



## University of North Carolina 2006 Budget Conference Committee University-wide Priorities

The University of North Carolina expresses gratitude for the generous House and Senate budgets. We are thankful for the continued support the NC General Assembly shows for public higher education in North Carolina. The following highlights those University-related items of difference between the House and Senate proposed budgets and outlines the University's conference committee priorities.

***Enrollment Growth Funding in the Continuation Budget:*** The House and Senate budgets provided full funding for enrollment growth and financial aid. The Senate budget recommended that enrollment growth funding be treated as a continuation budget item. Enrollment growth in the continuation budget is the highest non-budget priority of the University and we urge conferees to adopt the Senate approach.

***Faculty and staff salary increases and benefits:*** The House and Senate budget proposed a 6% increase for EPA employees and a 5% increase for SPA employees. The Senate budget included a 2% one-time bonus for UNC EPA Employees and the House budget proposed a \$300 bonus for SPA Employees. We ask conferees to maintain the meaningful faculty and staff salary increases proposed by the House and Senate. Additionally, we are asking that a portion of the dollars proposed by the Senate for one-time bonuses for EPA employees be made recurring so that those funds could also be used by the Chancellors to retain faculty with competitive offers from other universities.

***Tuition Waiver Expansion - Section 9.12*** of the Senate budget expands the current Tuition Waiver program to increase the number of allowed courses that faculty and staff may take on a campus at no cost. We ask the conferees to include this Board of Governors' priority in the final budget.

***Career Banding Suspension - Section 22.16*** of the House budget suspends the career banding initiative. Suspending the Career Banding program in midstream will negatively affect the morale of University employees. We ask that the conferees remove this provision from the final budget.

### ***Expanding Teaching and K-12 Education:***

***Destiny Traveling Science Lab – UNC-CH*** – The House provided \$500,000 in recurring dollars for the Destiny Lab. This funding is essential to provide operating dollars for the program as federal grants expire. We urge the conferees to take the House approach.

**Principals' Executive Program** – The House provided \$250,000 in non-recurring dollars. The Senate did not fund this initiative. The Principals' Executive Program seeks to improve the management and leadership skills of Principals in High Need Schools with this funding. We urge conferees to take the House approach.

***Expanding Nursing and Health Care:***

**Area Health Education Centers (AHEC) Expansion – UNC-CH** – The Senate provided \$1.3 million and the House provided \$1 million (both non-recurring). This funding will address six critical areas: Special Initiatives to Address Health Workforce Shortages (Allied Health, Dentistry, Nursing and Pharmacy); Latino and Workforce Diversity Initiatives; Primary Care Residency Training; Information Technology; Mental Health Reform & Health Care Quality Initiatives; and the Council for Allied Health in North Carolina. We urge the conferees to take the Senate approach.

**Translational Medicine Program – UNC-CH School of Medicine** – The Senate provided \$2.5 million in recurring dollars and the House recommended \$1 million in recurring dollars. We urge the conferees to take the Senate approach, consistent with the Board of Governors' request.

**CASTLE/CCCDP Program – UNC-CH** – The House provided \$350,000 in non-recurring dollars to support this program. CASTLE provides direct preschool and individual auditory/oral intervention to children who are deaf and hard of hearing, as well as their families. We urge the conferees to support the House position.

**Nursing Scholars Program Modification – Section 9.9** makes modifications to the Nursing Scholars Program to permit the State Education Assistance Authority to determine scholarship loan award levels and to eliminate confusion in existing statute regarding recipients who are enrolled less than full-time. We urge the conferees to support the Senate position for this Board of Governors' priority.

**UNC Board of Governors Medical & Dental Scholarships – Section 9.10** would authorize the Board of Governors to forgive a dental or medical scholarship loan and avoid imposing hardship on a recipient who is trying to complete the requisite service. This is a priority on the Board of Governors' and we ask the conferees to take the Senate position.

***Research and Jobs:***

**Kannapolis Research Campus** – The Senate included \$5 million in recurring and \$1 million in non-recurring dollars for the Kannapolis Research Campus. The House provided \$4 million in recurring and \$1 million in non-recurring funds. We urge the conferees to take the Senate funding approach. The House budget also included a special provision outlining the manner in which the funding for this item be released. We support the House special provision.

**Hickory Center for Engineering Technology** – The House included \$1.1 million in its budget to support the Hickory Center. The Center is envisioned as a place that could function to support and stimulate economic development in the region. UNCC,

ASU and WCU will work with the community colleges in the area to develop a joint long-range plan for providing higher education in the Hickory area. We urge the conferees provide funding based on the House position.

***Focused Growth and Special Needs Institutions:*** We urge the conferees to make the House proposed funding for Focused Growth and Special Needs institutions recurring. Special needs funding is critical to UNC Asheville and the NC School of the Arts, and the focused growth funding would be used to increase student retention and graduation rates and those seven campuses.

***Other Programs:***

**Judicial College – UNC-CH:** The UNC-CH School of Government’s Judicial College provides continuing education to judicial officials in North Carolina and other judicial branch employees. The Senate provided \$750,000 in recurring dollars for this program and the House provided \$500,000 in recurring dollars. We ask the conferees to take the Senate approach.

**Reserve for Utility and Fuel Costs:** The House and Senate generously provided funds to help offset increased utility and fuel costs to the campuses. We ask the conferees to take the Senate position which provides \$8.252 million in non-recurring dollars.

**NCSSM/High School Constituent Institution – Section 9.11:** The Board of Governors’ approved the request of the NC School of Science and Math to become a constituent high school of the University of North Carolina. The Senate included this item as a special provision and we ask the conferees to take the Senate approach.

***Capital Improvement Priorities:*** In its 2006-2007 budget request, the Board asked the General Assembly to provide funds for the campuses’ top-priority projects, both construction funding for previously planned projects and planning fund for new capital buildings. The House generously provided construction or planning funds for each of the 16-campus highest capital priorities. The Senate provided full funding for two projects (UNCC Center City Classroom and NCSU Engineering Building III) and increased funding for a third (UNC-CH Science Complex South) in addition to planning funds for some buildings. We ask the conferees to provide construction funding for the projects at UNCC, NCSU and UNC-CH based on the Senate’s recommendations as well as the planning funds provided by the House.

***Repairs and Renovations:*** The Senate budget sets aside \$103.5 million for the University in a statewide Reserve for Repairs and Renovations of state-owned facilities. The House version provides \$97 million for this purpose. Adequate R&R for basic life-cycle maintenance and repairs is essential to maintain University buildings and prevent a backlog of deferred maintenance problems. We urge conferees to adopt the Senate approach.