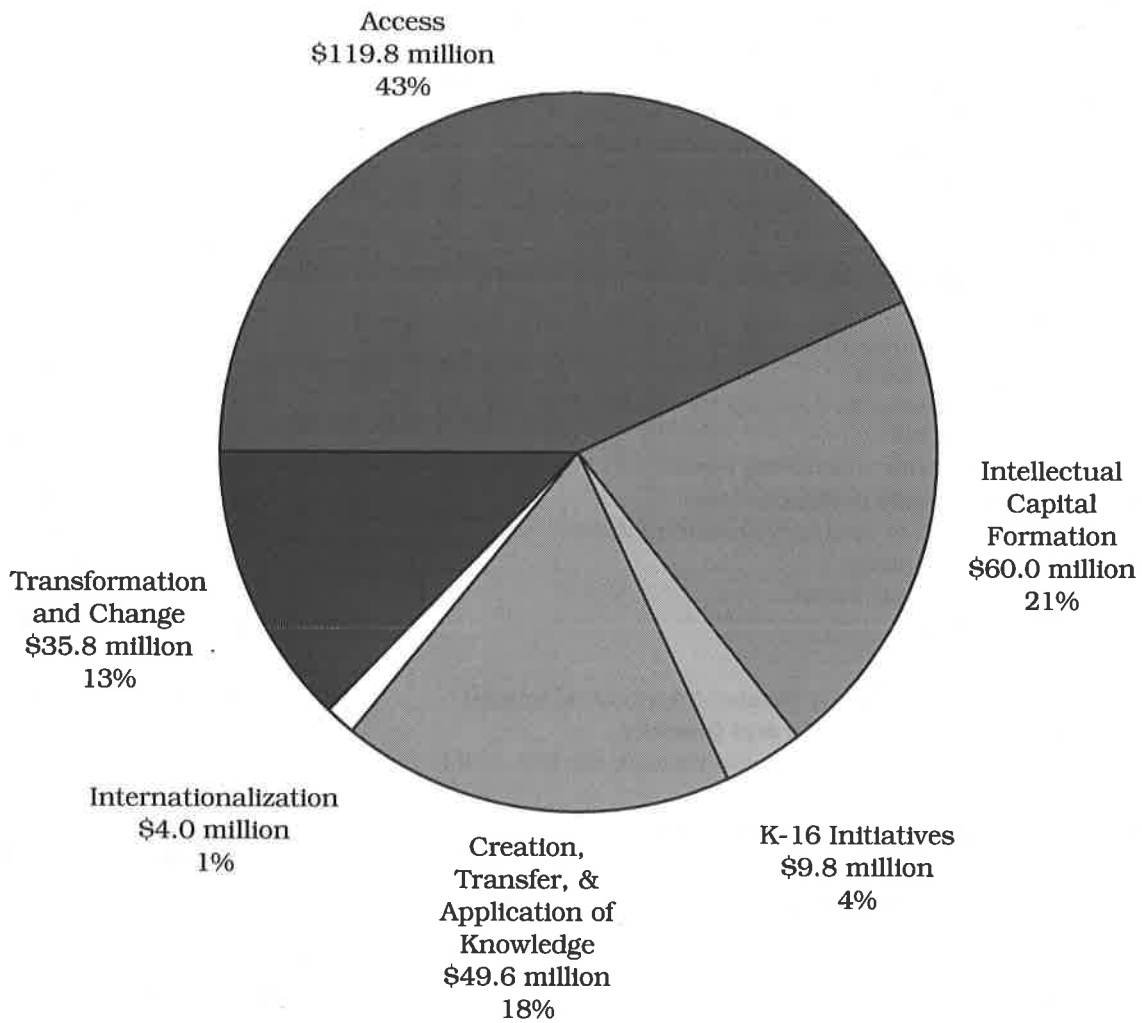
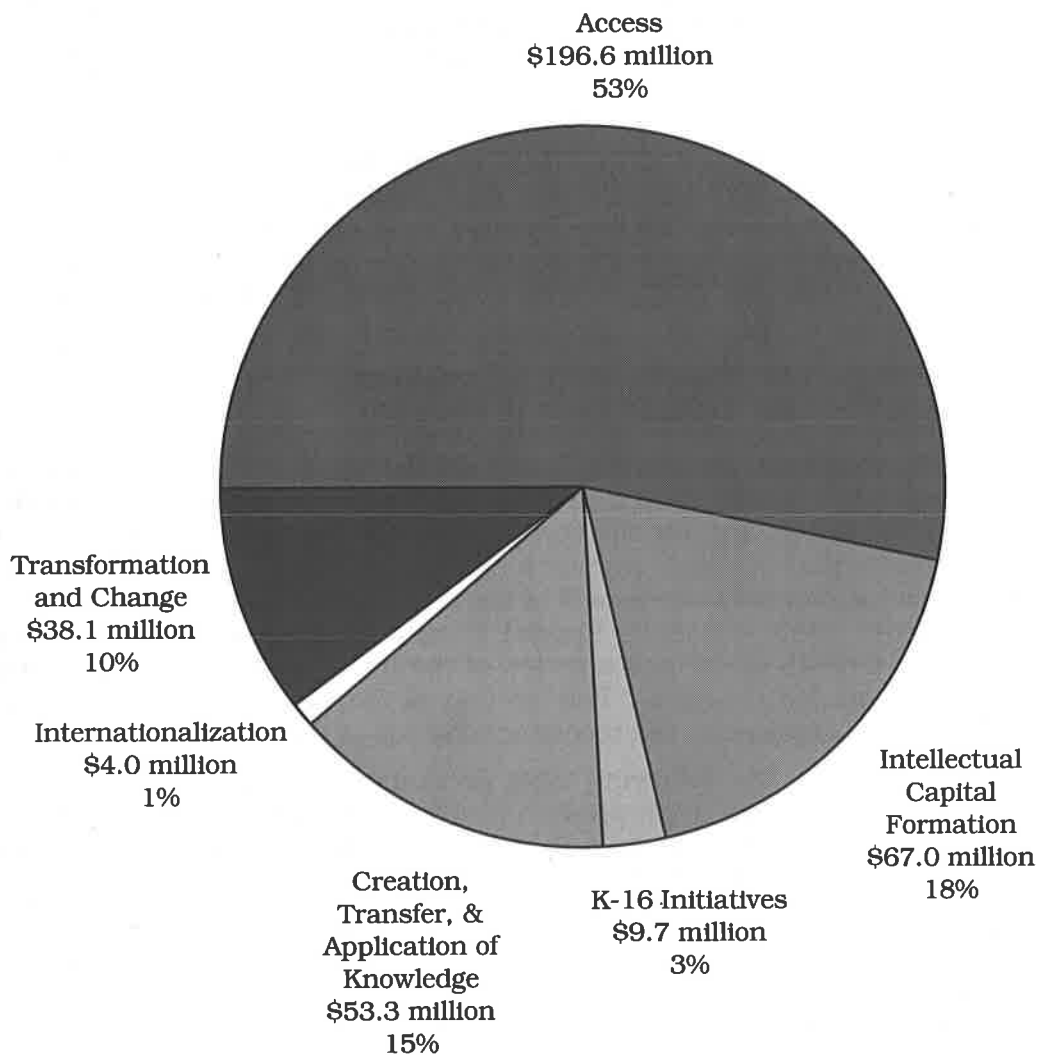


**Schedule of Priorities
2005-06 – \$279.0 million**



**Schedule of Priorities
2006-07 - \$368.7 million**



The Board of Governors' budget and planning processes are linked closely to enable the University to carry out its mission. The requests contained in the proposed Schedule of Priorities have been shaped primarily by Board planning. Accordingly, the Schedule of Priorities requests are linked directly to the strategic directions identified in the Board's long-range plan for the five-year period, 2004-09. These requests also reflect mandates and interests expressed in recent legislation.

Line 1 – Access

The University's highest priority is Access, which is presented in six parts: (a) Enrollment Changes and Other Funding Adjustments; (b) Need-Based Student Financial Aid Program; (c) "Year-Round University" Pilots – Summer Term Appropriations; (d) Focused Growth and Special Needs Institutions; (e) Expanding Access to College through Outreach and Special Programs; and (f) Expanding Access through UNC/NCCCS Partnerships.

1a. Enrollment Changes and Other Funding Adjustments (\$90,866,893 in 2005-06, \$150,437,831 in 2006-07)

Budget requests for enrollment growth are based on the student credit hour enrollment funding model. This model uses a detailed measurement across various categories of academic disciplines and for the three distinct degree levels. The Board of Governors also requests that the state pursue a recommendation to allow the University's enrollment change request to be a part of the state's continuation budget in future years. In August 2003, the BOG Special Committee Reviewing the Funding Model for Enrollment Growth undertook a review of the funding model and has made recommendations for needed changes. This section of the Board's 2005-07 Budget Request incorporates, as applicable, the recommendations of that Committee.

Enrollment Changes. The following table presents the distribution of the request for enrollment change appropriation funding among the UNC constituent institutions and the North Carolina School of Science and Mathematics for fundable enrollments. (\$73,629,935 – \$133,200,873)

Institution	2005-06	2006-07
Appalachian State University	\$ 4,306,509	\$ 5,184,750
East Carolina University	15,923,954	32,238,678
Elizabeth City State University	1,589,122	2,643,091
Fayetteville State University	4,013,727	5,742,099
North Carolina A and T State University	5,384	4,348,119
North Carolina Central University	3,283,560	4,643,436
North Carolina School of the Arts	12,645	252,539
North Carolina State University	4,537,014	11,266,616
University of North Carolina at Asheville	1,563,883	2,579,821
University of North Carolina at Chapel Hill	8,913,769	12,681,544
University of North Carolina at Charlotte	3,970,691	9,029,239
University of North Carolina at Greensboro	5,050,719	11,094,324
University of North Carolina at Pembroke	2,598,497	4,384,673
University of North Carolina at Wilmington	2,880,878	4,880,070
Western Carolina University	9,086,415	12,720,859
Winston-Salem State University	5,693,168	9,111,015
TOTAL UNC Appropriation	73,429,935	132,800,873
N.C. School of Science and Mathematics	200,000	400,000
TOTAL Enrollment Appropriation Request	73,629,935	133,200,873

Board of Governors' Special Committee Reviewing the Funding Model for Enrollment Growth: Recommendation for Establishment of a Minimally Acceptable Level of State Appropriations per FTE. After reviewing the funding levels of all UNC institutions, the Committee approved a funding adjustment for institutions whose funding (based on appropriations per FTE) fell below a statistical benchmark (1 standard deviation) for the average of all institutions. The Board of Governors requests recurring funds of \$1,384,498 for Appalachian State University and \$7,013,603 for UNC Wilmington for a total of \$8,398,101. (\$8,398,101 – \$8,398,101)

Board of Governors' Special Committee Reviewing the Funding Model for Enrollment Growth: Recommendation for Appropriate Funding of Teaching and Nursing Clinical Courses. Three Board Committees recommended change in the category of funding for clinical teaching hours and for clinical nursing hours on the enrollment change-funding model. This recommendation would move clinical teaching hours from Category 2 to Category 3, and the clinical nursing hours from Category 3 to Category 4, to recognize the higher costs of providing these courses. The recommendation would result in a recurring appropriations request to cover the change in the base level of funding for courses already being delivered. The Board of Governors requests recurring funds of \$8,838,857 for each year of the biennium. (\$8,838,857 – \$8,838,857)

Institution	Move Clinical Teaching Hours to Category 3	Move Clinical Nursing Hours to Category 4	TOTAL
ASU	\$ 604,697	\$ –	\$ 604,697
ECU	577,898	421,219	999,117
ECSU	28,687	–	28,687
FSU	51,741	–	51,741
NCA&T	46,932	360,541	407,473
NCCU	69,617	245,950	315,567
NCSU	306,083	–	306,083
UNCA	41,803	–	41,803
UNC-CH	461,955	1,016,562	1,478,517
UNCC	577,217	610,737	1,187,954
UNCG	308,161	1,008,341	1,316,502
UNCP	96,635	–	96,635
UNCW	431,500	276,098	707,598
WCU	143,248	238,912	382,160
WSSU	44,031	870,292	914,323
Total	3,790,205	5,048,652	8,838,857

1b. Need-Based Student Financial Aid Program
(\$8,674,000 in 2005-06, \$16,078,500 in 2006-07)

The UNC Need-Based Financial Aid Program is a cornerstone of the University's program for expanding North Carolinians' access to a college education. Approximately 30,000 North Carolinians currently receive grants from the program, and the average grant is almost \$1,600 per student. The program, by design, makes careful use of state funds by specifying that eligibility requirements for the new grants include an annual "self-help" expectation for each student, and that federal Pell grants and tax credits are used first to meet students' needs.

From the beginning, the design of the program assumed that funding for University grants would increase as needs and tuition and fees increase. Therefore, the Board of Governors has included in this request the necessary amounts to hold students harmless from increases in the cost of college attendance. This portion of the funding is not a request to expand the current program, but instead is only requested to sustain the current level of funding. The Board of Governors also requests that the state pursue a recommendation to allow this portion of the request to be a part of the state's continuation budget in future years, thereby ensuring continued access for the same numbers of students.

In 2004-05, currently available funding was only sufficient to provide award offers to students who applied by June 30. In the 2005-06 year, the Board of Governors requests additional funds to allow the program to cover all students who apply by the end of July, and to extend this date to the end of August in 2006-07.

An estimated 630 additional eligible students will matriculate in 2005-06 and another 800 in 2006-07; therefore, additional funding of the Need-Based Financial Aid Program will be required.

1c. "Year-Round University" Pilots – Summer Term Appropriations
(\$2,825,000 in 2005-06, \$3,635,000 in 2006-07)

Currently, summer instruction offered by UNC institutions receives minimal state support. Because the summer sessions must essentially be self-supporting, only those courses that attract large enrollments can be offered. North Carolina has such need in the area of teacher preparation that three proposed pilots focus exclusively on teacher education programs. Additionally, two pilots requesting funds include teacher education within a broader summer program.

Teacher Education Pilot Programs (UNCG, UNCW, WSSU). UNCG, UNCW, and WSSU propose to develop programs to use the summer term to increase the production of teachers for North Carolina. UNCG would develop a recently adopted alternative licensure program for students who hold bachelor's or graduate degrees or the equivalent in a licensure area but do not hold a teaching license. UNCW would use the summer to allow potential teachers to complete their program in three years. WSSU would target community college transfer students, lateral-entry students and other post baccalaureate students who desire teacher preparation courses. (\$1,205,000 – \$1,205,000)

General Pilot Projects (FSU and WCU). While including teacher education as a focal point, FSU seeks funding for broader summer-term pilots that also includes nursing, business administration, and the natural sciences. WCU proposes to expand the pilot project to encompass nursing, physical therapy, fine arts, and teacher education. (\$1,620,000 – \$2,430,000)

1d. Focused Growth and Special Needs Institutions
(\$9,515,000 in 2005-06, \$18,000,000 in 2006-07)

Focused Growth Institutions. The seven focused growth institutions identified by the Board of Governors in 1998 have been very successful in increasing enrollment, with 27 percent growth in the first five years. Even with new resources from the General Assembly in 2004, the continued expansion of the focused growth campuses will place additional strains on their support services. The requests of \$1 million per institution in the first year and \$2 million in the second year will assist these campuses in dealing with the results of their great success and help them to achieve their goal of 50 percent growth in the next decade. The Board also seeks \$500,000 in recurring funds in the first year to provide a revolving fund for distance learning initiatives at the focused growth campuses. (\$7,500,000 – \$14,500,000)

Special Needs Institutions. The missions and limited sizes of two institutions—the North Carolina School of the Arts and the University of North Carolina at Asheville—make it difficult for them to generate sufficient funds from the student credit hour enrollment funding model to provide all of the academic and support services that students need. In 2003-04, the General Assembly recognized these special needs by appropriating \$500,000 in recurring funds for each institution. Although these funds have been extremely valuable, additional support is needed to fully develop important services at these two campuses. (\$1,500,000 – \$3,000,000)

NCSA Film Archives. The Board of Governors requests staffing and equipment funds for the Moving Image Archives of the School of Filmmaking at the North Carolina School of the Arts requests staff and equipment to ensure that this nationally recognized collection can be professionally catalogued. The collection consists of more than 25,000 16mm, 35mm, and 70mm motion picture titles (of which 17,500 remain uncatalogued); 1,000 8mm, 16mm, and 35mm shorts, documentaries and newsreels; and 4,500 35mm previews of coming attractions. Unless brought into full compliance with current archival standards, the Moving Image Archives cannot become a member of the International Federation of Film Archives, which would bring global recognition to North Carolina, the Archives, and the School's Filmmaking Program. (\$515,000 – \$500,000)

1e. Expanding Access to College through Outreach and Special Programs
(\$1,420,000 in 2005-06, \$1,988,000 in 2006-07)

Pathways and GEAR UP. Established in 1999 by the General Assembly, Pathways of North Carolina is a partnership whose goal is to prepare every student in the state for a college education. The partners have worked together to create the very successful College Foundation of North Carolina program. Pathways

helped leverage a \$7.3M federal grant from GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs). GEAR UP NC is helping more than 7,000 low-income middle and high school students complete high school and prepare for a postsecondary education as well as provide services to Hispanic students and parents. Pathways needs additional staff and requires updates for the website, the call center, and GEAR UP NC. (\$700,000 – \$980,000)

Revolving Fund to Support Campus-Based Initiatives in Access and Diversity. Several campuses have proposed projects or initiatives that would contribute to enhancing both access and diversity. A revolving fund would allow the Office of the President to make one- to three-year grants to campuses for developing projects or initiatives that will increase both diversity and access. (\$600,000 – \$600,000)

Southern Regional Education Board (SREB) Doctoral Scholars Program.

The number of students of color pursuing doctoral degrees is decreasing in North Carolina, and the number of minority faculty nationally remains low. SREB is addressing this phenomenon through the Doctoral Scholars Program, which encourages ethnic minorities to pursue doctoral degrees and become university faculty. UNC needs to gain state support to make this program more widely available to doctoral-granting institutions and to students pursuing PhDs at UNC constituent institutions. (\$0 – \$288,000)

Serving the Military in North Carolina. The University anticipates much more interest in its programs now that the General Assembly has classified military and their dependents as residents for tuition purposes. A coordinator of military affairs, who would initially be located in the Office of the President, would spearhead an initiative to more effectively serve North Carolina's military installations. (\$120,000 – \$120,000)

**1f. Expanding Access through UNC/NCCCS Partnerships
(\$6,500,000 in 2005-06, \$6,450,000 in 2006-07)**

In September 2004, a joint UNC/NCCCS task force approved twenty-four recommendations to continue and improve the relationship between UNC and the North Carolina Community College System. The following five requests reflect those recommendations:

UNC Presence on Community College Campuses. Transfer Offices at the fifty-eight community college campuses would provide information to prospective transfer students, advise these students, coordinate course/program offerings between the two systems, and staff a proctored test center to support online learning. (\$3,500,000 – \$3,500,000)

North Carolina Teacher Center Network. This joint UNC/NCCCS network would serve prospective teachers and support area school districts by enhancing teacher quality and improving teacher supply, distribution, and retention. Complementing the Transfer Centers, these networks would be co-located on a smaller number of geographically distributed community college campuses. By

locating them on community college campuses, the proposed centers would offer closer geographic proximity to schools and school districts across the state and position the University and community colleges to respond more effectively and efficiently to emerging public school workforce needs.

(\$750,000 – \$750,000)

2+2 E-Learning Initiative. UNC and NCCCS are already working closely to develop 2+2 programs offered largely or completely online. Joint technology development and support systems are needed to track students and develop the appropriate technology for online courses. (\$2,000,000 – \$2,000,000)

Expand the College Redirection Program. Expansion of CFNC's College Redirection Program, currently used by high school seniors seeking an appropriate match for post-secondary education, would provide online services to transfer students who apply for admission to a four-year institution (public or private) and are not admitted. (\$50,000 – \$0)

Expanded Responsibilities of the Transfer Advisory Committee. Since the inception of the legislatively-mandated Comprehensive Articulation Agreement (CAA), the Transfer Advisory Committee (TAC) has operated without a dedicated budget or staff, and the two systems have supported the members' travel, supplies, technology, and communications. TAC's needs include: revising the CAA document, completing the articulation module on CFNC, and expanding the hotline at UNCG's CFNC Center. (\$200,000 – \$200,000)

Line 2 – Intellectual Capital Formation

Intellectual Capital Formation is the University's second Strategic Direction and is presented in eight parts: (a) Libraries; (b) Distinguished Graduate Fellowship Program – State Matching Funds; (c) Enhancing Universities to Compete for Outstanding Graduate Students; (d) New Degree Programs – Revolving Fund; (e) Meeting Critical Needs in Health Care; (f) Transition of UNC Charlotte to Doctoral/Research Intensive Status; (g) Professional Development; and (h) E-Learning – Revolving Fund.

2a. Libraries (\$19,510,000 in 2005-06, \$22,980,000 in 2006-07)

In the current request, additional funds would allow libraries to continue to use technological tools to build intellectual capital and to improve efficiency through investment in cooperative statewide collection sharing.

University Library Requests. Working through a strategy developed by the University Library Advisory Council, all sixteen constituent institutions have submitted closely aligned requests in support of these goals. Libraries would use institutional and collaborative funds to acquire resources for the University in a cost-effective manner. Building strategic collections at each institution serves their diverse missions and needs, while consortial purchasing frees dollars to address other library needs at each institution. In addition to traditional library services and resources, institutional requests focus on the following issues:

(\$13,360,000 – \$15,780,000)

- Knowledge management in the digital and print information environment;
- Strategic collection development for new academic programs or service areas;
- Digitization for preserving, creating, and disseminating intellectual resources; and
- Distance education and electronic learning.

