

2011-12 Budget Reductions



Committee on Budget & Finance

The University of North Carolina

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UNC System Cumulative Budget Cuts During Economic Downturn

	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>
Permanent Reductions	\$ 23M	\$162.5M	\$ 18M*	\$417M
Reversions	\$234M	\$134M	\$178M	?

**Permanent reductions and reversions approach
\$1.2 billion over last four years.**

*** Total cuts were \$103 million; tuition increase revenue
offset \$85M of total.**



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2011-12 UNC Reductions by the General Assembly

- **Management Flexibility Reduction – (\$413,987,494)**
Mandated a management flex cut for the UNC System and directed that the BOG not allocate it on an across-the-board basis
- **UNC Hospitals Subsidy – (\$26,011,882)**
Reduced state subsidy by 59% for 2011-12 – \$18M remains
- **Center for Public Television – (\$11,997,888)**
Eliminated recurring funds for CPTV; provided nonrecurring funds with a 12% reduction for 2011-12
- **Student Incentive Grant – (\$800,827)**
Eliminated state funding
- **Future Teachers Scholarship-Loan – (\$455,000)**
Eliminated remaining budget, which was abolished in 2009
- **Nonresident Tuition Waivers – (\$1,892,640)**
Eliminated tuition waivers for the following: special talent undergraduate tuition waivers; nonresident teachers; and nonresident prospective teacher scholars



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2011-12 UNC Management Flexibility Reduction

**Total UNC Management Flexibility
Reduction: \$413,987,494**

- **Equivalent to a 15.6% reduction across the board to all institutions (*reduction not made across-the-board*)**
- **Approximately the same amount as NCSU's appropriation (not including Ag Programs)**
- **\$100M more than all of ECU's state appropriation**
- **Slightly more than the state appropriation for UNCC and UNCG combined**
- **Approximately the size of the combined state budgets of ASU, NCA&T, WCU, and WSSU**



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UNC Management Flexibility Reduction – Special Provision

- The 2011 General Assembly enacted a special provision that prohibited an across-the-board method for allocating the management flexibility reduction of \$413,987,494. In July, the Board approved the methodology and the allocation of cuts to the campuses.
 - The percentage reduction ranged from a low of 8.4% at NCSSM to a high of 17.9% at UNC-CH
- The special provision also outlined the following items to consider before taking reductions in instructional budgets:
 - Reducing state funding for centers & institutes, speaker series, and other nonacademic activities
 - Faculty workload adjustments
 - Restructuring of research activities
 - Implementing cost-saving span-of-control measures
 - Reducing the number of senior & middle management positions
 - Eliminating low-performing, redundant, or low-enrollment programs



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UNC Management Flexibility Reduction – Special Provision (cont.)

- The special provision also instructed the Board and the campuses to:
 - Review institutional trust funds and special funds to determine whether there are monies available in those funds that can be used to assist with operating costs;
 - Require faculty to have a teaching workload equal to the national average in their Carnegie classification; and
 - Make every effort to abolish vacant positions first when implementing personnel reductions.



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UNC Management Flexibility Reduction – Special Provision (cont.)

- The special provision stated that **no reduction** in state funds shall be allocated to any of the following:
 - Hickory Metro Higher Education Center
 - Joint Graduate School of Nanoscience & Nanoengineering at NCA&T and UNCG
 - The North Carolina Research Campus (Kannapolis)
 - Center for Turfgrass Environmental Research and Education at NCSU
 - Need-Based Financial Aid
 - Aid to Private Colleges
 - Coastal Wave Energy Research Project led by the UNC Coastal Studies Institute



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UNC Management Flexibility Reduction – Special Provision (cont.)

- The special provision also specified that state funds shall not be reduced by more than 12.3% for Agricultural Extension and the NC Judicial College of the UNC School of Government.
- In addition, the provision specified that state funds for Agricultural Research Programs shall not be reduced by more than 12.3% and Agricultural Research Stations shall not be reduced by more than 10%.



