

UNC Management Flexibility Reserve Budget Reductions Report

The University of North Carolina's 2003-04 Budget, as approved by the General Assembly, included a mandatory Management Flexibility Reserve reduction of \$47,863,937. Section 9.1 of House Bill 397 requires the Board of Governors to make a summary report to the Office of State Budget and Management and the Fiscal Research Division by December 31, 2003, on all the reductions made to reach the targeted amounts.

House Bill 397, Section 9.1, UNC Flexibility Guidelines:

"The Chancellor of each constituent institution shall report to the Board of Governors of The University of North Carolina on the reductions made to the General Fund budget codes in order to meet the reduction reserve amounts for that institution. The President of The University of North Carolina shall report to the Board of Governors of The University of North Carolina on the reductions made to the General Fund budget codes controlled by the Board in order to meet the reduction reserve amounts for those entities. The Board of Governors shall make a summary report to the Office of State Budget and Management and the Fiscal Research Division by December 31, 2003 on all reductions made by these entities and constituent institutions in order to reduce the budgets by the targeted amounts."

University-wide Summary

It was critical to the University that the General Assembly provided the management flexibility that enabled Chancellors and other campus-level managers to make the final decisions as to where budget reductions would be applied. For the 16 campuses and UNC-General Administration, the assigned reduction was 3 percent; for the North Carolina School of Science and Mathematics, the Area Health Education Centers, and UNC Healthcare, the reduction was 1.5 percent.

In deciding how to implement the reductions, the Chancellors sought to minimize their negative impact on academic instruction. However, several years of successive budget reductions and reversions have made it impossible to avoid impacting instructional areas. The cumulative effects of these reductions will be felt on all campuses and by all UNC students, faculty, and staff.

In summary, of the total \$47.9 million UNC Management Flexibility Reserve:

- Approximately 45 percent was extracted from personnel budgets (salaries and benefits), requiring the elimination of 378 positions;
- 20 percent came from current services (e.g. travel, phone services, postage, utilities, printing, repair and maintenance, and data processing);

- 19 percent came from capital outlay (e.g. office equipment, educational equipment, and motor vehicles);
- 7 percent came from supplies and materials (e.g. housekeeping supplies, educational supplies, repair supplies, motor vehicle supplies, and office supplies);
- 5 percent came from fixed charges (e.g. property and equipment rentals, insurance, and maintenance contracts); and
- 4 percent came from other line items (e.g. library books, scholarship and grant programs, other aids and grants, and other contractual services).

These reductions have severely impacted all programs, disciplines, activities, and campuses. The 378 positions eliminated included 367 vacant positions and 11 filled positions. A total of 276 of these positions were in instructional areas—including 193 faculty positions—and will directly affect students in UNC classrooms.

With each round of cuts, it becomes more difficult to insulate instructional budgets from reductions. In the previous year (2002-03), for example, the University lost 94 faculty positions as a result of budget reductions. Continued cuts to departments and divisions that provide crucial support and services have had a detrimental impact on basic campus operations and the quality of the student experience as budgets for facilities, finance and regulatory compliance, information technology, student services, and libraries have been reduced. Many campuses are minimizing additional reductions in these areas as student enrollments continue to grow.

Over a two-year period, the teaching capacity of our campuses has been reduced by 287 faculty positions—equivalent to the full faculty complement at Fayetteville State University. The loss of core teaching faculty during a time of surging enrollments affects students directly, reducing the number and types of courses offered, increasing student to faculty ratios, and decreasing the time any single faculty member has available to teach, advise, and mentor students.

Losses of SPA and EPA non-teaching positions are equally detrimental to campus operations. In 2003-04, reductions required cutting an additional 185 positions that provide enrollment management, advising, orientation, housekeeping, security, information technology, buildings and grounds maintenance, financial aid, and library services. The loss of these positions lessens our campuses' ability to carry out the academic, research, and public service mission of the University.

The direct impact of this required reduction on instructional budgets in UNC is \$21.6 million. This will certainly be felt by students in years to come, as fewer course sections are offered, and campuses are forced to hire more part-time and adjunct faculty to teach the sections that remain. Students will find it increasingly difficult to find courses that they need to graduate and to fit all required courses into their schedules. Ironically, unavoidable reductions in advising and faculty contact hours means that many students will have less assistance in monitoring their degree progress at a time when it becomes much more difficult and critical to do so.

Most UNC campuses indicate that repeated budget reductions continue to adversely impact library operations, as evidenced by reduced service hours, decreased availability of materials, and more outdated books and journals. This affects both students and faculty as they work to prepare for the workforce and complete research. Given the long-term damage caused by previous rounds of reductions and reversions, seven campuses chose to exempt their libraries from this round of budget reductions.