Funds for Consortial Purchasing (\$6,150,000 – \$7,200,000)

NC LIVE (North Carolina Libraries for Virtual Education). NC LIVE is a public-private venture that places a virtual library within reach of all North Carolina citizens. By employing an aggressive program of state-level negotiation for volume purchases, NC LIVE has acquired resources worth approximately \$28 million (if purchased individually) at a cost of only \$1.3 million a year. NC LIVE can be accessed at more than 200 locations statewide, including University, community college, and private college libraries as well as public libraries serving all 100 counties. To maintain the resources currently provided and expand resources to meet the demands created by NC LIVE's success, an expansion appropriation is requested. (\$1,000,000 – \$1,000,000)

Digital Library Resources, University-Wide Collaboration. One of the highest priorities for library funding is the consortial licensing and purchase of electronic information resources and databases specifically designated for the University community—that is, advanced information beyond the level of general interest materials. This proposal is particularly responsive to current UNC directions in collaborative programs, joint programs, e-learning, and distance learning, especially for more costly graduate-level programs. Licensing at the sixteen-institution level can increase the amount of information available to students and faculty at substantially less cost than if each institution were to license these resources individually. A University-wide position for consortial resource activities and purchases is requested to provide leadership and support through the Office of the President to the directors of the sixteen campus libraries, helping them develop and implement a wide range of cooperative information services. The individual, a professional librarian, would report to the Senior Vice President for Academic Affairs and work closely with other divisions of the Office of the President, in particular the Information Resources Division, as well as the UNC campus libraries. The complexity and significance of expanded collaborative activities require a dedicated position located in the Office of the President. (\$5,000,000 – \$6,000,000)

Expedited Document Delivery within 24 to 48 hours. In 2000-01 approximately 40,000 books, journals, and other items were mailed to other campuses within the University system. To speed delivery, the UNC libraries must commit to a faster delivery standard than the United States Postal Service, which typically takes at least a week within North Carolina. A contract with a high-speed

courier service is the most cost-effective means to achieve the desired delivery within 24 to 48 hours. It will maximize access to the intellectual capital represented in the libraries' collections, minimize the need for duplicate acquisition, and provide needed resources to those involved in distance education and joint degree programs. The total request has been derived from the projected number of volumes shipped based on two-day delivery rates of approximately \$3.74 per item. (\$150,000 – \$200,000)

**2b. Distinguished Graduate Fellowship Program – State Matching Funds
(\$0 in 2005-06, \$3,000,000 in 2006-07)**

The University ranks third among university systems nationally in federal R&D support, receiving more than \$1 billion in external research grants and other sponsored program awards in fiscal year 2004. Federal funding supports thousands of projects, generates nearly 25,000 jobs, and provides critical support for graduate students in research programs. An innovative way to raise additional funding in the private sector and attract the best graduate students is by establishing a Distinguished Graduate Fellowships Endowment Trust Fund, based on the distinguished professor model. The program would match private gifts of \$150,000 with \$150,000 challenge grants to create \$300,000 endowments. An appropriation of \$3,000,000 in the second year of the biennium would enable the University to raise the necessary private matching funds during 2005-06. Fully funding this proposal would, when completely matched, result in twenty new graduate fellowships.

**2c. Enhancing Universities to Compete for Outstanding Graduate Students
(\$10,282,979 in 2005-06, \$10,282,979 in 2006-07)**

Recognizing the importance of graduate education, the General Assembly has supported the campuses in efforts to recruit outstanding students for masters and doctoral programs. The tuition remission program remains a significant component of these recruitment efforts, permitting UNC's graduate programs to compete nationally for the best graduate students. National competitiveness in UNC's graduate programs will contribute significantly to North Carolina's economic development by retaining outstanding North Carolinians who are going on to graduate school as well as by attracting the top graduate talent from around the country who, evidence suggests, remain after graduation in significant numbers to contribute to the knowledge economy.

The General Assembly has funded two types of programs for graduate students: a tuition remission program that remits the difference between in-state and out-of-state tuition for out-of-state graduate students; and a program providing in-state tuition awards to both in-state and out-of state students. The last action by the General Assembly to increase the number of graduate tuition remissions occurred during the 1999 legislative session. Since 1999, the campuses have created more than 100 new graduate programs and there has been a 25 percent increase in graduate students. With the continuing growth in the number of graduate programs and graduate enrollment, the campuses have identified tuition remission increases as an extremely important component of maintaining national competitiveness.

To meet the needs articulated by the campuses, the Board of Governors requests recurring funds for 900 new graduate tuition remissions, with 238 based on the number of new graduate degree programs, and 662 based on a proposed weighted formula.

2d. New Degree Programs – Revolving Fund
(\$600,000 in 2005-06, \$900,000 in 2006-07)

Between 1993 and 2002, only 25 percent of new degree programs received support with funds appropriated by the General Assembly for new degree programs. This request proposes a more equitable and cost-effective approach to the funding of new academic degree programs—one that would provide start-up support for a greater number of programs and place greater responsibility on the institutions for meeting enrollment projections for new programs. Under UNC's student credit hour funding model, enrollment growth funds would provide sufficient financial support for the new program once it enrolls the full complement of students projected. The majority of new programs, however, initially have substantial personnel and equipment expenses and don't reach full enrollment until the fourth year. In recognition of these conditions, this request proposes a recurring appropriation of \$600,000 for 2005-06, with an additional appropriation of \$300,000 in recurring funds for 2006-07.

2e. Meeting Critical Needs in Health Care
(\$15,706,416 in 2005-06, \$15,661,491 in 2006-07)

UNC Health Initiative. Launched in July 2004 with start-up funds from Blue Cross Blue Shield of North Carolina, the initiative is creating collaborations among experts on multiple UNC campuses and community health-improvement efforts across the state. Its immediate goals include increasing public awareness about prominent health problems (and their solutions) and linking University health experts with the county-based Healthy Carolinians partnerships. Funding is requested to support the initiative's infrastructure, facilitate faculty collaborations with the communities, and produce and broadcast UNC-TV programming and outreach activities. (\$200,000 – \$200,000)

Area Health Education Centers (AHEC). The AHEC request includes six critical areas that fulfill its mandate to prepare a workforce that delivers high-quality healthcare to all North Carolinians. These initiatives are being developed and expanded at a time of reduced federal funding for health professions' education. The historic partnership between state and federal funds has been seriously tested, as hospitals and other healthcare institutions reduce their support for training because of reductions in Medicare and other federal programs. Additional state funds are critical to sustain existing programs and develop new high-priority areas. (\$3,731,506 – \$3,731,506)

Special Initiatives to Address Health Workforce Shortages – For programs in four health career specialties, funds are requested: (1) to support a program of clinical site development grants for allied health training programs; (2) to expand clinical training sites in rural areas for dental students; (3) to expand nurse training capacity through additional clinical site devel-

opment grants, special programs for preceptor and faculty development, and grants to innovative community college and university nursing programs; and (4) to support efforts to increase Pharmacy training in North Carolina.

Statewide Latino and Workforce Diversity Initiatives – To support several programs with the shared goal of recruiting more disadvantaged and underrepresented minority students into health careers, funds are requested: (1) to train health professionals in Spanish language and cultural competency; (2) to increase availability of Spanish language materials and resources at AHEC libraries; (3) to conduct AHEC-based one-week summer health careers programs for Latino high school students; and (4) to support the North Carolina Access Retention Completion Program, which prepares underrepresented minorities and/or individuals from disadvantaged backgrounds for successful matriculation in professional allied health degree programs.

Primary Care Residency Training – In addition to requesting funds to strengthen AHEC's capacity to train physicians for rural and underserved areas of the state, funds are requested: (1) to expand community psychiatry training sites; (2) to increase by 10 percent the residency stipend grants made to AHEC teaching hospitals; and (3) to address strategic initiatives that respond to critical needs for additional physicians.

Information Technology – Funds are requested to provide permanent funding to expand AHEC's Digital Library and offer its resources to additional providers throughout the state.

Mental Health Reform and Health Care Quality Initiatives – Funds are requested: (1) to expand AHEC's training programs that support efforts to reform the entire mental health system; and (2) to provide educational grants to support additional disease management educational projects involving common chronic diseases such as childhood asthma, cardiovascular disease, diabetes, and pulmonary disease.

Council for Allied Health in North Carolina – AHEC has provided substantial organizational and operational support for the council since its inception in 1991. Through a 2002 Duke Endowment Grant, the council established an office and hired its first executive director. AHEC is requesting funding to help the council meet its goal to: (1) monitor and respond to workforce trends and important state and federal health care initiatives; (2) provide accurate information to policymakers, universities, community colleges, and the general public; (3) provide employers and state agencies with relevant data; and (4) promote the allied health professions as sound occupational pathways.

North Carolina Public Health Academy. Because of the ongoing need to train public health workers about daily challenges such as emerging health threats, natural disasters, and the specter of terrorism, funding is requested to establish the North Carolina Public Health Academy. Education and training would be

provided through a network of public health learning centers throughout the state and through technology-mediated approaches. The target population includes front-line public health workers in every county currently employed by governmental agencies, hospitals, and community-based nongovernmental organizations. (\$2,500,000– \$2,000,000)

Board of Governors' Committee on the Future of Nursing. Across the nation and within North Carolina's health care facilities, there is a recognition that unless immediate and far-reaching steps are taken to reverse the trend, there is another impending cycle of nursing shortages. The Board of Governors' Committee on the Future of Nursing is concerned with the University's role in meeting this significant challenge. This request focuses on the recommendations of that committee, including the goal of dramatically increasing the number of UNC nursing graduates. (\$5,170,593 – \$6,541,186)

UNC Greensboro, Center for the Health of Vulnerable Populations. This innovative center would serve to create, develop, and coordinate research and initiatives that address the health issues of vulnerable populations, including minorities, immigrants, children, adolescents, women, the aged, and low-income and rural residents. The Center's lead unit, the UNCG School of Nursing, already has a tradition of collaboration with health programs involving these populations. Funding would support staff as well as seed grant funds for pilot projects to stimulate, strengthen, and secure external funding. (\$336,712 – \$336,712)

UNC Greensboro, Clinical Health Centers Expansion. Since 1983, the UNC Greensboro School of Nursing faculty and students have staffed weekly Health Centers that provide much-needed preventive and maintenance services to the residents of four subsidized housing communities in Greensboro. The residents are primarily elderly (> 70 years old), African-American (88 percent), recipients of Medicare and Medicaid, and have an average annual income of \$7,670. Undergraduate and graduate nursing students rotate through the centers as service learning opportunities, graduate projects, and independent study. Unfortunately, the centers cannot accommodate all of the students who wish to participate in the clinic due to a shortage of faculty members. Funding is requested to add two full-time faculty members as well as administrative support to increase the range and quantity of services provided by these important centers and permit more nursing students to participate in this unique learning experience. (\$276,923 – \$276,923)

Western Carolina University, Initiative for Positive Aging. This initiative, a series of collaborations between Western Carolina University and Pardee Hospital, includes programs designed to help seniors lead productive and independent lives and increase longevity. Programs include the Care-Giver Series curriculum for certified nursing assistants and registered nurses; a certification program in gerontology; a Master's of Health in gerontology; and the radio program, "It's About Life." Funding is requested to provide the infrastructure needed to expand these and other programs, with a focus on establishing integrated links with the education, community, business, and service sectors. Additional fund-

ing is requested for three computers, two printers, a dedicated 800 line, and funds to support the development of informational and promotional materials and advertising. (\$155,000 – \$145,000)

UNC Pembroke, Health-Related Instructional Technology. This facility would support teaching and outreach programs in health care (including nursing) at UNC Pembroke. The Center would be equipped with state-of-the-art equipment and software to provide a variety of health care simulations. When complete, the Instructional Technology Center would have a minimum of: (1) a basic care lab; (2) a critical care lab; (3) a home care lab to simulate a room in a private home; (4) three smart classrooms that reflect the latest technological advances; and (5) a virtual learning center designed for group and individual learning. (\$1,358,682 – \$453,164)

UNC-Chapel Hill, Developing Radiologist Assistant Professionals. For the past two years the faculty of the UNC-Chapel Hill Department of Allied Health Sciences (DAHS) Division of Radiologic Science has been actively involved at the national level with developing the accreditation and professional standards of the radiologist assistant, a new medical profession similar in training and scope to a physician assistant. The DAHS program is one of four to receive program development grants from the American Society of Radiologic Technologists and has been strongly encouraged to be the premier program and set the academic bar for this new profession. Funding is requested for support in developing the academic program. (\$185,000 – \$185,000)

Winston-Salem State University Program for Patient-Centered Health Services Measurement. Through its School of Health Sciences, Winston-Salem State University requests funding to perform patient satisfaction studies and propose a draft curriculum for a Master's Degree Program in Health Services Management. This program would produce patient-centered, culturally sensitive health care providers who would be exquisitely aware of the disparities and the insensitive health care that many minorities face. The Institute of Medicine has recommended redesigning patient care to ensure that providers' clinical decisions respect patients' needs and preferences. Currently, however, there is an appalling lack of knowledge regarding patient-centered health care for minority patients. This program would work to increase the availability of culturally sensitive health care. (\$92,000 – \$92,000)

ECU Brody School of Medicine. The Brody School of Medicine at East Carolina University receives Medicare education funds from federal sources as reimbursement for services to Medicare patients. Annually, a portion of the Medicare reimbursement funds are required to be paid to the state's General Fund (General Statute 116-36.6). It is requested that, beginning July 1, 2005, the Brody School of Medicine at ECU be allowed to retain these funds. It is requested that beginning July 1, 2005, the Brody School of Medicine be appropriated \$1,000,000 for this purpose.

Beginning in the 1980s, the Brody School of Medicine has also been required to pay "rent" to the state for use of outpatient facilities built with General Fund dollars (G.S. 116-36.6), a policy that is not consistently applied to other state agencies. It is requested that, beginning July 1, 2005, the Brody School of Medicine at ECU no longer be required to pay rent to the State of North Carolina for outpatient facilities and \$700,000 be appropriated for this purpose. (\$1,700,000 – \$1,700,000)

**2f. Transition of UNCC to Doctoral/Research Intensive Status
(\$10,484,757 in 2005-06, \$10,484,757 in 2006-07)**

UNC Charlotte achieved Doctoral/Research Intensive Status under the Carnegie requirements during the 1999-2000 academic year. For the calculation of this request, UNCC's faculty-student ratio and the mean faculty teaching salary have been established at the average for ECU and UNCG, the other UNC institutions classified as Doctoral/Research Intensive institutions. The adjustment in the faculty-student ratio results in an additional 35.87 FTE positions. As UNCC expands its doctoral programming, it must also augment its library resources through the purchase of additional books, periodicals, databases, and other materials important to sustaining doctoral-level programs. In addition, this funding would help expand the technological infrastructure, which is crucial to the research needs of doctoral students as well as to the increasingly multifaceted instructional delivery systems of today's universities.

2g. Professional Development (\$2,668,819 in 2005-06, \$2,468,819 in 2006-07)

The ongoing need to provide professional development for faculty and administrators is well recognized, both nationally and within the University. Several national organizations sponsor leadership workshops, and individual universities, consortia, and state systems such as the Big Ten Conference provide leadership development institutes for their faculty and administrators. Recognizing professional development as a priority, the University also offers several programs. Unfortunately, resources for staff and programming at the campuses and the Office of the President are extremely limited. This proposal addresses the continuing need for leadership development across the University through the UNC Leadership Institute – Friday Leadership program, and the need to strengthen and expand faculty development options through the UNC teaching and learning centers—including the establishment of a Teaching and Learning Center and a Teaching and Learning with Technology Center at the North Carolina School of the Arts.

UNC Leadership Institute. Recognizing the need for training and education to prepare faculty and administrators for increasingly responsible leadership positions, the General Assembly established the UNC Leadership Institute in the 2004 short session. Through summer leadership workshops, UNC administrators and faculty will learn best practices from their UNC colleagues and national experts. These workshops will be particularly important for identifying and preparing future academic and institutional leaders, thereby ensuring that replacements are in the pipeline as the University faces the retirement of its current cohort of administrators. An emerging leaders institute would provide

leadership development for new and prospective academic leaders, including workshops, administrative internships, and shadowing experiences. In addition, a program of administrative internships would allow campus administrators to work with the staff of the Office of the President and state agencies as part-time or full-time executive fellows, then return to their campuses with a broader view of the contexts in which the campuses function.

Fully funding the new William Friday Institute for Leadership Development will allow UNC to expand its activities to address additional professional and leadership development needs. Full funding of the UNC Leadership Institute and the establishment of the Friday Leadership program would ensure that the University can prepare its future leaders. (\$943,510 – \$943,510)

Teaching and Learning Centers (NCSA and TLT Program). The North Carolina School of the Arts is the only UNC campus without a teaching and learning center. The \$100,000 requested to establish and maintain this center would, with NCSA's portion of the programming funds for campus teaching and learning centers requested below, provide a beginning budget for the center. NCSA also intends to establish a Teaching and Learning with Technology (TLT) program within its new Teaching and Learning Center. The program would provide personnel to assist faculty and students in using instructional technology as well as upgraded classrooms and equipment. In addition to the \$100,000 requested for the NCSA Teaching and Learning Center, \$775,309 is requested for the TLT program in the first year of the biennium: \$200,000 in one-time equipment purchases in the first year and \$575,309 in recurring funds for continuing operations and support of the Teaching and Learning with Technology program. (\$875,309 – \$675,309)

Teaching and Learning Centers (Support for Campus Teaching and Learning Centers). To assist the estimated 10,000 new faculty members to be hired in the next decade as well as meet the needs of current ones, the campus teaching and learning centers require enhanced resources for staff and programming. Under this proposal, each campus would receive \$35,000 in funds for programming through teaching and learning centers; campuses would receive an additional \$240,000 distributed on the basis of each campus's full-time equivalent faculty. This distribution would provide \$38,351 in programming funds for the NCSA Teaching and Learning Center described above. The Division of Academic Affairs Office of Faculty Support would retain \$50,000 to sponsor statewide and regional "train the trainer" workshops, at which campus teaching and learning center staff and national experts would present examples of successful faculty development activities to other UNC staff members. Examples of innovative programs being developed by UNC teaching and learning centers include: (\$850,000 – \$850,000)

North Carolina A & T State University – Faculty Learning Community Development Program

North Carolina State University – Statewide Service Learning Training Program

UNC Greensboro – University-Wide Early-Career Faculty Mentoring Program

UNC Wilmington – Building a Community of Scholars in Service Learning

2h. E-Learning – Revolving Fund
(\$800,000 in 2005-06, \$1,200,000 in 2006-07)

Distance learning has been a major success in providing courses, degrees, and educational access to numerous North Carolinians. The next major step in distance learning is the expansion of electronically based learning—e-learning. Many campuses are prepared to offer courses that are fully or substantially available online. E-learning requires additional faculty development time and support personnel as well as computer, network, and course management infrastructure. Before an e-learning program can be offered, a very substantial development project must first occur, usually starting a year or more before the courses are actually delivered. It is essential that campuses have access to resources to carry out these development projects. Funding is requested to establish a pilot project to address concerns regarding e-learning. Funds would be recurring to the Office of the President, but awarded to campuses as grants for up to three years to fund front-end development of online courses and degree programs offered substantially or fully online.

Line 3 – K-16 Initiatives

The third request in the Schedule of Priorities for Current Operations is for K-16 Initiatives. These requests support increased collaboration between the University and the public schools in five major areas: (a) Board of Governors' Task Force on Meeting Teacher Supply and Demand; (b) Teacher and Principal Quality and Quantity; (c) Expanded Professional Development through the UNC Center for School Leadership Development; (d) Closing the Achievement Gap; and (e) Expanded Partnerships and Collaborations.

3a. Board of Governors' Task Force on Meeting Teacher Supply and Demand
(\$3,231,382 in 2005-06, \$3,231,382 in 2006-07)

CFNC Recruitment and Marketing. Creating a focused module on the College Foundation of North Carolina, Inc. website (CFNC.org) would provide prospective teachers with a single source for information concerning education and licensing requirements; grants, scholarships, and loan programs for future teachers in North Carolina; and online applications for both admission and financial support. (\$25,000 – \$25,000)

North Carolina Teacher Recruitment Scholarship Loan Program. The program would offer 300 scholarships to new resident students who agree to pursue studies resulting in teacher certification in North Carolina as well as teach in a state or federally operated school in North Carolina for one year for each year they received the benefit. (\$1,050,000 – \$1,050,000)

Increased Funding for Clinical Courses. A state allocation is needed to provide adequate financial support for teacher preparation clinical- and field-based courses requiring faculty-student ratios smaller than regular courses. This rec-

ommendation has also been endorsed by the Board of Governors' Special Committee Reviewing the Funding Model for Enrollment Growth and is therefore included in the funding request in Line 1 a – Enrollment Changes and Other Funding Adjustments.

