



THE UNIVERSITY OF NORTH CAROLINA SYSTEM

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December 12, 2019

2020-21 Budget Memorandum – Enrollment Funding

TO: The Chancellors

FROM: Clinton P. Carter

SUBJECT: 2020-21 Enrollment Planning and Budgeting Process

As you may remember, the 2019-21 biennial budget priorities did not contain a request for 2019-20 enrollment funding in order to reflect the move to funding actual completed credit hours in arrears. This memo addresses the expected enrollment planning process for the 2020-21 short session and requests feedback on the transition.

2020-21 Short Session Enrollment Process

Given the timing of the legislative calendar, the enrollment funding request needs to be finalized in time for Board of Governors approval at the February meeting. In order to meet this deadline and to base the request on actual completed credit hours, the UNC System Office is recommending the following modifications to the inputs of the enrollment funding formula:

- *Measure credit hours at end-of-term rather than at census.* The same criteria will be applied to determine if a credit hour is fundable, but this change has the benefit of including students enrolled in short-format courses that may not have been included in the census count.
- *Include both face-to-face and distance education courses as fundable in the summer.* As you know, the System Office is developing a separate request for funding to expand the availability of in-person undergraduate summer courses.
- *Fund Summer Session I and Summer Session II of the same calendar year* (Summer I and II of 2019) rather than splitting them into separate fiscal years (Summer II 2019 and Summer I 2020).
- *Fund the prior spring semester (Spring 2019) rather than the upcoming spring semester (Spring 2020).* There have been a number of informal conversations about moving to a calendar year schedule for enrollment funding rather than maintaining a fiscal year. The primary concern has been the timing of the data availability for the spring semester. Spring 2020 end-of-term data will not be available until May; therefore, an estimate would be required for the budget priorities.

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The primary reason for funding actual enrollment in arrears is to remove projections and estimates from the process and allow for more transparency and better planning. We recognize that these proposed changes may pose a short-term financial challenge for growing campuses, and are therefore using this memo to formally ask for your input on how to address those potential challenges. Any changes adopted will be permanent, so short-term and long-term implications should be considered. Please submit any feedback to Lindsay McCollum Farling by **Friday, December 20, 2019** at klmccollum@northcarolina.edu.

Requested Enrollment Data Review

The funding formula calculates year-over-year change in enrollment and typically, the prior year's funded enrollment serves as the starting point to calculate the change. However, the proposed modifications detailed above are significant enough that the starting year will need to be recalculated. To that end, we ask that each institution review its end-of-term enrollment data in the Student Data Mart for all of 2018 and 2019, since the data from these years will be used to calculate the funding request.

If the data review indicates that modifications to the data may be needed, then a request should be submitted through the normal Student Data Mart snapshot change request process. Change requests with enrollment funding implications should be submitted by **Friday, January 3, 2020** and also let us know by emailing sdm@northcarolina.edu with cc to klmccollum@northcarolina.edu.

Next Steps

Once feedback has been considered and the data review has been completed, a draft enrollment request will be shared with Chief Financial Officers, Budget Officers, and Directors of Institutional Research for review before it is presented for consideration by the Board of Governors in February.

If you have any questions about the enrollment funding model or budgeting process, please contact Lindsay McCollum Farling at 919-962-4601 or klmccollum@northcarolina.edu.

Thank you for your cooperation.

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