and NC Military Business Center (Fayetteville Tech), Center for Applied Textile Technology (Gaston), and NC Research Campus (Rowan Cabarrus).

What Happened Last Biennium?

- **Management Flexibility Reduction:** Over the biennium, the management flexibility reduction grew to \$83.2 million
- **Tuition Increase:** Curriculum tuition increased by \$12.50 per credit hour over the biennium.
- **Shift to Tiered Funding:** The 2011 budget shifted curriculum and continuing education to tiered funding (described above). The 2012 budget added math to Tier 1.

University of North Carolina System FY 2012-13 Summary

How Much Is There?

FY 2012-13 Certified Budget

State Appropriation:	\$2,575,781,169
Tuition Receipts:	\$1,190,193,584
Other Receipts and Transfers:	\$250,986,848
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	\$4,016,961,601

Source: BD 307 Certified Budget

Where Does It Go?

Ninety-one percent (91%) of the UNC budget flows directly to the campuses; the remaining nine percent (9%) funds UNC General Administration, Financial Aid to Private College Students, and UNC Need-Based Financial Aid, and other non-campus-specific programs. Existing funding is allocated based on historical appropriations; in recent years, most new funding has been allocated to campuses based on the UNC Enrollment Growth Funding Model. The model functions as follows:

- Based on projected student credit hours.
- Divides courses into four categories that are funded at varying levels (e.g., philosophy courses are funded at a lower amount than nursing or engineering courses).
- Divides courses into three degree levels (i.e., undergraduate, master's, and doctoral) that are funded at varying levels.
- Calculates the cost of instructors' salaries and fringe benefits; support staff; libraries; and general institutional support needed to support increased enrollment.
- **Note:** The North Carolina School for Science and Mathematics, the UNC School of the Arts, and seven professional schools across four UNC campuses use a separate FTE-based model to calculate their requested enrollment growth.

What Happened Last Biennium?

- **Management Flexibility Reduction:** Reduced the UNC System's budget by \$414.0 each year in the form of a "management flexibility reduction," a lump-sum budget cut that the Board of Governors was charged with allocating to the campuses.
- **Enrollment Growth:** Appropriated \$48.2 million for enrollment growth across the System.
- **Hospital and Medical School Spending:** Redirected all State funding from UNC Hospital to the UNC School of Medicine for medical student education. (\$15 million for FY 2012-13; \$41 million for the FY 2013-15 Continuation Budget.)
- **Increased Operating Flexibility:** Amended State statutes to grant the UNC System more operating flexibility to spend some operating dollars on capital projects; invest institutional trust funds outside of the State Treasurer's purview; purchase campus safety motor vehicles outside of the Motor Fleet Management's purview; budget all student fees in Institutional Trust Funds, rather than the General Fund; lease out property for up to 10 years without seeking permission from the Department of Administration (authority expires in 2015); and purchase commercial liability insurance to cover risks and liabilities of staff related to benefit plan investments managed by the University.
- **Financial Aid:** Stabilized the Escheat Fund by increasing General Fund support to some scholarships, combined aid programs for private college students into one need-based program, and eliminated some waivers and scholarship programs.