Clinical Faculty for University-School Teacher Education Partnerships. Twenty-nine non-tenure track clinical faculty positions would be assigned to support intern teaching assignments in both University-based undergraduate and 2+2 degree completion programs, NC TEACH, and other lateral entry programs with teachers seeking licensure through the University.
(\$2,156,382 – \$2,156,282)

**3b. Teacher and Principal Quality and Quantity
(\$580,699 in 2005-06, \$557,699 in 2006-07)**

North Carolina Teachers of Excellence for All Children (NC TEACH). By preparing lateral entry teachers for public schools, the program is helping with the state's teacher shortage. Funds are needed for two new key programs: (1) NC TEACH OnLine; and (2) Expanded Recruitment, Resources, and Support for Lateral Entry programs. (\$126,448 – \$103,448)

North Carolina Model Teacher Education Consortium. The consortium provides support services targeted at recruitment and retention for paraprofessionals matriculating through teacher education degree and licensure programs. Expansion funds for the consortium would provide additional face-to-face and internet-based courses each semester; provide a stipend of \$800 per month for teacher assistants and other paraprofessionals while they are unemployed during student teaching; and provide additional personnel to work directly with the teacher education candidates. (\$454,251 – \$454,251)

3c. Expanded Professional Development Through the UNC Center for School Leadership Development (\$4,734,336 in 2005-06, \$4,722,336 in 2006-07)

UNC Center for School Leadership Development. "NC educators' one stop for professional development" designs and provides premier professional development for public school educators based on research and best practices. The Center's responsibilities are ever increasing, brought about by the demands of the No Child Left Behind legislation, teacher shortages, and the persistent achievement gap. Additional operational funding is necessary to support this acceleration in Center program delivery. (\$395,000 – \$415,000)

North Carolina Center for the Advancement of Teaching (NCCAT). The North Carolina Center for the Advancement of Teaching (NCCAT) offers North Carolina's teachers a year-round series of residential professional development seminars in the arts, humanities, sciences, technology, communication, and health and fitness. It has substantial waiting lists for all of its programming, and the current budget is insufficient to meet the needs of teachers in North Carolina and cannot address essential expansion. A planned campus in Okra-coke will provide space for NCCAT to increase its service by approximately

40 percent, which will allow its offerings to be expanded and to be more accessible for teachers in the eastern part of the state. All of these factors contribute to the need for increased funding in the 2005-2007 biennium. (\$3,046,018 – \$3,014,018)

North Carolina Teacher Academy. The Academy offers teachers the opportunity to attend professional development sessions in the areas of school leadership, instructional methodology, core content, and use of modern technology. It has expanded its services to include assisting schools and school personnel in making systemic changes to adhere to new policies and legislative mandates. New programs for improving school leadership and initiatives for increasing teacher retention are needed, and school districts identified as high priority have critical needs in the area of professional development that must be met to improve student achievement. Moreover, teacher recruitment efforts are attracting increasing numbers of lateral entry teachers who have unique professional development needs. Program development and implementation to address these areas of concern require additional funding. (\$790,318 – \$790,318)

Principals' Executive Program (PEP). Given the data provided by North Carolina's ABC Accountability Plan and the national No Child Left Behind legislation, it is clear that a large number of schools are facing potential failure of getting all students to a proficient level. To help principals who are leading schools through the reform process, PEP would like to expand its residential Instructional Leadership Reform Program (ILRP) to a minimum of one cohort of forty principals and add a mentor component to provide assistance at the school level. In addition, a value-added evaluation process will help schools take ownership of the evaluation process and permit them to apply the findings to stimulate change. Beyond the expansion of ILRP, the Principals' Executive Leadership Academy, aimed at school superintendents, requires support. Additional funds are also needed to expand PEP's services to assistant principals and new principals. (\$208,000 – \$208,000)

Principal Fellows Program. A merit-based competitive scholarship loan program, the Principal Fellows Program funds full-time study in the Master of School Administration (MSA) degree program that prepares an individual for a career in school administration. The director is required by legislation to provide professional development and extracurricular activities for program participants. Additional funds are necessary to meet this legislative requirement. (\$45,000 – \$45,000)

Mathematics and Science Education Network (NC-MSEN) Professional Development Center at Elizabeth City State University. The primary goals of NC-MSEN are to strengthen the quality and increase the size of the teaching base in mathematics and science education as well as increase the pool of students from North Carolina's high schools who are prepared to pursue careers requiring mathematics and science. Eleven centers provide professional development opportunities to teachers, and seven university-based Pre-College Programs offer research-based structured interventions with students. A professional development center at Elizabeth City State University would complement

the work of its NC-MSEN Pre-College Program, which is dedicated to improving student learning and closing the achievement gap. More importantly, the center would facilitate and increase the number of pertinent professional development opportunities available to K-12 teachers of mathematics and science in the underserved, rural, low-wealth school districts in northeastern North Carolina. (\$250,000 – \$250,000)

3d. Closing the Achievement Gap (\$209,920 in 2005-06, \$203,920 in 2006-07)

Mathematics and Science Education Network (NC-MSEN) Pre-College Center at East Carolina University (ECU). The mission of NC-MSEN is to increase the pool of students from North Carolina's high schools who are prepared to pursue careers requiring mathematics and science, using research-based structured interventions with students in grades 6-12 at seven university-based Pre-College Program sites across the state. An additional site at ECU would help attract more students from the underserved rural areas of eastern North Carolina into science, mathematics, and related disciplines. The location of a Pre-College Program site at ECU also would serve to ensure the sustainability of student encouragement/parental involvement efforts after the federally funded North Carolina Partnership for Improving Mathematics and Science (NC-PIMS) ends.

3e. Expanded Partnerships and Collaborations (\$1,027,531 in 2005-06, \$1,027,531 in 2006-07)

Summer Ventures in Science and Mathematics (SVSM). SVSM is an inter-institutional program of the University that targets rising high school juniors and seniors with the goal of attracting academically talented students into careers in science and mathematics. The application process is open and there is no direct cost to the nearly 600 participants, thereby serving to address the kinds of gaps described in the No Child Left Behind legislation. However, increasing costs make it difficult to bring even the same number of students into the program each summer. Funds are requested to support increasing operating costs for food and housing at the participating campuses. (\$326,887 – \$326,887)

North Carolina Education Research Council. The Council directly serves the needs of the North Carolina Education Cabinet and is also a source of information concerning educational policy development for members of the General Assembly, the State Board of Education, the North Carolina Community Colleges Board, the UNC Board of Governors and others. Additional funding would provide the necessary support to allow the Council to continue providing its annual "First in America" updates, develop report cards for every school in North Carolina, produce the research reports requested by the Education Cabinet, and support important seminars for educational policymakers. (\$200,000 – \$200,000)

University of North Carolina at Greensboro, A+ Schools. A comprehensive school reform that integrates the arts throughout the curriculum, the A+ Schools Program has served K-12 public schools since 1995. It provides an approach to whole-school reform that combines arts integration, continuous professional development, and the use of statewide support networks for teachers and school administrators. Fees paid by the A+ Schools defray only partial costs of the program. Legislative appropriation was discontinued after 2002, and the only new schools added to the program in recent years have been those that were able to raise their own funding. Many schools, particularly in more rural and low-wealth districts, are unable to achieve this and must defer the opportunity to benefit from this tested and proven program for long-term school reform. The requested funding would allow the A+ schools program to respond appropriately to these and other North Carolina districts seeking to benefit from this program. (\$500,644 – \$500,644)

Line 4 – Creation, Transfer, and Application of Knowledge

The fourth request, Creation, Transfer, and Application of Knowledge, is presented in two parts: (a) Major Research Initiatives, and (b) Economic Development and Public Outreach. The request items do not represent the full spectrum of research and outreach activities under way at UNC campuses, but merely highlight the areas that are ripe for leverage and would significantly contribute to the state of North Carolina.

4a. Major Research Initiatives

(\$25,021,600 in 2005-06, \$26,021,600 in 2006-07)

From the art of manipulating materials on an atomic scale to the prevention and mitigation of disasters and emergencies, the budget request for research reflects institutional responsiveness to the demands of the local and global economies and the need for a prepared workforce. Research is changing the way people live and encouraging economic growth in our state by transferring new knowledge and technologies and training workers for North Carolina's new economy as it shifts from its manufacturing roots to a rapidly changing, technology-driven economy. A strong, forward-reaching research enterprise provides the competitive edge needed to ensure the state's success as a leader in research breakthroughs and workforce preparation.

The specific programs for which General Fund appropriations are being requested are listed below:

Major Research Initiatives Request	2005-06	2006-07
Nanotechnology Initiative	\$ 3,000,000	\$ 3,000,000
Biotechnology/Genomics Initiative	2,500,000	2,500,000
UNC Institute for Renaissance Computing	3,800,000	3,800,000
National Institute for Design	1,000,000	2,000,000
Digital Technologies Initiative	600,000	600,000
Obesity Research and Prevention Initiative	3,000,000	3,000,000
Minority Health Disparities Initiative	800,000	800,000
Highlands Biological Station	100,000	100,000
UNCA National Environmental Modeling and Analysis Center (NEMAC)	500,000	500,000
Energy Initiative	1,000,000	1,000,000
UNC Institute of Disaster Studies	1,000,000	1,000,000
North Carolina Space Grant Consortium	300,000	300,000
Pisgah Astronomical Research and Science Education Center (PARSEC)	500,000	500,000
North Carolina Undergraduate Research Initiative	1,000,000	1,000,000
NCSU William & Ida Friday Institute for Educational Innovation	1,921,600	1,921,600
Revolving Equipment Fund	4,000,000	4,000,000
Total	25,021,600	26,021,600

4b. Economic Development and Public Outreach
(\$24,605,639 in 2005-06, \$27,279,619 in 2006-07)

A major challenge currently facing the state of North Carolina is creating, attracting, and retaining technology- and knowledge-based businesses that produce high-quality jobs to replace those being lost in the traditional manufacturing-based sectors of the economy. The following items represent key areas of UNC's ongoing or proposed activities that respond to identified statewide economic development needs and community priorities.

The specific programs for which General Fund appropriations are being requested are listed below:

Economic Development and Public Outreach Request	2005-06	2006-07
Small Business and Technology Development Center	\$ 900,000	\$ 900,000
The UNC Economic Development Portal	1,200,000	1,200,000
Bio-supported Products and Systems for the National Defense	1,500,000	1,500,000
Advanced Military Initiative	1,000,000	1,000,000
Technology Development and Transfer	400,000	400,000
Business Acceleration	500,000	500,000
Existing Business Innovation and Competitiveness	300,000	300,000
Strengthen Support for the University's Role in Economic Development	100,000	100,000
NCCU Biomanufacturing Research Institute and Technology Enterprise (BRITE) Initiative	6,029,438	6,537,115
NCSU Biomanufacturing, Training and Education Center (BTEC)	2,941,079	4,902,885
NCA&T and UNCG Transportation – Logistics Initiative	1,500,000	2,000,000
Precision Engineering Partnership	1,000,000	1,000,000
North Carolina Japan Center	150,000	150,000
Motorsports Industry	1,500,000	750,000
Center for Craft, Creativity, and Design and the Kellogg Conference Center	200,000	200,000
UNCA Craft Campus	200,000	200,000
Contemporary Arts Collaborative	250,000	250,000
University of North Carolina Press	323,172	302,382
UNC Center for Public Television	1,429,896	1,575,225
NC Arboretum Public Programs	543,354	793,746
NC Arboretum Research for Biodiversity, Conservation, and Economic Development	638,700	718,266
Education and Training for Judges, Emergency Responders, and Local Officials	2,000,000	2,000,000
Total	24,605,639	27,279,619

Line 5 – Internationalization

The fifth request, Internationalization, is presented in five parts: (a) Faculty Development and Research; (b) Curriculum Development; (c) Public Service and Outreach; (d) Student Exchange and Study Abroad; and (e) Technology and Internationalization. The request would help the University prepare its students for our increasingly global society, make significant contributions to increasing the understanding of international forces and events, and address challenges through teaching, research, and public service.

5a. Faculty Development and Research (\$1,000,000 in 2005-06, \$1,000,000 in 2006-07)

Faculty Development Fund. Given the teaching, research, and service responsibilities of UNC faculty, many are unable to take advantage of international faculty travel and exchange programs as well as research and teaching grants without campus support. Of the requested funds, \$25,000 would be distributed to each of the sixteen campuses to provide international development opportunities for faculty. The remaining \$200,000 would be distributed to campuses based on budgeted faculty FTE. (\$600,000 – \$600,000)

Seed Grants for International Research. This fund would be administered by Research and Sponsored Programs and International Programs to support the initiation of international research by UNC faculty, particularly at the non-doctoral-level campuses. Funds would be allocated based on proposals to identify potential international research partners and develop preliminary proposals for external grant funds to support research activities. (\$200,000 – \$200,000)

International Undergraduate Research Program. Study abroad opportunities promote an international perspective among undergraduate students and better prepare them to become leaders in a multi-ethnic and global society. The international undergraduate research program would be administered by Research and Sponsored Programs and International Programs and build on existing research, study abroad, and exchange programs. Funds are requested to create and administer a program to provide stipends for research activities, travel, and living expenses in the amount of \$8,000 per undergraduate for twelve weeks, as they undertake international research projects relevant to their course of study. The stipends would be awarded competitively to twenty students from any UNC institution each year. (\$200,000 – \$200,000)

5b. Curriculum Development (\$500,000 in 2005-06, \$500,000 in 2006-07)

Foreign Language Consortia. In 2001 the UNC Foreign Language Access Committee recommended the establishment of foreign language consortia by which UNC campuses share foreign language courses delivered via videoconferencing and Web-based instruction. Funds would also be used to provide access to less commonly taught languages offered by only a few UNC campuses but important to government and industry in an increasingly diverse global society. The request of \$250,000 would be distributed based on proposals from multi-

campus consortia to expand access to foreign language instruction and strengthen the collaborative offerings available to foreign language majors. (\$250,000 – \$250,000)

Curricular Development Funds for Internationalization. Although UNC institutions have increasingly included the development of global competence in their mission and vision statements, many campuses are unable to provide the resources for developing new curricula and obtaining the teaching and learning resources (including communications hardware and software and library resources) necessary to fulfill these goals. A revolving fund offering grants up to \$50,000 for developing international curricula would provide for released time for faculty members to develop courses or degree components with a global perspective, for licenses or purchases of resources for teaching and learning in these new curricula, and for on-campus workshops to prepare other faculty members who will teach in these new programs. (\$250,000 – \$250,000)

5c. Public Service and Outreach

(\$1,060,000 in 2005-06, \$1,060,000 in 2006-07)

Support for Outreach to Public Schools. The Board of Governors and the University Council on International Programs have identified the involvement of UNC faculty and international students in school-based international programs as essential in building a foundation of interest and competency in international education and foreign languages among entering students. Based on campus proposals, \$500,000 of these funds would be used for existing K-12 outreach programs. The remaining funds requested would be used to strengthen the foundation for the programs offered by the North Carolina Center for International Understanding (NCCIU) to involve teachers and educational and public policy leaders in international study and exchange. (\$700,000 – \$700,000)

Support for Outreach to International Partners, Global Businesses. The University Council on International Programs identified, as an important public service activity, collaboration with international education partners and with businesses, organizations, and public agencies involved in international activities. To support outreach efforts, \$320,000 is requested to provide each campus with \$20,000 on a recurring basis to support collaboration with international partner institutions and businesses and organizations in their local communities. The remaining \$40,000 would be used to support University-wide initiatives, including visits by international educators from existing and potential partner institutions; professional development opportunities for the staffs of international, study abroad, and international student offices; and statewide outreach. (\$360,000 – \$360,000)

5d. Student Exchange and Study Abroad
(\$905,000 in 2005-06, \$905,000 in 2006-07)

Because they are developing active international and study abroad offices but have fewer institutional funds to support these programs, the smaller UNC campuses (the seven focused growth institutions and UNC Asheville) have a particular need for funding. Each of these institutions would be allocated \$35,000 (for a total of \$280,000) to strengthen the infrastructure to support student international education. In addition, both nationally and across UNC, first-generation, low-income, and minority students participate in study abroad and student exchange at a much lower rate than students generally. An additional \$250,000 would be allocated based on student FTE to provide UNC students from the smaller UNC campuses with funds administered by the UNC Exchange Program (UNC-EP) as a part of its Diversity Initiative. UNC-EP's Diversity Initiative would also address the issue of less participation on smaller campuses through the appointment of an associate director to supplement the small staff and lead UNC-EP's outreach and recruitment. UNC-EP would be allocated \$125,000 to hire an Associate Director and support the operating costs for these activities. Finally, \$250,000 would be allocated to students at the remaining eight campuses based on student FTE to expand international education opportunities to all UNC students.

5e. Technology and Internationalization
(\$500,000 in 2005-06, \$500,000 in 2006-07)

Virtual International Education. Because only a small percentage of students across the University elect to participate in study abroad or international exchange programs, UNC campuses need to develop cost-effective ways to enable students to interact with their peers in other countries without leaving the campus. Internet and other low-cost technologies now make such interaction possible. A fund of \$300,000 would be established to allow UNC campuses, based on competitive proposals, to use technology to link with international partner institutions. Funding of up to \$50,000 for six campuses per year would be used to purchase required equipment and software, establish partnerships and develop joint curricula, and assign and train faculty members to develop courses that effectively use technology to link students on campus to students in other countries. (\$300,000 – \$300,000)

Virtual Foreign Language and International Resources Portal. Funds are requested to establish a Web-based Virtual Foreign Language and International Resources Portal to support international education across UNC. Based on an existing Virtual International Studies Center at UNC Greensboro, the portal would provide information, teaching and learning resources, and support for international and foreign language on-line and distance learning courses. The site would include information from all sixteen UNC campuses as well as national and international resources. The portal would also provide access to foreign language television news and language instruction broadcast via a system-wide membership in an organization such as SCOLA. The requested \$200,000 would support the appointment of a web master, graduate assistants, system-wide li-

censes for on-line resources and the necessary equipment and operating funds to keep the site up to date and useful for all UNC constituencies.
(\$200,000 – \$200,000)

Line 6 – Transformation and Change

The sixth Strategic Direction, Transformation and Change, is organized into four categories: (a) Computer and Network Security and Information Technology (IT) Infrastructure; (b) Information Systems and Data Management; (c) Research and High Performance Computing; and (d) University-Wide Information Technology Initiatives.

6a. Computer and Network Security and Information Technology Infrastructure (\$7,450,000 in 2005-06, \$7,900,000 in 2006-07)

The University must respond to the urgent need to maintain adequate security of our computers and networks as well as the associated physical IT facilities. Specific enhancements to other components of campus' IT infrastructures are also requested, such as server upgrades, network electronics, and classroom equipment.

Computer and Network Security. The Wide Area Network (WAN) and individual Campus Area Networks (CAN) within the WAN enable the University to conduct its daily operations and fulfill the University's mission of serving the citizens of North Carolina. In addition to providing a range of services to students, faculty, and staff, the existing networks are an important tool in both disseminating information and allowing collaborative analysis of vital data. In response to increased threats of cyberterrorism, legislation has been introduced to ensure that state government agencies maintain security standards designed to mitigate the threat of cyberterrorism. Within its unique operating environment, the University seeks to maintain security standards that meet or exceed the state requirements established in statute. Funds of \$950,000 for 2005-06 and \$400,000 for 2006-07 are requested to enhance security across campus networks and computer systems by providing support for appropriate consultative assessments and replacing and/or upgrading hardware and software to ensure the continued protection of campus data and resources. (\$950,000 – \$400,000)

IT Infrastructure. As the most critical element within IT infrastructure, the network integrates personal computers, servers, and applications, and it ensures users' access not only to IT resources but also to data structures on which campus entities depend for efficient and effective operations. With increases in student enrollment also comes the requirement for additional connectivity ports and high performance hardware and software to support increasing demands. In addition to the need for hardware and software upgrades, it is equally important to ensure the continued support of campus networks by securing appropriate network maintenance agreements. Funds are requested for the purchase of uninterruptible power supply equipment and to establish computer labs and supply classrooms with laptops and/or personal digital assistants as well as data projectors for use by multiple faculty members. (\$6,500,000 – \$7,500,000)

6b. Information Systems and Data Management
(\$19,600,000 in 2005-06, \$21,500,000 in 2006-07)

The University reaffirms its resolve to operate in the most efficient and cost-effective manner by upgrading its student, human resources, financial, and alumni information systems in a way that is consistent with its responsibility to be good stewards of the state's resources. A companion requirement to upgrading information systems is the need to build data management and analysis capacity through the creation of campus- and system-level data warehouses. By using existing and evolving structures, the campuses can achieve even greater efficiencies and cost reductions. Structures such as the Shared Services Alliance, the Teaching and Learning with Technology Collaborative (TLT), and Collaborative IT Procurement have already provided impressive returns on the state's investment in a very short period of time and will serve as vehicles for continuous improvements in IT efficiencies and effectiveness.

Information Systems. The University's request to upgrade its student, human resources, financial, and alumni information systems to SCT Banner was approved by the Office of the State Controller, and a contract with SCT was signed the end of June 2002. At this time, fourteen of the sixteen UNC campuses are moving forward with the implementation of the Banner suite of enterprise application software. The Office of the State Controller stands ready to be UNC's strategic partner as the University moves forward with this important initiative. As newer technologies are introduced into the workplace, it is imperative that University IT professionals consistently receive training to provide needed support for students, faculty, and staff. Support is requested for the creation of a dedicated training fund to help ensure that training needs of IT staff are met on a regular and consistent basis and that facilities are equipped for effective instruction. In addition, the University is planning to complete the upgrade of administration systems over a five-year period. To support the purchases of hardware, software, and professional services, funds are requested in the amount of \$12,500,000 in 2005-06. Recurring funds for supplemental functional and technical staffing and IT training in the amount of \$4,800,000 are requested beginning in 2005-06. (\$17,300,000 – \$17,300,000)

Data Management. All sixteen campuses are participating in the creation of a unified data model for the purpose of building a system-level Data Warehouse. The Data Warehouse will provide for the creation of an infrastructure on the campuses and in the Office of the President. One-time funding of \$1,800,000 in 2005-06 and \$3,700,000 in 2006-07 is requested to provide for hardware, software, and professional services to create the warehouse. To provide for the ongoing operational design, support, and training for the data warehouse system, a recurring operating budget of \$500,000 beginning in 2005-06 is requested. (\$2,300,000 – \$4,200,000)

6c. Research and High Performance Computing
(\$5,900,000 in 2005-06, \$5,900,000 in 2006-07)

Research and high performance computing continue to be extremely important components in the mission of the University of North Carolina. Investments in these areas are critical for maintaining leadership in UNC's research, education, and economic development efforts, as well as to the continued success of UNC's efforts to successfully attract grants and research funds.

Support for Knowledge Creation, Discovery, and Transfer. Funding is requested to enhance UNC's research computing environment to keep pace with growth in the research sector as well as to support the development of emerging research initiatives such as the genomic sciences and the development of a North Carolina Bioinformatics Grid (NCBioGrid). High performance and research computing resources have been increasingly recognized as fueling the next round of economic development and contributing directly to academic success at both the graduate and undergraduate levels. After several years without new investments in research computing, the closing of the NC Supercomputing Center, and reductions in state funding for high performance computing services, it is imperative that UNC augment and expand or replace existing or aging computational resources. For these reasons, the University's request for research and high performance computing is two-pronged: 1. Funding to campuses in the amount of \$4,750,000 in 2005-06 and 2006-07 would provide for institution-based computational resources and technical support; 2. Recurring funds of \$1,150,000 in 2005-06 and 2006-07 to UNC-OP would support competitive grants among the UNC campuses that identify targeted "best-of-breed" proposals. (\$5,900,000 – \$5,900,000)

6d. University-wide Information Technology Initiatives
(\$2,800,000 in 2005-06, \$2,800,000 in 2006-07)

The University of North Carolina remains committed to meeting its critical information technology needs and performing its information technology functions in an effective and efficient manner. The University requests \$2,800,000 in recurring funds to support additional multi-campus and system-wide information technology initiatives. The following strategies are currently under consideration for University-wide collaboration.

- Managing Identities Across the Enterprise
- Shared/Hosted Environment for Learning Management Systems
- Shared Business Continuity/Disaster Recovery Infrastructure

The **Schedule of Priorities – Capital Improvements** presents the capital improvements requests of the Board of Governors for the sixteen constituent institutions of the University and other affiliated entities. The request for the biennium is \$1,650,000,000.