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Budget Cuts and the Impact on Quality

Within Academics:

- Reduce faculty positions
- Increase class sizes and reduce number of class sections
- Reduce/eliminate tutoring and advising as well as counseling programs
- Reduce operating hours for computer labs
- Reduce library acquisitions & library hours
- Reduce/eliminate support for graduate teaching and research assistantships



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Budget Cuts and the Impact on Quality (cont.)

Further reductions in Operations:

- Reduce/eliminate support for research grant development
- Further decrease housekeeping and grounds maintenance
- Increase length of preventive maintenance cycles
- Reduce/eliminate resources for sustainability affecting energy consumption, recycling, and water usage
- Reduce needed staffing associated with compliance activities (internal audits, lab inspections, chemical safety reviews, public information requests)



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Impact to Institutions – Campus-specific Examples

Flex Reductions – Faculty Workload Adjustments

- Due to fewer sections, the Poole College of Management at NCSU will increase some of their Accounting & Economics classes to over 350 students.
- WSSU abolished 38 permanent faculty positions—an 8% reduction of faculty positions.
- The number of students in some UNCSA introductory dance classes and Design & Production courses in three concentrations will double.



Flex Reductions – Faculty Workload Adjustments

- The size of virtually every class at UNCA increased.
- The number of full-time faculty positions at ECSU is being reduced by approximately 14% (29 FTE).
- CHEM 1120, the first Chemistry course for pre-nursing majors at ECU, is being reduced from four sections to three with the class sizes being increased by 25%
- The number of classes at WCU with more than 50 students has doubled in the past year.

Western Carolina University		
Description	Fall 2010	Fall 2011
Sections Offered	1,091	1,038
Seats	27,699	28,622
Classes > 50 Students	17	33
Classes > 65 Students	4	12



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Flex Reductions – Centers & Institutes/Speaker Series/ Other Non-Academic Activities

- FSU eliminated funding for the Director and Program Coordinator positions for the Math Science Education Center. The functions of the office will be carried out by the Department of Middle Grades Education.
- ASU is re-purposing the Broyhill Inn and Conference Center rooms to University Housing for student residences and the meeting space to Student Programs.
- UNC-GA's review of the NC Center for School Leadership program resulted in consolidation of teacher recruitment, development, certification programs, centralizing NCTEACH program management, and aligning facility support costs to facility rental revenues. The net result was eliminating 4.0 FTE and \$500K in state support.



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Flex Reductions – Implementing Cost-Saving Span-of-Control Measures

- **UNCG's Schools of Business & Economics, Human Resources, Student Affairs, and Undergraduate Studies have streamlined management structures, saving over \$800K.**
- **NCSU created a Shared Services Center for the College of Agriculture and Life Sciences in Academic Affairs, Agricultural Research, and Cooperative Extension . All financial and human resource transactions will be consolidated, resulting in the elimination of approximately 20 positions.**



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Flex Reductions – Implementing Cost-Saving Span-of-Control Measures

- **UNCP eliminated the following positions: Asst. Director of Admissions, Orientation Director, Coordinator for Academic Success, VC for University and Community Relations, Director of University Communications, Director of Media Center, and the Health Careers Outreach Program Director**
- **UNCA consolidated graduate center functions within Provost operations and realigned facilities and design and construction under the Vice Chancellor for Finance & Operations, saving \$156K annually.**



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Flex Reductions – Reducing the Number of Senior and Middle Management Positions

- ASU is eliminating the positions of Associate Vice Chancellor in Business Affairs, Project Manager in the Office of Planning, Design and Construction, and Associate Dean for Health Sciences.
- ECU's College of Business has reduced its administrative personnel by 33% over the last two years.
- UNCG eliminated several positions in the Division of Research & Economic Development, School of Education, School of Business & Economics, and the Undergraduate Studies, saving over \$600K.



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Flex Reductions – Other Examples

- At NCCU, more than 350 students were unable to enroll in required general education math courses due to sections not being available.
- In UNCC's College of Health and Human Services, the advising load has increased by 47% from 3,918 contacts and 963 visits per advisor in FY06 to 5,421 contacts and 1,775 visits per advisor in FY11.
- ECU abolished 44 state-funded positions from the campus facilities/physical plant staff – primarily impacting housekeeping, grounds, maintenance operations, and moving services.



