

NC COMMUNITY COLLEGE SYSTEM FY 2009-10 Budget Summary

Overview

The NC Community College System's FY 2009-10 budget is approximately \$1.3 billion.

- Of that amount, \$1.0 billion (or 77%) is supported by State General Fund appropriations.
- The remaining \$0.3 billion (or 23%) is supported by tuition, federal, and other receipts.
- Through Attachment FC-7, the State Board will be allotting 4.7% more in State funds for college operations in FY 2009-10 than in FY 2008-09. (This does not account for any reversions that may be required by the Governor.)

Enrollment Growth: Colleges Experienced Unprecedented Increases

- Funds are allocated based on a total budget FTE of 216,472, a 7.4% increase.
- Budget FTE growth was concentrated in the curriculum (8.1%) and occupational extension areas (6.8%), while basic skills programs grew at a much slower rate (2.4%).
- Enrollment growth was fully funded (\$58 million). Accordingly, the formula budget allocations have increased 7.4%.
- FY 2009-10 formula budget allocations total \$1.12 billion, or 91% of funds allocated.

Expansion Funding: *Creating Success* was a Success!

- Received **recurring** expansion funds for 3 of our 5 *Creating Success* priorities.

	FY 2009-10		FY 2010-11	
	Expansion	Total Funding	Expansion	Total Funding
Equipment	\$9 million	\$40.3 million	Add'l \$3 million	\$43.3 million
Health Care	\$4.8 million	\$15.4 million	Add'l \$1.4 million	\$16.8 million
Technical Education	\$4.5 million	\$5.5 million	No increase over 09-10	\$5.5 million

- The other two *Creating Success* priorities (Salaries and Customized Training) were not reduced.

Reductions: Cuts Will Hinder Colleges' Ability to Serve Increased Student Demand

- **Management Flexibility Reduction:** Colleges will have to identify \$28.6 million (2.3% of their allotments) in additional cuts.

- **Huskins/Dual Enrollment Reduction:** Funding is eliminated for certain general education courses (excludes math, science, and technology) provided to high school students through the Huskins and Dual Enrollment programs.
- **Reductions to Categorical Allotments:** Many categorical allotments were either reduced or eliminated, including Community Service, Compensatory Education, Off-Campus Centers, Instructional Resources, and others outlined on page 12 of Attachment FC-7.
- **Elimination of One Clerical Position in the Base Formula:** This was the only cut to the formula (\$2.3 million).

Salaries: No Salary Increase Provided

- Salaries in effect on June 30, 2009 shall remain in effect except for certain exceptions:
 - Faculty: Colleges may use funds available to increase faculty salaries.
 - Non-Faculty: Salaries may only be increased due to change in duties/promotion.
- Presidents' Salary Schedule remains frozen.

Tuition and Registration Fees: Increases Mitigate General Fund Cuts

- Tuition (\$8 per credit hour) and occupational extension registration fee increases are expected to generate \$37.9 million in additional receipts to support college operations.
- Tuition waivers remain the same except for **senior citizens**, for whom waivers are capped. Tuition and registration fees are now only waived up to 6 credit hours of curriculum instruction and 96 contact hours of continuing education instruction per academic semester.

Other Important Budget Issues Impacting Colleges

- **Continuation Review of Prison Education:** Recurring funding (\$32.9 million) related to prison education FTE is eliminated in FY 2009-10 and replaced with non-recurring funds. Restoration of recurring funding is subject to the findings of a continuation review of the effectiveness of prison education programs provided by community colleges.
- **Elimination of EARN Scholarship Program:** Funding for the EARN Scholarship was reduced in FY 2009-10 and eliminated in FY 2010-11. Although the funds flow through the UNC budget, about half of the funding benefits community college students. Previously full-time students who were within 200% of the federal poverty level received an award of \$4,000. In FY 2009-10, the award level is reduced to \$2,000.

System Office

- The System Office's FY 2009-10 General Fund appropriation has been reduced by 10%.
- The System Office lost a total of 19 positions: 7 were vacant positions and 12 were filled.
- The System Office also lost \$1.25 million in operating funds.