

# *Appendix A*

## **Definition of Terms**



**September 2014**

## Definition of Terms

The following terms and their general definitions as used in this document are offered here to encourage standardized use and mutual understanding. Some terms introduced here may be referenced much later in this manual. Items defined here appear as bold Italics in the body of other definitions provided.

Actual SCHs – Those **student credit hours** requested in compliance with a given data collection effort. May or may not be fundable. See **Coding Instructions**.

Appropriations – The requested or received dollar amount of funding set aside by the General Assembly from the State's General Fund. The general formula for calculating appropriations is **requirements** minus **tuition off-sets**.

Average Annual FTE (AAFTE) – The Full Time Equivalent number derived by converting student headcount into an equivalent number if all had taken full-time load, averaged on an annual basis (applicable to regular term only and based on the 1/4 stair-step method).

Base Funding – Funding applicable to the level of total SCHs budgeted in a defined base or beginning year. Contrast with funding for Change SCHs.

Base SCHs –The number of budgeted student credit hours (**SCHs**) from which subsequent **SCH change** is measured.

Budgeted FTEs – Under the **FTE (Full Time Equivalent) Funding model**, the number of AAFTE (Average Annual FTE), approved by BOG for funding and used to determine tuition revenue.

Budgeted SCHs – The number of student credit hours used to establish a funding base for a particular fiscal period.

Census Date (Common Census Date) – Official "snapshot" date that institutions are required to freeze data files used for counting student headcount/full-time equivalent enrollments, and student credit hours for budgeting and reporting purposes. Effective July 1, 2000, UNC-GA implemented a "Common Census Date" policy for UNC institutions. The policy stipulates the following: "For regular term instruction, the census date is the 10th class day of the term. For summer sessions, degree credit extension courses, and any other degree-credit courses taught on an irregular calendar, the census date is the class day representing the passage of 10 percent of the instructional period." (The UNC Policy Manual: 400.1.8[R]).

Change SCHs – The number of SCHs represented by the difference between **base budgeted SCHs** and Board-approved **projected SCHs** and expressed in a **12-cell matrix**. These SCHs form the basis for the incremental change request for state appropriations.

CIP Codes – The 2-digit Classification of Instructional Program codes that represent the institutionally identified discipline to which each course of instruction should be associated. Some disciplines are identified or separated via other criteria (such as Nursing instruction), and others by default (such as Health Affairs Residual via the removal of Nursing and Medicine, etc).

Coding Instructions – Detailed instructions on how to identify certain situations in reporting SCHs. May affect SCHs included in funding counts. See **Fundable SCHs**. See **Reported SCHs**.

Common Census Date – See Census Date

Correspondence Study – Instruction delivered through the mail via the Independent Studies division of UNC-CH. Not included on the **SCH funding model**. Funded on a **cost-recovery** basis.

Customized Programs – Contracted or customized programs/courses approved by UNC General Administration for which tuition and other associated costs are designed to cover the full cost of the program/course. Funding is **receipt-based** and is not derived through appropriations using the SCH funding formula; **see funding methods**.

Customized Tuition – Tuition set by an institution (with UNC-GA review) to cover the full cost of instruction. **SCHs** generated via the course are **non-fundable** via state appropriations.

Disciplines – See CIP Codes.

Distance Education – Instruction delivered or **SCHs** generated by for-credit off-campus instructional activity, regardless of the office or department offering the instruction and the method of delivery; does not include **correspondence study**. May occur during the regular term (fall and spring semesters) or the summer term. See **Extension**.

Dollar/SCH Values – The amount or dollar value for a single **SCH** in each of the 12 cells in the matrix. Varies by institution.

Equity Base – The dollar amount for each campus resulting from the addition of the monies secured via the **equity study** (\$21 million) to the existing campus' **revenue domain**.

Equity Study – A detailed study directed by the General Assembly and conducted by UNC-GA during 1995-96 with the assistance of an outside consultant to determine the equity of funding among the constituent institutions of UNC.

Extension – An office or division that oversees credit or non-credit instruction offered to non-traditional groups of students off-campus. Instruction offered on-campus (e.g., “evening college”) through an extension division is counted and funded as regular-term instruction. **See Distance Education**.

Fiscal Year Splits – The partitioning of **SCHs** into the fiscal year to which they appropriately belong as required by OSBM policy. **Regular term** SCH production, by definition, falls within the fiscal year when the instruction occurs. Summer School SCHs are assigned to the fiscal year in which the last class day occurs: first summer session instruction and SCHs typically belong to the fiscal year ending during the summer in question, and the second and long summer sessions' instruction and SCHs typically belong to the fiscal year beginning during the summer in question. Likewise, **Distance Education** SCHs, may occur during the regular term (fall and spring semesters) or the summer term, and must (like summer school SCHs) be assigned to the fiscal year in which the last class day occurs.

Formula-generated – Values generated via **SCHs** and other input into the **SCH model**. Commonly refers to fiscal requirements, but may refer to any component of the formula, such as formula-generated FTE faculty positions.

FTE – Full-time Equivalent – A standardized representation that proportionately converts full-time and part-time academic loads to a */full-time equivalent measure/*. Full time is represented as 1. Applicable to student enrollment load or faculty or staff positions.

FTE Model – see Funding Methods below.

#### Funding Methods for which the Program receives State Appropriations:

SCH Model – The process by which projected **student credit hour** enrollment change is funded, or the set of mathematical calculations through which the funding request is determined. Commonly used in a broad sense, but is applicable only to change SCHs. **Note:** The SCH model was used to fund the entire distance education initiative (base year and change) in 1998-99 (the initial year of funding).

FTE Model – Programs and courses being funded via the pre-1998-99 Full Time Equivalent model.

