



# Budget Allocation Methodology Discussion

Fall Faculty Meeting

10/5/15

# Historic & New Funding Methodology to Colleges

## Linkage to UNC Funding Formula for Projected Enrollments

### Historic Methodology to Colleges:

- ▶ Regular term - Historic and strategic allocations (no direct linkage)
  - ▶ Mix of Continuing and One-Time Funding
- ▶ DE programs - Allocates 80% of academic requirement (direct linkage)
  - ▶ Continuing Funding for Fundable SCHs, One-time funding for non-fundable SCHs
- ▶ DE Flexible Access - Allocates at established rates per SCH (no direct linkage)
  - ▶ One-time funding to departments and colleges (continuing funding remains in DELTA)
- ▶ Summer Sessions - Allocates 85% of tuition receipts (no direct linkage)
  - ▶ One-time funding (no continuing funds associated with this activity)

### New Methodology to colleges (pilot this year & implement next year):

- ▶ Allocation directly linked to academic requirement of funding formula with some deviations

# UNC Funding Formula

(often referred to as 12-cell matrix)

- ▶ Based on approved fundable Student Credit Hour (SCH) projections
- ▶ Funding categories for Undergraduate, Masters, Doctoral SCHs
- ▶ 4 funding levels within each category based on discipline
- ▶ Funding based on projected SCH change from one fiscal year to the next
- ▶ Overproducing does not add to funding for that year
- ▶ Funding on continuing basis - each year's change becomes part of base budget
- ▶ Distance Education (DE) funded in the same manner
- ▶ Does not include Summer Sessions



# Funding Levels Based on Instructional Area

**EXHIBIT 5-1**  
**Areas of Instruction for State-Funded SCHs**

Category I	<u>CIP</u>	<u>Description</u>
	09	Communications & Journalism
	23	English
	27	Mathematics
	38	Philosophy & Religion
	42	Psychology
	43	Corrections & Criminal Justice
	45	Social Sciences
	54	History
	90	Other
Category II	05	Area, Ethnic, Cultural & Gender Studies
	13	Education *
	16	Foreign Languages, Literatures, & Linguistics
	19	Family & Consumer Sciences
	24	Liberal Arts & Sciences, Humanities
	30	Multi/Interdisciplinary Studies
	31	Parks, Recreation, Leisure & Fitness
	52	Business, Management, & Marketing
Category III	01	Agriculture
	03	Natural Resources & Conservation
	04	Architecture
	11	Computer & Information Sciences
	15	Engineering-related Technologies
	25	Library Science
	26	Biological Sciences
	40	Physical Sciences
	44	Public Administration & Services
	50	Visual & Performing Arts
	51	Health Professions
Category IV	14	Engineering
	66	Nursing

[http://oirp.ncsu.edu/sites/oirp.ncsu.edu/files/PDF/course\\_code\\_to\\_ga\\_funding\\_category\\_0.pdf](http://oirp.ncsu.edu/sites/oirp.ncsu.edu/files/PDF/course_code_to_ga_funding_category_0.pdf)

# 12-Cell Matrix Values per SCH

Category	Matrix	Ratio to U1	FTE	Salary	Academic Support	Purpose 101	Library	Institutional Support	Total
				\$ 94,667	44.90%		11.49%	54.05%	
U1	708.64	1.00	0.00141	\$133.59	\$59.98	\$193.56	\$22.23	\$104.62	\$320.42
U2	535.74	1.32	0.00187	\$176.70	\$79.33	\$256.03	\$29.41	\$138.39	\$423.83
U3	406.24	1.74	0.00246	\$233.03	\$104.62	\$337.65	\$38.78	\$182.50	\$558.93
U4	232.25	3.05	0.00431	\$407.61	\$183.00	\$590.60	\$67.83	\$319.22	\$977.66
M1	169.52	4.18	0.00590	\$558.44	\$250.71	\$809.15	\$92.93	\$437.35	\$1,339.43
M2	303.93	2.33	0.00329	\$311.48	\$139.84	\$451.31	\$51.83	\$243.94	\$747.08
M3	186.23	3.81	0.00537	\$508.33	\$228.22	\$736.55	\$84.59	\$398.11	\$1,219.25
M4	90.17	7.86	0.01109	\$1,049.87	\$471.34	\$1,521.21	\$174.71	\$822.22	\$2,518.14
D1	115.56	6.13	0.00865	\$819.20	\$367.78	\$1,186.98	\$136.32	\$641.56	\$1,964.87
D2	110.16	6.43	0.00908	\$859.36	\$385.81	\$1,245.17	\$143.01	\$673.01	\$2,061.19
D3	109.86	6.45	0.00910	\$861.71	\$386.86	\$1,248.57	\$143.40	\$674.85	\$2,066.82
D4	80.91	8.76	0.01236	\$1,170.03	\$525.28	\$1,695.31	\$194.71	\$916.32	\$2,806.34

