

## UNC System Enrollment Change Funding Model

Per G.S. 116C-10, “the State shall make significant efforts to increase access to learning and improve the education of more North Carolinians so that, by the year 2030, 2,000,000 residents between the ages of 25 and 44 will have completed a high-quality credential or postsecondary degree.” Towards this end, graduating more North Carolina undergraduates on time and with less debt is a top priority of the Board of Governors.

To better align State appropriations with these policy goals, it is proposed that the Board of Governors adopt a revised enrollment change funding model that provides a clearly defined State subsidy for the change in performance-weighted, resident student credit hours. Specifically:

- It is proposed that, effective with the 2022-23 fiscal year, the UNC System enrollment change funding model be revised to be based on appropriation per credit hour rates that are applied to the annual change in total resident student credit hours, including credits completed in the summer. To the extent practical, the appropriation per credit hour rates shall be differentiated by discipline and Carnegie classification and based on national benchmarks for the cost of instruction and overhead costs specific to relevant expenditures within the UNC System.
- It is proposed that funding for graduate education in STEM and health professions be funded at a higher rate than undergraduate education to recognize the additional cost of delivery as well as workforce needs of the State, except for Schools of Medicine, Dentistry, Pharmacy, and Veterinary Medicine, which shall not be included in the funding model calculation. These programs will be required to make a separate appropriation request for class size changes.
- Consistent with the current enrollment change funding model, it is proposed that the change in student credit hours be determined based on the difference in actual completed student credit hours in the prior two calendar years, as reported in the UNC Student Data Mart.
- It is further proposed that, effective with the 2023-24 fiscal year, performance weighting be incorporated into the funding calculation, such that a portion of the generated funding request is based on university outcomes related to strategic goals of the System and the State of North Carolina.