

**The University of North Carolina  
Budget Comparison  
2009-11**

	2009-10			2010-11		
	BOG Budget Priorities	Governor's Budget	Senate Budget	BOG Budget Priorities	Governor's Budget	Senate Budget
<b>Authorized Continuation Budget</b>	2,894,709,782	2,894,709,782	2,894,709,782	2,894,709,782	2,894,709,782	2,894,709,782
Enrollment	44,197,776	44,197,776	44,197,776	97,630,002	97,630,002	97,630,002
EARN Scholars (restore NR reduction)	43,775,000	43,775,000	43,775,000	43,775,000	43,775,000	43,775,000
Adjustments for Staff Benefits & Continuing Personnel Costs	12,882,433	17,941,178	17,941,178	12,624,702	18,321,298	18,321,298
Operating Reserves for New Facilities	16,253,821	11,206,113	11,206,113	43,572,192	28,791,675	28,791,675
Utilities	21,559,736	18,805,346	18,805,346	26,497,478	20,260,593	20,260,593
Replacement of Vehicles, Equipment, and Supplies	13,523,535	2,233,785	2,233,785	7,104,818	(1,228,952)	(1,228,952)
Inflationary Increases – Library Books & Materials	15,727,062	14,129,584	14,129,584	20,571,865	18,411,905	18,411,905
Remove Nonrecurring Appropriations	(27,318,000)	(20,272,991)	(20,272,991)	(27,318,000)	(19,451,898)	(19,451,898)
Cancer Research Fund – Replace Tobacco Tax Receipts with General Fund Appropriations	11,000,000	–	–	11,000,000	–	–
Other Adjustments (services, accreditation expenses, fuel, etc.)	10,100,503	(540,318)	(540,318)	12,543,737	(347,830)	(347,830)
<b>Total Continuation Budget Increases</b>	<b>161,701,866</b>	<b>131,475,473</b>	<b>131,475,473</b>	<b>248,001,794</b>	<b>206,161,793</b>	<b>206,161,793</b>
<b>Total Continuing Operations</b>	<b>3,056,411,648</b>	<b>3,026,185,255</b>	<b>3,026,185,255</b>	<b>3,142,711,576</b>	<b>3,100,871,575</b>	<b>3,100,871,575</b>
<b><u>Reductions :</u></b>						
"Truth in Budgeting Reform" UNC-GA Salaries & Benefits @ 97%	–	(766,000)	–	–	(766,000)	–
"Truth in Budgeting Reform" Campus Salaries & Benefits @ 98%	–	(54,238,000)	–	–	(54,238,000)	–
Building Reserve Completion Dates Adjustment	–	(2,692,333) NR	(2,692,333) NR	–	(2,256,597) NR	(2,256,597) NR
Reduce 2009-11 Building Reserves (reduce remaining costs by 25%; eliminate nonrecurring costs)	–	(2,578,250) R (1,434,788) NR	–	–	(6,265,803) R (4,707,288) NR	–
Remove 2009-11 Inflationary Increases for Library Books	–	(14,129,584)	(14,129,584)	–	(18,411,905)	(18,411,905)
Reduce 2009-11 Inflationary Increases for Utilities	–	(1,603,910)	–	–	(1,362,610)	–
Reduce transfer from General Fund to UNC Hospitals	–	(10,000,000) NR	–	–	(10,000,000) NR	–
Reduce GF appropriation for UNC Cancer Research Fund <sup>1</sup>	–	(561,179)	(561,179)	–	(592,890)	(592,890)
Reduce recurring reserve for distance education and capacity enhancement by 10%	–	(112,936)	(112,936)	–	(112,936)	(112,936)
Reduce recurring reserve for information technology by 10%	–	(90,592)	(90,592)	–	(90,592)	(90,592)
Reduce NC LIVE by 10%	–	(145,440)	–	–	(145,440)	–

<sup>1</sup> Current projections indicate that overcollections from the tax on other tobacco products will be sufficient to bring the UNC Cancer Research Fund to \$50M.