Supplemental State Appropriations – Historically-based funding designed to offset some of the costs associated with providing the instruction. Relatively stable across time (considered partial funding). Summer school instruction would be an example.

Special Appropriations – No model or formula per se. Based on needs assessment and estimate of costs. May come from Legislature or Board of Governors initiative or mandate.

Cost Recovery – State appropriation designed to cover difference between costs and tuition.

Funding Methods for which the Program does not receive State Appropriations:

Receipt-based – Contracted or customized programs/courses approved by UNC-General Administration where tuition and other associated costs are designed to cover the full cost of the program/course. This method of funding is used for non-resident students at out-of-state distance education sites and for programs funded by external grants or contracts.

Tuition Only – Instruction for which the student pays Board of Governors (BOG) approved tuition to receive instruction, but the State provides no funding for the instructional activity.

Fundable SCHs – Those student credit hours for which it is deemed appropriate to request State appropriations via the **SCH model**. May be date-specific. Other **SCHs** may be deemed fundable via other **funding methods**, and not all reported SCHs are fundable via appropriations. See **Coding Instructions**. See **Reported SCHs**.

Inclusions/Exclusions – Terms used to distinguish between fundable and non-fundable **SCHs**. See **Chapter 3**; see **Appendix E**.

Instructional Areas – The broad areas of disciplines grouped by their common instructional cost to constitute one dimension of the funding mechanism: Category I (lower cost); Category II; Category III; and Category IV (higher cost). Taken with **instructional levels**, produces the **12-cell matrix**.

Instructional Levels – The broad levels at which instruction is funded: undergraduate level; Master’s level; and Doctoral level. Taken with four **instructional areas**, produces the **12-cell matrix**.

Instructional Position Factors – Factors applicable to the **12-cell matrix** used in converting **SCHs** to the number of FTE faculty positions required by the SCHs.

Non-formula – See Off-formula.

Non-fundable SCHs – SCHs deemed ineligible for State funding via the **SCH model**.

Off-campus Instruction – Instruction which is received away from the main or auxiliary campus(es) based on factors other than the non-availability of on-campus space. NOTE: If the instruction is held off-campus purely for the convenience/preference of the instructor or students, but would otherwise have been held on campus, the instruction is considered to be on-campus instruction.

Off-formula or Off-model or Non-formula – Not funded via the **SCH model**. May or may not be funded via another method. May or may not be required to be reported or projected on data collection documents.

Off-model – See Off-formula.

On-campus Instruction – Instruction which is received on the main or auxiliary campus(es), or which is delivered off-campus due to non-availability of on-campus space. NOTE: If the instruction is held off-campus purely for the convenience/preference of the instructor or students, but would otherwise have been held on campus, the instruction is considered to be on-campus instruction.

Partial Credit – The fractional credit a student earns for satisfactorily completing a course, as in 1.5 SCHs. Cannot be less than 0.1 SCH.

Pilot site – Limited duration distance education degree programs authorized for selected UNC campuses and supported by special funding provided by the General Assembly. Their purpose is to explore distance education modes of delivery and to meet the needs of underserved North Carolina communities. Most pilot sites are community college campuses, although a few other locations were later added.

Projected SCHs – The number of SCHs which an institution anticipates delivering at a future point in time. Subject to approval by the UNC Board of Governors when requested for funding. Commonly reported in a **12-cell matrix**.

Receipt-based – See Funding Methods.

Regular Term On Campus– The regular academic year comprised of the fall and spring semesters; synonymous with instruction or **SCHs** delivered during this period (such as “regular term SCHs”). Does not include **distance education** instruction or SCHs or summer school SCHs.

Reported SCHs – See Actual SCH’s

Requirements – The **formula-generated** dollar amounts needed to adequately fund a prescribed set of SCHs. Does not take into account **tuition off-sets**.

Residency Classification – The determination that a given student is required to pay resident (in-state) or non-resident (out-of-state) tuition. **See Appendix L** – NC Statutes regarding residency.

Revenue Domain – The expenditures supported by appropriations and tuition revenues and associated with a given institution’s total fundable SCH generation for a given period, such as a fiscal year.

SCHs – Student Credit Hours – The semester hours credit a student attempts for satisfactorily completing a course; the sum of semester hours credit earned by a given student, or all students at a given institution. May or may not be fundable.

SCH Model or SCH Formula – See Funding Methods.

Special Appropriations – See Funding Methods.

Summer Term – An instructional period starting and ending some time between mid-May and the end of August. Opposed to the regular term (fall and spring semesters). May consist of multiple sessions: first, second, and long. **See Regular Term. See Distance Education. See Fiscal Year Splits.**

Supplemental State Appropriations – See Funding Methods.

Tuition Off-sets – The dollars realized or anticipated from applicable tuition revenue to be subtracted from total **requirements**, reducing the State’s financial responsibility, and resulting in the University’s **appropriations** request to the General Assembly.

Tuition Only – See Funding Methods.

Tuition Schedules – Tuition rates as approved by the Board of Governors. May be on a 1/4 FTE stair-step basis or per-SCH basis. Different schedules for regular term, distance learning, and summer school. **See Appendices E and J.**

Twelve-cell Matrix – A 3 by 4 template (12 sections) showing values resulting from the association of three **instructional levels** (Undergraduate, master’s, doctoral) and four broad **instructional areas** (Categories 1-4, based on CIP codes). The values represent actual SCHs, projected SCHs, Dollars/SCH or the number of SCHs needed to produce instructional positions.

Undergraduate Funding Factors – Adjustments applied to the **instructional position factors** to produce an increased number of generated **FTE** faculty positions in recognition of a commitment to disadvantaged student populations, freshman to sophomore retention, diseconomies of scale experienced by small institutions, or degree efficiency performance. (See Chapter 6)