Most Chancellors have expressed growing concerns about their diminishing ability to adequately maintain and repair equipment, buildings and grounds. This especially impacts the focused-growth campuses, which have worked deliberately to improve the physical appearance of facilities and grounds. While deeply appreciative of the new buildings and renovations made possible by the November 2000 bond referendum, Chancellors are increasingly concerned about operating with fewer dollars as they attempt to maintain and equip expanding facilities. They are concerned about maintaining existing facilities, as well as finding resources to adequately equip, staff, and maintain the new buildings coming online. In most instances, this reversion requirement to save funds in the short term makes long-term repairs more costly and less efficient. As a direct result of these required reversions, all UNC campuses have shrinking budgets for equipment, supplies, and materials. Consequently, students will not have access to the most advanced equipment, because the campuses will not be able to purchase the latest technological equipment in the various disciplines. Computer replacement on the campuses will be deferred, so students will not be training on the most advanced systems.

Furthermore, most Chancellors have expressed concern that increases in class size, higher student-faculty ratios, and course cancellations will become a frequent experience for many of their students. This is already apparent at most campuses, where student-to-faculty ratios have

increased and students have experienced frustration with course selection and availability of courses needed to complete their degrees.

In general, the Chancellors have expressed apprehension that they have now pushed the limits of efficiencies that can be accomplished without compromising quality. Those savings have been achieved, and further reductions severely impact the type of experience they are able to offer students. Many of the current reductions, the Chancellors have noted, are short-term in nature but have long-term consequences, as is the case with reductions to budgets for building repair and maintenance. Maintaining the level of quality that students deserve with diminishing resources is an ongoing struggle.

In summary, the impact of budget reductions is cumulative and long-term. Students continue to express the sentiment that they are being asked to pay more at a time when they feel they are receiving fewer and lower quality services. Likewise, faculty and staff express frustration that they are being required to take on the responsibilities of positions that have been eliminated, without any significant pay increases.

The University appreciates the management flexibility to distribute these reductions. The Chancellors have made difficult choices, striving to minimize the impact on the classroom. In most cases, however, successive budget reductions have made this a futile goal. Multiple rounds of budget reductions have affected the student experience at the UNC campuses through the degradation of student services, facilities, and are now increasingly affecting the direct classroom activities. Comments and impact statements from each institution are included in the following pages. Attachment A provides a summary, by campus, of the reductions implemented to reach the targeted amounts.

Appalachian State University

- With the loss of positions and increasing enrollment, ASU is hiring more adjunct faculty- in order to retain reasonable class sizes. The quality of the instructional experience will still suffer as a result since these individuals do not typically have the same skill set that more qualified faculty would possess.
- In many areas on campus, the salaries of faculty, particularly those at the upper ranks are significantly less than market levels. The budget reductions will further delay our addressing this critical faculty morale issue.
- Diminished funding has created a growing concern over the ability to maintain the basic levels of service required for a growing state-of-the-art institution. All areas of the university have suffered as a result of continuing budget reductions.

East Carolina University, Academic Affairs

- The elimination of faculty positions will obviously impact the students' academic lives – fewer teachers, larger classes, less advisor time and additional semesters necessary for completing graduation requirements. At a time when the students are demanding—and deserving—additional programs that enhance their college experience and make them more marketable upon graduation are being eliminated due to lack of resources.
- ECU has worked extremely hard over the last 10 to 15 years to address a backlog of repair and renovation needs in our physical plant. Cutting funds in that area and re-creating that backlog is poor stewardship and violates our fiscal responsibility to our many constituents from students to taxpayers. This is especially critical as our new bond-funded facilities come on-line. North Carolina's citizens supported that referendum, and ECU does not want them to see a state-of-the-art building with old and outdated equipment.

East Carolina University, Health Affairs

- ECU is losing support positions and operating funds in this cut. Losing a research technician in the Cancer Center will obviously affect the research that can be done there. The cut in operating funds represents 13% of the school's total operating budget and will certainly impact our ability to purchase laboratory equipment and supplies, instructional supplies, and office supplies that are necessary for us to fulfill our teaching and patient care mission.

Elizabeth City State University

- The elimination of the construction engineer position will cause the project management workload of Higher Education Bond and Repair and Renovation projects to be distributed among the three professionals on staff, instead of the four position that are needed.
- The elimination of the guidance counselor in the Office of Career Planning and Placement will adversely affect the ability of the university to give individualized support to student “portfolio” development, career counseling, and job interview skills and techniques training.
- The reduction in capital outlay will result in the postponement of scientific and educational equipment purchases. Modern equipment is critical to support faculty and student research efforts, as well as to support laboratory and classroom instruction. Additionally, lack of proper equipment hampers faculty in collecting and analyzing data needed to support grantsmanship. ECSU’s personal computer replacement policy calls for the replacement of computers every four years. These budget reductions have forced the university to suspend the replacement policy for computers that were scheduled for replacement this year.
- The reduction in building reserves results in the loss of a new maintenance vehicle and the inability to purchase incremental cleaning and maintenance supplies needed to support the new 10,000 square foot Physical Education Complex.
- The reduction in library books will limit the purchase of books and periodicals that directly support instruction. This is especially critical since these materials are needed to aid our preparation for accreditation reviews and to support our new master’s degree program in biology and the bachelor’s degree program in pharmaceutical sciences.