FTE x Salary

% beyond Salary

1 ÷ Matrix Value

Academic Requirement



# Humanities and Social Sciences

Enrollment Change from FY 13/14 to 14/15

	SCHs	Purpose 101	Library	Institutional Support	Total
U1	(5,502)	(\$1,059,324)	(\$121,663)	(\$572,564)	(\$1,753,551)
U2	(1,972)	(\$502,211)	(\$57,679)	(\$271,445)	(\$831,336)
U3	114	\$38,287	\$4,397	\$20,694	\$63,379
U4	-	\$0	\$0	\$0	\$0
M1	54	\$43,462	\$4,992	\$23,491	\$71,944
M2	(53)	(\$23,792)	(\$2,733)	(\$12,860)	(\$39,385)
M3	28	\$20,514	\$2,356	\$11,088	\$33,957
M4	-	\$0	\$0	\$0	\$0
D1	280	\$330,586	\$37,968	\$178,682	\$547,235
D2	8	\$9,908	\$1,138	\$5,355	\$16,402
D3	-	\$0	\$0	\$0	\$0
D4	-	\$0	\$0	\$0	\$0
<b>Total</b>	<b>(7,043)</b>	<b>(\$1,142,570)</b>	<b>(\$131,224)</b>	<b>(\$617,559)</b>	<b>(\$1,891,354)</b>

Notes\Qualifiers:

- Based on FY 14/15 UNC Funding Salary (<http://oirp.ncsu.edu/ir/fin/2014-2015-funding-model-parameters>)
- Based on all actual SCHs not projections (<http://oirp.ncsu.edu/credit-hour-reports>)
- SCHs are not separated by fundable versus non-fundable
- Funding levels estimated at II for SPIA (really a combination of I & III)

# Student Credit Hours over Last 7 Years

Humanities & Social Science SCHs by FY					Change from Previous FY			
	U	M	D	Total	U	M	D	Total
2007/2008	207,304	9,018	3,026	219,348				
2008/2009	208,600	10,073	2,943	221,616	1,296	1,055	(83)	2,268
2009/2010	211,632	11,650	3,276	226,558	3,032	1,577	333	4,942
2010/2011	209,025	12,597	3,335	224,957	(2,607)	947	59	(1,601)
2011/2012	203,598	11,392	3,483	218,473	(5,427)	(1,205)	148	(6,484)
2012/2013	190,047	13,045	3,230	206,322	(13,551)	1,653	(253)	(12,151)
2013/2014	182,796	12,318	3,630	198,744	(7,251)	(727)	400	(7,578)
2014/2015	175,436	12,347	3,918	191,701	(7,360)	29	288	(7,043)

<http://oirp.ncsu.edu/credit-hour-reports>

Reports by Semester, Credit Hours by College Offering Course

# Budget Allocation Methodology Decisions to Piloted in FY 15/16 with View to Implementation in 16/17

- ▶ May include Regular Term and DE SCH projections
  - ▶ How since Flexible Access funds are continuing in DELTA?
- ▶ Will fund change but no immediate plans to redistribute base
  - ▶ May take over/under-funding of base into consideration
- ▶ Will be based on projected SCHs not Headcount
  - ▶ Also true in UNC funding formula
- ▶ Will fund 50% of academic requirement
  - ▶ Will this percentage change over time?
- ▶ May use College Budgeted Average Teaching Salary rather than Salary in UNC funding formula
  - ▶ How will this be determined?



# Going Forward

## Challenges:

- ▶ How will this impact or change the current processes for projecting enrollment at the department, college and university levels?
- ▶ Will there be rewards/penalties for over/under-realized projections?
- ▶ Need more data
  - ▶ Need SCH reports at the 12-cell levels by college and department
  - ▶ Need reports that show fundable versus non-fundable SCHs
  - ▶ Need reports that show projections compared to actuals
  - ▶ Need reports down to course level
- ▶ What about Summer Sessions and Summer DE?
- ▶ How will non-fundable SCHs be counted and funded?

## Opportunities:

- ▶ One-year pilot allows the opportunity to think strategically
- ▶ Formula-based funding adds element of planning that could directly impact future budget

# Helpful Links

- ▶ Course Code to Funding Category Mapping
  - ▶ [http://oirp.ncsu.edu/sites/oirp.ncsu.edu/files/PDF/course\\_code\\_to\\_ga\\_funding\\_category\\_0.pdf](http://oirp.ncsu.edu/sites/oirp.ncsu.edu/files/PDF/course_code_to_ga_funding_category_0.pdf)
- ▶ OIERP Credit Hour Reports
  - ▶ <http://oirp.ncsu.edu/credit-hour-reports>
- ▶ 2015-2016 Funding Model Parameters
  - ▶ <http://oirp.ncsu.edu/ir/fin/2014-2015-funding-model-parameters>
- ▶ Google doc for college questions, answers, and issues
  - ▶ <https://docs.google.com/a/ncsu.edu/document/d/1yxpjdu783d-EXVcpq3yII22j7ziHIA45jPkVFNSH0U/edit?usp=sharing>