Schedule of Priorities Request for General Fund Appropriations for Capital Improvements		2005-07
Line		
1.	Repairs and Renovations	\$ 250,000,000
2.	University-wide Facilities	1,300,000,000
3.	Land Acquisition	100,000,000
Total		1,650,000,000

Line 1, **Repairs and Renovations**, identifies high-priority projects that the University proposes to fund from the statutorily-defined Reserve for Repairs and Renovations. As defined, the Reserve may be used to finance twelve different categories of projects. This category documents institutional six-year plans for repairs and renovations that total \$749 million and requests \$250 million for these projects for the biennium.

Line 2, **University-wide Facilities**, includes those capital projects that address needs that have arisen since or were not funded through the 2000 Higher Education Bond Program. With the Bond program over half completed, the six-year plan identifies extensive capital needs. As each institution prepared its individual plan, unfunded projects in the ten-year plan approved by the Board of Governors in 1999 were reviewed and adjustments were made to provide for unanticipated enrollment growth, new academic programs, and other changes in the University. This category documents six-year plans that total \$3.9 billion and requests \$1.3 billion for the biennium for an orderly progression of designing and constructing new facilities, renovating existing facilities, and making needed improvements in campus infrastructure.

Line 3, **Land Acquisition**, requests funds to be utilized by the University for the acquisition of land, without identification of specific requirements for individual institutions, as advance disclosure of firm land acquisition plans tends to push prices higher. Land acquisitions are planned to accommodate long-range University growth and development and usually involve properties adjoining or near campus boundaries.

Part II — Agricultural Programs

The University's Agricultural Programs are carried out by North Carolina Agricultural and Technical State University and North Carolina State University. Requests for these programs are described in Part II of the 2005-07 Budget Request. The recommendations are presented in three parts. The requests for (1) Continuing Operations, (2) Academic Salary Increases, and (3) Expansions and Improvements requests address needs for increases in current operating funds for the Agricultural Programs at NCA&T and NCSU.

The requests for funds for **Continuing Operations** are \$84,280,984 in 2005-06 and \$83,449,172 in 2006-07.

The requests for **Academic Salary Increases**, based on the 7.5 percent increase for other University employees who are exempt from the State Personnel Act, are \$3,722,754 in 2005-06 and \$7,678,886 in 2006-07.

The requests for **Expansions and Improvements** in the Agricultural Programs, which are carried out by North Carolina Agricultural and Technical State University, the North Carolina Agricultural Research Service, and the North Carolina Cooperative Extension Service, are \$8,897,945 in 2005-06 and \$10,158,825 in 2006-07.

Part III — UNC Health Care System

The Board recommendations for the UNC Health Care System are described in Part III of the 2005-07 Budget Request. The requests are presented in three parts: (1) Continuing Operations; (2) Academic Salary Increases; and (3) Expansions and Improvements.

The requests for funds for **Continuing Operations** are \$40,558,426 in 2005-06 and \$42,641,837 in 2006-07.

The requests for **Academic Salary Increases**, based on the 7.5 percent increase for other University employees who are exempt from the State Personnel Act, are \$291,616 in 2005-06 and \$602,702 in 2006-07.

The Board of Governors requests appropriations of \$15,000,000 in 2005-06 and \$15,000,000 in 2006-07 for **Expansions and Improvements**. The first of the requests for UNC Health Care is for additional Operating Support (\$10,000,000 for each year of the biennium) and the second is for support of UNC Physicians & Associates (\$5,000,000 for each year of the biennium). Additional operating support is needed to underwrite the cost of training the next generation of health care practitioners and the associated insurance against malpractice litigation. In addition reimbursement cutbacks from virtually all payer sources have significantly affected the Hospitals' ability to meet its societal obligations such as providing indigent care. UNC Physicians & Associates (UNC P&A) is also experiencing declining reimbursements along with a higher percentage of indigent patients. The UNC P&A funds would be used to shore up clinical departments that bear much of the burden for indigent care and for departments particularly hard hit by declining reimbursement and a high percentage of underinsured patients.

Part IV — Related Educational Programs

Board recommendations for support of related Educational Programs constitute Part IV of the 2005-07 Budget Request. These programs are operated primarily through institutions and agencies external to the University of North Carolina. Although these programs are not part of the University's operating budget, the Board of Governors, as the contracting authority for the state, has certain responsibilities for the administration of these programs. The appropriations request for Continuing Operations totals \$165,157,583 in 2005-06 and \$165,454,554 in 2006-07.

	2005-06	2006-07
Regional Education Programs	\$ 1,325,733	\$ 1,420,633
Private Medical School Aid	2,824,000	2,824,000
Aid to Private Colleges	36,245,800	36,245,800
NC Legislative Tuition Grants	51,337,412	51,337,412
NC Bible College Tuition Grants	420,000	420,000
BOG Medical Scholarships	2,331,915	2,474,570
NC Incentive Grants Program	3,633,777	3,633,777
UNC Need Based Financial Aid Program	47,365,000	47,365,000
BOG Dental Scholarships	739,120	798,536
Need-Based Loan Program	822,779	822,779
Nurse Scholars Program	3,426,482	3,426,482
Nurse Education Scholarship Loan Program	867,756	867,756
Strengthen Teacher Education - Private Colleges	63,635	63,635
Distinguished Professors Endowment Fund	8,000,000	8,000,000
Teacher Assistant Scholarship Fund	964,174	964,174
HBCU Teacher Education Scholarships	390,000	390,000
NCSSM College Scholarship Fund	780,000	780,000
Principal Fellows Program	3,620,000	3,620,000
Total	165,157,583	165,454,554

The Board of Governors requests appropriation of \$4,242,500 in 2005-06 and \$9,224,100 in 2006-07 for Expansions and Improvements in Related Educational Programs. The request contains the following components:

1. For the Aid to Private Colleges Scholarship Program an increase of \$1,285,100 in 2005-06 and \$3,161,700 in 2006-07 is requested for enrollment growth of 1,168 and 2,874 students in 2005-06 and 2006-07 respectively.
2. For the North Carolina Legislative Tuition Grants Program an increase of \$2,957,400 in 2005-06 and \$6,062,400 in 2006-07 is requested for enrollment growth of 1,643 and 3,368 students in 2005-06 and 2006-07 respectively.

Part V — North Carolina School of Science and Mathematics

General fund appropriation requests for the North Carolina School of Science and Mathematics, as approved by the school's Board of Trustees and transmitted to the Board of Governors, are described in Part V of the 2005-07 Budget Request. The recommendations are presented in three parts. (1) **Continuing Operations** requests provide for continuation of activities at current service levels. (2) **Academic Salary Increases** are presented on the same basis as the 7.5 percent request for other University employees who are exempt from the State Personnel Act. (3) **Expansion and Improvements** requests present needs for three current operations in priority order. In addition, funds of \$200,000 in 2005-06 and \$400,000 in 2006-07 for NCSSM's enrollment request are included in Line 1a—Enrollment Changes and Other Funding Adjustments of the Schedule of Priorities.

The requests for funds for **Continuing Operations** are \$14,476,030 in 2005-06 and \$14,432,596 in 2006-07. The annual requests are \$679,402 and \$635,968 more than appropriations available for the current year.

The recommendations for **Academic Salary Increases** for NCSSM employees, who are exempt from the State Personnel Act, are \$474,998 for 2005-06 and \$985,623 for 2006-07.

The requests for **Expansions and Improvements** are \$4,486,133 for 2005-06 and \$4,486,133 for 2006-07. The following table summarizes the current operations request:

	2005-05	2006-07
1. Coordinated Growth of Outreach, Residential, and Support Services	\$3,547,951	\$3,547,951
2. Salary Plan	473,000	473,000
3. Residential Program Enhancements	465,182	465,182
Total	4,486,133	4,486,133

The capital improvements request consists of the three projects listed below:

Discovery Center	\$40,000,000
Track and Soccer Field	1,250,000
Campus House (Executive Directors House)	675,000
Total	41,925,000

2005 Board of Governors

Non-Budget Legislative Initiatives

1	Enrollment Funding	Enrollment Funding in the Continuation budget.
2	Special Obligation Bonds For Acquisition of Equipment and Renovation or Repair of Existing Facilities	Amend GS 116 and GS 116D to provide low-cost financing for major equipment purchases and repairs and renovations to facilities for smaller-scale projects that are not considered to be Capital Improvement projects or determine an alternative method to make this type of financing available for this purpose.
3	Lead-Time For Acquisition Of Real Property	The acquisition of real property valued \$25,000 or greater by the UNC System requires approval by the respective Board of Trustees, UNC Board of Governors, Joint Commission on Governmental Operations (Gov. Ops) and the Council of State. However, only Gov. Ops does not have a regular, year round meeting time thereby creating delays. It is recommended that GS 146-22 be rewritten in a manner requiring the purchase of land be reported to Gov. Ops thirty (30) days prior to the sale.
4	State Land and Municipal Review	Amend or repeal G.S. 160A-392 where state land was added as being subject to municipal review and control.
5	Retain Proceeds from Sale of Chancellor's Residence	Retain the proceeds from the sale of the existing chancellor's residence at UNCA and appurtenant land and use those proceeds to construct or otherwise acquire a new chancellor's residence.
6	Remove Limitation on Budgeting Tuition and Other Receipts Above Authorized Levels	Amend the Executive Budget Act (G.S. 143) so that the President will present to the General Assembly an updated estimate of tuition, fees, and other receipts by June 15 of each year to be included in the budget for the following fiscal year.
8	Abolish Pre-approved Consultant Contracts	Abolish the requirement for the University of North Carolina to have consultant contracts pre-approved by the Governor or his designee.
9	Need-based Nursing Scholarship Loan Program	Permit the State Education Assistance Authority to administer the Need-based Nursing Scholarship Loan Program consistent with the process by which it administers other need-based scholarship loans established under State law.
10	Teacher Tuition Benefit Simplification	Encourage legislative action to simplify the teacher tuition benefit so that lateral entry teachers can efficiently and expeditiously qualify for in-state tuition rates in the UNC system. <i>(Recommendation of the BOG Teacher Supply & Demand Task Force)</i>
11	Legislative Reports / School Administrator Training Programs	Remove the legislative report on the establishment of a competitive proposal process for School Administrator Training Programs due to duplication.
12	Contributions To Parental Savings Trust Fund Tax Deductible.	Amend GS 105-134.6 & GS 116-209.25 to allow taxpayers who make contributions to the Parental Savings Trust Fund to deduct all, or a portion of, their total contributions in calculating NC taxable income for any given tax year beginning in 2005.

- | | | |
|----|---|---|
| 13 | Academic Common Market Program | Authorize the continuation of the Program. |
| 14 | Umstead Act Revisions | Amend the Umstead Act to enable UNC to utilize its resources to further its mission and benefit the community by clarifying that UNC and its constituent institutions and entities may engage in any activity that (1) furthers its mission as stated in GS 116-1; (2) primarily serves students, employees and/ or alumni; or (3) allows the community or the people of the State to utilize UNC's facilities, equipment or expertise and is not unfair competition. A panel consisting of appointees of the Governor on recommendation of NCCBI, the Secretary of Commerce, and the Board of Governors would be established to resolve questions about whether particular activities are permissible, and UNC would agree to be bound by its determination. |
| 15 | Tuition Waiver Program Expansion | Expand the existing Tuition Waiver Program to include: <ul style="list-style-type: none"> a. Increase number of allowed courses from two to three b. Provide for an exception to the 12-month residency requirement for full-time employees of the University of North Carolina to allow them to pay in-state rates for their dependent children and spouse immediately after establishing residency. c. 25% tuition reduction for dependents and spouses of UNC employees d. Study a tuition waiver exchange program between UNC and the NCCCS. |
| 16 | Public Records Law | Amend Public Records Law to protect from disclosure: (1) donor identities and records; (2) research subject identities, data, and analysis; (3) attorney client privileged communications and attorney work product; and to provide that (4) records and materials prepared or reviewed by a health care quality review committee of a University of North Carolina student health services facility shall be confidential and not considered public records within the meaning of G.S. 132-1, and shall not be subject to discovery or introduction into evidence in any civil action against a student health services facility, or a provider of professional health services subject to review by the committee. |
| 17 | Pre-employment Criminal Background Check | Allow use of the SBI and FBI repositories of criminal history for pre-employment criminal conviction checks |
| 18 | Immediate Vesting in ORP | Provide immediate vesting in ORP. |
| 19 | UNC Employees and Non-Profit Work | Clarify that UNC employees may be assigned to perform duties for non-profit corporations that have a sole purpose of supporting UNC or a constituent institution. |
| 20 | Exemption of NCCCS from Administrative Procedures Act | Support NC Community College System legislative priority for their exemption from Administrative Procedures Act. |
| 21 | Dual Office Holding | Eliminate the prohibition against spouses of members of the Board of Governors' and of members of Boards of Trustees' being employees or officers of the State, so long as the spouse is not an officer or employee of UNC, for BOG members, or of the relevant campus, for BOT members nor a member of the General |

Assembly.

- | | | |
|----|--|---|
| 22 | NCSU Dairy Pilot Plant Exempt from Umstead Act | Exemption of the NCSU Dairy Pilot Plant from the Umstead Act. |
| 23 | Amend Contract Requirements | Amend the requirement to only allow up to three year contracts without prior written permission from the State Purchasing Officer to allow a longer length of contracts without approval. |
| 24 | Construction Specifications | Modify GS 133-3 to allow campuses of the University to establish campus standards for building components by conducting public evaluation and selection processes, and, thereafter, specifying said components by brand when writing construction specifications. |
| 25 | Water and Juice Proposals | Repeal the modifications made to G.S. 143-64 in the 2004 Technical Corrections Bill (S.L. 2004-199) requiring the solicitation of proposals for water and juice separately from other drinks. |
| 26 | Alcohol Sales at Performing Arts Center | Permit Alcohol Sales at Campus Performing Art Centers. |
| 27 | Alternative Insurance Products | Authorize constituent universities to establish the option to pursue alternative insurance products for non-state funded buildings for institutional risk management purposes. |
| 28 | Parking Enforcement | Amend 116-44.5 to include and authorize The Board of Trustees of NC A&T State University by ordinance to prohibit, regulate and limit the parking of motor vehicles for those portions of certain public streets running through or adjacent to the campus. |
| 29 | Unified Leave Policy | Support joint recommendations of the State Personnel Commission and the UNC BOG that emerge from the Unified Leave Policy Report as directed by the General Assembly during last year's session. |
| 30 | Peer Review Reports | Revision to G.S. 126-24(1) to make the identity of the author of external personnel related peer review letters confidential, but not the content of the letter. |



PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION :: Howard N. Lee, *Chairman*

WWW.NCPUBLICSCHOOLS.ORG

DEPARTMENT OF PUBLIC INSTRUCTION :: Patricia N. Willoughby, *State Superintendent*

SBE Budget and Policy Priorities 2005 General Assembly

**Presented to
The Joint Legislative Education Oversight Committee
January 11, 2005**

by

**The Honorable Howard N. Lee
Chairman, State Board of Education**

How Are NC Public Schools Really Doing?.....	Page 2
Expansion Budget Requests.	Page 5
Cover Letter to Governor Easley.	Page 7
Detail of Expansion Budget Request	Page 9
LEA Discretionary Reduction, 04-05.	Page 14
Disadvantaged Student Supplemental Funding Formula ...	Page 15
2005 Legislative Policy Agenda.	Page 17
Community Input Meetings for Exit Standards	Page 20
SBE Teacher Retention Task Force List	Page 22
Professional Development Task Force	Page 26



How Are North Carolina Public Schools REALLY Doing?

Public Schools of North Carolina • State Board of Education • Department of Public Instruction

North Carolina's public schools are improving – student achievement is up, gaps are closing, teachers are better prepared and citizen support remains high. Here are a few of the facts:

- In 2003-04, the eighth year of the ABCs of Public Education for K-8 schools and the seventh year for high schools, 81.3 percent of students in grades 3-8 were considered proficient in reading and mathematics, up 19.6 points from 1996-97. In grades 9-12, student proficiency in core subject areas increased to 73.5 percent, up 16 points from 1997-98. The achievement gaps for all racial groups narrowed with American Indian students posting the most improvement in the past few years, gaining 30.7 percentage points since 1996-97. In addition, 25 percent of all schools, or 563 schools, earned designation as Honor Schools of Excellence, the highest recognition category under the ABCs. Seven in 10 schools made their Adequate Yearly Progress targets under No Child Left Behind. Overall, North Carolina schools met 96.2 percent or 35,661 of 37,087 of their AYP performance targets.
- The 2004 SAT results showed North Carolina's average total SAT score moved up five points to 1,006. The national average total SAT score remained the same at 1,026. The state's score exceeds the Southeast score of 1,001, which increased by two points. North Carolina posted the highest 10-year gain on the SAT of any of the SAT states (states that have more than 50 percent or more of their students taking the college admissions test).
- North Carolina's fourth and eighth grade students topped the national and Southeast average scale scores on the National Assessment of Educational Progress (NAEP) 2003 Reading and Mathematics Assessments. The results were

particularly noteworthy in mathematics where no other state or jurisdiction scored significantly higher than North Carolina's fourth graders.

- On the 2002 NAEP Writing Assessment, North Carolina students were once again among the top performers with fourth and eighth graders scoring above the Southeast and national averages.
- North Carolina once again in 2003 placed in a group of states receiving the overall highest grades on *Education Week's* seventh annual 50-state report card on public education. North Carolina was one of six states to receive a B or B+ on Improving Teacher Quality and, for the first time, improved its grade on School Climate to a C+, likely the result of statewide efforts to lower class sizes in primary grades and in needy schools. The state also improved its grade on Adequacy and Equity of Resources to a C+. North Carolina received a B- on Standards and Accountability.
- The state's dropout rate declined in 2002-03 for the fourth consecutive year. The number of students dropping out of school fell to 19,834 from 21,046 in 2001-02. This represents an 8.2 percent decrease from the previous year.
- North Carolina accounts for one-fifth of the nation's National Board Certified teachers - 8,280. This represents over 9 percent of the state's teaching force. The next closest state is Florida with 6,364. The 1997 Excellent Schools Act is credited with increasing teaching standards and improving the profession. An independent, multi-year study of North Carolina's National Board Certified teachers and elementary student performance released in March 2004 found that there is a correlation between certification and improved student performance. Gains were particularly pronounced for younger and lower-income students.

- Thanks to a grant from the Bill and Melinda Gates Foundation, eight North Carolina high schools in Asheville City, Cumberland County, Durham County, Granville County, Newton-Conover City, Scotland County, Wake County and Winston-Salem/Forsyth County will be able to "re-invent" themselves by creating new high schools and schools-within-schools that focus on health science. As inaugural participants in the N.C. New Schools Project, educators and students in these schools will partner with regional health care centers and higher education institutions to take advantage of new learning opportunities.
- The Carolina Poll [fall 2003] by the UNC Journalism School showed over half (58 percent) of North Carolinians surveyed said their schools deserve either an "A" or "B" grade. This strong support for public schools also is reflected in the 2004 Phi Delta Kappa/Gallup Poll, which found that 70 percent of parents assign the school their oldest child attends an "A" or a "B." In addition, 66 percent of Americans would improve and strengthen existing public schools, while 26 percent would opt for vouchers.



Public Schools of North Carolina
North Carolina Department of Public Instruction
Expansion Budget Requests for 2005-2007

State Board Priority (Note 1)	Request	2005-06	2006-07
1 EEO	Eliminate Discretionary Reduction which requires LEAs and charter schools to return a portion of their allotment	\$ 44,291,248 R	\$ 44,291,248 R
2 HSP	Provide supplemental funding for the Disadvantaged Students, a key strategy to address the Supreme Court ruling on Leandro	25,000,000 R	25,000,000 R
3 QP	Increase funding for Professional Development by 10% while further study of a professional development initiative takes place	1,204,672 R	1,204,672 R
4 HSP	Increase funding for Academically and Intellectually Gifted students	3,143,075 R	3,143,075 R
5 QP	Provide Full-Time Mentors at 1 per 15 teachers in their first three years of teaching (it is anticipated that this will reduce teacher turnover which is excessive in a teacher's first three years of employment)	33,297,580 R	33,297,580 R
QP	Provide Full-Time Mentors at 1 per 15 instructional support personnel in their first two years	1,356,394 R	1,356,394 R
6 HSP	High School Reform Efforts - Expand the Learn and Earn program	3,583,401 R	3,583,401 R
	High School Reform Efforts - Fund the Restructuring High Schools segment of the Gates Foundation New Schools Project	3,200,000 R	3,200,000 R
7 HSP	Increase funding for students with Limited English Proficiency	3,864,310 R	3,864,310 R
8 EEO	Pay for NCWISE Connectivity at the optimal level for Low Wealth LEAs	3,000,000 NR	-
9 HSP	Fund School Technology facilitators in schools with 8th grade and increase funding for LEA on-line subscriptions (SAS in Schools) and distance learning.	32,615,733 R	32,615,733 R
10 SS	Decrease the ratio of School Nurses to students from approx 1:1,686 students to 1:1,400 students	5,738,590 R	5,738,590 R
11 HSP	Increase funding for Children with Disabilities	46,704,793 R	46,704,793 R
12 EEO	Add 10 positions in the Information Services Area of DPI: security program manager and analyst, business continuity planning analyst and 7 instructional technology consultants. Provide funds for Infrastructure and data transport upgrades, network intrusion software, storage area network and system replacements	744,892 R 2,020,000 NR	744,892 R 996,000 NR
13 HSP	Reduce the ratio of Guidance Counselors in grades 9-12 from 1:387 students to 1:352 students	6,208,111 R	6,208,111 R
14 FCB	Provide Parent Coordinators to 25 LEAs with highest # of disadvantaged students along with 2 positions at DPI to implement and coordinate the academic support network	1,854,225 R	1,854,225 R
15 HSP	Provide funds for a control group of schools to participate in a Research Partnership with the Wisconsin Center for Education Research called "Funding What Works"	15,000,000 R	15,000,000 R

State Board Priority (Note 1)	Request	2005-06	2006-07
16 EEO	Add a Purchasing and Contract Support position and a Bus Garage Help Desk Support position at DPI	163,330 R	163,330 R
17 HSP	Add a Middle School Guidance Consultant position at DPI	80,000 R	80,000 R
18 QP	Academic Rigor Placeholder/Senior Project Training	400,000 R	400,000 R
19 QP	Retention Committee Placeholder		
		Total \$ 233,470,354	\$ 229,446,354

Note 1: State Board Priorities are:

EEO - Effective and Efficient Operations

HSP - High Student Performance

QP - Quality Teachers, Administrators, and Staff

FCB - Strong Family, Community, and Business Support

SS - Healthy Children in Safe, Orderly, and Caring Schools



PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION :: Howard N. Lee, *Chairman*

WWW.NCPUBLICSCHOOLS.ORG

DEPARTMENT OF PUBLIC INSTRUCTION :: Patricia N. Willoughby, *State Superintendent*

November 5, 2004

The Honorable Michael F. Easley
Governor, State of North Carolina
Office of the Governor
116 West Jones Street
Raleigh, North Carolina 27603-8001

Dear Governor Easley:

The State Board of Education would like to express its appreciation for your continued commitment to the public schools of North Carolina. Through your leadership, we have made significant progress in closing the achievement gap and our students' performances have continued to move North Carolina towards the top of educational progress and success in the United States. We look forward to working closely with you over the next four years as we accelerate our progress in our continued goal to lead the nation in education reform and student success.