Fayetteville State University

- FSU’s ability to provide adequate supplies and materials to support the instructional and administrative units of the university is greatly reduced. The lack of adequate supplies and materials will impact the instructional delivery in the classroom.
- The university’s ability to purchase, upgrade, and replace equipment in various administrative, academic and research areas has been reduced. Also, small-scale renovation projects in the academic areas will be limited due to the reductions.

North Carolina Agricultural and Technical State University

- To effectively address the diverse learning styles of students today, instructional technology and state-of-the-art equipment are necessary tools for effective learning. The reductions to capital outlay and fixed charges will impact the quality of the learning experiences our students are afforded as well as limit the tools that can enhance the learning process. Teaching with old technology and equipment is a disservice and not supportive of NCA&T's mission to adequately prepare students for the high tech workforce of today.
- As a result of the reductions, NCA&T has reduced their operating budgets for administrative and institutional support to a dangerously low level. With increases in enrollment, NCA&T should look to expand operations to serve a growing customer base; however, this has not been the case. NCA&T is at a critical juncture where the administrative and institutional support services must grow in order to sustain the quality of services provided to the student customer base.
- Due to the permanent reduction this year coupled with the permanent reduction from the last two years, NCA&T's efforts at raising funds and awareness of the campus are significantly impacted because of reduced printing budgets. This affects NCA&T both financially and also has a negative impact on the marketing efforts on the local and national levels.

North Carolina Central University

- NCCU had to cut 23 permanent positions. These positions provided support to the instructional programs, library services, and student services as well as general institutional support for financial management.
- \$200,000 was cut from library books and journal subscriptions. This reduced the university's ability to maintain the current level of books, journals and newspapers needed and used by students and faculty.
- In fiscal management, loss of vacant positions in the financial affairs division hampers the ability to meet current and increasing demands of state and federal regulatory agencies as well as parents and students.
- Reductions in support staff, supply and operational budgets jeopardize upcoming accreditation reviews.

North Carolina School of the Arts

- The size and scope of NCSA's productions have been reduced. This impacts all aspects of the productions from numbers of students cast to size of sets built to the quality of material used in the construction.
- The School of Music has increased class size in some cases as much as 50% due to the loss of part-time dollars. The Schools of Dance and Music have eliminated elective courses. The School of Music has eliminated much of its touring—impacting its ability to raise private dollars. The School of Filmmaking eliminated its Director of Special Projects and reduced its senior film budget by 20%. The School of Drama reduced its number of guest directors and the School of Design and Production will limit use of its premier laboratory space, the Thrust Stage, to only once during the year.
- Some full-time vacant positions have been filled with part-time faculty without benefits. Further, schools have been advised to offer only part-time or one-year contracts for vacated faculty lines.
- NCSA has to eliminate the final remaining state appropriation that supports the International Music Program. The International Music Program has been in existence for over 35 years. This is another area where students suffer from a lack of training and performing possibilities.

North Carolina State University, Academic Affairs

- Reductions in classroom instruction resulted in the cancellation of over 200 course sections and increased class size in lower division course offerings by as much as 15%, negatively impacting our undergraduate students. Cancellation of course sections may disrupt the necessary progression of course work for graduation.
- Instructional equipment used to assist in the classroom will not be replaced or updated as needed. Funding was eliminated for the Geophysics program, the Campus Design Studio, the North Carolina Japan Center, the Center for Information Society Studies, the Chemistry X-ray and the Veterinary on-farm animal health program.
- Budget reductions in previous years have resulted in significant reductions in library staff and operations, and as a result, this year's permanent reduction will limit new acquisitions. This represents a reduction of over \$500,000 in collections, purchased books down by 19% or approximately 3,700 titles, and the cancellation or loss of online access to over 550 journal titles.
- Reductions in support for information technology initiatives and the elimination of three positions result in delaying expansion of wireless capabilities for the students, postponing the implementation of the new benefits administration software, and slowing response time for IT security and help desk services. The eroding operational base forces a reduction in computer replacements and software upgrades.
- Reductions have required scaling down marketing and external communication about opportunities on Centennial Campus. This includes the elimination of community events such as the Centennial Campus Job Fairs and educational seminars. Outreach services in the College of Design and in the College of Humanities will reduce service to communities throughout the state.
- Industrial Extension Service had reduced its workforce by 10% and decreased by 18% the number of short courses, workshops, and conferences offered to North Carolina professionals. The number of industry service projects provided to small and medium-sized enterprises assisting them to remain economically viable in North Carolina is down 6%.

North Carolina State University, Agricultural Research

- Given the magnitude of this fiscal year's reductions along with the prior year's reductions, operating support has been reduced by half for the Service Units, Field Labs and Research Stations. We have to be able to maintain cutting-edge technologies and equipment to obtain extramural funding but with no programmatic support available, these programs are being adversely affected. A minimum of 10 positions have been eliminated or reduced and startup commitments to new faculty have been re-negotiated to lower levels for the current year.

