

Institutional Budget Assignment

Department of Higher Education, The Penn State University

HIED 810: Planning and Resource Management

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North Carolina State University Budget at a Glance

North Carolina State University (NCSU or NC State) is a large, 4-year, research-oriented public university that receives revenue in the form of tuition and fees, state and federal appropriations, contracts, grants, sales, and gifts from sponsors (North Carolina State University [NCSU], 2021; NCSU, 2013). NC State's operating expenditure history by program and by account are relatively consistent between 2017-20, resembling a formula budgeting strategy which, "relies on quantitative measure[s] to distribute resources" (Goldstein, 2019, p. 364). All data is reported per fiscal year and expenses are categorized, "by the type of expense rather than the purpose for which the expense is incurred", representative of natural classification (Goldstein, 2019, p. 366).

Projected Revenue

Federal Appropriations, Grants, and Contracts

The projected 2020-21 revenue by source reflects state (32%) and federal (2%) appropriations which "help defray the cost of attendance" for students with tuition and fees accounting for 22% of total revenue (Goldstein, 2019, p. 69; NCSU, 2021). This revenue from tuition and fees aligns with the national trends for the 2015-16 fiscal year which reflects public institutions receiving 21% of their yearly revenue from tuition and fees (Goldstein, 2019).

It is surprising that NCSU only receives 2% of its yearly revenue from federal appropriations, grants, and contracts versus the national public average of 13.6% (Goldstein, 2019; NCSU, 2021). Federal grants and contracts "are a significant revenue source, especially for research universities", so it would be interesting to identify the reason NC State's federal appropriations are so low (Goldstein, 2019, p. 74).

State Appropriations, Grants, and Contracts

It is possible the university does not engage frequently with federally sponsored programs but instead prioritizes state and corporate-sponsored programs (Goldstein, 2019). NCSU receives 8% more than the national average in-state appropriations which is likely indicative of state-sponsored programs. Additionally, the university's projected 2020-21 revenue from contracts and grants (22%) as well as sales and services (14%) reflect substantial revenue from sponsors (Goldstein, 2019; NCSU, 2021).

Expenditures

Salaries and Benefits

From the 2018-19 operating expenditures year to the 2020-21 projected operating expenditures, salaries, and benefits expenditures have increased by 9.2% (NCSU, 2021). This is likely due to projected costs related to the COVID-19 pandemic and is an indicator of the university's risk tolerance (Goldstein, 2019). NC State has decreased its projected revenue by \$10 million but has increased projected operational expenditures in categories that support the university faculty and staff as well as its academics. Using data from NCSU's projected expenditures by program and by account, the university is predicting higher expenditures in student financial aid, academic/student support, instruction, and organized research, but they are allocating fewer funds for scholarships and fellowships, supplies and materials, and services (NCSU, 2021). These resource allocation decisions indicate strategic moves to support the institution's employees and therefore the students.

Conclusion

NC State University has surely adjusted its budget to be reflective of the uncertainties introduced by the recent political party changes and the COVID-19 pandemic while also

planning to continue pursuing its strategic plan and ensure the financial stability of the university (Goldstein, 2019). Overall, I was most surprised by the lack of federal funds received and the increase of expected expenditures in categories that will support the faculty, staff, and students. These predicted expenditures likely reflect a strategic move by the university to ensure “economic sustainability” despite the social and economic instability of the environment between the 2019-2021 fiscal years (Goldstein, 2019, p. 42; NCSU, 2020).

References

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