We believe that the attached Expansion Budget request contains the items that reflect your priorities and that these funding priorities will enable us to meet the education needs of our most disadvantaged students as well as our students that are currently performing at and above grade level. Our requests identify funding areas that are currently limiting our schools from making the progress we all desire, funding for focused research that will validate the improvement strategies we are recommending our schools use, and key instructional funding strategies that need to be increased to better serve their targeted student population. We would like to direct your attention to all the items listed on the attached Expansion Budget request. We would also like to emphasize that every item is important to assure we continue the progress we have realized under your leadership. For example:

- Eliminating the recurring discretionary reduction will allow our schools to utilize all their appropriated resources to meet the needs of their students.
- Placing full-time mentors in our schools will help us retain our teachers who are leaving the teaching profession during their first three years in our public schools.
- Funding the Professional Development Initiative will provide useful data to improve decisions, to establish a resource center for teachers, and to identify training that will help all our teachers to address better the needs of all students.
- Expanding the "Learn and Earn" program and the restructuring of our high schools into smaller curriculum-targeted schools will help ensure student success, reduce dropouts, and promote economic development in communities.

::: OFFICE OF FINANCIAL AND BUSINESS SERVICES

::: PHILIP W. PRICE, Associate State Superintendent :: EMAIL pprice@dpi.state.nc.us

::: 6326 Mail Service Center :: Raleigh, North Carolina 27699-6326 :: 919.807.3600 :: Fax 919.807.3604

- Addressing the needs of our increasing limited English proficiency student population by increasing the resources directly targeted to this population will help close the achievement gap and reduce dropouts.
- Expanding funding targeted to our most academically advanced students will assure that we address their needs at all grade levels.
- Expanding technology in our schools is one of our most efficient tools used to address the educational needs of our students.

The specifically listed items in this letter and attachment are just examples of the important priorities that the State Board would like to see funded and does not include other important initiatives the State Board believes must be continued or enhanced. Continuing the funding for the ABC Incentive Awards is imperative as we continue to ask our teachers to improve the performance of all students. The State Board also believes that the bonus should be increased to reflect the challenge and accomplishment of a school meeting federal NCLB adequate yearly progress targets. The need to increase the pay of our teachers, other school personnel, and our State employees continues to be a major priority.

On behalf of the State Board, the Department of Public Instruction, and the many educators and citizens whose thoughts are reflected in these requests, we respectfully request your consideration of these items. Your inclusion of our funding priorities in your FY 2005-06 Expansion Budget would be appreciated.

Sincerely,



Howard N. Lee



Patricia N. Willoughby

HNL/PNW/pwp

Attachment



1

State Board Priority	Request	2005-2006 Requested Amount	2004-2005 Funding Level	Description/Comments
5	QP	Full-Time Mentors	34,653,974 R 8,100,140 R	Provide a full-time mentor to the approximately 13,300 1st, 2nd & 3rd year teachers at 1 mentor per 15 teachers and provide a full-time mentor to the approximately 400 1st and 2nd year instructional support personnel at this same ratio of 1 per 15.
6	HSP	High School Reform Efforts	3,583,401 R 2,207,299 R & NR 3,200,000 R	Expansion of the <u>'Learn and Earn'</u> program into 15 High Schools with 10 high schools receiving planning grants. \$462,500 was non-recurring funding in FY 2004-05 and has been included in this Expansion request. This program currently operates in 5 schools in 5 LEAs. Funding for <u>'Restructuring High Schools'</u> . This new initiative, part of the Gates funding for the New Schools Project will allow 4 large high schools to be converted to multiple smaller high schools on the same campus. Each individual high school will operate independently with approximately 350 students (athletic and other general programs will operate as a collective). Each individual school will have a principal and at least 2 guidance counselors. The 4 schools are located in Wake, Asheville, Granville, and Scotland.
7	HSP	Limited English Proficiency	3,864,310 R 38,643,103 R	In 2003/04 the LEP headcount was 70,937 which was over 10,000 higher than 2002/03's headcount. Based on the annual increase in the # of LEP students, a 10% increase in funding is needed each year in order to maintain approximately the same \$\$ per LEP student. The amount per actual headcount is approximately \$470.

	State Board Priority	Request	2005-2006 Requested Amount		2004-2005 Funding Level		Description/Comments
8	EEO	NCWISE Connectivity for Low Wealth LEAs	3,000,000	NR	19,580,874 (UERS & NCWISE)	R	There are 80 LEAs identified as low wealth LEAs. The cost to upgrade their connectivity so they will be at the optimum level of connectivity for NCWISE is \$3M. This request is considered a cost of the State since NCWISE is a product of the State.
9	HSP	School Technology	32,615,733	R	5,000,000	R	This funding would provide instructional technology facilitators in schools with 8th grades, increase the on-line subscriptions funded by the State by picking up the cost of SAS in Schools and provide funding for additional distance learning courses.
10	SS	School Nurses	5,738,590	R	361,587,834 (total instructional support)	R	In 2003/04 the SB asked for an expansion of school nurses in order to eventually have a ratio of 1:750 students. 145 nurses for schools were added to DHHS's budget. This \$5.7 million would make the ratio approximately 1:1,400.
11	HSP	Children with Disabilities	46,704,793	R	548,067,517	R	N.C. spends approximately 1.9% additional funding on special education services although a study indicated 2.3 times as much should be spent. These additional funds would move N.C. toward the 2.3% as they would apply to children with disabilities, behavioral support, occupational course of study and preschool.
12	EEO	Other technology requests	2,764,892	R & NR	7,133,017	R	<u>3 positions</u> are needed in the Technology Services Area to support security and business continuity at DPI. <u>7 positions</u> are also needed in this area to provide school level training for teachers on advanced technologies. One time funding is needed to upgrade DPI's storage area network and for the migration of Lotus notes so as to be compliant with the State Technical Architecture (\$2,020,000 is nonrecurring).

	State Board Priority	Request	2005-2006 Requested Amount		2004-2005 Funding Level		Description/Comments
13	HSP	Guidance Counselors in grades 9-12	6,208,111	R	361,587,834 (total instructional support)	R	The US Dept of Education's Common Core Data of Education Statistics indicates that the 2002-03 national average ratio of students in grade 9-12 to guidance counselors is 237. North Carolina's average ratio of State paid counselors in 2003/04 in grades 9-12 was 387. A 10% increase in the # of State paid guidance counselors for grades 9-12 would add 119 counselors and cost \$6.2 million.
14	FCB	Parent Coordinator at LEAs and support at DPI	1,854,225	R	-	-	This request would provide a parent coordinator at the 25 LEAs identified as having a high percentage of disadvantaged students and provide <u>2 positions</u> at DPI to implement and coordinate an academic support network for parental involvement.
15	HSP	Funding What Works Research Partnership	15,000,000	R	-	-	The Wisconsin Center for Education Research Consortium for Policy Research in Education is applying for a federal grant that they would like to be used to create a research partnership with North Carolina and Arizona. This Center has applied for a federal education grant to evaluate research-based strategies. This would be accomplished by randomized trials in selected schools. By utilizing a random trial with various strategies, the most effective strategies can be identified. During the 5-year trial, detailed accounting records will be maintained to be able to identify the specific cost of each strategy. They would like North Carolina to supply the resources for the specific strategies to the schools. All research and evaluation cost will be associated with the federal grant and will not be a cost to North Carolina or Arizona. Allan Odden and Adam Gamoran are the leaders in this proposed research effort.

	State Board Priority	Request	2005-2006 Requested Amount		2004-2005 Funding Level		Description/Comments
16	EEO	Purchasing and Contract Support and Bus Garage Help Desk Support Positions	163,330	R	3,288,802	R	<u>2 positions</u> are needed in the Financial Services Division to support purchasing and contract activities of the DPI. One position is needed to provide help desk support to LEAs' school bus operations.
17	HSP	Middle School Guidance Consultant	80,000	R	-		<u>1 position</u> to act as a consultant for Middle School Guidance and Counseling for the reorganized Curriculum and School Reform Services Area.
18	QP	Academic Rigor Placeholder/Senior Project Placeholder	400,000	R	400,000	R	
19	QP	Retention Committee Placeholder					
Total			\$ 233,470,354			15 Positions	
Letter Only	HSP	ABC Incentive Awards	125,464,642	R	108,000,000	NR	In 2004-05 the projected cost of incentive awards to be paid to certified staff and teacher assistants is \$102M. If an additional \$300 was paid to certified staff and \$100 was paid to teacher assistants in schools that met AYP the cost would be the \$125M amount requested here.



Public Schools of North Carolina



North Carolina Department of Public Instruction 2004/05 Local Education Agency Flexibility Summary

Category	FY 2004-05 State Appropriation Final Budget (w/LI)		Discretionary Reductions		FY 2004-05 State Appropriation Revised Budget	
	Amount	% of Budget	Amount	% of Red.	Revised Budget	% of Budget

Administrative Support

Central Office	\$101,434,583	1.55%	(\$795,160)	1.11%	\$100,639,423	1.56%
School Building Admin.	278,770,630	4.26%	(1,179,296)	1.64%	277,591,334	4.29%
Sub-Total Admin. Support	380,205,213	5.81%	(1,974,456)	2.75%	378,230,757	5.84%

Outside of Classroom

Financial Literacy Pilot	73,000	0.00%		0.00%	73,000	0.00%
High School Project (Learn & Earn)	1,991,699	0.03%		0.00%	1,991,699	0.03%
Instructional Support	361,587,505	5.53%	(9,560,493)	13.29%	352,027,012	5.44%
NBPTS	3,274,500	0.05%		0.00%	3,274,500	0.05%
Noninstructional Support	309,077,459	4.72%	(2,082,273)	2.89%	306,995,186	4.74%
School Breakfast	1,900,000	0.03%		0.00%	1,900,000	0.03%
School Bus Replacement	37,239,912	0.57%		0.00%	37,239,912	0.58%
School Food Project	25,000	0.00%		0.00%	25,000	0.00%
Textbook Freight	217,837	0.00%		0.00%	217,837	0.00%
Transportation	283,265,988	4.33%	(388,487)	0.54%	282,877,501	4.37%
UERS	19,580,874	0.30%	-	0.00%	19,580,874	0.30%
Sub-Total Outside of Classroom	1,018,233,774	15.56%	(12,031,253)	16.72%	1,006,202,521	15.55%

Classroom

Academically Gifted	50,739,625	0.78%	(182,536)	0.25%	50,557,089	0.78%
At-Risk	186,280,082	2.85%	(2,088,627)	2.90%	184,191,455	2.85%
Children with Disabilities	548,067,517	8.38%	(441,598)	0.61%	547,625,919	8.46%
Classroom Materials/Supplies	65,569,689	1.00%	(6,125,213)	8.51%	59,444,476	0.92%
Classroom Teachers: Class Size	3,006,639,777	45.95%	(30,927,003)	42.98%	2,975,712,774	45.98%
Improving Student Accountability	34,846,211	0.53%	(441,750)	0.61%	34,404,461	0.53%
Incentive Awards (ABCs)	108,000,000	1.65%		0.00%	108,000,000	1.67%
Limited English	38,643,103	0.59%	(391,589)	0.54%	38,251,514	0.59%
Low Wealth	109,382,460	1.67%	(764,652)	1.06%	108,617,808	1.68%
Mentor Pay	8,100,140	0.12%		0.00%	8,100,140	0.13%
School Technology	5,000,000	0.08%	(558,569)	0.78%	4,441,431	0.07%
Small County	37,489,844	0.57%	(12,148)	0.02%	37,477,696	0.58%
Staff Development	12,065,465	0.18%	(587,365)	0.82%	11,478,100	0.18%
Teacher Assistants	377,866,513	5.77%	(9,632,060)	13.39%	368,234,453	5.69%
Testing	9,005,844	0.14%		0.00%	9,005,844	0.14%
Textbooks	81,126,220	1.24%	(1,734,199)	2.41%	79,392,021	1.23%
Vocational Ed.	321,615,897	4.92%	(2,841,805)	3.95%	318,774,092	4.93%
Sub-Total Classroom	5,000,438,387	76.42%	(56,729,114)	78.83%	4,943,709,272	76.39%

OTHER

ADM Reserve	6,000,000	0.09%	(1,216,425)	1.69%	4,783,575	0.07%
Annual Leave	25,852,075	0.40%		0.00%	25,852,075	0.40%
Assistance Teams	2,864,985	0.04%		0.00%	2,864,985	0.04%
Personnel Services	106,106,592	1.62%	-	0.00%	106,106,592	1.64%
Tort Claims	3,774,000	0.06%		0.00%	3,774,000	0.06%
Sub-Total Other	144,597,652	2.21%	(1,216,425)	1.69%	143,381,227	2.22%

TOTAL BUDGET	\$ 6,543,475,025	100.0%	\$ (71,951,248)	100.0%	\$ 6,471,523,777	100.0%
---------------------	-------------------------	---------------	------------------------	---------------	-------------------------	---------------

FY 04-05 Discretionary Reduction	
Reduction	\$ 71,951,248
ADM	1,368,607
Dollars per ADM (calculated):	\$ 52.57261244

Disadvantaged Student Supplemental Funding Allotment Discussion of a Revised Formula Option

Purpose: Develop a formula that is:

- a) Stable (does not increase/decrease significantly from year to year)
- b) Equitable (treats comparable local education agencies (LEAs) in a similar manner)
- c) Built with Independent Variables (variables do not change based on the success or failure of the funded programs)
- d) Built with Objective Variables (variables are not subject to different interpretation or application in different LEAs).

Formula Proposal

Step 1: Identify “community” variables that are related to student performance. Combine the following variables into an index that weights each variable based on its correlation with low student performance (other variables were considered; however, only variables with the most substantial correlation with low student performance were included).

- Percentage of public school students living in a single parent household
- Percentage of students eligible for federal ESEA Title I
- Percentage of public school students who have at least one parent with less than a high school diploma.

The resulting composite index ranks LEAs according to the concentration of the community variables for that LEA when compared to all other LEAs.

Step 2: Identify the percent by which each LEA deviates from the State average position on the Index. The LEA with the highest concentration of the identified community variables is 11.11% higher than the State average. The LEA with the lowest concentration is 7.08% lower than the State average.

Step 3: Compute the State average percentage of students performing below grade level on the ABCs, using data from each of the last 5 years. Use this average as a fixed variable that relates to the average percentage of disadvantaged students in North Carolina’s public schools. This average, which shall be known as the **State Average Disadvantaged Percentage**, is 24.13%.

Step 4: Add or subtract each LEA’s percent deviation, as calculated in ‘Step 2,’ from the fixed **State Average Disadvantaged Percentage** calculated in ‘Step 3’. For example, the LEA with the highest concentration on the index is 11.11% higher than the **State Average Disadvantaged Percentage**; therefore, the calculated **Disadvantaged Population Percentage** for this LEA would be 35.24% (24.13% + 11.11%). The **Disadvantaged Population Percentage** for the lowest concentration would be 17.05% (24.13% – 7.08%).

Step 5: Multiply the **Disadvantaged Population Percentage** by a LEA’s average daily membership (ADM) to determine that LEAs **Fundable Disadvantaged Population**.

Disadvantaged Student Supplemental Funding Allotment Discussion of a Revised Formula Option

Funding Level:

The Fundable Disadvantaged Population can then be funded through an appropriate mechanism. The amount of funding that would be necessary or appropriate has not yet been determined. The State Board believes that the results of the sixteen pilot programs should be considered when determining the amount of funding sufficient to assure improved educational opportunities for at-risk students.

Funding Utilization:

Each LEA will complete and submit to the State Board of Education an Action Plan and an accompanying Budget Plan. These documents should reflect the strategies to be implemented and how the additional funds received will support the designated strategies. Plans should be reviewed by the local board of education prior to submission to the State Board. Upon approval by the State Board, funds will be released to the LEAs. The three areas of focus that LEAs should address in their plans are

- recruiting and retaining teachers (using the Teacher Working Conditions Survey as a tool),
- class size reduction, and
- PEP development and implementation.

Menu of Recommended Strategies

Recruiting and Retaining Teachers

- Signing bonuses
- Performance-based bonuses
- Targeted salary supplements/retention bonuses (for example: additional pay to teachers with National Board Certification)

Personnel

- Class size reduction
- Support for lateral entry teachers
- Support for special instructional programs (i.e., Project Achieve, EVAAS, Learning Bridges, Positive Behavior Support, Schools Attuned, etc.)
- Classroom support for Limited English Proficient (LEP) students

Professional Development Activities

- Best Practices training
- Refining PEPs

Extending instructional time

- Tutorial services
- Transportation and other related costs for after-school programs and/or Saturday academies

Instructional materials, supplies, and equipment



PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION :: Howard N. Lee, *Chairman*

WWW.NCPUBLICSCHOOLS.ORG

DEPARTMENT OF PUBLIC INSTRUCTION :: Patricia N. Willoughby, *State Superintendent*

2005 SBE Legislative Policy Agenda

Approved by SBE 12/1/04

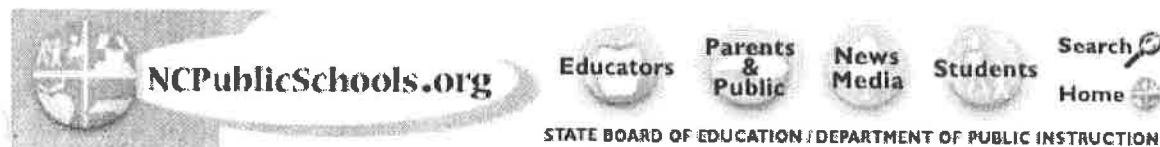
New Items for 2005-2006

1. **Placeholder for changes to implement new high school exit standards.** Parent and community input meetings are being held around the state. Six meetings are scheduled between January 13 and January 26. Final recommendations and any needed legislative changes will be determined after the meetings. (See Attachment 1 for list of meetings.)
2. **Placeholder for legislation to implement recommendation(s) of Teacher Retention Committee.** This ad hoc committee of the SBE has been meeting since early fall. Its report and recommendations will go to the SBE at the February meeting. A list of members of the ad hoc committee studying this issue is attached (Attachment 2).
3. **Placeholder for legislation necessary to implement changes in ABCs/ Accountability Program.** A special provision in the 2004 budget mandated this study, which has been underway since last spring. The SBE will hear a preliminary report in February. Changes needed must be determined in time to implement changes in the 2005-2006 school year. If legislative changes are required, the SBE will request legislative action as soon as the specific statutory changes needed can be identified.
4. **Request change in requirement for APA approval of rules adopted by State Board of Education.** The SBE has rule-making authority established by the North Carolina Constitution (Article IX, Section 5). Rule-making under APA is a lengthy process, which is layered on top of the SBE's discussion of any item. The SBE needs to be able to respond more quickly to needed changes (e.g., US Dept of Education rulings related to NCLB and teacher licensure). The SBE proposes allowing the SBE to hold public hearings which would be followed by two months of public discussion when the item is placed on the formal SBE agenda. This should provide ample opportunity for public input, as well as greater flexibility, should implementation of any rule reveal that additional tweaking or changes are necessary to achieve the intended result of the rule.
5. **Placeholder for Professional Development Committee's recommendations.** The ad hoc committee working on this initiative made its preliminary report to the SBE in January 2005. The SBE will act on the report at its February meeting, after which specific legislative changes needed to implement recommendations suggested by the Committee and approved by the SBE will be requested. A list of members of this committee is attached (Attachment 3).
6. **Request change making waivers for cooperative innovative high schools outlined in Section 2 of SB 656 (Session Law 2003-277) applicable to innovative high schools operating under Section 1 of SB 656 also.**

Items Recommended for Carry Forward from 2004 Legislative Agenda.

7. **Revise high priority schools legislation.** Some schools have asked how they could be removed from the "High Priority School" status. The SBE recommends revising the high priority schools list (1) to include some schools that were not included initially and (2) to give high priority schools that have made high growth for three consecutive years and increased their performance composite to 80% or better the option to be removed from the list. When a school achieves a performance composite of eighty percent (80%) and makes its growth goal, it has reached the School of Distinction status in the ABCs. Schools performing at this level should be able to sustain the progress they have made. If a school chooses to be removed from the list of high priority schools, the additional high priority funding for that school will be discontinued. The local Board of Education would have to support removal from "High Priority" status and removal of the High Priority advantages.
8. **Revise statute pertaining to ABCs performance recognition.** The requested change would allow the SBE to set financial awards for making expected growth and high growth under the ABCs as has been practiced since 1997-98 and within guidelines set by the General Assembly. The current statutory language only explicitly allows the SBE to make awards for "exemplary" growth or "high" growth as it is now called. The suggested change would also allow the SBE to designate ABCs financial awards for closing the achievement gap by making adequate yearly progress (AYP) as required by the No Child Left Behind Act of 2001.
9. **Eliminate requirement for EOC tests for all courses required for admission to the university system.** Statute currently requires that the SBE "develop and implement a plan for end-of-course tests for the minimum courses required for admission to the constituent [UNC] institutions." That would include, among others, tests for two levels of each foreign language, tests for additional math, English, and science courses, etc. The proposed change in statute will allow the SBE to develop EOC tests to meet curriculum requirements within the constraints of fiscal resources. It also addresses concerns about too much state-level testing in the public schools.
10. **Change statutory definition of "low-performing school"** to give the SBE authority to determine low-performing status. This change would allow the SBE to set criteria for low performing schools. The SBE would then be able gradually to raise the bar to require higher numbers of students to meet grade-level standards.
11. **Remove statutory requirement for the SBE to contract with the College Board for PSAT tests;** this change is technical, to reflect practice of last 10 years or more and does not affect funding to schools for students to take PSAT. The language currently in statute is obsolete and reflects a practice that was discontinued more than 9 years ago. Currently, LEAs receive dollars to provide this opportunity to 8th through 10th graders. This change will not alter language in statute which provides that students "shall be given an opportunity" to take the PSAT, but it will more accurately reflect current practice and the SBE's involvement.