North Carolina State University, Cooperative Extension Service

- Specific reductions in support include restricted travel by county agents and Extension specialists, limited office supplies, and state vehicles not being replaced. NCSU's relationships with local governmental officials have been strained, loss of technical and programmatic expertise has occurred and by not being able to fund county co-funded positions, an additional \$329,739 in county support has been lost. The continued budget reductions/reversions forces the North Carolina Cooperative Extension Service to operate at a diminished level of outreach.

University of North Carolina at Asheville

- Fewer educational supplies have been bought in the Chemistry, Biology, and Art Departments.
- Hands-on experiments, which are so critical in the sciences, are not taking place.
- Faculty/student interactions are lessened due to larger class sizes.
- Inter-library loan, the most cost-effective way to expand a library's collection, has been curtailed. The students have access to fewer materials.
- The Career Center has not been able to purchase the tools (software and subscriptions) necessary to keep track of the job market.
- Computers and mechanical equipment have not been replaced in a timely manner. This forces UNCA to repair more outdated equipment, retire some non-operable (unsafe) equipment, and work less efficiently.
- One building has exterior concrete columns that are cracked and crumbling. This same building has a leaking roof. The departments in this building are the Admissions, Registrar, Financial Aid, Study Abroad, Music, and Advising/Retention. UNCA does not have the funding to repair the building or move the occupants.
- The North Carolina Arboretum plans to take the entire 3% cut out of replacement capital equipment. The equipment that will not be replaced includes two roof mowers, a skid steer, and a tractor. These pieces of equipment are the fundamental tools for maintaining the 68 acres of turf, trails, and collection exhibits.

University of North Carolina at Chapel Hill, Academic Affairs

- UNC-Chapel Hill did everything possible to maintain the core teaching responsibilities across the College of Arts and Sciences. Teaching units shouldered a smaller percentage of cuts compared with units that do not primarily provide classroom instruction.
- UNC-CH eliminated 22 vacant tenure-track faculty positions at a time when the College of Arts and Sciences is facing increasing retirements. This means erosion in the quantity and quality of our capacity to teach, conduct research, and serve the public. The effect of which will be felt next year when the size of the Arts and Sciences faculty will be reduced back to the level of five years ago, from 700-plus now, to about 675.
- UNC-CH had more problems this year than in the past in placing students into required basic skills courses. Many courses were over-enrolled to accommodate demand. There were more than 150 students who were unable to enroll in beginning Spanish classes this fall. Many departments are being forced to offer fewer, and larger, class sections, a concern to both students and parents in light of recent tuition increases.
- UNC-CH closed Arts Carolina, one of the most visible public outreach programs at the university, cutting off a valuable link between our arts programs and the general public.
- All of the departments had to tighten their operating budgets, including reductions in funds for staff, professional travel, equipment, telecommunications, maintenance and supplies. State funding was eliminated for 14 positions, which resulted in the lay-off of 4 EPA non-faculty and 4 SPA staff. Graduate student positions were also decreased, employees must share phone lines, faculty are using personal funds for classroom copying, and departments are being forced to use private funding to meet core operational needs.
- Consecutive budget cuts have had a negative impact on the morale of faculty and staff, whose workloads have increased while their salaries have stagnated. During the past two years, more than 60 faculty members in the Arts and Sciences have been recruited by outside institutions; about half of them have left, primarily for higher salaries and benefits.
- At the Kenan Flagler Business School, faculty are teaching larger than normal class sizes and are covering an increase in MAC courses with adjuncts and PhDs.
- There will be no scholarships awarded this year in the School of Education to those students seeking concentrations in areas supporting special needs students. The School has also realized a significant reduction in its outreach programs.
- The School of Government eliminated two full professor positions. One position worked in the area of public leadership and management specifically developing programs to support public officials in the administration of state and local government. This position served as part of the School's core faculty, providing instruction and advising to North Carolina public officials. The loss of this position reduces the School's capability to offer management and leadership training to public officials from North Carolina State and local government. A second position taught Master's of Public Administration courses and did Institute of Government work. A faculty member held this position during FY02-03 who specialized in state and local fiscal and budgetary policy. The elimination of this position severely curtails our capability to teach two core MPA courses, Methods for Policy Analysis and Evaluation and Introduction to Policy Evaluation Methods. The School has covered these core courses through adjunct instructors. UNC-CH has lost the research and advising work a full-time faculty member would carry out.

University of North Carolina at Chapel Hill, Academic Affairs (continued)

