FY20 and FY21 Budget Update

• FY20 EG Funding
  - Gap Year Strategy = Summer RTI
  - Not included in pending bills

• FY21 EG Funding
  - Recent guidance from System Office
  - Enrollment growth calculation changes
# Enrollment Growth Formula Transition Overview

## Enrollment Growth Funding Calculation (Approach by Period)

<table>
<thead>
<tr>
<th></th>
<th>Traditional Approach</th>
<th>Current Year (FY20)</th>
<th>FY21 &amp; Beyond Delayed Approach</th>
<th>FY21 &amp; Beyond Extended Delay</th>
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</thead>
</table>
| **Applicable SCHs** | • Projection of SCHs to be produced within applicable fiscal year | • Based on summer SCHs (RTI)*  
  *Funding not provided by legislature | • Summer II 2019 Actual SCHs (with RTI)  
• Fall 2019 Actual SCHs  
• Spring 2020 Projected SCHs  
• Summer I 2020 Proj. SCHs (with RTI) | • Spring 2019 Actual SCHs (with RTI)  
• Summer 2019 I and II Actual SCHs  
• Fall 2019 Actual SCHs |
| **Logic** | • Variable expenses and revenues aligned | • Avoids “double funding” of FY19 | • Responsive to concerns about accuracy of fall projections | • Responsive to concerns about accuracy of all projections |
| **Pros** | • Enabled scaling of programs and budgets appropriately  
• More aligned with market demands | • Opportunity to get summer RTI funded & incentivize more summer courses | • Reduces size of end-of-year adjustments  
• Opportunity to get summer RTI funded & incentivize more summer courses | • Eliminates end-of-year adjustments  
• Opportunity to get summer RTI funded & incentivize more summer courses |
| **Cons** | • Inaccurate forecasts required budget adjustments (or true-ups) the following year | • Only accounts for small % of SCHs produced | • Misaligns var. rev. & exp. up to 12 months  
• Disincentive for highly needed programs  
• Less efficient deployment of resources | • Further exacerbates “cons” from previous column |
Proposed Transition and Related Activities

• **System-level**
  - Feedback generally supportive/neutral
  - Special Reserve Appropriation Request
  - February BOG consideration

• **Campus-specific**
  - Relevance to new program planning
  - Investment fund impacts
  - Alternative revenue streams
Alcohol Sales at Athletic Venues

• Plans pursuant to:
  - Brooks Field
  - Boseman Field
  - UNCW Soccer Complex

• Complete update will be provided and corresponding action item will be considered at full board meeting
Any questions?