NR = nonrecurring

	2009-10			2010-11		
	BOG Budget Priorities	Governor's Budget	Senate Budget	BOG Budget Priorities	Governor's Budget	Senate Budget
<b><u>Reductions (continued) :</u></b>						
Reduce the Strategic Initiatives Reserve	–	(1,000,000) NR	(1,000,000) NR	–	(1,000,000) NR	(1,000,000) NR
Suspend ECU & WCU Legislative Schools for 2009-11 biennium (Senate proposes abolishing these programs)	–	(500,000) NR	(500,000) R	–	(500,000) NR	(500,000) R
Discontinue state funding for UNC Center for Alcohol Studies Senate proposal reduces the GF appropriation by directing that the \$25 DWI driver's license restoration fee be used for the Center's operating fund instead of the Center's endowment fund.	–	(500,000)	(500,000)	–	(500,000)	(500,000)
Eliminate residual Focused Growth Reserves	–	(1,343,002)	(1,343,002)	–	(1,343,002)	(1,343,002)
Phase out tuition waiver for NCSSM graduates (Senate recommends phasing out the waiver beginning in 2010-11; UNC students currently receiving the waiver & NCSSM students graduating in 2009 would receive the waiver until college graduation)	–	(990,619)	–	–	(2,034,190)	(1,000,000)
Reduce NC Research in Education Network (NCREN) by 10%	–	(660,000)	–	–	(660,000)	–
Management flex reduction – UNC-GA	–	(1,847,683)	included in campus amt.	–	(1,847,683)	included in campus amt.
Management flex reduction – UNC campuses	–	(96,569,651)	(70,066,227) R (5,370,571) NR	–	(85,235,276)	(70,066,227) –
Freeze longevity payments for two years	–	*	N/A	–	*	N/A
Salary Related Reductions (remove OSBM increases for overtime & premium pay, unemployment & workers comp. & disability benefits)	–	–	(7,757,661)	–	–	(7,741,169)
Fuel Oil Inflation Adjustment (reduces inflationary increases for utilities at ECSU, NCA&T, NCCU, UNCW, & WCU due to a decline in the price of residual fuel oil & restores a utility cut to GA made in error)	–	–	(1,302,965)	–	–	(1,061,665)
Future Teachers Scholarship-Loan Program Reduced	–	–	(1,000,000)	–	–	(1,000,000)
Deletes OSBM error in SPA salary line item for NCCU	–	–	–	–	–	(36,000)
<b>Total Reductions</b>	–	<b>(191,763,967)</b>	<b>(106,427,050)</b>	–	<b>(192,070,212)</b>	<b>(105,712,983)</b>

Nurse Educators of Tomorrow – Fund Balance Reduced  
(Senate proposal – non-add item – reverts \$1M from the fund balance  
in the Nurse Educators of Tomorrow scholarship-loan program.)

*In addition to the reductions shown above, the Senate also proposes the following:*

1. reduction of \$253,688 in the funds transferred from DENR to NCSU for the Sea Grant Program
2. transfer of \$461,646 from the Summer Institute of UNCSEA on Roanoke Island program to Roanoke Island Commission
3. increase the UNC undergraduate tuition surcharge from 25% to 50% on students who take more than 140 credit hours
4. transfer of \$18M in civil penalties (parking fines) held in escrow at UNC campuses to the public schools
5. BOG study the feasibility of transferring UNC-TV to UNCSEA and develop a plan to implement such transfer

\* Governor's budget recommends that teacher and state employee longevity payments be frozen for two years. Statewide nonrecurring reduction is \$173M for 2009-10 and \$177.8M for 2010-11 (reduction for UNC yet to be determined). Teachers' and state employees' final retirement calculations shall be held harmless from this longevity reduction.