- Elimination of the Staff Director Position of the Facilities and Instructional Support Division reduces critically needed managerial and administrative support in the School of Government. This division supports the delivery and operations of a comprehensive professional education program for North Carolina state and local government officials. This position directly oversees twelve program coordinators responsible for working with faculty in the delivery of instructional programs. This cut will significantly curtail UNC-CH's capability to accommodate schools and conferences in an expanded facility that is already understaffed.
- The cuts in the Information and Library Sciences have resulted in a reduction of course offerings and a severe hardship for the students involved.
- The School of Journalism and Mass Communication is unable to replace aging equipment in classrooms and has had a reduction in its ability to provide printed syllabi to classes.
- Office of Human Resources eliminated HEELS for Health, a popular faculty and staff wellness program that has been in operation for over a decade. The elimination of this program will have a negative effect on the overall health and wellness of University employees, in addition to serious impacts on employee morale.
- The Controller's Office eliminated a financial reporting support position, a payroll data control position, and an accounting data control position.
- Financial Planning and Budgets eliminated an Accountant position.
- Material and Disbursement Services eliminated 2 positions in purchasing services, 2 positions in asset management, and 1 position in materials management & distribution. Elimination of these positions increases the risk of occurrence of data integrity and internal control issues, and there may be a degradation of service levels to the campus.
- Public Safety lost 2 police officer positions, reducing the number of officers patrolling the campus, and the conversion of the background check service to a receipts-supported operation (\$20 per background check), which affects departments with vacancies as it adds \$20 to the cost of each new permanent or temporary hire.
- For One Card, the budget cut means that replacing servers has to be delayed, which could result in system problems for a system that manages \$20 million in spending accounts for students, and the reduction in hours per week of the systems accountant, which can affect testing of system changes and design/implementation of new online processes.
- For the Department of Environment, Health and Safety (EHS), cuts resulted in the elimination of a Safety Supervisor position, which was the full-time coordinator of UNC's asbestos program. EHS is less able to respond to student, employee and public concerns about potential asbestos exposures. To continue meeting campus needs, asbestos responsibilities have been reassigned to several EHS personnel. As a result, UNC now lacks a single contact for inquiries regarding asbestos material content and abatement guidance. This causes confusion among the architects, engineers, construction managers and contractors who deal with asbestos, which results in construction delays. Also, the reassignment of these responsibilities impacts other parts of EHS and has left the University vulnerable to non-compliance and unfavorable publicity.

University of North Carolina at Chapel Hill, Academic Affairs (continued)

- Facilities Services permanently lost 27 SPA positions. This was on top of the 66 positions lost in the three previous fiscal years due to permanent budget reductions. Routine building maintenance is no longer routine. The exteriors and interiors of many campus buildings are beginning to show signs of the chronic under-funding of their maintenance needs. The Chapel Hill campus is currently in the reactive management stage of maintenance, which is predominantly identified by worn-out systems that require staff to be scheduled to react to systems that are performing poorly or not at all. Preventive maintenance backlogs will rise as workers are reassigned to service calls further pushing the campus into the breakdown maintenance mode. Housekeeping services have deteriorated to the point that office trash cans are no longer emptied on a daily basis, classrooms and laboratories are only detailed once a month, elevators are only cleaned twice a week, and window cleaning is nonexistent.
- The Division of Student Affairs permanently abolished the First Year Initiate Program (FYI Program). This program consisted of serving first year students to enhance the intellectual climate of the campus and one that supported the new Academic Plan's emphasis on learning communities within residence halls. This 4-year old program had during its tenure 34 individual faculty members, representing 16 departments within the College of Arts and Sciences and six professional schools.

University of North Carolina at Chapel Hill, Health Affairs

- The forfeiture of approximately six SPA FTEs resulted in four layoffs. More layoffs would have been necessary were it not for positions being held vacant in anticipation of reductions. This loss of personnel and positions, combined with the previous two years' reductions, puts the School of Dentistry's institutional support structure in a tenuous position. Work demands are exceeding available personnel. Programmatic cuts may become a reality to address further reductions.
- The School of Dentistry has eliminated the use of state funds for equipment, computers, or travel over the past three years. Equipment and facility infrastructure purchases are put on discretionary sources if available, postponed, or eliminated completely.
- Reductions in state funds compromise the ability of the UNC School of Medicine to maintain the quality, breadth and depth of the educational program and to meet the demand for health care professionals in North Carolina. The School was forced to close down the Allied Health Rehabilitation Psychology and Counseling program due to cuts. 2003-04 is the 3rd year in a row for loss of funding for scientific equipment that seriously jeopardizes the ability of investigators to gain new research grants.
- The School of Nursing did not fill vacant faculty positions. The workload was redistributed to current faculty, or part-time clinical faculty and teaching assistants were hired. Two course offerings were cancelled. The School has increased class size in two core BSN courses to 160 students.
- Funds for maintenance and repairs were drastically cut which will prevent faculty in the School of Pharmacy from making the necessary changes in classrooms and labs to facilitate instruction and research. Funds for classroom and laboratory equipment purchases to replace obsolete equipment were eliminated. Faculty cannot teach students effectively with equipment that is in disrepair and lab findings will be inaccurate.