12. **Eliminate requirement for a state accreditation program.** This represents a "clean-up" of the statutes to remove a duplicative requirement. The current state testing program and the School Based Management and Accountability Program (ABCs) provide benchmarks for student growth and performance for NC Public Schools. In that way, the ABCs program provides a sufficient framework and information to monitor the performance of schools and the education of students. Schools will still be able to elect participation in the SACS accreditation program.
13. **Raise cap on charter schools.** Expand the statutory cap of 100 for charter schools by 10% of the previous year's number of operating charter schools that are not considered low-performing. The State Board of Education supports expanding the cap on charter schools. However, it is concerned that staffing in the Charter Schools office and in other areas of the Department of Public Instruction (Financial and Business Division, Exceptional Children, Title I, Accountability, Compensatory Education, for example) are not adequate to support a larger number of charter schools. Staff in these areas are particularly impacted when a charter school experiences problems in student performance or business affairs. For each charter school, DPI functions almost as a central office would for a new school in an LEA.
14. **Extend sunset (now June 2005) on reemployment of retired teachers exempt from the post-retirement earnings cap.** Many NC schools continue to experience severe shortages of teachers. This provision is helping school systems keep teachers who otherwise might retire or cross our borders and work in neighboring states where they could draw retirement from NC and full salary in that state.
15. **Revise statute pertaining to removal of local Board members.** The current statute (§ 115C-39. Removal of board members; suspension of duties by State Board) has proven difficult to interpret and apply, as a recent high-profile case revealed. The proposed revisions to the current statute (1) clarify that a plea of guilty or *nolo contendere* to a felony or a Class 1 or Class 2 misdemeanor shall be presumptive evidence of immoral or disreputable conduct; (2) clarify the process; (3) clarify that conduct prior to election to a local board may be considered; and (4) provide for judicial review. The SBE has worked closely with the North Carolina School Boards Association to draft revisions that will better reflect what we believe current statute contemplates.
16. **Raise compulsory attendance age** (bill was introduced in 2003 by Senator Garwood and referred to Appropriations; new legislation will need to be prepared for 2005-2006). Age 16 is too young for a student to make the critical decision to drop out of school. Today's economy demands more skill and education to be successful. We should not condone students leaving school at such an early age. When our law says it is permissible to drop out at 16, it is sometimes difficult to convince students otherwise. The change in the compulsory attendance age must be accompanied by changes in our high schools, and there are many initiatives underway to help high schools better meet the needs of all students, including those at-risk of dropping out.



Curriculum

Employment &
LicensureReports &
StatisticsPublication
SalesEducation
InitiativesEvents &
ConferencesAgency Web
SitesEducation
DirectoryNC Schools
Listing[Send to a friend](#)[Printer Version](#)For immediate release
Dec. 16, 2004

Comments Sought on New High School Exit Standards; Parents/Educators Strongly Encouraged to Attend

Parents, particularly those with children in elementary and/or middle school, and educators at all levels are strongly encouraged to attend one of six regional information sessions being held across the state in January to receive public comment on options for implementing new High School Exit Standards.

The new standards represent the first change to state graduation standards since 2000 and a move toward making high school more rigorous and relevant to students. Students entering ninth grade for the first time in the 2006-07 school year will be the first class expected to meet the new standards.

Each session is scheduled from 6:30-8:30 p.m., and will include an informational presentation followed by approximately 90 minutes for public comment and questions. News media are invited to a special media briefing session from 4-5 p.m., prior to the public information sessions, on each of these dates. Locations and dates of each session are listed below.

Thursday, Jan. 13	Gaston County Schools Board Room, 943 Osceola St. Gastonia
Tuesday, Jan. 18	Jackson County Schools Scotts Creek School, Media Center/Auditorium 516 Parris Branch Sylva
Wednesday, Jan. 19	Gulford County Schools Weaver Education Center, Media Center 300 S. Spring St. Greensboro
Thursday, Jan. 20	NC Department of Public Instruction Education Building, Room 150N 301 N. Wilmington St. Raleigh
Monday, Jan. 24	Bertie High School Gymnasium, 715 U.S. 13N Windsor
Wednesday, Jan. 26	Cumberland County Schools Education Resource Center, Room 3 396 Elementary Drive Fayetteville

The new framework of High School Exit Standards approved by the State Board of Education at their October meeting includes performance on five end-of-course assessments (Algebra I, Biology, English I, Civics & Economics, and U.S. History) and a senior project. In addition, students are still required to meet current state and local graduation standards. The

new exit standards will only apply to students following the Career Preparation, College Technical Preparation, or College/University Preparation courses of study. Students following the Occupational Course of Study are required to meet rigorous exit standards as established by the State Board of Education.

The details of how the new framework will be applied have not been decided. The public input gathered at the information sessions will help the State Board of Education in making these decisions. The two implementation options being considered by the State Board are available online in both English (<http://www.ncpublicschools.org/accountability/policyoperations/exitstandards/>) and Spanish (<http://www.ncpublicschools.org/accountability/policyoperations/exitstandards/spanish.html>).

In addition to the six input sessions, the Department of Public Instruction has developed a survey on the implementation proposals for the exit standards. Citizens are encouraged to first review the implementation options before participating in the online survey in either English (<http://www.zoomerang.com/survey.zgi?p=WEB223Z4QK9EC4>) or Spanish (<http://www.zoomerang.com/survey.zgi?p=WEB223ZXDQRP95>)

For more information about the High School Exit Standards and the information sessions, please contact DPI's Information and Communications Division at 919-807-3450.

[Back to NCPublicSchools](#)

| [Search](#) | [Contact Us](#) | [State of NC](#) | [Home](#) |

North Carolina Department of Public Instruction

301 N. Wilmington St.
Raleigh, NC 27601
Phone: 919-807-3300

[Driving Directions](#)

[Copyright and Legal Notices](#)

***State Board of Education Teacher Retention Task Force Membership
(9/15/04)***

MEMBER**SEND COPIES OF ANNOUNCEMENTS TO:****STATE BOARD OF EDUCATION:**

Jane B. Norwood, Task Force Chair
7026 Ballentyne Court
Charlotte, NC 28210-4935
704/554-9894
norwooj@bellsouth.net

John A. Tate III
1431 Biltmore Drive
Charlotte, NC 28207-2556
704.374.6451
john.tate@wachovia.com

DEPARTMENT OF PUBLIC INSTRUCTION

Patricia Willoughby, State Superintendent
NC Department of Public Instruction
6301 Mail Service Center
Raleigh, NC 27699-6301
919.807.3404
pwilloughby@dpi.state.nc.us

Glenda Dean, Administrative Assistant
gdean@dpi.state.nc.us

GENERAL ASSEMBLY

A.B. Swindell, Senator
NC General Assembly
Room 629
Legislative Office Building
Raleigh, NC 27603-5925
919.715.3030
abs@ncleg.net

Mo Hudson, Administrative Assistant
swindella@ncleg.net

Rick Glazier, Representative
NC General Assembly
Room 2215
Legislative Building
Raleigh, NC 27601-1096
919.733.5601
rickg@ncleg.net

UNC SYSTEM

Richard Thompson, Vice President for University-School Programs
NC Center for School Leadership Development
140 Friday Center Drive
Chapel Hill, NC 27517
919.962.4596
thompson@uncga.edu

Susan Gallagher, Adm. Assistant
susang@northcarolina.edu

Dale Schunk, School of Education
UNC-Greensboro
PO Box 2617
Greensboro, NC 27402
336.334.5291
dhschunk@uncg.edu

COMMUNITY COLLEGE SYSTEM

Lynda McCulloch
 200 West Jones Street, Caswell Building
 Raleigh, NC 27603-1379
 919.807.7100
lkmc@bellsouth.net

Robin Harvey, Director of the Teacher Academy
 Forsyth Technical Community College
 2100 Silas Creek Parkway
 Winston-Salem, NC 27103-5197
 336.734.7972
rh Harvey@forsythtech.edu

INDEPENDENT COLLEGES

Dennis Carroll, Chair, Education Department
 High Point University
 High Point, NC 27262
 336.841.9229
dcarroll@highpoint.edu

Millicent Rainey, Chair, Department of Professional Studies
 Bennett College for Women
 Greensboro, NC 27401-3239
 336.517.2183
mrainey@bennett.edu

NORTH CAROLINA SCHOOL BOARDS ASSOCIATION

Jack Cherry, NCSBA, Vice President
 315 Lawson Road
 Washington, NC 27889
 252.946.8668
jjcherry@gotricounty.com

Edwina Sluter, NCSBA Board Member
 500 High School Road
 Newland, NC 28657
 828.733.2226
 (F) 828.733.4299

NORTH CAROLINA TEACHING STANDARDS COMMISSION

Eleanor Goettee, Executive Director, NCTSC
 NC Department of Public Instruction
 6328 Mail Service Center
 Raleigh, NC 27699-6328
 919.807.3424
egoettee@dpi.state.nc.us

Carolyn Williams, Master Teacher
 Pine Valley Elementary School (New Hanover Co.)
 440 John S. Mosby Drive
 Wilmington, NC 28412-7198
 910.350.0487
cwilliams13@ec.rr.com

NORTH CAROLINA ASSOCIATION OF SCHOOL ADMINISTRATORS

Dr. Ann Denlinger, Superintendent
 Durham Public Schools
 PO Box 30002
 Durham, NC 27701
 919.560.2503
denlinat@dpsnc.net

Kadeana Wilkins, Adm. Assistant
 (o) 560.2503
 (f) 919.560.2422
kadeana.wilkins@dpsnc.net

Joyce Wade, Assistant Superintendent for Human Resources
 Johnston County Public Schools
 2320 Hwy 70 E. Bus.
 Smithfield, NC 27577-1960
 919.934.6031
joycewade@johnston.k12.nc.us

NORTH CAROLINA BUSINESS COMMITTEE FOR EDUCATION

Steven Bessellieu, President
 Sapiens Americas Corporation
 4000 Centergreen Way, Suite 100
 Cary, NC 27513
 919.405.1530
 (F) 919.405.1702
steven.b@sapiens.com

Brenda Hooks, Sr. VP for Human Resources
 Coastal Federal Credit Union
 333 St. Albans Drive
 Raleigh, NC
 919.420.8292
bphooks@coastalfcu.org

PERSONNEL ADMINISTRATORS

Steve Demiter, Personnel Director
 Burke County Schools
 700 E. Parker Road
 Morganton, NC 28655
 828.439.4312
sdemiter@burke.k12.nc.us

Misty Testerman, Adm. Assistant
mtesterman@burke.k12.nc.us

Sharmaine Butler, Personnel Administrator
 Hoke County Schools
 310 Wooley Street
 Raeford, NC 28376-3299
 910.875.4106
sbutler@hcs.k12.nc.us

TARHEEL ASSOCIATION OF PRINCIPALS AND ASSISTANT PRINCIPALS

Lloyd Thrower, Executive Director
 333 Wade Avenue
 Raleigh, NC 27605
 919.833.3205
ncpapa@bellsouth.net

Richard Reeves, Principal
 Meadowbrook Elementary School
 Haywood County Schools
 85 Morningstar Road
 Canton, NC 28716-3325
 828.646.3451
 (f) 828.648.8506
rreeves@haywood.k12.nc.us

TEACHERS

Diane Tutt
 47 Cedar Trail
 Winston-Salem, NC 27104
 336.765.9685
dtutt@hotmail.com

ALTERNATE: Ellen Greaves
 309 West Millbrook, Suite 11
 Raleigh, NC 27609
 919.788.9299
ellen@pencweb.org

Benita Burney, Elementary Teacher
 Holly Springs Elementary (Wake County Public Schools)
 1416 Cameronwoods Drive
 Apex, NC 27512
 (h) 919.387.8378
 (w) 919.557.2660
bburney@wcpss.net

Margie Salter, Pre-K Teacher
 Craven County Schools
 133 Ocean Drive
 Newport, NC 28570
 252.726.7367
cemg73@surfn1.net

Kelli Smith, 4th Grade Teacher
 McDougle Elementary School (Chapel Hill -Carrboro Schools)
 110 Stratford Road
 Chapel Hill, NC 27514
 (h) 919.942.3954
 (o) 919.968.2435 ext 7410
ksmith@chccs.k12.nc.us

STAFF

Jane Worsham, Executive Director
 State Board of Education
 919.807.3400
jworsham@dpi.state.nc.us

Kathy Sullivan, Director
 Human Resource Management, DPI
 919.807.3355
ksulliva@dpi.state.nc.us

Marvene Carroll, Administrative Assistant
 Human Resource Management
 919.807.4007
mcarroll@dpi.state.nc.us

Danny Holloman, Manager
 Center for Teacher Recruitment and Retention, DPI
 919.807.3375
dholloma@dpi.state.nc.us



Professional Development Initiative

Proposal *for Action*

November 2004

Submitted to the North Carolina Education Cabinet
by the Professional Development Initiative Implementation Work Group

Prepared by:

Jenni Owen, Director of Policy Initiatives
Ann Skinner, Research Analyst
Center for Child and Family Policy
Duke University

On behalf of:

Z. Smith Reynolds Foundation and the North Carolina Education Cabinet



implementation work group

Z. Smith Reynolds Foundation Professional Development Initiative Membership List

Cathy Barlow, Dean, Watson School of Education, UNC-Wilmington

Melissa Bartlett, Language Arts Teacher, Lakeshore Middle, Iredell-Statesville Schools

Henry Foust, Spanish Teacher, Northwood High, Chatham County Schools

Bill Harrison, Superintendent, Cumberland County Schools

Sandra Jones, Associate Superintendent, Edgecombe County Schools

Janice Davis, Deputy State Superintendent, Department of Public Instruction

Ann McArthur, Teacher Advisor, Office of the Governor

Tim McDowell, Vice-President for Government Relations, NC Association of Independent Colleges and Universities

Ebbie Monroe, Member, State Board of Education

Delores Parker, Vice President for Academic and Student Services, North Carolina Community College System

Joyce Rhodes, Dean of Continuing Education, Sandhills Community College

Marge Ronco, Principal, Ballentine Elementary School, Wake county Schools

Ed Shearin, Chair, Teacher Education Department, Mars Hill College

Richard Thompson, Vice-President for University-School Relations, University of North Carolina

John Waszak, Fifth Grade Teacher, New Hope Elementary, Orange County Schools

Jane Worsham, Executive Director, State Board of Education

Note: For most of the Initiative, Implementation Work Group membership included **JB Buxton**, Education Advisor to Governor Easley; **Zoe Locklear**, former Associate Superintendent, North Carolina Department of Public Instruction; and **David Fitzpatrick**, Principal, Kernersville Elementary, Winston-Salem/Forsyth Schools

JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE

Wednesday, January 12, 2005
Legislative Building
Room 1228
10:00 A.M.

Community College Funding Formula Study

Presenter:

Mr. Kennon Briggs, Vice President for Business and Finance, North Carolina Community College System Office

Background:

Section 8.13 of House Bill 1414 directed the State Board of Community Colleges to consider modifications to its funding formulas to ensure that colleges have sufficient funds to adequately serve students when enrollment increases and to ensure that adequate funding is provided for high-cost programs. The Board must also consider methods of accurately projecting enrollment for the upcoming academic year and using projected enrollment in its funding formulas.

Mr. Briggs will present the results of this study.

General Considerations:

- The members of the Committee know a great deal about education issues affecting the State. Some have been on local boards of education or boards of trustees. Some were educators before becoming state legislators. However, many come from different walks of life. Please target your remarks accordingly.
- Keep your formal remarks brief; 10 minutes is a good target; 20 minutes at a maximum. Legislators like to ask questions and enjoy the give and take of Q & A sessions.
- If you plan to use Power Point, please limit the number of slides and be sure everyone on the committee and in the room can read the slides. Legislators generally prefer Power Point or overheads when used to present graphs, charts, or lists.
- You should avoid using acronyms. If you find this is necessary, you may want to provide a handout that defines the terms.
- There are 25 members, and as many as 40-50 observers. You will need to provide 75 copies of any handouts.
- Attached is a list of issues and questions you may wish to address during your presentation. The Committee realizes you may not be able to address all of them and that you may wish to emphasize issues not listed. Committee members may have additional questions.

Driving Instructions to the Legislative Complex:

<http://www.ncleg.net/help/directions.html>

Community College Funding Formula Study

Presenter:

Mr. Kennon Briggs, Vice President for Business and Finance, North Carolina Community College System Office

Issues/Questions

Funding Formula Study

1. Present a general overview of the study.
2. Present a summary of the findings and recommendations.

SESSION LAW 2004-124
HOUSE BILL 1414

AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL
APPROPRIATIONS ACT OF 2003 AND TO MAKE OTHER CHANGES IN THE
BUDGET OPERATIONS OF THE STATE

STUDY OF FTE FUNDING FORMULA

SECTION 8.13. The State Board of Community Colleges shall consider modifications to its funding formulas to ensure that colleges have sufficient funds to adequately serve students when enrollment increases. In the course of the study, the State Board shall consider methods of accurately projecting enrollment for the upcoming academic year and using projected enrollment in its funding formulas. The State Board shall also consider modifications to its funding formulas to ensure that adequate funding is provided for high-cost programs.

The State Board shall report the results of its study to the Joint Legislative Education Oversight Committee and to the chairs of the appropriations committees of the House of Representatives and the Senate by January 15, 2005.

Funding Formula Study:

**Enrollment Projections
&
High Cost Programs**

**By
Hockaday-Hunter & Associates**



**Preliminary Report Submitted to the
State Board of Community Colleges
For Presentation to the
Joint Legislative Education Oversight Committee**

January 12, 2005

Overview and Purpose of the Study

In House Bill 1414, Section 8.13 "Study of the FTE Funding Formula", the North Carolina General Assembly directed that "the State Board of Community Colleges shall consider modifications to its funding formulas to ensure that colleges have sufficient funds to adequately serve students when enrollment increases. In the course of the study, the State Board shall consider methods of accurately projecting enrollment for the upcoming academic year and using projected enrollment in its funding formulas. The State Board shall also consider modifications to its funding formulas to ensure that adequate funding is provided for high-cost programs. The State Board shall report the results of its study to the Joint Legislative Education Oversight Committee and to the chairs of the appropriations committees of the House of Representatives and the Senate by January 15, 2005."

The *State of North Carolina Request for Proposal # 401211* directed that the offeror, in this case Hockaday-Hunter & Associates, study the existing formulas for the "Current Operating Budget" and make recommendations for changes in the formulas that would ensure that colleges have sufficient funds to adequately serve students when enrollment increases and to ensure adequate funding is providing for high-cost programs. The study should also consider the following:

- Methods of accurately projecting enrollment for the upcoming academic year
- Using projected enrollment in funding formulas
- Ensure that the adequate funding is provided for high-cost programs

To accomplish the task identified in the Legislation and the Request for Proposals, Hockaday-Hunter & Associates developed a schedule of activities (shown on the following page). These activities became the guide for the study and the basis for this report. Several sources provided assistance during the course of the study including the Funding Formula Study Advisory Committee, the Education Commission of the States, nationally known and respected researchers, Community College Presidents, and the Division of Business and Finance staff. Each of these sources will be credited in the final report.

Schedule of Activities Required to Conduct Funding Formula Study

	Task	Rationale	Personnel	Deadline
1.	Finalize project initiation and meet State Board Study Director.	To confirm schedule of deliverables and study methodology	Project Co-Directors (PDs); State Board (SB) Study Director	9/1/04
2.	Define terms integral to further data collection and analysis: 1) enrollment projection; 2) enrollment increases; 3) high cost programs; 4) funding formula	To clarify terms, particularly what is considered a normal vs. unusual enrollment increase, to form the most accurate questions driving the study	PDs; SB Study Director; NCCCS administrative staff	9/3/04
3.	Meet with the Funding Formula Study Advisory Committee (SAC)	To solicit input into survey development	PDs; SB Study Director; SAC members	9/8/04
4.	Develop, conduct, and analyze results of survey to NC's 58 community college administrators regarding implications of current funding formula	To determine the extent of the problem of addressing enrollment growth and high-cost programs in the current funding formula	PDs; p/t statistical analyst	9/15/04
5.	Gather, analyze and summarize historical NCCCS data related to attempts to project enrollment and modify the funding formula to accommodate enrollment growth and high cost programs	To determine and analyze the success or lack of success of any past efforts by the NCCCS to address the problem	PDs; p/t statistical analyst	9/22/04
6.	Gather, analyze and summarize national data from selected CC systems on enrollment projections efforts and methods of dealing with enrollment increases and high cost programs with current funding formula in use	To determine the success or lack of success of efforts across the nation to address the problem and analyze applicability of possibilities to the NCCCS	PDs; p/t statistical analyst	9/22/04
7.	Meet with the Funding Formula Study Advisory Committee (SAC)	To give a study status report and solicit input regarding findings to date	PDs; SB Study Director; SAC members	9/22/04
8.	Construct and apply enrollment projections models	To determine if models can be constructed to accurately project enrollment growth for the upcoming year based on historical data	PDs; p/t statistical analyst	10/7/04
9.	Construct and apply high cost program funding models	To determine if the current funding formula or modifications thereof can provide adequate funding for high-cost programs	PDs; p/t statistical analyst; p/t graphic designer	10/7/04
10.	Meet with NCCCS President Martin Lancaster	To provide status report on study	PDs; SB Study Director	10/8/04
11.	Finalize draft report, to include conclusions, significant findings, implications and recommendations	RFP requires rough draft to be delivered to Study Director by 10/15/04	PDs; p/t technical writer and p/t graphic designer	10/15/04
12.	Revise draft as necessary in consultation with Study Director	Report must be finalized for presentations to State Board and NC Legislature	PDs; SB Study Director; p/t technical writer	11/1/04
13.	Provide further assistance as necessary to Study Director in preparation for his presentations of Study findings to the State Board and NC Legislature	Additional background or data may be required by Study Director, particularly after State Board presentations	PDs; SB Study Director	11/18/04; 11/19/04; 1/15/05

Summary of Findings on Enrollments Projections & Funding

- Systemwide projections of enrollment for an upcoming academic year can be made with a reasonable degree of accuracy.
- The following variables and combinations of variables were examined to determine if they demonstrated any validity in consistently projecting enrollment growth in the North Carolina Community College System: Change in the unemployment rate; change in overall population; change in the number of high school graduates; and, change in annual sales and use tax receipts. No prediction validity was found.
- There is no demonstrated correlation between the complexity of the projection models and the accuracy of the projections.
- Funding bodies have opted for simple projection models due to the difficulty of understanding more complex models amid the fear that such models may be manipulated.
- The simplest model is to allow each college to project its enrollment for the upcoming year and either allot funds to each college based on those projections, or use the sum of those projections to fund a formula.
- No efforts were found in other states to project enrollment spikes (significant increases in enrollment in an individual college) beyond allowing colleges to project their own enrollment. No model exists nor can one be developed for this purpose because the causes are often unforeseeable, i.e., plant closings, natural disasters, sudden changes in a local economy.
- Due to the inability to accurately project enrollment spikes at an individual colleges, several states allow colleges to adjust their enrollment projections for the upcoming year if they can justify the change.
- Funds to accommodate enrollment spikes at a local college must be provided in a timely manner or the resources needed to prevent students from not being served or under served will not be available in time to address the problem.
- The mechanics of the NCCCS funding formula have worked well and appear to distribute funds in a fair and equitable manner to the colleges even though colleges vary greatly in the number of students served and in the local factors which affect cost of operation and delivery of services.