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Flex Reductions – Other Examples

- **ASU's Carol Belk Library and UNCW's Randall Library will no longer be open 24 hours a day during the week. ASU lost approximately 35 hours of operation; UNCW lost approximately 25 operating hours.**
- **ASU's Office of Printing and Publications eliminated three FTEs and the remaining five FTEs will be funded solely from receipts.**
- **Campuses, particularly the research institutions, have lost ground in faculty retention efforts in recent years, even when they have been able to make counter offers.**



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Flex Reductions – Other Examples

- **NCCU will reduce over \$900,000 in funds for periodicals, journals, and other electronic media.**
- **The Office of Information Technology at NCSU will no longer offer Help Desk staff support after regular business hours.**
- **The Counseling Office at ECSU is eliminating its evening hours.**
- **At UNC-CH, the nine regional Area Health Education Centers have reduced their staff by 45 positions.**
- **Following a comprehensive review of operations, NCA&T eliminated 18 Administrative Support Associate positions.**



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Flex Reductions – EPA Non-Faculty Positions

<u>Positions Eliminated/Moved</u>	<u>#</u>	<u>%</u>
Vacant FTE Eliminated	162.8	47.1%
FTE Moved to Other Fund Source	109.6	31.7%
Filled FTE Eliminated	73.3	21.2%

In addition to the positions noted above, another 76 part-time/temporary/ contract employees no longer have a job due to the budget cuts.



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Flex Reductions – SPA Positions

<u>Positions Eliminated/Moved</u>	<u>#</u>	<u>%</u>
Vacant FTE Eliminated	611.1	54.0%
FTE Moved to Other Fund Source	282.2	25.0%
Filled FTE Eliminated	237.2	21.0%

In addition to the positions noted above, another 133 part-time/temporary/ contract employees no longer have a job due to the budget cuts.



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Flex Reductions – Other Positions (temp/part-time/contract)

<u>Positions Eliminated/Moved</u>	<u>#</u>	<u>%</u>
Vacant FTE Eliminated	10.2	38.2%
FTE Moved to Other Fund Source	16.6	61.8%
Filled FTE Eliminated	0.0	0.0%

In addition to the positions noted above, another 356 part-time/temporary/ contract employees no longer have a job due to the budget cuts.

“Other” positions are primarily Teaching and/or Research Assistants.



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Flex Reductions – EPA Faculty Positions

<u>Positions Eliminated/Moved</u>	<u>#</u>	<u>%</u>
Vacant FTE Eliminated	703.1	71.8%
FTE Moved to Other Fund Source	99.5	10.2%
Filled FTE Eliminated *	177.0	18.0%

In addition to the positions noted above, another 1,979 part-time/temporary/ contract employees no longer have a job due to the budget cuts.

** The filled Faculty positions eliminated were non-tenure track.*



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Flex Reductions – Total Positions

<u>Positions Eliminated/Moved</u>	<u>#</u>	<u>%</u>
Vacant FTE Eliminated	1,487.2	59.9%
FTE Moved to Other Fund Source	507.9	20.5%
Filled FTE Eliminated	487.6	19.6%

In addition to the positions noted above, another 2,544 part-time/temporary/ contract employees no longer have a job due to the budget cuts.

Therefore, a total of 3,032 (488 + 2,544) people are no longer employed.



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UNC System Issues to Follow Going Forward

- **Several Areas Impact Campus Balance Sheets:**
 - **Increasing Student Admissions Standards**
 - **Reductions to State Appropriations**
 - **Cuts to State and Federal Financial Aid**
 - **Greater Reliance on Tuition and Other Non-State Funds**
- **Must Ensure Campuses Maintain Budget Flexibility and Structural Integrity**



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Impact on Campuses

Chancellor Linda Brady

Chancellor Kyle Carter

Chancellor Charlie Nelms

Discussion/Questions



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