University of North Carolina at Chapel Hill, Health Affairs (continued)

- In the School of Public Health, two environmental sciences courses were eliminated. Budgets for teaching laboratory supplies and replacement equipment have been reduced by 50%. Maintenance for equipment used in teaching and research has been deferred.
- Area Health Education Centers reduced support for health careers programming for middle and high school students and postponed purchases of computers and other IT equipment throughout the AHEC system.
- The Ackland Art Museum has delayed launching an educational resource center, a teaching resource space in the museum where all audiences (university students and faculty, K-12 school teachers and students, and visitors) will learn about art in the museum and the arts across campus. Budget cuts dramatically reduced the ability to publish knowledge created by faculty, students, and museum staff, to market programs, and to raise funds. The newsletter for 2003-04 has been downsized and printing has been delayed on the membership brochures and a case statement for fundraising.
- Frank Porter Graham Child Development Institute currently has more than 300 computers that need constant upgrading and repairing. Budget reductions will greatly limit the ability to upgrade old computers and to provide new computers for recently funded projects.
- The Center for Teaching and Learning was forced to lay-off a permanent EPA employee. There is a continued moratorium on funding course development projects (i.e., funds typically provided to help 20-30 faculty members to enhance courses or develop materials to help them teach larger classes), equipment replacement and software upgrades and classroom equipment replacement or repair.

University of North Carolina at Charlotte

- UNCC has increased class size rather than add additional sections. Students have lost some of the flexibility in arranging a class schedule to coordinate with their other demands, as well as the advantage of choosing a smaller class section to benefit from more personalized instruction. UNCC is also unable to support new faculty with purchases that are basic to operations, e.g., support staff, supplies and materials, equipment, and professional development and education.
- UNCC is not able to properly augment operating budgets or hire additional personnel for existing student services such as Disability Services Center for Academic Excellence, Writing Resource Center, and Career Services to meet the needs of our rapidly growing student population.
- UNCC is unable to add positions to support additional students and facilities. Employees who have worked for years without salary increases are being forced to assume additional tasks and increased volume that should be assigned to new support positions. As a result, UNCC is unable to keep the campus functioning in a manner which adequately supports existing and new academic programs. Cuts in critical financial support areas result in reduced student assistance. These reductions have eliminated funds for IT training and professional development. Capital purchases and repair of technology and security equipment will be deferred or canceled.
- A lack of additional funding sufficient to cover increased utility costs, as well as the costs of utilities during construction of new facilities continues to result in an underfunded utilities budget. Actual costs have exceeded budgeted appropriation amounts for the past four years. Further, the lack of funding for repair and maintenance of campus infrastructure is building a backlog of projects that will only cost more when repairs must eventually be made.

University of North Carolina at Greensboro

- Because many medium- and large-enrollment courses are already at the capacity of classrooms, this effect of increased class size is felt more strongly in courses where small sections are planned for pedagogical reasons (in certain arts, sciences, and professional disciplines, for writing-intensive courses, etc.).
- There has been a decreased choice among sections, which may lead to some students being unable to register for a full load.
- UNCG allowed for fewer lapsed salary dollars to be available for use in addressing long-standing inadequacies in instructional equipment, resulting in poorer quality experience for students in equipment-intensive disciplines.
- Course sections are staffed with visiting, temporary faculty, rather than with permanent faculty.
- UNCG increased the advising load of faculty in some units, which affects the quality of academic and career advising.
- The reductions impacted the library's ability to create, purchase, and service information resources for the support of teaching, learning, and research.
- The reductions curtailed the ability to create and maintain web sites for academic departments, thus losing information sources critical to the recruiting, retaining, and teaching of students.
- The reductions affected ability of faculty to create digital resources for instruction and research, develop distance courses and integrate information technology into existing courses, and be trained in the use of information technology.
- Continuous cuts are eroding faculty and student support services. Staff reductions and the inability to hire new staff in the Information Technology areas have been especially problematic. The budget cuts greatly inhibit UNCG's ability to provide the type of service required by students, faculty, and staff, especially beyond the normal 8 to 5 workday.
- The deferred replacement of outdated computers, software, and office equipment needed for the efficient operation of departments whose resources are already quite limited are a result of reductions.

University of North Carolina at Pembroke

- UNCP has an increasing enrollment and is working to serve these additional students with approximately the same amount of funding for supplies, equipment, and academic support as last year.
- UNCP has had to reduce library acquisitions and further reduce academic departments' operational budgets. The campus is spending fewer funds this year on new academic equipment and supplies than it did two years ago.
- With this latest round of budget reductions, UNCP has had to reduce six faculty positions. This means that the student to faculty ratio is increasing, which does not fit with the mission and goal for the campus.
- The additional reduction in institutional support impacts almost every division at UNC Pembroke. Student Affairs must delay the implementation of new student programming and/or enhancement of existing programs. Enrollment Management will not hire additional recruiters to reach out to potential students. The Business Affairs, Controllers, and Human Resource Offices could not add staff to assist with the Banner conversion. The lack of additional staff mandates that current staff perform all of their ever-increasing tasks, plus handle the conversions associated with Banner. Public safety issues are not being addressed as planned due to these reductions. The increase of activity on campus has created a need for additional dispatchers in the public safety office, but this is not possible due to the reductions.

