

**UNC Faculty Assembly  
Budget Committee Meeting Minutes  
March 23, 2007**

1. Attendance: Paul Duvall, Gwen Ashburn, Sandy Gravett, Ken Esbenshade, Judith Wegner, Jeff Geller; Rob Nelson, Ginger Burks
2. Textbook Policy. Rob Nelson gave a report on developments related to the new textbook policy. GA received reports from the campuses in February. They were of uneven quality. There was still preference here at GA for rental programs since WCU, ECSU and ASU had successful ones that seemed to be cost effective. Other efforts were reported but it was difficult to quantify the effects and there is a desire at GA for quantitative data and quantifiable benefits. Rob hopes that there will be “trial” efforts of various sorts. GA has put a lot of effort into sales tax holidays timed to book purchases or removal of caps on books (now \$100). There has also been interest among the community colleges. The estimates just from UNC suggest a \$4 million hit on the general fund and that would be substantial for the General Assembly. They’ve also been working on consortia (e.g. UNC-CH with NC School of the Arts). He’s been told that January 2008 is a difficult date to meet. They’re also working on developing a common template for reporting costs of books and the estimates vary widely (between \$700 per year and \$1200 per year). Differences include picking average student, gross receipts, and so forth. Judith asked about the expectation for using a common book so there could be buy-back. Gwen said that in English at UNC-A there are many sections of English using different books. Ginger said that there was not an expectation that there would necessarily be a requirement of using the same book if it’s within a range of books that are part of the consortium program, and noted that some courses may not be included in the set of “introductory courses” under the policy. Sandy said that at ASU the faculty have adapted. Judith asked about picking up supplemental course packs and the time spent in putting those together. Ken said that there’s need to put pressure on publishers. He also said that many students are buying used textbooks from Amazon.com, and often buying prior editions. He wondered whether within the system could do that. Paul mentioned that in math they have discussion of which books to use (and with new editions offered by publisher, they tell the publishers that they’ll throw the competition open and look at all books).
3. PACE. Judith asked about current status and asked about the analysis of campus PACE recommendations to be sure that the “administrative” cuts are really happening, rather than having cuts passed down to academic programs. Rob said that they will do trend analysis on data.
4. Oversight of campus decision-making: Sandy said that at ASU she’s concerned that there’s a risk that campus administrations may count on legislative increases and if nothing happens there’ll be nothing done to move up to the 80<sup>th</sup>ile on faculty salaries. Rob said that the target will be kept focused on “overall, campus-wide, 80<sup>th</sup>ile). Sandy said that for assistants and associates the goal is 60<sup>th</sup>ile and they’re there, and for full professors is 50<sup>th</sup>ile and they’re there. But she doesn’t see much of a plan about how they would get to 80<sup>th</sup>ile if legislature doesn’t fund. Rob said that the committee at GA might be able to ask for a plan for how to reach goals, and that it’s not likely that every campus has a local target or plan. Ginger said that when meeting in Raleigh, they’re putting all the green stamps on student aid and faculty salaries. Jeff said there are many complications, since someone may have been 15 years as full professor, versus someone who has just been promoted. Ginger said that in the past the Board has stressed merit, market and equity. Rob said that the 80<sup>th</sup>ile is a clear goal that they can strive for. Rob said that the Governor said 5% for teachers, and 2-1/2% for university and staff. Erskine spoke to the joint appropriations committee and continued to stress the 80<sup>th</sup>ile goal, and Rob thought that the committee leadership really

seemed to understand the goal. Often legislators don't think about salary increases in this way, since it's never enough and they're more focus on programs and campuses they feel close to. Jeff said that with hiring of more people for administrative positions, it puts more pressure on department chairs (in terms of responding to their requests for information or trying to push back against cuts). Gwen noted that people get pulled out for directing different projects and they still have to meet instructional needs.

5. Budget and Legislative Update. Ginger distributed the comparison of budget data under the Governor's budget and the BOG proposal. The Governor's office now has a role with enrollment growth (as part of the continuation budget), and they used different approaches to data analysis (they took the worst five years in University history regarding reversions). Ken asked about whether 12 cell matrix was still in effect, and Ginger said yes but they adjusted percentages about such topics as institutional support, academic support, benefits, etc. The Governor provided more money for utility costs (gas, electricity). They switched fund sources for financial aid (escheats v. other) but that's an accounting artifact. The Governor wasn't happy about the tuition/fee increases and reduced the amount for need-based aid accordingly. The Governor also had a lower level for salaries and EB has said he'd rather have no capital funding if not funding for quality faculty. There's some money for graduate students (camel's nose). "EARN Scholars" program (Governor's initiative) gives aid where might otherwise have had to be put forth by students based on "self-help" requirement. This program is geared to those in middle-income situation (up to 200% of poverty line, \$41,300 for family). There's a priority for people who already have some college credit. A student might have a Pell grant, another federal competitive grant, \$3000 from state, and \$4000 for self-help contribution and \$4000 for remaining need. The EARN scholarship would cover the self-help. Ken said he didn't see why this was in the UNC budget, and said isn't this really about community colleges? Ginger said it's because the need-based aid runs through the UNC budget. Ginger said that it's said that the funding would go half and half to UNC and community college students. "Learn and Earn (credits)" programs (about 12 around the state) let students earn college credit and would link into this approach. Ken said, given the projected enrollment increases, there's need to plan to accommodate student growth (both community colleges and universities). If the current funding model is used, that's backward looking and he needs to get ahead of that with faculty and facilities. Rob said the UNC Tomorrow initiative will be considering all this. Paul asked whether, historically it's likely there's going to be recovery. Ginger said that generally the Governor's budget is the lower point to begin with, then Senate and House will weigh in, then conference committee. Rob said that sometimes 2-3 years are needed to get things done. Paul asked about research support. Rob said he thinks that perhaps the competitiveness initiative will need to be more closely defined. Judith asked about how the House looks now. Rob said that they had first committee presentation yesterday, then additional presentations next week. Then the House and the Senate will split and start crafting proposals. Likely first week of May before a House budget. Judith asked about community colleges. Rob said that there's no conflict with them generally, but there is a difference between salaries as proposed. They're shooting for the median. Legislators have said why not same for UNC and GA says we don't want average faculty (and don't have average faculty). Treasurer indicated more debt capacity this year than in the past, and Governor allowed more (\$487M). Judith commented on demographic trends relating to growth in Hispanic population including undocumented immigrants. Jeff said that he probably disagreed regarding support for undocumented immigrants and historically focus has been on support for residents (with hesitancy about supporting non-residents). Ken and Gwen commented on immigration trends as well.