Vice Chancellor Update
BOT Business Affairs Committee
January 23, 2020
FY20 and FY21 Budget Update

• FY20 Appropriations
  - R&R Funding
  - Building Reserves
  - Enrollment Growth (gap year strategy based on summer face to face)
  - January BOG Action

• FY21 Appropriations
  - R&R Funding
  - Building Reserves
  - Enrollment Growth calculation changes (per recent guidance)
## 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>
<tbody>
<tr>
<td><strong>Applicable SCHs</strong></td>
<td>- Projection of SCHs to be produced within applicable fiscal year</td>
<td>- Based on summer SCHs (face to face)*</td>
<td>- Summer II 2019 Actual SCHs (with summer face to face)</td>
<td>- Spring 2019 Actual SCHs</td>
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<td></td>
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<td>- <em>Funding not provided by legislature</em></td>
<td>- Fall 2019 Actual SCHs</td>
<td>- Summer 2019 I and II Actual SCHs (including face to face)</td>
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<td><strong>Logic</strong></td>
<td>- Variable expenses and revenues aligned</td>
<td>- Avoids “double funding” of FY19</td>
<td>- Responsive to concerns about accuracy of fall projections</td>
<td>- Responsive to concerns about accuracy of all projections</td>
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<tr>
<td><strong>Pros</strong></td>
<td>- Enabled scaling of programs and budgets appropriately</td>
<td>- Opportunity to get summer face to face funded &amp; incentivize more summer courses</td>
<td>- Reduces size of end-of-year adjustments</td>
<td>- Eliminates end-of-year adjustments</td>
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<td>- More aligned with market demands</td>
<td></td>
<td>- Opportunity to get all summer funded &amp; incentivize more summer courses</td>
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<td><strong>Cons</strong></td>
<td>- Inaccurate forecasts required budget adjustments (or true-ups) the following year</td>
<td>- Only accounts for small % of SCHs produced</td>
<td>- Misaligns var. rev. &amp; exp. up to 12 months</td>
<td>- Further exacerbates “cons” from previous column</td>
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</tbody>
</table>

*Funding not provided by legislature*
Proposed Transition and Related Activities

• System-level
  - Feedback generally supportive/neutral
  - Special appropriation requests
  - 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?