University of North Carolina at Wilmington

- Because non-academic department budgets have already sustained more reductions in the past few years than they can afford, the only option to meet this three percent reduction was to significantly reduce instructional budgets. UNCW reduced 11.44 faculty positions, cut over \$100,000 in temporary academic wages and reduced academic operating budgets by almost \$450,000. The total reduction to UNCW's regular term instructional budget is \$1.4 million.
- Reductions will result in a loss of tutors in the Math Lab, technical assistants in scientific labs, student computer labs and offices.
- Partnership teaching initiatives, associated with the UNCW Watson School of Education Professional Development System, will be severely reduced.
- UNCW's School of Nursing student clinical practice and involvement with community health outreach programs will be critically reduced.
- Reductions to the Academic/Student Support budgets will result in elimination of funding for AIDS education programming, reduction to Greek programs that specialize in sexual assault and harassment education, reduction in funding for professional development for Disability Services staff, reduction to career and employment resources and information for students, and an almost total elimination of funding for professional development – related travel.
- In administrative support budgets, these reductions will be felt in the areas of housekeeping, grounds and landscaping operations, student support and financial aid. There will be a critical impact to fundraising initiatives and information technology reductions will cause the postponement of initiatives designed to meet the demands for university security mandated by federal and state law and campus pipeline license agreements.

Western Carolina University

- The net resources available at WCU are being stretched to serve a growing student population. To meet this most recent reduction, WCU reluctantly decided to eliminate the Mountain Aquaculture Center. This Center was established in 1988 and has conducted biotechnologically based research to support the economic sustainability of the aquaculture industry in Eastern North Carolina. The closure of this Center was a disappointment to both commercial trout farmers and environmental groups due to the lack of other facilities conducting this valuable research and has eliminated opportunities for students to take part in this groundbreaking research.
- WCU eliminated a total of 10.5 FTE EPA positions. Of these, 3.5 were regular term instructional faculty and 1.5 were faculty in the distance learning program. In addition, two academic support positions (in Modern Foreign Languages and Health and Human Performance) were abolished. The loss of these instructional and instructional support positions will have a direct detrimental impact on the students in WCU's classrooms.
- Three positions in Academic Support and Support Services and Administration were also eliminated. These were positions of Housekeeping Supervisor, Database Administrator, and a Program Assistant in the Mountain Heritage Center. At a time when new buildings are being placed in service and a major administrative systems implementation is planned, WCU cannot afford the loss of these critical positions.
- Services at WCU were cut by \$391,135, of which approximately 30% was at the North Carolina Center for the Advancement of Teaching (NCCAT). At a time when North Carolina is facing a critical shortage of teachers, NCCAT has had a positive impact on the retention rate of those who have participated in its programs. These budget cuts have left NCCAT no option but to reduce the number of programs offered and teachers served by its programs.
- Western instituted a 26% across-the-board reduction in capital outlay budgets to meet this reduction. The inability to provide students an opportunity to use the latest technology in their field of study will result in their being inadequately prepared to meet the demands of the high technology workplace. Lack of funds for replacement of outdated information technology and other equipment will prohibit WCU from serving students and others in a manner consistent with their reasonable needs and expectations.
- WCU has not been able to grow the library collections available for use by students and faculty in their studies and research. The additional reduction this year of \$60,893 in library books and periodicals forces WCU to continue to struggle to serve more students with the same or fewer resources. Any further reductions in the library's budget will likely result in a major cancellation of periodicals.

Winston-Salem State University

- WSSU's difficult task in managing budget reductions is further exacerbated by tremendous enrollment growth. The budget reduction will have an immediate impact on already limited operational funds and will delay WSSU's timetable for implementing and/or enhancing new and existing program initiatives.
- The absence of adequate funding to support educational supplies and equipment at a quality level for programs in the sciences, the health sciences, and information technology (computer science and management information systems) will result in fewer opportunities for students to engage in laboratory learning activities and a lesser-prepared student. The reduction in operating funds relating to technology and equipment will delay initiatives to upgrade the technology in computer labs, the library, offices, and residence halls.
- With increased enrollment, the size of several general education classes increased from an average of thirty students per class to forty students. Several introductory pre-major courses were moved to large lecture halls to accommodate the increase in enrollment. Additional part-time and non-tenure track full-time faculty were hired to cover the classes created by the increase in enrollment. At the same time, however, it will be necessary for academic chairs and support managers to restrict the use of basic office and educational supplies for faculty and staff to essential instructional needs and essential administrative needs.
- With the reduction in operating expenses, the university will need to delay the purchase or replacement of equipment needed to maintain and support accreditation for several academic programs. The university will delay the purchase of some equipment and will not be able to renew maintenance contracts for some scientific and computer labs.
- The university will continue to have to delay major facility repairs and maintenance. Many facilities are in urgent need of repairs.

UNC Healthcare

(Note: UNC Healthcare was reduced by 1.5%)

- UNC Healthcare elected to reduce expenditures that were not directly related to providing patient services. Although indirect, when needed systems and facility renovations are deferred, patients are negatively affected. UNC Healthcare cannot maintain reductions of this nature in the future without an adverse affect on the quality of care that the citizens of North Carolina expect.

North Carolina School of Science and Mathematics

(Note: NCSSM was reduced by 1.5%)

- The budget reductions at NCSSM will have a significant impact on the classroom and the dormitories for NCSSM students. Reductions in Residential Life Services will severely affect the replacement of mattresses and the twenty-year-old furniture in dormitory rooms as well as reduce other student support services. Academic Programs will be significantly impacted by the loss of funds to purchase textbooks, computer and scientific equipment and other educational supplies.

