

UNC Budget Development Process



UNC Budget Process

■ **Legal Basis**

- **State Executive Budget Act**
- **Higher Education Reorganization Act of 1971**

■ **Board of Governors' Role:**

- **Presents comprehensive financial plans to General Assembly**
- **Modifies plans based on resources made available by Legislature**
- **Establishes annual budgets which are administered by the constituent institutions**



UNC Budget Process

- **“A single, unified recommended budget for all of public senior higher education.”**
 - **G.S. 116-11(9)a**
- **Statute prescribes form of budget requests – three categories:**
 1. **Continuing Operations**
 - **Inflationary adjustments**
 - **Operating funds for new buildings**
 - **Enrollment changes**
 2. **Academic Salary Increases**
 3. **Expansions/Improvements Items – by priority**
 - **New and expanded programs**
 - **Capital improvements**
 - **Increases to remedy deficiencies**



UNC Budget Process

- **Statutes also prescribe the manner of appropriations by General Assembly:**
 1. **Continuing Operations – direct to constituent institution**
 2. **Academic Salary Increases – lump sum to Board, for allocations to institutions**
 3. **Expansion/Improvements – lump sum to Board – allocated to institutions according to Board’s Budget Priorities and any directives from Legislature**



UNC Budget Process

- **Key steps in process of budget preparation:**
 1. **UNC President receives general instructions from Governor via State Budget Office.**
 2. **Budget workshops/discussions are conducted separately with three groups:**
 - **UNC General Administration Council**
 - **Chancellors**
 - **Board of Governors**



UNC Budget Process

■ **Key steps in process of budget preparation:** (continued)

3. **In conjunction with the decisions reached at the budget workshops, instructions are provided to the campuses for preparation of institutional budget requests.**
 - **Continuation budgets**
 - **Academic salary increases**
 - **Expansions and improvements**
4. **The Chancellor is responsible for the preparation of budget priorities for the institution. The process of campus involvement is also determined by the Chancellor.**



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■ **Key steps in process of budget preparation: (continued)**

5. Institutional budgets are reviewed:

- **Continuation Budget – reviewed by Vice President-Finance for general consistency and conformance**
- **Academic Salary Increases – campus data reviewed by General Administration in a similar manner to continuation budgets**
- **Expansions and Improvements – reviewed by UNC-General Administration with individual discussions with campus' leadership**



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■ **Key steps in process of budget preparation: (continued)**

6. The President confers throughout the process with the Chancellors.

- **Afterward, Vice President-Finance prepares recommendations for Board and its Budget and Finance Committee.**

7. After a final budget workshop for the full Board, the Budget and Finance Committee recommends the adoption to Board.

8. The Board takes final action, then submits to the Governor and General Assembly.



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■ **Key steps in process of budget preparation: (continued)**

- 9. President represents University in any hearings with Governor.**
- 10. Governor forwards recommendations to General Assembly.**
- 11. President, or his/her designees, represents the University in Legislative hearings.**

