

FY 2024-25 Enrollment Change Budget Adjustments

University of North Carolina System Enrollment Funding Formula

The enrollment change budget adjustment is calculated based on the incremental change in student credit hours (SCHs) from one calendar year to the next. Funding is received during the fiscal year that immediately follows the period of change. The model adjusts funding to reflect changes in **actual resident student credit hours** delivered from calendar year 2022 to 2023. Systemwide, resident student credit hours decreased by one percent from calendar year 2022 to 2023. However, the enrollment appropriation request increased slightly due to how the model funds different credit hours. Since the model categorizes resident student credit hours based on the area of instruction, the slight decrease in total resident student credit hours was offset by students taking more credit hours in disciplines with higher funding rates such as STEM fields.

2023 Enrollment Change

To date, the North Carolina General Assembly has not enacted legislation to further revise the FY 2024-25 State budget. Based on Resolution 2024-2, it is likely the General Assembly will not consider further action on the State budget until they reconvene on November 19, 2024. Given this anticipated timeline, the UNC System needs to proceed with implementing the FY 2024-25 State budget as enacted by S.L. 2023-134.

Based on the model described above, eight institutions produced increased resident student credit hours for an increased enrollment subsidy of \$20.1 million and nine institutions produced decreased resident student credit hours for a decreased subsidy of \$19.5 million creating a net change in resident student credit hours of \$574,578. Therefore, approximately 97 percent of the budget adjustments associated with enrollment changes can be effectuated under the University of North Carolina Board of Governors' existing statutory authority. Per G.S. 116-11(9)(c):

“The Director of the Budget may, on recommendation of the Board, authorize transfer of appropriated funds from one institution to another to provide adjustments for over or under enrollment or may make any other adjustments among institutions that would provide for the orderly and efficient operation of the institutions.”

Table 1 below breaks down the enrollment changes by institution. For the eight institutions with a positive change, the budget adjustment increase is prorated to 97 percent of the full amount with the remainder contingent upon passage of legislation appropriating the additional \$574,578.

Table 1: 2023 Enrollment Change Budget Adjustment by Institution

Institution	2023 Enrollment Change w/ Prorated Increases	Additional Contingent Allocation*	Total
App State	\$ 2,453,048	\$ 72,229	\$ 2,525,277
ECU	(8,563,695)	-	(8,563,695)
ECSU	(144,391)	-	(144,391)
FSU	2,618,715	77,107	2,695,822
N.C. A&T	2,337,479	68,826	2,406,306
NCCU	(1,284,857)	-	(1,284,857)
NC State	3,544,099	104,355	3,648,455
UNCA	(1,402,954)	-	(1,402,954)
UNC-CH	4,648,883	136,885	4,785,768
UNCC	2,800,249	82,453	2,882,702
UNCG	(149,566)	-	(149,566)
UNCP	(3,572,992)	-	(3,572,992)
UNCW	1,029,938	30,326	1,060,265
UNCSA	(325,818)	-	(325,818)
WCU	(1,262,032)	-	(1,262,032)
WSSU	(2,807,466)	-	(2,807,466)
NCSSM	81,360	2,396	83,756
Total	\$ 0	\$ 574,578	\$ 574,578

**Note: The additional contingent allocation would only be allocated if legislation is enacted to appropriate the \$574,578 needed.*

Since no further revisions to the State budget are expected in the near future, and delaying all enrollment-related budget adjustments poses financial management risks, the Board of Governors should (1) use its statutory authority to adjust budgets for enrollment changes as proposed in Table 1 and (2) approve the allocation of additional amounts contingent on enacted legislation appropriating the additional \$574,578 needed.