	2009-10			2010-11		
	BOG Budget Priorities	Governor's Budget	Senate Budget	BOG Budget Priorities	Governor's Budget	Senate Budget
<b><u>Expansion Items :</u></b>						
<b>Campus Safety</b>	5,700,000 R	0	5,000,000 R	5,700,000 R	0	5,000,000 R
	8,500,000 NR	0	0	0	0	0
<b>Our Citizens &amp; Their Future: Access to Higher Education</b>	<b>26,995,765</b>	<b>23,397,311</b>	<b>23,873,011</b>	<b>49,955,017</b>	<b>23,397,311</b>	<b>23,873,011</b>
Need-Based Financial Aid	23,397,311	23,397,311	23,397,311	45,856,563	23,397,311	23,397,311
Regional Partnerships (Hickory, Onslow Co., Rocky Mount)	1,106,054	<i>see page 5</i>	–	1,306,054	<i>see page 5</i>	–
NCCU University College	300,000	–	–	300,000	–	–
Increase Access for Underrepresented Populations and Non-traditional Students (FSU, UNCA, UNC-CH, WSSU) (Senate proposes \$475,700 for WSSU only)	2,192,400	–	475,700	2,492,400	–	475,700
<b>Increase Efforts to Recruit &amp; Retain High Quality Faculty</b>	<b>66,737,000</b>	<b>0</b>	<b>8,800,000</b>	<b>122,557,000</b>	<b>0</b>	<b>8,800,000</b>
Competitive Salaries for Faculty – 80th percentile of Peers	14,471,000	–	–	29,087,000	–	–
EPA Salary Increases (estimate) – 2%	38,435,000	–	–	77,639,000	–	–
Distinguished Professorships – Match Spangler Challenge	6,831,000 R	–	6,800,000 R	6,831,000 R	–	6,800,000 R
Grants and Reduce Backlog	5,000,000 NR	–	–	5,000,000 NR	–	–
Faculty Recruiting & Retention Fund	2,000,000	–	2,000,000	4,000,000	–	2,000,000
<b>Efficient Use of Available Resources &amp; Continue Efforts to Establish Accountability &amp; Performance Measures</b>	<b>3,000,000</b>	<b>0</b>	<b>0</b>	<b>5,000,000</b>	<b>0</b>	<b>0</b>
<b>Our Global Readiness</b>	<b>2,646,700</b>	<b>0</b>	<b>300,000</b>	<b>2,646,700</b>	<b>0</b>	<b>300,000</b>
21st Century Job Skills for UNC and High School Students (FSU, NCCU, WSSU)	516,300	–	–	516,300	–	–
Improve Academic & Student Support Services – UNC-CH, UNCG, UNCP (Senate proposes \$300K to UNCP only)	2,130,400	–	300,000	2,130,400	–	300,000
<b>Our University's Outreach &amp; Engagement</b>	<b>1,076,500</b>	<b>0</b>	<b>251,500</b>	<b>2,306,250</b>	<b>0</b>	<b>251,500</b>
FSU Military One-stop Center & BRAC Outreach	251,500	–	251,500	606,250	–	251,500
UNCC Summer Bridge Program & 49er Leadership Academy	300,000	–	–	600,000	–	–
UNC-TV Statewide Public Affairs & Informational Program Services	325,000	–	–	650,000	–	–
UNC Press Online & Multi-format Content	200,000	–	–	200,000	–	–
Create Center for Applied Policy Research	–	–	–	250,000	–	–

NR = nonrecurring

	2009-10			2010-11		
	BOG Budget Priorities	Governor's Budget	Senate Budget	BOG Budget Priorities	Governor's Budget	Senate Budget
<b>Our Communities &amp; Their Economic Transformation</b>	<b>29,791,000</b>	<b>0</b>	<b>19,500,000</b>	<b>45,142,000</b>	<b>0</b>	<b>22,500,000</b>
NC Research Campus (Kannapolis)	10,000,000	–	3,000,000	10,000,000	–	3,000,000
NC Research Competitiveness & Commercialization Gap Funding	3,000,000	–	3,000,000	6,000,000	–	3,000,000
Graduate Student Recruitment & Retention	2,000,000	–	2,000,000	4,000,000	–	2,000,000
UNCC Energy Production Infrastructure Center (EPIC)	2,000,000	–	2,000,000	5,000,000	–	5,000,000
NCA&T College of Engineering, including ERC match	2,000,000	–	2,000,000	2,000,000	–	2,000,000
NCSU College of Engineering	5,000,000	–	5,000,000	10,000,000	–	5,000,000
NCA&T and UNCG Joint School of Nanoscience and Nanoengineering	3,241,000	–	1,000,000	4,392,000	–	1,000,000
UNCSA School of Filmmaking	500,000 R	–	500,000 R	1,000,000 R	–	500,000 R
	500,000 NR	–	500,000 NR	500,000 NR	–	500,000 NR
WCU Forensic Science Program	500,000 R	–	–	750,000 R	–	–
	100,000 NR	–	–	250,000 NR	–	–
ECSU School of Aviation	300,000 R	–	300,000 R	600,000 R	–	300,000 R
	150,000 NR	–	–	150,000 NR	–	–
WCU Rapid Product Realization	200,000	–	200,000	200,000	–	200,000
NC Arboretum – Bent Creek Institute – Natural Products	300,000	–	–	300,000	–	–
<b>Our Children &amp; Their Future: Improving Public Education</b>	<b>5,273,770</b>	<b>0</b>	<b>200,000</b>	<b>8,998,770</b>	<b>0</b>	<b>200,000</b>
Recurring Funds for Principals' Executive Program (PEP)	1,266,170	–	–	1,266,170	–	–
New Teacher Support and Mentoring Aimed at Retention - UNC Schools of Education	900,000	–	–	2,700,000	–	–
MSEN Pre-College Programs (ECU & WCU) and add ASU, UNCP, & UNCW in 2nd year	450,000	–	–	1,125,000	–	–
University-School Programs Network	–	–	–	500,000	–	–
System-wide STEM Initiative, focused on Mathematics	–	–	–	500,000	–	–
UNC-CH – Increase Production of Science Teachers	1,207,600	–	–	1,207,600	–	–
NCSU STEM Teachers Initiative	500,000	–	–	500,000	–	–
NCSSM Online & Diversity Initiative	250,000	–	200,000	500,000	–	200,000
NCCAT New Teacher Retention	400,000	–	–	400,000	–	–
NC Center for International Understanding (NCCIU) – K12 Global Education	300,000	–	–	300,000	–	–