University of North Carolina –General Administration

- The reductions to the UNC Center for Public Television resulted in a widespread impact. The viewing public will likely see more repeat programming, less coverage of statewide events, and fewer hours of original programming. In addition, the digital television (DTV) initiative will also suffer. The collaborative efforts between UNC TV and the NC Community College System for developing DTV educational initiatives will be delayed or cut altogether. Furthermore, the number of operating hours of DTV will be decreased.
- The reductions to the UNC Office of the President impact all divisions through a reduction in current services (phone, postage, travel, printing, repair and maintenance, data processing services). In addition, budgeted salary and benefits for critical vacant positions were reduced, thereby jeopardizing our ability to attract the critical skill sets necessary to oversee, manage, and direct the UNC Human Resources and Program Assessment and Public Service roles for the University. Such skill sets are required to fulfill the increasing regulatory, State and Federal compliance, and management oversight responsibilities for the University's academic, research and public service mission. These reductions will have a far-reaching impact by limiting UNC-OP's ability to communicate with the constituent campuses, prospective students, legislature, media, and other interested parties on operational policy, governance, coordinated services and reporting. The organization will also be forced to delay required replacement of information technology and various mechanical systems, which will result in loss of productivity, system outages, and increased maintenance costs.
- Reductions within the North Carolina Center for School Leadership Development will result in decreases for instructional programs, lateral entry teacher certification opportunities, and professional development for teacher assistants, teachers, principals, and school administrators throughout North Carolina.
- All affiliated programs of UNC General Administration are in the process of scaling back services to their constituents in order to meet the mandated budget reduction. The North Carolina Center for International Understanding will reduce services to exchange participants while the North Carolina Center for Nursing will reduce grants designed to recruit and retain nurses. NC Education Pathways Pathways has reduced training opportunities used to educate counselors and media specialists about the CFNC website. The State Education Assistance Authority has reduced contracted defaulted loan services and financial aid publication costs.

**THE UNIVERSITY OF NORTH CAROLINA
BUDGET REDUCTIONS SUMMARY**

	Personnel	Supplies & Materials	Current Services	Fixed Charges	Capital Outlay	Other*	Total Reductions
ASU	(2,068,663)	(81,636)	(372,560)	(3,891)	(42,779)	0	(2,569,529)
ECU, AA	(762,415)	0	(329,540)	0	(2,770,593)	0	(3,862,548)
ECU, HA	(498,840)	(189,366)	(425,279)	(85,487)	(62,215)	(91,909)	(1,353,096)
ECSU	(155,184)	(20,987)	(55,351)	0	(469,597)	0	(701,119)
FSU	0	(150,725)	(641,596)	0	(250,754)	0	(1,043,075)
NCA&T	0	(150,000)	(500,000)	(350,000)	(931,947)	0	(1,931,947)
NCCU	(850,030)	(74,560)	(95,009)	0	(401,226)	0	(1,420,825)
NCSA	(446,049)	(19,917)	(38,992)	(11,923)	(84,657)	(9,000)	(610,538)
NCSU	(5,115,323)	(373,778)	(725,572)	(373,779)	(725,574)	(933,063)	(8,247,089)
NCSU. Ag Research	(49,275)	(227,369)	(441,354)	(227,368)	(441,351)	0	(1,386,717)
NCSU, Coop. Extension	0	(184,362)	(357,880)	(184,362)	(357,880)	0	(1,084,484)
UNCA	(500)	(372,097)	(148,957)	0	(225,797)	0	(747,351)
UNC-CH, AA	(4,847,532)	(640,940)	0	(422,809)	0	0	(5,911,281)
UNC-CH, HA	(2,996,491)	0	0	0	0	0	(2,996,491)
UNC-CH, AHEC	(51,756)	(3,122)	(28,778)	0	(757)	(590,335)	(674,748)
UNCC	0	(657,308)	(1,197,083)	(285,000)	(909,244)	0	(3,048,635)
UNCG	(1,424,401)	(235,547)	(650,408)	(52,519)	(561,632)	0	(2,924,507)
UNCP	(438,142)	0	(531,428)	0	0	0	(969,570)
UNCW	(994,573)	(56,131)	(669,317)	(150)	(33,892)	(20,000)	(1,774,063)
WCU	(551,367)	(96,898)	(391,135)	(101,100)	(401,597)	(60,893)	(1,602,990)
WSSU	0	0	(436,369)	(165,000)	(330,000)	0	(931,369)
UNC-GA, Operating	(69,563)	0	(1,125,107)	(104,050)	0	0	(1,298,720)
UNC Healthcare	0	0	(589,552)	0	0	0	(589,552)
NCSSM	0	0	0	0	0	(183,693)	(183,693)
Total	(21,320,104)	(3,534,743)	(9,751,267)	(2,367,438)	(9,001,492)	(1,888,893)	(47,863,937)

* This column includes library books, scholarship and grant programs, other aids and grants, and contractual services.