



# THE UNIVERSITY OF NORTH CAROLINA SYSTEM

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## **2019-21 Budget Memorandum – Number 1**

TO: Chancellors

FROM: Clinton P. Carter 

SUBJECT: 2018-19 Enrollment Allocation and 2019-21 Enrollment Planning and Budgeting Process

As you may remember, the 2017 Appropriations Act fully funded enrollment, based on 2017-19 projections; however, it contained a special provision (see attachment) directing the University to allocate this funding based on actual enrollment at fall census. Due to this statutory requirement, the process to allocate enrollment funding for FY2018-19 will be similar to the process followed in FY2017-18. This memo also addresses the enrollment planning process for the 2019-21 long session.

### **FY2018-19 Enrollment Funding Allocation Timeline**

The General Assembly appropriated \$48,163,406 to an Office of State Budget and Management reserve account for FY2018-19. The process for allocating these funds will be as follows:

1. On **Monday, October 8, 2018**, the UNC System Office will use the Enrollment dataset in the UNC Student Data Mart to report fundable credit hours as of fall 2018 census. This date allows approximately one month following fall census dates for change requests to be incorporated.
2. The UNC System Office, in consultation with OSBM, will then prepare recommended allocations for approval at the UNC Board of Governors meeting on **Thursday, November 8, 2018**.
3. Budget revisions will be completed once the Board has approved the allocation, likely the week of **November 12, 2018**.

### **FY2018-19 Enrollment Funding Allocation Process**

The recommended allocation will be calculated as follows:

- The basis of the allocation will be fall 2018 fundable student credit hours, extracted from the Student Data Mart, plus an estimate of spring 2019 fundable student credit hours, as measured by a 3-year average of the fall-to-spring retention rate.

- For the purposes of the enrollment allocation, spring retention will be determined by taking the ratio of total fundable student credit hours for spring of 2016, 2017, and 2018 and total fundable student credit hours for fall of 2015, 2016, and 2017.
- Funding will be determined using the current enrollment model. The difference in the actual FY2018-19 credit hours and the funded FY2017-18 credit hours will be applied to the ratios contained in the 12-cell matrix, as described in the first two bullets.
- A draft of the enrollment allocation and details of the calculation will be shared in mid-October, allowing an opportunity for campus feedback.

**2019-21 Long Session Enrollment Process**

Given the requirement that the 2017-19 enrollment allocation be based on actual enrollments, there will be no formal process to submit enrollment projections as in prior long sessions. While we encourage individual institutions to complete enrollment projections for planning purposes, the System Office will not be collecting this information.

More information will be provided on the basis of the 2019-21 enrollment funding request as we move through the budget development process.

If you have any questions about the enrollment allocation or budgeting process, please contact Lindsay McCollum Farling at 919-962-4601 ([klmccollum@northcarolina.edu](mailto:klmccollum@northcarolina.edu)).

Thank you for your cooperation.

Attachment: UNC Enrollment Funding/OSBM Reserve Account Special Provision

cc: Chief Academic Officers  
Chief Fiscal Officers  
Directors of Institutional Research  
Budget Officers

**UNC ENROLLMENT FUNDING/OSBM RESERVE ACCOUNT**

**SECTION 10.10.** Funds appropriated by this act for enrollment adjustments, including funds for the NC Promise Tuition Plan, shall be certified to a reserve account in the Office of State Budget and Management. The appropriation is made on an annual basis and shall be held in reserve until actual enrollment can be verified following the fall semester census. Funds for the spring semester shall be allocated using the actual enrollment from the fall semester and applying the three-year average fall-to-spring retention of fundable credit hours. After verification, the Board of Governors, subject to the approval of the Director of the Budget, shall allocate the funds for the fiscal year to the constituent institutions based on the criteria set out in this section.

Upon authorization by the Director of the Budget, funds may be advanced to constituent institutions whose tuition receipts are insufficient to maintain operations until enrollment is verified. Any institutions receiving funds in advance shall report to the Office of State Budget and Management at the close of the semester to reconcile any differences between funding received for enrollment and actual enrollment. An allocation made pursuant to this section may result in an allocation to a constituent institution that is greater than or less than the amount originally requested for enrollment change funding at that institution. Pursuant to 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 additional adjustments for over or under enrollment or may make any other adjustments among institutions that would provide for the orderly and efficient operation of institutions.