



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

UNC Enrollment Change Funding Formula Needs Documentation and a Performance Component: Summary of Recommendations

Recommendations	Specific Actions
1. Require the UNC Board of Governors, with the assistance of UNC General Administration, to thoroughly examine and modify the existing student credit hour enrollment change funding formula and standardize the enrollment projection process	<ul style="list-style-type: none">• Simplify and standardize the enrollment projection process• Re-examine and justify funding factors for libraries and general institutional support• Adopt the Program Evaluation Division weighted cost per SCH formula or develop an approach that achieves the aim of retaining the formula granularity but reduces projection error• Present the revised funding model including enrollment projection process, revised cost factors, and resulting weighted cost per student credit hour or similar approach to the General Assembly no later than June 30, 2011• Implement the new model for enrollment change funding beginning with the 2011-13 biennium• Analyze accuracy of projections and adjust funding to correct errors prior to including in annual base
2. Require the UNC Board of Governors, with the assistance of UNC General Administration, to develop written policies for enrollment change funding decisions	<ul style="list-style-type: none">• Establish procedures for developing campus enrollment projections, calculating tuition offset, and calculating funding formula elements and cost factors• Develop criteria for granting hold harmless status• Produce a policy and procedures manual no later than January 1, 2012
3. Require the UNC Board of Governors to provide annual reports with performance indicators for holding the UNC system accountable to the public	<ul style="list-style-type: none">• Determine appropriate campus indicators, such as retention rates, graduation rates, trends in student credit hours, accuracy of enrollment projections, and explanation of sizeable projection errors• Report campus indicators annually to the General Assembly beginning no later than June 30, 2012
4. Begin implementation of performance-based funding by linking each campus's receipt of enrollment growth funding to its achievement of target outcomes	<ul style="list-style-type: none">• Develop appropriate campus-level performance indicators and goals• Require each campus to meet target outcomes in order to receive enrollment growth funding beginning with State Fiscal Year 2011-12• As appropriate given future budgets, consider working with UNC General Administration to develop an incentive funding program to encourage campuses to focus more on performance