- Based on the results of the survey of local presidents included as part of this study, the current formula (funded at the current level) can accommodate an enrollment increase of 3.2% at a local college in a given academic year before the college faces a serious to very serious problem in serving students. The presidents attribute their ability to absorb that growth to the flexibility allowed in the current funding formula, and the willingness of their employees to assume heavier workloads.
- Based on the results of the survey of local presidents (included as part of this study), if the formula remains funded at the current level and if an increase of more than 3.2% occurs from one academic year to the next, the result is that some students are not served and other are underserved.
- From the 1995-96 through the 2003-04 academic year, the average gap between the funded FTE and actual number of students served was 7679, which at the current FTE funding rate is a funding deficit of \$31,117,542 per year.
- From the 1995-96 through the 2003-04 academic year, the average rate of growth per year was 4.89% or 1.66% per year beyond the maximum growth the presidents say the colleges can absorb without serious or very serious harm to students.
- The 1.66% per year beyond the maximum growth the presidents say the college can absorb without serious or very serious harm to students is 35% of the 4.89% growth per and is a funding deficit of \$10,710,080.

Recommendations On Enrollment Projections & Funding

Recommendation 1

The General Assembly should address the gap between the funded FTE and actual number of students served in an academic year by establishing an \$11,000,000 non-reverting reserve fund under the control of the State Board of Community Colleges. This fund would be used for enrollment growth at individual colleges in a current academic year that exceeds 3.2 % of the FTE from the previous year or their 3- year rolling average FTE, whichever is used for the funding purposes that academic year.

Recommendation 2

The General Assembly should replenish the fund in each budget cycle to ensure that the gap between funded FTE and actual number of students served at any college does not exceed 3.2% in any academic year.

Recommendation 3

The State Board of Community Colleges should approve a distribution formula, developed by the NCCCS Business and Finance staff, to distribute the reserve funds in a manner that allows colleges to take quick action to prevent denying service or under serving students due to enrollment growth in the current academic year.

Summary of Findings on High Cost Programs & Funding

- Information obtained from Florida, Illinois, Kentucky, Ohio, South Carolina, Tennessee, Texas, and Virginia verifies that these States have Funding Formulas that accommodate programs that are considered High Cost Programs in each of the States. The distribution of State or public funds to the Community Colleges in these States takes into account that some programs are more expensive than others.
- In order to differentiate among programs in the distribution of funds, these states have completed a cost analysis of some or all of the programs in their community college systems. In the 8 states where a cost analysis has not been done on all programs, a cost analysis has been done on groups of programs. A cost analysis generally included only instructional and supplies costs. NCCCS Funding Formula does not differ among programs in the distribution of funds to the community colleges.
- The 4 programs in the NCCCS that receive special funding do not receive the funds through the Funding Formula. Presidents in the NCCCS see high cost programs as a serious matter in providing services to students. Presidents in the NCCCS fear special funding for HCP, without additional funds, will seriously affect the fairness of the current funding formula. The current NCCCS Funding Formula is generally seen as fair and equitable.
- As a result of cost analysis, a weighting system has been devised for HCP in the 8 states.
- Allied Health Programs are the most expensive programs as a group in the 8 states. Technical Programs, as a group, were the second most expensive programs.
- Some programs that are HCP in some colleges may not be HCP in other colleges.
- All community colleges appear to have Allied Health Programs.

- Allied Health Programs generally carried a weight of 1.5 to 1.6 when all other programs were weighted at 1.0.

Recommendations For High Cost Programs & Funding

With Legislative interest in providing funds to support High Cost Programs, we make the following Recommendations under the section of the Study that deals with the Formula accommodating High Cost Programs.

Recommendation 1

That the North Carolina State Board of Community Colleges determine which programs in the System fall into the general area of Allied Health

Recommendation 2

That the North Carolina State Board of Community Colleges determine a weighting of costs of Allied Health Programs (as a group) against all other programs (as a group) and that the weightings be evaluated every three years to respond to market forces.

Recommendation 3

That efforts be undertaken to secure additional funding to support Allied Health Programs

Recommendation 4

That, if funds can be secured to support the additional weights for the Allied Health Programs, the current Funding Formula be modified to allow for the differentiation in funding between the Allied Health Programs and all other programs

JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE

Wednesday, January 12, 2005

Legislative Building

Room 1228

10:00 A.M.

UNC/NCCCS Partnerships Task Force Final Report

Presenters:

**Stuart Fountain, Member, North Carolina State Board of Community Colleges and Co-Chair
UNC/NCCCS Partnerships Task Force**

**Peter Hans, Member, University of North Carolina Board of Governors and Co-Chair,
UNC/NCCCS Partnerships Task Force**

Background:

The North Carolina Community College System and The University of North Carolina created a joint Task Force on Partnerships between the two entities. Five members from the State Board of Community Colleges (State Board) and five members of the Board of Governors (BOG) came together to address the following charge:

"Identify and review the cooperative working relationship between the University of North Carolina and the Community Colleges in order to provide a seamless educational system, develop recommendations for continuing and improving the cooperative working relationships between the University and the North Carolina Community College System, and produce a final report summarizing the discussions of the task force, including a report of recommendations, by September, 2004, to be delivered to our respective Boards and Board Chairmen for implementation."

General Considerations:

- The members of the Committee know a great deal about education issues affecting the State. Some have been on local boards of education or boards of trustees. Some were educators before becoming state legislators. However, many come from different walks of life. Please target your remarks accordingly.
- Keep your formal remarks brief; 10 minutes is a good target; 20 minutes at a maximum. Legislators like to ask questions and enjoy the give and take of Q & A sessions.
- If you plan to use Power Point, please limit the number of slides and be sure everyone on the committee and in the room can read the slides. Legislators generally prefer Power Point or overheads when used to present graphs, charts, or lists.
- You should avoid using acronyms. If you find this is necessary, you may want to provide a handout that defines the terms.
- There are 25 members, and as many as 40-50 observers. You will need to provide 75 copies of any handouts.

- Attached is a list of issues and questions you may wish to address during your presentation. The Committee realizes you may not be able to address all of them and that you may wish to emphasize issues not listed. Committee members may have additional questions.

Driving Instructions to the Legislative Complex: <http://www.ncleg.net/help/directions.html>

UNC/NCCCS Partnerships Task Force Final Report

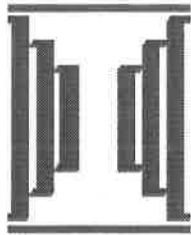
Presenters:

**Stuart Fountain, Member, North Carolina State Board of Community Colleges and Co-Chair
UNC/NCCCS Partnerships Task Force**

**Peter Hans, Member, University of North Carolina Board of Governors and Co-Chair,
UNC/NCCCS Partnerships Task Force**

Issues/Questions

1. Please present a general overview of the Task Force on UNC/NCCCS Partnerships and its work over the past year.
2. Please present a summary of the findings and recommendations from the final report.



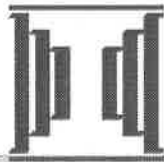
Task Force on UNC/NCCCS Partnerships



Presentation to the Education Oversight Committee

January 12, 2005

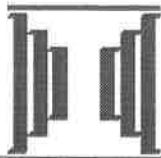
Peter Hans and Dr. Stuart Fountain



Brief History and collaborative efforts



- The UNC System and the NCCCS have multiple and different missions. However, a single point of agreement is that it is critical that all segments of education in North Carolina work together to benefit the students and thereby benefit the State.
- An example is the Comprehensive Articulation Agreement (CAA) required by legislation and completed in 1997. Enables community college graduates with the AA and AS degree to transfer to UNC institutions with junior status.
- In order for this to occur the NCCCS made many changes to ensure the success of the CAA. All campuses moved to a semester system with a common course library.

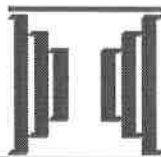


Brief History and collaborative efforts

(continued)



- The CAA is monitored and reviewed by the Transfer Advisory Committee (TAC) which is co-chaired by UNC and NCCCS staff and includes campus representatives as well as representation from the Independent Colleges and Universities.
- During this past year, the General Assembly appropriated funds for a study of the CAA. MGT of America conducted the study and concluded that "...seven years after implementation, the CAA is widely perceived as indeed having improved transfer of associate in arts and associate in science degrees..."
- At the same time, the study made recommendations for improvements in policies, procedures, and practices that informed the recommendations contained in this report.

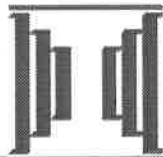


Brief History and collaborative efforts

(continued)



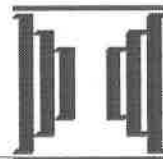
- The study also identified areas for further research, and the Task Force concurs that there must be ongoing communication between UNC and NCCCS to ensure that these recommendations and those of MGT are not ignored.
- In the fall of 2002, there were 7, 144 students who transferred from NCCCS institutions to four year campuses, a 19% increase in two years.
- There are other examples of specific programs that have been created to further the overall partnerships. Some of these include the Appalachian Learning Alliance, Wachovia Partnership East, and UNCW.



Purpose of the Task Force



- **The Task Force was Developed at the request of Board of Governors Chair Brad Wilson and North Carolina Community College Board Chair James Woody.**



Purpose of the Task Force



- **The members of the Board of Governors and the Board of Trustees who served the Task Force came together with a single purpose: to continue the dialogue and to provide opportunities for the students of North Carolina to succeed. To that end, the recommendations contained in this report speak to the future, a future that builds on a successful vision for post-secondary education in North Carolina and, in the end, achieves that vision.**



Charge to the Task Force



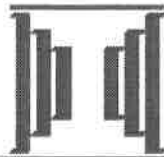
- *Identify and review the cooperative working relationship between the University and the Community Colleges in order to provide a seamless educational system, develop recommendations for continuing and improving the cooperative working relationships between the University and the North Carolina Community College System, and produce a final report summarizing the discussions of the task force, including a report of recommendations, by September of 2004, to be delivered to our respective Boards and Board Chairmen for implementation.*



Task Force Structure



- **Task Force Members:**
- **Peter D. Hans, Co-Chair, UNC**
- **Stuart Fountain, Co-Chair, NCCCS**
- **Hannah D. Gage, UNC**
- **Bob Greene, NCCCS**
- **Charles Mercer, UNC**
- **Larry Norris, FTCC**
- **Estelle (Bunny) Sanders, UNC**
- **Joanne Steiner, NCCCS**
- **Norma Turnage, NCCCS**
- **James Woodward, Jr. UNCC**



Other Participants and Staff

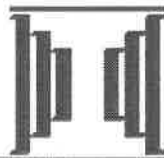


■ Other Participants

- Molly C. Broad, UNC
- Martin Lancaster, NCCCS
- Alisa Chapman, UNC
- Dudley Flood, UNC
- Alan Mabe, UNC
- Judith Mann, NCCCS
- J.B. Miliken, UNC
- Darryl McGraw, NCCCS
- Patsy Perry, UNC
- Richard Thompson, UNC

■ Staff

- Gretchen Bataille, UNC
- Tim Brewer, NCCCS
- Mark Fleming, UNC
- Bobby Kanoy, UNC
- Delores Parker, NCCCS
- Lisa Adamson, Special Asst.
UNC



Schedule of Meetings

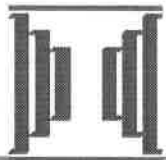


- A total of five meetings were held, the first two meetings resulted in four areas of primary focus:

- Teacher Education
- Nursing Education
- Distance Learning
- Legislative Action

■ Dates of Meetings:

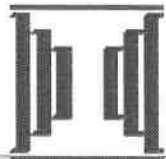
- February 24, 2004
- April 12, 2004
- June 29, 2004
- August 17, 2004
- September 20, 2004



Collateral Studies



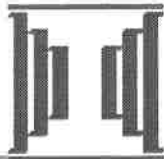
- **March 2004 Board of Governors Task Force on Meeting Teacher Supply and Demand.**
- **Statewide Task Force on Nursing.**
- **Legislative study on the Comprehensive Articulation Agreement by MGT.**
- **Staff provided information to the Task Force in the areas of Distance Learning and Legislative Action.**



Recommendations



- **At the final meeting of the Task Force on September 20, 2004 the recommendations were reviewed and after some editing, approved a draft list to be sent forward to the respective Boards for review and approval.**
- **The recommendations maintained the focus on teacher education, nursing education, distance education, communications between the two systems, joint legislative actions, and an expanded role for the Transfer Advisory Committee.**

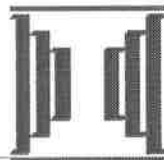


Recommendations



The recommendations were categorized into four areas:

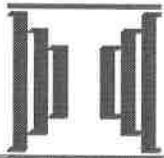
- *Annual Report/ongoing communications*
- *Joint Legislative Action*
- *Partnership efforts for Academic Programs (with an emphasis on teaching and nursing)*
- *Transfer Advisory Committee/Comprehensive Articulation Agreement*



1. Annual Report/ongoing Communications



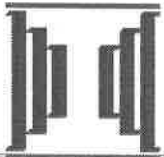
- **1a. UNC and NCCCS should jointly issue an annual report to the respective boards on the status of partnerships between the two segments. The annual report should track transfer, retention, and graduation rates of transfer students as well as new programs such as dual enrollment. The report should recognize UNC and NCCCS institutions with creative partnerships. This report should be highlighted at the Joint Boards Meeting each year.**
- **1b. The Task Force (or a similarly-representative group) should meet to monitor the progress made on these recommendations. The Board chairs should determine the frequency of meetings and composition of the group. Consideration should be given to the participation of the Joint Liaison Committee in this effort.**



1. Annual Report/ongoing Communications (continued)



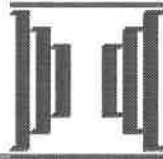
- **1c. Hold an annual statewide summit of UNC Chancellors and NCCCS Presidents to discuss current issues with transfer, to develop strategies for elimination of barriers, to share ideas and best practices, and to explore joint programs that address the state's educational and workforce needs. This meeting should include provosts, academic vice president, and deans.**
- **1d. Establish an ongoing joint committee to monitor the progress resulting from the Statewide Report on Nursing and to develop articulation agreements for the ADN/BSN. Work collaboratively to establish additional clinical opportunities for nursing students. Include the NC Board of Nursing in discussions that are relevant to the licensing process. This task could become a part of the Joint Liaison Committee's agenda.**



1. Annual Report/ongoing Communications (continued)



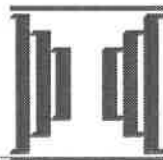
- **1e. Establish a working relationship to carry out the recommendations from the Task Force on Meeting Teacher Supply and Demand. This includes 2+2 programs, lateral entry, and other forms of alternative licensing as well as classroom experience alternatives.**



2. Joint Legislative Action



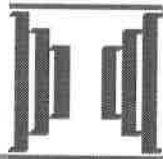
- **2a. Establish an ongoing working relationship between the legislative liaisons for UNC and NCCCS to promote issues of joint concern, including faculty and staff salaries, health benefits for employees in higher education, military relations, bio-processing, funding for high cost Health Care programs, etc.**
- **2b. Continue dialogue between legal counsels for both entities to resolve legislative "bottlenecks" such as those for program changes/approvals.**



2. Joint Legislative Action (continued)



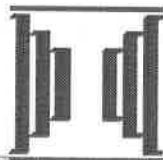
- **2c Jointly seek funding for Transfer Advisory Committee, staff for transfer offices and staff for teacher centers.**
- **2d Empower legal counsel for both UNC and NCCCS to monitor and make recommendations at the federal and state levels to address the educational needs of undocumented students.**



3. Partnership Efforts for Academic Programs



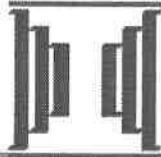
- **3a. Establish a UNC presence on every community college for the purposes of information, advising, and coordinating UNC course/program offering, as well as further promoting our partnership. This office could also serve as a proctored testing center to support online learning in the State. A single university presence on each community college campus would provide information about transfer, 2+2, lateral entry, admissions to nursing or teacher education programs etc.**



3. Partnership Efforts for Academic Programs (continued)



- **3b. Complete the 2+2 e-learning initiative. Fully develop a comprehensive articulation agreement for distance learning. Include in the distance learning initiative opportunities for community college students to earn a BSN or teaching certificate or to advance from the RN to BSN by distance learning in any county in North Carolina. Consistent with the recommendation, consider joint technology development and support systems for online learning.**



3. Partnership Efforts for Academic Programs (continued)



- **3c. Explore additional 2+2 programs for AAS in accord with the proposed model for the online articulation project.**
- **3d. Expand the College Redirection Program of the College Foundation of North Carolina (CFNC) to include service to transfer students seeking admission to a four-year degree program.**



3. Partnership Efforts for Academic Programs (continued)



- **3e. UNC and NCCCS should jointly establish a network of teacher centers designed to serve prospective teachers and to support area school districts by enhancing teacher quality efforts any by improving teacher supply, distribution, and retention. A primary focus should be lateral entry and 2+2 programs. The centers should be located on community college campuses to offer close geographic proximity to schools across the state.**



3. Partnership Efforts for Academic Programs (continued)



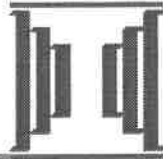
- **3f. Expand the number of pre-majors included in the Comprehensive Articulation Agreement consistent with the model of the online articulation project and with a focus on high-need disciplines.**
- **3g. UNC campuses periodically should review admission requirements to teacher education and nursing programs to remove any unnecessary barriers.**



3. Partnership Efforts for Academic Programs (continued)



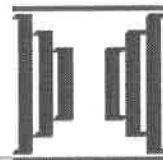
- **3h. Identify instructor shortages in community colleges and establish partnerships or joint programs to increase the number of faculty in the community colleges in high-need areas of education and nursing. Where possible, develop creative ways of sharing faculty, lab space, or creating shuttles for students to be transported to nearby community colleges.**
- **3i. NCCCS should establish specific goals for pre-education recruitment and enrollment for each campus so the collaborative efforts between NCCCS and UNC system can be quantified and measured.**



3. Partnership Efforts for Academic Programs (continued)



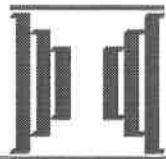
- 3j. NCCCS should develop an automated function to review and “flag” transcripts with the general education core completed.



4. Transfer Advisory Committee/Comprehensive Articulation Agreement



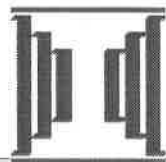
- 4a. Through the TAC, revise the CAA document, creating a clear set of expectations and requirements, a grievance policy, and an expanded communications plan.
- 4b. Complete the articulation module on CFNC.
- 4c. Establish a hotline for community college and university students to provide answers about transfer; incorporate into the CFNC Center at UNCG.



4. Transfer Advisory Committee/Comprehensive Articulation Agreement (continued)



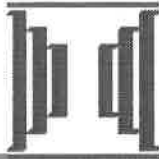
- **4d. Continue to use faculty discipline committees to review proposals for pre-majors, other joint programs, and policies**
- **4e. Continue to work collaboratively to bring information to the annual counselor workshops about transfer opportunities.**



Integrating recommendations into our Expansion Budgets for 2005-2007



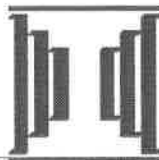
- **The final report and recommendations of the Task Force, which has been presented to and embraced both Boards, includes four major areas:**
 - **An Annual Report and Ongoing Communications**
 - **Joint Legislative Actions**
 - **Partnership Efforts for Academic Programs, and**
 - **A Transfer Advisory Committee with respect to the Comprehensive Articulation Agreement.**



Integrating recommendations into our Expansion Budgets for 2005-2007 (continued)



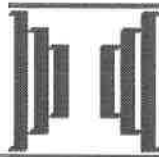
- **The Board of Governors and State Board of Community Colleges have agreed to ask jointly for funding to sustain the work of the Task Force, and implement as many of the major findings as possible. The requests for funding include:**
 - **Funds to establish a UNC presence on each of the fifty-eight community college campuses**
 - **Funds to establish a "Teacher Center Network"**
 - **Funds to continue and expand work on a comprehensive agreement for distance learning**
 - **Funds to expand the College Foundation's "Redirection Program"**
 - **Funds to expand the responsibilities of the "Transfer Advisory Committee"**



Summary of Task Force Items



- **1. UNC Presence on Community College Campuses--\$3,500,000-\$3,500,000**
- **The Task Force recommended that UNC establish a presence on each of the fifty-eight community college campuses. The purpose of such an office would be to provide information to prospective transfer students, to advise these students, and to coordinate course/program offerings between the two systems. This office would also serve as a proctored test center to support online learning. Such an office would provide information about transfer, 2+2 programs, lateral entry, and other academic issues for students, faculty, and advisors. This office—referred to as a Transfer Office—would be staffed by at least one full-time counselor/advisor.**

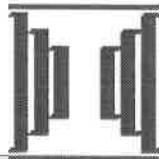


Summary of Task Force Items



■ 2. North Carolina Teacher Center Network — \$750,000 — \$750,000

- In response to national and state alarms about an escalating crisis in teacher quality and teacher supply and to the Board of Governors' Task Force on Meeting Teacher Supply and Demand, the University of North Carolina and the North Carolina Community College System propose to jointly establish the North Carolina Teacher Center Network. This network of teacher centers will be designed to serve prospective teachers and support area school districts by enhancing teacher quality efforts and by improving teacher supply, distribution, and retention. The network would be designed around four areas of service: access, advisory capacity, recruitment, and induction. These centers will complement the Transfer Centers and will be co-located on a smaller number of geographically-distributed community college campuses

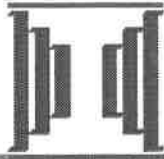


Summary of Task Force Items



■ 3. 2+2 E-Learning Initiative--\$2,000,000-- \$2,000,000

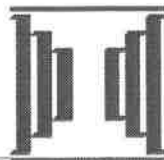
- UNC and NCCCS are already working closely to develop 2+2 programs completely (or nearly completely) online. Each segment must provide support to faculty to develop courses. Joint committees—already working—need to fully develop a comprehensive articulation agreement for distance learning. Included in this concept is the opportunity for students to earn a BSN or teaching certificate or to advance from the RN to a BSN by distance learning in any county in North Carolina. There must also be joint technology development and support systems to track students and develop the appropriate technology for online courses. The NCCCS Virtual Learning Community and over sixty UNC baccalaureate completion programs can be combined to ensure that students anywhere in North Carolina will have access to a degree.



