

University of North Carolina

FY 2021-23 Operating Budget Priorities

	FY 2021-22	FY 2022-23
2021-23 Base Budget <i>(Excludes Aid to Private Institutions)</i>	\$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:

- 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.

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.

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.



THE UNIVERSITY OF NORTH CAROLINA SYSTEM

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.