



The University of North Carolina 2007 Budget Conference Committee University Priorities

The University of North Carolina is grateful for the NC General Assembly's continued support of public higher education in North Carolina. The following highlights University-related items of difference between the House and Senate proposed budgets and outlines the University's conference committee priorities.

Minimize Cuts: Both the House and Senate budgets propose cuts to the University's operating budgets. The Senate budget includes an \$11-million cut as a management flexibility reduction. In contrast, the House budget mandates an \$18.6-million "middle management" reduction and reduces University budgets by another \$68.3 million by eliminating 1,088 vacant positions--734 of which are faculty positions. We urge conferees to minimize cuts to the University.

Faculty and staff salary increases and benefits: The House budget proposes a 4.25% increase for all University employees. The Senate budget includes an average 4% increase for EPA non-faculty employees and an average 5% increase for University faculty, with full flexibility for allocating those increases. The Senate also supports the Board of Governors' commitment to make faculty salaries more competitive with peer campuses nationally. We ask conferees to provide meaningful salary increases at 5% for University faculty, with full flexibility as proposed by the Senate.

Student Success & Retention and Graduation:

Academic Summer Bridge & Retention Pilot Programs – The Senate budget provides \$1,193,000 recurring for Summer Bridge programs at the seven focused-growth institutions (ECSU, FSU, NC A&T, NCCU, UNCP, WCU and WSSU). This funding would support intensive, rigorous summer programs for students who are first-generation college students or students who require additional academic preparation to successfully transition from high school to college. We urge the conferees to take the Senate approach.

University of North Carolina Online – Both the House and Senate budgets provide funding for the University of North Carolina Online, a "virtual" online education center with related support and technology infrastructure that would provide convenient one-stop access to and delivery of UNC online degree and certificate programs. The Senate provides full funding for this program at \$2 million recurring and \$2.2 million non-recurring. We urge conferees to take the Senate approach.

Research:

Competitiveness Fund – The Senate budget provides \$8 million recurring for a research competitiveness fund to support strategic investments in emerging areas of importance to the economic competitiveness of the state. This fund

would support disciplines identified by the NC Department of Commerce as crucial to North Carolina's global competitiveness. Similar funds have proven successful in Georgia, New York, Oklahoma, Ohio, and other states. We ask conferees to support this Board of Governors' priority.

Graduate Student Recruitment & Retention – The Senate budget provides \$2 million recurring to support graduate student recruitment efforts throughout the University. North Carolina's national and global competitiveness are directly linked to the quality of graduate students recruited to study and conduct research on UNC campuses. Support for graduate student recruitment and retention is an investment in the state's economic competitiveness through the building of regional brainpower. We ask the conferees to support graduate student funding.

Kannapolis Research Campus – The House budget provides \$1 million non-recurring for the Kannapolis Research Campus. The Senate includes \$8.5 million in recurring and \$8.5 million in non-recurring dollars. The NC Research Campus in Kannapolis would combine the research capabilities of the University and the workforce training capacity of the Community College System with the know-how of private businesses within the biotechnology industry. This public-private partnership is projected to not only be the source of many breakthrough discoveries in health and science, but also to attract new companies and thousands of jobs to the region. We urge conferees to take the Senate funding approach.

More and Better Teachers & Improved Schools:

Teacher Education Enrollment Planning & Recruitment Efforts: The Senate budget provides full funding for this initiative at \$1 million recurring. The University has committed to increase the supply of new teachers available to meet the state's needs. This aggressive plan requires UNC's 15 teacher education programs to increase their collective productivity by 64% over a five-year period. We urge conferees to provide funding for the campuses to implement their teacher recruitment plans.

Principals' Executive Program (PEP) and Kenan-Flagler Leadership Program for Priority Middle & High Schools: The Senate provides full funding for this program at \$607,000 recurring. Struggling North Carolina schools cannot make sustained improvements unless their principals and administrators have the right set of management and leadership skills. The Principals' Executive Program and the Kenan-Flagler Business School at UNC-Chapel Hill have designed a leadership program that blends PEP's expertise in instructional leadership with Kenan-Flagler's highly effective and efficient management training. This funding will support 110 participants. We urge the conferees to take the Senate position.

UNC/NCCCS Partnership Online 2+2 Joint Initiative: This is a joint initiative of the University and the NC Community College System, for which the University has received a series of nonrecurring appropriations. The Senate provides recurring funding at \$1 million, while the House does not provide funding required

to sustain this successful joint program. We urge conferees to continue the UNC/NCCCS 2+2 Online program with a recurring appropriation.

Healthcare:

University Cancer Research Fund: The Senate establishes a Cancer Research Fund for use by UNC Hospitals with start-up funds of \$16 million recurring. This fund will grow to \$50 million by year three. The University enthusiastically supports this proposed funding, which would significantly bolster the quality and quantity of cancer research performed at UNC Hospitals.

Regional & Statewide Economic Transformation and Competitiveness:

NCSU College of Engineering – The Senate provides \$5 million recurring to support the NCSU College of Engineering. While NCSU's College of Engineering has made significant progress in many areas of engineering research and education, it faces increased competition from institutions that were once its peers in the number of research faculty, infrastructure and facility investment, and investments made to increase graduate enrollment. For the 2007-09 biennium, targeted funds are requested to bring in new faculty in bioengineering—a field of great strategic importance to North Carolina. We ask the conferees to support this funding request.

Hickory Engineering and Technology Center – The House includes \$600,000 in its budget to support the Hickory Center, which will support and stimulate economic development in the region. UNCC, ASU and WCU are working with the community colleges in the area to develop a joint long-range plan for providing higher education in the Hickory area. We urge conferees provide funding based on the House position.

Campuses Specializing in the Arts

Special Needs funding for UNCA and NCSA – The House and Senate provide funds to support UNCA and NCSA, two of the University's special needs campuses. We ask the conferees to provide \$1 million in recurring dollars to support these campuses.

Capital Improvement Priorities: In its 2007-2009 budget request, the Board asked the General Assembly to provide funds for each campus' top-priority projects—a combination of construction funds for previously planned projects and planning funds for new capital facilities. Both the House and Senate budgets generously provide for construction or planning funds for each of the 16 campuses' highest capital priorities, as well as several second-tier priorities. In addition, the Senate provides funding for University-wide Fire Safety Improvements, land acquisition, the interinstitutional Coastal Studies Institute, and a reserve for advance capital planning. We ask conferees to fund the campuses' top-priority projects, as well as the additional system-wide projects funded by the Senate.