Summary of Task Force Items



- **4. Expand the College Redirection Program--\$50,000**
- To support access to higher education for all graduating seniors, CFNC has a College Redirection Program that provides an opportunity for students to place themselves into a pool of students seeking an appropriate "match" for post-secondary education. This pool is used primarily by students who have applied to a campus (UNC or Independent) and not been accepted. Other campuses with available space and a good match for these students can then contact them. A key feature of this program is that every student is contacted by the community college nearest to where they live. The expanded College Redirection Program would provide online services to transfer students who apply for admission to a four-year institution (public or private) and are not admitted.



Summary of Task Force Items



- **5. Expanded Responsibilities of the Transfer Advisory Committee--\$200,000 - \$200,000**
- This past year, the General Assembly mandated a study of the Comprehensive Articulation Agreement. MGT of America was contracted to do this study, and a number of the recommendations addressed the need for better communication with students. Since the inception of the CAA, the Transfer Advisory Committee (TAC) has operated without a dedicated budget or staff. This has meant that the two systems have supported the members' travel, supplies, technology, and communications. The UNC/NCCCS Task Force recommended that the TAC receive funds to carry out the important work of that committee. Among the needs are to revise the CAA document to create a clear set of expectations and requirements, create a grievance policy, and develop an expanded communications plan. The TAC must also complete the articulation module on CFNC that will enable a community college student to determine what courses are necessary for transfer or to be accepted in a particular major. Additionally, the Task Force recommended that the hotline at the CFNC Center at UNCG be expanded to provide information to transfer students.

TASK FORCE ON UNC/NCCCS PARTNERHIPS

Submitted to

University of North Carolina Board of Governors

North Carolina Community College System Board of Trustees

September 2004

Table of Contents

Task Force Membership	1
Staff and other Participants	1
Schedule of Meetings	1
Introduction.....	2
Charge to the Committee.....	4
Summary of Meetings	4
Recommendations.....	9
Appendices	12
A. <i>“Community College/UNC Partnerships” by Gretchen M. Bataille, Senior Vice President for Academic Affairs, UNC</i>	
B. <i>“UNC and NCCCS Articulation” by Bobby Kanoy, Senior Associate Vice President for Academic and Student Affairs, UNC</i>	
C. <i>“Task Force on UNC/NCCCS Partnerships” by Stuart Fountain, NCCCS Trustee</i>	
D. <i>Summary of UNCC activities with regional community colleges by James H. Woodward, Chancellor of UNCC</i>	
E. <i>“Chapter Six: Summary of Recommendations and A Blueprint for Action” from Task Force on the North Carolina Nursing Workforce Report</i>	
F. <i>“North Carolina Community College System Report: Selective Admissions Programs with Waiting Lists” from NCCCS Special Report to the General Assembly</i>	
G. <i>“Potential Collaborative Legislative Issues”</i>	
H. <i>“UNC/NCCCS Collaborative Activities Supporting the NC Biotechnology Initiative</i>	

INTRODUCTION

North Carolina has a long and vibrant history of post-secondary education. The University of North Carolina, consolidated in 1971, has sixteen campuses, and the North Carolina Community College System has fifty-eight community and technical colleges and a technology center. Both UNC and NCCCS offer courses and programs on other sites such as military bases, high schools, and community centers in addition to offering online academic programs. In addition, there are thirty-seven independent colleges and universities in North Carolina. All post-secondary education in North Carolina is linked through the online website **CFNC.org** and the Education Cabinet that includes as members the Governor and the leaders of the four education segments of the State. In addition, each year all education segments come together for a joint conference planned by the Joint Liaison Committee. This ongoing structure and the communication made possible by frequent meetings have benefited students in North Carolina. At the same time, each segment of education has multiple and different missions. A single point of agreement is that it is critical that all segments of education in North Carolina work together to benefit the students and, thereby, benefit the State. At a time when North Carolina's economy is undergoing rapid and profound change from an agricultural and manufacturing economy to a knowledge economy, it is more important than ever that post-secondary institutions provide the means necessary for the citizens of the State to thrive.

To ensure that UNC and the NCCCS worked to benefit students, legislative action required a Comprehensive Articulation Agreement (CAA) to be established by June 1, 1997. This agreement, consistent with the intent of both systems to expand access and provide seamless educational opportunities, enables community college graduates with the AA or AS degree to transfer to UNC institutions with junior status and having met all UNC general education requirements. Twenty-two independent colleges also honor the CAA. Although the CAA does not guarantee admission to a particular campus, some campuses have established independent agreements to ensure that students who meet specific requirements will be accepted into a specific UNC institution.

The NCCCS made many changes to ensure the success of the CAA. All campuses moved to a semester system and a common course library was established for the NCCCS. It was also necessary to distinguish among courses that counted for Associate degrees and those that were part of diploma programs or certificate programs. Of the over 4000 courses within the Common Course Library, 170 were designated as a part of the general education core for AA or AS degrees. This process was carried out by faculty from both UNC and NCCCS meeting in discipline committees to review course content. Additionally, pre-major agreements were established to facilitate transfer in specific content areas, and some community colleges and UNC campuses signed bilateral agreements specific to their geography and distinct programs. Five years later, the CAA is a dynamic document; courses continue to be added, and disciplinary committees meet to plan for new academic opportunities. Most recently, the requirements for pre-engineering were adjusted and changes were made to improve transfer opportunities in teacher education. This work is facilitated by the Transfer Advisory Committee that is co-chaired by UNC and NCCCS staff and includes campus representatives as well as representation from the Independent Colleges and Universities. During this past year, the General Assembly appropriated funds for a study of the CAA. MGT of America conducted that study and concluded that

“... seven years after implementation, the CAA is widely perceived as indeed having improved transfer of associate in arts and associate in science degrees. . . . [and that] most students expressed satisfaction with their transfer experiences.” At the same time, the study made recommendations for improvements in policies, procedures, and practices that informed the recommendations contained in this report. The study identified areas for further research, and the Task Force concurs that there must be ongoing communication between UNC and NCCCS to ensure that these recommendations and those of MGT are not ignored.

In the fall of 2002, there were 7,144 students who transferred from NCCCS institutions to four-year campuses, a 19% increase in two years. Of these, 70% transferred to UNC and the remaining 30% transferred to independent colleges and universities. GET MORE RECENT DATA IF AVAILABLE.

Specific programs have been created to further the overall partnerships. Appalachian State University has partnered with ten community colleges to form the Appalachian Learning Alliance to serve western North Carolina. This cohort-based partnership addresses student needs by offering ASU programs on community college campuses, complete with library services, advising, textbook acquisition, and all other services student would expect on the main campus. Similarly, UNCW has agreements with local community colleges to guarantee admission to UNCW after the completion of the AA or AS degree and a GPA of 3.0 or better. The Wachovia Partnership East provides yet another example of UNC/NCCCS partnering. Task Force members were provided with a compendium of all the partnerships between UNC and NCCCS campuses during the discussions.

North Carolina's legislators have supported the efforts of the post-secondary institutions by approving legislation that allows community colleges to teach high school students tuition free (Huskins Bill) and supports dual enrollment as well as an Under-16 Gifted Program. Additionally, scholarships are available for teaching assistants who might eventually enroll in teacher education programs and nearly \$2M in funds for teacher education using distance education has supported joint UNC/NCCCS efforts to meet the teacher supply needs of North Carolina.

In a short time, North Carolina has created an environment in which partnerships between UNC and NCCCS have flourished. The complexities of higher education, the distinct cultures of these two systems, and the pressing workforce development needs of the State create natural tensions that have been exacerbated by the fiscal realities of the past several years. At the same time, there has been tremendous progress. The members of the Board of Governors and the Board of Trustees who served on the Task Force came together with a single purpose: to continue the dialogue and to provide opportunities for the students of North Carolina to succeed. To that end, the recommendations contained in this report speak to the future, a future that builds on a successful vision for post-secondary education in North Carolina and, in the end, achieves that vision.

Charge to the Task Force

Identify and review the cooperative working relationship between the University and the Community Colleges in order to provide a seamless educational system, develop recommendations for continuing and improving the cooperative working relationships between the University and the North Carolina Community College System, and produce a final report summarizing the discussions of the task force, including a report of recommendations, by September, 2004, to be delivered to our respective Boards and Board Chairmen for implementation.

Summary of Meetings

The first meeting of the Task Force was held on **February 24, 2004**. Co-chairs Peter Hans and Stuart Fountain welcomed members and guests and addressed the charge to the committee. At this first meeting, President Broad discussed the vast experience of those who are serving on the Task Force and expressed her confidence in their ability to discover and develop practices to further enhance the cooperative efforts of UNC and NCCCS in helping to provide students with access to higher education. The first meeting provided an opportunity to review the history of *the Comprehensive Articulation Agreement* and the legislation that created the initial partnerships between the two systems.

Dr. Bataille presented a Power Point presentation on an “Overview of UNC/NCCCS Partnerships” (*Attachment A*). Dr. Kanoy presented a Power Point presentation on the “Transfer Advisory Committee and Five-Year Evaluation of the Comprehensive Articulation Agreement” (*Attachment B*).

Dr. Fountain and Dr. Norris discussed the “Perceptions of the Comprehensive Articulation Agreement from the Community College Perspective” and each provided a list of points and ideas related to this topic (*Attachment C*.) One area that was stressed by both Dr. Norris and Dr. Fountain was the need for UNC and NCCCS to develop cooperative methods to educate more teachers and nurses in the state of North Carolina.

Mr. Hans discussed setting up the goals of the Task Force and asked the staff members to compile a list of objectives and ideas to be circulated to the Task Force members for discussion at the next meeting. He noted that concerns with respect to enrollment funding and faculty salaries were of particular interest. Ms. Gage asked if more specific information could be presented that would provide examples from students who were not able to transfer from the community college system into the UNC system. This meeting provided both the background of the issues and the direction for the Task Force.

The second meeting, on **April 12, 2004**, was hosted by NCCCS and Martin Lancaster addressed the Task Force about the operating structure for the NCCCS. Similarly, Gretchen Bataille provided an overview of the history and structure of UNC. The focus of the meeting continued to be on providing background to all the members about the history, needs, and priorities of both UNC and NCCCS. Members discussed the importance of focusing on the State’s need for more teachers and nurses as a primary outcome for the recommendations.

At this meeting, the Task Force began to identify key issues on which to concentrate and set goals. Mr. Hans stated that it would send a powerful message to the Legislature if both the UNC and the NCCCS leadership and governing boards came forth to say we have a teaching shortage, we have a nursing shortage, and here are some areas where we can work together. He identified other areas such as faculty salaries, enrollment growth money, and technology infrastructure as other areas of cooperative work.

Both budgetary and non-budget items such as greater flexibility for the NCCCS, military partnerships, enrollment increases, faculty and staff salary and benefits, and the bioprocessing initiative were areas identified for the two systems to work together. Economic development issues, particularly in the twenty-one Tier 1 counties were also discussed as a priority. Four issues were selected for primary focus:

- **Teacher Education**
- **Nursing Education**
- **Distance Learning**
- **Legislative Action**

The MGT study of the Comprehensive Articulation Agreement would be utilized to address teacher education, and the report from the Statewide Task Force on Nursing would be used to address nursing education issues.

The **June 29, 2004**, meeting provided an opportunity for Alisa Chapman to present the report outlining the recommendations and strategies derived from the *March 2004 Report to the UNC Board of Governors' Task Force on Meeting Teacher Supply and Demand*, which listed recommended strategies, the areas of responsibility and the timeline for implementation. She also provided a copy of the full Report to those who had not previously received one and noted that the Report was available on-line at the University-School Programs website at: <http://21stcenturyschools.northcarolina.edu/reports.xml>. Ms. Chapman told the Committee that the Task Force's recommendations will be discussed at a meeting scheduled for early fall 2004 with the Community Colleges and the Independent Colleges.

The Task Force received progress reports #1, #2 and #3 from *The Study of the Comprehensive Articulation Agreement Between the University of North Carolina and the North Carolina Community College System*, along with the draft of the *Situational Analysis – Policy Review*, prepared by MGT of America, Inc., a consulting firm.

Chancellor Woodward discussed the success of community college collaborations at the University of North Carolina at Charlotte, referring to his memorandum of April 13, 2004 and the attached report and charts showing the procedures used, and the admission rates for transfer students (*Attachment D.*) The Committee discussed ways to use some of the methods that have been successful at UNC-Charlotte at other UNC institutions. Chancellor Woodward said that that it is important to the success of collaboration that the chancellors have a good working relationship with the presidents of the community colleges in their area.

Dr. Alan Mabe discussed the *Summary of Recommendations from the Task Force on the North Carolina Nursing Workforce Report-May 2004 (Attachment E)*, which provided the Task Force's recommendations for addressing the shortage of nurses in North Carolina, along with the actions to be taken by each organization, institution or group. He provided copies of the Report and told the Committee that the full report was available on-line at: <http://www.nciom.org/projects/nursingworkforce/nursingreport.html>. The Committee discussed some of the recommendations in the Report and considered how some may be quickly instituted.

Dr. Parker discussed the report summary of the *June 2001 North Carolina Community College System Report/Selective Admissions Programs with Waiting Lists (Attachment F)*, which provides the number of students who are on waiting lists for various courses at the community colleges. The Committee focused on the numbers of students waiting to apply for nursing programs and discussed ways to alleviate this backlog. Mr. Mercer suggested considering combining like courses at nearby community colleges, rather than offering the same course in many locations, as a method to accommodate more students with fewer instructors and to fill classes to capacity. The Committee discussed the high cost of providing the equipment needed for teaching nursing programs and the need for additional lab space. It was noted that it was difficult to recruit and retain students in remote areas, as transportation was often a problem for poorer students. The Committee considered the option of providing a transportation subsidy that would provide financial assistance for student transportation needs.

Dr. McGraw and Dr. Mabe discussed the growth in distance education enrollment. Dr. Mabe stated that the community colleges offer on-line degrees in Applied Art, Teacher Education and Applied Science, noting that there was a high demand from the Applied Art students for on-line courses. Dr. McGraw and Dr. Mabe discussed efforts being made to explore the possibility of articulating several on-line degree programs between the community colleges and the UNC institutions. Dr. Mabe stated that there were presently twenty-one matching upper-degree programs and that there were seven areas of match for further development. Dr. Mabe said that five that appear ready for the Transfer Advisory Committee to begin to establish faculty committees are: Business Administration, Criminal Justice, Information and Computer Technology, Communications, and Liberal Arts. He noted that Nursing and Teacher Education were "high need" areas and that these offered similar possibilities for on-line articulation. It was suggested that general education courses be imbedded in community college Teacher Education and Applied Science degree programs to better ensure a seamless transition into university programs. Dr. McGraw noted that some students did not have access to a computer and discussed other methods for delivering distance education courses, i.e., via video, through UNC-TV, etc. The Committee also considered providing orientation sessions and screening tests to better determine which students were most likely to complete their degrees.

Mr. Milliken provided the Committee with the list of *Potential Collaborative Legislative Issues for UNC and the Community College System (Attachment G)*, and discussed the areas of common interest. The Committee discussed ways to develop the collaborative efforts. Dr. Fountain suggested that a greater focus be placed on joint legislative efforts to obtain additional funding for distance education courses in Teacher Education, Nursing, and other high-cost healthcare programs. The Committee discussed ideas on how to provide for higher salaries for the community college faculty teaching in such areas, noting that better pay would encourage students to pursue advanced degrees.

At this meeting, the Task Force considered a draft of initial recommendations based on the discussions and suggestions at the past meetings. Committee members agreed to list recommendations and set out timelines for these goals, suggesting that there be an initial focus on the more achievable items

Task Force members discussed the idea of establishing an on-going effort to work on the joint legislative actions, such as annual meetings involving campus public affairs and policy-making groups. The idea of holding a joint conference with top administrators from the community college, independent universities and the UNC institutions was also discussed as a way to determine which programs work at the individual locations, which do not, and why. Both Chancellor Woodward and President Norris expressed interest in this initiative.

Dr. Bataille provided the Committee with the April 2004 report on the *UNC/NCCCS Collaborative Activities Supporting the NC Biotechnology Initiative (Attachment H)*, which illustrates the various efforts in the area of biotechnology between the UNC institutions and the community colleges. Also included was the *North Carolina Transfer Assistance in the Biomedical Sciences (NC-TABS)* brochure, which provides information on increasing the number of under-represented minority community college students entering careers in biomedical research.

By the **August 17, 2004**, meeting, Task Force members had contributed to a list of tentative recommendations. In addition, the final report from MGT had just been issued. Dr. Bobby Kanoy distributed copies of the *Executive Summary* of the August 16, 2004 *Study of the Comprehensive Articulation Agreement Between the University of North Carolina and the North Carolina Community College System – Final Report*, conducted by MGT of America, Inc. Dr. Kanoy and Dr. Parker discussed the results of the Report, highlighting recommendations and findings that seemed to be of value to the UNC/NCCCS partnership efforts. Dr. Kanoy cautioned the Committee that only a small sample of those polled was actually represented in the Report. Of concern to the Committee was the indication in the report that students at the Community Colleges were not very familiar with the *Comprehensive Articulation Agreement*. The Report also recommended that the Transfer Advisory Committee assume new responsibilities to help further the transfer process. It was noted, however, that the TAC was not staffed or funded sufficiently to be able to do so. Dr. Kanoy discussed each of the recommendations made in the Report and the Committee members debated the merits and disadvantages of such recommendations. Dr. Fountain noted that a total of eighteen recommendations were made in the Study and suggested incorporating some of these recommendations into the list of recommendations that the Committee had compiled.

The Committee reviewed the list of recommendations discussed at the June meeting, along with the additional input from members provided afterwards. The members discussed changes and additions, particularly adding some of the recommendations from the MGT report.

Dr. Jeffrey Passe addressed the Committee to express views of the Faculty Assembly on the issue of standardization of courses. He noted that each UNC campus possesses unique characteristics and that it would be a disservice to attempt to “standardize” courses, and that the faculty did not feel there was a need to have a “centralized” system. Dr. Passe distributed the “*Resolution on the Collaboration between Community Colleges and the University of North Carolina*” to the Committee (*Attachment I*). A report on “Partnering with Community Colleges,” which provided a comprehensive

listing of the joint efforts between UNC and NCCCS campuses, was distributed at meeting. Copies are available at: <http://www.northcarolina.edu/content.php/aa/reports/aareport.htm>.

At the **September 20, 2004**, meeting members reviewed the list of recommendations and, after some editing, approved the draft list to be sent forward to the respective Boards for review and approval. The list maintained the focus on teacher education, nursing education, communications between the two systems, joint legislative actions, and an expanded role for the Transfer Advisory Committee.

<i>1. ANNUAL REPORT / ONGOING COMMUNICATIONS</i>	<i>RESPONSIBILITY</i>	<i>TIMELINE</i>	<i>SOURCE OF FUNDS</i>
1a. UNC and NCCCS should jointly issue an annual report to the respective boards on the status of partnerships between the two segments. The annual report should track transfer, retention, and graduation rates of transfer students as well as new programs such as dual enrollment. The report should recognize UNC and NCCCS institutions with creative partnerships. This report should be highlighted at the Joint Boards Meeting each year.	TAC representatives, Academic and Student Affairs divisions	February—in conjunction with the Joint Boards meeting	UNC NCCCS
1b. The Task Force (or a similarly-representative group) should meet to monitor the progress made on these recommendations. The Board chairs should determine the frequency of meetings and composition of the group. Consideration should be given to the participation of the Joint Liaison Committee in this effort.	Board Chairs Joint Liaison Committee or Subcommittee	Initial Follow-up meeting in January 2005	UNC NCCCS
1c. Hold an annual statewide summit of UNC Chancellors and NCCCS Presidents to discuss current issues with transfer, to develop strategies for elimination of barriers, to share ideas and best practices, and to explore joint programs that address the state's educational and workforce needs. This meeting should include provosts, academic vice president, and deans.	Chancellor Woodward and President Norris agreed to take the lead on this initiative.	Spring 2005	UNC NCCCS
1d. Establish an ongoing joint committee to monitor the progress resulting from the Statewide Report on Nursing and to develop articulation agreements for the ADN/BSN. Work collaboratively to establish additional clinical opportunities for nursing students. Include the NC Board of Nursing in discussions that are relevant to the licensing process. This task could become a part of the Joint Liaison Committee's agenda.	Boards Joint Liaison Committee or Subcommittee TAC	Ongoing	UNC NCCCS
1e. Establish a working relationship to carry out the recommendations from the Task Force on Meeting Teacher Supply and Demand. This includes 2+2 programs, lateral entry, and other forms of alternative licensing as well as classroom experience alternatives.	Joint Liaison Committee	Ongoing	UNC NCCCS DPI Independent Colleges and Universities
<i>2. JOINT LEGISLATIVE ACTION</i>	<i>RESPONSIBILITY</i>	<i>TIMELINE</i>	<i>SOURCE OF FUNDS</i>
2a. Establish an ongoing working relationship between the legislative liaisons for UNC and NCCCS to promote issues of joint concern, including faculty and staff salaries, health benefits for employees in higher education, military relations, bio-processing, funding for high cost Health Care programs, etc.	Legislative Liaisons	By the beginning of the next session	UNC NCCCS
2b. Continue dialogue between legal counsels for both entities to resolve legislative "bottlenecks" such as those for program	Legal Counsels	Ongoing	UNC NCCCS