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	2009-10			2010-11		
	BOG Budget Priorities	Governor's Budget	Senate Budget	BOG Budget Priorities	Governor's Budget	Senate Budget
<b>Our Health</b>	<b>16,610,800</b>	<b>4,000,000</b>	<b>11,105,000</b>	<b>31,718,100</b>	<b>0</b>	<b>8,485,000</b>
ECU Indigent Care	3,000,000	4,000,000	NR 2,000,000	5,000,000	–	2,000,000
UNC Hospitals Indigent Care	2,000,000	–	2,000,000	4,000,000	–	2,000,000
ECU School of Dentistry and Clinics	6,000,000	–	3,000,000	14,000,000	–	3,000,000
UNC-CH Area Health Education Center in Elizabeth City	500,000	–	–	750,000	–	–
Nursing Program Expansion (NCCU & UNC-CH)	835,000	–	835,000	1,242,300	–	835,000
Health & Wellness/Allied Professions (ASU, UNCA, UNCW)	1,250,000	R –	650,000	1,500,000	R –	650,000
(Senate proposes funding \$250K at ASU & \$400K at UNCW)	200,000	NR –	–	400,000	NR –	–
Medical School Expansions – ECU & UNC-CH (Senate proposes \$1,310,000 to be split between ECU & UNC-CH and \$1,310,000 to BOG/MAHEC for planning/programming for the Ctr. for Health & Aging)	2,000,000	–	2,620,000	NR 4,000,000	–	–
UNCW Memory Science Research	193,900	–	–	193,900	–	–
UNCP Native American Health	331,900	–	–	331,900	–	–
ECU Heart Institute	300,000	–	–	300,000	–	–
<b>Our Environment</b>	<b>1,675,000</b>	<b>0</b>	<b>0</b>	<b>2,475,000</b>	<b>0</b>	<b>0</b>
ASU Energy Initiatives	250,000	R –	–	500,000	R –	–
	250,000	NR –	–	250,000	NR –	–
NCSU Bioenergy Technologies	500,000	–	–	500,000	–	–
UNC-CH Energy and Environmental Programs	350,000	–	–	900,000	–	–
Coastal Studies Institute	325,000	–	–	325,000	–	–
<b>Other UNC Items</b>	<b>0</b>	<b>200,000</b>	<b>2,250,000</b>	<b>0</b>	<b>200,000</b>	<b>2,000,000</b>
Centralize public 4-year higher education offerings in Hickory by combining the Hickory Metro Higher Educ. Center (HMHC) at Catawba Valley Community College with the NC Center for Engineering and Technology. Funding for the directors of the HMHC is transferred from Community College System to ASU.	–	200,000	–	–	200,000	–
Vet Medicine Clinical Teaching & Research Fund	–	–	250,000	NR –	–	–
Special Focus Universities (UNCA & UNCSA)	–	–	2,000,000	–	–	2,000,000
<b>Aid to Private Colleges</b>	<b>0</b>	<b>(3,700,343)</b>	<b>0</b>	<b>0</b>	<b>(3,700,343)</b>	<b>0</b>
Reduce Legislative Tuition Grant	–	(3,700,343)	–	–	(3,700,343)	–
<b>Recurring budget amounts</b>	<b>153,306,535</b>	<b>(156,239,878)</b>	<b>(29,454,635)</b>	<b>269,948,837</b>	<b>(153,709,359)</b>	<b>(31,546,875)</b>
<b>Nonrecurring budget amounts</b>	<b>14,700,000</b>	<b>(11,627,121)</b>	<b>(5,692,904)</b>	<b>6,550,000</b>	<b>(18,463,885)</b>	<b>(2,756,597)</b>
<b>Recommended UNC Operating Budget Changes</b>	<b>168,006,535</b>	<b>(167,866,999)</b>	<b>(35,147,539)</b>	<b>276,498,837</b>	<b>(172,173,244)</b>	<b>(34,303,472)</b>
<b>Total Recommended UNC Operating Budget</b>	<b>3,224,418,183</b>	<b>2,858,318,256</b>	<b>2,991,037,716</b>	<b>3,419,210,413</b>	<b>2,928,698,331</b>	<b>3,066,568,103</b>

NR = nonrecurring

**The University of North Carolina  
Budget Comparison  
2009-11 Capital Improvements**

	Governor's Budget <sup>1</sup>	Senate Budget <sup>2</sup>	2007 & 2008 COPS Original Amt.	Revised Amt. (Senate proposal)	2009-11 Reduction
<b>Capital Budget (nonrecurring)</b>	<b>\$10,000,000</b>	<b>\$174,000,000</b>	<b>\$604,220,000</b>	<b>\$567,598,695</b>	<b>\$(36,621,305)</b>
UNC-CH Biomedical Research Imaging Center (BRIC)	10,000,000	174,000,000			
ECU School of Dentistry			69,000,000	63,819,558	(5,180,442)
ECU New Family Medicine/Geriatric Center			36,800,000	35,678,976	(1,121,024)
ECSU School of Education Building			18,000,000	17,082,655	(917,345)
FSU Science & Technology Complex			22,587,000	21,475,551	(1,111,449)
NCA&T General Classroom Instructional Facility			20,490,000	19,481,739	(1,008,261)
NCA&T/UNCG Nanoscience & Nanoengineering Building			53,000,000	50,392,006	(2,607,994)
NCCU School of Nursing Building			24,500,000	23,125,227	(1,374,773)
NCSU Centennial Campus Library			109,100,000	101,568,830	(7,531,170)
NCSU College of Engineering Facilities, Phase I			34,000,000	32,326,947	(1,673,053)
UNC-CH Dental Sciences Teaching and Learning Building			69,000,000	63,819,558	(5,180,442)
UNCC Energy Production Infrastructure Center			57,218,000	53,911,305	(3,306,695)
UNCSA Central Storage Facility			11,100,000	10,495,981	(604,019)
UNCSA Library			24,920,000	23,606,723	(1,313,277)
UNCSA Film School Production Facility			12,900,000	11,950,679	(949,321)
WCU Health & Gerontological Science Building			41,605,000	38,862,960	(2,742,040)

**Repair and Renovations, Senate Budget – Per Fiscal Research Division, a share (\$8M) of the federal recovery funds have been allocated to the R&R Reserve of which UNC would receive 54% (\$4.32M) for energy efficiency and conservation projects. In addition, the Senate recommends a total of \$32,610,000 from COPS, of which UNC would also receive 54% (\$17.6M) of which a portion shall be used for fire sprinklers in residence halls and a portion for campus public safety improvements.**

<sup>1</sup> The Governor recommends a nonrecurring appropriation of \$10M for the UNC-CH Biomedical Research Imaging Center. The General Assembly appropriated \$8M in 2007-08 to begin planning this project. In 2008-09, the General Assembly appropriated \$35M to complete planning, begin site development, pre-purchase materials, and increase the scope of the project to include wet labs and drug research space. Due to the budget shortfall and based on estimated cash flow projections, the 2008-09 appropriation was reduced to \$12.5M. An additional \$229.5M will be needed to fund later phases of the project, which is scheduled for completion in 2013. The Governor intends to finance the completion of the project using bonded indebtedness beginning in 2010-11. Repayment of debt will be shared, with 15% from UNC-CH, 15% from UNC Hospitals, and 70% from the General Fund.

<sup>2</sup> The Senate proposes COPS funding of \$74M in 2009-10 and \$100M in 2010-11 for the BRIC building. Senate budget also established an appropriation reserve to cover these amounts if COPS funding is not issued by the Council of State.